- Deutsche Telekom and the depositary bank disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in Deutsche Telekom's Articles of Association or in any provisions of securities on deposit;
- Deutsche Telekom and the depositary bank further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting shares for deposit, any holder of Deutsche Telekom ADSs or authorized representative thereof, or any other person believed by either Deutsche Telekom or the depositary bank in good faith to be competent to give the advice or information;
- Deutsche Telekom and the depositary bank also disclaim any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the Deutsche Telekom ADSs, unless indemnity satisfactory to it against expense and liability is furnished; and
- Deutsche Telekom and the depositary bank may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.

Pre-Release Transactions

The depositary bank may, in certain circumstances, issue Deutsche Telekom ADSs before receiving a deposit of Deutsche Telekom ordinary shares or release Deutsche Telekom ordinary shares before receiving Deutsche Telekom ADSs. These transactions are commonly referred to as "pre-release transactions." The deposit agreement limits the aggregate size of pre-release transactions and imposes a number of conditions on the transactions, such as the need to receive collateral, the type of collateral required and the representations required from brokers. The depositary bank may retain the compensation received from the pre-release transactions. Full collateralization is a precondition to the pre-release of Deutsche Telekom ADSs or underlying Deutsche Telekom ordinary shares.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADRs, the Deutsche Telekom ADSs evidenced by the ADRs and the securities represented by the Deutsche Telekom ADSs. Deutsche Telekom, the depositary bank and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary bank may refuse to issue Deutsche Telekom ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary bank and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary bank and to the custodian proof of taxpayer status and residence and the other information as the depositary bank and the custodian may require to fulfill legal obligations. You are required to indemnify Deutsche Telekom, the depositary bank and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary bank will arrange for the conversion into U.S. dollars of all foreign currency received if the conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary bank may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical;
- Distribute the foreign currency to holders for whom the distribution is lawful and practical; or
- Hold the foreign currency, without liability for interest, for the applicable holders.

COMPARISON OF RIGHTS OF VOICESTREAM AND POWERTEL STOCKHOLDERS AND DEUTSCHE TELEKOM SHAREHOLDERS

As a result of the Deutsche Telekom/VoiceStream merger and the Deutsche Telekom/Powertel merger, holders of VoiceStream common shares and Powertel common shares, other than holders of VoiceStream common shares who make the cash election and receive only cash as the merger consideration, will receive Deutsche Telekom ADSs, each representing one Deutsche Telekom ordinary share or the right to receive one Deutsche Telekom ordinary share on deposit with the custodian bank, or, at the election of the holder, Deutsche Telekom ordinary shares. If the Deutsche Telekom/VoiceStream merger is terminated and the VoiceStream/Powertel merger occurs, holders of Powertel common shares will receive VoiceStream common shares. Deutsche Telekom is a company incorporated under the laws of Germany. Each of VoiceStream and Powertel is a corporation incorporated in Delaware. The following is only a summary comparison of material differences between the rights of a VoiceStream stockholder, a Powertel stockholder and a Deutsche Telekom shareholder arising from the differences between the corporate laws of Delaware and those of Germany, the governing organizational instruments of the three companies and the securities laws and regulations governing the three companies. We encourage you to read carefully and in their entirety VoiceStream's certificate of incorporation, VoiceStream's bylaws, Powertel's certificate of incorporation, Powertel's bylaws or Deutsche Telekom's memorandum and articles of association. For information on how to obtain the governing organizational instruments of VoiceStream, Powertel and Deutsche Telekom, see "Additional Information — Where You Can Find More Information." You are encouraged to obtain and read these documents.

You should refer to "Description of Deutsche Telekom American Depositary Shares" for a description of the Deutsche Telekom ADSs and a discussion of the ways in which the rights of holders of Deutsche Telekom ADSs may differ from those of holders of Deutsche Telekom ordinary shares.

If you hold shares of Deutsche Telekom, VoiceStream or Powertel through a broker or other financial intermediary rather than directly as a person whose name is entered in the share register of the relevant company, you must rely on procedures established by that broker or financial intermediary in order to assert the rights of a shareholder or stockholder against the relevant company.

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
Voting Rights	
• Under Delaware law, each stockholder is entitled to one vote for each share of capital stock held by the stockholder unless the certificate of incorporation provides otherwise.	• Each share entitles the holder to one vote at the general shareholders meetings of Deutsche Telekom.
VoiceStream	
• VoiceStream's certificate of incorporation contains no provisions altering the voting rights of holders of VoiceStream common shares.	
• VoiceStream's bylaws provide that a majority of the outstanding shares of VoiceStream entitled to vote, represented in person or by proxy, constitutes a quorum for the transaction of business at a stockholder meeting.	• There are no quorum requirements for shareholders meetings of Deutsche Telekom.

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
Powertel	
• Powertel's certificate of incorporation contains no provisions altering the voting rights of holders of Powertel common shares.	
• Powertel's bylaws provide that a majority of the outstanding shares of Powertel entitled to vote, represented in person or by proxy constitutes a quorum for the transaction of business at a stockholder meeting.	
• Under Delaware law, a certificate of incorporation may provide that in elections of directors and other specified circumstances, stockholders are entitled to cumulate votes.	• The German Stock Corporation Act (*Aktiengesetz*) does not allow cumulative voting.
VoiceStream	
• VoiceStream's certificate of incorporation provides that VoiceStream stockholders do not have cumulative voting rights.	
Powertel	
• Powertel's certificate of incorporation does not provide for cumulative voting rights.	
Action by Written Consent	
• Under Delaware law, unless otherwise provided in the certificate of incorporation, stockholders may take any action required or permitted to be taken at a stockholder meeting without a meeting if the action is consented to in writing by stockholders entitled to cast the same number of votes that would be required to take that action at a meeting at which stockholders were present and voting in person.	• Under the German Stock Corporation Act, stockholders may not take any action by written consent in lieu of the general shareholder meeting.
VoiceStream	
• VoiceStream's certificate of incorporation does not limit this right of stockholders to act by written consent.	
Powertel	
• Powertel's certificate of incorporation provides that stockholders may only take an action required or permitted to be taken at a stockholder meeting without a meeting if the action is consented to in writing by all stockholders who would be entitled to vote with respect to the action at the meeting.	

