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# INVITATION TO THE SHAREHOLDERS' MEETING ON MAY 17, 2018



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# OVERVIEW OF ITEMS ON THE AGENDA

- ITEM 1** Submissions to the shareholders' meeting pursuant to § 176 (1) sentence 1 of the German Stock Corporation Act (Aktiengesetz - AktG).
- ITEM 2** Resolution on the appropriation of net income.
- ITEM 3** Resolution on the approval of the actions of the members of the Board of Management for the 2017 financial year.
- ITEM 4** Resolution on the approval of the actions of the members of the Supervisory Board for the 2017 financial year.
- ITEM 5** Resolution on the appointment of the independent auditor and the Group auditor for the 2018 financial year as well as the independent auditor to review the condensed financial statements and the interim management report in the 2018 financial year and perform any review of additional interim financial information.
- ITEM 6** Resolution on the cancellation of the existing and granting of a new authorization to issue bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) with the option of excluding subscription rights, the cancellation of contingent capital 2014 and the creation of new contingent capital (contingent capital 2018) and the corresponding amendment to § 5 of the Articles of Incorporation.
- ITEM 7** Election of a Supervisory Board member.
- ITEM 8** Election of a Supervisory Board member.
- ITEM 9** Election of a Supervisory Board member.
- ITEM 10** Election of a Supervisory Board member.
- ITEM 11** Resolution on the amendment to § 16 (1) of the Articles of Incorporation.

## OTHER CONTENTS

- Board of Management's report to the shareholders' meeting
- Further information on agenda items 7 to 10, in particular the resumes of the candidates and details pursuant to § 125 (1) sentence 5 AktG
- Right to attend, voting rights, and voting by proxy
- Information on shareholders' rights pursuant to § 122 (2), § 126 (1), § 127, and § 131 (1) AktG
- Further details and information relating to the shareholders' meeting

**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 shareholders' meeting

**on Thursday, May 17, 2018,  
at 10:00 a.m. (Central European Summer Time – CEST),**

at the World Conference Center Bonn, entrance to the main building,  
Platz der Vereinten Nationen 2, 53113 Bonn, Germany.

# 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 (1) and § 315a (1) German Commercial Code (Handelsgesetzbuch – HGB):

- The approved annual financial statements of Deutsche Telekom AG as of December 31, 2017,
- The approved consolidated financial statements as of December 31, 2017,
- The combined management and Group management report, including the compensation report contained therein,
- 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 also available from the date of the notice of convocation of the shareholders' meeting on the website

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

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 21, 2018.

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 5,927,230,072.40 posted in the 2017 financial year shall be used as follows:

Payment of a dividend of EUR 0.65 per no par value share carrying dividend rights = EUR 3,082,475,631.95

And the remaining balance is carried forward to the new account = EUR 2,844,754,440.45.

The total dividend and the remaining balance to be carried forward to the new account set out in the proposal for resolution on the appropriation of net income are based on the dividend-bearing capital stock of EUR 12,140,211,719.68, divided up into 4,742,270,203 no par value shares, on February 13, 2018.

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 contains the unchanged payment of EUR 0.65 per no par value share carrying dividend rights. The amendment 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 the new account increases accordingly. If the number of shares carrying dividend rights and thus the total dividend increases, the amount to be carried forward to the new account decreases accordingly.

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

As the dividend for the 2017 financial year is to be paid in full from the tax contribution account in accordance with § 27 Corporation Tax Act (Körperschaftsteuergesetz, KStG), (contributions other than into nominal capital), 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 May 22, 2018.

## **3** Resolution on the approval of the actions of the members of the Board of Management for the 2017 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 2017 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 2017 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 2017 financial year shall be approved for this period.

**5 Resolution on the appointment of the independent auditor and the Group auditor for the 2018 financial year as well as the independent auditor to review the condensed financial statements and the interim management report in the 2018 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 2018 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 2018 financial year, and
- c) independent auditor for any review of additional interim financial reports (§ 115 (7) German Securities Trading Act) in the 2018 and 2019 financial years up to the next shareholders' meeting.

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 Resolution on the cancellation of the existing and granting a new authorization to issue bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) with the option of excluding subscription rights, the cancellation of contingent capital 2014 and the creation of new contingent capital (contingent capital 2018) and the corresponding amendment to § 5 of the Articles of Incorporation.**

The authorization of the Board of Management by the shareholders' meeting on May 15, 2014, to issue bonds with warrants or convertible bonds carrying option and/or conversion rights to shares of the Company, expires next year. This authorization has not yet been used. In order to ensure that these financing instruments continue to remain available to the Company if required over the coming years, the existing authorization is to be replaced by a new one in plenty of time. To service the option or conversion rights, and/or the option or conversion obligations, in the event that use is made of the new authorization, a resolution is to be adopted

regarding new contingent capital (contingent capital 2018), along with the corresponding amendment to Article 5 of the Articles of Incorporation, subject to cancellation of the previous contingent capital (contingent capital 2014) pursuant to Article 5 (3) of the Articles of Incorporation.

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

- I. Cancellation of the existing authorization to issue bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments)

The authorization to issue bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) granted by way of the resolution under item 10 on the agenda of the shareholders' meeting held on May 15, 2014, shall be canceled.

- II. Authorization to issue bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments)

1. Authorization period, par value, number of shares, term, interest

The Board of Management shall be authorized, with the approval of the Supervisory Board, to issue on one or more occasions up until

May 16, 2023, bearer or registered bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) (hereinafter collectively also referred to as "bonds") having a total par value of up to EUR 8,000,000,000.00 and to grant the holders or creditors (hereinafter collectively referred to as "holders") of the respective partial bonds with equal rights, option or conversion rights to shares of the Company up to a maximum of 468,750,000 shares and with a maximum proportion of the capital stock of EUR 1,200,000,000.00 in accordance with the terms and conditions of the bonds. The bonds as well as option and conversion rights can be issued with or without a limited term. The bonds can carry fixed or variable interest. Moreover, the interest, as with a participating bond, can also depend partially or completely on the amount of the Company's dividend.

2. Currency, issue by companies in which Deutsche Telekom has a majority holding

The bonds may be issued both in euros and in the legal tender of an OECD country, to be limited to the equivalent of the price in euros. The bonds may also be issued by direct or indirect majority shareholdings of Deutsche Telekom AG (companies in which Deutsche Telekom AG has a direct or indirect majority share of the votes and capital). In this case, the Board of Management shall be authorized, with the approval of the Supervisory Board, to provide the guarantee for the bonds for

Deutsche Telekom AG and to grant or guarantee option or conversion rights to Deutsche Telekom AG shares to the holders of such bonds or to guarantee the granting of shares in Deutsche Telekom AG when options or conversion rights are fulfilled.

