

Resolution Proposals for the Extraordinary General Meeting

Telekom Austria Aktiengesellschaft
Company no. 144477t, Commercial Court Vienna
ISIN AT 0000720008 / ISIN AT 0000A17B43

Resolution Proposals by the Supervisory Board regarding Agenda Item 4:

Agenda Item 4: Approval of settlements with former Members of the Management Board

4.1. Approval of a settlement with Mr. Rudolf Fischer

The Supervisory Board proposes that the General Meeting approve the conclusion of a settlement with the former Member of the Management Board, Mr. Rudolf Fischer.

The key points of the settlement are:

In addition to the already paid EUR 500,000, Mr. Fischer shall be obliged to the following two payments:

a) immediately	EUR	1,250,000
b) within 4 weeks from conclusion of settlement	EUR	750,000

Upon fulfillment of the settlement, all compensation claims or claims based on unjust enrichment, which are known or transparent to Telekom Austria AG until 22/05/2014, either by access to the files of the criminal proceedings or otherwise, are waived and settled. The result of the criminal proceedings shall not affect the validity of this settlement. This shall also apply in case Mr. Fischer is acquitted in respect to all proceedings.

Claims arising from any unlawful benefits and "kick-back" payments of third people to Mr. Fischer are not waived and settled; except for one unresolved issue with an amount of up to EUR 200,000, that is still under investigation by the authorities.

The risk of recourse of jointly liable persons shall be borne by Mr. Fischer.

Statement:

With regard to the litigation and collectability risks, the draft of the settlement is advantageous to Telekom Austria AG, as it can absolutely not be guaranteed that Telekom Austria AG would achieve a better overall result in legal proceedings (see the statement of Univ.-Prof. Dr. Raimund Bollenberger on the website of the company).

4.2. Approval of framework conditions of a settlement with Dr. Stefano Colombo

Discussions with Dr. Colombo have progressed to a decisive stage but have not been finished yet. As the next general meeting is only expected to be held in May 2015, the Supervisory Board proposes that the General Meeting may approve the conclusion of a settlement with the former Member of the Management Board, Dr. Stefano Colombo, with the following key points:

In addition to the already paid EUR 196,000, Dr. Stefano Colombo shall be obliged to pay an additional amount of EUR 3,130,000 to Telekom Austria AG.

Upon fulfillment of the settlement, all compensation claims or claims based on unjust enrichment, which are known or transparent to Telekom Austria AG or its subsidiaries until 14/08/2014, either by access to the files of the criminal proceedings or by the parliamentary investigation committee, are waived and settled. All claims of Telekom Austria AG or its subsidiaries (as far as they are known by Telekom Austria AG or its subsidiaries) against Dr. Stefano Colombo resulting from Dr. Stefano Colombo's former activities for Telekom Austria AG, are finally waived and settled.

The risk of recourse of jointly liable persons shall be borne by Dr. Stefano Colombo.

For the avoidance of doubt, the above shall constitute an authorization to conclude a settlement with Dr. Stefano Colombo within the above limits, however the Company may also abstain from such settlement.

Statement:

With regard to the litigation and collectability risks, the above mentioned framework conditions of a settlement are advantageous to Telekom Austria AG, as it can absolutely not be guaranteed that Telekom Austria AG would achieve a better overall result in legal proceedings (see the statement of Univ.-Prof. Dr. Raimund Bollenberger on the website of the company).