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# INVITATION TO THE VIRTUAL SHAREHOLDERS' MEETING ON JUNE 19, 2020



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# OVERVIEW OF ITEMS ON THE AGENDA

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**Deutsche Telekom AG, Bonn, Germany**

ISIN no. DE0005557508

Securities identification code 555 750

# INVITATION TO THE SHAREHOLDERS' MEETING

We hereby invite our shareholders to attend the **Company's ordinary shareholders' meeting to take place at 10:00 a.m. (Central European Summer Time – CEST) on Friday, June 19, 2020.**

On the basis of a resolution by the Board of Management with the approval of the Supervisory Board pursuant to § 1 (2) sentence 1 and (6) sentence 1 of the German act on temporary measures under company, cooperative, association, foundation, and residential property law to combat the effects of the COVID-19 pandemic (*Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie (GesRueCOVBekG)*), the shareholders' meeting will be held without the physical presence of the shareholders or their proxies in the form of a

**virtual shareholders' meeting** with

1. Audio and video of the entire shareholders' meeting to be broadcast in full;
2. The option for shareholders to (also) exercise their voting rights via electronic communication channels (namely by postal/online voting), and to grant proxy authorization;
3. The option for registered shareholders to raise questions by way of electronic communication (up until midnight of the second day preceding the shareholders' meeting);
4. The option, in derogation of § 245 no. 1 of the German Stock Corporation Act (*Aktiengesetz – AktG*), for shareholders who have exercised their voting rights in accordance with item (2) above to object to a resolution of the shareholders' meeting without the need to attend the meeting in person.

Further details and supplementary information on the virtual shareholders' meeting are provided below the agenda to the shareholders' meeting, in particular under the section entitled "Right to attend, voting rights, and voting by proxy."

The shareholders' meeting will be held at the headquarters of Deutsche Telekom AG, Friedrich-Ebert-Allee 140, 53113 Bonn, Room H 0.20 and attended by the meeting chair, the attesting notary, and the Board of Management, as well as the Company-appointed proxies. Members of the Supervisory Board may attend via a video and audio link-up on the basis of a resolution by the Board of Management with the approval of the Supervisory Board pursuant to § 1 (2) sentence 1 and (6) sentence 1 GesRueCOVBekG. There is neither an entitlement to, nor the possibility for, shareholders and their proxies (with the exception of the Company-appointed proxies) to attend the shareholders' meeting in person.

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.

# AGENDA

## 1 Submissions to the shareholders' meeting pursuant to § 176 (1) sentence 1 of the German Stock Corporation Act (*Aktiengesetz – AktG*).

The Board of Management shall make available to the shareholders' meeting, pursuant to § 176 (1) sentence 1 AktG, the following submissions and the Board of Management explanatory report on the details pursuant to § 289a and § 315a German Commercial Code (*Handelsgesetzbuch – HGB*):

- The approved annual financial statements of Deutsche Telekom AG as of December 31, 2019,
- The approved consolidated financial statements as of December 31, 2019,
- The combined management and Group management report,
- The Supervisory Board's report, and
- The proposal by the Board of Management on the appropriation of net income.

All of the above documents are available from the date of the notice of convocation of the shareholder's meeting on the website

[www.telekom.com/hv](http://www.telekom.com/hv)

and will remain available at this web address throughout the entire shareholders' meeting.

The Supervisory Board approved the annual financial statements and the consolidated financial statements compiled by the Board of Management pursuant to § 172 AktG on February 18, 2020. With their approval by the Supervisory Board, the annual financial statements are adopted. Adoption of the annual financial statements and approval of the consolidated financial statements by the shareholders' meeting pursuant to § 173 AktG is therefore not required. Rather, the submissions relating to agenda item 1 shall be made available and explained at the shareholders' meeting without the necessity (with the exception of the resolution proposal for agenda item 2) for a resolution to be taken on them within the meaning of AktG.

## 2 Resolution on the appropriation of net income.

The Board of Management and the Supervisory Board propose the adoption of the following resolution:

The net income of EUR 5,459,705,249.38 posted in the 2019 financial year shall be used as follows:

Payment of a dividend of EUR 0.60 per no par value share carrying dividend rights = EUR 2,845,762,593.00

and the remaining balance is carried forward = EUR 2,613,942,656.38

The total dividend and the remaining balance to be carried forward to unappropriated net

income set out in the proposal for resolution on the appropriation of net income are based on the dividend-bearing capital stock of EUR 12,141,920,396.80, divided up into 4,742,937,655 no par value shares, on February 10, 2020.

The number of shares carrying dividend rights may change up to the date on which the vote on the resolution regarding the appropriation of net income is taken. In this case, the Board of Management and Supervisory Board shall submit to the shareholders' meeting a suitably amended resolution proposal regarding the appropriation of net income, which envisages the unchanged payment of EUR 0.60 per no par value share carrying dividend rights. The adjustment shall be made as follows: If the number of shares carrying dividend rights and thus the total dividend decreases, the amount to be carried forward to unappropriated net income increases accordingly. If the number of shares carrying dividend rights and thus the total dividend increases, the amount to be carried forward to unappropriated net income decreases accordingly.

If the motion of the Board of Management and Supervisory Board is accepted, the following shall apply to payment of the dividend:

As the dividend for the 2019 financial year is to be paid in full from the tax contribution account in accordance with § 27 ("Contributions other than into nominal capital") of the Corporation Tax Act (*Körperschaftsteuergesetz – KStG*), payment will be made without deducting capital

gains tax or the solidarity surcharge. Dividends paid to shareholders in Germany are not subject to taxation. Dividends do not entail tax refunds or tax credits. In the German tax authorities' view the dividend payment reduces the acquisition costs of the shares for tax purposes.

Pursuant to § 58 (4) sentence 2 AktG, the dividend entitlement of the shareholders falls due on the third business day following the resolution of the shareholders' meeting. The resolution on the appropriation of net income cannot stipulate an earlier due date on account of § 58 (4) sentence 3 AktG. Accordingly, the dividend is to be paid out on June 24, 2020.

## 3 Resolution on the approval of the actions of the members of the Board of Management for the 2019 financial year.

The Board of Management and the Supervisory Board propose the adoption of the following resolution:

The actions of the Board of Management members holding office in the 2019 financial year shall be approved for this period.

## 4 Resolution on the approval of the actions of the members of the Supervisory Board for the 2019 financial year.

The Board of Management and the Supervisory Board propose the adoption of the following resolution:

The actions of the Supervisory Board members holding office in the 2019 financial year shall be approved for this period.

**5 Resolution on the appointment of the independent auditor and the Group auditor for the 2020 financial year as well as the independent auditor to review the condensed financial statements and the interim management report in the 2020 financial year and perform any review of additional interim financial information.**

The Supervisory Board proposes, based on a corresponding recommendation from the Audit Committee, the adoption of the following resolution:

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, is appointed as

- a) independent auditor and Group auditor for the 2020 financial year,
- b) independent auditor to review the condensed financial statements and the interim management report (§ 115 (5) German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG)) in the 2020 financial year, and
- c) independent auditor for any review of additional interim financial reports (§ 115 (7) German Securities Trading Act) in the 2020 financial year.

In its recommendation, the Audit Committee has declared that this recommendation is free from influence by a third party and that no clause within the context of Art. 16 (6) of the EU Auditor Regulation (Regulation (EU) No. 537/2014) restricting the choices was imposed on the committee.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, has declared to the Supervisory Board that there are no business, financial, personal, or other relationships existing between them, their executive bodies, and audit managers on the one hand, and the Company and the members of its executive bodies on the other, which may cast doubt on their impartiality.

**6 Election of a Supervisory Board member.**

The current term of office for Prof. Dr. Michael Kaschke, member of the Supervisory Board elected by the shareholders' meeting, expires at the end of the shareholders' meeting on June 19, 2020. Prof. Dr. Michael Kaschke is to be elected to a further term of office on the Supervisory Board by the shareholders' meeting.

The Supervisory Board therefore proposes

that Prof. Dr. Michael Kaschke, former Chairman of the Management Board of Carl Zeiss AG, Oberkochen, Chairman of the Supervisory Board of the Karlsruhe Institute of Technology (KIT), Karlsruhe, resident in Oberkochen, be elected to the Supervisory Board as a shareholder representative for

the period up to the end of the shareholders' meeting which passes a resolution on the approval of the Supervisory Board's actions for the 2024 financial year.

**Details on item 6, in particular pursuant to § 124 (2) sentences 1 and 2 AktG in the version applicable according to § 26j (3) of the Introductory Act to the Stock Corporation Act (*Einführungsgesetz zum Aktiengesetz – EG AktG*) and pursuant to recommendation C.13 of the German Corporate Governance Code in the version valid December 16, 2019 and section 5.4.1 (6) through (8) of the German Corporate Governance Code in the version valid February 7, 2017:**

Pursuant to §§ 96 (1) and (2), § 101 (1) AktG in conjunction with § 7 (1) sentence 1 no. 3 of the Codetermination Act (*Mitbestimmungsgesetz* – MBG) of 1976, the Supervisory Board of Deutsche Telekom AG is composed of ten members representing shareholders and ten members representing employees.

Pursuant to § 96 (2) sentence 1 AktG, at least 30 percent of the seats on the Supervisory Board must be held by women and 30 percent by men. No objection pursuant to § 96 (2) sentence 3 AktG was raised to the joint compliance with the aforementioned minimum quota requirement. At least six seats on the Supervisory Board must be held by women and at least six by men, in order to comply with the minimum quota requirement in accordance with § 96 (2) sentences 1 and 2 AktG. At present, the Supervisory Board comprises three women and seven men representing

shareholders, and six women and four men representing employees, which brings the total to nine women and eleven men. Thus the minimum quota requirement is already met both overall and when solely considering the persons representing shareholders, regardless of whether men or women are elected to the Supervisory Board in the election to take place at the shareholders' meeting.

The Supervisory Board's nomination for item 6 is based on a corresponding recommendation by the Nomination Committee while also considering the targets adopted by the Supervisory Board regarding its composition, thereby also taking into account the skills profile developed by the Supervisory Board for the overall Board. Thus, the diversity concept developed by the Supervisory Board regarding its composition has also been implemented. The Supervisory Board's current targets and skills profile are published in the Corporate Governance Report for the 2019 financial year together with an implementation status report. This is made available to the shareholders' meeting and can also be accessed from the date of the notice of convocation of the shareholders' meeting on the website

[www.telekom.com/hv](http://www.telekom.com/hv)

The diversity concept is published in the Corporate Governance Statement, which can also be found at the internet address above.

The Supervisory Board has ensured that the candidate is able to devote the expected time required to serve on the Supervisory Board.

Prof. Dr. Michael Kaschke is already currently a member of the Supervisory Board of Deutsche Telekom AG. The Supervisory Board is of the opinion that no personal or business relationships exist between any of the candidates nominated for election to the Supervisory Board under item 6, on the one hand, and companies in the Deutsche Telekom Group, the executive bodies of Deutsche Telekom AG, or a shareholder with a direct or indirect holding of more than 10 percent of Deutsche Telekom AG shares carrying voting rights, on the other, which would significantly impact the result of the vote at the shareholders' meeting.

More information on item 6, in particular regarding the resume of the candidate and details pursuant to § 125 (1) sentence 5 AktG, are attached to **Annex 1** of this invitation to the shareholders' meeting. Annex 1 is part of this invitation and follows the section "Further details and information relating to the shareholders' meeting".

**7**

**Resolution on the approval of the Spin-Off and Takeover Agreement between Deutsche Telekom AG and Telekom Deutschland GmbH with headquarters in Bonn from April 20, 2020.**

To reduce the complexity, increase the competitiveness, and strengthen the sales power of the Deutsche Telekom Group, the range of telecommunications services for business customers, which had so far been performed by T-Systems International GmbH and Deutsche Telekom AG, is to be operated under the umbrella of Telekom Deutschland GmbH, which is a wholly owned

direct subsidiary of Deutsche Telekom AG, and bundled with its existing range of services. The TC Services and Classified ICT portfolio units, which were previously part of T-Systems International GmbH and its subsidiaries, are to be transferred to Telekom Deutschland GmbH or a lower-tier Group company thereof. In order to improve international telecommunications services for business customers, the Telekom Global Carrier (TGC) and Network Infrastructure (NWI) subareas, which until now have been operated by Deutsche Telekom AG and which jointly constitute the Business Area known as "Deutsche Telekom Global Carrier" (DTGC), are also to be transferred to Telekom Deutschland GmbH. By transferring the DTGC Business Area, wholesale activities should likewise also be strengthened overall.

For the purpose of transferring the DTGC Business Area from Deutsche Telekom AG to Telekom Deutschland GmbH, Deutsche Telekom AG as the transferring legal entity and Telekom Deutschland GmbH as the receiving entity notarized on April 20, 2020 (deed number 520/2020) by Benno Garschina with office in Bonn-Bad Godesberg concluded a Spin-Off and Takeover Agreement. In accordance with the specifications of this Spin-Off and Takeover Agreement, Deutsche Telekom AG shall, as part of the Spin-off by means of acquisition in accordance with § 123 (3) no. 1 in conjunction with § 124 et seq., § 138 et seq., and § 141 et seq. of the German Reorganization and Transformation Act (*Umwandlungsgesetz* – UmwG), transfer the entirety of its DTGC Business Area to Telekom Deutsch-

land GmbH in return for the granting of a new share. The transfer is to take place internally, dated retroactively to the start (0:00 of January 1, 2020 (effective Spin-Off Date within the meaning of § 126 (1) no. 6 UmwG).

The Spin-off and Takeover Agreement shall only take effect once it has been approved by the shareholders' meeting of Deutsche Telekom AG and by the shareholders' meeting of Telekom Deutschland GmbH. The approval of the shareholders' meeting of Telekom Deutschland GmbH is expected to be granted at the latest in August 2020. Moreover, the Spin-Off shall be valid only if recorded in the commercial register of Deutsche Telekom AG. This may only take place following recording in the commercial register of Telekom Deutschland GmbH.

The Board of Management and the Supervisory Board propose the adoption of the following resolution:

The Spin-Off and Takeover Agreement concluded between Deutsche Telekom AG and Telekom Deutschland GmbH notarized on April 20, 2020 (deed number 520/2020) by Benno Garschina with office in Bonn-Bad Godesberg shall be approved.

The text of the Spin-Off and Takeover Agreement (excluding Annexes) and the essential content of the corresponding Annexes are set out in **Annex 2** to this invitation to the shareholder's meeting. Annex 2 is part of this invitation and follows the section "Further details and information relating to the shareholders' meeting".

**Further notes on item 7 on the agenda:**

The following documents shall be made available at the shareholders' meeting:

- The Spin-Off and Takeover Agreement concluded between Deutsche Telekom AG and Telekom Deutschland GmbH, notarized on April 20, 2020 by Benno Garschina with office in Bonn-Bad Godesberg, including the reference deed dated April 16, 2020,
- The annual financial statements and consolidated financial statements of Deutsche Telekom AG for the 2017, 2018, and 2019 financial years, and the combined management and Group management reports of Deutsche Telekom AG for the 2017, 2018, and 2019 financial years,
- The annual financial statements of Telekom Deutschland GmbH for the 2017, 2018, and 2019 financial years, and
- The joint report by the Board of Management of Deutsche Telekom AG and the Management of Telekom Deutschland GmbH compiled in accordance with § 127 UmwG.

All of the above documents are available from the date of the notice of convocation of the shareholder's meeting on the website

**[www.telekom.com/hv](http://www.telekom.com/hv)**

and will remain available at this web address throughout the entire shareholders' meeting.

**Resolution on the appointment of the independent auditor to perform any review of additional interim financial information for the first quarter of 2021.**

clause within the context of Art. 16 (6) of the EU Auditor Regulation (Regulation (EU) No. 537/2014) restricting the choices was imposed on the committee.

The Supervisory Board proposes, based on a corresponding recommendation from the Audit Committee, the adoption of the following resolution:

To appoint the independent auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, to perform any review of additional interim financial reports (§ 115 (7) German Securities Trading Act) for the first quarter of 2021.