### 3. Option and conversion rights

If bonds with warrants are issued, one or more warrants shall be attached to each partial bond which entitle the holder to subscribe to shares of Deutsche Telekom AG in accordance with the terms and conditions of the warrant. A provision can be made for the option price to be variable, in particular for it to be set within a range to be decided on the basis of development of the price of the Deutsche Telekom AG share during the term of the bond with warrants, or be changed as a result of provisions for the protection against dilution of capital pursuant to section 6. The terms and conditions of the warrant may also provide for the possibility that the option price can be furnished in full or in part by transferring partial bonds. The subscription ratio is the result of dividing the par value of a partial bond by the option price for a share of Deutsche Telekom AG. If there are subscription rights to fractional shares, provision can be made for these fractional amounts to be combined such that subscription rights to whole shares result – if necessary in return for additional payment – and/or can be compensated in cash. The proportion of the capital stock represented by the shares to be subscribed for each partial bond in the event

of the option being exercised may not exceed the par value of the individual partial bond.

If convertible bonds are issued, the holders of the bonds shall have the right to convert their partial bonds into shares of Deutsche Telekom AG in accordance with the terms and conditions of the convertible bond. The exchange ratio is the result of dividing the par value of a partial bond by the conversion price for a share of Deutsche Telekom AG. A provision can be made for the conversion price to be variable, in particular for it to be set within a range to be decided on the basis of development of the price of the Deutsche Telekom AG share during the term of the convertible bond, or be changed as a result of the provisions for the protection against dilution of capital pursuant to section 6. If there are conversion rights to fractional shares, provision can be made for these fractional amounts to be combined such that conversion rights for subscription to whole shares result – if necessary in return for additional payment – and/or can be compensated in cash. The proportion of the capital stock represented by the shares to be issued for each partial bond in the event of the conversion may not exceed the par value of the individual partial bond.

### 4. Option and conversion obligations

The terms and conditions of the bonds may also constitute an option or conversion obligation (mandatory convertible) at the end of the term or earlier (hereinafter also referred

to as “final due date”) or make a provision for the right of Deutsche Telekom AG, when the final due date of the bond is reached, to grant the holders of bonds shares of Deutsche Telekom AG completely or partially in lieu of payment of the amount due (repayment option). In this case, the option or conversion price for a share may correspond to the (unweighted) average closing price of the Deutsche Telekom AG share in the Xetra trading system (or a subsequent system) of Deutsche Börse AG during the ten trading days before or after the final due date, even if this is below the minimum price stated under 6. The proportion of the capital stock represented by the shares to be issued for each partial bond on the final due date may not exceed the par value of the individual partial bond in this case.

### 5. Granting of new or existing shares; cash payments

In the event of an option being exercised or of a conversion and in the event of fulfillment of option or conversion obligations (including in case of a repayment option), the Company may at its discretion either grant new shares from contingent capital, or existing Company shares, or shares of another listed company. The terms and conditions of the bonds may also provide for the right of the Company, in the event of an option being exercised or of a conversion and in the event of fulfillment of option or conversion obligations, not to grant shares, but rather to pay the equivalent value in cash.

### 6. Option price, conversion price, adjustment of the option or conversion price to retain value

With the exception of cases in which there is provision for an option or conversion obligation (including in case of a repayment option) (section 4 above), the option or conversion price to be stipulated for a share – including for a variable option or conversion price – must be

- (a) at least 80% of the (unweighted) average closing price of the Deutsche Telekom AG share in the Xetra trading system (or a subsequent system) of Deutsche Börse AG on the last ten trading days before the date on which the resolution is adopted by the Board of Management on the issue of the bonds,
- (b) in the event of subscription rights being granted, at least 80% of the (unweighted) average closing price of the Deutsche Telekom AG share in the Xetra trading system (or a subsequent system) of Deutsche Börse AG in the period from the start of the subscription period up to and including the day before notification is given of the definitive terms and conditions of the bonds pursuant to § 186 (2) AktG.

§ 9 (1) AktG shall remain unaffected.

If, during the term of bonds which grant or stipulate an option or conversion right or option or conversion obligation, the financial

value of the existing option or conversion rights and obligations is diluted and no subscription rights are granted as compensation, the option or conversion rights and obligations may – notwithstanding § 9 (1) AktG – be adjusted to retain value insofar as the adjustment is not already covered by statute. In any case, the proportion of the capital stock represented by the shares to be subscribed for each partial bond may not exceed the par value of the individual partial bond.

Instead of adjusting the option or conversion price to retain value, in accordance with the terms and conditions of the bonds in all these cases, provision can be made for the payment of a corresponding amount in cash by the Company in the event of exercising the option or conversion right or in the event of fulfillment of the option or conversion obligation.

#### 7. Granting of subscription rights, exclusion of subscription rights

Shareholders have, in principle, subscription rights to the bonds. The bonds may also be acquired by one or several banks, by members of a consortium of banks or by equivalent companies pursuant to § 186 (5) sentence 1 AktG, subject to the obligation to offer them to shareholders for subscription. If the bonds are issued by a direct or indirect majority shareholding of Deutsche Telekom AG, Deutsche Telekom AG shall ensure that shareholders of Deutsche Telekom AG are granted subscription rights in accordance with the foregoing sentences.

However, the Board of Management shall be authorized, with the approval of the Supervisory Board, to exclude statutory subscription rights of shareholders to the bonds

- (a) if the bonds are issued with option or conversion rights and/or with option or conversion obligations for a cash payment and are thus structured so that their issue price is not significantly lower than the theoretical market price determined in accordance with recognized financial methods. This authorization for excluding subscription rights shall, however, only apply to bonds carrying option or conversion rights and/or option or conversion obligations to shares with a proportionate amount of the capital stock, which must not exceed 10% of Deutsche Telekom AG's capital stock. This 10% limit is calculated on the basis of the amount of capital stock on the date of the shareholders' meeting resolution regarding this authorization, or – if this value is lower – on the date of exercising this authorization. The authorized volume decreases by the proportion of capital stock that is accounted for by the shares or that relates to option or conversion rights and option or conversion obligations from bonds issued or sold since this authorization was granted, directly pursuant to, in accordance with, or analogous to § 186 (3) sentence 4 AktG;

- (b) for fractional amounts that arise as a result of the subscription ratio;
- (c) where necessary to grant holders of previously issued bonds a subscription right to the extent they would be entitled to as a shareholder after exercising an option or conversion right or after fulfilling an option or conversion obligation.

