

# SHAREHOLDERS' MEETING OF DEUTSCHE TELEKOM AG AT 10 A.M. ON THURSDAY, MAY 21, 2015

The convocation of the shareholders' meeting contains information on shareholders' rights under § 122 (2), 126 (1), 127 and 131 (1) of the German Stock Corporation Act (Aktiengesetz – AktG), in particular regarding the timeframe during which these rights may be exercised. The following sections provide additional information on these shareholders' rights.

## Requests for additional agenda items pursuant to § 122 (2) AktG

Under § 122 (2) AktG, shareholders collectively holding at least one twentieth of the capital stock or at least EUR 500,000 in total (the latter corresponds to 195,313 shares) may request that additional items be added to the agenda and published. Each new item must be accompanied by a statement reasoning or a resolution proposal. The demand must be sent to the Company's Board of Management in writing (within the meaning of § 122 (2) in conjunction with § 122 (1) sentence 1 AktG) and must reach the Company at least 30 days before the day of the shareholders' meeting; this period does not include the day of the meeting or the day the demand was received by the Company.

Thus, the latest possible deadline is midnight (Central European Summer Time) on Monday April 20, 2015. The demand may be addressed as follows:

Deutsche Telekom AG, Vorstand, Postfach 19 29, 53009 Bonn, Germany.

§ 142 (2) sentence 2 AktG, which stipulates that the applicants must provide evidence of having held the shares for at least three months prior to the date of the shareholders' meeting and of continuing to hold the shares up to the date on which a decision relating to the application is taken, applies mutatis mutandis – pursuant to § 122 (1) sentence 1 in conjunction with § 122 (1) sentence 3 AktG –, i.e. the provision will apply subject to the appropriate adjustments. The reference to § 142 (2) sentence 2 AktG, in connection with a demand for supplements to the agenda, is to be understood in line with common opinion in the literature on stock corporation law as follows: The applicants must prove that at the time the demand to supplement the agenda was made, they had been holding the required minimum number of shares for three months; the period is to be calculated counting backwards, and the day on which

the demand was put forward does not constitute part of the calculation; it is necessary and sufficient for the applicant also to prove that he holds the minimum number of shares at least until the day he put forward the demand. Due to the unclear legal situation the Company will construe the law in the way which is most beneficial to the applicant and in this respect, the Company will accept evidence that applicants have owned their shares at least since the beginning of February 21, 2015 and continue to hold their shares at least until the beginning of the day on which the request for an additional agenda item is dispatched. Certain third-party shareholding periods will be taken into account in this context in accordance with § 70 AktG. Entry in the shareholders' register or a corresponding confirmation from the depository bank shall constitute proof.

Any additions to the agenda which require publication and were not published with the notice of convocation will be published in the electronic version of the German Federal Gazette (Bundesanzeiger) as soon as they have been received by the Company and will be forwarded to media services which can be expected to publish the information across the entire European Union.

Any requests for additional items to be added to the agenda which are received by the Company once notice of convocation of the shareholders' meeting has been issued will also be made available at the following address as soon as they have been received by the Company:

<http://www.telekom.com/agm>

And the shareholders will also be informed in accordance with § 125 AktG.

The relevant provisions in the Stock Corporation Act underlying this right of shareholders are as follows:

## § 122 Convocation on Request by a Minority (extract)

“(1) The shareholders' meeting shall be called if shareholders whose aggregate holdings equal one-twentieth of the share capital demand such a meeting in writing, stating the purpose and reason for such a meeting; this demand is to be addressed to the Board of Management. The articles of incorporation may provide that the right to demand a

shareholders' meeting shall require another form or the holding of a lower proportion of the share capital. § 142 (2) sentence 2 shall apply accordingly.

(2) In the same way, shareholders collectively holding at least one twentieth of the capital stock or at least EUR 500,000 in total may request that additional items be added to the agenda and published. Each new item must be accompanied by a statement reasoning or a resolution proposal. The demand in the sense of sentence 1 shall be provided to the Company at least 24 days, in case of listed companies at least 30 days, prior to the meeting; the day of receipt shall not be included in this calculation."

§ 142 Appointment of Special Auditors (extract; the relevant sentence is sentence 2 of paragraph 2, which is quoted in its context below)

"(2) If the shareholders' meeting rejects a proposal to appoint special auditors to audit any matter relating to the formation of the Company or to the management of the Company's business occurring within the past five years, the court shall, upon application by shareholders whose aggregate holdings are at least one-hundredth of the share capital or represent a proportionate amount of at least EUR 100,000, appoint special auditors if there appear to be facts which give reason to suspect that improprieties or serious breaches of law or the articles have occurred in connection with such matter. The parties making the application shall furnish evidence that they have held such shares for not less than three months prior to the date of the shareholders' meeting and that they hold these shares until a decision on the application has been made. § 149 shall apply analogously to agreements on the avoidance of such a special audit."

