

Adtran Networks SE

Meiningen

– ISIN DE 0005103006 –

(Securities Identification Number [Wertpapierkennnummer – WKN] 510300)

### Invitation to the Annual General Meeting

The shareholders of our Company are hereby invited to the

Annual General Meeting

to be held on Friday, June 28, 2024 at 11am (CEST) (admission starting at 10 am (CEST)) at the Hotel Sächsischer Hof, Georgstr. 1, 98617 Meiningen, Germany.

#### I. AGENDA

1. Presentation of the adopted annual financial statements as of December 31, 2023, the approved consolidated financial statements as of December 31, 2023, the combined management report for Adtran Networks SE and the Group for the 2023 fiscal year, the explanatory report of the Executive Board on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code [Handelsgesetzbuch - HGB], the report of the Supervisory Board for the 2023 fiscal year, and the combined separate non-financial report for Adtran Networks SE and the Group for the 2023 fiscal year

The Supervisory Board approved the annual financial statements and consolidated financial statements prepared by the Executive Board. This means the annual financial statements have been adopted, so there is no need for the Annual General Meeting to adopt them. The Annual General Meeting must be provided with the annual financial statements, the combined management report, the consolidated financial statements, the Executive Board's report on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code, and the Supervisory Board's report. No resolution will be passed on this agenda item.

2. Resolution on appropriating net profit for the 2023 fiscal year

The net profit of EUR 177,438,127.08 for the 2022 fiscal year was most recently carried forward to new account, so a decision must be made again on these profits as net profit for the 2023 fiscal year despite the existing control and profit transfer agreement. Due to a distribution block in accordance with Section 268 (8) HGB, a maximum profit distribution of up to EUR 89,703,516.46 could be made.

The Executive and Supervisory Boards propose that the net profit for the 2023 fiscal year in the amount of EUR 177,438,127.08 be carried forward in full to new account.

3. Discharging the Executive Board members for the 2023 fiscal year

The Executive and Supervisory Boards propose that all Executive Board members of Adtran Networks SE who have held office in the 2023 fiscal year be discharged for this fiscal year.

4. Discharging the Supervisory Board members for the 2023 fiscal year

The Executive and Supervisory Boards propose that all Supervisory Board members of Adtran Networks SE who have held office in the 2023 fiscal year be discharged for this fiscal year.

5. Electing the auditor and the group auditor for the 2024 fiscal year

Based on the recommendation of the Audit Committee, the Supervisory Board proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed as the auditor and the group auditor for the 2024 fiscal year.

The recommendation of the Audit Committee was preceded by a selection procedure carried out in accordance with Article 16 of the EU Statutory Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC). Subsequently, the Audit Committee proposed KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, and Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, to the Supervisory Board for the audit mandate, stating its reasons, and indicated a substantiated preference for KPMG AG Wirtschaftsprüfungsgesellschaft, Munich.

The Audit Committee has declared that its recommendation is free from undue influence by third parties and, in particular, that it has not been subject to any clause restricting the selection options of the Annual General Meeting with regard to the selection of certain auditors, see Article 16 (6) of the EU Statutory Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC).

6. Resolution on approving the Compensation Report 2023

Pursuant to Section 162 (1) of the German Stock Corporation Act [Aktiengesetz - AktG] ("AktG"), the Executive and Supervisory Boards of a listed company must prepare a Compensation Report annually. Under Section 162 (3) AktG, the Compensation Report must be reviewed by the auditor and must be provided with an audit opinion. According to Section 120a (4) sentence 1 AktG, the Annual General Meeting resolves on the approval of this Compensation Report for the preceding fiscal year, which was prepared and audited pursuant to Section 162 AktG.

The Compensation Report prepared in accordance with Section 162 AktG for the 2023 fiscal year is reproduced in the information on agenda item 6 below ("Compensation Report of Adtran Networks SE for the 2023 fiscal year"). It was audited and provided with an audit opinion by the auditor PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Munich.

The Executive and Supervisory Boards propose that the Compensation Report of Adtran Networks SE for the 2023 fiscal year, prepared and audited in accordance with Section 162 AktG, be approved.

7. Electing a Supervisory Board member

The former Supervisory Board Chair, Prof. Dr. Johanna Hey, resigned from the Company's Supervisory Board on June 21, 2023. By resolution dated June 30, 2023, the Jena Local Court appointed Ms. Heike Kratzenstein as a Supervisory Board member in accordance with Section 104 (2) sentence 2 AktG. In accordance with recommendation C. 15 of the German Corporate Governance Code as amended on April 28, 2022, which was published in the Federal Gazette on June 27, 2022 (the "GCGC"), the application for judicial appointment was temporary until the next Annual General Meeting. An election resolution is therefore to be passed at this Annual General Meeting.

Pursuant to Article 40 (2) and (3) of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (SE), Section 17 of the German SE Implementation Act and Section 8 (1) sentence 2 of the Company's Statutes, the Supervisory Board is composed of three members who are elected by the Annual General Meeting. The Annual General Meeting is not bound by election proposals.

The following election proposal of the Supervisory Board is based on the recommendation of its Nomination and Compensation Committee.

The Supervisory Board proposes that Ms. Heike Kratzenstein, resident in Glonn, CEO of Asmodee Holding GmbH, be elected to serve on the Supervisory Board until the end of the Annual General Meeting that resolves on her discharge for the 2024 fiscal year.

The following information pertains to the candidate's membership in other statutory supervisory boards and comparable domestic and foreign supervisory bodies of commercial enterprises:

Ms. Heike Kratzenstein is not a member of any other statutory supervisory boards of domestic companies, nor is she a member of comparable domestic or foreign supervisory bodies of commercial enterprises.

The election proposal takes into account the objectives resolved by the Supervisory Board for its composition and aims to fulfill the competence profile for the entire Board that was resolved at the same time. The Supervisory Board took account of diversity (recommendation C. 1 GCGC). The Supervisory Board has also made sure that the candidate for election to the Supervisory Board can devote the expected amount of time required to fulfill the mandate.

The Supervisory Board also believes there are no personal or business relationships between the candidate and Adtran Networks SE, its Group companies, the executive bodies of Adtran Networks SE, or a shareholder with a material interest in Adtran Networks SE that an objectively judging shareholder would consider decisive for his or her election decision and would therefore have to be disclosed in accordance with recommendation C. 13 GCGC. Furthermore, the minimum proportion of independent shareholder representatives stipulated in recommendations C. 6, C. 7 and C. 9 GCGC is also complied with.

In the following section, "Supplementary disclosures on agenda item 7," the candidate's curriculum vitae is attached, supplemented by an overview of her main activities in addition to the Supervisory Board mandate, which provide information on the relevant knowledge, skills, and professional experience (see recommendation C.14 GCGC). You can also find the curriculum vitae on our Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

8. Resolution on compensating the Supervisory Board members

The current compensation of the Supervisory Board members is governed by Section 12 of the Company's Statutes and the resolution of the Annual General Meeting on May 19, 2021, agenda item 9.

Section 12 of the Company's Statutes reads as follows:

"Section 12 Compensating the Supervisory Board

In addition to the reimbursement of expenses incurred in the performance of their duties, each Supervisory Board member receives compensation that is determined by resolution of the Annual General Meeting in accordance with the provisions of Section 113 AktG. In addition to the reimbursement of expenses and compensation, any value added tax (VAT) incurred will be reimbursed."

Most recently, the Annual General Meeting on May 19, 2021 resolved the following compensation for the Supervisory Board members under agenda item 9:

"Each Supervisory Board member of ADVA Optical Networking SE (now Adtran Networks SE) receives a fixed annual compensation in addition to the reimbursement of their expenses. This fixed compensation amounts to EUR 100,000 for the Supervisory Board Chair and EUR 45,000 for the other members. The Chair of the Audit Committee receives an additional EUR 45,000 for his work. The annual compensation is paid in four tranches, one at the end of each quarter. If the Supervisory Board and/or its committees change, compensation is paid pro rata temporis. Furthermore, the Company bears the premiums for financial loss liability insurance insofar as the Company has taken out such insurance for the benefit of the Supervisory Board members."

The compensation of Supervisory Board members who do not already receive increased compensation as Supervisory Board Chair or Audit Committee Chair is to be increased, and the correspondingly adjusted abstract system for compensating Supervisory Board members must be submitted to the Annual General Meeting for approval. The underlying abstract compensation system with the disclosures pursuant to Section 113 (3) sentence 2 AktG, 87a (1) sentence 2 AktG is presented in the information below on agenda item 8 (the "Compensation System for Supervisory Board members")

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

- (a) Each Supervisory Board member of Adtran Networks SE receives a fixed annual compensation in addition to reimbursement of their expenses. This fixed compensation amounts to EUR 100,000 for the Supervisory Board Chair, EUR 90,000 for the Audit Committee Chair, and EUR 75,000 for the other members. If a Supervisory Board member performs both functions with increased compensation, they will receive only the fixed annual compensation provided for the Supervisory Board Chair. The annual compensation is paid in four tranches, one at the end of each quarter. A Supervisory Board member who is not a Supervisory Board member for a full fiscal year receives compensation on a pro rata temporis basis. The above provision applies with the necessary modifications to the chairmanship of the Supervisory Board or Audit Committee. The Company also pays the premiums for financial loss liability insurance, insofar as the Company has taken out such insurance for the benefit of the Supervisory Board

members. This compensation regulation applies for the first time for the 2024 fiscal year. The tranche of the annual compensation for the first quarter of 2024 will be paid out together with the tranche for the second quarter of 2024.

- (b) The compensation of the Supervisory Board members and the compensation system for the Supervisory Board members set out in Article 12 of the Statutes and the preceding paragraph (a) are approved.

9. Resolution on approving the compensation system for Executive Board members

Section 120a (1) sentence 1 AktG provides that the Annual General Meeting of listed stock corporations shall resolve on approving the compensation system for the Executive Board members presented by the Supervisory Board whenever there is a significant change, but at least every four years.

The previous compensation system was approved by the Annual General Meeting on May 24, 2023 and will essentially be retained, with only minor adjustments being made. In particular, individual details of the variable compensation components are to be aligned with the regulations and plans applicable throughout the Adtran Group. And the relationship between the individual compensation components provided for in the current compensation system must be adjusted.

Based on the preliminary work of the Nomination and Compensation Committee, the Supervisory Board adopted a new compensation system on May 8, 2024, which replaces the compensation system approved on May 24, 2023. The new compensation system is set out in the supplementary disclosures on agenda item 9 and will be submitted to the Annual General Meeting for approval.

The Supervisory Board proposes that the compensation system for the Executive Board members adopted by the Supervisory Board on May 8, 2024 be approved.

10. Resolution on creating new authorized capital 2024/I with authorization to exclude subscription rights; amendment to the Statutes

By resolution of the Annual General Meeting on May 22, 2019, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the share capital by a total of EUR 24,965,477 by issuing up to 24,965,477 new no-par value bearer shares against cash or non-cash contributions on one or more occasions until May 21, 2024. Shareholders' subscription rights may be excluded under certain conditions (authorized capital 2019/I). Until now, the aforementioned authorization has not been utilized. The authorized capital 2019/I expires on May 21, 2024, thus before the next Annual General Meeting. Therefore, new authorized capital 2024/I with a term until June 27, 2029 must be created.

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

- (a) Creating new authorized capital 2024/I

With the Supervisory Board's consent, the Executive Board may increase the share capital by a total of up to 26,027,250 (in words: twenty-six million twenty-seven thousand two hundred and fifty) euros by issuing up to 26,027,250 (in words: twenty-six million twenty-seven thousand two hundred and fifty) new no-par value bearer shares (ordinary shares) in exchange for cash or non-cash contributions on one or more occasions until June 27, 2029 (authorized capital 2024/I).

The authorization can be utilized in partial amounts. With the Supervisory Board's consent, the Executive Board may stipulate the further content of the share rights and the conditions of the share issue.

With the Supervisory Board's consent, the Executive Board may exclude subscription rights for capital increases in exchange for contributions in kind, if the shares issued in exchange for contributions in cash or in kind while the Executive Board is so authorized, and in exclusion of shareholder subscription rights, do not exceed 20% of the share capital, neither at the time this authorization takes effect nor at the time of its utilization.

When the capital is increased in exchange for cash contributions, the shareholders must generally be granted a subscription right for the new shares. The new shares are to be taken over by at least one bank or at least one Company operating pursuant to Section 53 (1) sentence (1) or Section 53b (1) sentence (1) or para. 7 of the German Banking Act [[Gesetz über das Kreditwesen - KWG] with the obligation to offer them to the shareholders for subscription.

With the Supervisory Board's consent, the Executive Board may also exclude the shareholders' subscription rights for capital increases in exchange for contributions in kind if the shares issued in exchange for contributions in cash or in kind during the term of this authorization and in exclusion of shareholder subscription rights do not exceed 20% of the share capital, neither at the time this authorization takes effect nor at the time of its utilization,

- i. if shareholder rights are excluded to realize fractional shares, or
- ii. if the issue amount of the new shares is not significantly lower than the stock exchange price and the shares issued during the period of this authorization in accordance with or in application mutatis mutandis of Section 186 (3) (4) AktG in exchange for cash contributions where the subscription right is excluded do not exceed 20% in total of the share capital, neither at the time this authorization takes effect nor at the time of its utilization. The following will count towards the limitation to 20% of the share capital:
  - treasury shares that are sold during the period of validity of this authorization in application mutatis mutandis of Section 186 (3) sentence 4 AktG where the subscription right of the shareholders is excluded, and
  - shares that are issued or are to be issued to service bonds with conversion or option rights if and insofar as the bonds are issued during the period of validity of this authorization in application mutatis mutandis of Section 186 (3) sentence 4 AktG where the subscription right is excluded.

(b) Amendment to the Statutes

Section 4 (4) of the Statutes is amended and rewritten as follows:

"With the Supervisory Board's consent, the Executive Board may increase the share capital by a total of up to 26,027,250 (in words: twenty-six million twenty-seven thousand two hundred and fifty) euros until June 27, 2029 by issuing a total of up to 26,027,250 (in words: twenty-six million twenty-seven thousand two hundred and fifty) new no-par value bearer shares (ordinary shares) in exchange for cash or non-cash contributions (authorized capital 2024/I).

The authorization can be utilized in partial amounts. With the Supervisory Board's consent, the Executive Board may stipulate the further content of the share rights and the conditions of the share issue.

With the Supervisory Board's consent, the Executive Board may exclude subscription rights for capital increases in exchange for contributions in kind if the shares issued against contributions in cash or in kind while the Executive Board is so authorized, and in exclusion of shareholder subscription rights, are 20% or less of the share capital when this authorization takes effect and when it is utilized.

When the capital is increased in exchange for cash contributions, the shareholders must generally be granted a subscription right for the new shares. The new shares are to be taken over by at least one bank or at least one Company operating pursuant to Section 53 (1) sentence (1) or Section 53b (1) sentence (1) or para. 7 of the German Banking Act [[Gesetz über das Kreditwesen - KWG] with the obligation to offer them to the shareholders for subscription.

With the Supervisory Board's consent, the Executive Board may also exclude the shareholders' subscription rights for capital increases in exchange for contributions in kind if the shares issued in exchange for contributions in cash or in kind while the Executive Board is so authorized, and in exclusion of shareholder subscription rights, are 20% or less of the share capital when this authorization takes effect and when it is utilized,

- i. if shareholder rights are excluded to realize fractional shares, or
- ii. if the issue amount of the new shares is not significantly lower than the stock exchange price and the shares issued during the period of this authorization in accordance with or in application mutatis mutandis of Section 186 (3) (4) AktG in exchange for cash contributions where the subscription right is excluded do not exceed 20% in total of the share capital, neither at the time this authorization takes effect nor at the time of its utilization. The following will count towards the limitation to 20% of the share capital:
  - treasury shares that are sold during the period of validity of this authorization in application mutatis mutandis of Section 186 (3) sentence 4 AktG where the subscription right of the shareholders is excluded, and
  - shares that are issued or are to be issued to service bonds with conversion or option rights if and insofar as the bonds are issued during the period of validity of this authorization in application mutatis mutandis of Section 186 (3) sentence 4 AktG where the subscription right is excluded."

11. Authorization to acquire and use treasury shares, including under exclusion of subscription rights

The authorization to acquire treasury shares resolved at the Annual General Meeting on May 22, 2019 expires on May 21, 2024. So the Executive Board is to be reauthorized to acquire treasury shares.