Stockholder Proposals and Stockholder Nominations of Directors

- Under SEC proxy rules, any stockholder may submit a proposal to be acted upon at an annual meeting of stockholders if the proposer has continuously held for at least one year, as of the date he or she submits a proposal, 1% or at least $2,000 in market value of the company's securities entitled to be voted on the proposal at the meeting. In order for a stockholder's proposal to be included in the company's proxy statement for an annual or special meeting, the proposal must meet certain procedural and other requirements, including a requirement that the proposal be received by the company by the applicable submission deadline. For a regularly scheduled annual meeting, the deadline is 120 days before the anniversary of the date on which the company's proxy statement for the previous year's annual meeting was first released to stockholders. If the company did not hold an annual meeting the previous year, or if the date of the current year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, or if the submission is for a special meeting, the deadline for submitting a proposal to be included in the company's proxy statement is a reasonable time before the company begins to print and mail its proxy materials.

VoiceStream

- VoiceStream's bylaws do not otherwise establish procedures and rules that a stockholder must follow in order to submit proposals, including director nominations, for an annual or special meeting.

Powertel

- Powertel's bylaws do not otherwise establish procedures and rules that a stockholder must follow in order to submit proposals for an annual or special meeting. However, Powertel's certificate of incorporation requires that director nominations be submitted in writing to the secretary of Powertel no later than 90 days prior to the stockholder meeting at which such directors are to be elected, together with the

- Shareholders may nominate individuals for election to the Deutsche Telekom supervisory board, other than those recommended by the existing Deutsche Telekom supervisory board, by making a cross-motion to Deutsche Telekom within one week after the publication of the notice of the shareholders meeting in the Federal Gazette (*Bundesanzeiger*) if the election of one or several members of the Deutsche Telekom supervisory board is an item on the agenda of the shareholders meeting. The nomination must contain the name, profession, domicile and memberships in other supervisory boards or other comparable domestic or foreign supervising bodies of the individual to be nominated. If Deutsche Telekom receives a communication of this kind, the Deutsche Telekom management board must, within 12 days after the publication of the notice of the shareholders meeting in the Federal Gazette, notify the banks and the shareholders' associations who at the prior shareholders meeting exercised voting rights on behalf of shareholders or who have requested notification of the applications and proposals for elections by shareholders, including the names of these shareholders and any response by the Deutsche Telekom management board. The same notification has to be submitted by the Deutsche Telekom management board to shareholders who have deposited their shares with Deutsche Telekom or who have, after the publication of the notice of the shareholders meeting in the Federal Gazette, requested to receive notification or who are registered in the share register of Deutsche Telekom and whose votes have not been exercised by a bank at the last shareholders meeting. In addition, any shareholder entitled to attend and vote at the shareholders meeting can nominate individuals for the Deutsche Telekom supervisory board at the shareholders meeting itself or between the date of the publication of the notice of the shareholders meeting and the shareholders meeting itself.

- According to the German Stock Corporation Act, shareholders holding in the aggregate shares representing at least 5% of the issued shares or the aggregate notional par value amount of

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
identity of the nominator and the number of Powertel shares owned, directly or indirectly, by the nominator.	500,000 euros are entitled to require that a matter be put on the agenda for resolution and that the management board submit a proposal at the shareholders meeting and publish this proposal in the German Federal Gazette. The request must be made in writing stating the purpose of, and the reasons for, the request. Proposals duly published may be submitted to the general shareholders meeting for decision. In addition, each shareholder may also submit at or prior to the shareholders meeting counterproposals to the proposals submitted by the management board and the supervisory board.

Sources and Payment of Dividends

- Under Delaware law, subject to any restriction in the corporation's certificate of incorporation, the board of directors may declare and pay dividends out of:

  — surplus of the corporation, which is the excess of net assets over statutory capital; or

  — if no surplus exists, out of the net profits of the corporation for the year in which the dividend is declared and/or the preceding year;

unless the net assets of the corporation are less than the capital of any outstanding preferred shares.

VoiceStream

- VoiceStream's certificate of incorporation does not contain provisions restricting the payment of dividends to holders of VoiceStream common shares or to the voting preferred shares.

Powertel

- Powertel's certificate of incorporation does not contain provisions restricting the payment of dividends to holders of Powertel common shares or to the preferred shares.

- Under the German Stock Corporation Act, dividends may be declared and paid out of any distributable balance sheet profits shown in the corporation's audited and approved financial statements for the preceding fiscal year, as determined by resolution of the general shareholders meeting. For further information, see "Description of Deutsche Telekom Ordinary Shares — Dividends and Other Distributions."

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders

Rights of Purchase and Redemption

- Under Delaware law, any corporation may purchase, redeem and dispose of its own shares, except that it may not purchase or redeem these shares if the capital of the corporation is impaired or would become impaired as a result of the redemption.

- At any time, a corporation may purchase or redeem any of its shares which are entitled upon any distribution of assets to a preference over another class of its stock if these shares will be retired upon acquisition or redemption, thereby reducing the capital of the corporation.