§ 70 Computation of the period of shareholding

"If the exercise of rights arising from a share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institute, or an enterprise operating under § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the Banking Act shall be deemed equivalent to ownership. The period during which the share was owned by a predecessor shall be attributed to the shareholder, provided that he has acquired the share without consideration from his fiduciary, as a successor in legal interest by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to § 14 of the Insurance Supervision Act or § 14 of the Building Loans Associations Act."

### **Counter-motions and nominations pursuant to § 126 (1) and § 127 AktG**

At the shareholders' meeting, shareholders may make applications and, as necessary, nominations relating to particular agenda items and the rules of procedure without any notice, publication, or other special action being required prior to the shareholders' meeting. Counter-motions and nominations for election by shareholders may only be put to the vote if they are put forward during the shareholders' meeting; this also applies if the relevant counter-motion or nomination for election has been published in advance of the shareholders' meeting under § 126 and 127 AktG.

Counter-motions within the meaning of § 126 of the German Stock Corporation Act (Aktengesetz – AktG) and nominations within the meaning of § 127 AktG, together with the shareholder's name, the reasons (which are not required in the case of nominations), and any response by the

Company's administrative bodies, will be published on the following website:

<http://www.telekom.com/gegenantraege>

providing they reach the Company at least 14 days before the shareholders' meeting, not including the day of receipt or the day of the meeting, and therefore by midnight, Central European Summer Time on May 6, 2015 to

Gegenanträge zur Hauptversammlung DTAG  
Postfach 19 29  
53009 Bonn

or by fax at the fax number +49 (0) 228 181-88259

or by e-mail to: [gegenantraege.bonn@telekom.de](mailto:gegenantraege.bonn@telekom.de)

and all other conditions triggering the Company's obligation to publish such information under § 126 and/or § 127 AktG have been met. Shareholders enjoy a right which corresponds to this duty: the right that their counter-motions and nominations for election must be published. In addition to submitting the counter-motions/nominations in good time and to the aforementioned address stated in the notice of convocation for this purpose, it is a condition for the obligation to public disclosure which applies to counter-motions in the sense of § 126 AktG, but not to nominations for election in the sense of § 127 AktG, that within the stated period not only the actual counter-motion but also the reasons behind it should be sent to the address mentioned above. A duty to make counter-motions and nominations for election public does not exist, even if the conditions mentioned previously have been fulfilled, if the facts described in § 126(2) AktG apply, and in the case of nominations for election additionally if § 127 sentence 2 AktG applies.

The provisions in the Stock Corporation Act which form the basis of this right of shareholders, and which also specify the conditions under which the publication of counter-motions and nominations for election is not required, are as follows:

### **§ 126 Motions by shareholders**

"(1) Information on shareholders' motions, including the name of the shareholder, the reasons and the management's comments, shall be given to those entitled pursuant to § 125 (1) to (3) under the terms stipulated therein, if the shareholder submits to the Company, to the address stated in the notice of convocation, his counter-motion to a motion of the Board of Management and the Supervisory Board on a specific item on the agenda, stating his reasoning, two weeks before the shareholders' meeting at the latest. The date of receipt is not included in this calculation. For listed companies, publication shall be on the Company website. § 125 (3), shall apply accordingly.

(2) Information on a counter-motion and the reasoning need not be given

1. if the Board of Management would by reason of giving such information become criminally liable;
2. if the counter-motion would result in a resolution of the shareholders' meeting which would be unlawful or in breach of the articles;
3. if the reasoning contains statements which are evidently false or misleading in major aspects or which are defamatory;

4. if a counter-motion by the shareholder based on the same facts has already been communicated to a shareholders' meeting of the Company pursuant to § 125;
5. if the same counter-motion by the shareholder on essentially identical grounds has already been communicated pursuant to § 125 to at least two shareholders' meetings of the Company within the past five years and at such shareholders' meetings less than one-twentieth of the share capital represented voted in favor of such a counter-motion;
6. if the shareholder indicates that he will neither attend nor be represented at the shareholders' meeting; or
7. if within the past two years at two shareholders' meetings the shareholder failed to move or cause to be moved on his behalf a counter-motion communicated by him.

The statement of reasoning need not be communicated if it exceeds 5,000 characters.

(3) If several shareholders make counter-motions in respect of the same resolution, the Board of Management may combine such counter-motions and their reasoning."

