

stockholder who is a "five-percent transferee shareholder" with respect to DT within the meaning of U.S. Treasury Regulations 1.367(a)-3(c)(5)(ii) will file the agreement described in U.S. Treasury Regulations Section 1.367(a)-3(c)(1)(iii)(B).

(e) *FCC Opinion.* DT shall have received an opinion of FCC counsel of Powertel, dated the Effective Time, substantially in the form attached hereto as Exhibit D.

(f) *Consents Under Agreements.* Powertel shall have obtained the consent or approval of each person whose consent or approval shall be required in connection with the transactions contemplated hereby under any indenture, mortgage, evidence of indebtedness, lease or other agreement or instrument to which Powertel or any of the Powertel Subsidiaries is a party, except where the failure to obtain the same would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect on Powertel or DT or upon the transactions contemplated by this Agreement.

(g) *Governmental Approvals.* All necessary consents or authorizations from any Governmental or Regulatory Authority which may be required in connection with the transactions contemplated hereby, including the FCC and state public utility or service commissions or similar agencies, shall have been received and, in the case of the FCC, shall have become Final Orders (unless this requirement of finality is waived by DT in its sole discretion), unless the failure to receive any such consent or authorization would not have a Material Adverse Effect on Powertel or DT or the transactions contemplated by this Agreement, and such consents or authorizations shall not contain any conditions which would reasonably be expected to have a Material Adverse Effect on Powertel or DT or the transactions contemplated by this Agreement.

SECTION 6.04. *Pre-Closing Bringdown.* At any time on or after the fifth Business Day after the last to be fulfilled or waived of the conditions set forth in Article VI hereof (other than the conditions contained in Sections 6.02(c), 6.02(d) and 6.03(c) so long as it is reasonably apparent that such conditions and the condition contained in Section 6.01(b) will be able to be satisfied on such fifth or later Business Day) shall be fulfilled or waived in accordance with this Agreement, Powertel may deliver to DT a certificate of an executive officer of Powertel, dated as of such day, to the effect set forth in Section 6.03(a), and the date on which such certificate is delivered shall thereupon be deemed to be the "**Bringdown Date**"; provided, however, that if the Bringdown Date does not occur before the Closing Date, then the Bringdown Date shall be the same date as the Closing Date.

ARTICLE 7

TERMINATION, AMENDMENT AND WAIVER

SECTION 7.01. *Termination.* This Agreement may be terminated at any time before the Effective Time, in each case as authorized by the Board of Directors of Powertel, the Management Board (VORSTAND) of DT or the Board of Directors of Merger Sub:

(a) By mutual written consent of each of Powertel and DT;

(b) By Powertel or DT, if the Merger shall not have been consummated on or before the close of business on December 31, 2001 (the "**Termination Date**"); *provided, however,* that the right to terminate this Agreement under this Section 7.01(b) shall not be available to any Party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur on or before the Termination Date;

(c) By either Powertel or DT, if any Governmental or Regulatory Authority shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling Powertel and DT shall use its reasonable best efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the Merger;

(d) By Powertel, (i) if DT shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which

breach or failure to perform (A) is incapable of being cured by DT prior to the Termination Date, or, if capable of being cured, is not cured by DT within 30 days after written notice thereof shall have been received by DT from Powertel and (B) renders any condition under Section 6.01 or 6.02 incapable of being satisfied prior to the Termination Date or (ii) if a condition under Section 6.01 or 6.02 to Powertel's obligations hereunder is or becomes incapable of being satisfied prior to the Termination Date;

(e) By DT, (i) if Powertel shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (A) is incapable of being cured by Powertel prior to the Termination Date, or, if capable of being cured, is not cured by Powertel within 30 days after written notice thereof shall have been received by Powertel from DT and (B) renders any condition under Section 6.01 or 6.03 incapable of being satisfied prior to the Termination Date or (ii) if a condition under Section 6.01 or 6.03 to DT's obligations hereunder is or becomes incapable of being satisfied prior to the Termination Date, (iii) in connection with the grant of any Required Regulatory Approval relating to the Merger, Powertel, DT, VoiceStream or any of their Subsidiaries is required to divest or hold separate or otherwise take or commit to take any action that limits its freedom of action with respect to Powertel, DT, VoiceStream or any of their Subsidiaries or any material portion of the assets of Powertel, DT, VoiceStream or any of their Subsidiaries or any of the business, product lines or assets of Powertel, DT, VoiceStream or any of their Subsidiaries, and such order, decree, ruling, or other action shall have become final and nonappealable or (iv) if the Alternative Merger Agreement has been terminated at any time prior to the termination or consummation of the VoiceStream Merger Agreement;

(f) By Powertel or DT, respectively, at any time that is not less than 15 days after any federal, state or foreign statute, rule, regulation, executive order, decree or injunction shall have been enacted, entered, promulgated or enforced by any Governmental or Regulatory Authority (other than, for purposes of this paragraph only, any court of law or equity) and that has the effect of making the conditions set forth in Section 6.01(b), Section 6.01(c), Section 6.02(f) or Section 6.03(g) incapable of being satisfied by the Parties prior to the Termination Date; or

(g) By either Powertel or DT, if the Powertel Stockholder Approval shall fail to have been obtained at a duly held stockholders meeting of Powertel, including any adjournments thereof.

SECTION 7.02. *Automatic Termination.* This Agreement shall terminate automatically upon the termination of the VoiceStream Merger Agreement without any action required by the parties.

SECTION 7.03. *Effect of Termination.* (a) In the event of termination of this Agreement as provided in Section 7.01 hereof, this Agreement shall forthwith become void and there shall be no liability on the part of Powertel or DT, except (i) as set forth in this Section 7.03 and in Sections 2.18, 3.12, 9.03, 9.09 and 9.10 hereof and (ii) nothing herein shall be interpreted to relieve any party of liability for any willful breach of this Agreement.

(b) If this Agreement is terminated by Powertel or DT pursuant to Section 7.01(g) because of the failure to obtain the Powertel Stockholder Approval and (i) at any time after the date of this Agreement and prior to the Powertel Stockholders' Meeting an offer or proposal for a transaction that would constitute an Alternative Transaction (as defined in Section 4.03(c) hereof) (except that, for the purposes of this Section 7.03(b), the applicable percentage in clauses (i) and (iii) of such definition shall be fifty percent (50%) and only for any transaction referred to in clause (ii) of such definition to be treated as an Alternative Transaction for purposes of this Section 7.03(b), stockholders of Powertel would own less than 65% of the outstanding stock of the entity surviving or resulting from such transaction) shall have been announced or otherwise publicly disclosed, and not withdrawn, and (ii) within six months after the termination of this Agreement, Powertel enters into a definitive agreement with any Third Party with respect to an Alternative Transaction (provided that for any transaction referred to in clause (ii) of such definition to be treated as an Alternative Transaction for purposes of this Section 7.03(b), stockholders of Powertel would own less than 65% of the outstanding stock of the entity surviving or resulting from such

transaction), Powertel shall pay to DT a termination fee of \$150,000,000 (the “**Termination Fee**”) plus expenses not to exceed \$10,000,000; *provided that*, in the event a termination fee is also payable by Powertel in connection with the termination of the Alternative Merger Agreement pursuant to Section 5.10(b) of the Alternative Merger Agreement, Powertel shall instead pay each of DT and VoiceStream \$75,000,000 plus expenses not to exceed \$10,000,000. Except as otherwise provided in this paragraph, no Termination Fee shall be or become payable upon termination of this Agreement.

(c) The Termination Fee payable under Section 7.03(b) above shall be payable in cash no later than one business day following the day Powertel enters into the definitive agreement providing for the Alternative Transaction giving rise to the payment of such fee.

(d) Powertel and DT agree that the agreements contained in Section 7.03(b) above are an integral part of the transactions contemplated by this Agreement and are an inducement to DT to enter into this Agreement and, to the extent payable in connection with a breach of this Agreement, constitute liquidated damages and not a penalty. If Powertel fails to promptly pay to DT any fee due under such Section 7.03(b), then Powertel shall pay the costs and expenses (including legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, taken to collect payment, together with interest on the amount of any unpaid fee at the publicly announced prime rate of Citibank, N.A., from the date such fee was required to be paid.

SECTION 7.04. *Amendment.* This Agreement may be amended by Powertel, DT and Merger Sub pursuant to a writing adopted by action taken by each of them at any time before the Effective Time; *provided, however*, that, after approval of this Agreement by the stockholders of Powertel no amendment may be made which under applicable law would require approval of such Party’s stockholders without such approval.