The Audit Committee's recommendation was preceded by a selection process held pursuant to Art. 16 of the EU Auditor Regulation (Regulation (EU) No. 537/2014). On the basis of this selection process, the Audit Committee recommended Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, and Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, to the Supervisory Board for the tendered audit engagement stating its grounds for making the recommendation and a substantiated preference for Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart.

In its recommendation, the Audit Committee has also declared that this recommendation is free from influence by a third party and that no

# RIGHT TO ATTEND, VOTING RIGHTS, AND VOTING BY PROXY

## Conditions for attendance and exercising voting rights

Under § 16 (1) of the Articles of Incorporation, shareholders are entitled to attend the shareholders' meeting (which in the present case can only be exercised for shareholders by the Company-appointed proxies) and to exercise their voting rights if they have been entered in the shareholders' register and have registered for attendance by

## Tuesday, June 16, 2020, 24:00 (CEST) at the latest

with such registration being addressed to the Company at:

**DTAG Hauptversammlung 2020**  
**c/o ADEUS Aktienregister-Service-GmbH**  
**20683 Hamburg, Germany**

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

or by using the password-protected **Internet Dialog** in accordance with the procedure provided for this purpose on the website

[www.telekom.com/hv-service](http://www.telekom.com/hv-service)

The registration must be received by the above date in order to be deemed to have been made on time. If the password-protected Internet Dialog is used, the requirements and conditions stated under "Using the password-protected Internet Dialog" shall be observed.

Pursuant to § 67 (2) sentence 1 AktG in the version applicable according to § 26j (4) of the Introductory Act to the Stock Corporation Act, a person is deemed to be a shareholder in relation to the Company only if registered as such in the shareholders' register. Accordingly, the right to attend (which in the present case can only be exercised for shareholders by the Company-appointed proxies) and voting rights also require the shareholder to have a current entry on the shareholders' register on the day of the shareholders' meeting. The number of shares registered in the shareholders' register on the day of the shareholders' meeting shall be material in determining the number of voting rights which a shareholder may exercise. For administrative reasons, however, no transfers may be carried out in the shareholders' register in the period from Wednesday, June 17, 2020 (inclusive), until the day of the shareholders' meeting, i.e., Friday, June 19, 2020 (inclusive). The status of entries in the shareholders' register on the day of the shareholders' meeting is thus identical to the status of entries following the last transfer on Tuesday, June 16, 2020 (referred to as the technical record date).

Intermediaries, shareholders' associations, and proxy advisors within the meaning of § 134a (1) no. 3. (2), no. 3 AktG and other persons with the status of intermediaries according to § 135 (8) AktG, may only exercise voting rights pertaining to registered shares which they do not own but in respect of which they are entered in the shareholders' register as the bearer if they

have been granted appropriate authorization. For more details of this authorization, please consult § 135 AktG.

In accordance with § 67a (4) AktG, an intermediary is a person who performs services relating to the holding or managing of securities or the maintenance of securities accounts for shareholders or other persons, if these services concern the shares of a company whose registered office is located in a European Union member state or any other country which is a signatory to the Agreement on the European Economic Area. The term "intermediary" therefore in particular encompasses banks within the meaning of Article 4 (1) no. 1 of the Capital Adequacy Directive (Regulation (EU) No. 575/2013).

## Details of the virtual shareholders' meeting

On the basis of a resolution by the Board of Management with the approval of the Supervisory Board pursuant to § 1 (2) sentence 1 and (6) sentence 1 of the German act on temporary measures under company, cooperative, association, foundation, and residential property law to combat the effects of the COVID-19 pandemic (GesRueaCOVBekG), the shareholders' meeting will be held on June 19, 2020 without the physical presence of the shareholders or their proxies in the form of a virtual shareholders' meeting. There is neither an entitlement to, nor the possibility for, shareholders and their proxies (with the exception of the Company-appointed proxies) to attend the shareholders' meeting in person.

Audio and video of the entire meeting will be broadcast to the public at large and can be accessed via the following link:

[www.telekom.com/hv](http://www.telekom.com/hv)

Shareholders or their authorized proxies can use this link to follow the shareholders' meeting live.

Insofar as the requirements stated under "Conditions for attendance and exercising voting rights" are fulfilled, shareholders can also

- Exercise their voting rights personally or via an authorized proxy by way of postal/online vote. Postal/online votes can be cast by using the password-protected Internet Dialog in accordance with the procedure provided for this purpose on the website

[www.telekom.com/hv-service](http://www.telekom.com/hv-service)

up to the start of voting on the day of the shareholders' meeting;

- Have their voting rights exercised by the Company-appointed proxies in line with the voting instructions issued. Proxy authorizations can be granted and voting instructions issued to the Company-appointed proxies by using the password-protected Internet Dialog in accordance with the procedure provided for this purpose on the aforementioned website ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)) up to the

start of voting on the day of the shareholders' meeting; and

- Raise questions themselves or via an authorized proxy. Questions must be submitted by using the password-protected Internet Dialog in accordance with the procedure provided for this purpose on the aforementioned website ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)) by no later than Wednesday, June 17, 2020, 24:00 (CEST).

In derogation of § 245 no. 1 AktG, shareholders who have exercised their voting rights themselves or via an authorized proxy can object to a resolution of the shareholders' meeting without the need to attend the meeting in person or via a proxy. Objections can be raised by using the password-protected Internet Dialog in accordance with the procedure provided for this purpose on the aforementioned website ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)) from the beginning until the end of the shareholders' meeting.

#### **Using the password-protected Internet Dialog**

##### **▪ Optional for registration and voting**

The password-protected Internet Dialog can be used for the aforementioned registration. It is also available for optional use in the postal voting and proxy voting procedures, both of which are described below.

##### **▪ Mandatory for questions and any objections**

In order to make use of the option to raise questions described above in the section

entitled "Details of the virtual shareholders' meeting," the shareholder must use the password-protected Internet Dialog. The same applies to the option described above in the section entitled "Details of the virtual shareholders' meeting" giving shareholders, in derogation of § 245 no. 1 AktG, the option to object to a resolution of the shareholders' meeting without the need to attend the meeting in person.

An online password is required in addition to the shareholder number in order to use the password-protected Internet Dialog. Shareholders who have already registered to receive their invitation to the shareholders' meeting by e-mail or De-Mail may also use the online password they selected on registration for this purpose. All other shareholders will be sent an online password with the invitation to the shareholders' meeting, provided they have been entered in the shareholders' register before the beginning of June 5, 2020. Shareholders who have been entered in the shareholders' register after this date will be sent the online password on request. The password-protected Internet Dialog will be available from May 20, 2020. It comprises a predefined interaction sequence covering standard situations. Further information on the registration procedure using the password-protected Internet Dialog is available on the aforementioned website ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)).

#### **Postal/online voting**

Insofar as the requirements stated under "Conditions for attendance and exercising voting rights" are fulfilled, shareholders can choose to cast their vote by post without attending the shareholders' meeting. Postal votes can only be cast in respect of resolutions proposed by the Company's administrative bodies and published by the Company prior to the shareholders' meeting, but including any proposal on the appropriation of net income that is adjusted during the shareholders' meeting in line with the published proposal, and in respect of resolutions proposed by shareholders that were published by the Company prior to the shareholders' meeting on the basis of a minority request pursuant to § 122 (2) AktG, as a counter-motion pursuant to § 126 (1) AktG, or as a nomination pursuant to § 127 AktG. For administrative reasons, postal votes should be cast using the forms provided by the Company for this specific purpose (including electronic forms).

Postal/online votes which are cast using channels other than the password-protected Internet Dialog must be received by the Company in text form (§ 126b German Civil Code – BGB) by Tuesday, June 16, 2020, 24:00 (CEST) via the postal address or e-mail address given for registration purposes. Postal/online votes can be cast, changed, or withdrawn by using the password-protected Internet Dialog in accordance with the procedure provided for this purpose (subject to the requirements and conditions stated under "Using the password-pro-

ected Internet Dialog") on the aforementioned website ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)) up until the start of voting on the day of the shareholders' meeting.

#### **Voting by proxy**

Insofar as the requirements stated under "Conditions for attendance and exercising voting rights" are fulfilled, shareholders have the possibility to vote by proxy, for example through an intermediary, a shareholders' association, or a proxy advisor within the meaning of § 134a (1), no. 3, (2) no. 3 AktG, or through the Company-appointed proxies. It is possible to appoint a proxy both prior to and during the shareholders' meeting, and such proxy may even be appointed prior to registration. Proxies may be appointed by way of the shareholder making a declaration either to the relevant proxy or to the Company. In principle, i.e., insofar as neither the law, nor the relevant shareholder, nor the proxy provides for restrictions or other qualifications, the proxy may exercise the voting right in the same way as the shareholder himself could. Proxies (with the exclusion of the Company-appointed proxies) may also exercise voting rights exclusively by way of postal/online voting.

Neither any provision of law nor the Articles of Incorporation, nor any other requirements specified by the Company demand that specific forms are used in order to grant proxy authorization. In the interests of smooth processing, however, we ask that the forms provided are always used when granting proxy authoriza-

tions by way of a declaration to the Company. Shareholders will be sent forms with their invitation which they can use to grant proxy authorization during the registration process. Shareholders will receive a registration and proxy form which inter alia can be used in the context of a) and c) below to authorize a proxy to cast postal/online votes or to grant authorization and issue voting instructions to the Company-appointed proxies. The password-protected Internet Dialog includes (electronic) forms, which can be used in the context of a) and c) below to appoint a proxy and, as necessary, issue instructions either at the time of registration or – in the situations covered there – to grant authorization and, if necessary, issue instructions at a later stage. A form is also available on the internet that can be used for granting authorization and, as necessary, issuing instructions (see “Further information and notes on the shareholders’ meeting”).

Shareholders wishing to make use of the opportunity to vote by proxy should, in particular, note the following:

a) If the appointment of a proxy does not fall within the scope of application of § 135 AktG, (i.e., if the proxy appointed is not an intermediary, shareholders’ association, proxy advisor within the meaning of § 134a (1) no. 3, (2), no. 3 AktG, or other person who has the status of an intermediary according to § 135 (8) AktG and the appointment of the proxy does not fall within the scope of application of

§ 135 AktG on any other grounds), the following applies: The granting of authorization, its revocation, and evidence of authorization must be supplied to the Company in text form in accordance with § 134 (3) sentence 3 AktG (§ 126b BGB). Pursuant to § 134 (3) sentence 3 AktG in conjunction with § 16 (2) sentence 2 of the Articles of Incorporation, the authorization may also be granted or revoked via the password-protected Internet Dialog using the procedure provided for this purpose (subject to the requirements and conditions stated under “Using the password-protected Internet Dialog”) at the address stated above ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)). However, for this meeting cycle the password-protected Internet Dialog cannot be used to provide evidence of the proxy authorization to the Company. The password-protected Internet Dialog comprises a predefined interaction sequence covering standard situations.

Pursuant to § 16 (2) sentence 3 of the Articles of Incorporation, any other forms of granting or revoking authorization or providing evidence of proxy authorization to the Company which are permitted directly by law are unaffected. The special provisions set out in c) below apply where authorization is granted to Company-appointed proxies.

b) If the appointment of a proxy falls within the scope of application of § 135 AktG, (i.e., if the proxy appointed is an intermediary, shareholders’ association, proxy advisor within the

meaning of § 134a (1), no. 3, (2) no. 3 AktG, or other person who has the status of an intermediary according to § 135 (8) AktG, or the appointment of the proxy otherwise falls within the scope of application of § 135 AktG), text form is not required pursuant to § 134 (3) sentence 3 AktG, nor do the Articles of Incorporation contain special provisions governing such a case. Intermediaries, shareholders’ associations, proxy advisors within the sense of § 134a (1), no. 3, (2) no. 3 AktG, as well as other persons who have the status of intermediaries according to § 135 (8) AktG, may therefore provide forms with which they can be appointed proxy and such forms need only comply with the statutory provisions that apply to the granting of such authorization, in particular those contained in § 135 AktG. Reference is hereby made to the special procedure pursuant to § 135 (1) sentence 5 AktG.

Shareholders will have the opportunity to grant authorization and, if desired, issue instructions to an intermediary, shareholders’ association, or proxy advisor within the meaning of § 134a (1) no. 3, (2) no. 3 AktG via the password-protected Internet Dialog that is accessible on the aforementioned website ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)), provided that the intermediary, shareholders’ association, or proxy advisor participates in such a service. The information stated under “Using the password-protected Internet Dialog” also applies for the use of the password-protected Internet Dialog with regard to this services.

c) The information contained in a) above also applies if authorization is granted to a Company-appointed proxy, subject to the following special provisions: If authorization is granted to a Company-appointed proxy, such proxy will only exercise the corresponding voting right if express instructions have been issued. The proxies appointed by the Company will only take account of instructions in respect of resolutions proposed by the Company’s administrative bodies which have been published by the Company prior to the shareholders’ meeting, although this includes any proposal on the appropriation of net income that is adjusted during the shareholders’ meeting in line with the published proposal, and in respect of resolutions proposed by shareholders that were published by the Company prior to the shareholders’ meeting on the basis of a minority request pursuant to § 122 (2) AktG or as a counter-motion pursuant to § 126 (1) AktG or a nomination pursuant to § 127 AktG. In particular, the Company-appointed proxies are not there to ask questions or submit motions during the shareholders’ meeting. For administrative reasons, the forms provided by the Company granting authorizations and issuing instructions to Company-appointed proxies (including electronic forms, see above) should be used for this purpose.

Proxy authorizations granted and voting instructions issued to Company-appointed proxies using channels other than the password-pro-

tected Internet Dialog must be received by the Company in text form (§ 126b BGB) by Tuesday, June 16, 2020, 24:00 (CEST) at the postal address or e-mail address given for registration purposes. Authorization can be granted, changed, or revoked and voting instructions issued, changed, or revoked vis-à-vis Company-appointed proxies by using the password-protected Internet Dialog in accordance with the procedure provided for this purpose (subject to the requirements and conditions stated under “Using the password-protected Internet Dialog”) on the aforementioned website ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)) up until the start of voting on the day of the shareholders’ meeting.

e-mail) are supported: .doc and .docx, .txt, and .pdf. The Company can only link the evidence of proxy authorization sent by e-mail to a specific registration application if the document evidencing such authorization or the corresponding e-mail states either the name, date of birth, and address of the relevant shareholder or the corresponding shareholder number. The above does not affect the fact that declarations relating to proxy authorizations (granting, revocation), if made to the Company, and any evidence to be provided to the Company may in particular be sent to the postal address given above. However, for this meeting cycle the password-protected Internet Dialog cannot be used to provide evidence of the proxy authorization to the Company.

d) If authorization is granted by way of a declaration to the Company, no additional evidence of authorization is required. If, however, authorization is granted by way of declaration to the proxy, the Company may demand to see evidence of the authorization, unless otherwise provided for under § 135 AktG (this applies to the case described in b) above). It is possible to send the Company evidence of authorization prior to the shareholders’ meeting. Pursuant to § 134 (3) sentence 4 AktG, evidence of granting proxy authorization can be submitted to the Company electronically via e-mail using the address [hv-service@telekom.de](mailto:hv-service@telekom.de). The following document formats (in addition to the possibility of forwarding an existing

e) If the shareholder appoints more than one proxy, the Company is entitled under § 134 (3) sentence 2 AktG to refuse one or more of them.

# INFORMATION ON SHAREHOLDERS' RIGHTS PURSUANT TO § 122 (2), § 126 (1), § 127, AND § 131 (1) AKTG AS WELL AS § 125 SENTENCE 1, § 64 (2) UMWG

## 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 corresponding to 195,313 shares) may demand that additional items be added to the agenda and published. Each new item must be accompanied by a corresponding statement of reasons or a draft resolution. Requests shall be submitted to the Company's Board of Management in written form (pursuant to § 122 (2) in conjunction with (1) sentence 1 AktG) to arrive by Tuesday, May 19, 2020, 24:00 (CEST) at the latest. They should be sent to the following address: Deutsche Telekom AG, Vorstand, Postfach 19 29, 53009 Bonn, Germany. In order to avoid delays caused by mail transit times, please use the above address for any requests for additional agenda items and also send them ahead either by fax to +49 228 181-88259 or by email to hv-service@telekom.de.

