

# ARTICLES OF ASSOCIATION

of

## Telekom Austria Aktiengesellschaft

(Company no. 144.477 t, Commercial Register of Vienna)

as of May 27, 2010

Gelöscht: August 25, 2009

### § 1

#### Name, Registered Office, Duration and Financial Year

- (1) The name of the stock corporation is  
**Telekom Austria Aktiengesellschaft.**
- (2) The Company has its registered office in Vienna.
- (3) The duration of the Company is not limited to a specific period.
- (4) The Company's financial year is the calendar year.

### § 2

#### Object of the Company

- (1) The object of the Company is
  - the investment in other enterprises and corporations as well as the management and administration of such investment (holding company), including the acquisition and the disposal of investments in Austria and abroad;
  - all activities in connection with the performance of services and the establishment of necessary preconditions for the operation and provision of (tele)communication networks and services (in particular mobile communication and fixed line) and associated services and infrastructure, in Austria and abroad, in particular also the acquisition of necessary licenses and the distribution of end devices; as well as services economically connected with such activities; such activities may either be undertaken directly by the Company or through shareholdings.
- (2) The Company is authorised to undertake all transactions and activities which are necessary or useful in order to achieve the aim of the Company, in particular also in all areas of business activities which are similar or related to the object of the Company. The Company may process personal information with the support of automated systems.

### § 3

#### Communication between Shareholders and Company

Gelöscht: Publications

- (1) The Company shall publish its information on its website and, as far as required by law, also in the official gazette of "Wiener Zeitung".
- (2) As far as written form is not mandatory by law, resolution proposals, reasons and other declarations shall be sent to the Company in text form exclusively to the address which is published on the website of the Company.
- (3) Resolution proposals, reasons, declarations in accordance with Para 87 Sec 2 Stock Corporation Act and other notifications to the Company shall be submitted in any case in German. The German version shall always prevail; the Company is not obliged to verify whether the foreign language version complies with the German version.
- (4) Deposit confirmations are only accepted in German and English. The Company is not obliged to verify the correctness of deposit confirmations.
- (5) The language at the General Meeting is German.

Gelöscht: Official Gazette as well

### § 4

#### Share Capital and Shares

- (1) The share capital amounts to EURO 996.183.000 and is divided into 443.000.000 no-par shares in bearer form.
- (2) Shares created in the course of capital increases can either be bearer shares or registered shares. If a resolution on capital increase does not stipulate whether the shares are bearer shares or registered shares, the shares shall be bearer shares.
- (3) The form and content of the share certificates and the profit sharing and renewal certificates are determined by the Management Board. The same applies to scrips, debenture bonds, interest warrants and warrants. Any entitlement of a shareholder to the issue of certificates for his or her share shall be excluded.
- (4) Authorized conditional capital 2003:

Gelöscht: stipulated

Gelöscht: Any entitlement to the issue of individual certificates for the shares is excluded.

The Management Board is authorized to increase the share capital according to Para 159 Sec 3 Stock Corporation Act upon approval of the Supervisory Board until June 30, 2010 by up to Euro 9,487,350 by issuing up to 4.35 million new bearer or registered shares with no par value in order to serve stock options, which were granted to employees, managers and members of the Management Board of the Company or of an affiliated company, in January 2006.

The capital increase may only be executed to the extent that owners of stock options exercise their options.

The Supervisory Board is authorized to resolve upon the amendments of the Articles of Association resulting from the issuance of shares out of the authorized conditional capital.

(5) Authorized conditional capital 2006:

The Management Board is authorized to resolve upon a conditional increase of the share capital upon approval by the Supervisory Board during a period of five years from the registration of the amendment of the Articles of Association with the Commercial Register in order to grant stock options to employees, managers and members of the Management Board of the Company or of an affiliated company by up to Euro 21,810,000, by issuing up to 10 million new bearer or registered shares with no par value, against cash contribution.

Within the determined maximum amount, the authorized conditional capital can be exercised in several tranches.

The Supervisory Board is authorized to resolve upon the amendments of the Articles of Association resulting from the issuance of shares out of the authorized conditional capital.

