

In case of discrepancies between the English and the German version of the invitation to the AGM, the German version is valid.



Invitation to the ordinary 2016 Annual General Meeting

We hereby invite our shareholders to the ordinary Annual General Meeting. It will be held on

**Wednesday, 8 June 2016, at 11:00 a.m.,
at the hbw ConferenceCenter, Haus der Bayerischen Wirtschaft,
Max-Joseph-Strasse 5, 80333 Munich**

telegate AG, Planegg-Martinsried, WKN 511 880 - ISIN DE0005118806

I. Agenda

- 1. Presentation of the approved annual financial statements and the management report of telegate AG as of 31 December 2015, the approved consolidated financial statements for the 2015 financial year, the report of the Supervisory Board and the explanatory report of the Management Board on the statements required in accordance with Section 289 sub-sections (4) and (5), Section 315 sub-section (4) of the German Commercial Code [HGB]**

The Supervisory Board has already approved the annual financial statements and the consolidated financial statements on 16 March 2016. In accordance with the statutory provisions, no resolution will be adopted in reference to this agenda item.

The aforementioned documents may be downloaded online from at <http://www.telegate.com/investor-relations/hauptversammlung.html> and will also be available for review by the shareholders from the day of convocation of the Annual General Meeting at the business premises of telegate AG, Fraunhoferstrasse 12a, 82152 Planegg-Martinsried, Germany. The documents will also be held available for review during the Annual General Meeting. Upon request, a copy of the documents will be furnished and sent to each shareholder without delay and free of charge.

- 2. Adoption of a resolution on the formal discharge of the members of the Management Board**

The Supervisory Board and the Management Board propose to grant discharge to the current and former members of the Management Board for the 2015 financial year.

- 3. Adoption of a resolution on the formal discharge of the members of the Supervisory Board**

The Management Board and the Supervisory Board propose to grant discharge to the current and former members of the Supervisory Board for the 2015 financial year.

- 4. Adoption of a resolution on the appointment of the auditor and group auditor for the 2016 financial year**

Based on the recommendation made by the audit committee, the Supervisory Board proposes to appoint PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Munich, as the Company's auditor and group auditor and, where applicable, as auditor for the review of the interim reports for the 2016 fiscal year.

5. Adoption of a resolution on the by-election of a Supervisory Board member

By court order dated 11 February 2016, Mr. Antonio Converti was appointed as the successor of Mr. Santelia, to serve as a Supervisory Board member of the Company. As the appointment was made on a temporary basis up until the upcoming Annual General Meeting, Mr. Converti shall now be elected to the Supervisory Board by the General Meeting as a shareholder representative.

The Supervisory Board of the Company shall be formed in accordance with the provisions of Section 1 sub-section (1), Section 4 sub-section 1 et seq. of the One-Third Participation Act, Sections 95, 96 sub-section 1 of the Stock Corporation Act in conjunction with Paragraph 4.1 (1) of the articles of association of telegate AG and shall be composed of the following ratio: one-third of the Supervisory Board shall be employee representatives (two Supervisory Board members) whereas two-thirds of the Supervisory Board shall be shareholder representatives (four Supervisory Board members). The Annual General Meeting is not under obligation to follow proposals for appointments.

In line with the recommendation made by the Nomination Committee, the Supervisory Board proposes to elect Mr. Antonio Converti, of Pisa (Italy), a Certified Computer Scientist and Merchant, and the CEO (Chief Executive Officer) of SEAT Pagine Gialle S.p.A. and Italiaonline S.p.A., to serve as Supervisory Board member in the capacity of shareholder representative.

Mr. Converti holds the following mandates in other legally mandated Supervisory Boards and comparable national and international supervisory bodies:

- Director of ITnet s.r.l.;
- Director of Joyent Inc.;
- Director, President and CEO of MOQU ADV S.r.l.

According to Section 5.4.1, sub-section (4) of the German Corporate Governance Codex as amended on 05 May 2015, the Supervisory Board, when proposing the election candidates to the Annual General Meeting, is under obligation to disclose each candidate's personal and professional relationships with the Company, the Company's management bodies, and any shareholders holding a material stake in the Company. Material stakeholders as defined by this recommendation shall be any shareholders who directly or indirectly hold more than 10% of the voting shares in the Company.

With regard to the proposal for electing Mr. Converti, it is therefore declared that he is, among his other functions, the CEO of SEAT Pagine Gialle S.p.A which at present directly and indirectly holds a total of 16.37 % of the voting rights in telegate AG.