Pursuant to § 122 (2) in conjunction with (1) sentence 3 AktG, applicants must provide evidence of having held the shares for at least 90 days prior to the date of receipt and of continuing to hold the shares up to the date on which the Board of Management takes a decision relating to the application. The date of receipt of the request is not included when calculating the shareholding period. Transferral from a

Sunday, a Saturday, or a public holiday to a preceding or subsequent workday is not possible. §§ 187 through 193 German Civil Code shall not apply. Certain third-party shareholding periods shall be taken into account in accordance with § 70 AktG.

Any additions to the agenda that require publication and were not published with the notice of convocation will be published in the German Federal Gazette (*Bundesanzeiger*) as soon as they have been received by the Company and, with this announcement at the latest, will be forwarded to those media services which can be expected to publish the information across the entire European Union. They will additionally be made available at

[www.telekom.com/hv](http://www.telekom.com/hv)

and disclosed to the shareholders in accordance with § 125 (1) sentence 3 AktG directly following their announcement.

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

Given that the shareholders' meeting on June 19, 2020 will take place as a virtual shareholders' meeting with no possibility for shareholders to attend in person, shareholders cannot file counter-motions at the place of the shareholders' meeting; neither are the Compa-

ny-appointed proxies able to fulfill this role. The same goes for shareholder nominations. However, submitted counter-motions and shareholder nominations made available by the Company will be treated as if they had been filed at the shareholders' meeting insofar as the requirements stated under "Conditions for attendance and exercising voting rights" are met with respect to the shareholder who submitted the counter-motion or nomination. As such, counter-motions and shareholder nominations made available by the Company will also be put to the vote insofar as they are not otherwise resolved.

Counter-motions within the meaning of § 126 AktG and nominations within the meaning of § 127 AktG, together with the shareholder's name, a corresponding reason (which is, at least, not required in the case of nominations), and any response by the Company's administrative bodies, as well as, in the case of nominations by a shareholder for the election of Supervisory Board members, the details pursuant to § 127 sentence 4 AktG, shall be published on the following website:

[www.telekom.com/gegengantraege](http://www.telekom.com/gegengantraege)

provided they are received by the Company by

**Thursday, June 4, 2020, 24:00 (CEST) at the latest,**

and are addressed to

**Gegenanträge zur Hauptversammlung DTAG  
Postfach 19 29  
53009 Bonn, Germany**

or sent by **Fax to +49(0)228 181-88259**

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

and providing all other conditions triggering the Company's obligation to publish such information under § 126 and/or § 127 AktG have been met.

## Shareholders' right to information pursuant to § 131 (1) AktG, § 125 sentence 1 and § 64 (2) UmwG

Pursuant to § 131 (1) AktG, the Board of Management must provide any shareholder making a corresponding demand at the shareholders' meeting 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, 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.

Moreover, in relation to item 7 on the agenda, each shareholder, under § 125 sentence 1 and

# FURTHER DETAILS AND INFORMATION RELATING TO THE SHAREHOLDERS' MEETING

§ 64 (2) UmwG, shall upon request be provided with information at the shareholders' meeting on all affairs of Telekom Deutschland GmbH that are relevant to the Spin-Off.

Given that the shareholders' meeting on June 19, 2020 will take place as a virtual shareholders' meeting with no possibility for shareholders to attend in person, shareholders cannot request such information at the place of the shareholders' meeting; neither are the Company-appointed proxies able to fulfill this role. As such, the special regulation under § 1 (2) sentence 1 no. 3 and sentence 2 GesRuaCOVBekG applies to the virtual shareholders' meeting. Pursuant to § 1 (2) sentence 1 no. 3 GesRuaCOVBekG, shareholders must have the opportunity to raise questions via an electronic communication channel. Pursuant to § 1 (2) sentence 2 GesRuaCOVBekG, the Board of Management is at liberty to decide after due consideration and at its discretion which questions it answers and how; in accordance with § 1 (6) sentence 1 GesRuaCOVBekG, the Board of Management, with the approval of the Supervisory Board, has also stipulated that questions submitted electronically shall be received no later than two days before the shareholders' meeting.

In the present case, shareholders, insofar as the conditions stated under "Conditions for attendance and exercising voting rights" are met, can submit questions personally or via an authorized proxy. Questions must be received by

## **Wednesday, June 17, 2020, 24:00 (CEST) at the latest,**

using the password-protected Internet Dialog in accordance with the procedure provided for this purpose (subject to the requirements and conditions stated under "Using the password-protected Internet Dialog") on the aforementioned website ([www.telekom.com/hv-service](http://www.telekom.com/hv-service)).

## **Further information**

Further information on the shareholders' rights pursuant to § 122 (2), § 126 (1), § 127, and § 131 (1) AktG, § 125 sentence 1, § 64 (2) UmwG, as well as § 1 (2) sentence 1 no. 3 and sentence 2 GesRuaCOVBekG, in particular information relating to additional requirements above and beyond compliance with relevant deadlines, is available on the following website:

[www.telekom.com/hv](http://www.telekom.com/hv)

## **Information for bearers of ADRs**

Bearers of American Depositary Receipts (ADRs) can get additional information through Deutsche Bank Trust Company Americas, c/o American Stock Transfer & Trust Company, LLC, 15th Avenue, Brooklyn, NY 11219, USA, e-mail [dbemails@astfinancial.com](mailto:dbemails@astfinancial.com), phone +1(0)866 282-3744.

## **Documents relating to the shareholders' meeting, website with information pursuant to § 124a AktG**

The content of the notice of convocation, together with an explanation of why no resolution is to be passed on agenda item 1, the documents to be made available at the shareholders' meeting, the total number of shares and voting rights existing at the time the convocation notice was issued, a form for granting proxy and for issuing instructions, as well as for postal/online voting, as necessary, and any requests for additional agenda items within the meaning of § 122 (2) AktG are available on the website:

[www.telekom.com/hv](http://www.telekom.com/hv)

The notice of convocation, together with the full agenda and the resolution proposals of the Board of Management and the Supervisory Board, were published in the German Federal Gazette on May 13, 2020 and also forwarded to those media services which can be expected to publish the information across the entire European Union.

## **Public broadcast of the shareholders' meeting**

Based on a corresponding resolution by the Board of Management, an audio/video transmission of the shareholders' meeting will be available publicly. All shareholders and the interested public may follow the shareholders' meeting live on the following website:

[www.telekom.com/hv](http://www.telekom.com/hv)

Comments by the Board of Management and Supervisory Board will also be available on the same website after the shareholders' meeting, provided that they do not relate to questions from individual shareholders. Some of these comments will also be published on other media (Twitter, Facebook, and YouTube).

## **Total number of shares and voting rights**

The total number of shares issued, each of which carries one voting right, existing at the time of the notice of convocation of the shareholders' meeting is 4,761,458,596 (calculated in accordance with § 49 (1) sentence 1, no. 1, 2nd option of the German Securities Trading Act).

## **Notes on data privacy for shareholders and their representatives**

As a controller within the meaning of Article 4 (7) of the General Data Protection Regulation (GDPR), Deutsche Telekom processes personal data of the shareholders and, where applicable, the statutory or legal representatives of share-

holders in conjunction with the shareholders' meeting. The personal data processed includes surname, first name, title, address, and other contact information, data regarding shares, administration data, and data concerning the exercise of shareholders' rights, including voting rights. The personal data shall be provided by the shareholder or their representative. Alternatively, Deutsche Telekom AG shall receive it from the custodian bank of the shareholder (usually forwarded via Clearstream Banking AG).

The purpose of processing the data is to enable the shareholders to exercise their rights in conjunction with the shareholders' meeting and to comply with the statutory provisions associated with the shareholders' meeting. The legal basis for processing is the Stock Corporation Act (*Aktiengesetz* – AktG), in particular § 118 et seq. AktG, and the German act on temporary measures under company, cooperative, association, foundation, and residential property law to combat the effects of the COVID-19 pandemic (*GesRuaCOVBekG*, in particular § 1 (2) *GesRuaCOVBekG*), each in conjunction with Article 6 (1c) GDPR. The personal data shall also be processed for capacity planning as well as other organizational planning for the current and future shareholders' meetings. To this extent, the legal basis for processing is Article 6 (1f) GDPR. Guaranteeing the smooth running of the shareholders' meeting constitutes a legitimate interest in this respect.

To prepare and execute the shareholders' meeting, Deutsche Telekom AG shall commission service providers (to create and send the notification in accordance with § 125 AktG, to record and process registration for the shareholders' meeting, authorizations and the exercise of shareholders' rights, technical processing for the meeting in general, and to provide legal advice) who shall only be provided with the personal data which is required to carry out the commissioned service. If authorized by the shareholder or their representative, the Company-appointed proxy shall only receive the personal data required to cast the written vote.

Requests for additional agenda items as well as counter-motions and nominations shall be made accessible as described in the invitation under "Information on shareholders' rights pursuant to § 122 (2), § 126 (1), § 127, and § 131 (1) AktG as well as § 125 sentence 1, § 64 (2) UmwG" and, where relevant, put to the vote at the shareholders' meeting. With respect to questions submitted in line with the procedure described under "Details of the virtual shareholders' meeting" and "Information on shareholders' rights pursuant to § 122 (2), § 126 (1), § 127 and § 131 (1) AktG as well as § 125 sentence 1, § 64 (2) UmwG," the name of the person asking the question may be disclosed at the shareholders' meeting in the context of providing an answer insofar as the asker consented to this when submitting their question.

Consent can be withdrawn at any time, preferably by sending an email to [hv-service@telekom.de](mailto:hv-service@telekom.de).

Deutsche Telekom AG shall erase or anonymize the personal data three years after the day of the shareholders' meeting at the latest unless legal rules prescribe a longer retention period, namely if required by the Stock Corporation Act, the Securities Trading Act, the German Commercial Code and the Fiscal Code, or on the basis of the legitimate prevailing interest of the Company, namely to establish, exercise, or defend legal claims.

Contact information of the Company as the controller within the meaning of Article 4 (7) GDPR: Deutsche Telekom AG, Friedrich-Ebert-Allee 140, 53113 Bonn, Germany.

Contact information of the Global Data Privacy Officer at Deutsche Telekom AG: Dr. Claus D. Ulmer, Friedrich-Ebert-Allee 140, 53113 Bonn, Germany, e-mail: [aktienregister@telekom.de](mailto:aktienregister@telekom.de).

For further information on data privacy, especially regarding the processing of shareholder data in connection with the management of the shareholders' register, please refer to the following website:

**[www.telekom.com/hv-service](http://www.telekom.com/hv-service)**.

# ANNEX 1 – FURTHER INFORMATION ON ITEM 6, IN PARTICULAR THE RESUME OF THE CANDI- DATE AND DETAILS PURSUANT TO § 125 (1) SENTENCE 5 AKTG

## Prof. Dr. Michael Kaschke

Former Chairman of the Board of Management of Carl Zeiss AG, Oberkochen, Chairman of the Supervisory Board of the Karlsruhe Institute of Technology (KIT), Karlsruhe, resident in Oberkochen, member of the Supervisory Board since April 22, 2015

### Personal details:

Year of birth: 1957  
Place of birth: Greiz  
Nationality: German

### Career history:

2011 – 2020	Chairman of the Board of Management at Carl Zeiss AG, Oberkochen
2008 – 2010	Chairman of the Board of Management at Carl Zeiss Meditec AG, Jena
2000 – 2020	Member of the Board of Management at Carl Zeiss AG, Oberkochen
1998 – 2000	Head of the Medical Technology division at Carl Zeiss and Head of the Surgical Equipment business area at Carl Zeiss
1995 – 1998	Head of the Geodesy business area at Carl Zeiss
1992 – 1995	Research assistant in the Research department, later Head of development of surgical microscopes at Carl Zeiss
1990 – 1992	Invited Visiting Scientist at IBM Research Center, Yorktown Heights (USA)
1989 – 1990	Laboratory manager at the Max Born Institute, Berlin
1986 – 1989	Research assistant at the Friedrich Schiller University, Jena

### Education and training:

1988	Doctorate (Dr. sc. nat.)
1986	Doctorate (Dr. rer. nat.)
1983	Graduated in physics from the Friedrich Schiller University Jena (“Diplom” graduate physicist)

### Memberships on statutory supervisory boards of companies in Germany:

- Deutsche Telekom AG, Bonn
- Carl Zeiss Meditec AG, Jena (Chairman)
- Henkel AG & Co. KGaA, Dusseldorf
- Robert Bosch GmbH, Stuttgart

### Member of comparable supervisory bodies of companies in Germany or abroad:

- None –

### Member of comparable supervisory bodies in Germany outside of companies:

- Karlsruhe Institute of Technology (KIT), Karlsruhe, public corporation (Chairman; not a commercial enterprise within the meaning of § 100 (2), sentence 1, no. 1 AktG)

# ANNEX 2 – TEXT OF THE SPIN-OFF AND TAKEOVER AGREEMENT CONCLUDED BY DEUTSCHE TELEKOM AG AND TELEKOM DEUTSCHLAND GMBH AND THE ESSENTIAL CONTENT OF THE CORRESPONDING ANNEXES

The wording of the Spin-Off and Takeover Agreement concluded on April 20, 2020 between Deutsche Telekom AG and Telekom Deutschland GmbH under notarial deed of Benno Garschina, notary with his office in Bonn-Bad Godesberg, is as follows (without Annexes):

## Spin-Off and Takeover Agreement

dated April 20, 2020

between

**Deutschen Telekom AG**  
Friedrich-Ebert-Allee 140  
53113 Bonn

(entered in the commercial register of the Local Court (*Amtsgericht*) of Bonn under HRB 6794)

and

**Telekom Deutschland GmbH**  
Landgrabenweg 151  
53227 Bonn

(entered in the commercial register of the Local Court of Bonn under HRB 5919)

(Deutsche Telekom AG and Telekom Deutschland GmbH hereinafter collectively also referred to as the “**Parties**” or individually as a “**Party**”)

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## REFERENCE DEED

In order to facilitate the notarisation procedure, a reference deed was drawn up by the officiating notary on April 16, 2020 under roll of deeds no. 511/2020 (the “**Reference Deed**”). All Annexes specified in this Spin-Off and Takeover Agreement are contained in the Reference Deed. Within this scope any references to these Annexes are thus understood to be references to the Reference Deed.

The Parties hereby make reference pursuant to section 13a of the German Notarisation Act (*Beurkundungsgesetz*) to the Reference Deed, which forms part of today’s notarisation. The original of the Reference Deed was available at today’s notarisation. The Parties confirm that they are familiar with the content of the Reference Deed. They waive the right to have the Reference Deed read out again and to have it attached to the present deed, and approve the Reference Deed.

## PART 1. PREAMBLE

### § 1 Preamble

- (1) Deutsche Telekom AG is a stock corporation (*Aktiengesellschaft*) under German law which has its registered office in Bonn and is entered in the commercial register of the Local Court of Bonn under HRB 6794.
- (2) Telekom Deutschland GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law which has its registered office in Bonn and is entered in the commercial register of the Local Court of Bonn under HRB 5919. Its fully paid-in share capital currently amounts to EUR 1,515,000,000.00 and is divided into three shares with nominal amounts of EUR 520,000,000.00 (serial no. 1), EUR 980,000,000.00 (serial no. 2) and EUR 15,000,000.00 (serial no. 3). Sole shareholder of Telekom Deutschland GmbH is Deutsche Telekom AG.
- (3) Deutsche Telekom AG is the parent company of Deutsche Telekom Group (hereinafter also “**Deutsche Telekom**”). Deutsche Telekom is an integrated telecommunications provider which offers its customers worldwide a comprehensive range of modern telecommunications and information technology services.

(4) Deutsche Telekom AG has an independent cross-location business area “Deutsche Telekom Global Carrier”, which is organizationally separated from the other business areas and has its separate area of activity (hereinafter the “**DTGC Business Area**”). The DTGC Business Area consists of two sub-areas, namely:

- a) the “Telekom Global Carrier” sub-area (hereinafter the “**TGC Sub-Area**”) comprising the “Telekom Global Carrier” business unit (*Betriebsteil*) under German employment law (hereinafter the “**TGC Business Unit**”), and
- b) the “Network Infrastructure” sub-area (hereinafter the “**NWI Sub-Area**”) comprising the “Network Infrastructure” business unit under German employment law (hereinafter the “**NWI Business Unit**”).

