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Croatian Telecom

Zagreb – 12 March 2021

Croatian Telecom Inc.

Radnička cesta 21, HR – Zagreb

Ordinary share: HT (ISIN: HRHT00RA0005)

LEI: 097900BFHJ0000029454

Listing: Zagreb Stock Exchange, Prime Market

Member State: Republic of Croatia

Notification on convocation of the General Assembly of Croatian Telecom Inc.

Croatian Telecom (Reuters: HT.ZA; Bloomberg: HT CZ; the Company), Croatia's leading telecommunications provider, announces the Invitation to the General Assembly of the Company to be held in the Company headquarters in Zagreb, Radnička cesta 21, on 23 April 2021 at 10:00 hours, together with the proposed Agenda, proposed Decisions and pertaining documents per Agenda items, the explanation of proposals of General Assembly Decisions and instructions for shareholders for reporting their participation and issuing of a power of attorney.

If the quorum will not be met, the General Assembly will be held at the same date with commencement at 18:00 hours, at the same venue, with the same agenda and will be able to validly pass all decisions, notwithstanding the amount of the capital represented. The given powers of authority are valid for this General Assembly as well.

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About Croatian Telecom

Croatian Telecom (HT) is the leading provider of telecommunication services in Croatia, serving 0.8 million fixed lines, 2.3 million mobile subscribers and 0.7 million broadband connections through its Residential and Business divisions.



INVITATION TO THE GENERAL ASSEMBLY OF CROATIAN TELECOM INC.

Pursuant to the provisions of Article 277, Paragraph 2 of the Companies Act, the Management Board of the Joint Stock Company Croatian Telecom, with the registered seat in Zagreb, Radnička cesta 21 (hereinafter: HT Inc. or "the Company"), passed on 10 March 2021 the decision on the convocation of the General Assembly of the Company and hereby invites the shareholders of the Company to the

GENERAL ASSEMBLY of Croatian Telecom Inc.

to be held in the Company headquarters in Zagreb, Radnička cesta 21, on 23 April 2021 at 10:00 hours

with the following agenda:

1. Election of the Chairman of the General Assembly;
2. Annual financial statements of the Company and consolidated annual financial statements of HT Group for the business year 2020, including the Annual Report on the Status and Business Operations of the Company and HT Group for the business year 2020 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2020;
3. Decision on the utilization of profit;
4. Decision on approval of actions of the Members of the Management Board of the Company for the business year 2020;
5. Decision on approval of actions of the Members of the Supervisory Board of the Company for the business year 2020;
6. Decision on Amendments to Articles 13 and 39 of the Articles of Association of the Company;
7. Decision on giving authority to the Management Board for acquisition of the Company's shares;
8. Decision on approval of the Report on remuneration to the Members of the Supervisory Board and to the Management Board Members in the business year 2020;
9. Decision on approval of Amendments to the Remuneration policy for Members of the Management Board;
10. Decision on election of Members of the Supervisory Board;
11. Decision on appointment of the auditor of the Company

Proposals of decisions of the General Assembly:

Ad 1) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

"Professor Hrvoje Markovinović, Ph.D., Faculty of Law, University of Zagreb, is elected as Chairman of the General Assembly of Croatian Telecom Inc. for this convocation".

Ad 3) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

"Decision on utilization of profit for the year 2020"

1. *It is determined that Croatian Telecom Inc. in the business year ending with 31 December 2020 realized net profit in the amount of HRK 703,800,151.98.*

Net profit amount stated herein shall be used accordingly:

- *A part of net profit in the amount of HRK 641,903,872.00 shall be paid out as dividend to shareholders, in the amount of HRK 8.00 per share.*
- *A part of net profit in the amount of HRK 61,896,279.98 shall be allocated to retained earnings.*

2. *Dividend referred to under Item 1 hereof shall be paid out to all shareholders that are registered as shareholders at the Central Depository & Clearing Company (SKDD) on May 6th, 2021 (record date). Date on which security of Croatian Telecom Inc. will be traded without dividend payment right is May 5th, 2021 (ex date). Dividend payment claim matures on May 17th, 2021 (payment date).*

3. *This Decision shall enter into effect as at the day of its passing*”.

Ad 4) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

“The approval of actions is given to the Members of the Management Board of the Company for the business year 2020”.

