



**Annual General Meeting of Tele Columbus AG, Berlin,
on Friday, June 10, 2016, at 10:00 a.m., at Eventpassage, Kantstraße 8, 10623 Berlin, Germany**

**Explanation regarding shareholders' rights pursuant to
Section 122 (2), Section 126 (1), Section 127 and Section 131 (1) German Stock Corporation Act**

1. Motions to supplement the agenda pursuant to Section 122 (2) German Stock Corporation Act

Shareholders whose combined shares amount to at least one-twentieth of the share capital or a proportionate amount of at least EUR 500,000.00 (this is the equivalent of 500,000 shares) may request that items be placed on the agenda and be published. Such request must be made in writing or in electronic form pursuant to section 126a German Civil Code (i.e. with a qualified electronic signature in accordance with the German Digital Signature Act (*Signaturgesetz – SigG*)) to the Management Board of the Company and has to be received by the Company by the end of May 10, 2016, i.e. by no later than May 10, 2016, 12:00 p.m. (CEST). Such requests must be addressed solely to:

Tele Columbus AG
-Management Board-
Goslarer Ufer 39
10589 Berlin
Germany

or in electronic form pursuant to Section 126a German Civil Code by email to:

heike.leidiger@telecolumbus.de.

Any motions to supplement the Agenda that are addressed differently will not be considered. Any new item for the Agenda has to be accompanied by a statement of reasons or a formal resolution proposal. The motion must be signed by the shareholders whose shares, in the aggregate, represent five percent of the Company's share capital or the proportionate amount of EUR 500,000.00, or by their duly appointed

representatives. Further, reference is made to the requirements of sections 122 (1) sentence 3 in conjunction with (2) sentence 1 and 70 German Stock Corporation Act. Motions to supplement or to add to the Agenda will be published and distributed in the same way as the invitation to the General Meeting.

Unless made public at the same time as the notice of annual shareholders' meeting, requests for additions to the agenda that are required to be published are published without undue delay upon receipt in the German Federal Gazette (*Bundesanzeiger*) and submitted for publication to those media which may be presumed to distribute the information throughout the European Union. In addition, such requests are published on the internet at website at <https://ir.telecolumbus.com/agm> and communicated to the shareholders.

The provisions of the German Stock Corporation Act underlying these shareholders' rights are as follows:

Section 70 Calculation of the period of shareholding

¹If the exercise of rights arising from the share requires that the shareholder has been the holder of such share for a certain period of time, the right to demand transfer of title from a credit institution, a financial services institution or an enterprise operating under Section 53 (1) sentence 1, or Section 53b (1) sentence 1, or Section 53b (7) of the German Banking Act (KWG) shall be deemed equivalent to ownership. ²The period during which the share has been owned by a predecessor shall be attributed to the shareholder if he / she has acquired the share without consideration, from his / her trustee, as full legal successor, in connection with the winding-up of a co-ownership or as a result of a transfer of assets pursuant to Section 14 of the Insurance Supervision Act or Section 14 of the Building Loan Associations Act.

Section 122 Convening a shareholders meeting at the request of a minority (excerpt)¹

(1) ¹The shareholders' meeting is to be convened if shareholders whose combined shares constitute together at least one-twentieth of the share capital request such meeting in writing, stating the purpose and the reasons of such meeting; such request shall be addressed to the management board. ²The articles of association may provide that the right to demand a shareholders' meeting shall require another form or the holding of a lower proportion of the share capital. ³Section 142 (2) sentence 2 shall apply analogously.

(2) ¹In the same manner, shareholders whose combined shares constitute together at least one-twentieth of the share capital or a proportionate amount of 500,000 euros may request that items be placed on

¹ Excerpt of Section 122 German Stock Corporation Act in the version applicable prior to the stock corporation amendment 2016 (*Aktienrechtsnovelle 2016*) which is still applicable to motions regarding the supplement of the agenda and the convocation of a general meeting received by the company prior to 1 June 2016 (*cf.* Section 26h para. 4 sentence 2 Introductory Act of the German Stock Corporation Act).

the agenda and be published. ²Each new item must be accompanied by a statement of reasons or a formal resolution proposal. ³The request within the meaning of sentence 1 must be received by the company at least 24 days, in case of stock exchange listed companies at least 30 days, prior to the meeting, excluding the day of receipt.

Section 142 Appointment of special auditors (excerpt)

(2) ¹If the shareholders' meeting rejects a motion to appoint special auditors to audit any matter relating to the formation of the company or the management of the company's affairs that has occurred within the past five years, the court shall, upon petition by shareholders whose combined shares at the time of filing the petition constitute together at least one-hundredth of the capital stock or a proportionate amount of 100,000 euros, appoint special auditors, provided that facts exist which give reason to suspect that improprieties or gross violations of law or the articles of association have occurred in connection with such matter; this also applies to matters dating back no more than ten years, provided the company was listed on the stock exchange at the time of occurrence. ²The petitioners shall furnish evidence that they have been holders of such shares for not less than three months prior to the date of the shareholders' meeting and that they will hold the shares until the decision on the petition. ³Section 149 shall apply analogously to an agreement to avoid such a special audit.