VoiceStream

- VoiceStream's certificate of incorporation provides that any outstanding VoiceStream shares may be subject to redemption by VoiceStream to the extent necessary, in the judgment of VoiceStream's board of directors, to prevent the loss or secure the reinstatement of any license or franchise from any governmental agency held by VoiceStream or any of its subsidiaries to conduct any portion of the business of VoiceStream or any of its subsidiaries or affiliates, which license or franchise is conditioned upon some or all of the holders of VoiceStream shares possessing prescribed qualifications.

Powertel

- Powertel's certificate of incorporation provides that any outstanding Powertel shares may be subject to redemption by Powertel to the extent necessary, in the judgment of Powertel's board of directors, to prevent the loss or secure the reinstatement of any license or franchise from any governmental agency held by Powertel or any of its subsidiaries to conduct any portion of the business of Powertel or any of its subsidiaries, which license or franchise is conditioned upon some or all of the holders of Powertel shares possessing prescribed qualifications.

- Under the German Stock Corporation Act, a stock corporation may acquire its own shares:

  — only upon authorization by a shareholder meeting, provided that the company acquires no more than 10% of its issued shares; or

  — for certain defined purposes, e.g., for transfer to employees. For further information, see "Description of Deutsche Telekom Ordinary Shares — Repurchase of Shares."

Meetings of Shareholders

General Meetings

VoiceStream

- VoiceStream's bylaws provide that all meetings of stockholders are to be held at any place designated by the VoiceStream board of directors or, if no designation is made, at the registered office of VoiceStream in Delaware.

Powertel

- Powertel's bylaws provide that all meetings of stockholders are to be held at such place as may be fixed from time to time by the board of directors.

- Unless otherwise provided in the certificate of incorporation and described elsewhere in this summary, in all matters other than the election of directors, stockholders act by the affirmative vote of the majority of shares present or represented by proxy and entitled to vote on the subject matter. Directors are elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors.

VoiceStream

- VoiceStream's bylaws provide that, for any meeting requiring or permitting stockholder action, a written notice of the meeting must be given to each stockholder entitled to vote at that meeting not less than ten days or more than sixty days before the date of the meeting. The notice must identify the place, date and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called.

- VoiceStream's bylaws provide that the annual meeting of stockholders is to be held on the second Tuesday in June of each year, or, if that day is a legal holiday, on the next business day following, at 10 a.m. If the annual meeting is not held on the designated date, then the directors are to call the meeting to be held as soon thereafter as convenient.

- The Deutsche Telekom Articles of Association provide that the general shareholders meeting will take place at the headquarters of Deutsche Telekom, which is Bonn, Germany, or at the location of a German stock exchange or in a German city with over 500,000 inhabitants.

- The Deutsche Telekom Articles of Association and the German Stock Corporation Act provide that the annual general meeting called to receive the approved audited financial statements, ratify the actions of the Deutsche Telekom management board and the Deutsche Telekom supervisory board and resolve the appropriation of distributable profits, as well as the appointment of the auditor, must take place within the first eight months of each fiscal year.

- Resolutions are passed at a Deutsche Telekom general shareholders meeting by a majority of the votes cast, unless a higher vote or, additionally, a majority of the capital represented at the meeting is required by law or the Deutsche Telekom Articles of Association. For further information on this subject, see "Description of Deutsche Telekom Ordinary Shares — Voting Rights and Shareholders Meetings."

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
• VoiceStream's annual meeting is for the election of directors and for any other business that is properly brought before the meeting.	
Powertel	
• Powertel's bylaws provide that, for any meeting of stockholders, a written notice of the meeting must be given not less than ten days or more than sixty days before the date of the meeting, to each stockholder entitled to vote at that meeting. The notice must identify the place, date and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called.	
• Powertel's bylaws provide that the annual meeting of stockholders is to be held on such date and at such time as will be designated from time to time by the board of directors.	
• Powertel's annual meeting is for the election of directors and for any other business that is properly brought before the meeting.	
Special Meetings	
VoiceStream	• A special meeting of shareholders of Deutsche Telekom may be called by the Deutsche Telekom management board or the Deutsche Telekom supervisory board.
• VoiceStream's bylaws provide that special meetings of stockholders may be called only by: — the president; — the board of directors; or — stockholders entitled to cast at least one-fifth of the votes which all stockholders are entitled to cast at that particular meeting.	• A special meeting of shareholders must be called by the Deutsche Telekom management board upon request of shareholders holding in the aggregate shares representing at least 5% of the issued shares. Written requests received by Deutsche Telekom stating the purpose of and reasons for the special meeting must be forwarded to the Deutsche Telekom management board.
• VoiceStream's bylaws provide that the business permitted to be conducted at any special meeting is limited to the purpose or purposes specified by the order calling the special meeting.	
Powertel	
• Powertel's bylaws provide that special meetings of stockholders may be called only by: — the board of directors;	

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
— the chairman; or — the president. Powertel stockholders do not have the right to call special meetings. • Powertel's bylaws provide that the business permitted to be conducted at any special meeting is limited to the purposes stated in the notice calling the special meeting. Attendance at a special meeting constitutes waiver unless the stockholder objects at the meeting to transacting business or considering the matter.	
Appraisal Rights	
• Under Delaware law, stockholders of a corporation involved in a merger have the right to demand and receive payment of the fair value of their stock in lieu of receiving the merger consideration, provided that these stockholders comply with the procedural requirements set forth under Delaware law for perfecting this right. However, appraisal rights are not available to holders of shares: — listed on a national securities exchange; — designated as a national market system security on an interdealer quotation system operated by the National Association of Securities Dealers, Inc.; or — held of record by more than 2,000 stockholders; unless holders of stock are required to accept consideration in the merger other than any combination of: — shares of stock or depositary receipts of the surviving corporation in the merger; — shares of stock or depositary receipts of another corporation that, at the effective date of the merger, will be either: (1) listed on a national securities exchange; (2) designated as a national market system	• A valuation proceeding (*Spruchverfahren*) is available to Deutsche Telekom's shareholders under the German Stock Corporation Act and the German Transformation Act (*Umwandlungsgesetz*) to determine the adequacy of the consideration to be paid in certain corporate transactions. These transactions include, among other things: — a merger; — a control and profit transfer agreement between a controlling shareholder and its dependent company; and — the forced withdrawal of minority shareholders from a corporation upon the corporation's integration with a parent corporation holding shares representing at least 95% of the nominal capital of the corporation to be integrated. These rights are available to shareholders, provided that in each case the shareholder complies with the procedural requirements specified in the respective statutory provisions. • Under the tentative draft of a German Takeover Act (*Übernahmegesetz*), expected to enter into force in 2001 or 2002, the compulsory acquisition of minority shareholders by a majority shareholder holding more than 95% of the issued shares will entitle the minority shareholders the right to a valuation proceeding.