6. Adoption of a resolution on the creation of an Authorized Capital I against cash and/or non-cash contributions, including authorization of the Management Board to exclude the shareholders' subscription right, and the respective amendments to the articles of association

In the future, the Company is supposed to have the necessary flexibility to act quickly on the capital market. For this reason, an Authorized Capital I with a volume of up to EUR 1,911,109.00 shall be created by the issue of up to 1,911,109 new no-par shares.

The Management Board and the Supervisory Board propose to adopt the following resolution:

- 6.1. The Management Board is authorized to increase the Company's original capital until 31.12.2019 with the consent of the Supervisory Board by a nominal amount of up to EUR 1,911,109.00 through single or multiple issue of new no-par bearer shares against cash and/or non-cash contributions (the Authorized Capital I).

The shareholders are generally entitled to a subscription right.

The Management Board, however, shall in the subsequent cases be authorized to exclude the subscription right of the shareholders, in each case with the consent of the supervisory board,

- 6.1.1. if in case of a capital increase against cash contributions the par value is not significantly lower than the price of no-par shares already traded on the stock exchange at the time of the finalization of the par value which should occur as closely as possible to the time of placement of the no-par shares, and if the notional capital stock attributable to the issued shares does not exceed 10% of the total capital stock, neither at the time of the effective date nor at the time of the exercise of this authorization. To be deducted from the 10% threshold of the sum of all exclusions of subscription rights shall be any shares issued on the basis of an authorization to use the Company's own shares as defined by Section 71, sub-section. (1) No. 8 sentence 5, Section 186 sub-section (3) sentence 4 of the German Stock Corporation Act [AktG], to the exclusion of a subscription right, as well as that pro-rata share of the original share capital attributable to shares to which the conversion and/or option rights or conversion obligations arising from bonds refer. Also to be deducted from said 10% threshold are any shares which are issued or sold during the term of this authorization, until the time of their utilization, in direct or analogous application of Section 186 sub-section (3) sentence 4 of the German Stock Corporation Act [AktG], and/or
- 6.1.2. to exclude any fractional amounts from the shareholders' subscription rights, and/or

- 6.1.3. to the extent required, to grant the holders or creditors of option and/or conversion privileges or conversion obligations already or in the future issued by telegate AG or by its direct or indirect subsidiaries, a subscription right for new no-par shares to the extent to which they would be entitled after the exercise of the option and/or conversion privileges or after the fulfillment of a conversion obligation, and/or
- 6.1.4. in case of shares issued against non-cash contributions, notably to be used in the acquisition of companies, parts of companies, or equity interests in companies or other assets or entitlements to the acquisition of assets, including receivables from the Company or its affiliates, or for the purpose of Company mergers.
- 6.2. The Management Board is authorized to determine all additional rights attached to the shares and the conditions for the issue of shares with the consent of the Supervisory Board.
- 6.3. Paragraph 2 of the Company's articles of association is amended by a new paragraph (6):

"(6) The Management Board is authorized to increase the Company's original capital until 31.12.2019 with the consent of the Supervisory Board by a nominal amount of up to EUR 1,911,109.00 through single or multiple issue of 1,911,109 new no-par bearer shares against cash and/or non-cash contributions (the Authorized Capital I).

The shareholders are generally entitled to a subscription right.

The Management Board, however, shall in the subsequent cases be authorized to exclude the subscription right of the shareholders, in each case with the consent of the supervisory board,

a) if in case of a capital increase against cash contributions the par value is not significantly lower than the price of no-par shares already traded on the stock exchange at the time of the finalization of the par value which should occur as closely as possible to the time of placement of the no-par shares, and if the notional capital stock attributable to the issued shares does not exceed 10% of the total capital stock, neither at the time of the effective date nor at the time of the exercise of this authorization. To be deducted from the 10% threshold of the sum of all exclusions of subscription rights shall be any shares issued on the basis of an authorization to use the Company's own shares as defined by Section 71 sub-section (1) No. 8 sentence 5, Section 186 sub-section (3) sentence 4 of the German Stock Corporation Act [AktG], to the exclusion of a subscription right, as well as that pro-rata share of the original share capital attributable to shares to which the conversion and/or option rights or conversion obligations arising from bonds refer. Also to be deducted from said 10% threshold are any shares which are issued or sold during the term of this authorization, until the time of their utilization, in direct or analogous application of Section 186 sub-section (3) sentence 4 of the German Stock Corporation Act [AktG], and/or

