

Resolution Proposals for the Annual General Meeting

Telekom Austria Aktiengesellschaft
Company no. 144477t, Commercial Court Vienna
ISIN AT 0000720008

Resolution Proposals by the Management Board and the Supervisory Board in Accordance with Para 108 Stock Corporation Act

Agenda Item 1: Presentation of the adopted financial statements and the management report as well as the consolidated financial statements including the consolidated management report and the corporate governance report, the proposal for utilization of the net profit and the Supervisory Board report on the fiscal year 2009.

Information: The aforementioned documents are available on the Internet at www.telekomaustria.com/ir/annual-reports.php.

A resolution on this agenda item is not required.

Agenda Item 2: Resolution on the utilization of the net profit shown in the financial statements for the fiscal year 2009.

The Management Board and the Supervisory Board of Telekom Austria AG propose to use the profit of the fiscal year 2009 of Telekom Austria AG in the amount of Euro 332,286,917.68 as follows:

Distribution of a dividend of Euro 0.75 per eligible no par value share.

The rest and the amount that is allotted to non-eligible treasury shares will be carried forward onto new account.

Information: Ex-dividend day on which the dividend will be deducted from the stock price will be June 1, 2010, and the dividend is due as of June 4, 2010 (payment date).

Agenda Item 3: Resolution on the discharge of the members of the Management Board for the fiscal year 2009.

The Management Board and the Supervisory Board of Telekom Austria AG propose to grant discharge to the members of the Management Board for the fiscal year 2009.

Agenda Item 4: Resolution on the discharge of the members of the Supervisory Board for the fiscal year 2009.

The Management Board and the Supervisory Board of Telekom Austria AG propose to grant discharge to the members of the Supervisory Board for the fiscal year 2009.

Agenda Item 5: Resolution on the compensation for the members of the Supervisory Board for the fiscal year 2009.

The Management Board and the Supervisory Board propose to determine the remuneration for the elected members of the Supervisory Board for the fiscal year 2009 as follows:

- for the chairman Euro 30,000
- for the deputy chairman Euro 22,500
- for every further member of the Supervisory Board Euro 15,000
- the attendance fee for each member of the Supervisory Board per meeting shall amount to Euro 300 until further notice.

Agenda Item 6: Election of the auditors of the financial statements and of the consolidated financial statements for the fiscal year 2010.

The Supervisory Board proposes to elect KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, as company auditor and group auditor for the fiscal year 2010.

Agenda Item 7: Election of one member of the Supervisory Board.

In accordance with Para 8 Sec 1 and 4 of the Articles of Association of Telekom Austria AG, the Supervisory Board consists of a minimum of three and a maximum of ten members elected by the Annual General Meeting.

Until now, the Supervisory Board has consisted of eight elected members as well as four employee representatives designated by the corporate employee representation (Central Works Council) in accordance with Section 110 (1) Austrian Labour Constitution Act.

Mr. Stephan Koren has announced to resign as member of the Supervisory Board at the end of the Annual General Meeting of Telekom Austria AG on May 27, 2010.

The Supervisory Board of Telekom Austria AG proposes in accordance with the nominating committee, to elect Mr. Wolfgang Ruttenstorfer, born October 15, 1950, as member of the Supervisory Board of Telekom Austria AG until the end of the Annual General Meeting resolving upon the discharge of the Supervisory Boards for the fiscal year 2012.

Mr. Ruttenstorfer has made a declaration pursuant to Section 87 (2) Austrian Stock Corporation Act, which is available on the Website of the Company together with his Curriculum Vitae.

Agenda Item 8: Management report on share buy-back effected, number of treasury shares held and use of treasury shares.

Information: A resolution on this agenda item is not required. The report can be viewed under www.telekomaustria.com/agm.

Agenda Item 9: Resolution on the amendment of the Articles of Association in particular for adaptation according to the Stock Corporation Amendment Act 2009 (Aktienrechts-Änderungsgesetz 2009).

The Management Board and the Supervisory Board of Telekom Austria AG propose to amend the Articles of Association in Para 3 to 5, 8, 12 and 14 to 20 as follows, in particular to adapt them to the Stock Corporation Amendment Act 2009 (Aktienrechts-Änderungsgesetz 2009):

§ 3 shall be entirely revised and shall be reworded as follows:

"§ 3 Communication between Shareholders and Company

- (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."

§ 4 Sec 3 shall be reworded as follows:

"(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."

§ 5: The second sentence in Sec (1) "An appointment as member of the Management Board is permissible until the age of 65." shall be deleted. Sec (1) shall therefore read as follows:

"(1) The Management Board of the Company has two to four members. The Supervisory Board may appoint one member as Chairman and one member as Deputy Chairman. The appointment of proxies is allowed."

§ 8: The second sentence in Sec (1) "A member of the Supervisory Board may be elected until the age of 65." shall be deleted. Sec (1) shall therefore read as follows:

"(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."

§ 12 Sec (3) shall be reworded as follows:

"(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."

§ 12: After Sec (3) a new Sec (4) shall be inserted with the following wording:

"(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."

§ 12: The existing Sec (4), (5) and (6) shall be renumbered as Sec (5), (6) and (7).

§ 14 Sec (1) shall be reworded as follows:

- “(1) The Supervisory Board may set up one or more committees from among its members and determine their tasks and authorizations; 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.”

§ 15 Sec (2) and (3) shall be entirely revised and shall be reworded as follows:

- “(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.”

§ 15: The remaining Sec in § 15 after the renumbered Sec (2) and (3) shall be deleted.

§ 16 shall be entirely revised and shall be reworded as follows:

“§ 16 General Meeting – Participation

- (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.
- (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.”

§ 17 Sec (1), shall be reworded as follows:

“(1) Each no par value share entitles the holder to one vote.”

§ 17: The former Sec (2) shall be deleted, so that the existing Sec (3), (4) and (5) will be renumbered as Sec (2), (3) and (4).

§ 18 shall be entirely revised and shall be reworded as follows:

“§ 18 Chair, Direction and Broadcasting of the General Meeting

- (1) The General Meeting is chaired by the Chairman of the Supervisory Board; if neither he nor one of his deputies is present in person or is willing to chair the meeting, then the notary public 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 in which the items of 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.”

§ 19 Sec (1), shall be reworded as follows:

“(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.”

§ 20 shall be revised in Sec (1) to (4), and shall be reworded as follows:

- (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 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 adopted unless the Management Board and Supervisory Board decide that they will be adopted by the General Meeting.
- (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.”