The Executive and Supervisory Boards propose the following resolution:

- (a) The Executive Board is authorized to acquire treasury shares in accordance with Section 71 (1) No. 8 AktG for any permissible purpose within the scope of the statutory provisions and in accordance with the following provisions. This authorization is valid until June 27, 2029. It is limited to a total of 10% of the share capital existing when the resolution is made by the Annual General Meeting or –if this value is lower– when the authorization is exercised. The authorization can be exercised directly by the Company, a corporation that is dependent on the Company, or a majority holding; or by third parties authorized by the Company, a corporation that is dependent on the Company, or a majority holding, and allows for the acquisition of treasury shares in the full amount or in partial amounts, either as a single acquisition or multiple acquisitions. The acquired shares plus the other treasury shares that are owned by the Company or that must be treated as such under Sections 71d and 71e AktG cannot account for more than 10% of the Company's share capital at any time.
- (b) At the Executive Board's discretion, the shares may be acquired via the stock exchange or by means of a public purchase offer to all shareholders of the Company.
- i. If the shares are purchased on the stock exchange, the purchase price paid per Company share (without incidental purchase costs) cannot be 10% higher or lower than the average closing price on the three trading days preceding the commencement of the obligation to purchase ("Reference Days").
- The "Closing Price" is the closing price determined in the closing auction (with regard to each stock trading day) or, if such a closing price is not determined on the relevant trading day, the last price of the Company share determined in current trading. All three Reference Days must be based on those in XETRA trading (or a comparable successor system) of the Frankfurt Stock Exchange or floor trading in a closing price from a German stock exchange or the last price from current trading that had the highest revenues in the ten stock trading days before the first of the three Reference Days.
- ii. If the acquisition is made via public purchase offer, the purchase price offered (without incidental purchase costs) per share cannot be more than 20% above or below the average Closing Price (as defined under i.) on the three stock trading days before the Effective Date.
- The "Effective Date" is the date on which the Company's decision to submit a public offer is published or, if the offer is changed, the date on which the Executive Board conclusively decides to change the offer.
- The purchase offer may include conditions. If the Company receives more shares for redemption than it had requested from the shareholders for redemption, the acquisition will be made by the Company in proportion to the shares submitted. A preferred acceptance of lower numbers (up to 100 units of redeemed shares per shareholder) can be made.
- (c) The Executive Board may use shares in the Company acquired on the basis of this authorization for all legally permissible purposes, including the following in particular:



- i. With the Supervisory Board's consent, they can be redeemed in whole or in part, without the redemption or its performance requiring another resolution of the Annual General Meeting. The redemption will decrease the capital. In exception hereto, the Executive Board can stipulate that the share capital remain unchanged upon redemption and, instead, that following the redemption, the percentage of remaining shares in the share capital will increase under Section 8 (3) AktG. In this case, the Supervisory Board may adjust the number of no-par value shares stated in the Statutes.
  - ii. With the Supervisory Board's consent, they can be transferred in exchange for contributions in kind, particularly with regard to corporate mergers and the acquisition (including indirect acquisition) of institutions, companies, parts of companies, or stakes in companies.
  - iii. They can be transferred or offered for sale to employees of the Company or its Group companies.
  - iv. With the Supervisory Board's consent, they can also be sold outside the stock exchange, if the shares are sold for cash at a price that is not significantly lower than the Company share price on the stock exchange at the time of sale.
- (d) The authorizations under (c) may be exercised one or more times, in whole or in part, individually or jointly. The authorizations in (c) (ii) to (iv) also apply to shares in the Company that were acquired on the basis of Section 71d sentence 5 AktG. Shareholders' subscription rights to those treasury shares are excluded to the extent that those shares are used in accordance with the above authorization under (c) (ii) to (iv). The notional interest in the share capital attributable to the shares used in accordance with the authorization in (c) (iv) may not exceed 20% of the share capital existing at the time the resolution is adopted or – if this value is lower – of the share capital existing at the time this authorization is exercised, provided that the shares are issued in accordance with Section 186 (3) sentence 4 AktG with the exclusion of subscription rights in exchange for cash contributions not significantly below the market price. This limit must include shares that are issued or sold during the term of this authorization until the time of their use in direct or proper application of this regulation. This must also include shares that are to be issued or sold for convertible bonds or warrant bonds that were issued during the term of this authorization and in exclusion of subscription rights under Section 186 (3) (4) AktG. Finally, when an offer to purchase treasury shares is issued to all shareholders, subscription rights can be excluded for fractional amounts.

12. Resolution on appointing the auditor for the sustainability report for the 2024 fiscal year

According to Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) No 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU with regard to corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD), which came into force on January 5, 2023, large capital market-oriented companies with more than 500 employees must already add a (group) sustainability report to their (group) management report for fiscal years beginning after December 31, 2023, which must be audited externally by the statutory auditor or—at the option of the respective member state—another (statutory) auditor or an independent provider of certification services.

This means that companies that, like Adtran Networks SE, are already subject to non-financial reporting within the meaning of Section 289b (1) and Section 315b (1) HGB must prepare a sustainability report for the Company and the Group for the first time for the 2024 fiscal year and have it audited externally.

The EU member states must transpose the CSRD into national law by July 6, 2024. It can therefore be assumed that the German legislature will pass a law to transpose the CSRD into German law (CSRD Transposition Act) and that the CSRD Transposition Act will enter into force by the end of the transposition period. To avoid another Annual General Meeting of the Company in 2024 to elect an auditor for the sustainability report for the 2024 fiscal year, it is proposed that an auditor be appointed at the Annual General Meeting on June 28, 2024. The resolution should only be implemented if the CSRD Implementation Act provides for a corresponding appointment by the Annual General Meeting.

The Supervisory Board proposes the following resolution to the Annual General Meeting:

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich will be appointed as the auditor of the sustainability report for the 2024 fiscal year as soon as the CSRD Implementation Act takes effect. The resolution will be implemented only if, in accordance with the CSRD Implementation Act, a sustainability report to be prepared for the 2024 fiscal year is to be audited by an auditor to be appointed by the Annual General Meeting.

II. SUPPLEMENTARY DISCLOSURES REGARDING INDIVIDUAL AGENDA ITEMS

1. Supplementary disclosures regarding agenda item 6: Compensation Report including the auditor's audit opinion pursuant to Section 162 AktG for the 2023 fiscal year

a) Compensation Report of Adtran Networks SE for the 2023 fiscal year

## Remuneration for management board and supervisory board

The present remuneration report prepared by the management board and the supervisory board reports on the compensation of the present and former members of the management board and the supervisory board of Adtran Networks SE in the fiscal year 2023 pursuant to the requirements of Section 162 German Stock Corporation Act (Aktiengesetz, AktG). Granted and owed compensation as well as promised allowances are stated individually for the members of the corporate bodies.

At the beginning of the fiscal year under review, the essential change in the company's structure since the latest resolution of the annual general meeting regarding the management board compensation system required an extensive revision of the system for the compensation of the members of the management board. On July 15, 2022, Adtran Holdings, Inc. ("Adtran Holdings") acquired a controlling interest in our company. On November 30, 2022, the annual general meeting approved a control and profit transfer agreement with Adtran Holdings as the controlling entity and Adtran Networks SE as the dependent entity; with its entry in the commercial register on January 16, 2023, this contract became effective. Due to this control and profit transfer agreement, the incentive effect of several variable compensation components stipulated in the previous compensation system could no longer be achieved. This applied, in particular, to the compensation instruments that are dependent upon the development of the share price of Adtran Networks SE. However, considering the control and profit transfer agreement, even the performance criteria of the short-term variable compensation based on the stand-alone development of Adtran Networks SE turned out to be no longer appropriate. Consequently, in its meeting on March 15, 2023, the supervisory board of Adtran Networks SE resolved to adjust or further develop the system for the compensation of the members of the management board approved by the annual general meeting on May 19, 2021, in accordance with the stipulations of the Act Implementing the Second Shareholders' Rights Directive [Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie] (ARUG II) and the German Corporate Governance Code [Deutscher Corporate Governance Kodex - DCGK] as amended on April 28, 2022. The annual general meeting approved this system on May 24, 2023. The annual general meeting approved the new system on May 24, 2023, with an approval rate of 91.30%.

The currently applicable compensation system approved by the annual general meeting on May 24, 2023 is available on the website <https://www.adva.com/en/about-us/investors>.

On May 24, 2023, the annual general meeting approved the Compensation Report on the individually granted and owed compensation for the members of the management board and the supervisory board of Adtran Networks SE in the fiscal year 2022 with a 98.38% majority.

Due to the high approval rate for both above-mentioned resolutions, it was not necessary to question the compensation system per se, its implementation, or the manner of reporting.

### **Management board compensation in the fiscal year 2023**

This report requires disclosures about the compensation granted and owed to the current and former members of the management board in the fiscal year 2023. In the fiscal year 2023, Thomas Richard Stanton, Dr. Christoph Glingener, Ulrich Dopfer and Scott St. John were members of the management board of the company. Effective as of January 21, 2023, Scott St. John resigned from his position. Brian Protiva, former chairman, had already left the company's management board on August 31, 2022.

Effective as of July 1, 2023, Thomas Richard Stanton was appointed as a member and chairman of the board. The company's management board compensation system stipulates that the supervisory board can arrange for the board activities at the company to be completely or partially uncompensated if a senior manager of the Adtran group, in particular, a member of the board of Directors of Adtran Holdings, held a seat on the management board at Adtran Networks SE at the same time. The supervisory board used this power when it appointed Mr. Stanton. Due to his compensation as CEO and chairman of the board of Adtran Holdings which was already promised to him prior to and independent of his appointment as a member of the board of our company, no compensation was paid at Adtran Networks SE. Nevertheless, this report discloses the compensation granted and owed to him by the group parent in the fiscal year 2023.

Furthermore, variable compensation was paid to the former member of the management board, Brian Protiva, in the fiscal year 2023 due to his former board activities.

Other than those mentioned above, no current or former members of the management board were granted or owed compensation in the fiscal year 2023.

### **Principles of the compensation system**

The management board compensation considers not only the performance of the entire management board but also the economic position of the company and its size and complexity. The management board compensation system of Adtran Networks SE focuses on the sustainable and long-term development of the company. Strategic targeting, responsible action, and sustainable profitable growth including the interests of shareholders, customers, employees, and other stakeholders are promoted as part of the variable compensation. The system is characterized by a pronounced variability dependent on the performance of the entire board and the success of the group.

Adequate performance criteria as part of the performance-related variable compensation of the management board ensure that performance and variable compensation are appropriately related and that missed targets are considered accordingly under the pay for performance principle. Therefore, variable compensation components indirectly depend on financial, operational, and strategic targets. Strategic corporate targets and key performance indicators are decisive performance parameters for variable compensation.

### **Procedure for reviewing compensation**

The supervisory board as a whole determines and reviews the management board compensation. According to the rules of procedure of the supervisory board, its Nomination and Compensation Committee prepares these decisions. It is essential that both the compensation structure and its amount are customary in the market and competitive. Regular compensation comparisons with peer groups relevant to Adtran Networks SE ensure this. Furthermore, an appropriate relationship between the management board compensation and the compensation of senior managers as well as employees is guaranteed.

The supervisory board considers relevant peer groups for a horizontal comparison of the specific total target compensation and for reviewing its appropriateness. To this end, 18 enterprises from the company's industry are used as external reference in appropriateness tests which are listed in the management board compensation system published on the company's website. This horizontal comparison serves to ensure that the members of the management board receive compensation that is customary in the market and competitive.

**[Convenience Translation]**

In addition, a vertical comparison reviews the compensation of the members of the management board among each other, as well as compared to the senior management circle and to the total workforce of the company. The external as well as the internal appropriateness are reviewed at regular intervals.

**Changes in the compensation system**

Based on the proposal by the Nomination and Review Committee, on March 15, 2023, the supervisory board decided on the current system for the compensation of the members of the management board which was then approved by the annual general meeting on May 24, 2023.

The revision was required because due to the control and profit transfer agreement between the company and Adtran Holdings entered into the Commercial Register on January 16, 2023, the variable compensation instruments of the old management board compensation system could no longer achieve an incentive effect. Where individual compensation components deviated from the former compensation system, these only replaced the former compensation instruments after the new compensation system was approved.

## Complete overview of the components of the management board compensation

The following table shows the basic components of the compensation system and its structure. All components are explained individually below.

Compensation component	Calculation basis/parameters
<b>Non-performance-related compensation</b>	
Base salary	The base salary is paid to the members of the management board as a monthly salary on a prorated basis.
Fringe benefits	Company car, employer's share of any statutory social security contributions, health insurance, and a standard employer retirement plan
<b>Performance-related compensation</b>	
Annual Target Incentive Cash Bonus	<ul style="list-style-type: none"> <li>Performance criteria: Adjusted EBIT of the Adtran Group with the simultaneous achievement of a minimum threshold for the sales of the Adtran Group</li> <li>The target amount is set for one year and the targets are set and reviewed regularly quarterly</li> <li>Cap: 200% of the target value</li> <li>Regular quarterly disbursement at the end of the respective quarter</li> </ul>
Annual Restricted Stock Units (annual RSUs) (Restricted Stock Units are hereinafter also referred to as "RSUs")	<ul style="list-style-type: none"> <li>For four years, 25% of the allocation will be converted into shares on each respective anniversary of the allocation.</li> <li>Requirement: Existing employment relationship on the respective exercise date</li> <li>Cap: Exercise restriction in case of a value increase to 300%</li> <li>Conversion into Adtran Holdings shares after vesting</li> </ul>
Annual Performance Stock Units (annual PSUs) (Performance Stock Units are hereinafter also referred to as "PSUs")	<ul style="list-style-type: none"> <li>Performance criterion: Development of the Total Shareholder Return ("TSR") of Adtran Holdings compared to the NASDAQ Telecommunications Index</li> <li>Assessment period: 3 years</li> <li>Cap: Exercise restriction in case of achievement of the maximum 150% target and a share value increase to 200% between allocation and conversion</li> <li>Delivery of Adtran Holdings shares and disbursement of dividend credits in money</li> </ul>
3-Year Plan Performance Stock Units (Three-Year Plan PSUs)	<ul style="list-style-type: none"> <li>Performance criterion: Adjusted EBIT of the Adtran group</li> <li>Assessment period: 3 years</li> <li>Cap: Exercise restriction in case of a share value increase to 200% of the value at allocation between allocation and conversion</li> <li>Delivery of Adtran Holdings shares and disbursement of dividend credits in money</li> </ul>
2-Year Integration One-Time Bonus (Integration bonus)	<ul style="list-style-type: none"> <li>Performance criteria: Synergy savings, individual targets</li> <li>Assessment period: Through the end of 2024</li> <li>Cap: Regarding the monetary share of a maximum amount of 66% of the annual salary and regarding the PSU share exercise restriction in case of achievement of the maximum target and share value increase to 200% between allocation and conversion</li> <li>Disbursement: Payment in money and delivery of Adtran Holdings shares and disbursement of dividend credits in money</li> </ul>

### Compensation structure

The management board compensation system approved by the annual general meeting on May 24, 2023, includes non-performance-related (fixed) and performance-related (variable) compensation components and consists of basic compensation, fringe benefits, the Annual Target Incentive Cash Bonus, and long-term variable compensation components (annual RSUs and PSUs, Three-Year Plan PSUs, integration bonus). The long-term variable compensation components have different periods under review, some of which last several years, and can be paid annually. The RSUs and PSUs are based on the development of Adtran Holdings' share price.

In the fiscal year 2023, some members of the management board were still granted compensation from variable compensation instruments that were promised based on the old compensation system before the current compensation system entered into

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force. These are disbursements from the Short-Term Incentive ("STI"<sup>1</sup>) for the fiscal year 2022 and the disbursement of a long-term variable pay ("LTVP"<sup>2</sup>) for the assessment period 2020 to 2022. Both components are shown below.

The basic compensation of the active board members is between 22-36% and the fringe benefits are around 1-3 % of the total target compensation.

Additional elements of the compensation of the active board members are variable components, namely the Annual Target Incentive Cash Bonus at 11-18 %, the annual RSUs at 8-15 %, the annual PSUs at 8-15 %, the Three-Year Plan PSUs at 15-30%, and the integration bonus at 7-10%.

The remuneration system is based on USD values. The annual average exchange rate (EUR/USD 1.08105) was used for the conversion to EUR values in the following tables. Due to rounding, figures in tables may not add up exactly to the totals shown. The percentages shown may not exactly reflect the absolute figures to which they relate.

If 100% of the target is achieved, in the fiscal year 2023, the management board compensation would amount to what is shown in the following table. For the three-year plan PSUs and the integration bonus, the amounts achievable with 100 % target achievement are distributed over the individual years of the term.

	Thomas R. Stanton (from July 1, 2023)		Christoph Glingener		Ulrich Dopfer		Scott St. John (until January 21, 2023)	
	Chief executive officer		Chief technology officer		Chief financial officer		Chief marketing and sales officer	
		in % of total remune- ration		in % of total remune- ration		in % of total remune- ration		in % of total remune- ration
(in thousands of EUR)	2023		2023		2023		2023	
Base salary	845	15 %	310	24 %	330	23 %	253	57 %
Fringe benefits	15	— %	15	1 %	12	1 %	14	3 %
<b>Total fixed compensation</b>	<b>860</b>	<b>15 %</b>	<b>325</b>	<b>25 %</b>	<b>342</b>	<b>24 %</b>	<b>267</b>	<b>60 %</b>
Annual target incentive cash bonus 2023	1,295	23 %	194	15 %	228	16 %	—	— %
Annual RSUs	1,480	26 %	130	10 %	152	11 %	—	— %
Annual PSUs	1,110	19 %	130	10 %	152	11 %	—	— %
3-year plan PSUs	370	6 %	308	24 %	308	22 %	—	— %
2-year integration one-time bonus	611	11 %	214	16 %	251	17 %	—	— %
STI 2023	—	— %	—	— %	—	— %	180	40 %
<b>Total variable compensation</b>	<b>4,866</b>	<b>85 %</b>	<b>976</b>	<b>75 %</b>	<b>1,091</b>	<b>76 %</b>	<b>180</b>	<b>40 %</b>
<b>100 % target compensation total</b>	<b>5,726</b>		<b>1,301</b>		<b>1,433</b>		<b>447</b>	

In 2023, the following members of the management board have voluntarily agreed to the following temporary reductions in base salary:

- 50% reduction in base salary for Thomas R. Stanton effective from October 30, 2023 through July 31, 2024
- 25% reduction in base salary for each of Ulrich Dopfer and Christoph Glingener effective from November 1, 2023 through July 31, 2024.