b) to exclude any fractional amounts from the shareholders' subscription rights, and/or

c) to the extent required, to grant the holders or creditors of option and/or conversion privileges or conversion obligations already or in the future issued by telegate AG or by its direct or indirect subsidiaries, a subscription right for new no-par shares to the extent to which they would be entitled after the exercise of the option and/or conversion privileges or after the fulfillment of a conversion obligation, and/or

d) in case of shares issued against non-cash contributions, notably to be used in the acquisition of companies, parts of companies, or equity interests in companies or

other assets or entitlements to the acquisition of assets, including receivables from the Company or its affiliates, or for the purpose of Company mergers.

The Management Board is authorized to determine all additional rights attached to the shares and the conditions for the issue of shares with the consent of the Supervisory Board.“

6.4. The supervisory board is authorized to adapt the version of Paragraph 2, Sections (1), (2) and the version of the new Section (6) to correspond to the respective use of the Authorized Capital I, and, if the Authorized Capital is not used up or not fully used up until 31.12.2019, to adapt the authorization after expiry of the deadline.

7. Adoption of a resolution on the creation of an Authorized Capital II against cash and/or non-cash contributions, including authorization of the Management Board to exclude the shareholders' subscription right, and the respective amendments to the articles of association

In addition to the Authorized Capital I, an Authorized Capital II shall be created so that the Management Board will be able to implement capital increases of up to 50% maximum of the original share capital. The possibility of simplified exclusion of subscription rights as defined by Paragraph 6.1.1 of agenda item 6 shall not be granted for this Authorized Capital II.

The Management Board and the Supervisory Board propose to adopt the following resolution:

7.1. The Management Board is authorized to increase the Company's original capital until 31.12.2019 with the consent of the Supervisory Board by a nominal amount of up to EUR 7,644,436.00 through single or multiple issue of 7,644,436 new no-par bearer shares against cash and/or non-cash contributions (the Authorized Capital II).

The shareholders are generally entitled to a subscription right.

The Management Board, however, shall in the subsequent cases be authorized to exclude the subscription right of the shareholders, in each case with the consent of the supervisory board,

7.1.1. to exclude any fractional amounts from the shareholders' subscription rights, and/or

7.1.2. to the extent required, to grant the holders or creditors of option and/or conversion privileges or conversion obligations already or in the future issued by telegate AG or by its direct or indirect subsidiaries, a subscription right for new no-par shares to the extent to which they would be entitled after the exercise of the option and/or conversion privileges or after the fulfillment of a conversion obligation, and/or

7.1.3. in case of shares issued against non-cash contributions, notably to be used in the acquisition of companies, parts of companies, or equity interests in companies or other assets or entitlements

to the acquisition of assets, including receivables from the Company or its affiliates, or for the purpose of Company mergers.

- 7.2. The Management Board is authorized to determine all additional rights attached to the shares and the conditions for the issue of shares with the consent of the Supervisory Board.
- 7.3. According to Paragraph 2 of the Company's articles of association is amended by a new paragraph (7):

"(7) The Management Board is authorized to increase the Company's original capital until 31.12.2019 with the consent of the Supervisory Board by a nominal amount of up to EUR 7,644,436.00 through single or multiple issue of 7,644,436 new no-par bearer shares against cash and/or non-cash contributions (Authorized Capital II).

The shareholders are generally entitled to a subscription right.

The Management Board, however, shall in the subsequent cases be authorized to exclude the subscription right of the shareholders, in each case with the consent of the supervisory board,

a) to exclude any fractional amounts from the shareholders' subscription rights, and/or

b) to the extent required, to grant the holders or creditors of option and/or conversion privileges or conversion obligations already or in the future issued by telegate AG or by its direct or indirect subsidiaries, a subscription right for new no-par shares to the extent to which they would be entitled after the exercise of the option and/or conversion privileges or after the fulfillment of a conversion obligation, and/or

c) in case of shares issued against non-cash contributions, notably to be used in the acquisition of companies, parts of companies, or equity interests in companies or other assets or entitlements to the acquisition of assets, including receivables from the Company or its affiliates, or for the purpose of Company mergers.

The Management Board is authorized to determine all additional rights attached to the shares and the conditions for the issue of shares with the consent of the Supervisory Board."