security on an interdealer quotation system operated by the National Association of Securities Dealers, Inc.; or

(3) held of record by more than 2,000 holders; or

— cash in lieu of fractional shares of the stock or depositary receipts received.

Preemptive Rights

- Under Delaware law, a stockholder is not entitled to preemptive rights to subscribe for additional issuances of stock or any security convertible into stock unless they are specifically granted those rights in the certificate of incorporation.

VoiceStream

- VoiceStream's certificate of incorporation does not provide for preemptive rights.

Powertel

- Powertel's certificate of incorporation does not provide for preemptive rights.

- Under the German Stock Corporation Act, in general, an existing shareholder in a stock corporation has a preemptive right (*Bezugsrecht*) to subscribe for any issue by the corporation of new shares, including securities convertible into shares, securities with warrants to purchase shares, profit-sharing certificates and securities with a profit participation, in proportion to the shares held by the shareholder in the existing capital of such corporation. The German Stock Corporation Act provides that this preemptive right can be excluded only by a shareholder resolution. The approval of a majority of at least 75% of the issued shares represented at the shareholders meeting is required to exclude preemptive rights. See "Description of Deutsche Telekom Ordinary Shares — Preemptive Rights."

Amendment of Governing Organizational Instruments

- Under Delaware law, unless the certificate of incorporation requires a greater vote, an amendment to the certificate of incorporation requires:

  — recommendation of the board of directors;

  — the affirmative vote of a majority of the outstanding shares entitled to vote; and

  — the affirmative vote of a majority of the outstanding shares of each class adversely affected by the amendment.

Under Delaware law, stockholders have the power to adopt, amend or repeal bylaws by the

- Amendments of the Deutsche Telekom Articles of Association may be proposed either by the Deutsche Telekom supervisory board, to the Deutsche Telekom management board or by a shareholder or group of shareholders holding at least 5% of the issued shares or at least the notional par value amount of 500,000 euros. According to the Deutsche Telekom Articles of Association, a resolution amending the Deutsche Telekom Articles of Association generally must be passed by a majority of the votes cast and a majority of the shares issued represented at the meeting of shareholders at which the resolution is considered. The German Stock Corporation Act requires, however, that certain resolutions be passed by at least three-quarters of the shares

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
affirmative vote of a majority of the outstanding stock entitled to vote unless the certificate of incorporation or the bylaws specify another percentage. *VoiceStream* • Under VoiceStream's certificate of incorporation, approval of the holders of at least 66⅔% of the outstanding voting power of VoiceStream is required to amend or repeal any of the provisions in the certificate of incorporation relating to: — the redemption of outstanding shares; — preemptive rights; — cumulative voting; or — the voting requirements for the repeal or amendment of VoiceStream's certificate of incorporation. *Powertel* • Under Powertel's certificate of incorporation, approval of the holders of at least 66⅔% of the shares entitled to vote and the affirmative vote of a majority of the members of the entire board of directors are required to amend or repeal any of the provisions in the certificate of incorporation relating to: — action by stockholders by written consent; — the election or classification of the board of directors; — the elimination of liability of the board of directors; — the indemnification of the board of directors; or — the voting requirements for the repeal or amendment of the Powertel certificate of incorporation. • Under Delaware law, if provided by the certificate of incorporation, the board of directors may adopt, amend or repeal the bylaws of a company by majority vote.	issued represented at the meeting, including resolutions relating to: — capital increase with an exclusion of preemptive rights; — capital decreases; — the creation of authorized capital (*genehmigtes Kapital*) or conditional capital (*bedingtes Kapital*); or — amendments of the corporate purpose of Deutsche Telekom. For further information, see "Description of Deutsche Telekom Ordinary Shares — Voting Rights and Shareholders Meetings."

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
VoiceStream	
• VoiceStream's certificate of incorporation gives the board of directors that authority, but according to VoiceStream's bylaws, only if notice of the proposed amendment or repeal is provided in the notice of the board meeting. In addition, VoiceStream's bylaws state that the directors may not modify the provisions in the bylaws which fix their qualifications, classifications or term of office.	
• VoiceStream's certificate of incorporation and bylaws state that the bylaws may be amended or repealed by VoiceStream's stockholders at any regular or special meeting if notice of the proposed amendment is provided in the notice of the meeting.	
Powertel	
• Powertel's certificate of incorporation and bylaws give the board of directors the authority to adopt, amend or repeal the bylaws of the company. However, Powertel's bylaws state that the affirmative vote of at least 66⅔% of the shares entitled to vote and the affirmative vote of a majority of the members of the entire board of directors are required to amend, modify or repeal by law provisions relating to meetings of stockholders, powers of directors and rules regulating their exercise of power and amendments to the bylaws.	
Preferred Shares	
VoiceStream	
• VoiceStream's certificate of incorporation authorizes the VoiceStream board of directors to: — issue up to 100,000,000 preferred shares, $0.001 par value per share; — provide for the issuance of one or more series of preferred shares; — fix the designations, and number of the shares constituting each series of preferred shares; and — fix for each series, its relative rights.	• As a general rule, the Deutsche Telekom management board, with the approval of the Deutsche Telekom supervisory board, would be authorized to use the existing authorized capital for the issuance of preferred shares (*Vorzugsaktien*), which are shares with a cumulative preference right with respect to the distribution of profits. In this case, Deutsche Telekom shareholders would not have preemptive rights in connection with this issuance. The Deutsche Telekom shareholders may also resolve in a general meeting to issue preferred shares in which case Deutsche Telekom shareholders would in general have preemptive rights. See "— Preemptive Rights."