(5) The TGC Sub-Area or, from an employment-law perspective, TGC Business Unit mainly provides services in the fields of International Carrier Services, Commercial Roaming Services and Aviation Services as follows:

- a) International Carrier Services comprises the sale of Deutsche Telekom’s wholesale telecommunication services (national and international networks) to carriers (telecommunication network operators)

abroad to be used by their customers as well as the purchase of wholesale telecommunication services for Deutsche Telekom from foreign carriers. In addition, the TGC Sub-Area or, from an employment-law perspective, TGC Business Unit serves both carriers and over-the-top content providers (IP-based and platform-independent service providers) as well as major business customers in the voice and data field either directly or via T-Systems International GmbH (a wholly-owned subsidiary of Deutsche Telekom AG) or its subordinated group companies (hereinafter collectively referred to as “**T-Systems**”);

- b) Commercial Roaming Services comprises the negotiation of discounts for standard roaming fees and revenues (resulting from mobile communication in the networks of Deutsche Telekom’s foreign subsidiaries) and network access terms and conditions for machine-to-machine communications with mobile network operators and mobile providers that buy network services and independently market them to third parties. In addition to negotiating, structuring and implementing the discount contracts, the TGC Sub-Area or, from an employment-law perspective, TGC Business Unit ensures the settlement of cash flows from these reciprocal con-

tractual relationships as well as monthly and quarterly forecasts;

c) Aviation Services on the one hand comprises the operation of an internet service provider (ISP) platform as well as the marketing of such platform in particular to air carriers. In addition, Aviation Services operates a European ground network containing complementary ground components (CGC), i.e. ground components complementing a mobile satellite service, and makes available this ground network as part of the European Aviation Network of a cooperation partner.

(6) The TGC Sub-Area also includes all shares in two companies, T-Mobile Hotspot GmbH with its registered office in Bonn and Magyarcom Szolgáltató Kommunikációs Korlátolt Felelősségű Társaság with its registered office in Budapest (Hungary).

(7) The NWI Sub-Area or, from an employment-law perspective, NWI Business Unit develops, plans, builds and operates Deutsche Telekom AG's international network infrastructure and provides the services used by the TGC Sub-Area. The NWI Sub-Area or, from an employment-law perspective, NWI Business Unit offers these services on its own platforms in Germany and abroad and is responsible

for smooth traffic of the relevant technologies and services via own or rented line capacities in Germany and abroad. For network infrastructure and platforms abroad, the NWI Sub-Area or, from an employment-law perspective, NWI Business Unit uses the relevant local entities of Deutsche Telekom.

(8) In order to reduce complexity, increase competitiveness and strengthen the sales potential of Deutsche Telekom Group, the range of telecommunications services for business customers currently located at T-Systems and Deutsche Telekom AG is intended to be pooled in Telekom Deutschland GmbH together with its already existing service range. To this end, the two portfolio units TC Services and Classified ICT (with the exception of certain activities in the Classified IT project business), which have so far been located at T-Systems and allocated to the Systems Solutions operating segment, are to be transferred to Telekom Deutschland GmbH or its subordinated group companies and allocated to the Germany operating segment. This concerns both the national and the international business of these T-Systems portfolio units. These measures will be implemented in addition to the Spin-Off governed by this Spin-Off and Takeover Agreement. In order to improve the international telecommunication services for business customers, the DTGC

Business Area is to be transferred to Telekom Deutschland GmbH as well. The aim is to simultaneously strengthen the wholesale activities as a whole by transferring the DTGC Business Area. The DTGC Business Area, whose TGC Sub-Area has so far been allocated to the Europe operating segment and whose NWI Sub-Area has so far been allocated to the Headquarters & Group Services segment, is to be fully allocated in future to the Germany operating segment. At Telekom Deutschland GmbH level, it is moreover planned to transfer the NWI Business Unit on to Deutsche Telekom Technik GmbH with its registered office in Bonn (business address: Landgrabenweg 151, 53227 Bonn), entered in the commercial register of the Local Court of Bonn under HRB 14190, in order to pool the technology areas for telecommunications services in the Germany operating segment.

(9) As specified in more detail in this Spin-Off and Takeover Agreement, Deutsche Telekom AG will transfer by way of a Spin-Off by absorption (*Ausgliederung zur Aufnahme*) pursuant to § 123 (3) no. 1 of the German Transformation Act (*Umwandlungsgesetz*; "UmwG") in conjunction with §§ 124 *et seq.*, 138 *et seq.* and 141 *et seq.* UmwG its DTGC Business Area as described in paragraphs 4 to 7 as a whole to Telekom Deutschland GmbH in return for a new share in Telekom Deutschland GmbH.

(10) The transfer of assets and liabilities governed by this Spin-Off and Takeover Agreement does not include any business areas of Deutsche Telekom AG other than the DTGC Business Area described in paragraphs 4 to 7. All these other business areas will therefore remain with Deutsche Telekom AG. All shares held by Deutsche Telekom AG in companies other than the two companies specified in paragraph 6 will also remain with Deutsche Telekom AG.

(11) The DTGC Business Area is to be transferred from Deutsche Telekom AG to Telekom Deutschland GmbH as a business unit for tax purposes (*steuerlicher Teilbetrieb*). This Spin-Off and Takeover Agreement therefore provides in particular for the transfer of all assets and liabilities of Deutsche Telekom AG which are used by the DTGC Business Area and form part of the essential operating basis for the DTGC Business Area as a business unit for tax purposes or are attributable to the DTGC Business Area in accordance with economic criteria.

## PART 2. GENERAL PROVISIONS

### § 2 Spin-Off by absorption

(1) Deutsche Telekom AG with its registered office in Bonn as transferor entity transfers by way of Spin-Off by absorption pursuant

to § 123 (3) no. 1 UmwG in conjunction with §§ 124 *et seq.*, 138 *et seq.*, 141 *et seq.* UmwG those parts of its assets and liabilities which are specified in §§ 4 to 18 as Spin-Off Assets as a whole to Telekom Deutschland GmbH with its registered office in Bonn as transferee entity in return for a new share in Telekom Deutschland GmbH (hereinafter the **“Spin-Off”**).

(2) The new share in Telekom Deutschland GmbH will be granted as consideration for the transfer of parts of Deutsche Telekom AG's assets and liabilities pursuant to the provisions under § 22.

### § 3 Spin-Off Date, Closing Balance Sheet, Accounting

(1) As between the Parties (*im Innenverhältnis*), the transfer of the parts of Deutsche Telekom AG's assets and liabilities specified in §§ 4 to 18 and the employment contracts specified in § 24 will be carried out with effect as of the beginning (00:00 hrs) of January 1, 2020 (hereinafter the **“Spin-Off Date”**). As from the beginning of January 1, 2020, all actions and transactions by Deutsche Telekom AG relating to the Spin-Off Assets will be deemed carried out for the account of Telekom Deutschland GmbH. Risks, benefits and burdens of the DTGC Business Area will also be deemed transferred to Telekom Deutschland GmbH as of this date.

(2) Until the Spin-Off takes effect, Deutsche Telekom AG will prepare separate accounts for the DTGC Business Area internally as if the Spin-Off had already taken effect on the Spin-Off Date.

(3) The Spin-Off is effected on the basis of the balance sheet contained in Deutsche Telekom AG's annual financial statements as at December 31, 2019 (24:00 hrs), which have been audited and endorsed with an unqualified audit certificate by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, as closing balance sheet pursuant to §§ 125 sentence 1, 17 (2) UmwG (hereinafter the **“Closing Balance Sheet”**). The Closing Balance Sheet (forming part of the annual financial statements) is attached as **Annex 3.3**.

(4) The transfer date for tax purposes pursuant to § 20 (6) sentences 1 and 2 of the German Transformation Tax Act (*Umwandlungssteuergesetz*; hereinafter **“UmwStG”**) is December 31, 2019 (24:00 hrs) (hereinafter the **“Transfer Date for Tax Purposes”**).

(5) Telekom Deutschland GmbH will take over the assets and liabilities transferred to it rolling forward the carrying amounts as reported by Deutsche Telekom AG in the Closing Balance Sheet and will report these assets and liabilities in its commercial balance sheets at the relevant carrying

amounts rolled forward from Deutsche Telekom AG, to the extent permitted by law. The Spin-Off will thus be carried out without the realization of hidden reserves (*ohne Aufdeckung stiller Reserven*) in the commercial balance sheets. The amount by which the carrying amount of the Spin-Off Assets (i.e. the carrying amounts of the assets minus the carrying amounts of the liabilities without equity) exceeds the capital increase amount pursuant to § 22, after adding the amount of the receivable owed to Telekom Deutschland GmbH by Deutsche Telekom AG under § 8 (5), which will be constituted as of the Completion Date (within the meaning of § 19 (1)), and taking into account any liabilities resulting from the Spin-Off at Telekom Deutschland GmbH, must be contributed to the capital reserves of Telekom Deutschland GmbH pursuant to § 272 (2) no. 1 of the German Commercial Code (*Handelsgesetzbuch*). It is planned that Telekom Deutschland GmbH will apply for rolling forward carrying amounts for tax purposes (*steuerliche Buchwertfortführung*) pursuant to § 20 (2) sentence 2 UmwStG. Deutsche Telekom AG as transferor entity and Telekom Deutschland GmbH as transferee entity are obligated to reflect in their tax balance sheets any subsequent amendments of the tax balance values, e.g. due to a tax field audit.

## PART 3. SPIN-OFF ASSETS

### § 4 Subject of the Spin-Off

- (1) Deutsche Telekom AG will transfer to Telekom Deutschland GmbH as a whole:
- a) all tangible and all acquired and self-created intangible assets, including contractual and other legal relationships and interests of all kinds, receivables and liabilities, uncertain liabilities, contingent liabilities and future and conditional receivables and liabilities the legal basis for which has already been created, irrespective of whether or not these must be or can be reported in the balance sheet or have already been reported in the balance sheet (above and hereinafter the **“Assets”** or, where individual assets and liabilities are referred to, the **“Asset”**) attributable to the DTGC Business Area, unless hereinafter expressly excluded from the transfer;
  - b) including the equity interests attributed to the Spin-Off Assets under § 7; and
  - c) including all other Assets hereinafter expressly attributed to the Spin-Off Assets;
- (sub-paragraphs a) to c) above and hereinafter the **“Spin-Off Assets”**).

(2) The Spin-Off of the DTGC Business Area's Assets includes the TGC Business Unit and the NWI Business Unit.

(3) The Spin-Off Assets include in particular all Assets which form part of the essential operating basis (*wesentliche Betriebsgrundlagen*) for the DTGC Business Area as a business unit for tax purposes and are exclusively used by the DTGC Business Area or are attributable to the DTGC Business Area in accordance with economic criteria.

(4) Unless expressly determined otherwise hereinafter, the Spin-Off Assets in particular include the assets and liabilities reported in the spin-off balance sheet for the DTGC Business Area derived from the Closing Balance Sheet and attached as **Annex 4.4**; moreover, the spin-off balance sheet so derived shows additional assets and liabilities which are based on the arrangements made between the Parties in this Spin-Off and Takeover Agreement or which otherwise result from the Spin-Off (hereinafter the **"Spin-Off Balance Sheet"**).

(5) Unless expressly determined otherwise hereinafter, the Spin-Off Assets include in particular all Assets shown in Deutsche Telekom AG's SAP-based "One.Finance" accounting system as of the Spin-Off Date either under company code (*Buchungskreis*)

1025, and there under cost centers other than those beginning with D1B05, or under company code 1032, under cost centers beginning with D1H0206 and D1H0306.

(6) The following are not included in the Spin-Off Assets and are thus in any case not covered by the transfer:

- a) all brands, design models, patents and utility models as well as domain names of Deutsche Telekom AG;
- b) all ownership rights in properties and buildings as well as hereditary building rights of Deutsche Telekom AG;
- c) all lease agreements (*Miet- und Pachtverträge*) for properties and buildings concluded between Deutsche Telekom AG and GMG Generalmietgesellschaft mbH with its registered office in Cologne;
- d) all equity interests of Deutsche Telekom AG under corporate law excluding the equity interests expressly allocated to the Spin-Off Assets under § 7;
- e) the control agreement dated December 4, 2000 in place between Deutsche Telekom AG and Telekom Deutschland GmbH with all resulting rights and obligations;

f) the profit and loss transfer agreement dated December 4, 2000 (amended by agreement dated February 2/11, 2011) in place between Deutsche Telekom AG and Telekom Deutschland GmbH with all resulting rights and obligations;

g) all obligations existing under the commitments relating to payments and benefits under company pension arrangements (current pensions, vested expectancies (*unverfallbare Anwartschaften*) and similar obligations, in particular arising from transition payments made in the event of early retirement (*Vor- und Frühruhestand*)) made by Deutsche Telekom AG towards employees who were not attributable to the DTGC Business Area on the Spin-Off Date and their dependants;

h) rights and obligations existing under the commitments relating to payments and benefits under company pension arrangements made by Deutsche Telekom AG towards employees (former employees with claims for company pensions (*Betriebsrente*) and employees with vested pension expectancies (*Versorgungsanwärter mit unverfallbaren Anwartschaften*)) who already retired prior to the Spin-Off Date.

## § 5 Intangible assets

(1) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all intangible assets attributable to the DTGC Business Area, in particular those Assets forming part of the Spin-Off Assets pursuant to paragraphs 2 to 5, as well as the legal relationships related to these intangible assets, in particular license and use agreements.

(2) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all industrial property rights or copyrights (without software) including related licenses and rights of use. Should a transfer of industrial property rights and copyrights not be possible, Deutsche Telekom AG will grant Telekom Deutschland GmbH an exclusive right of use in the industrial property rights and/or copyrights which are exclusively attributable to the DTGC Business Area. In all other respects, Deutsche Telekom AG and Telekom Deutschland GmbH, as between themselves, will treat each other as if the relevant industrial property right or copyright had been transferred to Telekom Deutschland GmbH as of the Spin-Off Date (i.e. full attribution of income and expenses to Telekom Deutschland GmbH). In the cases of joint use of industrial property rights and copyrights, such rights will not be

transferred but Telekom Deutschland GmbH will be granted a right of use. In all other respects, Deutsche Telekom AG and Telekom Deutschland GmbH, as between themselves, will treat each other as if the relevant industrial property right or copyright, in the scope as they are used by the DTGC Business Area, had been transferred to Telekom Deutschland GmbH as of the Spin-Off Date (i.e. prorated attribution of income and expenses to Telekom Deutschland GmbH).

(3) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all know-how attributable to the DTGC Business Area, in particular process know-how as well as production and manufacturing know-how.

(4) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all rights (including licenses and rights of use) in software attributable to the DTGC Business Area. This includes in particular all rights (including licenses and rights of use) in the software listed in **Annex 5.4**.

(5) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all content of technical data bases, customer data bases (including customer master data) and other data bases attributable to the DTGC Business Area.

(6) In all other respects, Deutsche Telekom AG and Telekom Deutschland GmbH will take all necessary steps in order to enable Telekom Deutschland GmbH in future to use the intangible assets designated as Spin-Off Assets under this Spin-Off and Takeover Agreement.

(7) To the extent that the DTGC Business Area uses intangible assets which are not allocated to the Spin-Off Assets under this Spin-Off and Takeover Agreement, and which in particular do not form part of the Spin-Off Assets pursuant to § 4 (3), Deutsche Telekom AG and Telekom Deutschland GmbH will take all necessary steps in order to enable Telekom Deutschland GmbH to use these intangible assets in future. Insofar as this possibility of using these intangible assets can be granted by Deutsche Telekom AG, § 21 will apply.

#### **§ 6 Tangible fixed assets**

(1) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all tangible fixed assets together with their material parts and accessories attributable to the DTGC Business Area, in particular those included in the Spin-Off Assets pursuant to paragraphs 2 and 3.