These temporary salary reductions were implemented in connection with the Business Efficiency Program that was developed during the second half of 2023 as a result of ongoing uncertainty around the current macroeconomic environment and its impact on customer spending levels.

Ulrich Dopfer's base salary was increased from USD 266,407 to USD 300,000 on January 1, 2023, and then was increased to USD 410,000 commencing May 1, 2023. The revised remuneration system has been approved by the Adtran Networks shareholders at the Annual Shareholder Meeting on May 24, 2023.

**Total compensation granted and owed to the members of the management board in the fiscal year 2023**

<sup>1</sup> The short-term incentive (STI) is the annual variable remuneration for the members of the management board as described in the remuneration framework.

<sup>2</sup> The LTVP is an annual 3-year long-term variable remuneration component for the members of the management board and will be replaced by the LTI. It is described in the remuneration framework.

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For the former members of the management board and those active as of December 31, 2023, the following table shows the individual compensation granted and owed for the fiscal year 2023.

Compensation has been granted within the meaning of Section 162 para. 1 sentence 1 AktG if the performance criteria are achieved during the relevant financial year and the remuneration elements have thus been earned. The compensation is owed if it has become due pursuant to the legal definition, but has not been paid, within the fiscal year.

For the compensation system of Adtran Networks SE, this understanding of the terms means that the year in which the member of the management board rendered the performance and the reporting year may not be the same.

Subsequently, the non-performance-related compensation components were both paid and accrued in the fiscal year 2023. For the Annual Target Incentive Cash Bonus, no remuneration was granted or owed in the fiscal year 2023. The RSUs and PSUs are reported with a market value at the date of vesting. No compensation was owed or granted for the annual as well as 3-year plan PSUs and the integration bonus in the 2023 fiscal year. In the case of variable compensation based on the old compensation system for benefits from the period up to the end of 2023, the amounts stated are those that will be due and paid out in the fiscal year 2024 as a result of the determination of earnings.

For the fiscal year 2023, the total compensation of the members of the management board of Adtran Networks SE amounts to EUR 2,410 thousand.

The compensation for active and former members of the management board pursuant to Section 162 para. 1 sentence 2 no. 1 AktG consists of the following:

	Thomas R. Stanton (from July 1, 2023)		Christoph Glingener		Ulrich Dopfer		Scott St. John (until January 21, 2023)	
	Chief executive officer		Chief technology officer		Chief financial officer		Chief marketing and sales officer	
		in % of total remuneration		in % of total remuneration		in % of total remuneration		in % of total remuneration
(in thousands of EUR)	2023		2023		2023		2023	
Base salary	845		310		330		253	
Fringe benefits	15		15		12		14	
<b>Total fixed compensation</b>	<b>860</b>	<b>66 %</b>	<b>325</b>	<b>100 %</b>	<b>342</b>	<b>100 %</b>	<b>267</b>	<b>60 %</b>
Annual target incentive cash bonus 2023	—		—		—		—	
Annual RSUs	436		—		—		—	
Annual PSUs	—		—		—		—	
3-year plan PSUs	—		—		—		—	
2-year integration one-time bonus	—		—		—		—	
Stock option plans	—		—		—		—	
STI 2023	—		—		—		180	
<b>Total variable compensation</b>	<b>436</b>	<b>34 %</b>	<b>—</b>	<b>— %</b>	<b>—</b>	<b>— %</b>	<b>180</b>	<b>40 %</b>
<b>Total compensation</b>	<b>1,296</b>		<b>325</b>		<b>342</b>		<b>447</b>	

Effective as of the end of January 21, 2023, Scott St. John resigned from his position as a member of the management board of Adtran Networks SE. In the fiscal year 2023, compensation was not owed or granted to other members of the management board apart from those listed in the table.

### Maximum annual compensation

The maximum compensation established by the supervisory board pursuant to Section 87a para. 1 sentence 2 no. 1 AktG for the fiscal year 2023 is EUR 2.9 million for the chairman of the management board and EUR 2.8 million for an ordinary member of the management board.

The maximum compensation is comprised of the basic compensation and the fringe benefits, the variable (i.e., performance-related) compensation components for maximum target achievement and considers applicable caps. If members of the board of Directors or other senior managers of Adtran Holdings also hold a seat on the management board at the company at the same

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time, any amounts that are not paid by the company or its dependent companies and that are not paid specifically for the service on the management board at the company will not be considered (see Clause 2 of the management board compensation systems of March 15, 2023). For these reasons, the compensation received by Mr. Thomas Richard Stanton as CEO and chairman of the board of the parent company is not being considered when reviewing compliance with the maximum compensation.

In the fiscal year 2023, both the total maximum compensation and the limits for the individual variable compensation components were observed.

Below, the relevant total compensation for 2023 based on the received compensation is compared with the defined maximum compensation:

	<b>Thomas R. Stanton (from July 1, 2023)</b>	<b>Christoph Glingener</b>	<b>Ulrich Dopfer</b>	<b>Scott St. John (until Jan. 21, 2023)</b>	<b>Brian Protiva (until Aug. 31, 2022)</b>
	Chief executive officer	Chief technology officer	Chief financial officer	Chief marketing and sales officer	Former chief executive officer
(in thousands of EUR)					
Base salary	845	310	330	253	—
Fringe benefits	15	15	12	14	—
Annual target incentive cash bonus 2023	—	—	—	—	—
Annual RSUs	436	—	—	—	—
Annual PSUs	—	—	—	—	—
3-year plan PSUs	—	—	—	—	—
2-year integration one-time bonus	—	—	—	—	—
STI 2022	—	147	106	128	207
LTVP 2020-2022	—	190	170	180	268
Stock options	—	—	—	96	—
<b>Total compensation</b>	<b>1,296</b>	<b>662</b>	<b>618</b>	<b>671</b>	<b>671</b>
<b>Maximum compensation</b>	<b>n/a</b>	<b>2,800</b>	<b>2,800</b>	<b>2,800</b>	<b>2,900</b>

Effective as of the end of August 31, 2022, Brian Protiva resigned from his position as member of the management board and chairman of the board.

### Non-performance-related compensation components and fringe benefits

The members of the management board receive an agreed non-performance-related basic compensation each year, which is paid out in equal installments. In an individual agreement from November/December 2023, the members of the management board Christoph Glingener and Ulrich Dopfer waived 25% of their basic compensation for the period from November 1, 2023 to July 31, 2024. The CEO Thomas R. Stanton has waived 50% of his fixed salary granted by the parent company with effect from October 30, 2023 until July 31, 2024.

### Compensation in kind and other additional compensation

In addition to cash compensation, the members of the management board employed by the company are granted various fringe benefits, some of which are event-related. They received the usual employer's share of any statutory social security contributions, health insurance, and a standard employer retirement plan (e.g., US 401k). In the fiscal year 2023, a company car for business and private use was available to one member of the management board. Two members of the management board received a corresponding lump-sum payment for a company car.

Furthermore, the members of the management board are included in the coverage provided by a financial loss liability insurance policy (directors & officers insurance), subject to a deductible, taken out by the company. This insurance provides for a statutory deductible for the management board required according to Section 93 para. 2 sentence 3 German Stock Corporation Act (AktG).

### Company pension plan

The compensation system does not include any company pension plan for the former and active members of the management board.



## Annual Target Incentive Cash Bonus

The Annual Target Incentive Cash Bonus is established by the Variable Incentive Compensation Plan or Variable Incentive Cash Compensation (VICC) of Adtran group. The Annual Target Incentive Cash Bonus rewards the success of the operative development in the respective fiscal year. This ensures that targets are based on demanding financial, operative, and strategic success parameters, and the amount of the actual disbursement depends on their achievement.

At the beginning of a respective fiscal year, the supervisory board establishes an individual target compensation for 100% of the total target achievement for each member of the management board. This amount is calculated by multiplying the fixed annual salary of the members of the management board with the individually set incentive target in percent. Furthermore, performance criteria are established according to the VICC at the beginning of each fiscal year. According to previous and current practice, the Adjusted EBIT<sup>3</sup> of the Adtran group and the sales of the Adtran group<sup>4</sup> are used as relevant criteria. The Adjusted EBIT is the EBIT shown in the audited financial statements of Adtran Holdings, adjusted by restructuring costs, acquisition-related costs, amortizations of intangible assets, costs for share-based compensation, non-cash changes in the value of investments within the framework of the Deferred Compensation Plan, and other exceptions established in the individual case. However, according to the VICC, other key figures can also be used as performance criteria.

In principle, at the beginning of each quarter, a minimum, target, and maximum amount is established for each performance criterion for the respective quarter. In order to receive the pro rata bonus for the respective quarter, the minimum target has to be achieved for both performance criteria. The member of the management board receives 100 % of the annual target bonus if the target amount is achieved for all four quarters. If the maximum targets are achieved for all four quarters, the member of the management board receives 200 % of the annual target bonus. Values between the thresholds are not calculated by means of linear interpolation. After target achievement has been determined in the respective subsequent quarter, the payments owed for the respective previous quarter become due. The disbursement is made after target achievement has been established for the respective previous quarter.

The annual bonus is paid out by the company with which the management board service agreement exists.

The targets established for the members of the management board were achieved as follows in the fiscal year 2023:

Goal (in millions of USD)	Goal period	Minimum goal	Target goal	Maximum goal	Actual value	Goal achievement (in %)
Revenue of Adtran Holdings group	Q1 2023	355.1	365.1	380.1	323.9	— %
	Q2 2023	350.0	360.0	375.0	327.4	— %
	2nd half of 2023	600.0	650.0	700.0	497.8	— %
Adjusted EBIT of Adtran Holdings group	Q1 2023	1.0	20.2	30.2	(5.2)	— %
	Q2 2023	10.0	22.5	32.5	3.6	— %
	2nd half of 2023	1.0	15.0	33.0	(8.3)	— %

## Long-term variable compensation components

Based on the current compensation system and within the scope of the incentive plans of the Adtran Group, Adtran Holdings pays the members of the management board time-related RSUs, market-related PSUs, and company-related PSUs as part of a three-year plan. The long-term variable compensation instruments serve to establish the right incentives in order to achieve sustainable corporate development. Adtran bears the costs for the allocations and their management.

## Annual Restricted Stock Units

The members of the management board receive a certain sum for the allocation of Restricted Stock Units or RSUs each year. The allocation takes place regularly during the first quarter of the fiscal year. The number of RSUs to be allocated is calculated by dividing this sum by the value of the Adtran Holdings shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

<sup>3</sup> Adjusted EBIT is defined as the Adtran Holdings group earnings before interest and tax, determined based on the audited financial results, and adjusted to remove any restructuring expenses; acquisition-related expenses and amortization of intangibles; stock-based compensation expense; the non-cash change in fair value of equity investments held in the deferred compensation plan; and any other non-GAAP exclusions approved by the compensation committee of Adtran Holdings, Inc..

<sup>4</sup> Sales of the the Adtran Group: Revenues reported in the audited US GAAP consolidated financial statements of Adtran Holdings.

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As a general rule, the allocations will be converted into Adtran Holdings shares over the course of four years in equal installments (25 % per year) after the time has lapsed (on the respective anniversary of the allocation). Within the four-year vesting period, the members of the management board earn a quarter of the originally allocated RSUs for each full year they have been on the management board of the company since the allocation of the RSUs. In order for the member of the management board to receive the shares on each exchange date, the member must have entered into a current service agreement with the company or any other group company of the Adtran group. The RSUs motivate the members of the management board to maintain the service relationship with the company and to promote the growth of the group.

Aside from general restrictions, such as insider trading rules and “blackout periods” existing pursuant to the guidelines of the Adtran group, there are, in principle, no further disposal restrictions after the acquisition of the shares.

According to the compensation system, the ceiling of a possible conversion of the RSUs in the event of an increase in the value of the shares is defined as 300% between allocation and conversion, considering all RSUs within a tranche (i.e., 100 % of the RSUs allocated for a total of four years). Until this upper limit is reached, the management board member can receive Adtran Holdings shares for the RSUs. Should the ceiling be reached, any RSUs exceeding the ceiling have to be returned.

In the fiscal year 2023, the members of the management board received or exercised the following RSUs.

[Convenience Translation]

The following table shows the development of the portfolio of RSUs held by members of the management board:

	RSUs outstanding on Jan. 1, 2023	Granted RSUs	Vested RSUs	Market value at vesting date	Forfeited/expir ed RSUs	RSUs outstanding on Dec. 31, 2023
	Number	Number	Number	in thousands of USD	Number	Number
Thomas R. Stanton (since July 1, 2023)	349,282	87,146	(87,049)	471	—	349,379
Christoph Glingener	—	7,625	—	—	—	7,625
Ulrich Dopfer	—	8,932	—	—	—	8,932
<b>Total</b>	<b>349,282</b>	<b>103,703</b>	<b>(87,049)</b>	<b>471</b>	<b>—</b>	<b>365,936</b>

The outstanding RSUs of the members of the management board at Adtran on the reporting date are divided between the different issue tranches as follows:

	Grant date	Number of outstanding RSUs	Market value December 31, 2023 (in thousands of USD)
Thomas R. Stanton (since July 1, 2023)	November 16, 2020	12,563	92
	November 17, 2021	15,127	111
	November 17, 2021	30,253	222
	July 13, 2022	204,290	1,499
	January 20, 2023	87,146	640
Christoph Glingener	May 24, 2023	7,625	56
Ulrich Dopfer	May 24, 2023	8,932	66
<b>Total</b>		<b>365,936</b>	<b>2,686</b>

### Annual Performance Stock Units

A certain sum is established each year for the allocation of market-related Performance Stock Units for the members of the management board. The allocation takes place regularly during the first quarter of the fiscal year. A later allocation is also possible in case of entry during the year, changes in the duties, or for other factual reasons. The number of market-related PSUs to be allocated is calculated by dividing this sum by the value of the Adtran Holdings shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

The term of the market-related PSUs is three years. The earnings of the PSUs are determined based on a comparison of the development of the TSR of Adtran Holdings compared to the development of the Total Shareholder Return (TSR) of the NASDAQ Telecommunications Index.

The respective member of the management board earns 0% of the target number of the market-related PSUs if the relative TSR performance of Adtran Holdings does not correspond to at least the 20th percentile of the benchmark index, and up to 150 % of the target number of PSUs if the relative TSR performance of Adtran Holdings corresponds to, or exceeds, the 80th percentile of the benchmark index. If the TSR Performance of Adtran Holdings corresponds to a value in between, the earned market-related PSUs are established based on the company's management board compensation system shown in the following table (which is published in the invitation for the annual general meeting on May 24, 2023, in the German Federal Gazette).

The member of the management board receives a corresponding number of Adtran shares based on the PSUs earned at the end of the three-year period in each case. The member of the management board receives credits in each case for dividends paid on the shares that correspond to the market-related PSUs during the term of the PSUs. The credits are earned and become due together with the PSUs and are paid out in money. Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran group, there are, in principle, no further disposal restrictions after the acquisition of the shares.

The market-related PSUs reward, in particular, a better performance of the Adtran Holdings shares compared to the benchmark index and promote long-term development during their multi-year assessment period.

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According to the compensation system, the exercise of the PSUs is restricted and only possible until a maximum amount is reached, i.e. when the maximum 150 % TSR target is achieved and the shares additionally increase in value to 200 % between allocation and conversion, considering all PSUs allocated within a tranche. Should the ceiling be reached, any PSUs exceeding the ceiling have to be returned.

The following table shows the development of the portfolio of Annual PSUs held by members of the management board:

	Annual PSUs outstanding on Jan. 1, 2023	Granted Annual PSUs	Vested Annual PSUs	Market value at vesting date	Forfeited/expir ed Annual PSUs	Annual PSUs outstanding on Dec. 31, 2023
	Number	Number	Number	in thousands of USD	Number	Number
Thomas R. Stanton (since July 1, 2023)	97,991	65,359	—	—	—	163,350
Christoph Glingener	—	7,625	—	—	—	7,625
Ulrich Dopfer	—	8,932	—	—	—	8,932
<b>Total</b>	<b>97,991</b>	<b>81,916</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>179,907</b>

The outstanding Annual PSUs of the members of the management board at Adtran on the reporting date are divided between the different issue tranches as follows:

	Grant date	Number of outstanding annual PSUs	Market value December 31, 2023 (in thousands of USD)
Thomas R. Stanton (since July 1, 2023) <sup>*)</sup>	November 16, 2022	97,991	719
	January 20, 2023	65,359	480
Christoph Glingener	May 24, 2023	7,625	56
Ulrich Dopfer	May 24, 2023	8,932	66
<b>Total</b>		<b>179,907</b>	<b>1,321</b>

\*) The annual PSUs granted to Thomas R. Stanton on November 16, 2022 have an assessment period of two years.

