

## Information on shareholders' rights

pursuant to § 122 (2), § 126 (1), § 127 and § 131 (1) of the German Stock Corporation Act (AktG)

# SHAREHOLDERS' MEETING OF DEUTSCHE TELEKOM AG THURSDAY MAY 17, 2018, 10:00 A.M.

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

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

Under § 122 (2) AktG, shareholders collectively holding at least one twentieth of the capital stock or at least EUR 500,000 in total (the latter 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. The demand must be sent to the company's board of management in writing (as defined in § 122 (2) in conjunction with (1) sentence 1 AktG) and must reach the company at least 30 days before the day of the shareholders' meeting; this period does not include the day of the meeting itself or the day the demand was received by the company.

Thus, the latest possible deadline is midnight (Central European Summer Time) on Monday, April 16, 2018. The demand may in all cases be addressed as follows:

Deutsche Telekom AG, Vorstand, Postfach 19 29, 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 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 of the 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 will be forwarded to those 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 that are received by the Company once notice of convocation of the shareholders' meeting has been issued will also be made available at the following address as soon as they have been received by the Company:

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

The shareholders shall also be informed of said item in accordance with § 125 AktG.

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

§ 122 Convocation at the request of a minority (extract)

“(1) The shareholders' meeting shall be called if shareholders whose aggregate holdings equal one-twentieth of the share capital demand such a meeting in writing, stating the purpose of and reason for such a meeting; this demand is to be addressed to the board of management. The articles of incorporation may provide that the right to demand a shareholders' meeting shall require another form or the holding of a lower proportion of the share capital. 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. § 121 (7) shall apply mutatis mutandis.

(2) In the same way, shareholders collectively holding at least one twentieth of the capital stock or at least EUR 500,000 in total may 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. The demand within the meaning of sentence 1 shall be provided to the company at least 24 days – in case of listed companies: at least 30 days – prior to the meeting; the day of receipt shall not be included when calculating this period.”



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## § 121 General information (extract)

“(7) When fixing periods and deadlines that are counted backward from the day of the shareholders’ meeting, the day of the meeting itself shall not be taken into account. Transferral from a Sunday, a Saturday, or a public holiday to a preceding or subsequent workday is not possible. §§ 187 through 193 of the German Civil Code shall not apply. The articles of incorporation of unlisted companies may provide for another method for calculating periods and deadlines.”

## § 70 Calculation of the period of shareholding

“If the exercise of rights arising from a share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institute, or an enterprise operating under § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the Banking Act shall be deemed equivalent to ownership. The period during which the share was owned by a predecessor shall be attributed to the shareholder, provided that the latter acquired the share without consideration from its fiduciary, as a successor in legal interest by operation of law, in connection with the liquidation of a community of interest, or as a result of a transfer of assets pursuant to § 13 of the Insurance Supervision Act or § 14 of the Building Loans Associations Act.”

## Countermotions 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 and nominations for election by shareholders may be put to the vote only if they are put forward during the shareholders’ meeting; this also applies if the relevant counter-motion or nomination for election has been published in advance of the shareholders’ meeting in accordance with § 126 and 127 AktG.

Counter-motions within the meaning of § 126 AktG and nominations within the meaning of § 127 AktG, together with the shareholder’s name, the corresponding reasons (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, shall be published on the following website:

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

providing they are received by the Company at least 14 days before the shareholders’ meeting, not including the day of receipt or the day of the meeting itself, and therefore by midnight, Central European Summer Time on Wednesday, May 2, 2018, via the following address:

Gegenanträge zur Hauptversammlung DTAG  
Postfach 19 29  
53009 Bonn  
Germany

or by fax to: +49 228 18188259

or by e-mail to: [gegenantraege@telekom.de](mailto:gegenantraege@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. The shareholders’ right corresponding to this obligation is that their counter-motions and nominations for election must be published. In addition to submitting the counter-motions/nominations in good time and to the aforementioned address stated in the notice of convocation for this purpose, it is a condition for the obligation to public disclosure that applies to counter-motions within the meaning of § 126 AktG, but not to nominations for election within the meaning of § 127 AktG, that within the stated period not only the actual counter-motion but also the reasons for it should be sent to the address mentioned above. No obligation exists to make counter-motions and nominations for election public, even if the conditions mentioned previously have been fulfilled, if the facts described in § 126 (2) AktG apply and, additionally in the case of nominations for election, if § 127 sentence 3 AktG applies.