#### § 127 Nominations by shareholders

"§126 shall apply analogously to a nomination by a shareholder for election of members of the Supervisory Board or external auditors. Such a nomination need not be supported by a statement of reasons. Nor need the Board of Management give notice of such a nomination if it fails to contain the particulars required by §124 (3) sentence 4 and §125 (1) sentence 5."

#### § 124 Publication of demands for supplements; proposals for resolutions (extract)

"(3) ... The proposal for the election of members of the Supervisory Board or auditors shall state their names, professions and places of residence. ..."

#### § 125 Communications to shareholders and members of the Supervisory Board (extract)

"(1) ... In the case of stock exchange listed companies there shall be included with the nominations for election of Supervisory Board members information as to their membership of other Supervisory Boards which are to be formed pursuant to statutory provisions; details of their membership in comparable domestic and foreign supervision authorities of commercial enterprises shall be given."

#### Shareholders' right to information pursuant to § 131 (1) AktG

Under § 131 (1), any shareholder who makes a corresponding request at the shareholders' meeting must be provided with information relating to the Company's affairs, including its legal and business relations to an affiliate, the financial position of the Group and any other companies included in the consolidated financial statements, the Board of Management provided such information is necessary in order to make an informed judgment in respect of an agenda item and the Board of Management does not have the right to refuse such information. The rights of non-disclosure are

listed in § 131 (3) AktG.

The provisions in the Stock Corporation Act underlying this right of shareholders, which also determine the conditions under which the provision of information is not required, are as follows:

#### § 131 Right of shareholders to information

"(1) Each shareholder shall upon request be provided with information at the shareholders' meeting by the Board of Management regarding the Company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. The duty to provide information shall also extend to the Company's legal and business relations with any affiliated companies. If a Company makes use of the simplified procedure pursuant to § 266 (1) sentence 3, § 276 or § 288 of the German Commercial Code (HGB), each shareholder may request that the annual financial statements be presented to him at the shareholders' meeting on such annual statements in the form which would have been used if such provisions on simplified procedure had not applied. A parent company's Board of Management's duty to inform (§ 290 (1) and (2) of the Commercial Code) in the shareholders' meeting that considers the consolidated financial statement and consolidated management report shall extend to the financial position of the Group and the companies included in the consolidated financial statement.

(2) The information provided shall comply with the principles of conscientious and accurate accountability. The Articles of Incorporation or the Rules of Procedure pursuant to § 129 may authorize the chairperson of the meeting to limit the number of questions and speaking time of shareholders as appropriate and to lay down general rules thereon.

(3) The Board of Management may refuse to provide information,

1. to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated enterprise;
2. to the extent that such information relates to tax valuations or the amount of certain taxes;
3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements;
4. with regard to the accounting policies, if disclosure of such methods in the notes suffices to provide a clear view of the actual condition of the Company's assets, financial position and profitability within the meaning of § 264 (2) of the Commercial Code; the foregoing shall not apply if the shareholders' meeting is to approve the annual financial statements;
5. if provision thereof would render the Board of Management criminally liable;
6. if in the case of a bank or financial services institution, information about the applied balance sheet and accounting policies made in the annual financial statements, the management report, the consolidated financial statements or the Group management report need not be given;

7. if the information is continuously available on the Company's internet page seven or more days prior to the shareholders' meeting as well as during the meeting.

The provision of information may not be denied for other reasons.

(4) If information has been provided outside a shareholders' meeting to a shareholder by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. The Board of Management may not refuse to provide such information on the grounds of (3) sentence 1, Nos. 1 to 4. Sentences 1 and 2 shall not apply if a subsidiary (§ 290 (1), (2) HGB), a joint venture (§ 310 (1) HGB) or an affiliate (§ 311 (1) HGB) provides the information to a parent company (§ 290 (1), (2) HGB) for the purpose of inclusion in the consolidated annual financial statements of the parent company and the information is required for this purpose.

(5) If a shareholder has been denied information, he may request that his question and the reason for which the information was denied be recorded in the minutes of the meeting."

In addition, the chairperson of the shareholders' meeting is entitled to undertake various measures to direct and ensure order at the meeting. This also includes the right to restrict the amount of time for shareholders to ask questions and speak. The underlying provision in § 17 (2) of the Articles of Incorporation of the Company which is making use of the authorization contained in the previously quoted § 131 (2) AktG, is as follows:

"(2) The chairperson shall conduct the meeting. He shall determine the order in which agenda items are discussed as well as the manner and order of voting. He may set an appropriate time limit for shareholders' right to speak and ask questions; he can, in particular, appropriately determine the length of the shareholders' meeting and the time allotted for discussing items on the agenda or for any individual questions or comments."

This document is a convenience translation of the German original. In case of discrepancy between the English and German versions, the German version shall prevail.



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