However, the total proportion of capital stock accounted for by shares with conversion or option rights and obligations from bonds for which subscription rights are excluded on the basis of these authorizations, together with the proportion of capital stock accounted for by treasury shares or new shares from contingent capital which are sold or issued after the beginning of May 17, 2018 subject to the exclusion of shareholders' subscription rights, shall not exceed 20% of the capital stock of Deutsche Telekom AG. This 20% limit is calculated on the basis of the amount of capital stock on the date of the shareholders' meeting resolution regarding this authorization, or – if this value is lower – on the date of exercising this authorization. The shareholders' subscription rights are also deemed to be excluded if the shares are sold or issued by direct or appropriate application of § 186 (3) sentence 4 AktG.

To the extent that profit participation rights or participating bonds are issued which do not carry option or conversion rights and/or

option or conversion obligations, the Board of Management shall be authorized, with the approval of the Supervisory Board, to exclude subscription rights of shareholders overall if these profit participation rights or participating bonds are structured in the same way as bonds, i.e., do not constitute any membership rights in the Company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of net income, unappropriated net income, or the dividend. In this case, the interest and the issue price of the profit participation rights or participating bonds shall also correspond to comparable borrowings under current market conditions on the issue date.

#### 8. Authorization for determination of further details

The Board of Management shall be authorized, with the approval of the Supervisory Board, to stipulate further particulars and terms of the bond issues and of the option or conversion rights and option or conversion obligations within the given parameters, in particular the interest rate, type of interest, issue price, maturity term, and denominational units as well as option or conversion period, option or conversion price, and a possible variability of the conversion ratio, or to make such determinations in coordination with the executive bodies of the majority holdings of Deutsche Telekom AG issuing the bonds.

III. Cancellation of contingent capital pursuant to § 5 (3) of the Company's Articles of Incorporation and the creation of new contingent capital 2018

1. The contingent capital increase (contingent capital 2014) approved by the shareholders' meeting on May 15, 2014 and included in § 5 (3) of the Company's Articles of Incorporation shall be canceled.
2. The Company's capital stock shall be conditionally increased by up to EUR 1,200,000,000.00 by issuing up to 468,750,000 no par value shares (contingent capital 2018). The contingent capital increase shall be used to grant shares when options or conversion rights are exercised or option or conversion obligations are fulfilled (including in the event that, in exercising a repayment option when the final due date of the bond is reached, Deutsche Telekom AG grants shares in Deutsche Telekom AG completely or partially in lieu of payment of the amount due) vis-à-vis the holders or creditors of the bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) (hereinafter collectively referred to as "bonds") issued on the basis of the authorization granted by the shareholders' meeting on May 17, 2018. The new shares shall be issued at the option and conversion price to be stipulated in each instance in accordance with the aforementioned authorization. The contingent capital increase shall only be implemented to the extent to which the holders

or creditors of bonds which are issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holdings up until May 16, 2023, on the basis of the authorization resolution granted by the shareholders' meeting on May 17, 2018, make use of their option or conversion rights or fulfill the option or conversion obligations arising out of such bonds (including in the event that, in exercising a repayment option when the final due date of the bond is reached, Deutsche Telekom AG grants shares in Deutsche Telekom AG completely or partially in lieu of payment of the amount due), and insofar as other forms of fulfillment are not used. The new shares issued as a result of the exercising of option or conversion rights or the fulfillment of option or conversion obligations shall participate in the profits, starting at the beginning of the financial year in which they are issued. The Board of Management shall be authorized, with the approval of the Supervisory Board, to determine any other details concerning implementation of the contingent capital increase. The Supervisory Board shall be authorized to amend § 5 (3) of the Articles of Incorporation to reflect utilization of the contingent capital and after expiry of all option or conversion periods.

#### IV. Amendments to the Articles of Incorporation

§ 5 (3) of the Articles of Incorporation shall be amended as follows:

"(3) The Corporation's capital stock is conditionally increased by up to EUR 1,200,000,000.00,

divided into up to 468,750,000 no par value shares (contingent capital 2018). The contingent capital increase shall be implemented only to the extent that

- (a) the holders or creditors of bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) with option or conversion rights, which are issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holdings by May 16, 2023, on the basis of the authorization resolution granted by the shareholders' meeting on May 17, 2018, make use of their option and/or conversion rights or
- (b) those obligated as a result of bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments), which are issued or guaranteed by Deutsche Telekom AG or its direct or indirect majority holdings by May 16, 2023, on the basis of the authorization resolution granted by the shareholders' meeting on May 17, 2018, fulfill their option or conversion obligations (including in the event that, in exercising a repayment option when the final due date of the bond is reached, Deutsche Telekom AG grants shares in Deutsche Telekom AG completely or partially in lieu of payment of the amount due)

and other forms of fulfillment are not used. The new shares shall participate in profits starting at the beginning of the financial year in which they are issued as the result of the exercise of any option or conversion rights, or the fulfillment of any option or conversion obligations. The Supervisory Board is authorized to amend § 5 (3) of the Articles of Incorporation in accordance with the particular usage of the contingent capital and after the expiry of all the option or conversion periods."

#### **7** Election of a Supervisory Board member.

By order of the Bonn District Court dated September 21, 2017, Margret Suckale was appointed to the Company's Supervisory Board for a limited term up to the end of the shareholders' meeting on May 17, 2018. Margret Suckale replaced Dr. Wulf-Hinrich Bernotat, who died in August 2017. Margret Suckale is to be elected to a further term of office on the Supervisory Board by the shareholders' meeting.

The Supervisory Board therefore proposes

that Margret Suckale, lawyer, former member of the Board of Management of BASF SE, Ludwigshafen, resident in Hamburg, be elected to the Supervisory Board as a shareholder representative for the period up to the end of the shareholders' meeting that passes a resolution on the approval of the Supervisory Board's actions for the 2022 financial year.



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

By order of the Bonn District Court dated March 15, 2018, Dr. Günther Bräunig was appointed to the Company's Supervisory Board for a limited term up to the end of the shareholders' meeting on May 17, 2018. Dr. Günther Bräunig replaced Dr. Ulrich Schröder, who resigned from office with effect from February 6, 2018. Dr. Günther Bräunig is to be elected to a further term of office on the Supervisory Board by the shareholders' meeting.

The Supervisory Board therefore proposes

that Dr. Günther Bräunig, Chief Executive Officer of KfW, Frankfurt am Main, resident in Frankfurt am Main, 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 2022 financial year.

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

The current term of office for Sari Baldauf, member of the Supervisory Board elected by the shareholders' meeting, expires at the end of the shareholders' meeting on May 17, 2018. Mr. Harald Krüger is to be elected as Ms. Sari Baldauf's successor on the Supervisory Board.

The Supervisory Board therefore proposes

that Harald Krüger, Chairman of the Management Board of Bayerische Motoren Werke Aktiengesellschaft, Munich, resident in Munich, 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 2022 financial year.

