

# Text of the items in item 6 of the agenda of the Annual General Meeting Deutsche Telekom AG on 25 May 2016. Authorisation to acquire and use treasury shares possible exclusion of the subscription and any right of appeal as well as the possibility of confiscating treasury shares by reducing the share capital.

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

a) The Board of Management shall be authorized to purchase shares of the Company by May 24, 2021, with the amount of capital stock accounted for by these shares totaling up to EUR 1,179,302,878.72, which is 10 % of the capital stock, subject to the proviso that the shares to be purchased on the basis of this authorization in conjunction with the other shares of the Company, which the Company has already purchased and still possesses or are to be assigned to it under § 71d and § 71e AktG, do not at any time account for more than 10 % of the Company's capital stock. Moreover, the requirements under § 71 (2) sentences 2 and 3 AktG must be complied with. Shares shall not be purchased for the purpose of trading in own shares. This authorization may be exercised in full or in part. The purchase can be carried out in partial tranches spread over various purchase dates within the authorization period until the maximum purchase volume is reached.

Dependent Group companies of Deutsche Telekom AG within the meaning of § 17 AktG or third parties acting for the account of Deutsche Telekom AG or for the account of dependent Group companies of Deutsche Telekom AG within the meaning of § 17 AktG shall also be entitled to purchase the shares.

b) The shares are purchased in compliance with the principle of equal treatment (§ 53a AktG) through the stock exchange. Shares can instead also be purchased by means of a public purchase or share exchange offer presented to all shareholders, which, subject to a subsequently approved exclusion of the right to tender shares, must also comply with the principle of equal treatment (§ 53a AktG). The shares can also be purchased on the stock exchange through a bank or some other company meeting the requirements of § 186 (5) sentence 1 AktG (hereinafter jointly: issuing company) in such a way that the issuing company is commissioned to purchase the shares as part of a specific buyback program under the conditions stipulated under item (4).

(1) If the shares are purchased through the stock exchange, the equivalent value per share paid by the Company (excluding transaction costs) may not be more than 10 % above or 20 % below the market price of the shares determined by the opening auction on the trading day on which the contractual transaction was concluded in the Xetra trading system of Deutsche Börse AG (or a subsequent system).

(2) If the shares are purchased through a public purchase offer presented to all shareholders, the purchase price offered or the limits of the purchase price range offered per share (excluding transaction costs) may not be more than 10 % above or below the average market price of the share between the 9<sup>th</sup> and 5<sup>th</sup> trading day before the date of publication of the offer, established on the basis of the arithmetical average of the closing auction prices of the share in the Xetra trading system of Deutsche Börse AG (or a subsequent system) on the 9<sup>th</sup>, 8<sup>th</sup>, 7<sup>th</sup>, 6<sup>th</sup>, and 5<sup>th</sup> trading day before the date of publication of the offer. The volume of the offer may be limited. If the total number of offered shares exceeds this volume, the shares can be purchased in accordance with the ratio of offered shares; furthermore, provision can be made for the preferential acceptance of small quantities of up to 100 shares offered per shareholder as well as for rounding off in accordance with prudent commercial practice in order to avoid arithmetical fractional shares. Any further rights of shareholders to tender their shares shall be excluded to this extent.

(3) If the shares are purchased through a public share exchange offer presented to all shareholders, the offered equivalent value, i. e., the value of the offered consideration, per share (excluding transaction costs) may not be more than 10 % above or below the average market price of the share between the 9<sup>th</sup> and 5<sup>th</sup> trading day before the date of publication of the offer, established on the basis of the arithmetical average of the closing auction prices of the share in the Xetra trading system of Deutsche Börse AG (or a subsequent system) on the 9<sup>th</sup>, 8<sup>th</sup>, 7<sup>th</sup>, 6<sup>th</sup>, and 5<sup>th</sup> trading day before the date of publication of the offer. If shares are offered as a consideration, which are listed on stock exchanges in Germany or abroad within the meaning of § 3 (2) AktG, the average market price between the 9<sup>th</sup> and the 5<sup>th</sup> trading day before the date of publication of the offer shall be used to determine the equivalent value, established on the basis of the arithmetical average of the closing prices in the German or international market, which complies with the requirements of § 3 (2) AktG, on the 9<sup>th</sup>, 8<sup>th</sup>, 7<sup>th</sup>, 6<sup>th</sup>, and 5<sup>th</sup> trading day before the date of publication of the offer. If the share is traded on multiple stock exchanges, solely the market with the highest transaction volume shall be used. The volume of the offer may be limited. If the total number of offered shares exceeds this volume, the shares can be purchased in accordance with the ratio of offered shares; furthermore, provision can be made for the preferential acceptance of small quantities of up to 100 shares offered per shareholder as well as for rounding off in accordance