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
Powertel	
• Powertel's certificate of incorporation authorizes the Powertel board of directors to:	
— issue up to 1,000,000 preferred shares;	
— provide for the issuance of one or more series of preferred shares;	
— fix the designations, powers, preferences, and relative rights of the shares of each series of preferred shares and the qualifications, limitations and restrictions thereof; and	
— establish the number of the shares constituting each series of preferred shares.	
Outstanding Preferred Stock	
VoiceStream	
• VoiceStream has 3,906,250 voting preferred shares outstanding, all of which are held by Deutsche Telekom.	
• Any of these shares outstanding as of the completion of the Deutsche Telekom/ VoiceStream merger will remain outstanding and will be unaffected by that merger. The voting preferred shares are convertible only if the Deutsche Telekom/VoiceStream merger is terminated.	
Powertel	
• There are five series of Powertel preferred shares outstanding: Series A convertible preferred shares, Series B convertible preferred shares, Series D convertible preferred shares, Series E 6.5% cumulative convertible preferred shares and Series F 6.5% cumulative convertible preferred shares. There are 100,000 Powertel Series A preferred shares outstanding, 100,000 Powertel Series B preferred shares outstanding, 50,000 Powertel Series D preferred shares outstanding, 50,000 Powertel Series E preferred shares outstanding and 50,000 Powertel Series F preferred shares outstanding.	
• Holders of two-thirds of each series of Powertel preferred shares are entitled to consent as a class upon a proposed action affecting such series	

involving an:

— authorization, creation or issuance, or any increase in the authorized or issued amount, of any class or series ranking prior to such series as to dividends or distribution of assets;

— increase in the authorized or issued amount of the class; or

— amendment, alteration or repeal by merger, consolidation or otherwise of any of the provisions of the certificate of incorporation that would affect any rights, preferences or voting powers of the series; provided that an increase in the authorization or the issuance of preferred stock ranking on a parity with, or junior to, the series is not deemed to affect rights, preferences or voting powers.

The foregoing voting rights do not apply if all outstanding shares of a series have been redeemed or sufficient funds have been deposited in trust to effect such redemption.

- Powertel Series A preferred shares are entitled to vote on any merger, consolidation, sale of all or substantially all of the assets, statutory stock exchange or other extraordinary transaction. The Series A preferred shares vote as a single class with the common shares. Each Series A preferred share is entitled to cast that number of votes equal to the number of votes which would be cast in such vote by a holder of the common shares into which the Series A preferred share is convertible on the record date of such vote.

- Each series of preferred shares has a dividend preference. For the Series A preferred shares, the Series B preferred shares and the Series D preferred shares, the dividend preference is equal to the dividend on the number of Powertel common shares into which the preferred shares are then convertible. The Series E preferred shares and the Series F preferred shares accrue a cumulative 6.5% annual dividend that is payable quarterly in common shares or cash. Each series has a liquidation preference in the amount of a stated amount plus declared or, in the case of the Series E and Series F preferred shares, accrued but unpaid dividends. Each series is subject to redemption provisions at a stated amount plus declared or, in the case of the Series E and Series F preferred shares, accrued but unpaid

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
dividends and at stated times. At certain times, each series is convertible into common shares at the election of the holder. The number of common shares into which such series is convertible is to be determined by dividing the liquidation preference by the current conversion price.	

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders

Stock Class Rights

- Under Delaware law, changes to the rights of holders of VoiceStream's or Powertel's common shares or preferred shares would require an amendment to VoiceStream's or Powertel's certificate of incorporation, as the case may be. Holders of shares of a class or a series are entitled to vote as a class upon a proposed amendment to the certificate of incorporation if the amendment will:
  - — increase or decrease the authorized shares of the class or series;
  - — increase or decrease the par value of the shares of the class or series; or
  - — alter or change the powers, preferences or special rights of the shares of the class or series so as to affect them adversely.

- Under German law, any change to the rights of Deutsche Telekom's shareholders, including any reclassification of the share capital of Deutsche Telekom, would generally require the adoption of a shareholder resolution at a general shareholder meeting. Generally, if the existing relationship of more than one class of shares is to be amended to the disadvantage of any class, the resolution of the shareholders meeting will require the consent of the shareholders adversely affected in order to be effective. The shareholders adversely affected will decide on such consent by adopting a separate resolution.

Stockholders' Votes on Certain Transactions

- Generally, under Delaware law, unless the certificate of incorporation provides for the vote of a larger portion of the stock, completion of a merger or consolidation or sale of substantially all of a corporation's assets or dissolution requires:
  - — the approval of the board of directors; and
  - — approvals by the vote of the holders of a majority of the outstanding stock or, if the certificate of incorporation provides for more or less than one vote per share, a majority of the votes of the outstanding stock of a corporation entitled to vote on the matter.

VoiceStream

- VoiceStream's certificate of incorporation does not provide for the vote of a larger portion of the stock for merger or consolidation.

Powertel

- Powertel's certificate of incorporation does not provide for the vote of a larger portion of the stock for merger or consolidation.