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

The current term of office for Prof. Dr. Ulrich Lehner, member of the Supervisory Board elected by the shareholders' meeting, expires at the end of the shareholders' meeting on May 17, 2018. Prof. Dr. Ulrich Lehner is to be elected to a further term of office on the Supervisory Board by the shareholders' meeting. The age limit specified by the Supervisory Board for its own members in accordance with section 5.4.1 (2) sentence 2 of the German Corporate Governance Code shall be taken into account with regard to the length of the term of office.

The Supervisory Board therefore proposes

that Prof. Dr. Ulrich Lehner, member of the shareholders' committee of Henkel AG & Co. KGaA, Chairman of the Supervisory Board of Deutsche Telekom AG, Chairman of the Supervisory Board of thyssenkrupp AG, and a member of further supervisory boards, resident in Düsseldorf, 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 2021 financial year.

In the event of his re-election, Prof. Dr. Ulrich Lehner shall be proposed as candidate for the position of Chairman of the Supervisory Board.

**Details on agenda items 7 to 10, in particular pursuant to § 124 (2) sentences 1 and 2 AktG and to section 5.4.1 (6) through (8) German Corporate Governance Code:**

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.

In addition, pursuant to § 96 (2) sentence 1 AktG, at least 30% of the seats on the Supervisory Board must be held by women and 30% 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 four women and six men representing shareholders, and five women and five men representing employees, which brings the total to nine women and eleven

men. Thus the minimum quota requirement is already met overall, regardless of whether men or women are elected to the Supervisory Board in the four elections to take place at the shareholders' meeting.

The Supervisory Board's nominations for agenda items 7 to 10 are based on corresponding recommendations 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 2017 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 shareholder's meeting on the website

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

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

The Supervisory Board has ensured that all candidates are able to devote the expected time required to serve on the Supervisory Board.

Margret Suckale, Dr. Günther Bräunig, and Prof. Dr. Ulrich Lehner are already currently members of the Supervisory Board of Deutsche Telekom AG, and Prof. Dr. Ulrich Lehner is also Chairman of this committee. Dr. Günther Bräunig is CEO of KfW, Frankfurt am Main, which holds around 17.4% of Deutsche Telekom AG shares carrying voting rights. Furthermore, 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 agenda items 7 to 10 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% of Deutsche Telekom AG shares carrying voting rights, on the other, which would significantly impact the result of the vote at the shareholders' meeting.

Further information on agenda items 7 to 10, in particular the resumes of the candidates and details pursuant to § 125 (1) sentence 5 AktG, are attached to the agenda.

## **11** Resolution on the amendment to § 16 (1) of the Articles of Incorporation.

The provisions concerning requirements for participation in shareholders' meetings are to be made more flexible and, in this regard, it is to be made possible to register for the shareholders' meeting with less than six days' notice if necessary. As such, § 16 (1) of the Articles of Incorporation is to be revised accordingly.

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

§ 16 (1) of the Articles of Incorporation shall be amended as follows:

“(1) All shareholders who are entered in the shareholders' register and have registered on time with the Corporation shall be eligible to participate in and exercise their voting rights at the shareholders' meeting. Shareholders may also register with the Corporation using an Internet Dialog, if and to the extent that the Corporation provides one for this purpose. The Corporation must receive the registration at the address stipulated for this purpose when the shareholders' meeting is called no later than six days before the shareholders' meeting. The Board of Management or, if called by the Supervisory Board, the Supervisory Board, can stipulate a shorter registration period, measured in days, in the notice of convocation of the shareholders' meeting. The registration period does not include the day of the meeting or the day of receipt of the invitation.”

# BOARD OF MANAGEMENT'S REPORT TO THE SHAREHOLDERS' MEETING

## **Report on agenda item 6: Report on the exclusion of subscription rights when issuing bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) pursuant to § 221 (4) sentence 2 and § 186 (4) sentence 2 AktG.**

The issue of bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) (hereinafter collectively also referred to as "bonds") provides attractive financing options. The previous authorization granted by the shareholders' meeting on May 15, 2014, to issue bonds with warrants or convertible bonds, which has not yet been used, expires on May 14, 2019. Therefore, it shall now be replaced by a new authorization. To service the option or conversion rights, and/or the option or conversion obligations, in the event that use is made of the new authorization, a resolution is to be adopted regarding new contingent capital (contingent capital 2018), along with the corresponding amendment to § 5 of the Articles of Incorporation, subject to cancellation of the previous contingent capital (contingent capital 2014) pursuant to § 5 (3) of the Articles of Incorporation.

In addition to the traditional methods of borrowing and raising shareholders' equity, the issue of bonds offers Deutsche Telekom AG the opportunity to utilize attractive financing alternatives on the capital market, depending on

the market situation, and thus to establish ideal conditions for future business development. The issue of bonds enables the borrowing of funds under attractive conditions. Furthermore, the granting of option or conversion rights provides the Company with the opportunity to retain, in full or in part, as shareholders' equity, funds raised through the bond issues or, depending on the respective structure, to classify such funds as shareholders' equity or equivalent to shareholders' equity for creditworthiness checks and for balance sheet purposes even before the option is exercised or the bonds are converted. The option and conversion premiums obtained and classification as shareholders' equity accrue to the Company's capital base. The additional option of combining bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds provides even greater leeway for structuring these financing instruments. As hybrid financing instruments increasingly include forms of financing that also provide for an unlimited maturity term, this authorization makes no provisions for any limited term for the issue of bonds. Furthermore, the authorization gives the Company the flexibility it needs, depending on the market situation, to tap the German capital market or, in particular via majority holdings, the international capital market.

With regard to the authorization resolution proposed for this agenda item, a distinction shall be drawn with respect to the exclusion of subscription rights: The Board of Management

shall primarily be authorized, with the approval of the Supervisory Board, to issue bonds on one or more occasions up until May 16, 2023, and to attach option or conversion rights to the respective partial bonds, which, in accordance with the terms and conditions of the bond, entitle the buyers to subscribe to Deutsche Telekom AG shares with a proportionate share of up to EUR 1,200,000,000.00 in the capital stock. To this extent, the authorization does not affect shareholders' statutory subscription rights. To facilitate handling, however, use shall be made of the option of issuing the bonds to one or more banks or the members of a consortium of banks or to companies deemed equivalent to banks pursuant to § 186 (5) sentence 1 AktG, with an obligation to offer the bonds to shareholders in accordance with their subscription rights (indirect subscription right within the meaning of § 186 (5) sentence 1 AktG).