### 3-Year Plan Performance Stock Units (Three-Year Plan)

As part of a Three-Year Plan, the members of the management board receive a certain sum for the allocation of company-related PSUs. PSUs allocated in the first year will be converted after three years; PSUs allocated in the second year can be converted after two years, and PSUs allocated in the third year can be converted after one year. In principle, the value of the PSUs allocated in the respective fiscal year corresponds to a certain percentage of the fixed annual salary. The number of PSUs to be allocated is calculated by dividing this amount by the value of the Adtran Holdings shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

The earning of the PSUs depends on the target achievement for the Adjusted EBIT through the end of the three-year term.

- If the Adjusted EBIT equals more than 51 % and less than 100 % of the target amount, the entitled individuals receive 50% of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 100 % of the target amount, but stays below 110 % of the target amount, the entitled individuals receive 100 % of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 110 % of the target amount, but remains below 120 % of the target amount, the entitled individuals receive 121.4 % of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 120 % of the target amount, the entitled individuals receive 142.9 % of the target number of PSUs.

The member of the management board receives a corresponding number of Adtran shares based on the PSUs earned at the end of the three-year period in each case.

According to the compensation system, the exercise of the PSUs is restricted and only possible until a maximum amount is reached, i.e., when the shares increase in value to 200 % between allocation and conversion, considering all PSUs allocated within a tranche. Should the ceiling be reached, any PSUs exceeding the ceiling have to be returned.

**[Convenience Translation]**

The following table shows the development of the portfolio of 3-year PSUs held by members of the management board:

	3-year plan PSUs outstanding on Jan. 1, 2023	Granted 3-year plan PSUs	Vested 3-year plan PSUs	Market value at vesting date	Forfeited/expir ed 3-year plan PSUs	3-year plan PSUs outstanding on Dec. 31, 2023
	Number	Number	Number	in thousands of USD	Number	Number
Thomas R. Stanton (since July 1, 2023)	—	72,246	—	—	—	72,246
Christoph Glingener	—	60,205	—	—	—	60,205
Ulrich Dopfer	—	60,205	—	—	—	60,205
<b>Total</b>	<b>—</b>	<b>192,656</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>192,656</b>

The outstanding 3-year PSUs of the members of the management board at Adtran on the reporting date are divided between the different issue tranches as follows:

	Grant date	Number of outstanding 3-year plan PSUs	Market value December 31, 2023 (in thousands of USD)
Thomas R. Stanton (since July 1, 2023)	March 1, 2023	72,246	530
Christoph Glingener	May 24, 2023	60,205	442
Ulrich Dopfer	May 24, 2023	60,205	442
<b>Total</b>		<b>192,656</b>	<b>1,414</b>

## 2-Year Integration One-Time Bonus

For the period through the end of the fiscal year 2024, in order to promote successful integration, the members of the management board once receive a so-called 2-Year Integration One-Time Bonus for an integration of Adtran Networks SE into the Adtran group. It is required that the targets defined in more detail below have been achieved by the end of the fiscal year 2024. The 2-Year Integration One-Time Bonus has a PSU-based component and a monetary component.

The members of the management board receive a certain sum for the allocation of company-related PSUs; their value corresponds to a certain percentage of the fixed annual salary of the member of the management board. The number of PSUs to be allocated is calculated by dividing this sum by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made. The PSUs are earned if specific synergies are achieved by the end of the fiscal year 2024. A target value and a threshold value were established for this purpose.

- No PSUs are earned if the achieved synergies are below the threshold value, which means that conversion into shares is not possible.
- If the synergies reach or exceed the threshold value, but remain below the target amount, any PSUs that correspond to 33 % of the fixed annual salary at the time of allocation are earned and can be converted into shares.
- If the synergies reach or exceed the target value, any PSUs that correspond to 66% of the fixed annual salary at the time of allocation are earned and can be converted into shares.

According to the management board compensation system, the conversion of the PSUs is restricted and only possible until a maximum amount is reached, i.e., if the maximum target is simultaneously achieved and the shares additionally increase in value to 200% between allocation and conversion, considering all PSUs allocated. Aside from general restrictions, such as insider trading rules and “blackout periods” existing pursuant to the guidelines of the Adtran group, there are, in principle, no disposal restrictions after the acquisition of the shares.

On the other hand, the members of the management board receive a payment in money if both the established threshold value for the synergy savings is reached by the end of the fiscal year 2024 and the individual targets established with the respective member of the management board are achieved.

This component to be paid in money amounts to a maximum of 66 % of the fixed annual salary owed by the Company if all individual targets are achieved (see above in the section on the total management board compensation paid and owed in the

## [Convenience Translation]

fiscal year 2023). The individual targets are assigned percentage amounts in each case that are used to calculate the amount to be disbursed when the synergy savings threshold value is reached and some, but not all, individual targets are achieved.

For the CTO, the individual targets come from the areas of IT integration, employee satisfaction, integrated product offerings and integration of certain teams. The individual targets for the CFO relate to the implementation of group-wide integration measures, IT integration, employee satisfaction and the achievement of certain financial synergy targets.

For the CEO, the bonus is based on the synergies achieved.

In the financial year 2023, no remuneration was owed or granted under the integration bonus as the synergy threshold was not reached.

### **Compensation components from the prior remuneration system**

In the fiscal year 2023, due to their activities before the beginning of the reporting period, the current and former members of the management board Christoph Glingener, Ulrich Dopfer as well as Brian Protiva and Scott St. John were paid variable compensation based on the old management board compensation system.

#### Short-term incentive

As a short-term variable compensation, the Short Term Incentive (STI) incentivized the operational development of Adtran Networks SE subject to the business success in the respective fiscal year. In doing so, the supervisory board ensured that targets for the STI are based on demanding financial, operative, and strategic success parameters, the degree of the achievement of which determines the amount of the actual disbursement. Therefore, an STI was paid for each fiscal year with a one-year assessment period based on four targets. The four STI targets were divided into three common, i.e., identical financial targets for all members of the management board regarding the pro forma EBIT, sales, and the group's net liquidity as well as several individual targets established for each member of the management board. The individual targets are derived from the strategic corporate targets of growth and profitability, innovation, operational excellence, customer satisfaction, and employees. The strategic target of growth and profitability is a medium-term strategy for increasing sales and profitability. Innovation considers measures for innovation leadership in the relevant technology segments. Operational excellence includes various targets for increasing quality, delivery capacity, and sustainability. The target 'Customer experience' is intended to contribute to increasing customer satisfaction. The target 'Employees' considers various concepts for employee development, diversification, and employee satisfaction.

Brian Protiva's individual targets in the fiscal year 2022 included targets in the categories of growth and profitability, employees, and customer satisfaction

Christoph Glingener's individual targets in the fiscal year 2022 included targets in the categories of growth and profitability, innovation, operational excellence, sustainability, employees, and customer satisfaction.

Ulrich Dopfer's individual targets in the fiscal year 2022 included targets in the categories of growth and profitability, operational excellence, employees, and customer satisfaction.

Scott St. John's individual targets in the fiscal year 2022 included targets in the categories of growth and profitability, innovation, and customer satisfaction.

The degree of achievement for these targets determined the amount of the actual disbursement and was monitored by the supervisory board. The range of possible target achievement for each of the four individual targets was between 0 % and 250 %.

The STI was disbursed in cash at the end of the performance period. Surpluses or shortfalls of the individual targets were considered on a straight-line basis according to the overall target achievement level. The overall STI target achievement was limited to a maximum of 200 %.

The targets established for the active and former members of the management board were achieved as follows in the fiscal year 2022:

**[Convenience Translation]**

Goal		weighting	Goal achievement	2022 actual value	100 % goal	250 % goal
Pro forma EBIT of the group	in %	40 %	70 %	7.1 %	8.0 %	12.5 %
Consolidated revenues	in millions of EUR	20 %	157 %	712.1	655.0	805.0
Net cash of the group *	in millions of EUR	20 %	— %	2.0	68.9	91.4
Individual goals	in %	20 %				
Brian Protiva			90 %			
Christoph Glingener			90 %			
Ulrich Dopfer			100 %			
Scott St. John			140 %			

\*Net cash as a goal for compensation did not take into account lease liabilities under IFRS 16.

### Long-term variable pay (LTVP)

To disburse a bonus payment after the three-year LTVP assessment period, a pro forma operating result established at the beginning of the period under review had to be achieved. While failing to achieve the pro forma EBIT in one of the three calendar years of the assessment period already led to the complete elimination of the LTVP, exceeding the pro forma EBIT in one or more years did not increase the bonus. Thus, the LTVP was designed for sustainable group development but followed the all-or-nothing principle.

In 2020, the members of the management board were paid an LTVP with a term of three years. The group's pro forma EBIT targets for the years 2020, 2021, and 2022 were set at 5.0 %, 6.0 % and 7.0 % respectively. The LTVP 2020 - 2022 was fully earned with an actual pro forma EBIT of 6.0 % in 2020, 9.1 % in 2021, and 7.1 % in 2022. Therefore, the agreed long-term compensation component was disbursed in the fiscal year 2023.

### Share options from older programs

Adtran Networks SE had granted its management board members share options in previous periods. As part of the business combination with Adtran, the members of the management board and employees of Adtran Networks SE were given the opportunity to exchange their share options for Adtran Holdings share options at an exchange ratio of 0.8244 in the 2022. All members of the management board exchanged their outstanding share options in full. As a result, there were no outstanding Adtran Networks SE share options for the members of the management board as at December 31, 2023.

Due to the aforementioned exchange, former and current members of the company's management board held options on shares in Adtran Holdings, Inc. in 2023. The management board member Thomas R. Stanton also held corresponding options on shares in Adtran Holdings, Inc., which were granted to him in previous financial years. Options create an incentive for the for the members of the management board to increase the long-term development of the company's value.

The options grant the right to acquire Adtran Holdings shares at a fixed subscription price. Each subscription right from share options entitles the members of the management board to subscribe to one share in Adtran Holdings, Inc. in accordance with the respective option terms and conditions.

The options grant the right to acquire Adtran Holdings shares at a fixed subscription price. Each subscription right from share options entitles the members of the management board to subscribe to one share in Adtran Holdings, Inc. in accordance with the respective option conditions. The option conditions stipulate the term, the relevant exercise price (subscription price) and waiting periods.

The option conditions do not provide for any special exercise phases. The options can be exercised at any time after expiry of the waiting period until the end of the term.

As part of the exchange of options on shares in Adtran Networks SE for options on shares in Adtran Holdings, Inc., it was agreed that the waiting periods of the old options issued by Adtran Networks SE would also apply to the Adtran Holdings options replacing them. Accordingly, the option rights can be exercised at the earliest four years after the issue of the options (vesting period). The term of the subscription rights is seven years. Option rights not exercised by the end of the term of seven years from issue expire with immediate effect. The exercise prices are shown in the table below. The option rights of Thomas R. Stanton have a vesting period of between one to four years and a term of ten years. The vesting period for all of Thomas R. Stanton's option rights has already expired.

The exercise of the options is dependent on continued employment. There are no other conditions for exercising the options.

Based on the program described here, no further options were issued to current and former members of the management board in 2023 .



**[Convenience Translation]**

The following table shows the development of the portfolio of share options from the Adtran Holdings, Inc. share option program (ESP 15 management board) held by current and former members of the management board:

	Options outstanding on Jan. 1, 2023	Granted options 2023	Fair value at the grant date	Exercised options 2023	Forfeited/expir ed options 2023	Options outstanding on Dec. 31, 2023
	Number	Number	in thousands of Euro	Number	Number	Number
Thomas R. Stanton (since July 1, 2023)	263,780	—	—	—	(75,366)	188,414
Christoph Glingener	233,775	—	—	—	—	233,775
Ulrich Dopfer	189,922	—	—	—	(3,451)	186,471
Scott St. John (until January 21, 2023)	178,434	—	—	(15,000)	—	163,434
Brian Protiva (until August 31, 2022)	232,007	—	—	—	—	232,007
<b>Total</b>	<b>1,097,918</b>	<b>—</b>	<b>—</b>	<b>(15,000)</b>	<b>(78,817)</b>	<b>1,004,101</b>

The outstanding options of the active and former members of the management board at Adtran on the reporting date are divided between the different issue tranches as follows:

	Strike price	Thomas R. Stanton	Christoph Glingener	Ulrich Dopfer	Scott St. John	Brian Protiva
	in USD	Number of outstanding options	Number of outstanding options	Number of outstanding options	Number of outstanding options	Number of outstanding options
Tranche						
November 14, 2014	18.97	94,207	—	—	—	—
November 14, 2015	15.33	94,207	—	—	—	—
November 15, 2017	6.06	—	—	—	80,994	—
May 15, 2018	7.04	—	—	—	82,440	52,997
May 15, 2020	7.01	—	41,220	—	—	41,220
May 15, 2021	12.17	—	107,172	61,830	—	49,464
May 15, 2022	19.08	—	85,383	124,641	—	88,326
<b>Total</b>		<b>188,414</b>	<b>233,775</b>	<b>186,471</b>	<b>163,434</b>	<b>232,007</b>

**Other compensation**

Special compensation was not granted to any members of the management board in the fiscal year 2023. Moreover, apart from the above-described compensation by options, RSUs and PSUs on shares in Adtran Holdings and the compensation of Thomas Richard Stanton by Adtran Holdings, no third parties promised or paid any compensation for management board activities in the fiscal year.

**Withholding and recovery clause (malus and clawback clause)**

The variable compensation components include withholding and recovery clauses. In case of serious duty or compliance violations or serious unethical conduct, the supervisory board can review both the amount of the disbursement of the variable compensation and, depending on the extent of the violation, possibly even reduce it to zero or abolish it without compensation at its due discretion. This also applies in cases of a grossly negligent or intentional violation of the duty of care of a prudent and conscientious business manager by a member of the management board. Furthermore, the applicability of the Adtran Holdings guideline on the reimbursement of erroneously paid compensation was agreed with the members of the management board in November 2023. According to this guideline, as far as they were disbursed in excess due to incorrect financial accounting documents, variable compensation components must be repaid if significant corrections to financial accounting documents are required.

In the fiscal year 2023, the supervisory board did not use the above-described withholding and recovery clauses, and there was also no reason to use the corresponding provisions.

## **Benefits upon termination of the management board mandate**

### **Regular termination**

In case of an ordinary termination of the service relationship, the variable compensation components owed to the member of the management board on the basis of temporally completed assessment periods are paid out to the member of the management board on the regular due date. In case of temporally not completed assessment periods, a pro-rata disbursement for the lapsed portion of the assessment period is made on the regular due date, assuming complete target achievement (100 %).

### **Early termination**

If the company terminates the service relationship prior to expiration of the agreed contract term, and such termination is not due to a violation that allows to apply the withholding and recovery clause, the variable compensation components owed on the basis of temporally completed assessment periods are paid out to the member of the management board on the regular due date. In case of temporally not completed assessment periods, a pro-rata disbursement for the lapsed portion of the assessment period is made on the regular due date, assuming complete target achievement (100 %). In addition, the member of the management board receives the basic compensation through the end of the agreed contract term.

Apart from the basic compensation, which is no longer paid, this also applies if a member of the management board terminates the service relationship prematurely prior to the expiration of the agreed contract term.

In all aforementioned cases, the expiry of RSUs and PSUs is subject to the conditions of the respectively applicable plans.

All aforementioned severance payments as well as any severance payment agreed in case of mutually agreed resignation are limited to the extent that they neither exceed the value of two annual basic compensations nor the compensation for the remaining term of the employment contract in any case, taking into consideration the basic compensation including fringe benefits yet to be disbursed and any other non-cash benefits (Severance Caps).

Calculation of the Severance Caps is based on the total compensation of the previous fiscal year and, if applicable, also on the expected total compensation of the current fiscal year.

## **Total salaries of the former members of the management board**

In the fiscal year 2023, the former member of the management board, Brian Protiva, was paid the variable compensation components which are based on his former activities as a member of the management board, but only became due in the fiscal year 2023 (STI and LTVP).

According to the above regulations, the member of the management board, Scott St. John, who resigned in the fiscal year 2023, received his fixed compensation until the end date of his service contract.

In the fiscal year 2023, no amounts were paid to further former members of the management board or their heirs. In addition, further pension obligations or obligations arising from these do not exist.