## § 5

### **Management Board – Composition, External Representation, Management of the Company**

- (1) The Management Board of the Company has two to four members. The Supervisory Board can appoint one member as Chairman and one member as Deputy Chairman. The appointment of proxies is allowed.
- (2) The Company is represented by two Members members of the Management Board or by one member of the Management Board together with one proxy or, within the context of the legal representative authority, by two proxies acting jointly.
- (3) The Management Board shall make its decisions by a simple majority of the votes cast. If a member of the Management Board is appointed as Chairman of the Management Board, he shall have the casting vote if the votes are equal. The Supervisory Board can pass the order that no valid resolution can be made if the Chairman of the Management Board raises a veto.
- (4) The Management Board must conduct business in accordance with the law, the Articles of Association and the Rules of Internal Order issued to it by the Supervisory Board. In the Rules of Internal Order the Supervisory Board shall, while maintaining the overall responsibility of the Management Board, also determine the allocation of the activities to the various members of the Management Board.

Gelöscht: An appointment as member of the Management Board is permissible until the age of 65.

## § 6

### **Reporting to the Supervisory Board**

- (1) The Management Board must report to the Supervisory Board at least once per year on fundamental matters relating to the future policy of the Company, and must disclose the future development of the assets, financial position and profits by means of a set of preliminary accounts (annual report). The Management Board must also inform the Supervisory Board on a regular basis, at least quarterly, of the progress of the business and the situation of the Company in comparison with the preliminary accounts, taking future developments into consideration (quarterly report). When there are important grounds to do so, the Chairman must inform the Supervisory Board without delay; the Supervisory Board must also be informed without delay of circumstances that may significantly affect the profitability or liquidity of the Company (special report). The annual report and the quarterly reports must be drawn up in writing.

- (2) The Supervisory Board is also authorised to ask the Management Board at any time for reports on matters affecting the Company, including its relations with companies in which it holds significant participating interests.

## § 7

### **Permission of the Supervisory Board**

The Supervisory Board must determine those transactions which require its permission, in addition to the cases prescribed by law (§ 95 Sect. 5 AktG – Stock Companies Act). Where stipulated by law (§ 95 Sect. 5 no. 1, 2, 4, 5 and 6 AktG), the Supervisory Board must determine limits on the amounts up to which the permission of the Supervisory Board is not required.

## § 8

### **Supervisory Board – Composition**

- (1) The Supervisory Board of the Company shall consist of up to ten members elected by the General Meeting and those members delegated by the works council in accordance with Para 110 Sec. 1 ArbVG.
- (2) The members of the Supervisory Board are – unless they are elected for a shorter period in office – elected for the period until the end of the General Meeting which decides upon the granting of discharge for the fourth financial year after the election. The financial year in which the member of the Supervisory Board was elected is not counted. Re-election is permitted.
- (3) Each Supervisory Board member can resign by submitting a written declaration to the Chairman of the Supervisory Board. The resignation takes effect four weeks after receipt, unless it is stated that the resignation will take place at another time.
- (4) If elected members of the Supervisory Board leave the Supervisory Board before the end of their term of office, re-election should only take place without delay if the number of elected Supervisory Board members falls below three. The term of office of members who are elected in this way lasts until the end of the term of office of the Supervisory Board member who has resigned, unless the General Meeting decides differently. Re-election of departing Supervisory Board members is permitted.
- (5) The Supervisory Board must issue its own Rules of Internal Order.

Gelöscht: A member of the Supervisory Board may be elected until the age of 65.

## § 9

### **Supervisory Board – Chairman**

- (1) The Supervisory Board shall, immediately after its election, elect a Chairman and one or two Deputies. The election is for the same term of office as the members of the Supervisory Board, unless the Supervisory Board decides to the contrary.
- (2) If no one obtains an absolute majority in an election, a second ballot shall be held between the persons who received the most votes. If the votes are equal in the second ballot, the decision shall be made by drawing lots.