(2) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all

a) platforms attributable to the DTGC Business Area. This includes in particular the voice and signaling platforms, e.g. the platforms Next Generation Voice international (NGVi), Number Portability international (NPI), virtual Signaling Transfer Point (vSTP), next generation Signaling Transfer Point (ngSTP), the Diameter platform (DRA), the Wifi Roaming platform and SS7 Firewall;

b) network components attributable to the DTGC Business Area;

c) other operating and business equipment including office and IT equipment (servers and PCs as well as licenses for related third-party standard software) attributable to the DTGC Business Area;

d) rights and interests, in particular claims, relating to advance payments made on tangible fixed assets and tangible fixed assets under construction; and

e) other tangible fixed assets attributable to the DTGC Business Area.

This includes in particular all tangible fixed assets listed in **Annex 6.2**.

(3) The network components that form part of the Spin-Off Assets include in particular also

a) all submarine cable systems including the technical facilities and main distributors at the submarine cable terminals on German shores;

b) all legal interests in submarine cables and submarine cable consortiums, including all submarine cable consortium agreements and agreements concerning the long-term use of submarine cables and the related legal interests;

c) all technical equipment and machinery and all other tangible fixed assets located in the building of the "Frankfurt International Network Management Center" (*Internationales Netzmanagementzentrum Frankfurt*).

#### **§ 7 Shares in affiliated companies**

(1) The Spin-Off Assets include the equity interests of Deutsche Telekom AG specified in more detail below, which are attributable to the DTGC Business Area:

a) T-Mobile HotSpot GmbH with its registered office in Bonn (business address: Friedrich-Ebert-Allee 140, 53113 Bonn), entered in the commercial register of the Local Court of Bonn under HRB 16010. The sole shareholder of T-Mobile HotSpot GmbH's share capital divided into two shares with a nominal amount of EUR 25,000.00

(serial no. 1 of the shareholders list) and EUR 1,000.00 (serial no. 2 of the shareholders list) is Deutsche Telekom AG; both shares are included in the Spin-Off Assets.

b) Magyarcom Szolgáltató Kommunikációs Korlátolt Felelősségű Társaság with its registered office in Budapest (business address: Körház u. 6-12, 1033/Budapest (Hungary)), entered in the companies register of the Registration Court of Budapest under registration number 01-09-269874. The sole shareholder of Magyarcom Szolgáltató Kommunikációs Korlátolt Felelősségű Társaság's share capital in the amount of HUF 50,000,000.00 is Deutsche Telekom AG; this share capital, or the relevant shares, is included in the Spin-Off Assets.

(2) The profit claim for the 2020 financial year relating to the equity interests described in more detail in paragraph 1 sub-paragraphs a) and b) will be due in full to Telekom Deutschland GmbH. The profit claim for the preceding financial years will be due to Deutsche Telekom AG, even if no resolution on the profit distribution for these financial years has been passed by the Spin-Off Date. In this regard, Deutsche Telekom AG may pass resolutions on the appropriation of net income prior to the Completion Date (within

the meaning of § 19 (1)) also in its favor in accordance with the above provisions.

(3) The Spin-Off Assets also include all rights and obligations as well as other legal interests of Deutsche Telekom AG under the control and profit and loss transfer agreement dated March 10, 2008 with T-Mobile HotSpot GmbH. By transferring the rights and obligations and other legal interests of Deutsche Telekom AG under the above-mentioned control and profit and loss transfer agreement, Telekom Deutschland GmbH will replace Deutsche Telekom AG in its capacity as the other party of the control and profit and loss transfer agreement, so that this agreement will continue to exist between T-Mobile HotSpot GmbH as controlled company and Telekom Deutschland GmbH in its capacity as the other party from the effective date of the Spin-Off.

### § 8 Receivables

(1) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all receivables attributable to the DTGC Business Area, in particular those included in the Spin-Off Assets pursuant to paragraphs 2 to 5.

(2) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all trade receivables attributable to

the DTGC Business Area. This includes in particular all receivables listed in **Annex 8.2**.

(3) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all receivables attributable to the DTGC Business Area which are due from affiliated companies and companies in which equity interests are held. This includes in particular all receivables listed in **Annex 8.3**.

(4) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all receivables under the agreements and other legal relationships which are included in the Spin-Off Assets pursuant to § 14.

(5) As of the Spin-Off Date the DTGC Business Area held the credit balance amount specified in **Annex 8.5** from the cash management performed internally by Deutsche Telekom AG between its various business areas. This credit balance amount is intended to be constituted on the Completion Date (within the meaning of § 19 (1)) at Telekom Deutschland GmbH as a genuine claim due from Deutsche Telekom AG. Accordingly, Deutsche Telekom AG and Telekom Deutschland GmbH hereby agree that Telekom Deutschland GmbH – with economic effect as of the Spin-Off Date – has a claim for disbursement against Deutsche Telekom AG equaling the credit balance

amount specified in Annex 8.5. This claim will be constituted on the Completion Date (within the meaning of § 19 (1)). Telekom Deutschland GmbH may at any time demand from Deutsche Telekom AG the disbursement of all or part of the credit balance remaining from time to time. Amounts not yet disbursed will bear interest at standard market rates.

### § 9 Inventories and other current assets

Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all inventories (in particular raw materials, consumables and supplies, unfinished products and services, finished products and goods, in each case including all rights and interests, in particular claims, from advance payments made and received) and other current assets attributable to the DTGC Business Area. This includes in particular all inventories and other current assets listed in **Annex 9**.

### § 10 Accrued income

Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all legal relationships attributable to the DTGC Business Area underlying the accrued income items. This includes in particular all advance payments made to the Federal Post and Telecommunications Agency (*Bundesanstalt für Post und Telekommunikation*) for the transfer-

ring civil servants as well as advance payments made under submarine cable consortium agreements.

### **§ 11 Liabilities and obligations, risks and expenses**

(1) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all liabilities and obligations, risks and expenses, including uncertain liabilities, contingent liabilities and future and conditional liabilities the legal basis for which has already been created, attributable to the DTGC Business Area, in particular those included in the Spin-Off Assets pursuant to paragraphs 2 to 5.

(2) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all trade payables attributable to the DTGC Business Area. This includes in particular all trade payables listed in **Annex 11.2**.

(3) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all liabilities attributable to the DTGC Business Area which are due to affiliated companies or companies in which equity interests are held. This includes in particular all liabilities listed in **Annex 11.3**.

(4) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets

include all liabilities under the agreements and other legal relationships which are included in the Spin-Off Assets pursuant to § 14.

(5) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all other liabilities attributable to the DTGC Business Area and all (uncertain) obligations, risks and expenses attributable to the DTGC Business Area, in particular those for which provisions have been set up (in this context, the provisions in § 12 will apply for liabilities under company pension arrangements, partial retirement and long-term time accounts, lifetime working time accounts as well as insolvency protection). This includes in particular all other liabilities and (uncertain) obligations, risks and expenses (except for those for which personnel provisions have been set up) listed in **Annex 11.5** and all obligations to remove submarine cables.

### **§ 12 Liabilities under company pension arrangements, partial retirement and long-term time accounts, lifetime working time accounts as well as insolvency protection**

(1) With economic effect as of the Spin-Off Date, Telekom Deutschland GmbH will assume all rights and obligations under the commitments relating to payments and benefits under company pension arrangements made by Deutsche Telekom AG to-

wards the transferring employees of the DTGC Business Area.

(2) With economic effect as of the Spin-Off Date, Telekom Deutschland GmbH will assume all rights and obligations under the commitments existing with Deutsche Telekom AG relating to payments and benefits under company pension arrangements of Deutsche Telekom AG towards employees (former employees with claims for company pensions and employees with pension expectations (*Versorgungsanwärter*)) who have retired between the Spin-Off Date and the Completion Date (within the meaning of § 19 (1)) and whose employment relationship, were it to be continued unchanged beyond the Completion Date, would be transferred in the manner described in § 24.

(3) Rights and obligations under the commitments existing with Deutsche Telekom AG relating to payments and benefits under company pension arrangements of Deutsche Telekom AG towards employees (former employees with claims for company pensions and employees with vested pension expectancies) who have already retired as of the Spin-Off Date will remain with Deutsche Telekom AG and will not be transferred to Telekom Deutschland GmbH.

(4) Telekom Deutschland GmbH undertakes to protect the transferred obligations under

partial retirement schemes, long-term time accounts and lifetime working time accounts against insolvency in line with the statutory requirements and the requirements adopted by Deutsche Telekom Group. To this end, it will invest part of the Assets transferred in the Spin-Off in a manner offering direct insolvency protection in line with the statutory provisions.

(5) A compensation as between the Parties to be paid by Deutsche Telekom AG to Telekom Deutschland GmbH for the CTA asset protection instruments set up in order to protect the transferred direct pension obligations against insolvency will be made in proportion to the actually transferred direct pension obligations, but only to the extent corresponding to the ratio of the CTA asset protection instruments existing as at December 31, 2019 to the direct pension obligations existing as at December 31, 2019. The relevant compensation claim has already been taken into account by the provisions in § 8 (5) (through a corresponding increase in the amount of the receivable).

(6) Deutsche Telekom AG undertakes to transfer to Telekom Deutschland GmbH an asset (monetary amount) as substitution for the existing, but not to be transferred CTA shares of the transferring employees securing the obligations under partial retirement schemes, long-term time accounts and

lifetime working time accounts. This amount will be calculated on the basis of the obligations under partial retirement schemes, long-term time accounts and lifetime working time accounts which exist as of the Spin-Off Date and are to be secured in line with statutory provisions. The relevant monetary amount has already been taken into account by the provisions in § 8 (5) (through a corresponding increase in the amount of the receivable).

(7) The scope of the transferred personnel-related receivables, personnel provisions and obligations (personnel) is set out in **Annex 12.7**.

### § 13 Deferred income

Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all legal relationships attributable to the DTGC Business Area underlying the deferred income items. This includes in particular advance payments received under agreements on submarine cable consortiums.

### § 14 Agreements and other legal relationships

(1) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all agreements and other legal relationships attributable to the DTGC Business Area, including all legal interests arising from contractual offers and negotiations

relating to such agreements and including all other rights and powers as well as obligations under these agreements, in particular those included in the Spin-Off Assets pursuant to paragraph 2.

(2) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include in particular all

a) purchasing and procurement agreements;

b) distribution agreements;

c) service agreements and contracts for works and services with third parties which are not companies of Deutsche Telekom Group;

d) license agreements or other agreements granting rights of use to or by third parties, in particular license agreements or other agreements granting licenses and rights of use that constitute the intangible assets (including software) included in the Spin-Off Assets pursuant to § 5;

e) cooperation and partnership agreements;

f) memberships in private-law associations, federations or other organizations;

g) certifications under private law;

h) agreements governing intra-group supply and service relationships and similar agreements with companies of Deutsche Telekom Group; and

i) other agreements

attributable to the DTGC Business Area.

This includes in particular all agreements and legal interests listed in **Annex 14.2** and all agreements falling into the categories listed therein as well as all software license agreements already listed in Annex 5.4.

(3) To the extent that agreements which remain with Deutsche Telekom AG contain rights and obligations relating to the DTGC Business Area, Deutsche Telekom AG and Telekom Deutschland GmbH will ensure, if necessary by written agreement or by obtaining the approval of third parties, that Deutsche Telekom AG can exercise all of its required rights or that these rights will be exercised in the interest of Deutsche Telekom AG. Deutsche Telekom AG in turn will fulfill the obligations under these agreements to the extent such obligations relate to the DTGC Business Area or will release Deutsche Telekom AG from these obligations. Deutsche Telekom AG will grant Telekom Deutschland GmbH permission, and will

authorize Telekom Deutschland GmbH accordingly, to exercise such rights and perform such obligations relating to the DTGC Business Area in external relationships (*im Außenverhältnis*) vis-à-vis third parties, and will surrender everything it has obtained under these agreements.

(4) To the extent that agreements transferred to Telekom Deutschland GmbH contain rights and obligations also relating to business areas remaining with Deutsche Telekom AG, Deutsche Telekom AG and Telekom Deutschland GmbH will ensure, if necessary by written agreement or by obtaining the approval of third parties, that Deutsche Telekom AG can exercise all of its required rights or that these rights will be exercised in the interest of Deutsche Telekom AG. Deutsche Telekom AG in turn will fulfill the obligations under these agreements to the extent such obligations relate to the business areas remaining with Deutsche Telekom AG or will release Telekom Deutschland GmbH from these obligations. Telekom Deutschland GmbH will grant Deutsche Telekom AG permission, and will authorize Deutsche Telekom AG accordingly, to exercise such rights and perform such obligations relating to the business areas remaining with Deutsche Telekom AG in external relationships vis-à-vis third parties, and will surrender everything it has obtained under these agreements.

(5) As between the Parties, Deutsche Telekom AG and Telekom Deutschland GmbH will treat each other with regard to the rights and obligations set out in paragraph 3 as if Telekom Deutschland GmbH had become a contracting party in the relevant external relationship. As regards the rights and obligations set out in paragraph 4, Deutsche Telekom AG and Telekom Deutschland GmbH will treat each other, as between the Parties, as if Deutsche Telekom AG had remained a contracting party in the relevant external relationship.

(6) All agreements attributable to the business areas remaining with Deutsche Telekom AG are not included in the Spin-Off Assets and are thus not covered by the transfer.

### § 15 Public-Law Legal Relationships

(1) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include all rights and obligations arising from public-law licenses, permits, permissions, consents, rights of use and other authorizations as well as memberships in public-law corporations (hereinafter the **“Public-Law Legal Relationships”**) and other public-law orders, decisions and other sovereign measures (hereinafter **“Other Public-Law Measures”**) attributable to the DTGC Business Area, in particular those included in the Spin-Off Assets under para-

graph 2. The same applies with regard to legal interests from applications to grant or amend Public-Law Legal Relationships and Other Public-Law Measures attributable to the DTGC Business Area, even if such applications were legally filed by third parties.

(2) Unless expressly determined otherwise in § 4 (6) or hereinafter, the Spin-Off Assets include in particular all rights and obligations arising from Public-Law Legal Relationships and Other Public-Law Measures linked to other items of the Spin-Off Assets or transferable by way of the Spin-Off without requiring the consent of any third party.

(3) To the extent that the Public-Law Legal Relationships and Other Public-Law Measures attributable to the DTGC Business Area cannot be transferred by way of the Spin-Off, Telekom Deutschland GmbH will file new applications, if necessary, or they will be transferred to Telekom Deutschland GmbH with the consent of the relevant authorities. Any notification duties towards the competent authorities will remain unaffected by the foregoing.

### § 16 Relationships under litigation and other proceedings

(1) The Spin-Off Assets include all relationships under litigation and other proceedings relat-

ing to other items of the Spin-Off Assets or, unless expressly determined otherwise in § 4 (6) or hereinafter, otherwise attributable to the DTGC Business Area, including

- a) civil-law proceedings (including summary proceedings for an order to pay debts (*Mahnverfahren*), independent proceedings for the taking of evidence (*selbständige Beweisverfahren*), preliminary injunction proceedings (*Verfahren im einstweiligen Rechtsschutz*) and execution proceedings (*Zwangsvollstreckungsverfahren*)) and arbitration proceedings;
- b) administrative proceedings and proceedings before the administrative courts;
- c) other legal relationships under procedural law;
- d) legal interests in proceedings *vis-à-vis* third parties;
- e) contractual agreements with third parties relating to the recognition or implementation of the results of such proceedings or the assertion of rights reserved to the parties to the proceedings; and
- f) enforceable titles obtained in summary proceedings for an order to pay debts completed with binding legal effect as of

the Completion Date (within the meaning of § 19 (1)) and other litigation relationships;

in particular relationships resulting from contractual relations with customers, suppliers and other third parties (including under § 315 of the German Civil Code (*Bürgerliches Gesetzbuch*; hereinafter **“BGB”**)) (including damages claims asserted before authorities or courts in this connection).