SECTION 7.05. *Waiver.* At any time before the Effective Time, Powertel, DT and Merger Sub may (i) extend the time for the performance of any of the obligations or other acts of the others, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only as against such Party and only if set forth in an instrument in writing signed by such Party.

ARTICLE 8 DEFINITIONS

SECTION 8.01. *Certain Definitions.* For purposes of this Agreement, the following terms shall have the following meanings:

“**Action**” shall mean any action, suit, arbitration, inquiry, proceeding or investigation by or before any court, any governmental or other regulatory or administrative agency or commission or any arbitration tribunal.

“**Affiliate**” of a Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first mentioned Person; *provided, however*, that such term shall not be deemed to include the Federal Republic of Germany and Kreditanstalt für Wiederaufbau (“KfW”) in their capacities as shareholders of DT.

“**Agreement**” means this Agreement and Plan of Merger as amended or modified from time to time, together with all of its schedules, annexes and exhibits.

“**April 1996 Indenture**” shall mean the Indenture dated as of April 19, 1996, between Powertel and Bankers Trust Company relating to the 12% Senior Discount Notes due May 2006.

“Business Day” means a day other than Saturday, Sunday, federal, State of New York holiday or other day on which commercial banks in New York City are authorized or required by law to close.

“Code” means the Internal Revenue Code of 1986, as amended.

“Communications Act” shall mean the Communications Act of 1934, as amended, and the Telecommunications Act of 1996, as amended, together with the rules, regulations and published decisions of the FCC promulgated thereunder.

“Control” (including the terms **“controlled by”** and **“under common control with”**) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of stock, as trustee or executor, by contract or otherwise.

“Delaware Law” means the Delaware General Corporation Law, as amended.

“DiGiPH Transaction” means the transactions and agreements relating to the acquisition of substantially all of the assets of DiGiPH PCS, Inc., DigiPH Communication, Inc. and DigiPH Holding Company, Inc. by Eliska, as described in Powertel’s Form 8-K as filed on June 16, 2000, including (i) all agreements and commitments that have been entered into in connection therewith as listed in the Powertel disclosure schedules attached hereto; (ii) all agreements that are proposed to be entered into prior to closing, forms of which or term sheets for which or summaries of which have been made available to DT and are listed on the Powertel disclosure schedules; and (iii) any other agreements that are to be entered into prior to the closing of such transactions, that are reasonably necessary to consummate such transactions (and any amendments or modifications thereof) and with respect to clauses (ii) and (iii) that do not (A) materially alter the scope of such transactions, (B) materially increase Powertel’s obligations in connection therewith or (C) interfere with the transactions contemplated by this Agreement or the DT Merger Agreement.

“DT Registration Statement” means one or more registration statements to be filed with the SEC by DT in connection with the issuance of DT Depositary Shares and DT Ordinary Shares in the Merger.

“Eliska Joint Venture” means Eliska Wireless Ventures I, Inc.

“Eliska Partners” means Eliska Wireless Investors I, L.P. and Sonera Holding BV.

“Environmental Laws” shall mean any applicable statute, law, ordinance, regulation, rule, judgment, decree or order of any Governmental or Regulatory Authority relating to or regulating or imposing liability or standards of conduct with respect to pollution, protection of the environment or environmental regulation or control or regarding Hazardous Substances or occupational health or safety.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended, together with the rules and regulations promulgated thereunder.

“ERISA Affiliate” shall mean (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as Powertel; (ii) any partnership, trade or business (whether or not incorporated) which on the day before the Closing Date was under common control (within the meaning of Section 414(c) of the Code) with Powertel and (iii) any entity which is a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as either Powertel, any corporation described in clause (i) or any partnership, trade or business described in clause (ii).

“ERISA Benefit Plan” shall mean a Powertel Benefit Plan maintained as of the date of this Agreement which is also an “employee pension benefit plan” (as defined in Section 3(2) of ERISA) or which is also an “employee welfare benefit plan” (as defined in Section 3(1) of ERISA).

“Exchange Act” means the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Exon-Florio” means the Exon-Florio Amendment to the Omnibus and Competitiveness Act of 1988, as amended, or any successor thereto.

“FAA” shall mean the Federal Aviation Administration and any successor agency or body.

“FCC” shall mean the Federal Communications Commission and any successor agency or body.

“February 1996 Indenture” means the Indenture dated as of February 7, 1996, between Powertel and Bankers Trust Company relating to the 12% Senior Discount Notes due February 2006.

“Final Order” means action by the applicable regulatory authority which is in full force and effect, with respect to which no petition or other request for such authority or court stay, reconsideration or review of any kind is pending, and as to which all time periods have expired within which such authority or a court may be asked to stay, reconsider or review the action or may stay, reconsider or review the action *sua sponte*.

“GAAP” means United States generally accepted accounting principles.

“German Listing Prospectus” means the prospectus (BÖRSEZULASSUNGSPROSPEKT) required for the listing of the DT Ordinary Shares to be issued pursuant to the Merger on the FSE.

“Governmental or Regulatory Authority” shall mean any domestic or foreign, national, federal, state, county, city, local or other administrative, legislative, regulatory or other governmental authority, commission, agency, court of competent jurisdiction or other judicial entity, tribunal, arbitrator, office, principality, registry (including, but not limited to, with respect to patents, trademarks, designs, or copyrights), legislative or regulatory body, instrumentality, or quasi-governmental agency, commission or authority or any arbitral tribunal exercising any regulatory or taxing authority (including, without limitation, any stock exchange or other self-regulatory body); *provided* that such term shall not be deemed to include the Federal Republic of Germany and KFW, in their capacities as shareholders of DT.

“Hazardous Substances” shall mean any material defined as toxic or hazardous, including any petroleum and petroleum products, under any applicable Environmental Law.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as the same may be amended from time to time.

“Indebtedness” of any Person at any date shall mean (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), (b) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (c) all obligations of such Person under financing leases, (d) all obligations of such Person in respect of acceptances issued or created for the account of such Person and with respect to unpaid reimbursement obligations related to letters of credit issued for the account of such Person and (e) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof.

“Intellectual Property Rights” shall mean any right to use, all patents, patent rights, trademarks, trade names, trade dress, logos, service marks, copyrights, know how and other proprietary intellectual property rights and computer programs held or used by Powertel or any of its Subsidiaries that are individually or in the aggregate material to the conduct of the business of Powertel and the Powertel Subsidiaries, taken as a whole.

“Investment Entity” means an entity in which Powertel or any Powertel Subsidiaries has an Investment Interest.

“Investment Interest” means a direct or indirect ownership of capital stock, partnership, membership interests or other ownership interests or similar securities of any Person.

“June 1997 Indenture” means the Indenture dated as of June 10, 1997, between Powertel and Bankers Trust Company relating to the Senior Notes.

“Knowledge” of any Party means the actual knowledge of the executive officers of such Party.

“Liabilities” shall mean any and all debts, liabilities and obligations, absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, whenever arising (unless otherwise specified in this Agreement), including all costs and expenses relating thereto, and including those debts, liabilities and obligations arising under any law, rule, regulation, Action, threatened Action, order or consent decree of any Governmental or Regulatory Authority or any award of any arbitrator of any kind, and those arising under any contract, commitment or undertaking.

“Liens” shall mean any pledges, claims, liens, charges, encumbrances and security interests of any kind or nature whatsoever.

“Material Adverse Effect” means, with respect to Powertel and its Subsidiaries, taken as a whole, or DT and its Subsidiaries, taken as a whole, any change in or effect on the business of Powertel and its Subsidiaries taken as a whole or DT and its Subsidiaries taken as a whole, as the case may be, that is or is reasonably likely to be materially adverse to the business, operations or financial condition of Powertel and its Subsidiaries taken as a whole or DT and its Subsidiaries taken as a whole, respectively, but shall not include the effects of changes or developments (i) in (A) the telecommunications industry, including regulatory and political conditions, and not uniquely relating to DT or Powertel, (B) the United States or European economy or (C) the United States or European securities markets or (ii) resulting from the announcement or the existence of this Agreement and the transactions contemplated hereby.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, entity or group (as defined in the Exchange Act) or a Governmental or Regulatory Authority.