- (3) The Chairman and the deputies can resign their posts at any time, subject to a period of notice of four weeks, to be given in writing to the Supervisory Board, even if they do not simultaneously resign from the Supervisory Board.
- (4) If the Chairman or one of the deputies resigns during a period in office, the Supervisory Board must conduct a new election for the person who has resigned without delay. Re-election is permitted.
- (5) The deputies of the Chairman have, when they are acting as representatives of the Chairman, the same rights and obligation he/she has.
- (6) Statements of intent by the Supervisory Board are made on its behalf by the Chairman.

## **§ 10**

### **Meetings of the Supervisory Board, Agenda, Convocation**

- (1) The Supervisory Board must hold a meeting as often as the interests of the Company require, but at least once every quarter.
- (2) The agenda is set by the Chairman, taking into consideration the motions put forward by the Management Board and the motions from Supervisory Board members.
- (3) Convening a meeting of the Supervisory Board takes place in writing, via fax, via e-mail or verbally and remotely, by the Chairman or by the Management Board on his instructions, indicating, the time, the venue and the agenda. When convening a meeting, a period of fourteen days shall be observed between the convocation and the date of the Supervisory Board meeting, to the last known address of the Supervisory Board member; in urgent cases the Chairman can shorten this period.
- (4) Any written documents necessary on the individual points of the agenda must be made available in good time.
- (5) If a request submitted for the convocation of a Supervisory Board meeting from at least two Supervisory Board members or by the Management Board, stating the purpose and the reasons, is not honoured by the Chairman within fourteen days, those requesting the meeting can convene the Supervisory Board themselves, with notification of the matters on the agenda.
- (6) The members of the Management Board shall attend all meetings of the Supervisory Board and its committees, insofar as the Chairman of the meeting does not decide to the contrary; they do not have the right to vote.
- (7) Minutes shall be drawn up of the meetings of the Supervisory Board, which must state the main proceedings at the meeting and the decisions that were made, and must be signed by the Chairman of the meeting.

## § 11

### Supervisory Board – Quorum, Procedure, Postal Vote Procedure

- (1) The Supervisory Board has a quorum if all the Supervisory Board members have been properly convened and at least half the members, including the Chairman or one of his deputies, is present in person.
- (2) If a Supervisory Board member is unable to attend, he may authorise another Supervisory Board member in writing to represent him at a single meeting; the Supervisory Board member represented shall not be counted when determining the quorum. The right to chair the meeting cannot be transferred.
- (3) The type of voting is determined by the Chairman, unless the Supervisory Board determines some other type of voting.
- (4) Decisions are taken by a simple majority of the votes cast. An abstention does not count as a vote cast. If the votes are equal – even in the case of elections – the Chairman shall decide.
- (5) The Supervisory Board can only make a decision on a matter which is not on the agenda if all the Supervisory Board members are present or represented and no member speaks against the decision.
- (6) Postal vote procedure: In urgent cases the Chairman may allow voting to take place in writing or by phone, via fax or e-mail, via Internet or video conference, without the Supervisory Board gathering for a meeting, if no Supervisory Board member objects to this procedure within one week after the documents are dispatched. A decision is made if all the Supervisory Board members have been properly invited to vote and at least half the members, including the Chairman or one of his deputies, have participated in the postal vote procedure. Abstention from voting in the postal vote procedure is counted when determining the decision quorum, but not counted when the results of voting are determined. Representation by other Supervisory Board members is not permitted in the case of postal vote procedure.

## § 12

### Supervisory Board – Tasks

- (1) The Supervisory Board must, by law, supervise the management of the Company by the Management Board.
- (2) The Supervisory Board must audit the reports and requests submitted by the Board and decide on the latter.
- (3) The Supervisory Board shall audit the financial documents presented by the Management Board (Para 20 Sec 1), declare its position about these documents to the Management Board and issue a report to the Annual General Meeting.
- (4) In cases provided for by law, the Supervisory Board shall submit proposals on resolutions to the General Meeting for electing members to the Supervisory Board as well as for appointing of auditors for the financial statements or, as the case may be, of special auditors.
- (5) The Supervisory Board must be informed beforehand of all matters which the Management Board wishes to raise at the General Meeting.