## **Comparative presentation**

The following table illustrates the annual change in management board and supervisory board compensation, the earnings performance of Adtran Networks SE, measured in terms of net profit for the year, sales, pro forma EBIT, and net liquidity at group level, and the average employee compensation and the compensation of senior management on a full-time equivalent basis:

Change in %	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022
<b>Total compensation of current and former members of the management board</b>			
Thomas R. Stanton (from July 1, 2023)	n/a	n/a	n/a
Christoph Glingener	75 %	1 %	(68)%
Ulrich Dopfer	61 %	47 %	(71)%
Scott St. John (until January 21, 2023)	38 %	6 %	(26)%
<b>Total compensation of current and former members of the supervisory board</b>			
Eduard Scheiterer (from October 5, 2022) Chairmen (from July 10, 2023)	n/a	n/a	545 %
Johanna Hey Chairwoman (until June 30, 2023)	— %	3 %	(46)%
Frank Fischer Vice Chairman (from September 14, 2022)	n/a	n/a	233 %
Heike Kratzenstein (since July 10, 2023)	n/a	n/a	n/a
<b>Earnings development of the company</b>			
Net income/loss of Adtran Networks SE according to HGB prior to transfer of profit/loss	5 %	(58)%	(200)%
<b>Development of the group's key figures **</b>			
Consolidated revenues	7 %	18 %	(14)%
Pro forma EBIT of the group	62 %	(8)%	(21)%
Net cash/(debt) of the group *	2,607 %	(97)%	(1,202)%
<b>Average annual compensation of employees **</b>			
Average annual compensation of senior management	0 %	7 %	18 %
Average annual compensation of the total workforce	3 %	5 %	(3)%

\* Net cash as a target for remuneration does not take into account lease liabilities under IFRS 16 and receivables and liabilities from the domination and profit and loss transfer agreement.

\*\* The key figures and employee remuneration relate to the Adtran Networks group.

The comparison of the relative development of the management board compensation is shown based on the total compensation paid and owed pursuant to Section 162 AktG. When comparing the average employee compensation, the compensation of the members of the management board among each other and compared to the senior management circle and to the relevant total workforce of the company are reviewed. In doing so, the supervisory board considers, aside from the current relations of the compensation of the different levels to each other, in particular also the development of the compensation of the described groups over time. The compensation components include the total annual compensation.

### Compensation of the members of the supervisory board in the fiscal year 2023

According to Section 12 of the Articles of Association, the members of the supervisory board shall receive compensation established by a resolution of the annual general meeting in addition to the reimbursement of the expenses incurred while performing their official activities. On May 19, 2021, the annual general meeting decided on the determination of the compensation and approved the current system for the compensation of members of the supervisory board.

The compensation system for members of the supervisory board provides for purely fixed compensation without variable components and without share-based compensation. The management board and supervisory board take the view that a purely fixed compensation of the members of the supervisory board is the most suitable way of strengthening the independence of the supervisory board and consider the advisory and monitoring function of the supervisory board, which is to be fulfilled independently of the company's success. A purely fixed compensation is also provided for in recommendation G. 18 sentence 1 of the German

**[Convenience Translation]**

Corporate Governance Code. Accordingly, in the fiscal year 2023, the members of the supervisory board received neither shares nor share options.

Due to the larger area of responsibility, the fixed compensation of the Chairperson of the supervisory board for the fiscal year 2023 amounts to EUR 100,000. The total fixed salary for the other members of the supervisory board for 2023 is EUR 45,000 each. The Chairperson of the Review Committee receives an additional EUR 45,000 per year for their work. This appropriately considers the greater time commitment involved in chairing the supervisory board and the Review Committee. supervisory board compensation is disbursed quarterly, at the beginning of the following quarter, and exclusively by Adtran Networks SE. In case of changes in the supervisory board and its committees, compensation is paid pro rata temporis. For further information, we refer to the description of the compensation system for members of the supervisory board in the invitation to the annual general meeting of the company on May 19, 2021, which was published in the German Federal Gazette and on the company's website.

The following table shows the compensation components paid and owed to the current and former members of the supervisory board in the fiscal year 2023 including the respective relative share, pursuant to Section 162 AktG. On June 22, 2023, Johanna Hey resigned from her position as Chairwoman and member of the supervisory board of Adtran Networks SE. Effective as of July 1, 2023, Eduard Scheiterer took over as chairman and member of the supervisory board of Adtran Networks SE. Effective as of July 1, 2023, Heike Kratzenstein became a member of the supervisory board of Adtran Networks SE.

	Fixed compensation		Committee compensation		Total compensation
	in thousands of EUR	in %	in thousands of EUR	in %	in thousands of EUR
Johanna Hey Chairwoman (until June 30, 2023)	50	100 %	—	— %	50
Eduard Scheiterer Chairman (since July 10, 2023)	71	100 %	—	— %	71
Frank Fischer Vice chairman	45	50 %	45	50 %	90
Heike Kratzenstein (since July 10, 2023)	23	100 %	—	— %	23

The members of the supervisory board are included in a financial loss liability insurance policy, the company pays the premiums for this insurance policy.

In the fiscal year 2023, the active members of the supervisory board did not receive any loans from Adtran Networks. Moreover, pension commitments for active supervisory board members do not exist.

Former members of the supervisory board did not receive any payments in 2023.

Meiningen, April 16, 2024

The management board:

Thomas R. Stanton

Christoph Glingener

Ulrich Dopfer

On behalf of the supervisory board:

Dr. Eduard Scheiterer

*Chairman of the supervisory board*

- b) Opinion of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich on the audit of the Compensation Report in accordance with Section 162 para. 3 AktG

## Auditor's Report

To Adtran Networks SE, Meiningen

We have audited the remuneration report of Adtran Networks SE, Meiningen, for the financial year from January 1, 2023 to December 31, 2023 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

### Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of Adtran Networks SE are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of the remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1, 2023 to December 31, 2023, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

### Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

## Restriction on use

We issue this auditor's report on the basis of the engagement agreed with Adtran Networks SE. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Munich, April 16, 2024

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

<b>Jürgen Schumann</b> Wirtschaftsprüfer (German Public Auditor)	<b>ppa. Ralph Jakobi</b> Wirtschaftsprüfer (German Public Auditor)
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## 2. Supplementary disclosures regarding agenda item 7: Information on the candidate for election to the Supervisory Board

Heike Kratzenstein

Year of birth: 1968

Place of birth: Naila

Nationality: German

Place of residence: Glonn

Profession: CEO at Asmodee Holding GmbH

Ms. Heike Kratzenstein started as CFO of Asmodee Holding GmbH in February 2022, where she took over the CEO role in November 2022. As a business graduate specializing in finance and controlling as well as management and organizational theory, she began working as Finance Controller at Privatbrauerei Scherdel in 1993. This was followed by various positions in controlling at Escada AG and Escada Group (1996–97: Operational Controller Division Laurél; 1997–2000: Deputy Head of HQ Controlling & Project Manager; 2001–2003: Head of Subsidiary Controlling; 2003–2006: Head of Methods + Systems; 2006–2011: Head of Controlling (Groupwide); 2011–15: Director Performance Management). In 2016, she worked as a Senior Management & Controlling Consultant at Kratzenstein Consulting. This was followed by a position as CFO at Lacoste DACH & SCAN from 2016–20. She then worked again as a Senior Management & Controlling Consultant at Kratzenstein Consulting until she took up her current position at Asmodee Holding GmbH in February 2022.

External mandates

- None.

3. Supplementary disclosures regarding agenda item 8: Compensation system for the Supervisory Board members of Adtran Networks SE

Pursuant to Article 12 of the Statutes of Adtran Networks SE, the Supervisory Board members receive compensation that is determined by resolution of the Annual General Meeting. According to the compensation regulations most recently adopted by the Annual General Meeting and proposed for confirmation by the Annual General Meeting, Supervisory Board members receive fixed compensation for their work, the amount of which depends on the individual tasks performed on the Supervisory Board or its committees. There is no provision for variable compensation.

The details of the compensation system for Supervisory Board members on which the proposed resolution is based are as follows (information in accordance with Section 113 (3) sentence 2 in conjunction with Section 87a (1) sentence 2 AktG):

a) The compensation system for Supervisory Board members provides for purely fixed compensation without variable components or share-based compensation. Granting purely fixed compensation is common practice in other listed companies and has proved successful. The Executive and Supervisory Boards believe that purely fixed compensation for Supervisory Board members is the most suitable way of strengthening the board's independence and considering its advisory and monitoring function, which is to be fulfilled regardless of the Company's success. Purely fixed compensation is also provided for in recommendation G. 18 sentence 1 of the German Corporate Governance Code.

b) The Supervisory Board compensation has the following components:

The annual fixed compensation for the Supervisory Board Chair is EUR 100,000 and EUR 75,000 for each of the other board members. The Audit Committee Chair receives total compensation of EUR 90,000 for their activities. This adequately considers the greater time commitment of the Chairs of the Supervisory Board and the Audit Committee. If a Supervisory Board member performs both functions with increased compensation, that member receives only the fixed annual compensation provided for the Supervisory Board Chair.

The Supervisory Board members are included in a financial loss liability insurance policy maintained by the Company for board members, the premiums for which are paid by the Company, insofar as the Company has taken out such an insurance policy for the benefit of the Supervisory Board members. In addition to the compensation and the reimbursement of the expenses incurred by the Supervisory Board members in the exercise of their office, any value added tax payable on these expenses is reimbursed.

The upper limit for the compensation of Supervisory Board members results from the total fixed compensation, the amount of which depends on the individual tasks performed on the Supervisory Board or in the committees.

c) The amount and structure of Supervisory Board compensation is in line with the market and ensures that the Company will continue to be able to attract and retain excellently qualified candidates for the Supervisory Board in the future. This is a prerequisite for the best possible performance of the Supervisory Board's advisory and monitoring activities, which in turn make a significant contribution to promoting the Company's business strategy and long-term development.

- .d) The annual compensation is paid in four tranches, one at the end of each quarter. If the Supervisory Board and/or its committees change, compensation is paid on a pro rata temporis basis.
- e) The compensation of Supervisory Board members is determined conclusively by Article 12 of the Statutes and the resolutions of approval by the Annual General Meeting. There are no ancillary or supplementary agreements. The compensation is linked to the duration of the appointment to the Supervisory Board. There are no promises of redundancy payments, retirement pensions, or early retirement pensions.
- f) Since the advisory and monitoring activities of Supervisory Board members are fundamentally different from the activities of the Company's employees, a vertical comparison with employee compensation is not a suitable criterion for determining the appropriateness of Supervisory Board compensation.
- g) The Supervisory Board's compensation is decided by the Annual General Meeting at the proposal of the Executive and Supervisory Boards. Periodically (at least every four years), the Executive and Supervisory Boards review whether the amount and structure of the compensation are still in line with the market and commensurate with the Supervisory Board's tasks and the Company situation. Advice can be provided by an external compensation expert. If there is reason to change the compensation for the Supervisory Board, the Executive and Supervisory Boards will submit a resolution proposal to that effect to the Annual General Meeting. Any conflicts of interest in the review of the compensation system are counteracted by the statutory competence regulation, since the final decision-making authority on compensating Supervisory Board members is assigned to the Annual General Meeting and a resolution proposal is submitted to it by the Executive and Supervisory Boards, so a system of mutual control is already provided for in the statutory regulations.
- h) This compensation regulation applies for the first time for the 2024 fiscal year. The tranche of the annual compensation for the first quarter of 2024 will be paid out together with the tranche for the second quarter of 2024.



4. Supplementary disclosures regarding agenda item 9: System of compensation for the Executive Board members of Adtran Networks SE

Adtran Networks SE  
Meiningen  
Compensation System for Members of the Executive Board

Preamble

On May 8, 2024, the Supervisory Board of Adtran Networks SE ("Adtran Networks") decided, based on the proposal by the Nomination and Compensation Committee, to adjust the compensation system for members of the Executive Board that had been approved by the General Meeting on May 24, 2023 and to submit the revised compensation system to the 2024 General Meeting for approval.

1. Principles of the compensation system for members of the Executive Board

The compensation of the Executive Board considers the size, complexity and economic position of the Company and the performance of the entire Executive Board. The compensation system for the Executive Board of Adtran Networks is focused on a sustainable and long-term development of the Company and, in its entirety, promotes the business strategy for long-term development of the Company. The compensation system ensures that exceptional performance is rewarded adequately, and that failure to meet targets results in a noticeable reduction of the compensation. Thus, when establishing the compensation system and determining the compensation amount, the Supervisory Board essentially takes the following guidelines into account:

Size, complexity, and position of the Company	The compensation system takes into account the size and complexity as well as the operative, financial and economic position of the Company.
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Duties and performance of the Executive Board	The compensation system considers the duties and performance of the Executive Board as a whole and of the individual members of the Executive Board.
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Pay for Performance	The compensation system ensures, by way of adequate performance criteria within the scope of the performance-related variable compensation, which makes up the greater part of the overall compensation, that the performance of the Executive Board is rewarded adequately and that failure to meet targets is also considered (Pay for Performance).
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Standard of reasonableness

The Executive Board compensation is customary in the market in terms of structure and amount, and competitive. This is ensured by comparing the Executive Board compensation with relevant comparison groups on a regular basis. In addition, the compensation of the Executive Board members is adequate in relation to the compensation of the senior executives and employees.

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Regulatory compliance

The Executive Board compensation system complies with the German Stock Corporation Act (AktG) and takes into account the recommendations and suggestions of the German Corporate Governance Codex to a large extent.

The present compensation system applies to resolutions of the Supervisory Board regarding the compensation and compensation agreements with the members of the Executive Board that were decided or made on or after June 29, 2024. In the absence of any agreement to the contrary, compensation claims that were established prior to this date shall continue to be governed by the contractual provisions upon which they are based.

The Supervisory Board establishes a total target compensation for each member of the Executive Board for the upcoming fiscal year. When determining the fixed and variable compensations and their regular review, the Compensation and Nomination Committee and the Supervisory Board take into consideration that the compensation is commensurate with the duties and performances of the Executive Board member as well as with the position of the Company. They also take into consideration that the compensation does not exceed a compensation that is customary in the market without any special reasons.

The structure and the amount of the Executive Board compensation will be determined by the Supervisory Board based on a proposal by the Compensation and Nomination Committee. All members of the Executive Board are committed to the interests of the Company. The applicable regulations for the avoidance of conflicts of interest apply to any decisions regarding the compensation system and its implementation. In particular, each member is obligated to disclose any possible conflicts of interest to the chairperson of the Supervisory Board without delay; any conflicts of interest of the chairperson of the Supervisory Board must be disclosed to the Compensation and Nomination Committee. The Supervisory Board informs about any material conflicts of interest that are not merely temporary in its annual report to the General Meeting.

Within the scope of establishing the specific total target compensation and reviewing its appropriateness, the Supervisory Board uses relevant comparison groups. The following companies are used as external references in future appropriateness tests: Calix, Casa Systems, Ciena, Comtech Telecommunications, Extreme Networks, Fabrinet, Harmonic, Infinera, Lumentum Holdings, MACOM Technology Solutions Holdings, Methode Electronics, NETGEAR, NetScout Systems, OSI Systems, Ribbon Communications and Viavi Solutions. The Supervisory Board can make changes to the comparison group at its due discretion if the comparability of individual companies – regardless of the reason – changes considerably. The horizontal comparison serves to ensure that the Executive Board receives a compensation that is customary in the market and competitive.

For appropriateness tests or changes in the target compensation, there is also a vertical – internal – comparison of the Executive Board compensation in addition to this horizontal – external – comparison. The vertical comparison reviews the compensation of the members of the Executive Board among each other and compared to the senior management circle and to the relevant total workforce of the Company. In doing so, the Supervisory Board takes into account, aside from the current relations of the compensation of the different levels to each other, in particular also the development of the compensation of the described groups over time. The external and internal appropriateness is reviewed at regular intervals. The criteria relevant for the delimitation of the senior management circle and the relevant workforce are established by the Supervisory Board within the scope of the regular review. When mandating external

compensation consultants, the Supervisory Board ensures their independence from the Executive Board and the Company.

The Supervisory Board establishes the compensation system for the Executive Board based on a proposal by the Compensation and Nomination Committee. The Supervisory Board can commission external consultants, if necessary. In addition, the Compensation and Nomination Committee prepares the regular review of the system and of the amount of compensation of the Executive Board members by the Supervisory Board. In this case as well, the Compensation and Nomination Committee and the Supervisory Board may commission an external compensation expert, ensuring this expert's independence from the Executive Board and the Company. The expert may recommend that the Supervisory Board make changes, if necessary. The treatment of conflicts of interest must comply with the applicable regulations of the German Stock Corporation Act (AktG) and the German Corporate Governance Codex (DCGK). In case of material changes, and in the future at least every four years, the compensation system decided by the Supervisory Board is submitted to the General Meeting for approval. If the General Meeting rejects the submitted compensation system, a compensation system that has been reviewed by an independent external consultant and, if applicable, updated will be submitted for approval in the next General Meeting at the latest.