“Powertel Benefit Plans” shall mean any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical, life, insurance, supplemental unemployment benefits, employee stock purchase, stock appreciation, restricted stock or other employee benefit plan, policy, arrangement or agreement providing benefits to any current or former employee, officer or director of Powertel or any of its Subsidiaries or with respect to which Powertel or any of its Subsidiaries (or, in the case of an ERISA Benefit Plan, any of Powertel’s ERISA Affiliates) may have any liability.

“Powertel Employee” shall mean any employee of Powertel or any of the Powertel Subsidiaries.

“Powertel Principal Stockholders” shall mean ITC Holding Company, Inc., ITC Service Company, Inc., ITC Wireless Inc., SCANA Communications Holdings, Inc., Sonera Corporation, Sonera Holding B.V., Donald W. Burton, The Burton Partnership, L.P., The Burton Partnership (QP), L.P., South Atlantic Venture Fund II, L.P., South Atlantic Venture Fund III, L.P., South Atlantic Private Equity Fund IV, L.P., South Atlantic Private Equity Fund IV (QP) L.P. and American Water Works Company.

“Powertel Restricted Stock Award” shall mean restricted stock awards granted under the Restricted Stock Plan and the 2000 Plan.

“Restated By-laws of Powertel” shall mean the Second Restated By-laws of Powertel as in effect on the date hereof.

“Restated Certificate of Incorporation of Powertel” shall mean the Third Restated Certificate of Incorporation, as amended and as in effect on the date hereof.

"Securities Act" means the Securities Act of 1933, as the same may be amended from time to time.

"Senior Discount Notes" means the Powertel 12% Senior Discount Notes due February 2006 and the 12% Senior Discount Notes due May 2006.

"Senior Notes" means shall mean the 11 $\frac{1}{8}$ % Senior Notes due 2007 of Powertel.

"Significant Employee" shall mean any Employee of Powertel or any of its Subsidiaries who (i) is an officer of Powertel or any of its Subsidiaries, (ii) has a written employment contract with Powertel or any of its Subsidiaries which calls for annual compensation in excess of \$90,000, or (iii) is compensated by Powertel and/or its Subsidiaries at an annual rate greater than \$90,000.

"Significant Subsidiary" means any Subsidiary which on the date of determination is a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X promulgated under the Exchange Act.

"Subsequent Transaction" means any transaction entered into after the date hereof whereby any of DT or its Subsidiaries would (i) acquire (by merger, consolidation, business combination, acquisition of stock or assets or otherwise) any corporation, limited liability company, partnership, other business organization or assets or division thereof, which is engaged in any line of business that is similar to or compatible with any of the lines of business in which DT is engaged on the date of this Agreement; (ii) acquire an Investment Interest in any of the foregoing; (iii) issue any equity interest or incur any indebtedness whether in connection with any item described in (i) or (ii) or otherwise; (iv) enter into or engage in a strategic alliance or other commercial relationship or (v) act in the ordinary course of business; *provided, however*, in connection with a Subsequent Transaction described in items (i), (ii), (iii) or (iv) of this definition for a consideration paid by DT or any of its Subsidiaries in an amount greater than \$50 billion, DT must receive an opinion from a nationally recognized investment bank, acting as a financial advisor to DT, to the effect that, from a financial point of view, such Subsequent Transaction is fair to the holders of DT Ordinary Shares or, if applicable, DT.

"Subsidiary", "Powertel Subsidiary" or "DT Subsidiary" means any Person on the date of determination of which Powertel or DT, as the case may be (either alone or through or together with any other Subsidiary or Subsidiaries) owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interests the holders of which are generally entitled to vote for the election of the Board of Directors or other governing body of such Person.

"Tax" or "Taxes" means any U.S. federal, state or local or foreign taxes of any kind, including, without limitation, those on or measured by or referred to as income, gross receipts, capital, sales, use, ad valorem, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, value added, property or windfall profits taxes, customs, duties, or similar fees, assessments, or charges of any kind whatsoever, imposed by any taxing authority, together with any interest and any penalties, additions to tax, or additional amounts thereon.

"Tax Returns" means any U.S. federal, state or local or foreign return, report, or statement required to be filed with any Governmental or Regulatory Authority with respect to Taxes.

"VoiceStream Stockholder Agreements" means the Stockholder Agreements dated as of the date hereof among certain stockholders of VoiceStream, VoiceStream and Powertel entered into in connection with the Alternative Merger Agreement.

SECTION 8.02. *Date of this Agreement; No Waiver.* (a) The amendment and restatement of this Agreement as of February 8, 2001 notwithstanding, unless otherwise provided herein or unless the context expressly otherwise requires, this Agreement shall be deemed for all purposes to be dated and made as of August 26, 2000, the date of the original Agreement and Plan of Merger and to be effective as of such date, and all references herein to "the date hereof", "the date of this Agreement" and other similar references shall be deemed to be references to August 26, 2000.

(b) The parties' execution and delivery of this Amended and Restated Agreement shall not constitute a waiver of any rights that any of the parties hereto may have by reason of any event, condition, misrepresentation or breach of covenant of the original Agreement and Plan of Merger having occurred prior to the date of execution and delivery of this Amended and Restated Agreement, whether or not known to any or all of the parties hereto. No representation or warranty of any party in this Agreement shall be affected or limited by reason of the knowledge of any other party at any time that such representation or warranty is not, or may not be, true and correct.

ARTICLE 9

GENERAL PROVISIONS

SECTION 9.01. *Non-Survival of Representations, Warranties and Agreements.* The representations, warranties and agreements in this Agreement shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Section 7.01 hereof, as the case may be, except that (i) the agreements set forth in Article 1, Sections 5.07, 5.09, 5.11, 5.18 and 5.19 hereof shall survive the Effective Time indefinitely, (ii) the agreements set forth in Sections 5.04 (with regard to confidentiality), 7.02, 9.03 and 9.10 hereof shall survive termination indefinitely, (iii) the agreements set forth in Section 5.19 shall survive termination in accordance with provisions specified in Section 5.19, (iv) any covenant or agreement of Powertel and DT which by its terms contemplates performance after the Effective Time shall survive the Effective Time in accordance with its terms, and (v) the representations and warranties made by Powertel in this Agreement shall terminate at the earlier of the Effective Time and 12:00 midnight on the Bringdown Date, except that if the Permitted Stock Dividend is declared or paid after the Bringdown Date, then the representations and warranties made by Powertel in Sections 2.03(d) and 2.05(a), to the extent either relates to the declaration or payment of the Permitted Stock Dividend, shall terminate immediately after such payment.

SECTION 9.02. *Notices.* (a) All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date of receipt and shall be delivered personally or mailed by registered or certified mail (postage prepaid, return receipt requested), sent by overnight courier or sent by telecopy, to the Parties at the following addresses or telecopy numbers (or at such other address or telecopy number for a Party as shall be specified by like notice):

if to Powertel:

Powertel, Inc.
1239 O.G. Skinner Drive
West Point, Georgia 31833

Attn: Allen E. Smith
Jill F. Dorsey
Telecopy No.: 706-645-9532

with a copy to:

Morris, Manning & Martin, LLP
1600 Atlantic Financial Center
3343 Peachtree Road, N.E.
Atlanta, Georgia 30326

Attn: James Walker IV, Esq.
Telecopy No.: 404-365-9532

if to DT or Merger Sub:

Deutsche Telekom AG
140 Friedrich-Ebert-Alle
53113 Bonn
Germany

Attention: Kevin Copp
Facsimile: 49-228-181-44177

with a copy to:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006

Attention: Robert P. Davis
Facsimile: 212- 225-3999

and a copy to:

Hengeler Mueller Weitzel Wirtz
Trinkausstrasse 7
D-40213 Düsseldorf
Germany

Attention: Rainer Krause
Facsimile: +49-211-83-04-170

(b) Notices given hereunder shall be also given by the party delivering such notice to VoiceStream at the address below:

VoiceStream
VoiceStream Wireless Corporation
3650 131stAvenue S.E.
Bellevue, Washington 98006

Attention: Alan R. Bender
Facsimile: 425-586-8080

with a copy to:

Preston Gates & Ellis LLP
701 Fifth Avenue, Suite 5000
Seattle, WA 98104

Attn: Richard B. Dodd, Esq.
Telecopy No.: 206-623-7022

SECTION 9.03. Expenses. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, except that (i) those expenses incurred in connection with the printing of the Powertel Proxy Statement and the DT Registration Statement shall be borne one-third by VoiceStream, one-third by DT and one-third by Powertel and (ii) the filing fees related to the Powertel Proxy Statement and the DT Registration Statement with respect to the DT Ordinary Shares and the DT Depository Shares to be offered to stockholders of Powertel shall be borne one-half by DT and one-half by Powertel.