- 7.4. The supervisory board is authorized to adapt the version of Paragraph 2, Sections (1), (2) and the version of the new Section (7) to correspond to the respective use of the Authorized Capital, and, if the Authorized Capital II is not used up or not fully used up until 31.12.2019, to adapt the authorization after expiry of the deadline.
- 8. Adoption of a resolution on the change of telegate AG's corporate name into 11 88 0 Solutions AG as well as the corresponding amendment of the articles of association.**

The Management Board and the Supervisory Board of telegate AG propose to adopt the following resolution:

The corporate name of telegate AG shall be changed to

11 88 0 Solutions AG.

The Management Board and the Supervisory Board propose to amend and reformulate Paragraph 1.1 (1) of the articles of association accordingly:

Paragraph 1.1 (1) shall be replaced by:

"(1) The Company goes by the corporate name of 11 88 0 Solutions AG".

Management Board considers a quick change of track from the brand klicktel to 11 88 0 as absolutely necessary to be able to successfully act on the market. As a logical consequence, the adjusted brand strategy needs also to be shown in the company's name. A modern and uniform company name – in all business segments – will certainly be beneficial.

9. Adoption of a resolution on the exemption from the statutory obligation for individualized disclosure of executive remuneration for the 2016 - 2020 financial years

The Management Board and the Supervisory Board propose not to disclose the earnings and other benefits received by each member of the Management Board in accordance with Section 285 sentence 1 No. 9 lit. (a) sentences 5 to 8 of the German Commercial Code [HGB] and Section 314 sub-section 1 No. 6 lit. (a) sentences 5 to 8 of the German Commercial Code [HGB] for the 2016 - 2020 financial years both in the annual statements of accounts and in the consolidated financial statements.

II. Reports, additional details and instructions

1. Reports of the Management Board in reference to the exclusions of subscription rights mentioned in agenda items 6 and 7 of the agenda, in compliance with Section 203 sub-section (2) sentence 2 in conjunction with Section 186, sub-section(4) sentence 2 of the German Stock Corporation Act [AktG]

In accordance with Section 203 sub-section (2) sentence 2 of the German Stock Corporation Act [AktG] in conjunction with Section 186, sub-section(4) sentence 2 of the German Stock Corporation Act [AktG], the Management Board is obliged to submit a written report stating the reasons for the proposed authorization to exclude shareholders' subscription rights and the proposed issue price as suggested in agenda items 6 and 7 of the agenda. The Management Board's report is also available for review on the internet at <http://www.telegate.com/investor-relations/hauptversammlung.html> from the day the Annual General Meeting is convened. It will also be held available for review during the Annual General Meeting.

1.1. Management Board's report on agenda item 6

Under agenda item 6, the Management Board and the Supervisory Board propose to the Annual General Meeting the creation of an Authorized Capital I with a total volume of up to EUR 1,911,109.00 by the issue of up to 1,911,109 no-par bearer shares.

For that purpose, the Authorized Capital I shall be available both for cash and non-cash capital increases and may also be utilized in partial amounts. The purpose of the Authorized Capital I is to enable the Company to act quickly and flexibly without having to wait for the Annual General Meeting or an extraordinary general meeting of shareholders. The proposed amount of the Authorized Capital I, if used to the full extent, would correspond to an increase of the current stated share capital by just under 10%.

When using the Authorized Capital I, the shareholders generally have a subscription right in case of cash capital increases. According to the authorization proposed, however, the Management Board shall be empowered to exclude the subscription right in the following four cases, subject to the Supervisory Board's consent:

The Management Board, with the Supervisory Board's consent, shall be empowered to exclude the subscription right in case of cash capital increases if the shares are issued at a price which is not significantly lower than the market price of the already listed shares of the Company. When determining the issue price, the management, with due consideration of the prevailing market conditions, will endeavor to keep any discount on the stock exchange price as low as possible. This authorization enables the Company to quickly and flexibly leverage market opportunities and

to cover any capital requirements at short notice. The exclusion of the subscription makes it possible to place the shares close to the stock exchange price, thus eliminating the usual discount for subscription rights issues. The calculated share in the Company's share capital attributable to the shares issued under such a simplified exclusion of shareholders' subscription rights shall not exceed a total of 10% of the Company's share capital at the time the authorization takes effect or - if that figure is lower - at the time the authorization is exercised. This limitation takes into account the shareholders' need for protection against dilution of their stock and is in compliance with the statutory requirements. Moreover, every shareholder generally has the right to purchase shares at comparable market conditions in order to maintain his or her shareholding percentage. To be deducted from the 10% threshold shall be any shares issued on the basis of an authorization to use the Company's own shares as defined by Section 71 sub-section (1) No. 8 sentence 5, Section 186 sub-section (3) sentence 4 of the German Stock Corporation Act [AktG], to the exclusion of a subscription right, as well as that pro-rata share of the original share capital attributable to shares to which the conversion and/or option rights or conversion obligations arising from bonds refer. Also to be deducted from said 10% threshold are any shares which are issued or sold during the term of this authorization, until the time of their utilization, in direct or analogous application of Section 186 sub-section (3) sentence 4 of the German Stock Corporation Act [AktG].