- with prudent commercial practice in order to avoid arithmetical fractional shares. Any further rights of shareholders to tender their shares shall be excluded to this extent.
- (4) As part of a specific buyback program, an issuing company can be commissioned on a previously stipulated minimum number of trading days in the Xetra trading system of Deutsche Börse AG (or a subsequent system) and no later than the end of a previously agreed period, either to purchase an agreed number of shares or to purchase shares for a previously stipulated total purchase price, and to transfer these to the Company, whereby
- (i) the issuing company must purchase the shares through the stock exchange in compliance with the principle of equal treatment (§ 53a AktG) and
  - (ii) the purchase price per share to be paid by the Company must be subject to a discount of at least 0.25 % up to a maximum 5 % in respect of the arithmetical average of the volume-weighted average price (VWAP) of the share in the Xetra trading system of Deutsche Börse AG (or a subsequent system) during the actual buyback period. This purchase price may also effectively be achieved by means of a cash payment and/or equivalent amount in shares to be made at the end of or after the expiry of the actual buyback period. Moreover, the issuing company must
  - (iii) buy the shares to be supplied on the stock exchange at prices that lie within the range defined in item (1) for the customary purchase of shares through the stock exchange.
- c) The Board of Management shall be authorized to sell shares of Deutsche Telekom AG that are purchased based on the above purchase authorization again through the stock exchange observing the principle of equal treatment (§ 53a AktG).
  - d) The Board of Management shall be authorized to offer the shares of Deutsche Telekom AG, which are purchased based on the above authorization, to shareholders for subscription on the basis of an offer presented to all the shareholders without prejudice to their subscription rights and observing the principle of equal treatment of shareholders (§ 53a AktG).
  - e) The Board of Management shall be authorized, with the approval of the Supervisory Board, to sell the shares purchased on the basis of the above purchase authorization other than through the stock exchange or by offering them to all shareholders, if the shares purchased are sold for cash payment at a price that is not significantly lower than the market price of Company shares of equal ranking on the date of sale. This authorization is limited to a proportion of the capital stock not exceeding a total of EUR 1,179,302,878.72 – which is 10 % of Deutsche Telekom AG's capital stock on the date of the resolution on this authorization adopted by the shareholders' meeting – or – if this value is lower – 10 % of the capital stock on the date of sale of the shares. The authorized volume decreases by the proportion of capital stock that is accounted for by the shares or that relates to option and/or conversion rights and obligations from bonds issued or sold since this authorization was granted, with subscription rights being excluded, directly pursuant to, in accordance with, or analogous to § 186 (3) sentence 4 AktG.
  - f) The Board of Management shall be authorized, with the approval of the Supervisory Board, to use shares of Deutsche Telekom AG acquired on the basis of the above purchase authorization for the purpose of listing Company shares on international stock exchanges where they are not quoted.
  - g) The Board of Management shall be authorized, with the approval of the Supervisory Board, to offer and/or grant shares of Deutsche Telekom AG acquired on the basis of the above purchase authorization to third parties in the context of mergers or acquisitions of companies, business units, or interests in companies, including increasing existing shareholdings, or other assets eligible for contribution for such acquisitions, including claims against the Company.
  - h) The Board of Management shall be authorized to use shares of Deutsche Telekom AG acquired on the basis of the above purchase authorization to fulfill option and/or conversion rights and obligations from convertible bonds and/or bonds with warrants issued, either directly or through a company in which the Company has a (direct or indirect) majority holding, by the Company on the basis of the authorization under item 10 on the agenda for the shareholders' meeting on May 15, 2014.
  - i) The Board of Management shall be authorized to offer and/or grant shares of Deutsche Telekom AG acquired on the basis of the above purchase authorization to employees of Deutsche Telekom AG and of lower-tier affiliated companies as well as to Managing Board members of lower-tier affiliated companies. Shares acquired on the basis of the above purchase authorization can also be transferred to a bank, or to some other company meeting the requirements of § 186 (5) sentence 1 AktG, which, along with the shares, assumes the obligation to use the shares exclusively for the purpose of granting shares to employees of Deutsche Telekom AG and of lower-tier affiliated companies as well as to Managing Board members of lower-tier affiliated companies. The Board of Management shall be authorized to acquire the shares to be granted to employees of Deutsche Telekom AG and of lower-tier affiliated companies as well as to Managing Board members of lower-tier affiliated companies via securities loans from a bank, or some other company meeting the requirements of § 186 (5) sentence 1 AktG, and then use the shares of Deutsche Telekom AG acquired on the basis of the above purchase authorization to repay these securities loans.
  - j) The Board of Management shall be authorized to redeem shares of Deutsche Telekom AG purchased on the basis of the above purchase authorization, without such redemption or its implementation requiring a further resolution of the shareholders' meeting. The redemption shall lead to a capital reduction. The Board of Management may determine otherwise, i.e. that the capital stock remains unchanged upon redemption and instead that the proportion of the remaining shares in the capital stock is increased through redemption pursuant to § 8 (3) AktG. In such a case, the Board of Management is authorized to adjust the statement on the number of shares in the Articles of Incorporation.
  - k) The Supervisory Board shall be authorized to use shares of Deutsche Telekom AG, acquired on the basis of the above purchase authorization, to fulfill rights of Board of Management members to receive shares of Deutsche Telekom AG, which the