SECTION 9.04. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 9.05. *Severability.* If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, then all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the maximum extent possible.

SECTION 9.06. *Entire Agreement; No Third-Party Beneficiaries.* This Agreement, the Powertel Stockholder Agreements and the Confidentiality Agreement constitute the entire agreement and, except as expressly set forth herein, supersedes any and all other prior agreements and undertakings, both written and oral, between the Parties, or any of them, with respect to the subject matter hereof and, except for Section 5.07, 5.19 or 9.02(c), is not intended to confer upon any person other than Powertel, DT and, after the Effective Time their respective stockholders, as stockholders, any rights or remedies hereunder.

SECTION 9.07. *Assignment.* Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto, in whole or in part (whether by operation of law or otherwise), without the prior written consent of the other party; *provided, however,* that (i) this Agreement may be assigned by DT to an entity treated as a corporation for U.S. federal income tax purposes which owns more than 80% of the DT Ordinary Shares and which succeeds to all of the rights and obligations of DT under the Escrow Agency Agreement and (ii) this Agreement may be assigned by Merger Sub to an entity treated as a corporation for U.S. federal income tax purposes and which is a direct, wholly-owned subsidiary of the entity to which DT has assigned this Agreement pursuant to (i) above. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

SECTION 9.08. *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED IN AND TO BE PERFORMED ENTIRELY WITHIN THAT STATE, WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

SECTION 9.09. *Enforcement; Submission to Jurisdiction; Waivers.* The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached in any material respect. It is accordingly agreed that the Parties shall be, to the extent permitted by law, entitled to an injunction or injunctions to prevent breaches of this Agreement or any related agreement and to enforce specifically the terms and provisions of this Agreement or any related agreement, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement or for recognition and enforcement of any judgment in respect hereof brought by the other party hereto or its successors or assigns shall be brought and determined only in the United States District Court for the District of Delaware, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the courts of the State of Delaware. Each of the parties hereto hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts. Each of the parties hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve in accordance with this Section 9.09, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (c) to the fullest extent permitted by the applicable law, that (i) the suit, action or proceeding in such court is brought in

an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper and (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

SECTION 9.10. *Waiver of Immunity.* DT agrees that, to the extent that it or any of its Subsidiaries or any of its property or the property of its Subsidiaries is or becomes entitled to any immunity on the grounds of sovereignty or otherwise based upon its status as an agency or instrumentality of the government from any legal action, suit or proceeding or from set-off or counterclaim relating to this Agreement from the jurisdiction of any competent court, from service of process, from attachment prior to judgment, from attachment in aid of execution, from execution pursuant to a judgment or an arbitral award or from any other legal process in any jurisdiction, it, for itself and its property, and for each of its Subsidiaries and its property, expressly, irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity with respect to matters arising with respect to this Agreement or the subject matter hereof (including any obligation for the payment of money). DT agrees that the foregoing waiver is irrevocable and is not subject to withdrawal in any jurisdiction or under any statute, including the Foreign Sovereign Immunities Act, 28 U.S.C. § 1602 et seq. The foregoing waiver shall constitute a present waiver of immunity at any time any action is initiated against DT or any of its Subsidiaries with respect to this Agreement or the subject matter hereof (including any obligation for the payment of money).

SECTION 9.11. *Counterparts.* This Agreement may be executed in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which shall constitute one and the same agreement.

SECTION 9.12. *Reliance on Representations.* Notwithstanding any investigation, knowledge or review made at any time by or on behalf of any party hereto, the parties acknowledge and agree that all representations and warranties contained in this Agreement, the Annexes, the Schedules annexed hereto or in any of the documents, certifications or agreements delivered in connection therewith, are being relied upon as a material inducement to enter into this Agreement and the transactions contemplated hereby.

IN WITNESS WHEREOF, the parties have caused this amended and restated Agreement dated the date first written above to be executed on February 8, 2001 by their respective officers thereunto duly authorized.

POWERTEL, INC.

By: /s/ FRED G. ASTOR, JR. _____

Name: Fred G. Astor, Jr.
Title: Chief Financial Officer and
Executive Vice President

DEUTSCHE TELEKOM AG

By: /s/ JEFFREY A. HEDBERG _____

Name: Jeffrey A. Hedberg
Title: Member of the Board of
Management, International

By: /s/ DR. KARL-GERHARD EICK _____

Name: Dr. Karl-Gerhard Eick
Title: Member of the Board of
Management, Finance

BEGA II, INC.

By: /s/ JEFFREY A. HEDBERG _____

Name: Jeffrey A. Hedberg
Title: Director

By: /s/ KARL-GERHARD EICK _____

Name: Dr. Karl-Gerhard Eick
Title: Director

AGREEMENT AND PLAN OF REORGANIZATION

Dated as of August 26, 2000,

As Amended and Restated as of February 8, 2001

Among

VOICESTREAM WIRELESS CORPORATION,

POWERTEL, INC.,

And

VoiceStream Subsidiary V Corporation

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AGREEMENT AND PLAN OF REORGANIZATION

AGREEMENT AND PLAN OF REORGANIZATION dated as of August 26, 2000, as amended and restated as of February 8, 2001 (this "**Agreement**"), among VoiceStream Wireless Corporation, a Delaware corporation ("**VoiceStream**"), VoiceStream Subsidiary V Corporation, a Delaware corporation formed by VoiceStream ("**Sub**"), and Powertel, Inc., a Delaware corporation ("**Powertel**"). Except as otherwise set forth herein, capitalized (and certain other) terms used herein shall have the meanings set forth in **Section 8.03**.

WITNESSETH:

WHEREAS, VoiceStream and Deutsche Telekom AG, an AKTIENGESELLSCHAFT ("**DT**") entered into an Agreement and Plan of Merger dated as of July 23, 2000 (as amended or modified from time to time, the "**DT Merger Agreement**"), providing for the acquisition of VoiceStream by DT (the "**DT Merger**");

WHEREAS, Powertel and DT entered into a separate merger agreement dated as of August 26, 2000 (as amended or modified from time to time, the "**Powertel Merger Agreement**"), providing for the acquisition of Powertel by DT (the "**Powertel Merger**"), subject to certain closing conditions, including the consummation of the DT Merger;

WHEREAS, VoiceStream and Powertel desire to provide for the acquisition of Powertel by VoiceStream upon the terms and conditions set forth in this Agreement in the event the DT Merger is not consummated;

WHEREAS, the reorganization provided for herein (the "**Reorganization**") shall include the merger (the "**Merger**") of Sub with and into Powertel and, if applicable, the other transactions described below and shall only take place if the DT Merger Agreement has previously terminated;

WHEREAS, the respective Boards of Directors of VoiceStream, Sub and Powertel have approved and declared advisable the Reorganization, upon the terms and subject to the conditions herein set forth whereby each issued and outstanding share of common stock of Powertel, \$0.01 par value (the "**Powertel Common Stock**"), and each issued and outstanding share of preferred stock of Powertel (whether or not such shares of preferred stock are or become convertible into Powertel Common Stock prior to the Effective Time), \$0.01 par value per share and together with all accrued and unpaid dividends thereon (calculated as if the Closing Date were a dividend payment date) (the "**Powertel Preferred Stock**," and collectively with Powertel Common Stock, the "**Powertel Stock**"), other than shares of Powertel Stock owned directly or indirectly by VoiceStream or Powertel, will be converted into shares of common stock, \$0.001 par value, of VoiceStream (the "**VoiceStream Common Stock**");

WHEREAS, the respective Boards of Directors of VoiceStream, Sub and Powertel have determined that the Reorganization is in furtherance of and consistent with their respective long-term business strategies and is fair to and in the best interests of their respective stockholders;

WHEREAS, the Board of Directors of Sub has determined that it is advisable and in the best interests of Sub and its stockholder to consummate the Merger and the other transactions contemplated hereby and has authorized the execution and delivery of this Agreement, and VoiceStream, as Sub's current sole stockholder, has approved and adopted this Agreement;

WHEREAS, for federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Code;

WHEREAS, as a condition to the willingness of, and as an inducement to, VoiceStream to enter into this Agreement, contemporaneously with the execution and delivery of this Agreement certain holders of Powertel Stock are each entering into a stockholder agreement dated as of the date hereof (each a