Furthermore, the authorization to exclude subscription rights is also intended for the purpose of excluding any fractional amounts from the shareholders' subscription right. The purpose of such a sensible and market-compatible exclusion of shareholders' subscription right with regard to any fractional amounts is to facilitate the use of the authorization in the form of rounded amounts, thereby facilitating the transactions.

It is also possible, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in order to grant the holders or creditors of telegate AG or its direct or indirect subsidiaries a subscription right to new no-par shares to the extent to which they would be entitled after the exercise of the option and/or conversion privileges or after the fulfillment of a conversion obligation. The bond terms typically contain anti-dilution protection mechanisms, e. g. for capital-related measures and dividend payments. This exclusion of the subscription right makes it possible to offer these creditors appropriate compensation without need of adjusting the option and/or conversion price or the conversion ratio. They would thus be treated as if they already were shareholders. In order to equip the bonds with this kind of protection against dilution, the subscription right of shareholders must be excluded with respect to these shares.

It shall be possible, with the Supervisory Board's consent, to exclude the shareholders' subscription rights even in case of non-cash capital increases so as to enable telegate AG to quickly and flexibly offer shares of the Company as consideration for claims arising from the preparation, implementation, application or processing of transactions involving the legal or statutory acquisition of businesses or of mergers without having to tap into the stock market. telegate AG faces

national and international competition. It must therefore be in a position at any time to act flexibly and rapidly on the markets in the best interests of its shareholders. This includes the ability to acquire enterprises, parts thereof, participations in enterprises or other assets or entitlements to the acquisition of assets at short notice in order to improve its competitive position. The granting of shares in return may be advantageous for conserving the Company's liquidity or may even be necessary in order to meet sellers' potential expectations. This measure may also strengthen telegate AG's bargaining position for the purpose of purchasing negotiations. When determining the valuation relations, the Management Board will take care to ensure that the interests of the shareholders are adequately protected. For this purpose, the issue price of the new shares should as a general rule be aligned with the stock exchange rate. However, no schematic link to a market price is envisaged in this context, notably to ensure that fluctuations in the market price will not jeopardize the results achieved during the negotiations.

The management points out that there are currently no concrete plans for the use of the Authorized Capital I and that the present anticipatory resolution providing the possibility of excluding subscription rights is consistent with common practice. The Management Board will in any case carefully examine whether the utilization of the Authorized Capital I is in the best interests of the Company and its shareholders. In accordance with the statutory requirements, the Management Board will report every use of the Authorized Capital I to the Annual General Meeting.

1.2. Management Board's report on agenda item 7

Another proposal presented to the Annual General Meeting is the creation of an Authorized Capital II with a total volume of up to EUR 7,644,436.00 by the issue of up to 7,644,436 no-par bearer shares.

In conjunction with the Authorized Capital I provided for under agenda item 6, the management is thus authorized to increase the stated share capital to the legally admissible maximum of just under 50%. The shareholders are also generally entitled to a subscription right for the Authorized Capital II. However, the Management Board, with the consent of the Supervisory Board, is authorized to exclude the shareholders' subscription right in any of the following cases.

As in the case of the Authorized Capital I, this exclusion serves for the purpose of excluding any fractional amounts from the shareholders' subscription rights. As outlined under the foregoing Paragraph 1.1, this serves for the sensible and market-compatible exclusion of shareholders' subscription rights, in order to facilitate the use of the authorization in the form of rounded amounts, thereby facilitating any transactions.

The same considerations as those applying to the Authorized Capital I shall apply to the authorization to exclude the subscription right in conjunction with the issuing of shares to the holders and/or creditors of option or conversion rights to shares of the Company. The purpose of the

authorization to exclude the shareholders' subscription rights is to provide the aforementioned holders and creditors, as reasonable compensation for dilution, with subscription rights to the shares in the same scope to which they would be entitled upon exercise of these rights and/or upon the fulfillment of these obligations. This is commensurate with the granting of a market-compatible form of anti-dilution protection to the creditors of such instruments.