Insofar as it is necessary in the interests of the Company and its long-term well-being, the Supervisory Board can decide, based on a recommendation by the Compensation and Nomination Committee, to temporarily deviate from the existing compensation system (procedure and regulations regarding the compensation structure and amount as well as regarding the individual compensation components). This can relate in particular to the configuration of the variable components and the established amount. This grants the Supervisory Board the option to give due consideration, within reasonable limits, to extraordinary developments, for example a severe economic crisis, material acquisitions or disposals of major business units, but not generally unfavorable market developments. Even in case of a deviation from the existing compensation system, the compensation must continue to be aligned with a sustainable and long-term development of the Company and must not overburden its financial performance. Any deviation from the compensation system requires a respective resolution of the Supervisory Board that determines the extraordinary circumstances and the necessity of a deviation.

If senior executives from other companies of the Adtran Group, in particular Adtran Holdings, Inc. ("Adtran"), also hold a seat on the Executive Board of Adtran Networks SE, the Supervisory Board of Adtran Networks SE can arrange for the Executive Board employment at Adtran Networks SE to be wholly or partly without compensation and/or take the compensation the respective Executive Board member receives in his or her function at the Adtran Group into consideration when establishing the compensation at the Adtran Networks SE level. This applies in particular if a member of the Board of Directors of Adtran or another senior executive of the Adtran Group holds a seat on the Executive Board at Adtran Networks SE.

The present compensation system for members of the Executive Board shall apply from June 29, 2024, to all amendments of the existing Executive Board agreements, to their extensions, and to new Executive Board agreements to be entered into.

## 2. Overview of the components of the compensation system

The compensation of the members of the Executive Board of Adtran Networks SE comprises non-performance-related (fixed) and performance-related (variable) compensation components.

### Fixed compensation components

The fixed compensation components comprise the basic compensation and the fringe benefits.

### Variable (i.e. performance-related) compensation components

The variable compensation components comprise a short-term variable compensation as well as long-term variable compensation components (market-related Performance Stock Units, company-related Performance Stock Units, time-related Restricted Stock Units; Performance Stock Units are also referred to as "PSUs" and Restricted Stock Units as "RSUs" in the following). In addition, in view of the company merger with Adtran completed in 2022, an Integration Bonus that is dependent upon the achievement of specific targets is granted for the fiscal years 2023 and 2024.

Short-term variable compensation component

Annual Target Incentive Cash Bonus

Performance criteria	Adjusted EBIT of the Adtran Group/sales of the Adtran Group
Assessment period	The target amount of the bonus is set for one fiscal year. Targets will be set and reviewed at the beginning of an assessment period to be determined. This assessment period currently consists of the entire fiscal year, but can be adjusted in accordance with the applicable requirements of the Adtran Group.
Cap/Profit Limitation	200% of the target value
Disbursement	The bonus is paid out after the end of the respective assessment period.

Long-term variable compensation components

Annual Restricted Stock Units

Vesting	During a period of four years, 25% will be converted into shares on each respective anniversary of the disbursement.
Exercise requirements	Existing employment relationship on the respective date
Cap/Profit limitation	Exchange limitation in case of a value increase to 300% between disbursement and conversion, taking into consideration all RSUs allocated within a tranche
Disbursement	Conversion into Adtran shares after vesting

Annual Performance Stock Units

Performance criteria	Development of the Total Shareholder Return ("TSR") of Adtran compared to the NASDAQ Telecommunications Index
Assessment period	Three years
Cap/Profit limitation	Exchange limitation of the maximum 150% TSR target and a share value increase to 200% between disbursement and conversion, taking into consideration all PSUs allocated within a tranche
Disbursement	Delivery of Adtran shares and disbursement of dividend credits in cash

3-Year Plan Performance Stock Units (three-year plan)

Performance criteria	Adjusted EBIT of the Adtran group
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## [Convenience Translation]

Assessment period	Three years
Cap/Profit limitation	Exchange limitation in case of a share value increase to 200% of the originally allocated PSUs between disbursement and conversion, taking into consideration all PSUs originally allocated
Disbursement	Delivery of Adtran shares and disbursement of dividend credits in cash

### 2-Year Integration One-Time Bonus

Performance criteria	Synergy savings, individual targets
Assessment period	Through the end of 2024
Cap/Profit limitation	Regarding the 50% cash disbursement limited to a payout of 66% of a fixed annual salary and regarding the 50% PSUs grant limited to a grant value of 66% of a fixed annual salary; exchange limitation of the maximum target and a share value increase to 200% between disbursement and conversion (Cap)
Disbursement	Monetary payment and delivery of Adtran shares and disbursement of dividend credits in cash

### Other contractual components

Malus & Clawback	Partial or complete reduction or clawback of variable compensation components in case of serious breaches of contract, violations of code of conduct or the law, or to the extent that relevant laws or rules of a securities exchange require withholding or clawback arrangements
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### Maximum annual compensation\*

2,900,000 EUR	for the chairperson of the Executive Board
2,800,000 EUR	for every ordinary member of the Executive Board

\*The maximum compensation is comprised of the basic compensation and the fringe benefits, the variable (i.e. performance-related) compensation components in case of maximum target achievement, and taking into consideration any applicable caps. For the company-related PSUs and the integration bonus, the achievable maximum amounts are distributed evenly over the individual years of the term. As a precautionary measure, any compensation that the parent company of the Group pays the members of the Executive Board with regard to their service on the Executive Board at the Company (in particular RSUs as well as market- and company-related PSUs) will also be considered. If members of the Board of Directors or other senior managers of the Adtran Group also hold a seat on the Executive Board at the Company at the same time, any amounts that are not paid by the Company or its dependent companies and that are not paid specifically for the service on the Executive Board at the Company will not be taken into consideration.

When determining the compensation, the Supervisory Board checks whether and which compensation components the members of the Executive Board will receive with regard to their service on the Executive Board of Adtran, and

whether these are consistent with the present compensation system for the Executive Board. If this is not the case, the Supervisory Board will not approve the granting of such compensation components.

In addition to limiting the amount of the maximum compensation (total compensation) for the respective fiscal year, the Supervisory Board will also limit all variable compensation components.

### 3. Compensation components in detail:

#### 3.1. Basic compensation

The basic compensation is a fixed, i.e. non-variable, compensation based on the full year paid out in equal installments. The amount of the basic compensation is based on the responsibility and experience of the respective member of the Executive Board. It is agreed with the respective member of the Executive Board in individual contracts upon the member's appointment or in case of an extension. It ensures that all members of the Executive Board receive an adequate income. Members of the Executive Board may voluntarily waive part of their basic compensation at any time without any further requirements.

#### 3.2. Annual Target Incentive Cash Bonus

The members of the Executive Board receive a so-called Annual Target Incentive Cash Bonus according to the Variable Incentive Compensation Plan or Variable Incentive Cash Compensation Plan ("VICC Plan") of the Adtran Group as a short-term variable compensation.

The Annual Target Incentive Cash Bonus rewards the success of the operative development in the respective fiscal year. This ensures that targets are based on demanding financial, operative, and strategic success parameters, upon the achievement of which the amount of the actual disbursement depends.

At the beginning of a respective fiscal year, the Supervisory Board establishes an individual target compensation for 100% of total target achievement for each member of the Executive Board. This amount is calculated by multiplying the fixed annual salary of the members of the Executive Board with the individually set incentive target in percent.

Furthermore, performance criteria are established according to the VICC Plan at the beginning of each fiscal year. According to previous and current practice, the Adjusted EBIT of the Adtran Group and the sales of the Adtran Group are used as relevant criteria. The "Adjusted EBIT" is the EBIT shown in the audited financial statements of Adtran, adjusted by restructuring costs, acquisition-related costs, amortizations of intangible assets, costs for share-based compensation, non-cash changes in the value of investments within the framework of the Deferred Compensation Plan, and other exceptions established in the individual case. However, according to the VICC Plan, other key figures can also be used as performance criteria.

The assessment period is a maximum of one year and is based on the applicable requirements of the Adtran Group. At the beginning of each assessment period, minimum, target, and maximum amounts are set for each performance criterion for the respective assessment period. In order to receive the pro rata bonus for the respective assessment period, the minimum target has to be achieved for the respective performance criterion. The member of the Executive Board receives 100% of the annual target bonus if the target amount for both targets is achieved in all four quarters. If the maximum targets are achieved, the member of the Executive Board receives 200% of the annual target bonus. Values between the thresholds are calculated by means of non-linear interpolation. The payment of a bonus does not require the minimum target to be achieved for both performance criteria. After target achievement has been determined in the respective subsequent assessment period, the payments owed for the respective previous assessment period become due.

In the event of a change of control of Adtran Holdings, Inc., the VICC Plan stipulates a payment to be made within 30 days of the change of control, in an amount equal to that portion of the then expected annual bonus for the entire fiscal year attributable to the period up to the change of control.

If a member of the Executive Board resigns during the year, the entitlement regarding the Annual Target Incentive Cash Bonus will depend on the existence of the employment relationship at the time the payment becomes due.

The annual bonus is paid out by the Company with which the Executive Board service agreement exists.

#### 3.3 Long-term variable compensation components

Within the scope of the incentive plans of the Adtran Group, Adtran pays the members of the Executive Board time-related RSUs, market-related PSUs, and company-related PSUs within the framework of a three-year plan in order to

offer a competitive compensation that adequately acknowledges the contributions of the members of the Executive Board to the success of the company. The long-term variable compensation instruments serve to establish the right incentives in order to achieve a sustainable corporate development. The costs for the disbursements and their management are borne by Adtran.

a) Annual Restricted Stock Units

The members of the Executive Board receive a certain sum for the allocation of Restricted Stock Units or RSUs each year. The allocation takes place regularly during the first quarter of the fiscal year. A later allocation is also possible in case of entry during the year, changes in the duties, or for other factual reasons. The number of RSUs to be allocated is calculated by dividing this sum by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

As a general rule, the allocations will be converted into Adtran shares over the course of four years in equal installments (25% per year) after the time has lapsed. Within the four-year vesting period, the members of the Executive Board earn a quarter of the originally allocated RSUs for each full year they have been the Executive Board of the Company since allocation of the RSUs.

In order for the member of the Executive Board to receive the shares on each exchange date, the member must have entered into a current service agreement with the Company or any other group company of the Adtran Group. Once an RSU is converted into Adtran shares, the member of the Executive Board becomes the owner of the shares. Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran Group, there are, in principle, no further disposal restrictions after acquisition of the shares.

The RSUs motivate the members of the Executive Board to maintain the service relationship with the Company and to promote the growth of the Group and the share performance.

Exchange restrictions are defined for the members of the Executive Board in the event of a value increase of the shares to 300% between allocation and conversion, taking into account all RSUs allocated within a tranche (i.e. 100% of the RSUs allocated for a total of four years). Hence, the conversion of vested RSUs is possible until the ceiling is reached. Should the ceiling be reached, any RSUs exceeding the ceiling have to be returned.

b) Market-related Performance Stock Units

For the members of the Executive Board a certain sum for the allocation of market-related Performance Stock Units or PSUs will be determined each year. The allocation takes place regularly during the first quarter of the fiscal year. A later allocation is also possible in case of entry during the year, changes in the duties, or for other factual reasons. The number of market-related PSUs to be allocated is calculated by dividing this sum by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

The term of the market-related PSUs is three years. The earnings of the PSUs is determined based on a comparison of the development of the TSR of Adtran compared to the development of the TSR of the NASDAQ Telecommunications Index. The details are based on the applicable "Market Based Performance Stock Unit Agreement" of Adtran. The following currently applies:

The respective member of the Executive Board earns 0% of the target number of the market-related PSUs if the relative TSR performance of Adtran does not correspond to at least the 30th percentile of the benchmark index, and 150% of the target number of PSUs if the relative TSR performance of Adtran corresponds to, or exceeds, the 80th percentile of the benchmark index. For anything in between, the earned market-related PSUs are determined based on the following table. However, a payout cap of 100% applies if Adtran's TSR outperforms the NASDAQ Telecommunications Index but is negative.

Adtran's TSR performance compared to the benchmark index indicated as a percentile	Earned market-related PSUs (in percent of the target number)
Under 30th percentile	0%
30th percentile	25%
35th percentile	40%
40th percentile	55%

45th percentile	75%
50th percentile	85%
55th percentile	100%
60th percentile	110%
65th percentile	120%
70th percentile	130%
75th percentile	140%
80th percentile	150%
80th percentile or higher	150%

The member of the Executive Board receives a corresponding number of Adtran shares based on the PSUs earned at the end of the three-year period in each case. The recipients of the market-related PSUs in each case receive credits for dividends paid on the shares that correspond to the market-related PSUs during the term of the PSUs. These credits are earned and become due together with the PSUs, and are paid out in cash.

In the event of a change of control at Adtran Holdings, Inc., the "Market Based Performance Stock Unit Agreement" provides for early conversion into shares. Accordingly, in the event of a change of control and the involuntary termination of the employment, a portion of the granted PSUs shall be deemed earned in an amount equal to 25% of the target number of PSUs granted multiplied by a fraction, the numerator of which shall equal the number of days elapsed from the Date of Grant to the date of the change of control and the denominator of which shall equal the days in the Performance Period. For each PSU earned, one Adtran share shall be issued to the participant as soon as administratively practicable after the change of control.

Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran Group, there are, in principle, no further disposal restrictions after acquisition of the shares.

The market-related PSUs reward, in particular, a better performance of the Adtran shares compared to the benchmark index and promote a long-term development during their multi-year assessment period.

Exchange restrictions are defined for the members of the Executive Board for the maximum amount resulting from the achievement of the maximum 150% TSR target and, additionally, a share value increase to 200% between disbursement and conversion, taking into consideration all PSUs allocated within a tranche. Hence, the conversion of vested PSUs is possible until the ceiling is reached. Should the ceiling be reached, any PSUs exceeding the ceiling have to be returned.

#### c) 3-Year Plan Performance Stock Units

The members of the Executive Board participate in Adtran's Long-Term Financial Plan, according to which the members of the Executive Board are allocated a specific sum for the allocation of PSUs annually within the scope of a three-year plan. PSUs allocated in the first year can be converted after three years; PSUs allocated in the second year can be converted after two years, and PSUs allocated in the third year can be converted after one year.

The value of the PSUs allocated in the respective fiscal year in principle corresponds to a certain percentage of the annual fixed salary. The number of Performance Stock Units to be allocated is calculated by dividing this amount by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

The earning of the PSUs depends on the achievement of a target for the Adjusted EBIT (as defined above) through the end of the three-year term. The instrument thus rewards the long-term EBIT growth of the Group.

- If the Adjusted EBIT equals more than 51% and less than 100% of the target amount, the entitled individuals receive 50% of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 100% of the target amount, but stays below 110% of the target amount, the entitled individuals receive 100% of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 110% of the target amount, but remains below 120% of the target amount, the entitled individuals receive 121.4% of the target number of PSUs.
- If the Adjusted EBIT reaches or exceeds 120% of the target amount, the entitled individuals receive 142.9% of the target number of PSUs.

The member of the Executive Board receives a corresponding number of Adtran shares based on the PSUs earned at the end of the three-year period in each case. The respective PSUs are earned if the performance target is already reached by the end of the first or second fiscal year. However, a conversion into shares cannot be made before



expiration of the three-year period and requires that the entitled individual is still in a service relationship. If the target amount of the Adjusted EBIT is already reached before expiration of the three-year period, an adjusted target is established as an incentive for further improvements regarding the out-performance that is still possible.

Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran Group, there are, in principle, no further disposal restrictions after acquisition of the shares.

Exchange restrictions are defined for the members of the Executive Board for the maximum amount that is the result of an increase in value of the shares to 200% between allocation and conversion, taking into account all PSUs allocated within a tranche. Hence, the conversion of vested PSUs is possible until the ceiling is reached. Should the ceiling be reached, any PSUs exceeding the ceiling have to be returned.

#### d) 2-Year Integration One-Time Bonus

For the period through the end of the fiscal year 2024, the members of the Executive Board receive a so-called 2-Year Integration One-Time Bonus for an extensive integration of Adtran Networks into the Adtran Group if pre-defined targets are achieved by the end of the fiscal year 2024. Specific individual targets also focus on employee satisfaction. The members of the Executive Board receive a certain sum for the allocation of company-related Performance Stock Units or PSUs; their value corresponds to a certain percentage of the fixed annual salary of the member of the Executive Board. The number of PSUs to be allocated is calculated by dividing this sum by the value of the Adtran shares according to the NASDAQ closing price on the day when the decision regarding the allocation is made.

The PSUs, as the first element of the integration bonus, are earned if specific synergies are achieved by the end of the fiscal year 2024. A target value and a threshold value are established for this purpose.

- No PSUs are earned if the achieved synergies are below the threshold value, which means that conversion into shares is not possible.
- If the synergies reach or exceed the threshold value, but remain below the target amount, any PSUs that correspond to 33% of the fixed annual salary at the time of allocation are earned and can be converted into shares.
- If the synergies reach or exceed the target value, any PSUs that correspond to 66% of the fixed annual salary at the time of allocation are earned and can be converted into shares.

Exchange restrictions are defined for the members of the Executive Board for the maximum amount that is the result of an increase in value of the shares to 200% between allocation and conversion, taking into account all allocated PSUs.

Aside from general restrictions, such as insider trading rules and "blackout periods" existing pursuant to the guidelines of the Adtran Group, there are, in principle, no further disposal restrictions after acquisition of the shares.