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

## § 126 Motions by shareholders

“(1) Information on shareholders’ motions, including the name of the shareholder, its reasons and management’s comments, shall be given to those entitled parties named in § 125 (1) to (3) under the terms stipulated therein, provided the shareholder submits to the company, via the address stated in the notice of convocation, its counter-motion to a motion of the board of management and the supervisory board on a specific item on the agenda, together with its reasons, no later than 14 days before the shareholders’ meeting. The date of receipt is not included in this calculation. For listed companies, publication shall be on the company website. § 125 (3) shall apply mutatis mutandis.

(2) Information on a counter-motion and the reasons for it need not be given

1. if the board of management would by virtue of providing such information make itself criminally liable;
2. if the counter-motion would result in a resolution of the shareholders’ meeting that would be unlawful or in breach of the articles of incorporation;
3. if the reasons given contain statements that are evidently false or misleading in major aspects or which are defamatory;
4. if a counter-motion by the shareholder based on the same facts has already been communicated to a shareholders’ meeting of the company pursuant to § 125;
5. if the same counter-motion by the shareholder on essentially identical grounds has already been communicated pursuant to § 125 to at least two shareholders’ meetings of the company within the past five years and at such shareholders’ meetings less than one-twentieth of the share capital represented voted in favor of such a counter-motion;

6. if the shareholder indicates that it will neither attend nor be represented at the shareholders' meeting; or
7. if, at two shareholders' meetings within the past two years, the shareholder failed to move or cause to be moved on its behalf a counter-motion it had communicated.

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

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

#### § 127 Nominations by shareholders

"§126 shall apply mutatis mutandis to any nomination by a shareholder for election of members of the supervisory board or of external auditors. No reasons need be provided for such a nomination, nor does the board of management need to give notice of such a nomination if it fails to contain the particulars required by §124 (3) sentence 4 and §125 (1) sentence 5. In the case of listed companies that are subject to the Co-Determination Act (Mitbestimmungsgesetz), the Act on Co-Determination in the Coal, Iron and Steel Industry (Montan-Mitbestimmungsgesetz) or the Supplementary Co-Determination Act (Mitbestimmungsergänzungsgesetz), the board of management must add the following information to the shareholder's nomination:

1. reference to the requirements given in § 96 (2),
2. information on whether joint fulfillment in accordance with § 96 (2) sentence 3 was objected to and
3. note of the minimum number of seats on the supervisory board that must be occupied by women and by men respectively in order to meet the minimum quota requirement pursuant to § 96 (2) sentence 1."

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

"(3) ... Proposals for the election of members of the supervisory board or of auditors shall state their names, professions and places of residence. ..."

#### § 125 Communications to shareholders and members of the supervisory board (extract)

"(1) ... In the case of listed companies there shall be included with the nominations for election of supervisory board members information as to their membership of other supervisory boards that are to be established pursuant to statutory provisions; details of their membership in comparable domestic and foreign supervisory bodies of commercial enterprises shall be given."

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

Under § 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. The rights of non-disclosure are listed in § 131 (3) AktG.

The provisions in the Stock Corporation Act underlying this right of shareholders, which also determine the conditions under which information may be withheld, are as follows:

#### § 131 Shareholders' right to information

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

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

(3) The board of management may refuse to provide information

1. to the extent that providing such information is, according to sound business judgment, likely to cause material damage to the company or an affiliated company;
2. to the extent that such information relates to tax valuations or the amount of certain taxes;
3. with regard to the difference between the value at which items are shown in the annual balance sheet and the higher market value of such items, unless the shareholders' meeting is to approve the annual financial statements;

4. with regard to the accounting policies, if disclosure of such policies in the notes suffices to provide a clear view of the actual condition of the company's assets, financial position and profitability within the meaning of § 264 (2) of the Commercial Code; the foregoing shall not apply if the shareholders' meeting approves the annual financial statements;

5. if provision thereof would render the board of management criminally liable;

6. if, in the case of a bank or financial services institution, information need not be given concerning the accounting policies applied when preparing the annual financial statements, the management report, the consolidated financial statements or the group management report;

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

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

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

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

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

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



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