In addition, the authorization also provides for the exclusion of subscription rights in the event of non-cash capital increases. This shall enable telegate AG to quickly and flexibly offer shares of the Company, up to the maximum amount of the Authorized Capital II, as consideration for claims arising from the preparation, implementation, application, or processing of transactions involving the legal or statutory acquisition of businesses or of mergers without having to tap into the stock market. This will also enable telegate AG to act quickly and flexibly on the markets in the best interest of its shareholders, including the ability to acquire enterprises, companies, parts thereof, participations in enterprises or other assets or entitlements to the acquisition of assets including accounts receivable from the Company or its affiliates at short notice in order to improve its competitive position. The granting of shares in return may be advantageous for conserving the Company's liquidity or may even be necessary in order to meet sellers' potential expectations. This measure may also strengthen telegate AG's bargaining position for the purpose of purchasing negotiations. When determining the valuation relations, the Management Board will take care to ensure that the interests of the shareholders are adequately protected. For this purpose, the issue price of the new shares should as a general rule be aligned with the stock exchange rate. However, no schematic link to a market price is envisaged in this context, notably to ensure that fluctuations in the market price will not jeopardize the results achieved during the negotiations.

It should also be noted that as in the case of the Authorized Capital I, there are currently no concrete plans for the use of the new Authorized Capital II. Similar anticipatory resolutions which include the ability to exempt shareholders from subscription rights are common both in Germany and abroad.

The Management Board undertakes to report every use of the Authorized Capital II to the Annual General Meeting in accordance with the statutory requirements.

2. Additional details and instructions

2.1. Total number of shares and voting rights

At the time of the convocation of the Annual General Meeting, the stated share capital of the Company is comprised of 19,111,091 no-par shares, each representing one vote. The Company does not hold any own shares. Hence, all shares issued carry full participation and voting rights at the time of the convocation of this Annual General Meeting. There are no different classes of shares.

2.2. Requirements for the attendance of the Annual General Meeting and the exercise of the voting right (including the record date and its significance)

According to Paragraph 5.2 of the Company's articles of association, only those shareholders are entitled to attend the Annual General Meeting and to exercise the voting right who have registered with the Company in due time prior to said meeting and who have presented special proof of their share ownership in text form issued by their depository bank (cf. Section 126 b of the German Civil Code [BGB]) to the Company. Said proof of share ownership can be made out either in the German or the English language and shall refer to the beginning of the 21st day before the Annual General Meeting (18 May 2016, midnight, 24:00 hrs, CEST) (the Record Date).

The registration and the proof of share ownership must be received by the Company not later than Wednesday, 01 June 2016, and must be addressed to the following address, facsimile number, or e-mail address:

telegate AG
c/o Better Orange IR & HV AG
Haidelweg 48
D-81241 Munich
Facsimile: +49-89-889-690-633
E-mail address: anmeldung@better-orange.de

In relation to the Company, attendance of the Annual General Meeting or the exercise of voting rights as a shareholder is possible only if proof of share ownership in the method described above has been provided. The entitlement to participate and the scope of the voting right are based exclusively on the shareholding actually held by the shareholder according to the proof of share ownership as of the record date. Registration for attendance does not operate to block the shares; accordingly, the shareholders may continue to freely dispose of their shares even following the record date and even following registration. Even in the event of a full or partial sale of the shareholding following the record date, attendance and the scope of voting rights will be governed exclusively by the shareholder's shareholdings as at the record date. i.e. sales of shares after the record date have no impact on the entitlement to participate or the scope of the voting right. The same applies to the purchase or additional purchases of shares after the record date. Persons who do not yet hold shares as of the record date and who become shareholders only after the record date do not have any participation or voting rights. The record date has no significance for the entitlement to dividends.

Upon the Company's receipt of the registration and proof of share ownership, tickets for admission to the Annual General Meeting will be sent to the shareholders or are deposited at the venue of the Annual General Meeting. The admission tickets only serve as an organizational tool and are not prerequisite for attendance of the Annual General Meeting or the exercise of the voting rights.

To ensure that the admission tickets will be received in good time, shareholders are requested to ensure that their registration and proof of shareholding will be sent to the Company at an early stage.