(2) Deutsche Telekom AG and Telekom Deutschland GmbH will seek to effect a (voluntary) substitution of the litigants or other parties involved (*gewillkürter Partei- bzw. Beteiligtenwechsel*) in these proceedings. If such substitution of the litigants or other parties involved cannot be achieved, or prove to be disproportionately difficult, the Parties will, as between themselves, treat each other in economic terms as if the litigation relationships and the administrative proceedings had been transferred with effect as of the Spin-Off Date; in such case, Deutsche Telekom AG will conduct the relevant litigation or administrative proceedings as of the Completion Date (within the meaning of § 19 (1)) as litigant acting in its own name on behalf of Telekom Deutschland GmbH (*in Prozessstandschaft*); Telekom Deutschland GmbH will indemnify Deutsche Telekom AG against all costs and disadvantages arising in this context as of the Completion Date.

(3) With regard to mandate and consultancy relationships of Deutsche Telekom AG with third parties in connection with relationships under litigation and other proceedings in line with paragraph 1, Deutsche Telekom AG and Telekom Deutschland GmbH will also, as between themselves, treat each other in economic terms as if these mandate and consultancy relationships had been transferred with effect as of the Spin-Off Date.

#### **§ 17 Additions and removals prior to the Completion Date**

The status of the Spin-Off Assets as of the Completion Date (within the meaning of § 19 (1)) is relevant for the scope of the transfer of assets and liabilities. Additions and removals occurring in the period up to the Completion Date will be taken into account for the purposes of the transfer. Unless expressly determined otherwise in § 4 (6) or §§ 5 to 16, the Spin-Off Assets thus also include those Assets attributable to the DTGC Business Area, including surrogates, which have been received by or created in the DTGC Business Area up to the Completion Date. Accordingly, Assets attributable to the DTGC Business Area which have been sold prior to the Completion Date under this Spin-Off and Takeover Agreement or which as of the Completion Date do not or no longer exist with Deutsche Telekom AG will not be transferred to Telekom Deutschland GmbH.

#### **§ 18 Retention of title, expectancy rights and claims for surrender**

To the extent that individual items of the Spin-Off Assets are subject to retention of title of third parties as at the Completion Date (within the meaning of § 19 (1)) or Deutsche Telekom AG has transferred title to these items to third parties as collateral, the Spin-Off Assets will include all rights and obligations to which Deutsche Telekom AG is entitled in this connection, including expectancy rights and claims for surrender. To the extent that individual items of the Spin-Off Assets are jointly owned as at the Completion Date, the co-ownership interest of Deutsche Telekom AG will be included in the Spin-Off Assets.

#### **PART 4. MODALITIES OF THE SPIN-OFF**

##### **§ 19 Completion of the Spin-Off**

- (1) The transfer of the Spin-Off Assets will take effect in rem (*mit dinglicher Wirkung*) upon entry of the Spin-Off in the commercial register for Deutsche Telekom AG (above and hereinafter the “**Completion Date**”).
- (2) Possession of any immovable and movable property forming part of the Spin-Off Assets will be transferred to Telekom Deutschland GmbH on the Completion Date. Where property items covered by the Spin-Off are in the possession of third parties, Deutsche

Telekom AG transfers its claims for surrender to Telekom Deutschland GmbH with effect in rem as of the Completion Date.

- (3) Telekom Deutschland GmbH will acquire possession of all books, documents, operating data and other business records kept by Deutsche Telekom AG in connection with the DTGC Business Area. Telekom Deutschland GmbH will also acquire possession of all deeds necessary in order to assert the rights transferred to it. Telekom Deutschland GmbH will store the books, documents, operating data and other business records on behalf of Deutsche Telekom AG for the duration of the statutory retention periods. Business and trade secrets must be kept confidential and any other statutory requirements, in particular under data protection law, must be fulfilled.

- (4) Prior to the Completion Date, Deutsche Telekom AG will dispose of the Spin-Off Assets only within the scope of the ordinary course of business and with the due care of a prudent businessman (*Sorgfalt eines ordentlichen Kaufmanns*).

##### **§ 20 Obstacles to transfer, fall-back clause, duties of cooperation**

- (1) Insofar as certain Assets which are to be transferred to Telekom Deutschland GmbH under this Spin-Off and Takeover Agreement

are not already transferred to Telekom Deutschland GmbH upon entry of the Spin-Off in the commercial register for Deutsche Telekom AG, Deutsche Telekom AG will transfer such Assets to Telekom Deutschland GmbH separately and in line with the applicable requirements, provided that the transfer is performed, as between Deutsche Telekom AG and Telekom Deutschland GmbH, with effect as of the Spin-Off Date. Telekom Deutschland GmbH is obligated to accept this transfer. Until such time as the transfer takes effect, Telekom Deutschland GmbH will take all necessary or expedient actions and measures and make all necessary or expedient declarations, at the request of Deutsche Telekom AG, which Telekom Deutschland GmbH would have had to take or make, had the transfer already been effected on the Completion Date, including in particular all actions, measures and declarations which are necessary or expedient in order to fulfill any contractual or other obligations remaining incumbent on Deutsche Telekom AG until such time as the transfer has been effected. If necessary, the Parties will conclude separate agency agreements (*Geschäftsbesorgungsverträge*) concerning these matters. The above provisions will apply *mutatis mutandis* where Assets are not transferred under this Spin-Off and Takeover Agreement because they were erroneously allocated to the assets and liabilities remaining with Deutsche Telekom AG.

(2) Paragraph 1 in particular applies to all Assets or other property items that are part of the functionally essential operating basis for the DTGC Business Area and are exclusively used by the DTGC Business Area or are attributable to the DTGC Business Area in accordance with economic criteria (including liabilities). Where such Assets or other property items are not already transferred to Telekom Deutschland GmbH upon entry of the Spin-Off in the commercial register for Deutsche Telekom AG, they will be transferred to Telekom Deutschland GmbH even if:

- a) they should not have been expressly specified in the Spin-Off and Takeover Agreement;
- b) Deutsche Telekom AG should have acquired legal and/or beneficial ownership of them only after the conclusion of the Spin-Off and Takeover Agreement but before the Spin-Off takes effect; or
- c) it has not been identified (in time) that they form part of the essential operating basis or property items (including liabilities) attributable in accordance with economic criteria.

In this respect, too, Deutsche Telekom AG and Telekom Deutschland GmbH will, as between themselves, and in particular in the case described in sub-paragraph c), treat

each other economically as if the relevant Asset or other property item had been transferred to Telekom Deutschland GmbH already as of the Spin-Off Date.

(3) Deutsche Telekom AG and Telekom Deutschland GmbH will make all declarations, execute all deeds and take all other measures and legal acts that are necessary or expedient in connection with the transfer of the Spin-Off Assets pursuant to paragraphs 1 and 2. Should the consent of a creditor, debtor, trustee, co-shareholder or other third party or a registration or public-law confirmation, correction, consent, approval or other legal act under public law be required for the transfer of certain Assets, Deutsche Telekom AG and Telekom Deutschland GmbH will endeavor to procure the same.

(4) If the transfer to Telekom Deutschland GmbH is not possible with effect in relation to third parties, or is only possible at disproportionately high expense, Deutsche Telekom AG and Telekom Deutschland GmbH will treat each other, as between the Parties, as if the transfer had taken place also with effect in relation to third parties as of the Spin-Off Date. In this case, Deutsche Telekom AG will be obligated in particular to make the relevant Asset available to Telekom Deutschland GmbH for long-term use (i.e. generally until such time as the Asset has been used up in

economic terms), or to procure that Telekom Deutschland GmbH acquires beneficial ownership in any other way. This does not affect paragraph 2.

(5) Insofar as certain Assets which are not to be transferred to Telekom Deutschland GmbH under this Spin-Off and Takeover Agreement are nevertheless transferred to Telekom Deutschland GmbH upon entry of the Spin-Off in the commercial register for Deutsche Telekom AG, Telekom Deutschland GmbH will retransfer such Assets to Deutsche Telekom AG separately and in line with the applicable requirements, provided that Deutsche Telekom AG and Telekom Deutschland GmbH will treat each other as if the transfer to Telekom Deutschland GmbH had not taken place. Deutsche Telekom AG is obligated to accept this retransfer. Until such time as the transfer takes effect, Deutsche Telekom AG will take all necessary or expedient actions and measures and make all necessary or expedient declarations, at the request of Telekom Deutschland GmbH, which Deutsche Telekom AG would have had to take or make had the transfer to Telekom Deutschland GmbH not been effected, including in particular all actions, measures and declarations which are necessary or expedient in order to fulfill any contractual or other obligations remaining incumbent on Telekom Deutschland GmbH until such time as the retransfer has been

effected. If necessary, the Parties will conclude separate agency agreements concerning these matters. The above provisions will apply mutatis mutandis where Assets are transferred under this Spin-Off and Takeover Agreement because they were erroneously allocated to the Spin-Off Assets. Paragraphs 3 and 4 will apply mutatis mutandis to the retransfer.

(6) Where only part of an Asset is attributable to the DTGC Business Area and such Asset has not been expressly specified in this Spin-Off and Takeover Agreement as forming part of the Spin-Off Assets, such Asset will not be transferred to Telekom Deutschland GmbH. If not otherwise provided for in §§ 4 to 18, Deutsche Telekom AG will in this event make the relevant part of the Asset, in the scope as it is attributable to the DTGC Business Area, available to Telekom Deutschland GmbH for long-term use on the basis of an agreement under the law of obligations. In this regard, the Parties, as between themselves, will treat each other as if the relevant Asset, in the scope as it is attributable to the DTGC Business Area, had been transferred to Telekom Deutschland GmbH.

(7) Should any doubts arise regarding the attribution to the DTGC Business Area (in particular as regards the segregation from other business areas not affected by the Spin-Off) which cannot be resolved by way of inter-

pretation of this Spin-Off and Takeover Agreement either, it is understood between the Parties that any Assets which cannot be attributed on the basis of this Spin-Off and Takeover Agreement will remain with Deutsche Telekom AG. In these cases, Deutsche Telekom AG will be entitled to perform an attribution at its own discretion in line with § 315 BGB based on economic attributability.

### § 21 Future intra-group supply and service relationships

- (1) Unless a different contractual basis already exists (under this Spin-Off and Takeover Agreement, or otherwise) for such future supply and service relationships, Deutsche Telekom AG will be obligated, directly on the basis of this Spin-Off and Takeover Agreement and with economic effect as of the Spin-Off Date, to provide the supplies and services previously provided to the DTGC Business Area within Deutsche Telekom AG to Telekom Deutschland GmbH on the terms specified in paragraph 4.
- (2) In particular, Deutsche Telekom AG will make available to Telekom Deutschland GmbH, for long-term use (i.e. generally until such time as the relevant Asset has been used up in economic terms) and in the necessary scope, any Assets which form part of the essential operating basis of the DTGC Business Area as a business unit for tax purposes

es but which are not exclusively used by the DTGC Business Area (so-called multi-use assets) on the terms specified in paragraph 4, insofar as such Assets do not form part of the Spin-Off Assets and thus are not transferred to Telekom Deutschland GmbH as of the Completion Date.

- (3) Unless a different contractual basis already exists for such future supply and service relationships (under this Spin-Off and Takeover Agreement or otherwise), Telekom Deutschland GmbH will be obligated, directly on the basis of this Spin-Off and Takeover Agreement and with economic effect as of the Spin-Off Date, to provide the supplies and services previously provided by the DTGC Business Area to other business areas and units within Deutsche Telekom AG to Deutsche Telekom AG on the terms specified in paragraph 4.
- (4) The provision of supplies and services pursuant to paragraphs 1 and 3 will be effected on arm's length terms. The provision of supplies and services pursuant to paragraph 2 will be effected with the proviso that Deutsche Telekom AG and Telekom Deutschland GmbH, as between themselves, will treat each other as if the relevant Asset, in the scope as it is used by the DTGC Business Area, had been transferred to Telekom Deutschland GmbH as of the Spin-Off Date.

- (5) Deutsche Telekom AG and Telekom Deutschland GmbH will not be prevented by the provisions of paragraphs 1 to 4 from entering into separate agreements in future governing their supply and service relationships.

## PART 5. CONSIDERATION

### § 22 Consideration

- (1) As consideration for the transfer of the Spin-Off Assets, Telekom Deutschland GmbH will grant Deutsche Telekom AG a new share in Telekom Deutschland GmbH with a nominal amount of EUR 60,000,000.00.
- (2) In order to perform the Spin-Off, Telekom Deutschland GmbH will therefore increase its share capital from currently EUR 1,515,000,000.00 by EUR 60,000,000.00 to EUR 1,575,000,000.00 by creating a new share with a nominal amount of EUR 60,000,000.00. The new share will be granted to Deutsche Telekom AG. The contribution will be made by way of transfer of the Spin-Off Assets in accordance with this Spin-Off and Takeover Agreement.
- (3) The new share in Telekom Deutschland GmbH which is granted to Deutsche Telekom AG will be entitled to share in the profits from January 1, 2020. In the event that the Spin-

Off Date is postponed pursuant to § 27, the profit sharing commencement date will be postponed accordingly.

### § 23 Special benefits and rights

- (1) Telekom Deutschland GmbH will not grant any rights within the meaning of § 126 (1) no. 7 UmwG; other measures within the meaning of this provision are not envisaged either.
- (2) Special benefits (besondere Vorteile) within the meaning of § 126 (1) no. 8 UmwG are not granted.

## PART 6. CONSEQUENCES FOR EMPLOYEES AND CIVIL SERVANTS

### § 24 Consequences for the employees and their representative bodies

- (1) General  

The consequences of the Spin-Off for the employees of the DTGC Business Area of Deutsche Telekom AG are as stipulated in § 131 (1) no. 1 and § 324 UmwG and in § 613a (1) and (4) to (6) BGB.
- (2) TGC Business Unit
  - a) All employment contracts existing at Deutsche Telekom AG on the Completion

Date which are attributable to the TGC Business Unit will be transferred by operation of law to Telekom Deutschland GmbH as of the Completion Date in accordance with § 613a (1) sentence 1 BGB and § 324 UmwG.

- b) Telekom Deutschland GmbH will enter into the rights and obligations under the employment contracts in place with the employees of the TGC Business Unit in accordance with § 613a (1) sentence 1 BGB and § 324 UmwG. The effective date of transfer of the employment contracts will be the date of entry of the Spin-Off in the commercial register for Deutsche Telekom AG, except where employees concerned object to such transfer in accordance with § 613a (6) BGB or the employment ends before the effective date of transfer of the employment contracts.
- c) **Annex 24.2** contains a list of Deutsche Telekom AG staff attributable to the TGC Business Unit (employees including civil servants employed on the basis of a suspension of their civil servant status).
- d) Since the employment contracts relating to the TGC Business Unit will transfer to Telekom Deutschland GmbH by operation of law with unchanged content in terms of individual employment law,

Telekom Deutschland GmbH will also be liable for obligations constituted under such employment contracts before the Spin-Off takes effect. The additional joint and several liability (*gesamtschuldnerische Haftung*) of Deutsche Telekom AG for these obligations will be as provided for in § 133 UmwG. However, Deutsche Telekom AG will only be liable under § 133 UmwG for the above-mentioned obligations if such obligations have fallen due and claims based on these obligations have been established in a manner as described in § 197 (1) nos. 3 to 5 BGB or enforcement action has been taken by or applied for with a court or authority within five years of the publication of the registration of the Spin-Off in the commercial register for Deutsche Telekom AG. For any pension obligations created under the German Company Pensions Act (*Betriebsrentengesetz*) prior to the Completion Date, the limitation period referred to in the preceding sentence will be ten years.

- e) The employees will be notified of the transfer of their employment in accordance with § 613a (5) BGB and § 324 UmwG. In line with § 613a (6) BGB, they have the option to object to the transfer of their employment in writing within one month of receipt of the notification. If an employee objects, the employment con-

tract with Deutsche Telekom AG will remain in place. However, an objecting employee may – following a review of the individual circumstances – probably have to expect a termination of his or her employment on the grounds of redundancy (*betriebsbedingte Kündigung*) due to a lack of opportunities for continued employment.

- f) In detail, the following applies to the current employees of the TGC Business Unit:
  - aa) Collective agreements
    - (i) Insofar as collective agreements were directly applicable to the employment prior to the transfer and the employee is bound by collective agreements, the terms and conditions of employment stipulated in such collective agreements will, based on § 613a (1) sentence 2 BGB, generally become part of the employment relationship between the employee and Telekom Deutschland GmbH after the transfer of the business or business unit (hereinafter the **“Business Transfer”**) and will continue to apply as amended at the time of the Business Transfer (so-called “static” continued application (*statische Fortgeltung*)).