**Gelöscht:** must audit the financial statements, the consolidated financial statements, the proposal for the distribution of the net profit and the management report, and must report on them to the General Meeting. The Supervisory Board must declare its position on the financial statements and the consolidated financial statements to the Management Board within two months of submission thereof.

**Formatiert:** Nummerierung und Aufzählungszeichen

(6) The Supervisory Board is obliged to convene a General Meeting when the interests of the Company require it.

(7) The Supervisory Board is entitled to decide upon amendments and additions to the Articles of Association insofar as they concern its wording.

### § 13

#### Remuneration

- (1) The Supervisory Board members elected by the General Meeting receive an appropriate remuneration for their activity, which is determined annually by the General Meeting. The Supervisory Board members are entitled to reimbursement of their out-of-pocket expenses and to a reasonable fee for attending meetings.
- (2) If Supervisory Board members undertake special work in the interests of the Company, a special remuneration may be allocated to them by a decision of the General Meeting.
- (3) If the term of office of a Supervisory Board member begins or ends during the financial year, the remuneration shall be paid on a pro rata basis.

### § 14

#### Supervisory Board – Committees

- (1) The Supervisory Board may set up one or more committees from among its members and determine their tasks and authorisation; the committees can be set up permanently or for specific tasks. The right to make decisions can also be transferred to the committees. The Supervisory Board shall set up an audit committee in accordance with Para 92 Sec 4a Stock Corporation Act.
- (2) The employee representatives on the Supervisory Board are entitled to appoint members to the committees, who shall have seats and votes in accordance with the proportion set out in § 110 Sect. 1 ArbVG (Employee Representation Act). This does not apply to committees dealing with relations between the company and the members of the Management Board.
- (3) More detailed stipulations on the committees shall be determined in the Rules of Internal Order for the Supervisory Board. The Supervisory Board may also decide upon specific Rules of Internal Order for the committees.

**Gelöscht:** In order to audit and prepare for the adoption of the financial statements, the proposal for the distribution of the net profit and the management report, an Audit Committee shall be set up.

**Gelöscht:** The Audit Committee also has to audit the consolidated financial statements as well as to make a proposal on the election of the auditors and to report it to the Supervisory Board.

### § 15

#### General Meeting – Convocation, Venue

- (1) The Company's General Meeting shall take place at the Registered Office of the Company or at a place of business of the Company within Austria or at the capital of an Austrian Federal District.
- (2) The General Meeting shall be convened by the Management Board or by the Supervisory Board according to the legal provisions. The entitlement of other persons according to the law or the Articles of Association to convene a General Meeting shall remain unaffected.

- (3) Upon approval by the Supervisory Board, the Management Board is authorized to provide in the convocation of the General Meeting that shareholders may participate in the General Meeting via remote participation (Para 102 Sec 3 Subsec 2 Stock Corporation Act) and/or via remote voting (Para 102 Sec 3 Subsec 3 Stock Corporation Act) and to exercise in such way specific or all rights. If the Management Board uses this authorization, the details shall be announced in the convocation of the General Meeting.

**Gelöscht:** Shareholders whose shares cumulatively amount to one-twentieth of the share capital are entitled to request the convocation of a General Meeting in writing, stating its purpose and their reasons. In the same way these shareholders are entitled to request that matters should be announced for decision by a General Meeting. The Shareholders must, however, in both cases, deposit their shares with one of the depositaries referred to in § 16 Sect. 1, in order to prove their authorisation, and must submit to the Company the certificate of deposition from the depositary, either in an original or in a certified true copy, at the latest together with their request.

## § 16 General Meeting – Attendance

- (1) The entitlement to participate in the General Meeting and to exercise those shareholder rights, which are to be exercised in the General Meeting, depends for bearer shares on the share ownership, for scrips and registered shares on the entry in the register of shareholders, in each case at the end of the tenth day before the day of the General Meeting (record date).
- (2) As for bearer shares kept on deposit, a deposit confirmation according to Para 10a Stock Corporation Act is sufficient proof of the share ownership on the record date provided that the Company receives this confirmation at the address referred to in the convocation by the third business day prior to the General Meeting the latest, unless the convocation states a later date.