Ad 5) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

“The approval of actions is given to the Members of the Supervisory Board of the Company for the business year 2020”.

Ad 6) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

“Decision on Amendments to the Articles of Association of the Joint Stock Company Croatian Telecom

Article 1

Article 13, paragraph 1, is hereby amended and now reads as follows:

“The Company is represented by two members of the Management Board jointly, i.e., by one member of the Management Board jointly with the procurator, whereby the Decision thereon is passed by the Supervisory Board.”

Article 2

In Article 13, paragraph 2, two sentences are added, which read as follows:

“Prokura may be granted as individual or joint prokura. Joint prokura may also be granted in a way that the procurator represents the Company only jointly with one member of the Management Board.”

Article 3

In the clean text of the Articles of Association, Article 39 shall be amended to read as follows:

“By coming into force of these Articles of Association, the Articles of Association of the Company in the form as adopted on December 7, 1998, with amendments as of October 5, 1999, October 24, 2001, June 28, 2002, December 17, 2004, April 23, 2007, April 21, 2008, April 21, 2010, May 4, 2011, June 17, 2013, April 29, 2014, April 29, 2015, April 21, 2016, April 25, 2017, March 23, 2018, May 6, 2019, June 21, 2019 and July 20, 2020 shall cease to be valid.”

Article 4

All other provisions of the Articles of Association shall remain unchanged.

Article 5

This Decision on Amendments to the Articles of Association shall come into force and apply as of the date of entry in the Court Register.

Article 6

The Supervisory Board shall be authorized to specify the clean text of the Articles of Association in accordance with this Decision on Amendments to the Articles of Association”.

Ad 7) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

“The Management Board of Croatian Telecom Inc. is herewith given the authority to acquire Company’s shares, for the account of the Company, under the following terms and conditions:

- *The Management Board may acquire Company’s shares in the maximal amount which, including already acquired shares, may not exceed 10% (ten percent) of the share capital of the Company.*

- *The Management Board is authorized to dispose of Company's shares in line with the provisions of the Companies Act and other applicable regulations.*
- *In the process of acquiring and managing of Company's shares the Management Board is empowered not to comply with the provisions of Article 211 and Article 308 paragraph 2 and 4 of the Companies Act.*
- *The Management Board of the Company is authorized to act in accordance with the Article 352 paragraph 3 item 3 of the Companies Act and withdraw the shares without nominal value without the share capital of the Company being decreased in which case the remaining shares' participation in the share capital is increased, and the Management Board is authorized to align the information on the number of shares in the Articles of Association of the Company.*
- *The Management Board is empowered to withdraw acquired Company's shares without nominal value and decrease the share capital of the Company.*
- *The maximum price at which Company's shares might be purchased shall not exceed 10% respectively shall not be below 10% of the average market price per share realized during the last trading day preceding the purchase.*
- *This authority shall be valid for 5 years as of the day of the passing of this Decision.*

This Decision shall enter into effect as at the day of its passing and shall be applied within the term of authority given by this Decision".

Ad 8) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

1. *"The Report on remuneration paid to the members of the Supervisory Board and to the Management Board Members in the business year 2020 is hereby approved, in the text published as Attachment 1 of the Invitation to the General Assembly, together with the Auditors' Report, as attached hereto and making and integral part hereof.*
2. *This Decision shall come into force as of the day of its passing".*

Ad 9) The Supervisory Board of the Company proposes to the General Assembly to adopt the following decision:

1. *"The Amendments to the Remuneration policy for Members of the Management Board is hereby approved, in the text published as Attachment 2 of the Invitation to the General Assembly, as attached hereto and making and integral part hereof.*
2. *This Decision shall come into force as of the day of its passing".*

Ad 10) The Supervisory Board of the Company proposes to the General Assembly to pass the following decision:

"Mr. Jonathan Richard Talbot, Bachelor of Arts with Honours degree in Geography, from Bonn, Germany, is elected Member of the Supervisory Board of Croatian Telecom Inc. for another term of office for the period of four (4) years, after the expiry of his current term of office, i.e., as of 25 April 2021".

"Mrs. Eva Somorjai-Tamassy, Master of Business Administration (MBA), from Gödöllő, Hungary, is elected Member of the Supervisory Board of Croatian Telecom Inc. for another term of office for the period of four (4) years, after the expiry of her current term of office, i.e., as of 25 April 2021".