- Under German law, the following resolutions in particular require a majority of at least 75% of the issued shares represented at the shareholder meeting passing the resolution and a simple majority of the votes cast at that meeting:
  - — capital increases with an exclusion of preemptive rights; creation of authorized capital or conditional capital;
  - — capital decreases;
  - — a dissolution of Deutsche Telekom;
  - — a merger of Deutsche Telekom or any other form of transformation (*Umwandlung*) of Deutsche Telekom, including, without limitation, spin-offs (*Spaltungen*), a transfer of all or virtually all of Deutsche Telekom's assets, a change of Deutsche Telekom's corporate form, and the execution of intercompany agreements (*Unternehmensverträge*); and
  - — amendments of the corporate purpose of Deutsche Telekom.

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
Rights of Inspection	
• Delaware law allows any stockholder: — to inspect: (1) the corporation's stock ledger; (2) a list of its stockholders; (3) its other books and records; and — to make copies or extracts of those materials during normal business hours, provided that: (1) the stockholder makes a written request under oath stating the purpose of the inspection; and (2) the inspection is for a purpose reasonably related to the person's interest as a stockholder.	• In general, the German Stock Corporation Act does not permit shareholders to inspect corporate books and records. • The German Stock Corporation Act does permit shareholders to inspect the share register upon request, and provides each shareholder the right to receive oral information at the shareholders meeting, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. Information may be given in writing to shareholders, but they are not entitled to receive written information. • Exceptions apply where the German Stock Corporation Act or the German Transformation Act explicitly provide for the submission of written information, including written reports by the management board or documentation concerning certain transactions. As a practical matter, shareholders may also receive written information about Deutsche Telekom through its public filings with the commercial register (*Handelsregister*) and the Federal Gazette *Bundesanzeiger* and other sources of publication by Deutsche Telekom.
Duties of Directors	
• Consistent with Delaware law, each of VoiceStream's and Powertel's bylaws provide that the business and affairs of VoiceStream and Powertel, respectively, are to be managed by VoiceStream's or Powertel's board of directors, respectively.	• The Deutsche Telekom management board is responsible for managing Deutsche Telekom and representing Deutsche Telekom in its dealings with third parties, while the Deutsche Telekom supervisory board appoints and removes the members of the Deutsche Telekom management board and oversees the management of Deutsche Telekom. The supervisory board is required by law to review the annual financial statements of Deutsche Telekom and its consolidated financial statements. The Deutsche Telekom management board must submit regular reports on the operations and fundamental planning of Deutsche Telekom to the Deutsche Telekom supervisory board, and the Deutsche Telekom supervisory board is also entitled to request special reports at any time.

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
	• The German Stock Corporation Act prohibits the Deutsche Telekom supervisory board from making management decisions. Pursuant to the Articles of Association of Deutsche Telekom and the bylaws (*Geschäftsordnung*) of the management board, the management board must obtain the consent of the supervisory board for certain actions, including acquisitions or dispositions of real property having a value of more than 25 million euros, acquisitions or dispositions of equity investments, the appointment of members of the supervisory board or other bodies having supervisory functions of direct or indirect subsidiaries with a share capital of more than 2.5 million euros or an annual turnover of more than 25 million euros, and actions concerning the corporate structure or the strategy of Deutsche Telekom. In addition, under the German Stock Corporation Act, the supervisory board is authorized to subject other actions of the management board to its consent.
Standard of Conduct for Directors	
• Delaware law does not contain any specific provisions setting forth the standard of conduct of a director. The scope of the fiduciary duties of VoiceStream's and Powertel's board is thus determined by the courts of the State of Delaware. In general, directors have a duty to act without self-interest, on a well-informed basis and in a manner they reasonably believe to be in the best interests of the stockholders.	• In carrying out their duties, members of the Deutsche Telekom management board and the Deutsche Telekom supervisory board must exercise the standard of care of a prudent and diligent businessman and have the burden of proving that they exercised such care if it is ever contested. The interests of Deutsche Telekom are deemed to include the interests of the shareholders, the interests of the work force and, to some extent, the public interest, and both the Deutsche Telekom management board and the Deutsche Telekom supervisory board must take all these interests into account when taking actions or decisions. Although there is no explicit obligation to act solely in the interests of shareholders, the management board is required to respect the shareholders' rights to equal treatment and equal information.
• Neither Delaware law nor VoiceStream's or Powertel's certificate of incorporation contains any provisions permitting directors, when discharging their duties, to consider the interests of any constituencies other than the corporation or its stockholders.	• The Deutsche Telekom management board has a duty to maintain the confidentiality of corporate information.

- The German Stock Corporation Act prohibits simultaneous membership on the management board and the supervisory board of a company.

Number and Term of Directors

VoiceStream

- VoiceStream's bylaws provide that the number of directors will be set from time to time by the board of directors but will not be less than one. VoiceStream's board of directors currently consists of 16 members, each elected for a term of one year, and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Powertel

- Powertel's certificate of incorporation provides that the number of directors will not be fewer than three nor more than 15 directors. Powertel's board of directors currently consists of eight members, each elected for a term of three years, and until his or her successor is elected and qualified or until his or her earlier resignation, removal from office, death or incapacity. Powertel's certificate of incorporation classifies the board of directors into three classes. The term of office of only one class of directors expires in each year.

- The Deutsche Telekom supervisory board consists of 20 members, 10 of whom are elected by the holders of Deutsche Telekom shares, and, in accordance with the Co-determination Act of 1976 (*Mitbestimmungsgesetz*), 10 of whom are elected by the employees of Deutsche Telekom. In the event of a deadlock, the chairman of the supervisory board has a casting vote. The chairman and a deputy chairman are elected by the supervisory board from among its members; in the event that a majority of two-thirds of the members of the supervisory board is not achieved, the shareholder representatives elect the chairman and the employee representatives elect the deputy chairman.