Such terms and conditions may not be amended to the disadvantage of the employee for a period of one year following the transfer.

- (ii) The provision described in sub-paragraph (i) above will not apply, however, insofar as collective agreements are in place at Telekom Deutschland GmbH which have been concluded between the German Employers’ Association for Telecommunication and IT (*Arbeitgeberverband für Telekommunikation und IT e.V.* – agv community) and the ver.di trade union and which also apply at Deutsche Telekom AG. Where this is the case, the collective agreements continue to apply in the same way as before. Telekom Deutschland GmbH is a member of the Employers’ Association for Telecommunication and IT (agv community) and as such has committed itself to be bound by collective agreements. As a result of such membership, the same general association collective agreements (*Verbandstarifverträge*) that are applicable at Deutsche Telekom AG also apply for Telekom Deutschland GmbH.

(iii) The provision described in sub-paragraph (i) above will also not apply insofar as collective agreements governing the same subject-matter have been or will be concluded between Telekom Deutschland GmbH and the ver.di trade union. Where this is the case, the provisions applicable at Telekom Deutschland GmbH will replace the provisions previously applicable at Deutsche Telekom AG. This applies to employees bound by collective agreements based on the statutory provision contained in § 613a (1) sentence 3 BGB.

(iv) Telekom Deutschland GmbH has concluded its own (company) collective agreements with the ver.di trade union, for example a blanket collective agreement (*Manteltarifvertrag – MTV*), a collective wage agreement (*Entgelttarifvertrag – ETV*) and a collective wage framework agreement (*Entgelttrahmentarifvertrag – ERTV*). These collective agreements replace the corresponding collective agreements in place at Deutsche Telekom AG. The migration into the set of collective agreements in place at Telekom Deutschland GmbH is to be facili-

tated by a collective agreement “Special Arrangements” (*Tarifvertrag “Sonderregelungen”, “TV SR”*). In this context, special arrangements and vested claims and expectancies existing under collective agreements in place at Deutsche Telekom AG are to be accounted for. Individual claims may be capitalized. The protection level is to be in line with the usual group standards for TV SRs.

(v) Insofar as individual provisions of collective agreements apply to employees who are not generally bound by collective agreements based on a reference clause contained in the relevant employment contract, the question of which collective agreements apply will depend on which collective agreements are specifically referred to in the employment contract.

#### bb) Works agreements

(i) The TGC Business Unit is to be integrated into the “Business Customers Wholesale – TD” (*Geschäftskunden Wholesale – TD*) business of Telekom Deutschland GmbH. The transferring employees from HR and finance functions of the

TGC Business Unit will transition to the “Cross-Sectional Functions (F/HR/MD) – TD” (*Querschnitt (F/HR/MD) – TD*) business.

(ii) The works agreements (*Betriebsvereinbarungen*) and central works agreements (*Gesamtbetriebsvereinbarungen*) applicable to the TGC Business Unit at Deutsche Telekom AG on the Completion Date will not continue to apply with normative effect after the Business Transfer. The rights and obligations stipulated in works agreements or central works agreements will become part of the employment relationship in line with § 613a (1) sentence 2 BGB and will continue to apply as amended at the time of the Business Transfer (static continued application). According to § 613a (1) sentence 2 BGB, the rights and obligations which have thus become part of the employment relationship may not be amended to the disadvantage of the employee before the expiry of one year following the date of the transfer. § 613a (1) sentence 2 BGB will not apply insofar as the provisions are replaced by collective-law provisions existing at Telekom

Deutschland GmbH which govern the same subject-matter.

(iii) In all other respects, the application of group works agreements (*Konzernbetriebsvereinbarungen*) of Deutsche Telekom AG will not be affected by the Spin-Off.

#### cc) Pension commitments

The company pension arrangements for the employees of the TGC Business Unit are governed by company collective agreements of Telekom Deutschland GmbH and group works agreements of Deutsche Telekom AG. As regards the legal consequences of the Spin-Off, reference is made to paragraphs a) and b) and/or f) aa) and f) bb) above.

g) In deviation from paragraphs a) to f), the personnel-related liabilities, in particular the pension provisions, will be transferred in full in the context of the Spin-Off of the TGC Business Unit to Telekom Deutschland GmbH with economic effect as of the Spin-Off Date.

#### h) Termination

The employer is prohibited by law from issuing notice of termination on the

grounds of the Spin-Off (§ 324 UmwG in conjunction with § 613a (4) sentence 1 BGB). The employer may, however, issue notice of termination on other grounds. According to § 323 (1) UmwG, the legal situation of the employees as regards termination of their employment cannot be changed to the disadvantage of the employees for a period of two years following the Completion Date.

i) Employee representation

aa) The effects on the businesses (*Betriebe*) within the meaning of German works constitution law (*Betriebsverfassungsgesetz*) of Deutsche Telekom AG and Telekom Deutschland GmbH will be governed by the statutory provisions of the German Works Constitution Act (*Betriebsverfassungsgesetz*; hereinafter "**BetrVG**"), taking into account the existing or yet to be agreed provisions of collective agreements pursuant to § 3 BetrVG. Based on these provisions, the effects on the works council structure will be as follows:

- (i) Businesses within the meaning of German works constitution law of Deutsche Telekom AG

The structure of the businesses within the meaning of German

works constitution law of Deutsche Telekom AG is determined in a collective allocation agreement (*Zuordnungstarifvertrag*) concluded with the ver.di trade union. The Spin-Off of the TGC Business Unit will not change the identity of the businesses defined in the collective allocation agreement of Deutsche Telekom AG. The local works councils will remain in office without any changes, as will the central works council.

- (ii) Businesses within the meaning of German works constitution law of Telekom Deutschland GmbH

The TGC Business Unit will be integrated into the "Business Customers Wholesale – TD" business of Telekom Deutschland GmbH. The transferring employees from HR and finance functions will transition to the "Cross-Sectional Functions (F/HR/MD) – TD" business of Telekom Deutschland GmbH. The works councils in place at these businesses are competent for the transferring employees. The central works council of Telekom Deutschland GmbH will remain in place.

bb) The continued existence of Deutsche Telekom's group works council will remain unaffected by the Spin-Off. Should it become necessary to amend the group works agreement concerning the composition of the group works council, the relevant negotiations will be conducted with the group works council.

cc) The continued existence and the composition of the European works council established by agreement dated April 21, 2004 at Deutsche Telekom will remain unaffected by the Spin-Off.

dd) The application of the provisions of the German Codetermination Act of 1976 (*Mitbestimmungsgesetz 1976*; hereinafter "**MitbestG**") concerning the existence and the numerical composition of the Supervisory Board of Deutsche Telekom AG will remain unaffected by the Spin-Off. Should a member of Deutsche Telekom AG's Supervisory Board be among the employees transferred to Telekom Deutschland GmbH, this will not affect the membership in the Supervisory Board. The employees transferred to Telekom Deutschland GmbH will in future continue to have the right to vote and be elected in elections of employee representatives to

the Supervisory Board of Deutsche Telekom AG on the same conditions as before. The application of the provisions of the MitbestG concerning the existence and the numerical composition of the Supervisory Board of Telekom Deutschland GmbH will remain unaffected by the Spin-Off.

(3) NWI Business Unit

a) It is intended that Telekom Deutschland GmbH will conclude a sale and transfer agreement with Deutsche Telekom Technik GmbH under which the NWI Business Unit is to be transferred from Telekom Deutschland GmbH to Deutsche Telekom Technik GmbH, subject to the condition precedent of completion of the Spin-Off by way of entry in the commercial register for Deutsche Telekom AG, with such transfer to take effect "one legal second" (*eine juristische Sekunde*) after the Spin-Off. The following provisions concerning the consequences of the Spin-Off for the employees of the NWI Business Unit apply in the event that the sale and transfer agreement is executed as planned. Should the sale and transfer agreement not be executed, the provisions in paragraph 2 above will apply mutatis mutandis to the employees of the NWI Business Unit, instead of the following provisions.

- b) All employment contracts existing at Deutsche Telekom AG on the Completion Date which are attributable to the NWI Business Unit will be transferred by operation of law to Deutsche Telekom Technik GmbH as of the Completion Date in accordance with § 613a (1) sentence 1 BGB, since the actual power of direction (*tatsächliche Leitungsmacht*) is transferred directly from Deutsche Telekom AG to Deutsche Telekom Technik GmbH; for the avoidance of doubt, however, it is understood between the Parties that, irrespective of the above, as between Deutsche Telekom AG and Telekom Deutschland GmbH the employment contracts attributable to the NWI Business Unit will be deemed to have been transferred, pursuant to § 3 (1), (i) as of the Spin-Off Date to Telekom Deutschland GmbH and (ii) as of the Completion Date from Telekom Deutschland GmbH to Deutsche Telekom Technik GmbH. Telekom Deutschland GmbH will not assume the actual power of direction.
- c) Deutsche Telekom Technik GmbH will enter into the rights and obligations under the employment contracts in place with the employees of the NWI Business Unit in accordance with § 613a (1) sentence 1 BGB. The effective date of transfer of the employment contracts will be the date of entry of the Spin-Off in the commercial register for Deutsche Telekom AG, except where employees concerned object to such transfer in accordance with § 613a (6) BGB or the employment ends before the effective date of transfer of the employment contracts.
- d) **Annex 24.3** contains a list of Deutsche Telekom AG staff attributable to the NWI Business Unit (employees including civil servants employed on the basis of a suspension of their civil servant status).
- e) As from the Business Transfer, Deutsche Telekom Technik GmbH will be liable for all claims under employment contracts attributable to the NWI Business Unit, including claims constituted prior to the Business Transfer. Pursuant to § 613a (2) BGB, Deutsche Telekom Technik GmbH and Deutsche Telekom AG will be liable as joint and several debtors for any claims under employment contracts attributable to the NWI Business Unit which were constituted prior to the Business Transfer and fall due within one year following the Business Transfer. Where such claims fall due after the date of the Business Transfer, however, Deutsche Telekom AG will only be liable to an extent corresponding to the part of their assessment period that ended on the date of the Business Transfer.
- f) The additional joint and several liability of Telekom Deutschland GmbH for obligations under the employment contracts attributable to the NWI Business Unit constituted before the Spin-Off takes effect will be as provided for in § 133 UmwG. However, Telekom Deutschland GmbH will only be liable under § 133 UmwG for these obligations if they have fallen due and claims based on these obligations have been established in a manner as described in § 197 (1) nos. 3 to 5 BGB or enforcement action has been taken by or applied for with a court or authority within five years of the publication of the registration of the Spin-Off in the commercial register for Deutsche Telekom AG. For any pension obligations created under the German Company Pensions Act prior to the Completion Date, the limitation period referred to in the preceding sentence will be ten years.
- g) The employees will be notified of the transfer of their employment in accordance with § 613a (5) BGB. In line with § 613a (6) BGB, they have the option to object to the transfer of their employment in writing within one month of receipt of the notification. If an employee objects, the employment contract with Deutsche Telekom AG will remain in place. However, an objecting employee may – following a review of the individual circumstances – probably have to expect a termination of his or her employment on the grounds of redundancy due to a lack of opportunities for continued employment.
- h) In detail, the following applies to the current employees of the NWI Business Unit:
- aa) Collective agreements
- (i) Insofar as collective agreements were directly applicable to the employment prior to the transfer and the employee is bound by collective agreements, the terms and conditions of employment stipulated in such collective agreements will, based on § 613a (1) sentence 2 BGB, generally become part of the employment relationship between the employee and Deutsche Telekom Technik GmbH after the Business Transfer and will continue to apply as amended at the time of the Business Transfer (static continued application). Such terms and conditions may not be amended to the disadvantage of the employee for a period of one year following the transfer.
- (ii) The provision described in sub-paragraph (i) above will not

apply, however, insofar as collective agreements are in place at Deutsche Telekom Technik GmbH which have been concluded between the German Employers' Association for Telecommunication and IT (agv community) and the ver.di trade union and which also apply at Deutsche Telekom AG. Where this is the case, the collective agreements continue to apply in the same way as before. Deutsche Telekom Technik GmbH is a member of the Employers' Association for Telecommunication and IT (agv community) and as such has committed itself to be bound by collective agreements. As a result of such membership, the same general association collective agreements that are applicable at Deutsche Telekom AG also apply for Deutsche Telekom Technik GmbH.

(iii) The provision described in subparagraph (i) above will also not apply insofar as collective agreements governing the same subject-matter have been or will be concluded between Deutsche Telekom Technik GmbH and the ver.di trade union. Where this is the case, the provisions applica-

ble at Deutsche Telekom Technik GmbH will replace the provisions previously applicable at Deutsche Telekom AG. This applies to employees bound by collective agreements based on the statutory provision contained in § 613a (1) sentence 3 BGB.

(iv) Deutsche Telekom Technik GmbH has concluded its own collective agreements with the ver.di trade union, for example a blanket collective agreement, a collective wage agreement and a collective wage framework agreement. These collective agreements replace the corresponding collective agreements in place at Deutsche Telekom AG. The migration into the set of collective agreements in place at Deutsche Telekom Technik GmbH is to be facilitated by a collective agreement "Special Arrangements" (TV SR). In this context, special arrangements and vested claims and expectancies existing under collective agreements in place at Deutsche Telekom AG are to be accounted for. Individual claims may be capitalized. The protection level is to be in line with the usual group standards for TV SRs.

(v) Insofar as individual provisions of collective agreements apply to employees who are not generally bound by collective agreements based on a reference clause contained in relevant the employment contract, the question of which collective agreements apply will depend on which collective agreements are specifically referred to in the employment contract.

#### bb) Works agreements

(i) The NWI Business Unit is to be integrated into the "Center Core (C C)" (*Zentrum Core (Z C)*) business of Deutsche Telekom Technik GmbH. The transferring employees from HR and finance functions of the NWI Business Unit will transition to the "Technical Branch West, Management Board DT Technik GmbH" (*Technik Niederlassung West, Management Board DT Technik GmbH*) business.

(ii) The works agreements and central works agreements applicable to the NWI Business Unit at Deutsche Telekom AG on the Completion Date will not continue to apply with normative effect after the

Business Transfer. The rights and obligations stipulated in works agreements or central works agreements will become part of the employment relationship in line with § 613a (1) sentence 2 BGB and will continue to apply as amended at the time of the Business Transfer (static continued application). According to § 613a (1) sentence 2 BGB, the rights and obligations which have thus become part of the employment relationship may not be changed to the disadvantage of the employee before the expiry of one year following the date of the transfer. § 613a (1) sentence 2 BGB will not apply insofar as the provisions are replaced by collective-law provisions existing at Deutsche Telekom Technik GmbH which govern the same subject-matter.

(iii) In all other respects, the application of group works agreements of Deutsche Telekom AG will not be affected by the Spin-Off.

#### cc) Pension commitments

The company pension arrangements for the employees of the NWI Business Unit are governed by company

collective agreements of Deutsche Telekom Technik GmbH and group works agreements of Deutsche Telekom AG. As regards the legal consequences of the Spin-Off, reference is made to paragraphs a), b) and c) and/or h) aa) and h) bb) above.

i) In deviation from paragraphs a) to h), the personnel-related liabilities, in particular the pension provisions, will be transferred in full in the context of the Spin-Off of the NWI Business Unit to Telekom Deutschland GmbH with economic effect as of the Spin-Off Date and, in a second step, from Telekom Deutschland GmbH to Deutsche Telekom Technik GmbH under the sale and transfer agreement. The sale and transfer agreement will also contain corresponding provisions concerning insolvency protection for the transferred obligations under partial retirement schemes, long-term time accounts and lifetime working time accounts. In addition, the sale and transfer agreement is to contain a clause stipulating that corresponding substitute assets will be provided as replacement for the currently existing CTA asset protection instruments.

j) Termination

The employer is prohibited by law from issuing notice of termination on the

grounds of the Transfer of Business (§ 613a (4) sentence 1 BGB). The employer may, however, issue notice of termination on other grounds.

k) Employee representation

aa) The effects on the businesses within the meaning of German works constitution law of Deutsche Telekom AG and Deutsche Telekom Technik GmbH will be governed by the statutory provisions of the BetrVG, taking into account the existing or yet to be agreed provisions of collective agreements pursuant to § 3 BetrVG. Based on these provisions, the effects on the works council structure will be as follows:

(i) Businesses within the meaning of German works constitution law of Deutsche Telekom AG

The structure of the businesses within the meaning of German works constitution law of Deutsche Telekom AG is determined in a collective allocation agreement concluded with the ver.di trade union. The Spin-Off of the NWI Business Unit will not change the identity of the businesses defined in the collective allocation agree-

ment of Deutsche Telekom AG. The local works councils will remain in office without any changes, as will the central works council.