Ad 11) The Supervisory Board of the Company proposes to the General Assembly to pass the following decision:

"The company Ernst & Young d.o.o., Radnička cesta 50, 10000 Zagreb, is appointed as the auditor of the Company for the business year 2021".

Explanation of proposals of General Assembly decisions:

Ad 1) Explanation of the proposal for election of the Chairman of the General Assembly

Professor Markovinović, Ph.D., is one of the leading corporate law experts in the Republic of Croatia. He is a professor at the Faculty of Law, University of Zagreb, where he lectures commercial law and company law at undergraduate, Master and PhD levels. Professor Markovinović, Ph.D., has published many scientific papers from the fields of commercial and company law. He was elected as Chairman of the General Assembly of the Company in the year 2020, which was held without disturbances, efficiently and in accordance with the legal provisions. It is therefore proposed that he is elected as Chairman of the Assembly for this convocation.

Ad 2) Annual financial statements of the Company and consolidated annual financial statements of HT Group for the business year 2020, including the Annual Report on the Status and Business Operations of the Company and HT Group for the business year 2020 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2020

Pursuant to the obligation from Article 280a, paragraph 1, item 2 of the Companies Act, HT Inc. informs its shareholders that, pursuant to Article 300d of the Companies Act and pursuant to Article 31 of the Articles of Association of the Company, the annual financial statements of the Company and consolidated annual financial statements of HT Group for the business year 2020 are adopted both by the Management Board and the Supervisory Board, and, therefore, the General Assembly does not pass a decision thereon. The said financial statements are to be forwarded to the General Assembly together with the Annual Report of the Management Board on the Status and Business Operations of the Company and HT Group for the business year 2020 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2020.

The General Assembly does not pass any decisions under this agenda item.

The General Assembly, by its Decisions from 2011, 2014 and 2016, authorized the Management Board to acquire Company shares (authorization is valid until 21 April 2021) and to act in accordance with the Article 352 paragraph 3, item 3 of the Companies Act. The Management Board is authorized to withdraw the acquired Company shares without nominal value without the share capital of the Company being decreased, in which case the remaining shares' participation in the share capital is increased, and in that case to align the information on the number of shares in the Articles of Association of the Company.

The Management Board launched the Share Buyback Programme ("Programme"), which started on 3 July 2017 and is to last until 20 April 2021. The maximum of 2,500,000 shares is scheduled for acquisition during the duration of the Programme, whereas the maximum funds that are assigned to the Programme amount to HRK 500,000,000.00.

In August 2020 the Company withdrew 453,318 Company shares without nominal value, purchased within the Programme, without the share capital of the Company being decreased. Thereby the total number of shares has decreased from 81,219,547 shares to 80,766,229 shares without nominal value, while the remaining shares' participation in the share capital is being increased.

During 2020 the Company acquired at Zagreb Stock Exchange 528,245 Company shares, representing 0.65% of the Company's issued share capital, i.e., HT held in total 528,245 Company shares as at 31 December 2020. For this acquisition of Company shares the Company paid out an equivalent value of HRK 90,388,923.52.

Ad 3) Explanation of the proposal of decision on the utilization of profit

The Management Board and the Supervisory Board propose to the General Assembly to pass the decision by which a part of the net profit will be distributed to shareholders as dividend payment, in the amount of HRK 641,903,872.00, or HRK 8.00 per share, and the remainder of net profit in the amount of HRK 61,896,279.98 is to be allocated to retained earnings.

The proposed dividend is within the range declared as a dividend policy and is equivalent to 91.22% pay-out of the distributable profits earned in the year 2020.

HT Inc. announces target dividend for each year at the beginning of the year. Management Board currently expects a minimum dividend of HRK 6 per share for the year 2021. The Management Board will monitor the movements of parameters that could influence on dividend amount and decide on the proposed amount.

Ad 4) Explanation of the proposal of decision on approval of actions of the Members of the Management Board of the Company for the business year 2020

Pursuant to Article 280, paragraph 3 of the Companies Act, the Management Board and the Supervisory Board propose to the General Assembly to pass the decision by which approval of actions is given to the Members of the Management Board of the Company for the business year 2020. It is hereby proposed that the Assembly approved the manner of the work of the Management Board for the business year 2020.