“**Powertel Stockholder Agreement**”), providing for certain actions relating to the transactions contemplated by this Agreement;

WHEREAS, as a condition to the willingness of, and as an inducement to, Powertel to enter into this Agreement, contemporaneously with the execution and delivery of this Agreement certain holders of VoiceStream Common Stock and preferred stock of VoiceStream are each entering into a voting agreement dated as of the date hereof (each a “**VoiceStream Stockholder Agreement**”), providing for certain actions relating to the transactions contemplated by this Agreement; and

WHEREAS, VoiceStream, Sub and Powertel desire to make certain representations, warranties, covenants and agreements in connection with the Reorganization and also to prescribe various conditions to the Reorganization.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, VoiceStream, Sub and Powertel hereby agree as follows:

ARTICLE I THE REORGANIZATION

SECTION 1.01 *The Merger.* Upon the terms and subject to the conditions hereof, and in accordance with the DGCL, in the Reorganization, Sub shall be merged with and into Powertel at the Effective Time. Following the Effective Time, the separate corporate existence of Sub shall cease, and Powertel shall continue as the surviving corporation (the “**Surviving Corporation**”) and shall succeed to and assume all the rights and obligations of Sub and Powertel in accordance with the DGCL.

SECTION 1.02 *Closing.* The closing (the “**Closing**”) of the Merger will take place at 10:00 a.m., Seattle time, on the fifth Business Day after satisfaction or waiver of the conditions set forth in **Article VI** (excluding conditions that, by their terms, cannot be satisfied except at the Closing), at the offices of Preston Gates & Ellis LLP, 701 Fifth Avenue, Suite 5000, Seattle, WA 98104-7078, unless this Agreement shall have been terminated and the transactions contemplated by this Agreement abandoned pursuant to **Article VII** or unless another date, time or place is agreed to in writing by the parties hereto. The date on which the Closing takes place is herein referred to as the “**Closing Date.**”

SECTION 1.03 *Effective Time.* The Merger shall become effective when a Certificate of Merger (the “**Certificate of Merger**”), executed in accordance with the relevant provisions of the DGCL, is duly filed with the Secretary of State of the State of Delaware, or at such other time as Sub and Powertel shall agree should be specified in the Certificate of Merger. The term “**Effective Time**” shall mean the later of the date and time at which the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware or such other time established by the Certificate of Merger. The filing of the Certificate of Merger shall be made on the Closing Date as soon as practicable after the satisfaction or waiver of the conditions set forth herein.

SECTION 1.04 *Effects of the Merger.* At the Effective Time, the effect of the Merger shall be as provided in this Agreement and in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the assets, property, rights, privileges, immunities, powers and franchises of Powertel and Sub shall vest in the Surviving Corporation, and all debts, liabilities and duties of Powertel and Sub shall become the debts, liabilities and duties of the Surviving Corporation.

SECTION 1.05 *Restated Certificate of Incorporation and By-laws; Officers and Directors.*

(a) The Restated Certificate of Incorporation of Powertel, as in effect immediately prior to the Effective Time, shall be amended as of the Effective Time as set forth on **Annex A** hereto. As so amended, such Restated Certificate of Incorporation shall be the Certificate of Incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

(b) The Restated By-laws of Powertel, as in effect immediately prior to the Effective Time, shall be amended as of the Effective Time as set forth on **Annex B** hereto. As so amended, such Restated By-laws shall be the By-laws of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

(c) The directors of Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation, until the next annual meeting of stockholders (or the earlier of their resignation or removal) and until their respective successors are duly elected and qualified, as the case may be.

(d) The officers of Sub immediately prior to the Effective Time shall be the officers of the Surviving Corporation until the earlier of their resignation or removal and until their respective successors are duly elected and qualified, as the case may be.

SECTION 1.06 Effect on Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of any party hereto or the holders of any securities of Powertel and Sub:

(a) *Capital Stock of Sub.* Each issued and outstanding share of capital stock of Sub shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, no par value, of the Surviving Corporation.

(b) *Treasury Stock and VoiceStream Owned Stock.* Each share of Powertel Stock that is owned by Powertel or by any Powertel Subsidiary and each share of Powertel Stock that is owned by VoiceStream, Sub or any other VoiceStream Subsidiary shall automatically be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(c) *Conversion of Powertel Stock.* At the Effective Time: (i) each share of Powertel Common Stock issued and outstanding shall be converted automatically into the right to receive a number (as calculated below, the “**Conversion Number**”) of validly issued, fully paid and nonassessable shares of VoiceStream Common Stock; and (ii) each share of Powertel Preferred Stock issued and outstanding, whether or not such share is convertible by its terms as of the Effective Time, shall be converted automatically into the right to receive a number of shares of validly issued, fully paid and nonassessable shares of VoiceStream Common Stock determined by multiplying (A) the Conversion Number by (B) the sum of (1) the number of shares of Powertel Common Stock into which such share of Powertel Preferred Stock would be converted as of the Effective Time, if such share were then convertible and had been converted, plus (2) with respect to the Series E Preferred Shares and Series F Preferred Shares, the number of shares of Powertel Common Stock that represent accrued or declared but unpaid dividends on such shares (calculated as if the Closing Date were a dividend payment date). The Conversion Number shall be determined as follows: (i) 0.75 if the VoiceStream Average Closing Price is \$113.33 or below; (ii) 0.65 if the VoiceStream Average Closing Price is \$130.77 or above; and (iii) if the VoiceStream Average Closing Price is greater than \$113.33 and less than \$130.77, the quotient determined by dividing \$85.00 by the VoiceStream Average Closing Price. The “**VoiceStream Average Closing Price**” shall mean the volume weighted average closing price (based on the Nasdaq National Market System (“**Nasdaq**”) composite volume published by the Wall Street Journal) of the VoiceStream Common Stock as publicly reported for the Nasdaq as of 4:00 p.m. Eastern Time for ten (10) trading days randomly selected by lot out of the last twenty (20) trading days ending five (5) trading days prior to the Closing Date. As of the Effective Time, all such shares of Powertel Stock shall be converted in accordance with this paragraph, and when so converted, shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate representing any such shares of Powertel Stock shall cease to have any rights with respect thereto, except the right to receive (i) certificates representing the shares of VoiceStream Common Stock into which such shares of Powertel Stock have been converted, (ii) any dividends and other distributions in accordance with **Section 1.07(d)** and (iii) any cash, without interest, to be paid in lieu of any fractional share of VoiceStream Common Stock in accordance with **Section 1.07(e)**. **Item 1.06(c)** of the Powertel Letter sets forth a pro forma calculation of the conversion of Powertel Common Stock and each outstanding Powertel Common Stock Equivalent (including the corresponding conversion ratios with respect to each series of

Powertel Preferred Stock) into VoiceStream Common Stock or VoiceStream Equity Rights as of the date hereof.

(d) *Assumption of Options, Warrants and Puts.* Subject to **Section 5.02** hereof, Powertel and VoiceStream shall take all requisite action such that, at the Effective Time, (i) all Powertel Stock Options outstanding at the Effective Time, (ii) all obligations of Powertel with respect to the warrants (the "**Powertel Warrants**") to purchase Powertel Common Stock issued by Powertel pursuant to the Warrant Agreement (the "**Warrant Agreement**") dated February 7, 1996 between Powertel and Bankers Trust Company, as warrant agent, outstanding at the Effective Time, (iii) all obligations with respect to the Stock Purchase Agreement and the Put Agreement, each dated May 30, 2000 between Powertel and Sonera Holding B.V. (together, the "**Sonera Put**") and (iv) all obligations with respect to the Put Agreement dated May 30, 2000 and between Powertel, Eliska Wireless Investors I, L.P. and Sonera Holding B.V. (the "**Eliska Put**" and together with the Sonera Put, the "**Eliska Put Rights**") shall be specifically assumed by VoiceStream in writing.