The articles of association of Tele Columbus AG do not, as permitted in Section 122 (1) sentence 2 German Stock Corporation Act, provide that the right to demand a shareholders' meeting requires another form or the holding of a lower portion of the share capital.

2. Motions and nominations by shareholders pursuant to sections 126 (1) and 127 German Stock Corporation Act

Each shareholder has the right to bring forward counter-proposals to proposals for resolutions by the Management Board and/or the Supervisory Board concerning a specific item on the Agenda and to nominate candidates for the election of members of the Supervisory Board and Auditors. Such counter-proposals and nominations for election, including the name of the shareholder, are to be published by the Company pursuant to sections 126 (1), 127 German Stock Corporation Act if addressed to:

Tele Columbus AG
c/o HCE Haubrok AG
Landshuter Allee 10
80637 Munich
Germany

or by telefax to: +49 (0) 89-210 27 289

or by email to: gegenantraege@hce.de

Such counter-proposals must have been received by the Company by no later than May 26, 2016, 12:00 p.m. (CEST), and otherwise satisfy the legal requirements. This includes in particular that counter-proposals (but not nominations for election) must include statements of reasons. Sections 126 (2), 127 sentence 1 and 3 German Stock Corporation Act also set forth under which prerequisites counter-proposals and nominations for election do not have to be made accessible. Accessibility will be provided in accordance with statutory provisions on the Company's website at <https://ir.telecolumbus.com/agm>. Any responses by management to counter-proposals and nominations for election will also be published at this internet address.

In order for counter-proposals and nominations for election to be considered at the General Meeting, they must be brought forward verbally at the General Meeting, even if they have been duly submitted to and made accessible by the Company pursuant to sections 126 (1), 127 German Stock Corporation Act.

The right of any shareholder to make counter-proposals to the agenda during the shareholders meeting without prior and timely submission to the company remains unaffected.

The provisions of the German Stock Corporation Act underlying these shareholders' rights are as follows:

Section 126 Counter-proposals by shareholders

(1) ¹*Counter-proposals by shareholders, including the shareholders' name, statement of reasons and, if any, management's response are to be made accessible to the eligible persons referred to in Section 125 (1) through (3) under the conditions specified therein, provided that the shareholder transmitted to the company at least 14 days prior to the meeting a counter-proposal to a proposal of the management board and the supervisory board regarding a specific item on the agenda along with a statement of reasons to the address designated for this purpose in the shareholders' meeting invitation.* ²*The day of receipt shall not be counted.* ³*In the case of stock exchange listed companies, the required accessibility shall be provided over the company's website.* ⁴*Section 125 (3) shall apply analogously.*

(2) ¹*A counter-proposal and its statement of reasons need not be made accessible*

1. *to the extent the management board would become criminally liable by reason of such accessibility,*
2. *if the counter-proposal would result in a resolution of the shareholders' meeting which violates the law or the articles of association,*
3. *if the statement of reasons contains statements which are obviously false or misleading in material respects or which contain defamation,*
4. *if a counter-proposal of the shareholder relating to the same subject matter has already been made accessible to a shareholders' meeting of the company pursuant to Section 125,*

5. *if the same counter-proposal of the shareholder with materially the same statement of reasons has already been made accessible to at least two of the shareholders' meetings of the company in the past five years pursuant to Section 125 and less than one-twentieth of the share capital represented at the shareholders' meeting voted in its favor,*
6. *if the shareholder indicates that he will neither attend nor be represented at the shareholders' meeting, or*
7. *if in the past two years at two shareholders' meetings, the shareholder notified the company of a counter-proposal but did not present that counter-proposal and did not have it presented.*

² *The statement of reasons need not be made accessible if it exceeds a total of 5 000 characters.*

- (3) *If several shareholders make counter-proposals with respect to the same subject matter, the management board may combine such counter-proposals and the respective statements of reasons.*

§ 127 Nominations by Shareholders (excerpt)

¹*§ 126 shall apply analogously to a nomination by a shareholder for the election of a member of the supervisory board or external auditors. ²Such nomination need not be supported by a statement of the grounds for this. ³The management board also need not communicate such nomination if it fails to contain the particulars required by Section 124 (3) sentence 4 and Section 125 (1) sentence 5.*

§ 124 Publication of Requests for Supplements; Proposals for Resolutions (excerpt)

- (3) ⁴*The proposal for the election of members of the supervisory board or auditors shall state their name, profession and place of residence.*

§ 125 Communications to Shareholders and Members of the Supervisory Board (excerpt)