The second element of the integration bonus is a payment in money that is due if the established threshold value for the synergy savings is reached by the end of the fiscal year 2024 and, in addition, the individual targets established for the members of the Executive Board are achieved.

Provided all individual targets are achieved, the component to be paid out in money equals at most 66% of the annual fixed salary owed by the Company. The individual targets are assigned percentage amounts in each case that are used to calculate the amount to be disbursed when the synergy savings threshold value is reached and some, but not all, individual targets are achieved.

#### 3.4 Ratio of variable compensation components to each other

Within the scope of the definition of the total target compensation, the Supervisory Board ensures that the variable compensation resulting from the achievement of long-term oriented targets exceeds the portion of short-term oriented targets. However, there can be deviations in the individual case (e.g. due to the availability of RSUs or PSUs in a given fiscal year), which should balance out over the service term of the member of the Executive Board.

#### 4. Compensation in kind and other additional compensation (fringe benefits)

In addition to the aforementioned cash compensation, the members of the Executive Board receive various fringe benefits that are in part event-related fringe benefits. The fringe benefits regularly granted comprise a company car for business and private use or a corresponding lump-sum payment for a company car. Furthermore, members of the

Executive Board receive the usual employer's share of any statutory social security contributions, health insurance, and a standard employer retirement plan (US 401k). All members of the Executive Board are in principle entitled to fringe benefits in the same way; however, these can vary in the individual case depending on the personal situation and utilization, in particular in terms of the amount. The Supervisory Board can grant different or additional fringe benefits that are customary in the market.

The members of the Executive Board are included in the coverage provided by a financial loss liability insurance policy (directors & officers insurance), subject to a deductible, taken out by the Company. This insurance provides for a statutory deductible for the Executive Board required pursuant to Section 93 para. 2 sentence 3 German Stock Corporation Act (AktG). Some of these benefits are taxable as non-cash benefits for the members of the Executive Board.

#### 5. Withholding and recovery clause (malus and clawback clause)

The following malus and clawback provisions are also part of the variable compensation components. Based on these provisions, clawback or reduction of variable compensation components already or not yet been paid out is possible under certain conditions. This clawback or reduction option applies to all variable components of the Executive Board compensation.

The Supervisory Board can, in case of serious duty or compliance violations or serious unethical conduct, review both the amount of the disbursement of the variable compensation and, depending on the extent of the violation, possibly even reduce it to zero at its due discretion. In these cases, the Supervisory Board also has the option – depending on the severity of the violation – to void variable compensation components in their entirety or in part.

In case of a grossly negligent or intentional violation of the duty of care of a prudent and conscientious business manager pursuant to Section 93 para. 1 German Stock Corporation Act (AktG) by a member of the Executive Board, the Company has the right to demand repayment in whole or in part of any variable compensation components paid out for the respective assessment period in which the violation of duty occurred.

If the variable compensation components were wrongly paid out on the basis of false data, the Company has the right to demand repayment of the difference amount resulting from the recalculation of the amount of the variable compensation compared to the payment already made. The Company must demonstrate that the data, upon which the calculation of the compensation was based, was false and the variable compensation of the member of the Executive Board was therefore too high.

The clawback options also exist if the position or employment relationship with the member of the Executive Board has already ended at the time of the right of recovery. Claims for damages against the member of the Executive Board remain unaffected thereby. The clawback option becomes time-barred three years after disbursement at the latest.

To the extent the variable compensation components that Adtran specifically grants for service on the Executive Board at Adtran Networks do not contain any corresponding withholding or clawback clauses, the members of the Executive Board are obligated to waive payment of the variable compensation or repay any variable compensation components already received.

In addition, the Adtran Policy for the Recovery of Erroneously Awarded Compensation applies. According to this policy, variable remuneration components must be repaid if significant corrections to accounting documents are required, insofar as they have been paid out in excess due to incorrect accounting documents.

Insofar as future statutory regulations or rules of a securities exchange, which are relevant for the appointed members of the Executive Board, require further withholding or clawback provisions, the respective withholding or clawback rules will be agreed with the members of the Executive Board.

#### 6. Relative portions of the compensation components

The relative portions of the individual compensation components in the total target compensation of the members of the Executive Board are approximately as follows\*:

Fixed compensation	22-36%
Regular fringe benefits	1-3%
Annual Target Incentive Cash Bonus	11-18%
Annual Restricted Stock Units	8-15%

## **[Convenience Translation]**

Annual Performance Stock Units	8-15%
3-Year Plan Performance Stock Units	15-30%
2-Year Integration One-Time Bonus	7-18%

Following the cancellation of the 2-Year Integration One-Time Bonus, the following allocation is envisaged:

Fixed compensation	23-39%
Regular fringe benefits	2-4%
Annual Target Incentive Cash Bonus	12-19%
Annual Restricted Stock Units	9-16%
Annual Performance Stock Units	8-16%
3-Year Plan Performance Stock Units	16-31%

\*The compensation is comprised of the basic compensation and the fringe benefits, the variable (i.e. performance-related) compensation components. Achievement of the target amount (100%) is used as the basis for calculation in each case. For the company-related PSUs under the 3-year plan and the 2-year integration bonus, yet not for the annual PSUs, the achievable maximum amounts are distributed evenly over the individual years of the term.

The ratio of the fixed and variable compensation components should not be firmly established, but should be within the aforementioned ranges, subject to the adjustment options provided for in this compensation system. The system provides that a function-specific differentiation can be made at the dutiful discretion of the Supervisory Board based on the criteria market conditions, experience, function and area of responsibility of the member of the Executive Board. This means, for example, that a prominent member of the Executive Board, like the chairperson of the Executive Board, can receive a higher total compensation. In addition, in case of a first-time appointment of a member of the Executive Board, an overall lower compensation or a reduction of compensation components can be established for the first appointment period. Furthermore, within the scope of reviewing the compensation of the Executive Board, the Supervisory Board has the option of adjusting the aforementioned compensation components, if required, taking into consideration the market and adequacy, insofar as this does not significantly change the compensation system. This means, for example, that the short-term or long-term compensation can be specifically adjusted to a changed standard industry practice, thereby optimizing the total target compensation in line with market requirements. The result of the described differentiation options is that the portions of the individual compensation components in the total target compensation can vary. It must further be taken into account that the integration bonus agreed on the basis of the company merger is to remain a one-time bonus.

Within the scope of the definition of the total target compensation, the Supervisory Board ensures that the variable compensation resulting from the achievement of long-term oriented targets exceeds the portion of short-term oriented targets. However, there can be deviations in the individual case (e.g. due to the availability of RSUs or PSUs in a given fiscal year), which should balance out over the service term of the member of the Executive Board.

### 7. Maximum annual compensation

Pursuant to Section 87, para. 1 sentence 2 no. 1 German Stock Corporation Act (AktG), the Supervisory Board has established a maximum compensation for the chairperson of the Executive Board and for an ordinary member of the Executive Board. From the date of validity of this Executive Board compensation system, the compensation amounts to EUR 2,900,000 for the chairperson of the Executive Board and EUR 2,800,000 for an ordinary member of the Executive Board.

The Supervisory Board points out that these amounts do not constitute the total target compensation deemed appropriate by the Supervisory Board, but merely an absolute upper limit that could be achieved by a member of the Executive Board in the event of optimum target achievement.

The maximum compensation is comprised of the basic compensation and the fringe benefits, the variable (i.e. performance-related) compensation components for maximum target achievement and taken into consideration applicable caps. For the company-related PSUs and the integration bonus, the achievable maximum amounts are distributed evenly over the individual years of the term. As a precautionary measure, any compensation that the parent company of the Group pays the members of the Executive Board with regard to their service on the Executive Board at the Company (in particular RSUs as well as market- and company-related PSUs) will also be considered. If members of the Board of Directors or other senior managers of Adtran also hold a seat on the Executive Board at the Company

at the same time, any amounts that are not paid by the Company or its dependent companies and that are not paid specifically for service on the Executive Board at the Company will not be taken into consideration.

In addition to limiting the amount of the maximum compensation (total compensation) for the respective fiscal year, the Supervisory Board will also limit all variable compensation components.

#### 8. Term and payments upon termination of the Executive Board mandate

The Supervisory Board pays attention that in case of a first appointment of Executive Board members both the appointment term and the term of the Executive Board service agreement do not exceed two years at the most. In the first ordinary meeting of the Supervisory Board in a calendar year, proposals of the Nomination and Compensation Committee are discussed and reappointments or extensions of the service agreements for the subsequent year are decided. The maximum term is thus in principle shorter than the five years required under stock corporation law.

Executive Board service agreements include severance pay provisions that refer to the following regulations:

In case of an ordinary termination of the service relationship pursuant to the contract term agreed in the Executive Board agreement, the variable compensation components owed to the member of the Executive Board on the basis of temporally completed assessment periods are paid out to the member of the Executive Board on the regular due dates. In case of temporally not completed assessment periods, a pro-rata disbursement for the lapsed portion of the assessment period is made on the regular due date, assuming complete target achievement (100%).

If the Company terminates the service relationship prior to expiration of the agreed contract term, and such termination is not due to a violation that allows for a malus/clawback (see above), the variable compensation components owed on the basis of temporally completed assessment periods are paid out to the member of the Executive Board on the regular due date. In case of temporally not completed assessment periods, a pro-rata disbursement for the lapsed portion of the assessment period is made on the regular due date, assuming complete target achievement (100%). In addition, the member of the Executive Board receives the basic compensation through the end of the agreed contract term.

If a member of the Executive Board terminates the service relationship prematurely prior to expiration of the agreed contract term, the variable compensation components owed on the basis of temporally completed assessment periods are paid out to the member of the Executive Board on the regular due date. In case of temporally not completed assessment periods, a pro-rata disbursement for the lapsed portion of the assessment period is made on the regular due date, assuming complete target achievement (100%).

In all aforementioned cases, the expiry of RSUs and PSUs is subject to the conditions of the respectively applicable plans.

All aforementioned severance payments as well as any severance payment agreed in case of mutually agreed resignation is limited to the extent that they neither exceed the value of two annual basic compensations nor the compensation for the remaining term of the employment contract in any case, taking into consideration the basic compensation including fringe benefits yet to be disbursed and any other non-cash benefits ("Severance Caps").

Calculation of the Severance Caps is based on the total compensation of the previous fiscal year and, if applicable, also on the expected total compensation of the current fiscal year.

#### 9. Change of control

The Executive Board service agreements of the Company do not contain any commitments for benefits in the event of premature termination of the employment contract by the member of the Executive Board due to a change of control. Reference is made to the change of control provisions in the VICC Plan and regarding the market-based PSUs described above.

#### 10. Deduction for secondary activities

As a general rule, the Supervisory Board must not approve more than two Supervisory Board mandates or comparable functions of the Executive Board members with listed companies outside the Adtran Group. The Supervisory Board decides at its sole discretion on a case-by-case basis whether and to what extent the compensation for approved positions of the Executive Board members with listed companies outside the Adtran Group results in a reduction of the compensation of the respective Executive Board member.

5. Supplementary disclosures regarding agenda item 10: Report of the Executive Board on the resolution to create new authorized capital 2024/I with authorization to exclude subscription rights; Amendment of the Statutes

On May 22, 2019, the Annual General Meeting approved the authorized capital 2019/I. The authorized capital 2019/I has not yet been used. The authorized capital 2019/I will expire before the Annual General Meeting due to the time limit of May 21, 2024.

The Executive and Supervisory Boards therefore propose that the administration be authorized to issue new shares in the Company on the basis of new authorized capital. This means the administration should still be able to procure new equity capital for the Company at any time, and especially to acquire companies, parts of companies, participating interests in companies, new technologies, or products in exchange for issuing shares.

Company shareholders are generally given a subscription right to shares to be newly issued; thus, each shareholder has a right to subscribe to new shares in a proportion that allows them to maintain their previous interest in the Company's share capital.

The proposed resolution, however, provides for authorization to exclude the subscription right existing in principle in the utilization of the authorized capital for certain purposes specified in detail in the subject of the resolution, in accordance with the statutory regulations governing this.

The Executive and Supervisory Boards believe that, considering the circumstances, this authorization to exclude the shareholders' subscription right is materially justified and reasonable with regard to the shareholders, for the reasons explained below.

The intended exclusion of the subscription rights in the event of increases in capital in exchange for contributions in kind should primarily facilitate the acquisition of companies, parts of companies, participating interests in companies, new technologies, and products in exchange for the granting of shares. In transactions of this kind, the seller often requests consideration in the form of Company shares. Similarly, it can be necessary to offer the seller in question new shares in the Company as consideration for a Company or part of a Company, a participating interest in a Company, a new technology, or a product on account of particular interests of the Company, particularly to protect its liquidity.

The Company can use the authorized capital to react quickly and flexibly to such opportunities that arise in order to acquire companies, parts of companies or participating interests in companies, new technologies, or products in exchange for issuing new shares in suitable individual cases. The proposed authorization thereby enables the optimal financing of the acquisition against the issue of shares in the Company on a case-by-case basis while allowing the Company's equity capital basis to be strengthened.

The Executive and Supervisory Boards will use the possibility of the non-cash increase in capital while excluding the subscription right from the authorized capital only when the value of the new shares is reasonably proportionate to the value of the consideration. This avoids financial losses for the shareholders excluded from the subscription right. They have the option to maintain their shareholding ratio by making additional purchases on the stock market at essentially the same prices.

The authorization to exclude the subscription right for the realization of fractional shares is necessary in order to be able to present a practical subscription ratio in a capital increase in any case, so it serves only to make it easier to utilize the authorized capital with amounts that are rounded off. Without this authorization, it would be more difficult to technically implement the capital increase—especially if capital

were increased by a rounded-off amount. The new shares arising as unassigned fractions from the exclusion of the shareholders' subscription right will be optimally realized by being sold on the stock market (if possible) or through other means. The restriction to fractional amounts will minimize any dilution effect.

The administration may also exclude the subscription right if capital is increased in exchange for cash contributions (generally in a total amount of 20% or less of the Company's share capital) as long as the issue price of the new shares is not significantly lower than the stock market price of the Company share. The following will count towards the limitation to 20% of the share capital:

- treasury shares that are sold during the period of validity of this authorization in application mutatis mutandis of Section 186 (3) sentence 4 AktG where the subscription right of the shareholders is excluded, and
- shares that are issued or are to be issued to service bonds with conversion or option rights if and insofar as the bonds are issued during the period of validity of this authorization in application mutatis mutandis of Section 186 (3) sentence 4 AktG where the subscription right is excluded.

As a result of this authorization, the Company will be given the ability to exploit favorable stock market situations at short notice and strengthen its equity capital basis. The interests of the existing shareholders of the Company will not be unreasonably affected when the issue price is set at a level that does not significantly deviate from the stock market price. They continue to have the (financially equivalent) possibility of maintaining their shareholding ratio if they wish, by making additional purchases on the stock market under essentially the same conditions.

Besides the volume limit for this special case of exclusion for subscription rights, subscription rights should generally be excluded by the proposed authorization only if the shares issued in exchange for contributions in cash or in kind with the exclusion of subscription rights during the term of this authorization do not exceed 20% of the share capital, neither at the time this authorization takes effect nor at the time of its utilization.

6. Supplementary disclosures regarding agenda item 11: Report by the Executive Board on the authorization to acquire and use treasury shares, including under exclusion of subscription rights

The authorization proposed in agenda item 11 would allow the Company under Section 71 (1) (8) AktG to purchase treasury shares of up to 10% of the share capital that exists when the resolution is made by the Annual General Meeting or– if this figure is lower – the share capital that exists when the authorization is exercised, via the stock exchange or via a public purchase offer made to all shareholders of the Company. The proposed authorization is to be valid until June 27, 2029.

In the event of acquisition by public purchase offer, every shareholder can decide how many shares they want to offer for purchase. The equal treatment principle under stock corporation law must be observed. If the total subscription to the offer exceeds the volume of shares requested by the Company, the acceptance must be made in the amount of the shares offered. It should be possible to provide for preferred acceptance of a lower number of units, up to 100 shares. This option will make technical processing easier and avoid smaller residual amounts.

The authorization stipulates that the purchase price paid for a share in Adtran Networks SE (excluding incidental acquisition costs) may not be more than 10% higher or lower than the average Closing Price (as

defined in the authorization resolution) on the three stock trading days preceding the date on which the obligation to purchase is entered into. In the event of a public purchase offer, the purchase price offered (without incidental purchase costs) cannot be more than 20% above or below the average Closing Price (as defined in the authorization resolution) on the three stock trading days before the Effective Date. The "Effective Date" for acquisition by public purchase offer is the date on which the Company's decision to submit a public offer is published or, if the offer is changed, the date on which the Executive Board conclusively decides to change the offer. The purchase offer can contain conditions, such as the achievement of a minimum acceptance rate.

The acquired shares plus the other treasury shares that are owned by the Company or that must be treated as such under Sections 71d and 71e AktG cannot account for more than 10% of the Company's share capital at any time.