(e) *Permitted Stock Dividends.* Anything in this Agreement to the contrary notwithstanding, at any time prior to both the Effective Time and the termination of the DT Merger Agreement, (A) VoiceStream may declare and pay (provided such declaration and payment are both effected prior to the Effective Time), a pro rata distribution, including a distribution of fractional shares, to the holders of the then outstanding VoiceStream Common Stock of 0.0075 of a share of VoiceStream Common Stock for each share of VoiceStream Common Stock outstanding on the record date for such action (the "**VoiceStream Permitted Stock Dividend**"), and the conversion or exercise terms of any option, warrant, restricted stock award, put or preferred security of VoiceStream or any VoiceStream Subsidiary that by its terms, as in effect on February 8, 2001, adjusts as a result of such VoiceStream Permitted Stock Dividend (whether automatically, or upon the taking of any corporate action or action by the board of directors of VoiceStream or any such VoiceStream Subsidiary) shall be so adjusted and (B) Powertel may declare and pay (provided such declaration and payment are both effected prior to the Effective Time), a pro rata distribution, including a distribution of fractional shares, to the holders of the then outstanding Powertel Common Stock of 0.0075 of a share of Powertel Common Stock for each share of Powertel Common Stock outstanding on the record date for such action (the "**Powertel Permitted Stock Dividend**"), and the conversion or exercise terms of any option, warrant, restricted stock award, put or preferred security of Powertel or any Powertel Subsidiary that by its terms, as in effect on February 8, 2001, adjusts as a result of such Powertel Permitted Stock Dividend (whether automatically, or upon the taking of any corporate action or action by the board of directors of Powertel or any such Powertel Subsidiary) shall be so adjusted.

(f) *Adjustment of Conversion Number.*

(i) In the event of any reclassification, stock split or stock dividend with respect to VoiceStream Common Stock or Powertel Common Stock (to the extent permitted by this Agreement), any change, exchange or conversion of VoiceStream Common Stock into other securities or property, or any other dividend or distribution with respect to VoiceStream Common Stock (other than normal quarterly cash dividends as the same may be modified from time to time in the ordinary course), or if a record date with respect to any of the foregoing should occur, prior to the Effective Time (provided that the VoiceStream Permitted Stock Dividend and Powertel Permitted Stock Dividend must be declared and paid prior to the Effective Time), appropriate and proportionate adjustments, if any, shall be made to the Conversion Number, and thereafter all references in this Agreement to the Conversion Number shall be deemed to be to the Conversion Number as so adjusted. For illustration purposes, assuming the VoiceStream Permitted Stock Dividend and/or the Powertel Permitted Stock Dividend, as applicable, is declared and paid prior to the Effective Time, then:

(A) In the event both the VoiceStream Permitted Stock Dividend and the Powertel Permitted Stock Dividend are declared and paid prior to the Effective Time pursuant to Section 1.06(e), the Conversion Number shall be determined as follows: (x) 0.75 if the

VoiceStream Average Closing Price is \$112.49 or below; (y) 0.65 if the VoiceStream Average Closing Price is \$129.80 or above; and (z) if the VoiceStream Average Closing Price is greater than \$112.49 and less than \$129.80, the quotient determined by dividing \$84.37 by the VoiceStream Average Closing Price.

(B) In the event the VoiceStream Permitted Stock Dividend is declared and paid prior to the Effective Time pursuant to Section 1.06(e) but the Powertel Permitted Stock Dividend is not declared and paid prior to the Effective Time pursuant to Section 1.06(e), the Conversion Number shall be determined as follows: (x) 0.756 if the VoiceStream Average Closing Price is \$112.49 or below; (y) 0.655 if the VoiceStream Average Closing Price is \$129.80 or above; and (z) if the VoiceStream Average Closing Price is greater than \$112.49 and less than \$129.80, the quotient determined by dividing \$85.00 by the VoiceStream Average Closing Price.

(C) In the event the Powertel Permitted Stock Dividend is declared and paid prior to the Effective Time pursuant to Section 1.06(e) but the VoiceStream Permitted Stock Dividend is not declared and paid prior to the Effective Time pursuant to Section 1.06(e), the Conversion Number shall be determined as follows: (x) 0.744 if the VoiceStream Average Closing Price is \$113.33 or below; (y) 0.645 if the VoiceStream Average Closing Price is \$130.77 or above; and (z) if the VoiceStream Average Closing Price is greater than \$113.33 and less than \$130.77, the quotient determined by dividing \$84.37 by the VoiceStream Average Closing Price.

(ii) In the event that the aggregate number of shares of Powertel Common Stock and Powertel Common Stock Equivalents (“**Adjusted Fully Diluted Shares**”) exceeds the Maximum Share Amount as of the Effective Time, excluding, for purposes of this **Section 1.06(f)**, Powertel Common Stock issuable after the date hereof and prior to the Effective Time in respect of dividends accrued on the Series E Preferred Shares and the Series F Preferred Shares, and Powertel Common Stock issued for the Powertel Permitted Stock Dividend, including Powertel Common Stock and Powertel Common Stock Equivalents deemed to be issued as a result of the adjustment of the conversion or exercise terms of any option, warrant, restricted stock award, put or preferred security of Powertel or any Powertel Subsidiary that by its terms adjusts as a result of such Powertel Permitted Stock Dividend (whether automatically, or upon the taking of any corporate action or action by the board of directors of Powertel or any such Powertel Subsidiary), the Conversion Number shall be adjusted by multiplying the Conversion Number otherwise applicable under **Section 1.06(c)** by a fraction the numerator of which shall be the Maximum Share Amount and the denominator of which shall be the number of Adjusted Fully Diluted Shares as of the Effective Time. Except as described in the preceding sentence, the number of shares of Powertel Common Stock and Powertel Common Stock Equivalents for the purpose of such recalculation shall be determined in the same manner as described in **Item 1.06(c)** of the Powertel Letter, including shares of Powertel Common Stock issuable (i) in exchange for Powertel Preferred Stock, (ii) pursuant to Powertel Stock Options and Powertel Warrants, (iii) pursuant to Powertel Restricted Stock Awards, (iv) in connection with the Eliska Put Rights, (v) pursuant to the Sonera Stock Purchase Agreement (as defined below) and (vi) any other Powertel Common Stock and Powertel Common Stock Equivalents outstanding as of the Effective Time. For purposes of this **Section 1.06(f)**, the “**Maximum Share Amount**” means 55,742,000 shares; *provided, however*, that if prior to the Effective Time the Stock Purchase Agreement between Powertel and Sonera B.V. relating to the DiGiPH Transaction (the “**Sonera Stock Purchase Agreement**”) or the Eliska Put or the Sonera Put shall have been terminated, the Maximum Share Amount shall be appropriately reduced.

SECTION 1.07 *Surrender of Certificates.*

(a) *Exchange Agent.* ChaseMellon Shareholder Services LLC shall act as exchange agent in the Merger (the “**Exchange Agent**”). As and when needed, but no later than twenty-five (25) Business Days

after the Effective Time, VoiceStream shall deposit with the Exchange Agent, in trust for the holders of certificates (the "**Powertel Certificates**") which immediately prior to the Effective Time represented shares of Powertel Stock converted in the Merger, certificates (the "**VoiceStream Certificates**") representing the shares of VoiceStream Common Stock issuable pursuant to **Section 1.06(c)** (such shares of VoiceStream Common Stock, together with cash in lieu of fractional shares and any dividends, securities, property or distributions with respect thereto payable in accordance with **Section 1.07(d)** being hereinafter referred to as the "**Exchange Fund**").