Voting on the approval of actions may be conducted separately for each member of the Management Board if the Assembly decides so, or upon the request of the shareholders holding at least a tenth part of the share capital of the Company.

Ad 5) Explanation of the proposal of decision on approval of actions of the Members of the Supervisory Board of the Company for the business year 2020

Pursuant to Article 280, paragraph 3 of the Companies Act, the Management Board and the Supervisory Board propose to the General Assembly to pass the decision by which approval of actions is given to the Members of the Supervisory Board of the Company for the business year 2020. It is hereby proposed that the Assembly approved the manner of the work of the Supervisory Board for the business year 2020.

Voting on the approval of actions may be conducted separately for each member of the Supervisory Board if the Assembly decides so, or upon the request of the shareholders holding at least a tenth part of the share capital of the Company.

Ad 6. Explanation of the proposal of Amendments to Article 13 of the Articles of Association of the Company

a) Article 13/1 of the Articles of Association

It is proposed to amend Article 13 of the Articles of Association, in a way that a provision is added to paragraph 1, regulating joint Company representation by two Management Board Members, stating that the Company may also be represented by one member of the Management Board jointly with the procurator, whereby the Decision thereon is passed by the Supervisory Board.

The Court Register, when entering the Decision on appointment of Management Board member which is adopted by the Supervisory Board, requests an addendum in the Decision on the manner of Company representation, so it is proposed to perform this alignment. Thus, in line with this AoA change, each future SB Decision on appointment of MB member would contain a provision that the MB member represents the Company jointly with another MB member or with the procurator.

b) Article 13/2 of the Articles of Association

It is proposed to amend Article 13, paragraph 2 of the Articles of Association, in a way it shall be unequivocally proscribed that a joint prokura may be granted in such a manner that the procurator represents the Company only together with one MB member, in line with joint representation applied in the Company.

Ad 7) Explanation of the proposal of decision on giving authority to the Management Board for acquisition of the Company's shares

It is proposed to renew the authority to the Management Board of Croatian Telecom Inc. to acquire Company's (treasury) shares, for the account of the Company. The authority, granted by the Assembly decision from 2016, expires on 21 April 2021. The Management Board and the Supervisory Board propose to the General Assembly to pass the new decision, that is, to extend this authority to the Management Board in the same scope, for the next 5 years period.

In accordance with the authorization from the above decision, the treasury share buyback program was implemented, and the Management Board has been withdrawing shares without reducing the share capital, which led to a proportional increase in the share of remaining shares in the share capital.

The renewal of the authority to the Management Board is considered justified in the interest of the Company and its shareholders because it creates a benefit to all shareholders of Croatian Telecom in the form of additional return to shareholders, in addition to the regular dividend and through the improved capital structure of the Company, which is creating a basis for potential introduction of Share Based Compensation Program for Members of the Management Board, i.e., employees through the model of acquiring shares of the Company.

Ad 8) Explanation of the proposal of decision on approval of the Report on remuneration paid to the Members of the Supervisory Board and to the Management Board Members in the business year 2020

In line with new Article 272.r of the Companies Act, the Management Board and the Supervisory Board compiled the Report on remuneration paid to the members of the Supervisory Board and Management Board members in the previous business year and referred it to the Auditor for review, in line with the Law.

The Auditor who performed the audit of the Annual Financial statements, the company PricewaterhouseCoopers d.o.o., reviewed the Report and issued their opinion on compliance of the Report with the prerequisites stated in Article 272.r, paragraphs 1 and 2 of the Companies Act. The Report, together with the Auditors' Report, has been published as Attachment 1 of the Invitation to this General Assembly.

It is proposed to approve the Report since the Company considers the remuneration of the Management Board and Supervisory Board Members to be appropriate to the engagement and work they are performing and to the status and business affairs of the Company.

Ad 9) Explanation of the proposal of decision on approval of the Amendments to the Remuneration policy for Members of the Management Board

In line with Articles 247.a and 276.a of the Companies Act, and pursuant to existing Company policies, the Supervisory Board determined the Amendments to the Remuneration policy for Members of the Management Board, by introducing a Company's Shares Award Plan to members of the Management Board, and proposes to the General Assembly to approve the said Amendments to the Policy. The Amendments to the Policy have been published as Attachment 2 of the Invitation to this General Assembly.