- The maximum term of office for members of the Deutsche Telekom management board is limited to five years according to the German Stock Corporation Act. According to the Deutsche Telekom Articles of Association, the term of office for members of the Deutsche Telekom supervisory board is limited to four fiscal years, although the general shareholders meeting may determine that a shorter term of office applies to those members of the Deutsche Telekom supervisory board elected by the shareholders. The German Stock Corporation Act and the Articles of Association disregard the fiscal year in which the term of office begins and extend the term until the shareholders meeting in the year following the fourth fiscal year. Accordingly, members of the Deutsche Telekom supervisory board will usually have a term of approximately five years. Members of both the Deutsche Telekom management board and the Deutsche Telekom supervisory board may be re-elected for additional terms, and there is no limit on the number of additional terms.

Classification of the Board

- Delaware law permits the certificate of incorporation or a stockholder-adopted bylaw to provide that directors be divided into one, two or three classes, with the term of office of one class

- In accordance with the German Stock Corporation Act, Deutsche Telekom has a two-tier board system consisting of the Deutsche Telekom management board (*Vorstand*) and the

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
of directors to expire each year.	Deutsche Telekom supervisory board (*Aufsichtsrat*).
VoiceStream	
• Neither VoiceStream's certificate of incorporation nor its bylaws provide for the classification of the board of directors.	
Powertel	
• Powertel's certificate of incorporation classifies the board of directors into three classes, as nearly equal in number as possible, such that at each annual meeting only one class of directors' term will expire. If the number of directors is changed by resolution of the board of directors, any increase or decrease will be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible.	
Removal of Directors	
• Delaware law provides that a director may be removed with or without cause by the holders of a majority in voting power of the shares entitled to be voted at an election of directors, except that: — members of a classified board of directors may be removed only for cause, unless the certificate of incorporation provides otherwise; and — directors may not be removed in certain situations in the case of a corporation having cumulative voting.	• The members of the Deutsche Telekom management board may be removed prior to the expiration of their terms by the Deutsche Telekom supervisory board only for reasons amounting to good cause, such as gross breach of duty, inability to duly fulfill their responsibilities or revocation of confidence by the shareholder meeting. • Members of the Deutsche Telekom supervisory board elected by the shareholders at the general meeting may be removed upon the affirmative vote of a majority of the votes cast at a shareholders meeting. A member of the supervisory board elected by the employees may be removed by a majority of the votes cast by at least 75% of the relevant class of employees. Any member of the Deutsche Telekom supervisory board can be removed for good cause, including gross breach of duty, by a court decision upon request of the Deutsche Telekom supervisory board. In such case, Deutsche Telekom supervisory board's determination to take such action requires a simple majority vote with the member affected having no voting power.
VoiceStream	
• VoiceStream's bylaws state that if cumulative voting is permitted and if less than the entire board of directors is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire board of directors, or if there are classes of directors, at an election of the class of directors of which he or she is a part.	
Powertel	
• Powertel has a classified board of directors, and directors may only be removed for cause. Powertel's bylaws do not contain provisions	

dealing with the potential ramifications resulting from the future adoption of cumulative voting.

Vacancies on the Board of Directors

- Under Delaware law, unless otherwise provided in the certificate of incorporation or the bylaws:
  - — vacancies on a board of directors; and
  - — newly created directorships resulting from an increase in the number of directors

  may each be filled by a majority of the directors in office.

  In the case of a classified board, directors elected to fill vacancies or newly created directorships will hold office until the next election of the class for which the directors have been chosen.

VoiceStream

- VoiceStream's bylaws provide that:
  - — vacancies resulting from death, removal or otherwise and newly created directorships resulting from an increase in the authorized number of directors may be filled by the affirmative vote of a majority of the remaining directors in office, even if less than a quorum, or by the sole remaining director; and
  - — when a director resigns from the board and the resignation is effective as of a future date, a majority of the directors then in office, including the person who has resigned, may fill the vacancy, the vote to take effect when the resignation becomes effective.

Powertel

- Powertel's certificate of incorporation provides that the board of directors has the power to increase the number of directors. The board of directors nominates candidates to stand for election by the stockholders.
- Powertel's certificate of incorporation provides that vacancies on the board of directors, however occurring, whether by an increase in the number of directors, death, resignations, retirement, disqualification, removal from office or otherwise, may be filled by the affirmative vote of a majority of the remaining directors in office or a

- In the case of vacancies on the Deutsche Telekom management board, the Deutsche Telekom supervisory board may fill the vacancy by appointing a new member.
- Vacancies on the Deutsche Telekom supervisory board may, in urgent cases, be filled for an interim period until the next election by the shareholders or the employees, as the case may be, by the competent court upon a motion by the Deutsche Telekom management board, a member of the Deutsche Telekom supervisory board, a shareholder or certain employee representatives.

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders
sole remaining director, even if less than a quorum.	

Liability of Directors and Officers

- Delaware law permits a corporation through its certificate of incorporation to eliminate or limit the personal liability of a director to the corporation and its stockholders for damages arising from a breach of fiduciary duty as a director. However, no provision can limit the liability of a director for:
  - — any breach of his duty of loyalty to the corporation or its stockholders;
  - — acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
  - — intentional or negligent payment of unlawful dividends or stock purchases or redemptions; or
  - — any transaction from which he derives an improper personal benefit.

VoiceStream

- VoiceStream's certificate of incorporation provides that a director of VoiceStream will not be personally liable to VoiceStream or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent required by Delaware law.

Powertel

- Powertel's certificate of incorporation provides that a director of Powertel will not be personally liable to Powertel or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent required by Delaware law.