**Gelöscht:** (4) The convocation must be published in accordance with the stipulations of § 16.

**Gelöscht:** (5) The convocation must state the name of the Company, the time and venue of the General Meeting and the agenda.

**Gelöscht:** Only those shareholders are entitled to attend the General Meeting who have deposited their shares (scrips) with an Austrian notary public at the head office of a domestic credit institution, with those other credit institutions in Austria or abroad which are stipulated in the convocation to the General Meeting or with the Company, within the period stated in Sect. 2, during normal working hours, by the end of the General Meeting.

**Gelöscht:** Deposition must take place in good time so that at least three clear working days remain between the date of deposition and the date of the General Meeting; the Shareholders must have at least fourteen days available after the convocation for the purpose of deposition, not counting the date of publication. If the last day of this period falls on a Sunday or public holiday, the following working day must also be available for the purpose of deposition. Saturdays, Good Friday and 24 December of each year do not count as working days, but count as public holidays.



- (3) For bearer shares which are not kept on deposit, the written confirmation of the Company or of an Austrian notary public is sufficient, provided that the Company receives this confirmation at the address referred to in the convocation by the third business day prior to the General Meeting the latest, unless the convocation states a later date. For the content of the confirmation, Para 10a Sec 2 Stock Corporation Act applies analogously except for the number of the deposit.
- (4) If scrips or registered shares have been issued, the shareholders entered in the share register on the record date are entitled to participate in the General Meeting, provided that they register at the address referred to in the convocation by the third business days prior to the General Meeting, unless the convocation states a later date.
- (5) For participation in the General Meeting and for exercising those shareholder rights which are to be exercised in the General Meeting, each shareholder may appoint a physical or legal person as representative. The proxy shall be issued in text form, submitted to the Company and shall be either physically kept or verifiably recorded by the Company. The details for granting a proxy will be announced together with the convocation of the General Meeting.
- (6) For remote participation and remote voting (Para 15 Sec 3) separate registration may be required in the convocation, whereby for the expiration of the registration deadline also an earlier date can be determined.
- (7) Members of the Management Board or the Supervisory Board may attend the General Meeting by means of an optical and/or acoustical two-way connection.

**Gelöscht:** Deposition has taken place properly even if shares (scrips) are, with the permission of a depository, held for them on the premises of other credit institutions in a blocked account, in accordance with Sect. 1, until the end of the General Meeting.

**Gelöscht:** The depositories must submit certification of the deposition that has taken place to the Company at the latest one working day after the end of the period of deposition.

**Gelöscht:** By publishing it together with the convocation to the General Meeting, the authorisation to participate may be made subject to submission, in good time, of a list of the numbers of the shares (scrips), in duplicate.

**Gelöscht:** If share certificates (scrips) have not been issued, then it must be announced together with the convocation to the General Meeting under what conditions the shareholders will be admitted to the General Meeting.

**Gelöscht:** If scrips have been issued, then the shareholders entered in the share register are authorised to attend even without deposition, if they send a request in writing no later than three working days before the General Meeting.

## § 17 Voting Rights, Decisions

- (1) Each no par value share entitles the holder to one vote.
- (2) Unless a different majority is prescribed by law or by the Articles of Association, the General Meeting shall decide by a simple majority of the votes cast; in cases where a majority of the capital is required, it shall decide by a simple majority of the share capital represented when making the decision.
- (3) If, in the case of elections, a simple majority is not achieved in the first ballot, a further ballot will take place between the two candidates who received the most votes. If the votes are equal, the decision will be made by drawing lots.
- (4) In order to be valid, every resolution of the General Meeting needs to be notarised by an Austrian notary public, in a written record of the proceedings.

**Gelöscht:** (2) The exercise of voting rights at the General Meeting by proxies is permitted, subject to a written power of attorney, which must be retained by the Company.