2.3. Procedure for the casting of votes by proxies

Shareholders can also have their voting right exercised in the Annual General Meeting by a proxy, e.g. through a credit institution or an association of shareholders. In that case as well, timely registration and proof of share ownership shall be ensured by the shareholder, the proxy, the credit institution, or the association of shareholders. Where the shareholder grants the power of proxy to more than one person, the company may refuse one or several of these persons.

If neither a credit institution nor an association of shareholders or any other person or entity of equal standing pursuant to the provisions of the German Stock Corporation Act [AktG] has been authorized as a proxy, the granting or revoking of such proxy and the proof of proxy to the Company must be made in writing to be effective (cf. Section 126b of the German Civil Code [BGB]).

For proxy appointment, shareholders may use the form on the back of the admission ticket which is sent out to the shareholders after the registration has been received in due time and form. Alternatively, the form can also be downloaded online at <http://www.telegate.com/investor-relations/hauptversammlung.html>. Another possibility is the issuance of a separate proxy in written form.

The proof of proxy may be furnished on the date of the Annual General Meeting by the proxy holder at the place of assembly. In addition, the proof of proxy may also be furnished to the Company at the following address, facsimile number, or e-mail address:

telegate AG

c/o Better Orange IR & HV AG

Haidelweg 48

D-81241 Munich

Facsimile: +49-89-889-690-655

E-mail address: telegate@better-orange.de

Credit institutions, associations of shareholders, or other persons or entities of equal standing as defined by Section 135 sub-sections 8 and 10 of the German Stock Corporation Act [AktG] who professionally offer shareholders their services in exercising voting rights at the Annual General Meeting may stipulate different requirements with regard to their own appointment as proxies. Shareholders are therefore requested to reach an agreement about the form and the procedures stipulated by the person or institution they wish to appoint.

2.4. Exercising voting rights through a proxy appointed by the Company

According to Paragraph 5.2 Section (5) of the Company's articles of association, the Company is entitled to appoint proxies who will exercise the voting rights at the shareholders' meeting in accordance with the absent shareholders' explicit instructions. The Company makes use of this possibility.

Hence, all shareholders who have registered for attending the Annual General Meeting in good time may authorize proxies bound by the shareholders' instructions and designated by the companies even prior to the Annual General Meeting. Please be aware that the proxies can exercise the voting right only on those agenda items for which the shareholders have provided instructions about the management's draft resolutions announced during the Annual General Meeting, and that the proxies may not accept instructions on proposals of procedure either prior to or during the Annual General Meeting. Hence, the proxies nominated by the Company cannot vote on possible counterproposals or election nominations or other proposals not brought forward prior to the Annual General Meeting. The proxies nominated by the Company notably cannot receive or bring forward requests to speak or questions from shareholders, or have objections recorded in the minutes of the Annual General Meeting. The proxies nominated by the Company shall be given explicit instructions for the exercise of the voting right on the various items of the agenda. The proxies are obliged to vote in accordance with your instructions on each individual agenda item.

The powers of proxy and the instructions for the proxies designated by the Company as well as any changes to the instructions or any revocation of the proxy shall be notified in writing (cf. Section 126 b of the German Civil Code [BGB]) prior to the Annual General Meeting, either to the address, facsimile number or e-mail address specified in the foregoing Paragraph "Procedure for the casting of votes by proxies" or at the entrance of the Annual General Meeting on the day of the Annual General Meeting.

A form which may be used for granting the power of proxy and for giving instructions to the proxies nominated by the Company will be sent to shareholders together with the admission ticket after the registration has been received in due time and form. This form can also be downloaded online at <http://www.telegate.com/investor-relations/hauptversammlung.html>

2.5. Shareholders' rights pursuant to Section 122 sub-section (2), Section 126 sub-section (1), Section 127 sub-section (1) of the German Stock Corporation Act [AktG]

2.5.1. Shareholder' counter motions and appointment proposals pursuant to Section 126 sub-section (1), Section 127 of the German Stock Corporation Act [AktG]

According to Section 126 of the German Stock Corporation Act [AktG], all shareholder proposals concerning items on the agenda, including the justifications for the proposals, as well as all shareholders proposals for the election of Supervisory Board members or auditors of annual accounts as defined by Section 127 of the German Stock Corporation Act [AktG], which are received by us at least 14 days before the Annual General Meeting, not counting the day of receipt of these documents, i.e. all proposals which are received by us not later than 24 May 2016 at midnight, 24:00 hrs, either at our address:

telegate AG

Herrn Fabian Bromann

Fraunhoferstr. 12a

D-82152 Planegg-Martinsried

Telefax: +49 (0)89 / 8954 – 1020

E-Mail: hauptversammlung@telegate.com

will be published immediately upon their receipt at the following internet address <http://www.telegate.com/investor-relations/hauptversammlung.html>. Any comments or views of the management concerning such proposals will also be published at the above-mentioned internet address. The Paragraph entitled "Instructions according to Section 121 sub-section (3) sentence 3 No. 3 of the German Stock Corporation Act [AktG] on the shareholders' rights" contains additional details on the prerequisites for the exercise of the rights and the limits thereof.