- Under compulsory provisions of the German Stock Corporation Act, a stock corporation is not allowed to limit or eliminate the personal liability of the members of either the management board or the supervisory board for damages due to breach of duty in their official capacity. Deutsche Telekom may waive its claims for damages due to a breach of duty or reach a settlement with regard to these claims if more than three years have passed after these claims have arisen, but only with the approval by the shareholder meeting. However, a waiver may not be granted and a settlement may not be reached if shareholders holding in the aggregate at least 10% of the issued shares object to the resolution at the shareholders meeting as reflected in the minutes.
- Members of the Deutsche Telekom management board who violate their duties to maintain the confidentiality of corporate information may be held jointly and severally liable by the corporation for any resulting damages, unless their actions were validly approved by resolution at a shareholders meeting. The members of the Deutsche Telekom supervisory board have similar liabilities in respect of the corporation if they violate their duties to maintain the confidentiality of corporate information.

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders

Indemnification of Directors and Officers

- Delaware law provides that a corporation may indemnify any officer or director who is made a party to any third party suit or proceeding on account of being a director, officer or employee of the corporation against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement reasonably incurred by him in connection with the action, through, among other things, a majority vote of a quorum consisting of directors who were not parties to the suit or proceeding if the officer or director:

  — acted in good faith and in a manner he reasonably believed to be in the best interests of the corporation; and

  — in a criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

VoiceStream

- VoiceStream's certificate of incorporation and bylaws provide that:

  — VoiceStream will indemnify its current and former directors, officers, employees and agents to the fullest extent permitted by law;

  — the indemnification will include the right to receive advance payment of any expenses incurred in connection with any proceeding in advance of final disposition of the proceeding; and

  — advance payment of any expenses will be made only upon delivery to VoiceStream of a written affirmation by the person seeking indemnification of his or her good faith belief that he or she has met the standard of conduct required to be eligible for indemnification and an undertaking to repay all amounts advanced if it is ultimately determined that he or she did not meet the required standard of conduct.

- VoiceStream is not liable to indemnify any person for amounts paid in settlement of any

- Under German law, a corporation may indemnify its officers (*leitende Angestellte*), and, under certain circumstances, German labor law requires a stock corporation to do so. However, a corporation may not, as a general matter, indemnify members of the management board or the supervisory board. A German stock corporation may, however, purchase directors' and officers' insurance. The insurance may be subject to any mandatory restrictions imposed by German law. In addition, German law may permit a corporation to indemnify a member of the management board or the supervisory board for attorneys' fees incurred if such member is the successful party in a suit in a country, like the United States, where winning parties are required to bear their own costs, if German law would have required the losing party to pay the member's attorneys' fees had the suit been brought in Germany.

- Members of the Deutsche Telekom supervisory board and the Deutsche Telekom management board and officers of Deutsche Telekom will be covered by customary liability insurance, including insurance against liabilities under the Securities Act.

proceeding if the settlement was made without VoiceStream's written consent.

- VoiceStream's bylaws provide that VoiceStream must fully pay claims for indemnification and advance payment of expenses within 60 days and 20 days, respectively, of receiving a written request for payment. If VoiceStream has not done so, the person seeking indemnification or advance payment of expenses may bring suit against VoiceStream to recover the unpaid amounts of the claim. If there is a judgment against VoiceStream in such a suit, the indemnitee is also entitled to be paid his or her expenses of prosecuting that claim, with such expenses to be proportionately prorated if the indemnitee is only partially successful.

- VoiceStream maintains directors' and officers' insurance.

Powertel

- Powertel's certificate of incorporation provides that:
  - — Powertel will indemnify its current and former directors and officers and any person who is or was serving at the request of Powertel as a director or officer of another enterprise, to the fullest extent permitted by law; and
  - — The indemnification will include the right to receive advance funds for indemnification as requested by the director or officer being indemnified, as allowed by law.

- Powertel maintains directors' and officers' insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or who, while a director, officer, employee or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

Provisions Currently Applicable to VoiceStream and Powertel Stockholders	Provisions Applicable to Deutsche Telekom Shareholders

Conflict-of-Interest Transactions

- Delaware law generally permits transactions involving a Delaware corporation and an interested director of that corporation if:
  - — the material facts as to his relationship or interest are disclosed and a majority of disinterested directors consents;
  - — the material facts are disclosed as to his relationship or interest and holders of a majority of shares entitled to vote thereon consent; or
  - — the transaction is fair to the corporation at the time it is authorized by the board of directors, a committee of the board of directors or the stockholders.

- In any transaction or contract between Deutsche Telekom and any member of the Deutsche Telekom management board, Deutsche Telekom is represented by the Deutsche Telekom supervisory board.

Loans to Directors

- Under Delaware law, loans can generally be made to officers and directors upon approval by the board of directors.

- The German Stock Corporation Act requires that any loan made by Deutsche Telekom to any member of the management board or general manager or to their spouses or minor children that exceeds one month's salary of such member of the management board or general manager be authorized by a resolution of the Deutsche Telekom supervisory board. Loans made by Deutsche Telekom to a member of the Deutsche Telekom supervisory board require an affirmative vote of the Deutsche Telekom supervisory board. For purposes of this resolution, the member of the Deutsche Telekom supervisory board who would be the borrower is not entitled to vote.

Stockholder Suits

- An individual may commence a class action suit on behalf of himself or herself and other similarly situated stockholders where the requirements for maintaining a class action under Delaware law have been met.

- Under Delaware law, a stockholder may initiate a derivative action to enforce a right of a

- The German Stock Corporation Act does not provide for class actions, and does not generally permit shareholder derivative suits, even in the case of breach of duty by the members of the management board or the supervisory board. The shareholders meeting, acting by a simple majority of the votes cast, or a minority of the shareholders holding in the aggregate at least