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.
acquired through the stock market at the current share price in the Xetra trading system of Deutsche Börse AG (or a subsequent system) on the date of acquisition through the stock market, the rule of equal treatment of shareholders should be met in accordance with the provisions in § 71 (1) no. 8 sentence 4 AktG.

The price agreed in the derivative (excluding transaction costs) for the acquisition of a Deutsche Telekom AG share when exercising the derivatives must both including and excluding a received or paid option premium not be more than 10% higher or 20% lower than the share price established by the opening auction on the trading day on which the derivative market transaction was completed in the Xetra trading system of Deutsche Börse AG (or a subsequent system). The Company is therefore placed in a position in respect of the permissible acquisition price of the shares in the starting point as if it were to acquire the shares directly through the stock market on the date the relevant derivative transaction was concluded. For the acquisition authorization proposed under agenda item 7 envisages under b) (!) the same lowest and highest equivalent values for the acquisition of own shares through the stock market. Nonetheless, the proposed authorization on the use of equity derivatives also envisages in this respect another restriction whereby the relevant limit values both with and also without inclusion of a received or paid option premium have to be met.

The call option premium paid by the Company must not be significantly higher and the put option premium collected by the Company must not be significantly lower than the theoretical market value of the respective options calculated according to accepted financial mathematical methods; the agreed exercise price, among other things, shall be taken into account as part of the calculation. This and the limited scope in which own shares can be acquired using equity derivatives, corresponds to the basic notion transferred to any right to purchase for shareholders of § 186 (3) sentence 4 AktG which applies to the exclusion of subscription rights.

Exclusion of any right to tender shares
If own shares are acquired using equity derivatives in compliance with the above provisions, shareholders shall not be entitled under the proposed authorization to conclude such derivative transactions with the Company. By the fact that the company can conclude derivative transactions with an insuring company, the Company is enabled – unlike with an offer to conclude equity transactions to all shareholders – to conclude the derivative transactions at short notice. This gives the Company the necessary flexibility to be able to respond quickly to market situations.

When acquiring own shares using these equity derivatives, shareholders should be entitled to tender their shares only to the extent that the Company is obliged to accept the shares from them from the derivative transactions. Any further right to tender shares is excluded in the proposed authorization. Otherwise, the use of the equity derivatives envisaged in the proposed authorization as part of the acquisition of own shares would not be possible and the Company would not benefit from the associated advantages.

The aforementioned specifications ensure that the shareholders do not suffer substantial financial loss when acquiring own shares using equity derivatives. Since the Company collects or pays a fair market price, the shareholders, in particular, not involved in the derivative transactions do not suffer any substantial loss of value. The shareholders’ position essentially corresponds to their position with the share buyback through the stock exchange where not all shareholders are actually able to sell shares to the Company. The provisions governing the arrangements of the equity derivatives and the requirements for the shares to be supplied to ensure that the principle of equal treatment of shareholders is also ensured with this mode of acquisition. It is therefore justified that any claims of shareholders to conclude the aforementioned derivative transactions with the Company are excluded.

Considering all the above-mentioned facts and circumstances, the Board of Management and the Supervisory Board regard the exclusion of any right to tender shares as justified and reasonable for the shareholders for the reasons given. The Board of Management shall report to the shareholders’ meeting on the details of any plans to make use of the authorization to buy back own shares using equity derivatives.

Usage of shares acquired using equity derivatives
The provisions contained in the authorization proposed under agenda item 7 in c) through m) shall also apply to the usage of own shares acquired using equity derivatives. For further information see Board of Management’s report on item 7 of the agenda.