(b) *Exchange Procedure.* As soon as reasonably practicable after the Effective Time, but no later than five (5) Business Days after the Effective Time, the Surviving Corporation shall cause the Exchange Agent to mail to each holder of record of a Powertel Certificate, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to a Powertel Certificate shall pass, only upon delivery of such Powertel Certificate to the Exchange Agent and shall be in a form and have such other provisions as VoiceStream may reasonably specify), and (ii) instructions for use in effecting the surrender of Powertel Certificates in exchange for the property described in the next sentence. Upon surrender for cancellation to the Exchange Agent of any Powertel Certificate(s) held by any holder of record of a Powertel Certificate, together with such letter of transmittal duly executed, such holder shall be entitled to receive in exchange therefor a VoiceStream Certificate (which shall not include any restrictive legends but may be subject to the agreement signed by Rule 145 Affiliates pursuant to **Section 5.08(a)** of this Agreement) representing the number of whole shares of VoiceStream Common Stock into which the shares of Powertel Stock represented by the surrendered Powertel Certificate(s) shall have been converted at the Effective Time pursuant to **Section 1.06(c)**, cash in lieu of any fractional share of VoiceStream Common Stock in accordance with **Section 1.07(e)** and the dividends and other distributions in accordance with **Section 1.07(d)**; and the Powertel Certificate(s) so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of shares of Powertel Stock that is not registered in the transfer records of Powertel, cash or a VoiceStream Certificate representing shares of VoiceStream Common Stock may be paid to or issued in a name other than that in which the Powertel Certificate surrendered in exchange therefor is registered, if such Powertel Certificate shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment shall pay any transfer or other Taxes required by reason of the payment to a person other than the registered holder of such Powertel Certificate or establish to the satisfaction of the Surviving Corporation that such Tax has been paid or is not applicable. Until surrendered as contemplated by this **Section 1.07**, each Powertel Certificate shall be deemed at any time after the Effective Time to represent only (A) the right to receive VoiceStream Certificates representing the shares of VoiceStream Common Stock into which the shares of Powertel Stock represented by such Powertel Certificate have been converted, (B) any dividends and other distributions in accordance with **Section 1.07(d)**, and (C) any cash, without interest, to be paid in lieu of any fractional share of VoiceStream Common Stock in accordance with **Section 1.07(e)**. VoiceStream or the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Powertel Stock such amounts as VoiceStream or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under the Code or under any provision of state, local or foreign Tax law, but in connection therewith shall be obligated to pay over to the proper Tax authorities and properly report such payment as required by such Tax law. To the extent that amounts are so withheld by VoiceStream or the Exchange Agent (but not both) and have been properly paid to the appropriate Tax authorities and reported as required by law, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Powertel Stock in respect of which such deduction and withholding was made by VoiceStream or the Exchange Agent.

(c) *No Further Ownership Rights in Shares.* All shares of VoiceStream Common Stock issued and cash paid upon the surrender of Powertel Certificates in accordance with the terms of this **Article I** (including any cash paid pursuant to **Section 1.07(d)** or **Section 1.07(e)**) shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to the shares of Powertel Stock theretofore represented by such Powertel Certificates. At the Effective Time, the stock transfer books of Powertel shall be closed, and there shall be no further registration of transfers on the stock transfer books of the

Surviving Corporation of the shares of Powertel Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Powertel Certificates are presented to the Surviving Corporation or the Exchange Agent for any reason, they shall be cancelled and exchanged as provided in this **Article I**.

(d) *Dividends*. No dividends or other distributions that are declared on or after the Effective Time on VoiceStream Common Stock, or are payable to the holders of record thereof on or after the Effective Time, shall be paid to any person entitled by reason of the Merger to receive VoiceStream Certificates, and no cash payment in lieu of any fractional share of VoiceStream Common Stock shall be paid to any such person pursuant to **Section 1.07(e)**, until such person shall have surrendered its Powertel Certificate(s) as provided in **Section 1.07(b)**. Subject to applicable law, there shall be paid to each person receiving a VoiceStream Certificate: (i) at the time of such surrender or as promptly as practicable thereafter, the amount of any dividends or other distributions theretofore paid with respect to the shares of VoiceStream Common Stock represented by such VoiceStream Certificate and having a record date on or after the Effective Time and a payment date prior to such surrender; and (ii) at the appropriate payment date or as promptly as practicable thereafter, the amount of any dividends or other distributions payable with respect to such shares of VoiceStream Common Stock and having a record date on or after the Effective Time but prior to such surrender and a payment date on or subsequent to such surrender. In no event shall the person entitled to receive such dividends or other distributions be entitled to receive interest on such dividends or other distributions.

(e) *No Fractional Shares*. No certificates or scrip representing fractional shares of VoiceStream Common Stock shall be issued upon the surrender for exchange of Powertel Certificates pursuant to this **Article I**; and no such fractional share shall entitle the record or beneficial owner thereof to vote or to any other rights of a stockholder of VoiceStream. In lieu of any such fractional share, each holder of shares of Powertel Stock who would otherwise have been entitled thereto upon the surrender of Powertel Certificate(s) for exchange pursuant to this **Article I** will be paid an amount in cash (without interest), rounded to the nearest whole cent, determined by multiplying (i) the per share closing price on the Nasdaq of VoiceStream Common Stock (as reported on the Nasdaq) on the date on which the Effective Time shall occur (or, if VoiceStream Common Stock shall not trade on the Nasdaq on such date, the first day of trading in VoiceStream Common Stock on the Nasdaq thereafter) by (ii) the fractional share to which such holder would otherwise be entitled.

(f) *Termination of Exchange Fund*. Any portion of the Exchange Fund which remains undistributed to holders of Powertel Stock for twelve (12) months after the Effective Time shall be delivered to VoiceStream, upon demand, and any holders of Powertel Stock who have not theretofore complied with this **Article I** and the instructions set forth in the letter of transmittal mailed to such holders after the Effective Time shall thereafter look only to the Surviving Corporation (subject to abandoned property, escheat or other similar laws) only as general creditors thereof for payment of shares of VoiceStream Common Stock, any cash in lieu of fractional shares of VoiceStream Common Stock and any dividends or distributions with respect to such shares of VoiceStream Common Stock to which they are entitled.

(g) *No Liability*. None of VoiceStream, Sub, Powertel, the Surviving Corporation or the Exchange Agent shall be liable to any Person in respect of any VoiceStream Common Stock or cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(h) *Lost Certificates*. If any Powertel Certificate is lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Powertel Certificate to be lost, stolen or destroyed and executing an indemnity reasonably satisfactory to VoiceStream (and, if required by VoiceStream, the posting by such Person of a bond, in such reasonable amount as VoiceStream may direct, as indemnity) indemnifying VoiceStream against any claim that may be made against VoiceStream with respect to the Powertel Certificate, the Exchange Agent will issue, in exchange for such lost, stolen or destroyed Powertel Certificate, the consideration to be paid in respect of the shares represented by such Powertel Certificate. Such Person additionally will be entitled to receive any amounts payable pursuant to **Section 1.07(d)** and/or **Section 1.07(e)**.

ARTICLE II
 REPRESENTATIONS AND WARRANTIES OF POWERTEL

Except as disclosed in the Powertel Filed SEC Documents and except as set forth in the Powertel Letter (it being agreed that disclosure of any item in the Powertel Letter shall be deemed disclosure with respect to any section of this Agreement to which the relevance of such item is reasonably apparent), Powertel hereby represents and warrants as of the date hereof to VoiceStream and Sub as follows:

SECTION 2.01 Organization. Each of Powertel and its Subsidiaries (collectively, the “**Powertel Subsidiaries**”) is a corporation or limited liability company duly organized, validly existing and is in good standing (where such concept is applicable) under the laws of the jurisdiction of its incorporation or organization and has the requisite power and authority to carry on its business as now being conducted, except where the failure to be so organized, existing and in good standing or to have such power and authority could not reasonably be expected to have a Material Adverse Effect on Powertel or prevent or materially delay the consummation of the Reorganization. Powertel and each of the Powertel Subsidiaries is duly qualified or licensed to do business and is in good standing (where such concept is applicable) in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing could not reasonably be expected to have a Material Adverse Effect on Powertel or prevent or materially delay the consummation of the Reorganization. Powertel has delivered to VoiceStream complete and correct copies of the Restated Certificate of Incorporation of Powertel and Restated By-laws of Powertel and has made available to VoiceStream the certificate of incorporation and by-laws (or similar organizational documents) of each of the Powertel Subsidiaries.

SECTION 2.02 Subsidiaries. **Item 2.02** of the Powertel Letter lists each Powertel Subsidiary and any Investment Entity. All of the outstanding shares of capital stock of each Powertel Subsidiary that is a corporation have been validly issued and are fully paid and nonassessable. All of the outstanding shares of capital stock of each Powertel Subsidiary are owned by Powertel or by another Powertel Subsidiary free and clear of all Liens, except for Liens which are granted to secure indebtedness and are disclosed in **Item 2.02** of the Powertel Letter. Except as set forth in **Item 2.02** of the Powertel Letter, (i) Powertel and the Powertel Subsidiaries have no material ongoing obligations, agreements, commitments, rights, understandings or arrangements with respect to any Investment Entities, including funding obligations; and (ii) all Investment Interests are owned by Powertel or the Powertel Subsidiaries free and clear of all Liens. Except as set forth in **Item 2.02** of the Powertel Letter and except for the capital stock owned by Powertel, directly or indirectly, in the Powertel Subsidiaries, neither Powertel nor any of the Powertel Subsidiaries owns, directly or indirectly, any capital stock or other ownership interest in any corporation, partnership, joint venture, limited liability company or other entity.

