

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 Sec 108 Stock Corporation Act (AktG)

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 consolidated corporate governance report, the proposal for appropriation of the net profit and the Supervisory Board report on the fiscal year 2016.

A resolution on this agenda item is not required.

Information: The aforementioned documents are available on the Internet at www.telekomaustria.com/en/ir/annual-general-meeting.

Agenda Item 2: Resolution on the appropriation of the net profit shown in the financial statements for the fiscal year 2016.

The Management Board and the Supervisory Board of Telekom Austria AG propose to use the profit of the fiscal year 2016 of Telekom Austria AG in the amount of EUR 413,200,000,-- as follows:

Distribution of a dividend of EUR 0.20 per eligible no par value share.

The rest will be carried forward onto new account.

Information: Ex-dividend day on which the dividend will be deducted from the stock price will be 16 June 2017 and the “Record date” will be 19 June 2017. The dividend will be paid from 20 June 2017. According to Austrian tax law, the dividend qualifies as a repayment of capital pursuant to Sec 4 para 12 Income Tax Act (EStG).

Agenda Item 3: Resolution on the discharge of the members of the Management Board for the fiscal year 2016.

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 2016.

Agenda Item 4: Resolution on the discharge of the members of the Supervisory Board for the fiscal year 2016.

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 2016.

Agenda Item 5: Resolution on the compensation for the members of the Supervisory Board for the fiscal year 2016.

The Management Board and the Supervisory Board of Telekom Austria AG propose, pursuant to Sec 98 Austrian Stock Corporation Act (AktG), that the following remuneration is to be granted to the elected members of the Supervisory Board for the 2016 financial year:

- (i) - for the Chairman EUR 40,000
 - for the Deputy Chairman EUR 30,000
 - for every other Supervisory Board member EUR 20,000
- (ii) - for the Chairman of a committee EUR 12,000
 - for every other committee member EUR 10,000

The remuneration for committee members is limited to one committee mandate. Accordingly, committee members are only entitled to remuneration once even if they belong to several committees.

(iii) From 2017 onwards, a fixed attendance fee of EUR 400 is to be granted for each member of the Supervisory Board for each of the meetings of the Supervisory Board or committee meetings which the member attends.

Remuneration is paid on a pro rata basis (calculated daily) if a member of the Supervisory Board or committee did not belong to the board or the respective committee for the entire financial year.

Information: This is the first increase since the year 2005 (for remuneration) resp. 2006 (for the attendance fee).

Agenda Item 6: Elections to the Supervisory Board

In accordance with Sec 8 para 1 and 4 of the Articles of Association of Telekom Austria AG, the Supervisory Board consists of up to ten members elected by the General Meeting.

Immediately after the last ordinary General Meeting on 25 May 2016 the Supervisory Board consisted of ten elected members as well as five employee representatives designated by the corporate employee representation (Central Works Council) in accordance with Sec 110 (1) Austrian Labour Constitution Act.

The term of office of Mag. iur. Stefan Pinter and Mag. iur. Reinhard Kraxner ends when the current Annual General Meeting concludes.

There are thus two members to elect to again achieve the number of ten elected members.

The Supervisory Board of Telekom Austria AG proposes to elect Mag. iur. Reinhard Kraxner, born on 07.05.1970, as of termination of this shareholders' meeting until the termination of such shareholders' meeting that resolves upon the discharge for the business year 2017, as member of the Supervisory Board of the Company.

The Supervisory Board of Telekom Austria AG proposes to elect Mag. iur. Stefan Pinter, born on 15.04.1978, as of termination of this shareholders' meeting until the termination of such shareholders' meeting that resolves upon the discharge for the business year 2017, as member of the Supervisory Board of the Company.

These election proposals include CVs of the proposed candidates and declarations of the candidates pursuant to Sec 87 para 2 Austrian Stock Corporation Act (AktG) as to their qualification, comparable functions and impartiality.

Agenda Item 7: Election of the auditors of the financial statements and of the consolidated financial statements for the fiscal year 2017.

The Supervisory Board of Telekom Austria AG proposes to elect Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H, Vienna, as auditor and Group auditor for the fiscal year 2017.

Agenda Item 8: change of the company's articles of association in Sec 16 (2) in regard to the transmission of deposit confirmations to the company.

The Management Board and the Supervisory Board of Telekom Austria AG propose to change the company's statutes of association in Sec 16 (2) so that it reads as follows:

“(2) for the proof of shareholding in regard to bearer shares it is sufficient to keep a deposit confirmation according to Sec 10a Austrian Stock Corporation Act (AktG), which shall reach the company at the latest on the 3rd business day before the Annual General Meeting at the address announced in the invitation. Details in regard to the deposit confirmation will be announced together with the invitation. The invitation can foresee as communication channel the transmission of deposit confirmations via Telefax or e-mail (the electronic format can be determined in the invitation).”