Under the terms of this general authorization, the Board of Management shall further be authorized to exclude the statutory right of shareholders to subscribe to the bonds, though only within certain limits, namely only to a limited extent for two specific purposes and to a greater extent only on certain strict conditions. In the case of exclusion only to a limited extent, the subscription right shall be excluded only to the extent required to offset any fractional amounts produced when stipulating the subscription ratio, or to grant subscription rights to holders or creditors (hereinafter

collectively referred to as "holders") of bonds that have already been issued. Fractional amounts may result from the respective volume of issue and the implementation of a practicable subscription ratio. In such cases, the exclusion of subscription rights makes it easier to process the capital measure, in particular the subscription right of shareholders. The exclusion of subscription rights in favor of the holders of issued bonds shall take into consideration the protection against dilution of capital, to which they are generally entitled under the terms and conditions of the bonds. Exercising this authority to exclude subscription rights is an alternative to adjusting the option or conversion price, which may otherwise be necessary. Overall, this approach makes it possible to increase the cash inflow for the Company.

In the case of a further exclusion of subscription rights for bonds with option or conversion rights and/or option or conversion obligations, use is made of the possibility provided for by the legislator in § 221 (4) sentence 2, § 186 (3) sentence 4 AktG of excluding subscription rights "if the capital increase against cash contributions does not exceed 10% of the capital stock and the issue price is not significantly lower than the market price" (hereinafter also referred to as "simplified exclusion of subscription rights"). The number of shares accounted for by bonds for which subscription rights can be excluded pursuant to § 221 (4) sentence 2, § 186 (3) sentence 4 AktG is limited to 10% of the capital stock. That is currently EUR 1,218,933,400.58.

In principle, the Company's capital stock on the date on which the resolution is adopted at the shareholders' meeting on May 17, 2018, is decisive. Should the capital stock be reduced, for example through the redemption of repurchased treasury shares, the amount of capital stock on the date the authorization is exercised shall be decisive. The authorized volume should be decreased by the proportion of capital stock that is accounted for by shares or that relates to option and/or conversion rights and obligations from bonds issued or sold since the authorization was granted directly pursuant to, in accordance with, or analogous to § 186 (3) sentence 4 AktG. This should ensure that the 10% limit provided for in § 186 (3) sentence 4 AktG is observed, taking into account all authorizations with the possibility of excluding subscription rights in accordance with § 186 (3) sentence 4 AktG.

In the case of the simplified exclusion of subscription rights, the Board of Management shall not stipulate an issue price that is significantly lower than the theoretical market value of the bonds, determined in accordance with recognized financial methods, thus ensuring compliance in this respect with the provisions of § 186 (3) sentence 4 AktG.

The simplified exclusion of subscription rights enables the Board of Management, with the approval of the Supervisory Board, to tap capital markets quickly and at short notice in order to bolster the Company's capital base and to

achieve optimal conditions by establishing standard market terms. Placement under simplified exclusion of subscription rights opens up the opportunity of a higher inflow of cash per bond than in the case of an issue with subscription rights. The decisive factor here is that the exclusion of subscription rights gives the Company the flexibility it needs to take advantage of favorable stock market conditions at short notice. When subscription rights are granted, § 186 (2) AktG indeed permits publication of the subscription price (and thus, in the case of bonds, of the associated conditions) no later than three days before the expiry of the subscription period. In view of stock market volatility, however, this nonetheless entails a market risk – especially a risk of prices changing – over several days, which can lead to safety margins being deducted when fixing the terms and conditions of bonds and hence to less-than-optimal conditions. If a subscription right exists, successful placement among new investors is also jeopardized, and in any event involves additional expense, due to the uncertainty of whether this right will be exercised (subscription behavior). Ultimately, when the Company grants subscription rights, it is unable to respond quickly to favorable or unfavorable market conditions due to the length of the subscription period. Moreover, a placement using the simplified exclusion of subscription rights can help secure new investors in Germany and abroad. When allocating the bonds to one or more investors, the Board of Management will focus solely on the Company's interests.

The shareholders' need for protection in the case of simplified exclusion of subscription rights shall be taken into account by not only limiting the scope of the authorization, but by fixing an issue price that is not significantly lower than the market value of the respective bond. This will prevent any significant economic dilution of the value of the Company's shares. Whether or not such a dilution effect has occurred can be determined by calculating the hypothetical market value of the respective bond in accordance with recognized financial methods, and comparing this value with the issue price. If, after the compulsory Board of Management review, this issue price is only insignificantly lower than the hypothetical market price (market value) on the date of the issue of the bond, simplified exclusion of subscription rights is permissible for the purposes of § 221 (4) sentence 2 and § 186 (3) sentence 4 AktG. In this case, the value of a subscription right is virtually zero. Consequently, shareholders do not suffer any significant economic disadvantage from the exclusion of subscription rights. If, in certain situations, the Board of Management considers it appropriate to seek competent advice, it shall be permitted to apply to third parties for support. A bank involved in the issue or an expert third party may have a suitable means of ensuring that no significant dilution in the aforementioned sense is to be expected. Moreover, shareholders have the opportunity to maintain their share of the Company's capital stock by purchasing the shares needed for this on the stock exchange on approximately the same terms. Around 68% of the shares of Deutsche Telekom AG are in free

float. The total trading volume in the 2017 calendar year corresponded to around 50% of the Company's capital stock.

Furthermore, an appropriate clause should guarantee, in the interest of shareholders, that the aforementioned authorizations to exclude subscription rights, including all other authorizations to exclude subscription rights, are limited to a share volume equivalent to a total of 20% of the capital stock of Deutsche Telekom AG.

Finally, to the extent that profit participation rights or participating bonds are to be issued that do not carry option or conversion rights and/or option or conversion obligations, the Board of Management shall be authorized, with the approval of the Supervisory Board, to exclude subscription rights of shareholders altogether if these profit participation rights or participating bonds are structured in the same way as bonds, i.e., do not constitute any membership rights in the company, do not grant any participation in liquidation proceeds, and the amount of interest is not calculated on the basis of the amount of net income, unappropriated net income, or the dividend. In this case, the interest and the issue price of the profit participation rights or participating bonds shall also correspond to comparable borrowings on current market conditions on the issue date. If the aforementioned prerequisites are met, shareholders do not suffer any disadvantages if subscription rights are excluded, since the profit participation rights or participating bonds

do not constitute any membership rights nor grant any portion of the liquidation proceeds or of Company profit. Provisions can be made so that interest depends on the existence of net profit, unappropriated net income, or a dividend. By contrast, a provision would be inadmissible under which a higher net income, higher unappropriated net income, or a higher dividend led to higher interest. Consequently, the issue of profit participation rights or participating bonds does not modify or dilute the voting rights or the participation of shareholders in the Company and its profits. Furthermore, the market-compliant terms of issue that are mandatory for this case of exclusion of subscription rights do not result in any significant subscription right value.

potential dilution effect triggered by exercise of the authorizations in question, as justified and reasonable for the reasons given.