SECTION 2.03 Capital Structure. The authorized capital stock of Powertel consists of 401,000,000 shares of capital stock, of which 400,000,000 shares are authorized to be issued as Powertel Common Stock, and 1,000,000 shares are authorized to be issued as Powertel Preferred Stock. As of the close of business on August 18, 2000, Powertel had 31,381,461 shares of Powertel Common Stock issued and outstanding. The series of Powertel Preferred Stock and the number of designated, issued and outstanding shares, the current exchange ratio and the number of shares of Powertel Common Stock issuable upon conversion as of the close of business on August 18, 2000, were as follows:

<u>Series</u>	<u>Designated, Issued and Outstanding Shares</u>	<u>Current Exchange Ratio(1)</u>	<u>Shares of Powertel Common Stock Issuable upon Conversion</u>
Series A Convertible Preferred Stock (“ Series A Preferred Shares ”)	100,000	46.26774	4,626,774
Series B Convertible Preferred Stock (“ Series B Preferred Shares ”)	100,000	46.26774	4,626,774

<u>Series</u>	<u>Designated, Issued and Outstanding Shares</u>	<u>Current Exchange Ratio(1)</u>	<u>Shares of Powertel Common Stock Issuable upon Conversion</u>
Series C Convertible Preferred Stock ("Series C Preferred Shares")	—(2)	—	—
Series D Convertible Preferred Stock ("Series D Preferred Shares")	50,000	35.29412	1,764,706
Series E 6.5% Cumulative Convertible Preferred Stock ("Series E Preferred Shares")(3)	50,000	68.15084	3,407,542
Series F 6.5% Cumulative Convertible Preferred Shares ("Series F Preferred Shares")(3)	50,000	68.15084	3,407,542

- (1) Subject to any applicable adjustments set forth in the Certificates of Designation relating to Powertel Preferred Stock.
- (2) 50,000 shares initially designated as Series C Preferred Shares have been converted to Powertel Common Stock.
- (3) The Series E Preferred Shares and Series F Preferred Shares bear cumulative dividends that accrue on a daily basis at an annual rate of 6.5% of the initial purchase price of such shares.

The Series A, B, C, D, E and F Preferred Shares are hereinafter collectively referred to as the "**Powertel Preferred Stock**." As of the close of business on August 18, 2000: (i) 56,438 shares of Powertel Common Stock were held by Powertel in treasury; (ii) an aggregate of 17,833,338 shares of Powertel Common Stock were reserved for issuance upon conversion of Powertel Preferred Stock; (iii) an aggregate of 2,152,602 shares of Powertel Common Stock were reserved for issuance upon exercise of outstanding stock options (the "**Powertel Stock Options**") granted under the Amended and Restated 1991 Employee Stock Option Plan (the "**1991 Plan**"), the Amended Nonemployee Stock Option Plan (the "**Nonemployee Option Plan**") and the 2000 Stock Option and Incentive Plan (the "**2000 Plan**" and with the 1991 Plan and the Nonemployee Option Plan, the "**Powertel Stock Option Plans**"); (iv) 33,165 shares of Powertel Common Stock were reserved for issuance pursuant to outstanding Powertel Restricted Stock Awards granted under the 1995 Employee Restricted Stock Plan (the "**Restricted Stock Plan**"); (v) 3,446,340 shares of Powertel Common Stock remained available for issuance pursuant to future stock option grants and restricted stock awards under the 2000 Plan; (vi) 966,688 shares of Powertel Common Stock were reserved for issuance pursuant to outstanding Powertel Warrants, which have an exercise price of \$16.9546 per share, subject to adjustment; and (vii) an aggregate of 30,142 shares of Powertel Common Stock are reserved for accrued but unpaid dividends on the Series E Preferred Shares and Series F Preferred Shares. **Item 2.03** of the Powertel Letter has a complete and accurate schedule of all Powertel Stock Options and their respective shares, vesting schedules, exercise prices and expiration dates that are outstanding on the date hereof (*provided* that with respect to Powertel employees below the director level, such list need only set forth the aggregate number of options with the weighted average exercise prices at which grants have been made and need not specify grants by grantee). Except as set forth above and in **Items 2.02** and **2.03** of the Powertel Letter, as of the date hereof, no shares of Powertel Stock or shares of capital stock of any Powertel Subsidiary were issued, reserved for issuance or outstanding, and there are no stock appreciation rights, phantom stock rights or other contractual rights the value of which is determined in whole or in part by the value of any capital stock ("**Powertel Stock Rights**") of Powertel or any Powertel Subsidiary. The Powertel Preferred Stock, the Powertel Stock Options, the Powertel Warrants, the Eliska Put Rights, the Powertel Stock Rights and any other security convertible into or exercisable or exchangeable for Powertel Common Stock (each of which shall be determined on an as if converted, exercised or exchanged basis) are herein referred to as "**Powertel Common Stock Equivalents**." Each outstanding share of Powertel Stock is, and each share of Powertel Stock which may be issued pursuant to the Powertel Benefit Plans and the other agreements and instruments listed above will be, when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There

are no outstanding bonds, debentures, notes or other indebtedness of Powertel or any Powertel Subsidiary having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matter on which Powertel's stockholders may vote. Except as set forth above or in **Item 2.03** of the Powertel Letter and except as a result of the Powertel Permitted Stock Dividend, as of the date of this Agreement, there are no Powertel Equity Rights. "**Powertel Equity Rights**" means securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind obligating Powertel or any of the Powertel Subsidiaries to issue, deliver or sell or create, or cause to be issued, delivered or sold or created, additional shares of capital stock or other voting securities or Powertel Common Stock Equivalents or stock equivalents of any of the Powertel Subsidiaries or obligating Powertel or any of the Powertel Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking.

Any increase in any existing Powertel Equity Rights arising from antidilution or similar adjustments resulting from the declaration and payment of the Powertel Permitted Stock Dividend will not increase the number of shares of Powertel Common Stock subject to Powertel Equity Rights by more than 0.75% in the aggregate.

Except as set forth in **Item 2.03** of the Powertel Letter, as of the date of this Agreement, there are no outstanding contractual obligations of Powertel or any of the Powertel Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of Powertel or any of the Powertel Subsidiaries.

Between August 18, 2000, and the date of this Agreement, no Powertel Common Stock or Powertel Common Stock Equivalents have been issued or granted, except issuances of Powertel Common Stock upon the exercise of Powertel Stock Options or Powertel Warrants outstanding on August 18, 2000, and grants of new Powertel Stock Options to new employees or employees granted promotions in the ordinary course of business; *provided that* the shares of Powertel Common Stock underlying such Powertel Stock Options will not exceed a total of 50,000 shares of Powertel Common Stock.

SECTION 2.04 Authority. The Board of Directors of Powertel, at a meeting duly called and held, duly adopted resolutions (i) approving this Agreement, the Reorganization and the Powertel Stockholder Agreement, (ii) determining that the Reorganization, including the Merger, is fair to and in the best interests of Powertel's stockholders and (iii) recommending that Powertel's stockholders approve and adopt this Agreement. Powertel has the requisite corporate power and authority to execute and deliver this Agreement and the other agreements to which it is a party that are referenced herein and, subject to the adoption and approval of this Agreement by (i) a majority of the votes entitled to be cast by the holders of all outstanding shares of Powertel Common Stock and Series A Preferred Shares, voting on an as-if-converted to Powertel Common Stock basis and voting together with the holders of the Powertel Common Stock as a single class, and (ii) two-thirds of each class of the Series A Preferred Shares, Series B Preferred Shares, Series D Preferred Shares, Series E Preferred Shares and Series F Preferred Shares, each such class of preferred stock voting as a single class (collectively, the "**Powertel Stockholder Approval**"), to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Powertel and the consummation by Powertel of the Reorganization and of the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Powertel, subject to the Powertel Stockholder Approval. This Agreement has been duly executed and delivered by Powertel and (assuming the valid authorization, execution and delivery of this Agreement by VoiceStream) constitutes the valid and binding obligation of Powertel enforceable against Powertel in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights and remedies generally, and (ii) is subject to general principles of equity (regardless of whether considered in a proceeding in equity or at law).

SECTION 2.05 Consents and Approvals; No Violations. Except as set forth in **Item 2.05** of the Powertel Letter, and except for filings, permits, authorizations, consents and approvals as may be required under, and other applicable requirements of, the Securities Act, state securities or "Blue Sky" laws, the Exchange Act, the Communications Act, the HSR Act, the DGCL, the rules, regulations and published