2.5.2. Addition of items to the agenda in accordance with Section 122 sub-section (2) of the German Stock Corporation Act [AktG]

According to Section 122 sub-section (2) of the German Stock Corporation Act [AktG], shareholders whose shares cumulatively embody the proportional amount of EUR 500,000 of the share capital may request that items be added to the agenda and published. Each new item must be accompanied by an explanatory statement or a draft resolution. The request shall be addressed in writing to the Management Board of the Company and must be received by the Company at the latest 30 days prior to the Annual General Meeting, not counting the day of receipt. Hence, the latest possible deadline for receipt is 08 May 2016, at midnight, 24:00 hrs.

Please address any relevant requests to the following address:

telegate AG

Vorstand

Fraunhoferstr. 12a

D-82152 Planegg-Martinsried

Further details on the prerequisites for the exercise of the rights and the limits thereof are available at <http://www.telegate.com/investor-relations/hauptversammlung.html> under "Instructions pursuant to Section 121 sub-section (3) sentence 3 No. 3 of the German Stock Corporation Act [AktG] on the shareholder's rights".

2.5.3. Shareholders' rights to information pursuant to Section 131 sub-section (1) of the German Stock Corporation Act [AktG]

According to Section 131 sub-section (1) of the German Stock Corporation Act [AktG], every shareholder is entitled to information from the Management Board on the Company's affairs, including the Company's legal and business relations with affiliated companies, and on the situation of the group and of the companies included in the consolidated financial statements, provided that such information is necessary to make a reasonable assessment of the relevant agenda item. As a general rule, requests for information shall be put forward orally at the Annual General Meeting, during the debate. The information is to be furnished in compliance with the principles of conscientious and faithful reporting. Under certain circumstances as described in Section 131 sub-section (3) of the German Stock Corporation Act [AktG], the Management Board may refuse to provide information.

Paragraph 5.3 Section (2) of the Company's articles of association authorizes the chairperson of the meeting acc. to Section 131 sub-section (2) sentence 2 of the German Stock Corporation Act [AktG] to reasonably restrict the time for the shareholders' question right and right to speak.

Additional details on the prerequisites for the exercise of the rights and the limits thereof are available at <http://www.telegate.com/investor-relations/hauptversammlung.html> under "Instructions pursuant to Section 121 sub-section (3) sentence 3 No. 3 of the German Stock Corporation Act [AktG] on the shareholder's rights".

3. **Information and documents relating to the Annual General Meeting, reference to the Company's website from which the information pursuant to Section 124 a of the of the German Stock Corporation Act [AktG] is available**

The information and documents pursuant to Section 124 a of the German Stock Corporation Act [AktG] including the convocation for the Annual General Meeting, the annual report, the documents to be made available to the Annual General Meeting, as well as further information in connection with the Annual General Meeting will be available at <http://www.telegate.com/investor-relations/hauptversammlung.html> from the date on which the Annual General Meeting was convened. The voting results will be published after the General Meeting at the same internet address.

The documents to be made available to the Annual General Meeting will also be held for review at the business premises of telegate AG, Fraunhoferstrasse 12a, 5th floor, 82152 Planegg-Martinsried, from the date on which the Annual General Meeting is convened. They will also be sent free of charge to the shareholders on request.

Broadcasting of the Annual General Meeting

There will be no broadcast of the Annual General Meeting on the internet.

Planegg-Martinsried, April 2016

telegate Aktiengesellschaft

The Management Board

Fraunhoferstrasse 12a
D-82152 Martinsried (near Munich)
Tel.: +49-89-8954-0

Investor Relations: investor.relations@telegate.com
Corporate communications: presse@telegate.com

Registrar of companies (register court):

Munich Local Court
Company registration No. HRB 114 518

VAT ID No.:
DE 182 755 407

Authorized representatives:
Christian Maar (Chairman of the Management Board)
Michael Geiger

Chairman of the Supervisory Board:
Dr. Michael Wiesbrock