The proposed contingent increase of up to EUR 1,200,000,000.00 in the capital stock (contingent capital 2018) is designed solely to ensure the issue of the necessary Deutsche Telekom AG shares when option or conversion rights are exercised and/or option or conversion obligations are fulfilled, insofar as these are required, and authorized capital or treasury shares or other forms of fulfillment are not used.

In consideration of all the aforementioned facts and circumstances, the Board of Management, in agreement with the Supervisory Board, regards the authorization to exclude subscription rights in said cases, also taking into account the disadvantages to shareholders due to the

# FURTHER INFORMATION ON AGENDA ITEMS 7 TO 10, IN PARTICULAR THE RESUMES OF THE CANDIDATES AND DETAILS PURSUANT TO § 125 (1) SENTENCE 5 AKTG

## Margret Suckale

Lawyer, former member of the Board of Management of BASF SE, resident in Hamburg  
Court-appointed member of the Supervisory Board since September 28, 2017

### Personal details:

Year of birth: 1956  
Place of birth: Hamburg  
Nationality: German

### Career history:

2011 – 2017	Member of the Board of Executive Directors of BASF SE, responsible for Engineering and Maintenance, Environmental Protection, Health & Safety, European Site & Verbund Management and Human Resources; also Labor Director at BASF SE and Site Director for Ludwigshafen
2009 – 2011	Senior Vice President, Global HR – Executive Management & Development, BASF SE, Ludwigshafen
2008 – 2009	Member of the Management Board responsible for HR and Services, Deutsche Bahn Mobility & Logistics AG, Berlin
2005 – 2008	Member of the Management Board responsible for HR and Services, Deutsche Bahn AG, Berlin
2004 – 2005	Head of Central Staff Units, Deutsche Bahn AG, Berlin
1997 – 2004	Head of Legal Division, Deutsche Bahn AG, Berlin

1996	Joint Venture Mobil/BP, Integration Team, Mobil Europe Ltd., London (UK)
1991 – 1995	Various positions in human resources for subsidiary companies of the Mobil Corporation in Europe, for example, in London (UK), Copenhagen (Denmark), Vienna (Austria), and Hamburg (Germany)
1985 – 1991	Legal Adviser for Marketing, Sales, Contract, Competition, and Antitrust Law, Labor Law, Supply and Distribution, Mobil Oil AG, Hamburg

### Education:

- Executive Master of European and International Law, University of St. Gallen, Switzerland
- Executive Master of Business Administration, WHU, Vallendar, and Kellogg School of Management, Illinois, USA
- Second State Examination in Law, Higher Regional Court of Hamburg
- First State Examination in Law, University of Hamburg
- Studies in law at the University of Hamburg

### Membership on statutory supervisory boards in Germany:

- Deutsche Telekom AG, Bonn
- DWS Group GmbH & Co. KGaA, Frankfurt am Main
- HeidelbergCement AG, Heidelberg

### Membership on comparable domestic or foreign supervisory bodies for commercial enterprises:

– None –

## Dr. Günther Bräunig

Chief Executive Officer of KfW, resident in Frankfurt am Main  
Appointed Member of the Supervisory Board by order of the Bonn District Court dated March 15, 2018

### Personal details:

Year of birth: 1955  
Place of birth: Wiesbaden  
Nationality: German

### Career history:

Since 2018	Chief Executive Officer of KfW, Frankfurt am Main
2017	Deputy Chief Executive Officer of KfW, Frankfurt am Main
2007 – 2008	Chairman of the Board of Managing Directors of IKB AG, Deutsche Industriebank Aktiengesellschaft, Düsseldorf; assignment to the Executive Board of KfW remained dormant during this time
2006 – 2017	Member of the Executive Board, KfW, Frankfurt am Main
2000 – 2006	Executive Vice President, Head of Secretariat of Management Affairs at KfW, Frankfurt am Main
1996 – 2000	Senior Vice President, Head of Secretariat of Management Affairs at KfW, Frankfurt am Main

1995 – 1996	Head of Strategic Planning Division at KfW, Frankfurt am Main
1993 – 1995	Head of Business Policy Division at KfW, Frankfurt am Main
1989 – 1993	Head of International Capital Markets Division at KfW, Frankfurt am Main
1988 – 1989	Sales Finance Director at Airbus Industrie North America, Washington, D.C., USA
1986 – 1987	Sales Finance Manager at Airbus Industrie, Toulouse, France
1984 – 1986	Investment Banking Division, later Group Head, Investment Banking Division at Commerzbank AG, Frankfurt am Main

### Education:

- Second State Examination in Law, Higher Regional Court of Frankfurt am Main
- Doctorate in Law, University of Mainz
- First State Examination in Law, University of Mainz
- Studies in law at the Universities of Mainz and Dijon

### Membership on statutory supervisory boards in Germany:

- Deutsche Telekom AG, Bonn
- Deutsche Post AG, Bonn
- pbb – Deutsche Pfandbriefbank AG, Munich (Chairman)

### Membership on comparable domestic or foreign supervisory bodies for commercial enterprises:

- True Sale International GmbH, Frankfurt am Main (Chairman of the Board of Shareholders)

## Harald Krüger

Chairman of the Management Board of Bayerische Motoren Werke Aktiengesellschaft, resident in Munich

### Personal details:

Year of birth: 1965  
Place of birth: Freiburg im Breisgau  
Nationality: German

### Career history:

Since 2015	Chairman of the Management Board of Bayerische Motoren Werke Aktiengesellschaft (BMW AG), Munich
2013 – 2015	Member of the Management Board for Production, BMW AG, Munich
2012 – 2013	Member of the Management Board for MINI, Motorrad, Rolls-Royce, Aftersales BMW Group, BMW AG, Munich
2008 – 2012	Member of the Management Board for Human Resources, BMW AG, Munich
2007 – 2008	Director for Technical Integration, BMW AG, Munich
2003 – 2006	Director for Engine Production at Hams Hall, BMW Group UK
2000 – 2003	Head of Production Strategy and Communication, BMW AG, Munich
1997 – 2000	Head of Strategic Production Planning department, BMW AG, Munich

1995 – 1997	Personnel officer for test vehicle construction at the Research and Innovation Centre (FIZ), BMW AG, Munich
1993 – 1995	Project engineer for plant assembly at Spartanburg, USA
1992 – 1993	Traineeship in the Technical Planning/Production division, BMW AG, Munich
1991 – 1992	Research assistant at the Institute of Flight System Dynamics at the German Aerospace Centre (DLR) in Oberpfaffenhofen

### Education:

- Engineering degree (Dipl.-Ing.) in mechanical engineering, RWTH Aachen University
- Studies in mechanical engineering at Technische Universität Braunschweig (Brunswick) and RWTH Aachen University