**Formatiert:** Nummerierung und Aufzählungszeichen

## § 18

### Chair, Direction and Broadcasting of the General Meeting

Gelöscht: **Chairmanship**

Gelöscht: **Recording**

- (1) The General Meeting is chaired by the Chairman of the Supervisory Board; if neither he nor one of his deputies is present or is willing to chair the meeting, then the notary present to record the proceedings shall chair the meeting to elect a Chairman.
- (2) The Chairman of the General Meeting conducts the proceedings and in particular determines the sequence of items on the agenda are dealt with and the sequence of the speakers, and for each item the form and sequence of voting on resolution proposals, as well as the procedure for counting the votes, unless mandatory law provides otherwise.
- (3) The General Meeting may be publicly broadcasted in parts or in its entirety acoustically and/or visually and may be made available on the internet.

Gelöscht: will assist

Gelöscht: and the form of voting. The entire General Meeting or parts thereof can be recorded and broadcasted in sound and/or vision.

Formatiert: Nummerierung und Aufzählungszeichen

## § 19

### General Meeting and Scope of Activities

- (1) The Annual General Meeting takes place within the first eight months of the fiscal year. Besides presentation of documents in accordance with Para 20 Sec 1, the agenda comprises the adoption of the Company's financial statements, if required by law, the resolution on the utilization of net profits, if the financial statements show a net profit, and the granting of discharge to the members of the Management Board and to the members of the Supervisory Board.
- (2) The General Meeting also makes decisions on the cases expressly referred to by law and in the Articles of Association, in particular on the election and dismissal of Supervisory Board members or changes in the Articles of Association.
- (3) The General Meeting can only decide on questions relating to the management of the Company if the Management Board or – insofar as a matter is involved which is reserved for its approval according to § 95 Sect. 5 of the Stock Companies Act – the Supervisory Board requests it.

Gelöscht: makes a decision each year during

Gelöscht: financial

Gelöscht: on the allocation of the net profits, on the granting of discharge to the members of the Management Board and the Supervisory Board, on the election of the Company auditor and the Group auditor, and in the cases stipulated by law, on the confirmation of the annual accounts.

## § 20

### Annual Accounts, Dividends

- (1) The Management Board must, during the first five months of the fiscal year, draw up the financial statements, the management report, the consolidated financial statements and the consolidated management report for the past fiscal year, and after auditing by the Company auditor, must submit these documents to the Supervisory Board together with the the corporate governance report and, if the financial statements show a net profit, together with a proposal for the utilization of net profits.
- (2) The Supervisory Board must audit the documents referred to in Sec 1 within two months after receipt, declare its position about these documents to the Management Board and issue a report to the General Meeting.
- (3) If the Supervisory Board approves the financial statements, they are confirmed unless the Management Board and the Supervisory Board decide that they will be confirmed by the General Meeting.

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Gelöscht: the financial statements and the management report, the proposal for the distribution of the net profit as well as the consolidated financial statements and the consolidated management report, and must report on them to the General Meeting.

Gelöscht: The General Meeting is bound by the confirmed annual accounts.

- (4) If the financial statements show a net profit, the Annual General Meeting will resolve on the utilization of the net profits. Thereby, the General Meeting is bound by the financial statements adopted by the Management Board and approved by the Supervisory Board. The General Meeting may hold back the net profits from distribution, either in full or in part, contrary to the proposal for the utilization of net profits. The Management Board must make the changes in the financial statements which become necessary as a result.
- (5) The shareholders' shares of the profits are distributed in proportion with the payments that have been made for the pro rata amount of the share capital of the shares. Payments which have been made during the financial year are taken into account in proportion with the time that has passed since they were made. When new shares are issued during the financial year, the point in time as of which the dividend entitlement is granted, shall be determined.
- (6) A dividend distribution decided upon by the General Meeting will fall due thirty days after the decision is made by the General Meeting, unless it makes a decision to the contrary.
- (7) Dividends which are not claimed within three years after falling due, will lapse in favour of the Company.

Gelöscht: The Annual General Meeting makes a decision each year on the distribution of the net profits in the accounts.

Gelöscht: distribution