The shares purchased by the Company should be usable for all legally permitted purposes, including the following without limitation:

With the Supervisory Board's consent, the Executive Board should be able to redeem the treasury shares acquired under the authorization resolution without the redemption or its implementation requiring another resolution by the Annual General Meeting. The redemption should also be made without capital reduction by adjusting the proportional amount of the remaining no-par value shares in the Company's share capital. In this case, the Supervisory Board should be authorized to adjust the number of no-par value shares stated in the Statutes.

It is provided that treasury shares may be sold with the Supervisory Board's consent, including in exchange for contributions in kind, under exclusion of shareholder subscription rights. This will enable the Company to use treasury shares directly or indirectly as consideration, including for corporate mergers and the acquisition of institutions, companies, parts of companies, or Company shareholdings. The proposed authorization will give the Company the necessary leeway to make use of such opportunities quickly and flexibly. The proposed exclusion of subscription rights will take this into account. When defining the valuation ratios, the Executive Board will ensure that the shareholder interests are protected properly. When determining the value of the shares to be transferred as consideration, the Executive Board will use the share price of the Company as a base.

It should also be possible to transfer and offer the shares for sale to employees of the Company or its Group companies. The shareholders' subscription right should be excluded here as well, because otherwise the shares cannot be offered for sale to the employees of the Company or its affiliates as planned. There are no current plans to issue employee shares. But it makes sense to provide this option in general, because (1) the authorization has a term of five years, (2) relevant activities should not be ruled out in the future, and (3) this will increase the Company's flexibility without triggering costs in the future for a new Annual General Meeting resolution.

The proposed resolution also includes the authorization to sell treasury shares acquired in another manner apart from the stock exchange, with the Supervisory Board's consent and in exclusion of subscription rights, if the shares are sold for cash at a price that is not significantly lower than the Company's share price on the stock exchange at the time of sale. This authorization makes use of the option for simplified exclusion of subscription rights under Section 71 (1) (8) AktG in connection with Section 186 (3) sentence 4 AktG.

By excluding subscription rights, the Company can reach a faster inflow of funds than if it made a purchase offer to all shareholders and provided subscription rights. If it offered subscription rights, the length of the subscription period would prevent the Company from responding quickly to favorable market conditions.

This authorization is solely in the Company's interest, since it makes it more flexible. Because the sale price for the treasury shares cannot differ greatly from the stock market price at the time of sale, this accounts for the shareholders' interest in non-dilution of the value of their shares. It will also allow them to retain their shareholding ratios by making additional purchases on the stock market.

This authorization should also apply under the condition that the notional interest of share capital that applies to the shares used cannot exceed 20% of the share capital that exists when the resolution is made or – if this figure is lower – when this authorization is exercised if the shares, in exclusion of subscription rights and in accordance with Section 186 (3) sentence 4 AktG, are not issued for much less than the stock exchange price in exchange for cash. This limit must include shares that are issued or sold during the term of this authorization until the time of their use in direct or proper application of this regulation. This must also include shares that are to be issued or sold for convertible bonds or warrant bonds that were issued during the term of this authorization and in exclusion of subscription rights under Section 186 (3) (4) AktG.

Finally, when an offer to purchase treasury shares is issued to all shareholders, subscription rights can be excluded for fractional amounts. This will provide for a technically feasible subscription ratio. The shares excluded from shareholder subscription rights as fractional amounts will either be used for sale on the stock exchange or in another manner that is optimal for the Company. Because of the restriction to fractional amounts, any dilution effect will be small.

The Executive Board will report to the Annual General Meeting about the utilization of the authorization. Considering the above interests, the Executive and Supervisory Boards believe that excluding subscription rights in the aforementioned cases is legitimate and reasonable for the shareholders, for the reasons mentioned.

### III. REQUIREMENTS FOR ATTENDING THE ANNUAL GENERAL MEETING AND EXERCISING VOTING RIGHTS

Pursuant to Section 16 (1) sentence 1 of the Statutes of the Company, only those shareholders are entitled to attend the Annual General Meeting and exercise their voting rights who register in due time in text form (Section 126b of the German Civil Code [Bürgerliches Gesetzbuch – BGB]) with the Company or a body designated in the invitation and submit proof of their shareholding.

Pursuant to Section 123 (4) sentence 2 in conjunction with Section 67c (3) AktG, the evidence must relate to the close of business on the 22nd day before the Annual General Meeting, thus June 6, 2024, 24:00 hrs (CEST) ("Record Date"), and must be provided in German or English in text form (Section 126b BGB). Corresponding proof by the final intermediary pursuant to Section 67c para. 3 AktG will suffice.

According to Section 16 (1) sentence 2 of the Company Statutes, the Company must receive the registration and the proof at least six days before the Annual General Meeting, thus on or before

June 21, 2024, 24:00 hrs (CEST)

at

Adtran Networks SE  
c/o Deutsche Bank AG



Securities Production  
General Meetings  
P.O. Box 20 01 07  
60605 Frankfurt am Main  
Germany  
or via fax at +49 69 12012 86045  
or via email at wp.hv@db-is.com

After the registration and proof of shareholding are received, admission tickets will be sent to the duly registered shareholders. Shareholders who would like to attend the Annual General Meeting are requested to notify their custodian bank as early as possible so that the bank can forward the registration and proof of shareholding to the registration office.

The right to attend the Annual General Meeting and the scope of the voting rights are determined exclusively by the shareholding as of the Record Date. In relation to the Company, only a person who has provided proof of shareholding on the Record Date is entitled to attend the Annual General Meeting and exercise their voting rights. Changes in the shareholding after the Record Date do not impact the existence and extent of the statutory attendance and voting rights. Shareholders who have acquired shares in the Company only after the Record Date may not exercise their attendance right or other rights at the Annual General Meeting arising from those shares. In relation to the Company, duly registered shareholders who have provided proof [of shareholding] are entitled to attend the Annual General Meeting and exercise their voting rights even if they sell the shares after the Record Date. Partial disposals and additional purchases after the Record Date have no bearing on the scope of voting rights. The Record Date has no impact on the marketability of the shares and is not a relevant date for any dividend entitlement.

#### IV. PROXY VOTING

##### 1. Exercise of voting rights by representatives

Shareholders who are entitled to attend the Annual General Meeting but do not do so in person may arrange for their rights (particularly their voting rights) to be exercised by a proxy, such as a shareholders' association, an intermediary within the meaning of Section 67a para. 4 AktG (such as a custodian bank) (an "Intermediary"), or another person of the shareholder's choice. Please be aware that proper registration and proof of share ownership are also required when a proxy is used (see above under "Requirements for attending the Annual General Meeting and exercising voting rights").

If no intermediary, shareholders' association, or other equivalent institution or person pursuant to Section 135 (8) AktG is authorized, the power of attorney must be issued in text form, either to Adtran Networks SE or directly to the proxy. The same form applies for the revocation and the proof of the power of attorney with regard to the Company.

When an intermediary, a shareholders' association, or another institution or person equivalent to these pursuant to Section 135 (8) AktG is authorized, the special statutory provisions of Section 135 AktG apply. They require, *inter alia*, the recording of the authorization in a verifiable manner (Section 135 (1) sentence 2 AktG). Therefore, we request shareholders who want to authorize an intermediary, a shareholders' association, or another institution or person equivalent to these pursuant to Section 135 (8) AktG to ask the respective person to be authorized about the particularities to be observed in this respect.

The granting, proof, or revocation of the power of attorney can be sent to the following address, fax number, or email address:

UBJ. GmbH  
w/ HV Adtran Networks SE  
Haus der Wirtschaft  
Kapstadtring 10  
22297 Hamburg  
Germany  
or via fax at +49 40 6378 5423  
or via e-mail at hv@ubj.de

Proof of the power of attorney can also be furnished by the proxy at the admissions desk on the day of the Annual General Meeting.

The registration documents sent to shareholders after their registration include a form for granting powers of attorney which they may use. The Company will also send a proxy form on request. The form for the power of attorney and for instructions is also available at the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

for download. However, shareholders may also issue a separate power of attorney in text form (Section 126b BGB).

## 2. Representation by the proxies appointed by the Company

As a service, we offer our shareholders the option to be represented at the Annual General Meeting by proxies nominated by the Company. Please be aware that proper registration (especially timely registration) and proof of share ownership are also required when a proxy appointed by the Company is used (see above under "Requirements for attending the Annual General Meeting and exercising voting rights").

The proxies are obligated to vote as they are instructed. Thus, if the proxies nominated by the Company are to be authorized, the shareholder must in any case instruct them on how the voting right should be exercised. The proxies nominated by the Company will not exercise their voting right without explicit instructions on the individual agenda items. The proxies nominated by the Company are available only for exercising voting rights, not other rights (except those that are necessary for exercising voting rights).

Please note that the proxies appointed by the Company do not exercise voting rights, or they abstain from voting, on procedural and substantive motions whose subject matter is not known before the Annual General Meeting.

The authorizations and instructions to the proxies appointed by the Company must be sent to the Company prior to the Annual General Meeting at the following address, fax number, or email address no later than June 27, 2024, 24:00 hrs (CEST) (time of receipt):

UBJ. GmbH  
w/ HV Adtran Networks SE  
Haus der Wirtschaft  
Kapstadtring 10  
22297 Hamburg  
Germany  
or via fax at +49 40 6378 5423  
or via e-mail at hv@ubj.de

Powers of attorney and instructions to the proxies appointed by the Company may also be issued during the Annual General Meeting. Appropriate forms are available for this purpose at the access control point.

After they register, shareholders will receive registration documents that include a form for granting powers of attorney and issuing instructions, which they are permitted but not required to use. The Company will also send a proxy form on request. The form for the power of attorney and for instructions is also available to the shareholders at the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

for download. Shareholders may also issue a separate power of attorney in text form (Section 126b BGB).

#### V. FURTHER INFORMATION ON VOTING

The votes planned for agenda items 2 to 5, 7, 8, and 10 to 12 are binding, while the votes planned for agenda items 6 and 9 are only recommendations within the meaning of Table 3 of the Annex to Implementing Regulation (EU) 2018/1212. In each case, it is possible to vote yes (in favor), no (against), or abstain.

Within one month of the date of the Annual General Meeting, voters may ask the Company to confirm whether and how their vote was counted in accordance with Section 129 (5) AktG in conjunction with Art. 7 (2) and Art. 9 (5) subpara. 2 of Implementing Regulation (EU) 2018/1212.

#### VI. RIGHTS OF THE SHAREHOLDERS

##### 1. Additions to the agenda pursuant to Art. 56 sentences 2 and 3 of Regulation (EC) No. 2157/2001 ("SE Regulation"), Section 50 (2) of the SE Implementation Act ("SEIA"), Section 122 para. 2 AktG

Shareholders whose shares together account for one-twentieth of the share capital or the pro rata amount of EUR 500,000 may request that items be placed on the agenda and announced. Each new item must be accompanied by an explanatory statement or a proposal for a resolution.

Requests for additions to the agenda must be received by the Company at least 30 days before the meeting, thus by May 28, 2024, 24:00 hrs (CEST). The request must be addressed in writing to the Executive Board of Adtran Networks SE. Such requests can be addressed to the following address:

Adtran Networks SE  
Executive Board  
– attn. Ms. Romy Opitz –  
Märzenquelle 1–3  
98617 Meiningen-Dreißigacker  
Germany

Unless they have already been published with the convocation, additions to the agenda requiring publication will be published in the German Federal Gazette [*Bundesanzeiger*] without undue delay after the request has been received. They will be forwarded for publication to media that can be expected to disseminate the information throughout the European Union. They will also be made available on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

and communicated to the shareholders.

2. Counter motions/election proposals pursuant to Art. 53 Council Regulation on the Statute for a European Company (SE Regulation), Sections 126 para. 1, 127 AktG

Furthermore, any shareholder may file counter motions regarding the agenda items and make election proposals.

The Company will make any applications from shareholders (including the shareholder's name, the reasons, and any comments by the management) available on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

if the shareholder has sent the Company an admissible counter motion against a proposal by the Executive and Supervisory Boards or a proposal by the Supervisory Board on a specific item on the agenda at least 14 days before the meeting, thus by June 13, 2024, 24:00 hrs (CEST), together with a statement of reasons, to the following address, fax number, or email address:

Adtran Networks SE

– attn. Ms. Romy Opitz –

Märzenquelle 1–3

98617 Meiningen-Dreißigacker

Germany

or via fax at: +49 89 890665 199

or via email at: [ropitz@adva.com](mailto:ropitz@adva.com)

A counter motion does not need to be published if any of the exclusion criteria under § 126(2) AktG have been met. The reasons do not need to be published if they consist of more than 5,000 characters in total.

We ask that shareholders prove their shareholder status when the counter-motion is sent.

These provisions apply with the necessary modifications to election proposals by shareholders. However, reasons do not need to be stated for election proposals. Apart from the reasons stated in Section 127 sentence 1 in conjunction with Section 126 (2) AktG, election proposals need not be made accessible unless they contain one or more of the proposed candidate's name, practiced profession, or place of residence (or for the election of Supervisory Board members, information on their membership in other statutory supervisory boards). Furthermore, a proposal for the election of Supervisory Board members must be accompanied by information on their membership in comparable domestic and foreign supervisory bodies of business enterprises.

3. Right to information pursuant to Art. 53 SE Regulation, Section 131 para. 1 AktG

Pursuant to Section 131 (1) AktG, the Executive Board must inform every shareholder, at their request, about Company matters during the Annual General Meeting, insofar as this is necessary for a proper assessment of the agenda item. This duty to provide information also extends to the Company's legal and business relationships with its affiliates as well as the situation of the Group and the companies included in the consolidated financial statements, also provided that the information is necessary to properly assess the agenda items.

The Executive Board may refrain from answering individual questions for the reasons stated in Section 131 (3) AktG. Under Section 18 (3) of the Company Statutes, the chair may restrict the shareholders' right to speak and ask questions to a reasonable amount of time.

4. Further explanations

Further explanations on the rights of the shareholders pursuant to Art. 56 sentences 2 and 3 SE Regulation, Section 50 (2) SEIA, Section 122 (2) AktG, Art. 53 SE Regulation, Section 126 (1) AktG, 127 AktG, Art. 53 SE Regulation, and Section 131 (1) AktG can be accessed on the Company's website under

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

VII. INFORMATION ON THE COMPANY'S WEBSITE

As of the convocation, the following documents and information are available on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

(cf. Section 124a AktG):

- the content of this convocation, including the explanation of agenda item 1 (on which no resolution is to be passed at the Annual General Meeting), the Compensation Report of Adtran Networks SE for the 2023 fiscal year, the description of the system for compensating Supervisory Board members, the description of the system for compensating Executive Board members, the report of the Executive Board on agenda items 10 and 11, the indication of the total number of shares and voting rights at the time of the Annual General Meeting's convocation, including separate information on the total number for each class of shares and the explanations of the following rights of shareholders: additions to the agenda, counter-motions or election proposals, right to information;
- the additional information on the convocation of the Annual General Meeting according to blocks D to F of Table 3 of the Annex to the Implementing Regulation (EU) 2018/1212, meaning detailed information on the attendance in the Annual General Meeting (block D), the agenda (block E) and the specification of the deadlines for exercising other shareholder rights (block F);
- the approved annual financial statements of Adtran Networks SE as of December 31, 2023,
- the combined management report of Adtran Networks SE and the Group for the 2023 fiscal year,
- the report of the Supervisory Board for the 2023 fiscal year;
- the approved consolidated financial statements as of December 31, 2023;
- the combined separate non-financial report of Adtran Networks SE and the Group for the 2023 fiscal year,
- the explanatory report of the Executive Board on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code,
- the proposal of the Executive Board for the appropriation of the net profit, and
- the forms that can be used for issuing a power of attorney for the Annual General Meeting.

Beginning on the convocation date for the Annual General Meeting, all documents that must be made available to the Annual General Meeting by law are also available at the Company's offices, Fraunhoferstr.

9a, 82152 Planegg-Martinsried and Märzenquelle 1–3, 98617 Meiningen-Dreißigacker, and in the meeting room during the Annual General Meeting.

VIII. TOTAL NUMBER OF SHARES AND VOTING RIGHTS AT THE TIME OF THE ANNUAL GENERAL MEETING'S CONVOCATION

At the time of this convocation, the Company's share capital is divided into 52,054,500 no-par value shares as ordinary shares. Each share grants one vote. As of the Annual General Meeting's convocation, the Company does not hold any treasury shares from which it could derive rights. The total number of the shares entitling shareholders to attend and vote at the Annual General Meeting thus amounts to 52,054,500 as of the meeting's convocation.

IX. NOTICE ON DATA PROTECTION

The protection of your data and its processing in conformity with the law are extremely important to us. We process the personal data you provide in your registration for the Annual General Meeting so you can exercise your rights at the Annual General Meeting. Detailed information on the processing of your personal data is clearly summarized in one location in our data protection notices. These are available on the Company's website at

<https://www.adva.com/de-de/about-us/investors/shareholders-meetings>

for review and download.

X. SIMULTANEOUS INTERPRETING

Participants at the Annual General Meeting of Adtran Networks SE on June 28, 2024 will have the option of simultaneous interpretation into English.

Meiningen, May 2024

Adtran Networks SE  
The Executive Board