- (1) ⁵*In case of listed companies, details on the membership in other supervisory boards to be established pursuant to statutory provisions must be added to any nomination for the election of supervisory board members; details on their membership in comparable domestic and foreign controlling bodies of enterprises should be added.*
- (3) *Each member of the supervisory board may request to be provided with the same communications by the management board.*

3. Right of information pursuant to Section 131 (1) German Stock Corporation Act

Insofar as information about the Company's affairs is necessary for the assessment of a particular item on the Agenda, the Management Board shall provide shareholders, upon their request at the General Meeting, with such information. The obligation to provide information also includes the Company's legal and business relations with associated companies, as well as the situation of the Group and the companies

included in the consolidated financial statements. The information provided shall comply with the principles of rendering diligent and accurate accounting. In principle, information shall be given orally; shareholders are not entitled to receive information in writing. Section 131 (3) German Stock Corporation Act regulates the conditions under which the Management Board can refuse to provide information.

The provisions of the German Stock Corporation Act underlying these shareholders' rights are as follows:

Section 131 Shareholder's right to obtain information

- (1) ¹Each shareholder shall upon request be provided with information at the shareholders' meeting by the management board regarding the company's affairs, to the extent that such information is necessary to permit a proper evaluation of the relevant item on the agenda. ²The duty to provide information shall also extend to the company's legal and business relations with any affiliated enterprise. ³If a company makes use of the simplified procedure pursuant to Section 266 (1) sentence 2, Section 276 or Section 288 of the German Commercial Code, each shareholder may request that the annual financial statements be presented to him at the shareholders' meeting on such annual financial statements in the form that would have been used if such simplified procedure had not been applied. ⁴The duty of the management board of a parent company (Section 290 (1) and (2) of the German Commercial Code) to provide information at the shareholders' meeting at which the consolidated financial statements and management report of these statements are presented also extends to the position of the consolidated group and any enterprises included in the consolidated financial statements.
- (2) ¹The information provided shall comply with the principles of conscientious and accurate accounting. ²The articles of association or the bylaws pursuant to Section 129 may authorize the chairman of the meeting to reasonably limit a shareholder's time to speak and ask questions and may provide relevant details in this connection.
- (3) ¹The management board may refuse to provide information
1. to the extent that providing such information is, according to reasonable business judgment, likely to cause material disadvantage to the company or an affiliated enterprise;
 2. to the extent that such information relates to the estimation of amounts for tax purposes or the amounts of certain taxes;
 3. concerning the difference between the amounts at which items are entered in the year-end balance sheet and any higher value of those items, unless the shareholders' meeting is to approve the annual financial statements;
 4. concerning accounting and valuation methods, if the information on these methods given in the notes to the financial statements is sufficient to provide a view of the actual situation of the company's financial position, liquidity and capital resources, and profitability in

accordance with Section 264 (2) of the German Commercial Code; the foregoing shall not apply if the shareholders' meeting is to approve the annual financial statements;

5. *to the extent by providing such information the management board would become criminally liable;*
6. *to the extent, in the case of a credit institution or financial services institution, information need not be given on methods of accounting and valuation applied and setoffs made in the annual financial statements, management report thereof, consolidated financial statements or management report thereof;*
7. *to the extent the information is continuously accessible on the company's website for at least seven days prior to the beginning of the shareholders' meeting as well as during the meeting.*

²*The information may not be refused for any other reasons.*

- (4) ¹*If information has been provided to a shareholder outside the shareholders' meeting by reason of his status as a shareholder, such information shall upon request be provided to any other shareholder at the shareholders' meeting, even if such information is not necessary to permit a proper evaluation of an item on the agenda. ²The management board may not refuse to provide such information based on the reasons set forth in Section 131 (3) sentence 1, No. 1 through 4. ³Sentences 1 and 2 shall not apply if a subsidiary (Section 290 (1) and (2) of the German Commercial Code), a joint venture (Section 310 (1) of the German Commercial Code) or an associate company (Section 311 (1) of the German Commercial Code) provides information to a parent company (Section 290 (1) and (2) of the German Commercial Code) for the purpose of inclusion of the company in the consolidated financial statements of the parent company and such information is required for such purpose.*
- (5) *A shareholder who has been denied information may request that his question and the reason for which the information was denied be recorded in the minutes of the meeting.*

The chairman of the meeting has the authority to conduct different measures of order and discipline at the shareholders meeting. This includes a limitation of the shareholders' right to speak and ask questions in accordance with Section 131 (2) sentence 2 German Stock Corporation Act in conjunction with Section 22 No. 3 of the articles of association.

The respective excerpt of the provision in the company's articles of association is as follows:

Section 22 Chairing of the general meeting (excerpt)

3. *The chairman of the meeting may appropriately limit the shareholders' right to speak and to ask questions. In particular, the chairman of the meeting may determine, at the beginning or during the general meeting, a reasonable time schedule for the course of the meeting, for the discussions regarding the individual items of the agenda and for the time to speak and to ask questions either generally or for an individual speaker.*