### Membership on statutory supervisory boards in Germany:

– None –

### Membership on comparable domestic or foreign supervisory bodies for commercial enterprises:

– None –



## Prof. Dr. Ulrich Lehner

Member of the Shareholders' Committee of Henkel AG & Co. KGaA, resident in Düsseldorf  
Member of the Supervisory Board since April 17, 2008, Chairman of the Supervisory Board since April 25, 2008

### Personal details:

Year of birth: 1946  
Place of birth: Düsseldorf  
Nationality: German

### Career history:

Since 2008	Member of the Shareholders' Committee of Henkel AG & Co. KGaA, Düsseldorf
2008 – 2010	Member of the Presidential Board and Executive Board of the Federation of German Industries (BDI), Berlin
2007 – 2016	President of the Chamber of Commerce and Industry, Düsseldorf
2007 – 2010	President of the German Chemical Industry Association (VCI), Frankfurt am Main
2002 – 2015	Member of the Board of Directors of Novartis AG, Basel, Switzerland
2000 – 2008	Personally liable managing partner and Chairman of the Management Board, Henkel KGaA, Düsseldorf

1995 – 2000	Member of the Management Board and responsible for the Finance/Logistics Division, Henkel KGaA, Düsseldorf
1991 – 1994	Managing Director for Asia Pacific, Henkel Asia Pacific, Hong Kong
1987 – 1990	Member of the Executive Board, Head of Finance/Controlling, Henkel KGaA, Düsseldorf
1986 – 1987	Head of Controlling/Accounting/Tax, Henkel KGaA, Düsseldorf
1983 – 1986	Controlling Division, Friedrich Krupp GmbH, Essen
1981 – 1982	Central Division Financial Statements/Tax, Henkel KGaA, Düsseldorf
1975 – 1980	Auditor at KPMG, Düsseldorf

### Education:

- Tax consultant and auditor
- Doctorate (Dr. rer. pol.), Technische Universität Darmstadt (TU Darmstadt)
- Dipl.-Wirtsch.-Ing., Dipl.-Ing., Technische Universität Darmstadt (TU Darmstadt)
- Degree in business administration and mechanical engineering, Technische Universität Darmstadt (TU Darmstadt)

### Membership on statutory supervisory boards in Germany:

- Deutsche Telekom AG, Bonn (Chairman)
- E.ON SE, Düsseldorf
- Porsche Automobil Holding SE, Stuttgart
- thyssenkrupp AG, Duisburg and Essen (Chairman)

### Membership on comparable domestic or foreign supervisory bodies for commercial enterprises:

- Henkel AG & Co. KGaA, Düsseldorf (member of the Shareholders' Committee)

# 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 eligible to attend the shareholders' meeting and to exercise their voting rights if they have been entered in the shareholders' register and have registered for attendance by

**Thursday, May 10, 2018, 24:00 (CEST) at the latest,**

with such registration being addressed to the Company at:

**DTAG Hauptversammlung 2018  
c/o ADEUS Aktienregister-Service-GmbH  
20683 Hamburg, Germany**

or by **e-mail** to  
**hv-service@telekom.de**

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

**<http://www.telekom.com/hv-service>**

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 restrictions stated under "Using the password-protected Internet Dialog" shall be observed.

Pursuant to § 67 (2) sentence 1 German Stock Corporation Act (Aktiengesetz – AktG), 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 and vote at the shareholders' meeting is also conditional upon the shareholder still being registered as a shareholder in 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 effected in the shareholders' register in the period from (and including) Friday, May 11, 2018 to (and including) the day of the shareholders' meeting, i.e., Thursday, May 17, 2018. The status of entries in the shareholders' register on the day of the shareholders' meeting will thus be identical to the status of entries following the last transfer on Thursday, May 10, 2018 (referred to as the technical record date).

Banks and shareholders' associations, as well as persons and associations which have the status of banks according to § 135 (8) AktG and institutions and companies with the status of banks according to § 135 (10) in conjunction with § 125 (5) 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.

## Using the password-protected Internet Dialog

The password-protected Internet Dialog can be used for the aforementioned registration. The Internet Dialog also provides facilities for the postal voting and proxy voting procedures, both of which are described below. 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 can use the online password they selected on registration. All other shareholders will be sent an online password together with the invitation to the shareholders' meeting, provided they have been entered in the shareholders' register before the beginning of May 3, 2018. In order to use the password-protected Internet Dialog, shareholders must have been entered in the shareholders' register before the beginning of May 3, 2018. The password-protected Internet Dialog will be available from April 18, 2018, onwards. It comprises a predefined sequence of dialogs covering standard situations. If, however, specific situations are not catered for by the predefined sequence, the password-protected Internet Dialog can still be used, since it also enables documents to be simply transmitted to the Company. Further information on the registration procedure using the password-protected Internet Dialog is available on the aforementioned website (<http://www.telekom.com/hv-service>).

## Postal 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. Shareholders casting their votes by post can do so either in text form (§ 126b BGB) sent to the postal or e-mail address specified for registration or via the password-protected Internet Dialog using the system provided for this purpose (subject to the requirements and restrictions stated under "Using the password-protected Internet Dialog") at the address stated above (<http://www.telekom.com/hv-service>) (postal votes). For administrative reasons, postal votes should be cast using the forms provided by the Company for this specific purpose (including electronic forms).

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 may be 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.

Postal votes cast may be changed or revoked at any time up to and including the day of the shareholders' meeting, right up to shortly before voting commences.

Shareholders who use the postal voting procedure shall nonetheless be entitled to attend the shareholders' meeting, either in person or through a proxy.

### **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 via a financial institution, a shareholders' association, or 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.

Neither any provision of law, nor the Articles of Incorporation, nor any other requirements specified by the Company demand that specific forms be 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 authorizations 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 order admission tickets for a proxy or to grant authorization and issue voting instructions to a Company-appointed proxy. 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 (ordering admission tickets for a proxy or granting authorization and issuing instructions to a Company-appointed proxy) or – in the situations covered therein – to grant authorization and, if necessary, issue instructions at a later stage. The admission tickets issued in response to a corresponding order or self-generated via the password-protected Internet Dialog contain a form for granting proxy authorization. Moreover, the participation-document, which shareholders attending the shareholders' meeting receive on being admitted to the meeting, contains a form for granting authorization and, as necessary, issuing instructions during the shareholders' meeting. A form is also available on the Internet that can be used for granting authorization and, as necessary, issuing instructions (see "Further details and information relating to 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 a bank, shareholders' association or other person or association which has the status of a bank according to § 135 (8) AktG or an institution or company with the status of a bank according to § 135 (10) in conjunction with § 125 (5) 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 the proxy authorization, its revocation, and evidence of authorization must be supplied to the Company in text form pursuant to § 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 and evidence of the proxy authorization provided to the Company via the password-protected Internet Dialog using the system provided for this purpose (subject to the requirements and restrictions stated under "Using the password-protected Internet Dialog") at the address stated above (<http://www.telekom.com/hv-service>). Pursuant to § 16 (2) sentence 3 of the Articles of Incorporation, this does not affect any other forms of granting or revoking