Supervisory Board has granted to these members as part of the arrangements governing Board of Management remuneration.

- l) The subscription rights of shareholders shall be excluded if the Board of Management uses Deutsche Telekom AG shares in accordance with the authorizations under c), e), f), g), h), and i), and if the Supervisory Board uses Deutsche Telekom AG shares in accordance with the authorization under k) Furthermore, the Board of Management may, with the approval of the Supervisory Board, exclude the subscription rights of shareholders for fractional amounts if shares in Deutsche Telekom AG are sold to the Company's shareholders by offering them for sale in accordance with d).
- m) The above authorizations can be used once or several times, individually or jointly, in whole or related to partial volumes of the shares purchased. The price at which shares of Deutsche Telekom AG are listed on such stock exchanges in accordance with the authorization in f) or at which they are provided to third parties in accordance with the authorizations in c) and e) must not be less than a price of 5% below the market price of the share established by the opening auction in the Xetra trading system of Deutsche Börse AG (or a subsequent system) on the day of the initial public offering or of the binding agreement with the third party. If on the day concerned no such market price is determined or is not determined by the time of the
- initial public offering or the binding agreement with the third party, then the last closing price of the Deutsche Telekom AG share determined in the Xetra trading system of Deutsche Börse AG (or a subsequent system) shall be decisive instead.
- n) The authorization to purchase own shares granted to the Board of Management by the shareholders' meeting of Deutsche Telekom AG on May 24, 2012 under agenda item 7 shall end when this new authorization takes effect; the authorizations granted by the shareholders' meeting resolution of May 24, 2012, on the use of repurchased shares shall not be affected.
- o) In addition, provided the permitted purchase volume in accordance with a) has not yet been used up, the authorizations under e) to k), and l) sentence 1, and m) shall also apply for the Deutsche Telekom AG shares that have been or will be acquired free of charge by Deutsche Telekom AG, a dependent Group company of Deutsche Telekom AG within the meaning of § 17 AktG, or third parties acting for the account of Deutsche Telekom AG or for the account of a dependent Group company of Deutsche Telekom AG within the meaning of § 17 AktG. If such shares are used for the purposes named under e) to k), or if the Board of Management decides that there should be such shares available for these purposes, then the Board of Management may no longer make use of the purchase authorization under a) in the corresponding amount.