(ii) Businesses within the meaning of German works constitution law of Deutsche Telekom Technik GmbH

The NWI Business Unit will be integrated into the "Center Core (C C)" business of Deutsche Telekom Technik GmbH. The transferring employees from HR and finance functions of the NWI Business Unit will transition to the "Technical Branch West, Management Board DT Technik" (*Technik Niederlassung West, Management Board DT Technik*) of Deutsche Telekom Technik GmbH. The works councils in place at these businesses are competent for the transferring employees. The central works council of Deutsche Telekom Technik GmbH will remain in place.

bb) The continued existence of Deutsche Telekom's group works council will remain unaffected by the Spin-Off. Should it become necessary to amend the group works agreement

concerning the composition of the group works council, the relevant negotiations will be conducted with the group works council.

cc) The continued existence and the composition of the European works council established by agreement dated April 21, 2004 at Deutsche Telekom will remain unaffected by the Spin-Off.

dd) The application of the provisions of the MitbestG concerning the existence and the numerical composition of the Supervisory Board of Deutsche Telekom AG will remain unaffected by the Spin-Off. Should a member of Deutsche Telekom AG's Supervisory Board be among the employees transferred to Deutsche Telekom Technik GmbH, this will not affect the membership in the Supervisory Board. The employees transferred to Deutsche Telekom Technik GmbH will in future continue to have the right to vote and be elected in elections of employee representatives to the Supervisory Board of Deutsche Telekom AG on the same conditions as before. The application of the provisions of the MitbestG concerning the existence and the numerical composition of the Supervisory Board of

Deutsche Telekom Technik GmbH will remain unaffected by the Spin-Off and the completion of the planned sale and transfer agreement between Telekom Deutschland GmbH and Deutsche Telekom Technik GmbH.

## § 25 Consequences for the civil servants

(1) For civil servants working at Deutsche Telekom AG on the Completion Date on the basis of an ongoing suspension of their civil servant status granted for the purpose of employment at Deutsche Telekom AG, such suspension will be revoked. A new suspension offer will be made at Telekom Deutschland GmbH (for suspended civil servants working in the TGC Business Unit) and at Deutsche Telekom Technik GmbH (for suspended civil servants working in the NWL Business Unit); in this context, it will not be examined whether the job performed by the individual in question is appropriate in terms of his or her civil servant status. The suspension at Telekom Deutschland GmbH or Deutsche Telekom Technik GmbH will be for a period at least equal to the remainder of the original suspension period. In all other respects, the rules customary in the group will apply. In the event that the remainder of the original suspension period is shorter than the standard extension period applicable under the rules customary in the group, the suspension period will be extended by the standard extension period.

(2) The transferring staff who previously worked in the capacity of active civil servants will be deployed at Telekom Deutschland GmbH or Deutsche Telekom Technik GmbH on the basis of allocation under German civil service law. The employer's decision and the option of subsequent suspension and conclusion of an employment contract will remain unaffected by the foregoing. In all other respects, the rules customary in the group will apply.

## PART 7. OTHER PROVISIONS

### § 26 Effectiveness

This Spin-Off and Takeover Agreement will take effect only once the shareholders' meeting of Deutsche Telekom AG and the shareholders' meeting of Telekom Deutschland GmbH have approved it. The Spin-Off further requires the registration in the commercial register for Deutsche Telekom AG in order to become effective. This can only take place once the Spin-Off has been entered in the commercial register for Telekom Deutschland GmbH.

### § 27 Change of Spin-Off Date

If the Spin-Off has not been entered in the commercial register for Deutsche Telekom AG by the end of December 31, 2020, the beginning of January 1, 2021 will be deemed the

Spin-Off Date, in deviation from § 3 (1). In this case, the Spin-Off will be based on the Deutsche Telekom AG balance sheet as at December 31, 2020 as the Closing Balance Sheet. Should registration be delayed beyond December 31 of the following year, the Spin-Off Date and the record date for the Closing Balance Sheet will be postponed in each case by one additional year in line with above provisions. The same applies with regard to the Transfer Date for Tax Purposes pursuant to § 3 (4). Where reference is made in this Spin-Off and Takeover Agreement to § 3 (1), or the Spin-Off Date is otherwise mentioned or referred to, the above provisions must be observed.

### § 28 Reservation of right of rescission

- (1) Each Party may rescind this Spin-Off and Takeover Agreement if the Spin-Off has not taken effect by the end of December 31, 2020.
- (2) The declaration of rescission, which can be issued only on or after January 1, 2021, must be sent by registered letter (registered letter with personal delivery (*Übergabeinschreiben*), registered letter with return receipt (*Einschreiben mit Rückschein*) or registered letter to be delivered to the mailbox (*Einwurf-Einschreiben*)). The rescission will take immediate effect. Each Party may waive any existing rights of rescission.

## § 29 Protection of creditors and settlement as between the Parties

Insofar as this Spin-Off and Takeover Agreement does not provide for any other sharing of burdens and liability under or in connection with the Spin-Off Assets, the following will apply:

- a) If and to the extent Deutsche Telekom AG is held liable by creditors – based on the provisions in § 133 UmwG or any other provisions – for any liabilities, obligations or relationships involving liability which are to be transferred to Telekom Deutschland GmbH in accordance with this Spin-Off and Takeover Agreement, Telekom Deutschland GmbH must indemnify Deutsche Telekom AG against the respective obligation on first demand. The same applies if such creditors assert claims against Deutsche Telekom AG for the provision of security.
- b) If and to the extent Telekom Deutschland GmbH in turn is held liable by creditors – based on the provisions in § 133 UmwG or any other provisions – for any liabilities, obligations or relationships involving liability which are not to be transferred to Telekom Deutschland GmbH in accordance with this Spin-Off and Takeover Agreement, Deutsche Telekom AG must indemnify Telekom Deutschland GmbH against the

respective obligation on first demand. The same applies if such creditors assert claims against Telekom Deutschland GmbH for the provision of security.

### § 30 Costs

All costs incurred by the Parties in connection with the preparation, conclusion and completion of this Spin-Off and Takeover Agreement (in particular advisory and notarial costs, costs of advance tax rulings (*verbindliche Auskünfte*), costs of the shareholders' meetings held for the purpose of approval, costs of the capital increase stipulated in § 22 (2) as well as fees for the services provided by certified accountants in connection with the Spin-Off and Takeover) will be borne by Deutsche Telekom AG. Deutsche Telekom AG will also bear the costs incurred by the Parties in connection with the Spin-Off and Takeover Agreement should the Spin-Off not become effective.

### § 31 Final provisions

(1) Any amendments and supplements to this Spin-Off and Takeover Agreement must be made in writing in order to be effective, unless any further-reaching form requirements exist. This also applies to any waiver of this written-form requirement.

(2) The Annexes to this Spin-Off and Takeover Agreement are integral parts hereof.

(3) Should individual provisions of this Spin-Off and Takeover Agreement be or become invalid or impracticable, this is intended not to affect the validity of the remainder of this Spin-Off and Takeover Agreement. The invalid or impracticable provision is to be replaced by a provision that is permissible and comes as close as possible to the economic effect of the invalid or impracticable provision. It is the express intention of the Parties to this Spin-Off and Takeover Agreement that the provisions of this paragraph 3 should not be construed as a mere reversal of the burden of proof but as an exclusion of the application of § 139 BGB.

(4) Should the transfer of a particular Asset envisaged in this Spin-Off and Takeover Agreement prove to be ineffective or should it fail for any other reason, this will in no event affect the transfer of the remaining Assets as provided for in this Spin-Off and Takeover Agreement.

(5) This Spin-Off and Takeover Agreement is governed by German law.

(6) The Parties intend to amicably settle all disputes that may arise from or in connection with this Spin-Off and Takeover Agreement. Failing this, the Regional Court (*Landgericht*) of Bonn will have exclusive jurisdiction, to the extent legally permissible, to settle any disputes arising out of or in connection with this Spin-Off and Takeover Agreement.

## Material content of the Annexes to the Spin-Off and Takeover Agreement

The Annexes to the Spin-Off and Takeover Agreement concluded on April 20, 2020 between Deutsche Telekom AG and Telekom Deutschland GmbH under notarial deed of Benno Garschina, notary with his office in Bonn-Bad Godesberg, have the following material content (in some cases the information provided has been supplemented by details regarding the immediate context in which the relevant Annex is referred to in the Spin-Off and Takeover Agreement; the numbering of the Annexes corresponds to the numbering of the sections and paragraphs of the Spin-Off and Takeover Agreement in which the Annex is referred to for the first time):

- Annex 3.3 contains Deutsche Telekom AG's annual financial statements as at December 31, 2019 (24:00 hrs), which have been audited and endorsed with an unqualified audit certificate by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. The Spin-Off will be effected on the basis of the balance sheet contained in these annual financial statements – subject to a change of the Spin-Off Date pursuant to § 27 of the Spin-Off and Takeover Agreement – as Closing Balance Sheet pursuant to § 125 sentence 1, § 17 (2) of the German Transformation Act (*Umwandlungsgesetz*).

- Annex 4.4 contains the spin-off balance sheet for the DTGC Business Area, which has been derived from the Closing Balance Sheet (Annex 3.3). The spin-off balance sheet shows the assets and liabilities of the DTGC Business Area that are eligible for balance-sheet reporting and form part of the Spin-Off Assets. In addition, the spin-off balance sheet shows further assets and liabilities which are eligible for balance-sheet reporting and are based on the arrangements made between Deutsche Telekom AG and Telekom Deutschland GmbH in the Spin-Off and Takeover Agreement or which otherwise result from the Spin-Off.

- Annex 5.4 contains a list of software (computer programs with the pertaining data and similar works) regarding which all rights (including licenses and rights of use) are attributable to the DTGC Business Area and thus form part of the Spin-Off Assets. This software is identified in the Annex by way of the asset number under which it is recorded in the SAP-based "One.Finance" system of Deutsche Telekom AG, or by way of the software license agreements relating to the software and the reference number under which these agreements are recorded in "SmartTrack", the central license management tool of Deutsche Telekom AG.

- Annex 6.2 contains a list of the tangible fixed assets which are attributable to the DTGC Business Area and thus form part of the

Spin-Off Assets. These tangible fixed assets are identified in the Annex by way of the asset number under which they are recorded in the SAP-based "One.Finance" system of Deutsche Telekom AG.

- Annex 8.2 contains a list of trade receivables which are attributable to the DTGC Business Area and thus form part of the Spin-Off Assets. These receivables are identified in the Annex by way of the customer number under which the customers are recorded in the SAP-based "Carrier & Serviceprovider Billing" system of Deutsche Telekom AG, and/or by way of the general ledger account allocation in the SAP-based "One.Finance" system of Deutsche Telekom AG.

- Annex 8.3 contains a list of receivables due from affiliated companies and companies in which equity interests are held which are attributable to the DTGC Business Area and thus form part of the Spin-Off Assets. These receivables are identified in the Annex by way of the customer number and the trading partner number under which the customers are recorded in the SAP-based "Carrier & Serviceprovider Billing" system of Deutsche Telekom AG, and/or by way of the general ledger account allocation in the SAP-based "One.Finance" system of Deutsche Telekom AG.

- Annex 8.5 states the credit balance amount of the DTGC Business Area resulting from the

internal cash management of the company as at the Spin-Off Date. This credit balance amount is intended to be constituted on the Completion Date (within the meaning of § 19 (1) of the Spin-Off and Takeover Agreement) – with economic effect as of the Spin-Off Date – at Telekom Deutschland GmbH as a genuine claim due from Deutsche Telekom AG.

- Annex 9 contains a list of inventories and other current assets which are attributable to the DTGC Business Area and thus form part of the Spin-Off Assets. These inventories and other current assets are identified in the Annex by way of the general ledger account allocation in the SAP-based "One.Finance" accounting system of Deutsche Telekom AG.

- Annex 11.2 contains a list of trade payables which are attributable to the DTGC Business Area and thus form part of the Spin-Off Assets. These trade payables are identified in the Annex by way of the vendor number under which suppliers are recorded in the SAP-based "Carrier & Serviceprovider Billing" system of Deutsche Telekom AG, and/or by way of the general ledger account allocation in the SAP-based "One.Finance" system of Deutsche Telekom AG.

- Annex 11.3 contains a list of liabilities due to affiliated companies and companies in which equity interests are held which are attributable to the DTGC Business Area and thus form part

of the Spin-Off Assets. These liabilities are identified in the Annex by way of the vendor number and trading partner number under which suppliers are recorded in the SAP-based "Carrier & Serviceprovider Billing" system of Deutsche Telekom AG, and/or by way of the general ledger account allocation in the SAP-based "One.Finance" system of Deutsche Telekom AG.

- Annex 11.5 contains a list of other liabilities and (uncertain) obligations, risks and expenses (except for those for which personnel provisions have been set up) which are attributable to the DTGC Business Area and thus form part of the Spin-Off Assets. These liabilities, obligations, risks and expenses are identified in the Annex by way of the general ledger account allocation in the SAP-based "One.Finance" accounting system of Deutsche Telekom AG.
- Annex 12.7 contains information on the scope of the personnel-related receivables, personnel provisions and obligations (personnel) that are transferred to Telekom Deutschland GmbH as a result of the Spin-Off. This scope is identified in the Annex by way of actuarial individual valuation results based on lists of transferring employees.
- Annex 14.2 contains a list of agreements and legal interests as well as categories of agreements which are attributable to the DTGC

Business Area and thus form part of the Spin-Off Assets. These agreements, legal interests and categories of agreements are listed in the Annex broken down by the performance areas International Carrier Services, Commercial Roaming Services and Aviation Services as well as the NWI Sub-Area.

For International Carrier Services, the agreements and legal interest are identified (among other things) by way of the customer number (TSAM) and, if available, Contract DB Name and/or Order ID under which they are recorded in the Salesforce system used by Deutsche Telekom AG or the IPS (ICSS Prebilling System) of Deutsche Telekom AG.

For Commercial Roaming Services, the agreements and legal interests are identified by way of the client number and customer number under which they are recorded in the SAP-based "Carrier & Serviceprovider Billing" system or the SAP-based "One-Finance" system of Deutsche Telekom AG.

For Aviation Services, the agreements and legal interests are identified by way of a reference to a contract identification number affixed to the documentation of the agreements and legal interests as well as the storage location of the documentation, or by way of the contracting partners, the designation of the relevant agreement and the signing date.

For the NWI Sub-Area, the agreements and legal interests are identified by way of the category and reference number under which they are recorded either in the SAP "One.PSL" system or in the "One.Source 2.0" system of Deutsche Telekom AG, or by way of the category of agreement and the contracting partners.

- Annex 24.2 contains a list of Deutsche Telekom AG staff attributable to the TGC Business Unit (employees including civil servants employed on the basis of a suspension of their civil servant status). These staff members are identified by way of their SAP personnel number.
- Annex 24.3 contains a list of Deutsche Telekom AG staff attributable to the NWI Business Unit (employees including civil servants employed on the basis of a suspension of their civil servant status). These staff members are identified by way of their SAP personnel number.

**Bonn, May 2020**

**Deutsche Telekom AG  
The Board of Management**

**DEUTSCHE TELEKOM AG**

Supervisory Board: Prof. Dr. Ulrich Lehner (Chairman)

Board of Management: Timotheus Höttges (Chairman),

Adel Al-Saleh, Birgit Bohle, Srinivasan Gopalan, Dr. Christian P. Illek,

Thorsten Langheim, Claudia Nemat, Dr. Dirk Wössner

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