proxy authorization or providing evidence of such authorization to the Company which are permitted directly by law. 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 a bank, shareholders' association or other person or association which has the status of a bank according to § 135 (8) AktG, or an institution or company with the status of a bank according to § 135 (10), in conjunction with § 125 (5) AktG, or the appointment of the proxy falls within the scope of application of § 135 AktG on any other grounds), 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. Banks and shareholders' associations, as well as other persons and associations which have the status of banks according to § 135 (8) AktG, or institutions and companies with the status of banks according to § 135 (10), in conjunction with § 125 (5) 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 again this year in particular have the opportunity to grant authorization and, if desired, issue instructions to a bank or shareholders' association via the password-protected online service that is accessible on the aforementioned website (<http://www.telekom.com/hv-service>), provided that the bank or shareholders' association participates in this online service. An online password is required in addition to the shareholder number in order to use the password-protected online service, as for the password-protected Internet Dialog. Shareholders who have already registered to receive their invitation to the shareholders' meeting by e-mail or De-Mail can use the online password, they selected on registration. All other shareholders will be sent an online password, which can also be used for this online service together with the invitation to the shareholders' meeting, provided they have been registered in the shareholders' register before the beginning of May 3, 2018. In order to use the password-protected online service, shareholders must have been entered in the shareholders' register before the beginning of May 3, 2018. The password-protected online service will be available from April 18, 2018 onwards.

appointed proxies, these proxies shall exercise the respective voting rights only to the extent they have received explicit voting instructions. 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. The Company-appointed proxies 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. Instructions issued to the Company-appointed proxies may be changed at any time up to and including the day of the shareholders' meeting, right up to shortly before the votes are cast.

c) The information provided under a) above shall also apply, subject to the following special provisions, when authorization is granted to the Company-appointed proxies: If authorization is granted 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. We offer the following electronic communication channels for shareholders to provide evidence of proxy authorization pursuant to § 134 (3) sentence 4 AktG: Evidence of proxy authorization can be supplied to the Company via the password-protected Internet Dialog using the process provided for this purpose (subject to the requirements and restrictions stated under "Using the password-protected Internet Dialog") at the address stated above (<http://www.telekom.com/hv-service>), or sent by e-mail to [hv-service@telekom.de](mailto:hv-service@telekom.de). Documents can be submitted in .doc and .docx, .txt and .pdf format (in addition to the possibility of forwarding an existing e-mail). 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. Notwithstanding the above, declarations relating to proxy authorizations (granting, revocation), if made to the Company, and any evidence to be provided to the Company may also, in particular, be sent to the postal address given above.

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

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

Under § 122 (2) AktG, shareholders collectively holding at least one twentieth of the capital stock or at least EUR 500,000 in total (the latter corresponds to 195,313 shares) may request that additional items be added to the agenda and published. Each new item must be accompanied by a corresponding statement of grounds or a resolution proposal. 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 Monday, April 16, 2018, 24:00 (CEST) at the latest. Requests can be sent to the following address: Deutsche Telekom AG, Vorstand, Postfach 1929, 53009 Bonn, Germany.

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 before the date on which the request was received 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 following applies to the calculation of the shareholding period: The date on which the request was received is not included in this calculation. It is not possible to bring forward or postpone a date that falls on a Saturday, Sunday, or public holiday to a preceding or subsequent working day.

§§ 187 to 193 of the German Civil Code shall not apply accordingly. Certain third-party shareholding periods will be taken into account in accordance with § 70 AktG.

Any additions to the agenda which 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 will be forwarded to media services which can be expected to publish the information across the entire European Union. Any requests for additional items to be added to the agenda which are received by the Company once notice of convocation of the shareholders' meeting has been issued and which require publication will also be made available at the following address and communicated to the shareholders as soon as they have been received by the Company:

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

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

At the shareholders' meeting, shareholders may make applications and, as applicable, nominations relating to particular agenda items and the rules of procedure without any notice, publication, or other action related to the application or nomination being required prior to the shareholders' meeting.

Counter-motions within the meaning of § 126 AktG and nominations within the meaning of § 127 AktG, together with the shareholder's name, the corresponding grounds (which are 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, will be published on the following website:

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

provided they are received by the Company by

**Wednesday, May 2, 2018, 24:00 (CEST),  
at the latest,**

and are addressed to

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

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

or by **e-mail** to  
**gegenantraege@telekom.de**

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

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

Under § 131 (1) AktG, the Board of Management must provide any shareholder who makes a corresponding request at the shareholders' meeting with information relating to the Company's affairs, including its legal and business relations with 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.

## Further information

Further information on the shareholders' rights pursuant to § 122 (2), § 126 (1), § 127, and § 131 (1) AktG, in particular information relating to additional requirements above and beyond compliance with relevant deadlines, is available on the following website:

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

# FURTHER DETAILS AND INFORMATION RELATING TO THE SHAREHOLDERS' MEETING

## **Information for bearers of ADRs**

Bearers of American Depositary Receipts (ADRs) may obtain additional information through Deutsche Bank Trust Company Americas (Depositary), e-mail: [adr.corporateaction@list.db.com](mailto:adr.corporateaction@list.db.com), phone +1 212 250-9100.

## **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 for granting proxy and for issuing instructions, as necessary, as well as for postal voting, and any requests for additional agenda items within the meaning of § 122 (2) AktG are available from the following website:

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

The notice of convocation with the full agenda and the Board of Management and Supervisory Board resolution proposals was published in the German Federal Gazette (Bundesanzeiger) on April 5, 2018, and also forwarded to 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. All shareholders and the interested public may follow the shareholders' meeting live on the following website:

<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 is 4,761,458,596 (calculated in accordance with § 49 (1) sentence 1 no. 1, 2nd option German Securities Trading Act (Wertpapierhandelsgesetz – WpHG)).

**Bonn, April 2018**

**Deutsche Telekom AG  
Board of Management**

**DEUTSCHE TELEKOM AG**

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

Board of Management: Timotheus Höttges (Chairman),

Adel Al-Saleh, Thomas Dannenfeldt, Srinivasan Gopalan, Dr. Christian P. Illek,

Dr. Thomas Kremer, Claudia Nemat, Dr. Dirk Wössner

Commercial register: Local court Bonn HRB 6794

Registered office: Bonn

VAT identification no.: DE 123475223