The Supervisory Board considers the Remuneration policy to be competitive and motivating, and that it appropriately reflects the work complexity and engagement of Management Board Members, while contributing to the business strategy and long-term sustainable development of the Company. By these amendments the interests of the management and of the shareholders are being additionally put in balance.

The Supervisory Board is responsible for determination of the Remuneration policy for Management Board Members, in cooperation with the General Assembly, in a way that the Assembly approves the Policy submitted by the Supervisory Board.

Ad 10) Explanation of the proposal for election of Members of the Supervisory Board

Pursuant to Article 280, paragraph 3 of the Companies Act, the Supervisory Board proposes to the General Assembly the re-election of two Supervisory Board Members, that is, Mr. Jonathan Richard Talbot and Mrs. Eva Somorjai-Tamassy, due to expiry of their terms of office as at 25 April 2021.

Mr. Talbot is a manager with significant experience in international organizations in both retail and telecommunication industries. Mrs. Somorjai-Tamassy is a Master of Business Administration with many years of experience performing managerial functions in several multinational companies in the area of human resources management. Given their high-level expert competencies and experience and due to their past engaged work in the Supervisory Board and its committees, their re-election is proposed.

Mr. Talbot is a Member of the Supervisory Board of T-Mobile Polska SA.

Mrs. Somorjai-Tamassy is a Chairperson of the Supervisory Board of T-Mobile Austria GmbH, Chairperson of the Supervisory Board of T-Mobile Austria Holding GmbH and Member of the Board of Directors of Magyar Telekom Nyrt.

Ad 11) Explanation of the proposal for appointment of the auditor of the Company

Pursuant to Article 280, paragraph 3 of the Companies Act, the Supervisory Board proposes to the General Assembly to pass the decision by which the company Ernst & Young d.o.o., Radnička cesta 50, 10 000 Zagreb, is appointed as the auditor of the Company for the business year 2021.

INVITATION AND INSTRUCTIONS FOR SHAREHOLDERS CONCERNING THEIR PARTICIPATION IN THE GENERAL ASSEMBLY *(hereinafter – Instructions)*

Total number of shares and voting rights

1. The share capital of the Company is divided into 80,766,229 shares without nominal value. All the shares of the first issue are ordinary and registered shares. Each share gives right to one vote. Since the Share Buyback Programme is ongoing, the number of voting rights shall be determined on the day of the holding of the General Assembly, given that the rights from Company (treasury) shares are dormant. HT Inc. holds 676,805 Company (treasury) shares on the day of the convocation of the General Assembly.
2. HT's shares exist only in a form of non-materialized securities in the computer system of the Central Depository Agency. The Company accepts as a shareholder only such person who has HT's share registered on its securities' account at the Central Depository Agency.

Share symbols

Share ISIN:	HRHT00RA0005
Trading symbol at Zagreb Stock Exchange:	HT
Trading symbol at Central Depository and Clearing Company	HT-R-A
Reuters:	HT.ZA
Bloomberg:	HT CZ

Invitation, time and venue of the General Assembly

1. The shareholders of HT Inc. are invited to participate in the work of the General Assembly to be held in the Company headquarters in Zagreb, Radnička cesta 21, on 23 April 2021 at 10:00 hours.
2. Due to extraordinary circumstances caused by corona virus (COVID-19) pandemic, when organizing the work of the General Assembly and participating in its work, the Company and the shareholders are obliged to comply with the health-safety recommendations and decisions of the Civil Protection Headquarters of the Republic of Croatia. The Company intends to enable the holding of the General Assembly of the Company within its regular annual cycle, while protecting the health of its shareholders and Company employees, as well as of service providers involved in the organization of the General Assembly.

In line therewith, in order to keep the number of participants in the work of the General Assembly within the proscribed framework, thereby reducing the risk of spreading the virus, shareholders are enabled to exercise their participation and rights at the General Assembly through one of the following Law Offices:

Law Office Hanžeković & Partneri Ltd., Radnička cesta 22, 10000 Zagreb
(contact: tel. +385 1 6184 611, e-mail: hanzekovic@hanzekovic.hr)

Or

Law Office Krehić & Partneri Ltd., Radnička cesta 80, 10000 Zagreb
(contact: tel. + 385 1 23 51 985, e-mail: tkrehic@kip-legal.hr)

The Company shall bear the costs of shareholder or proxy representation by the Law Offices designated in this Invitation.

3. The participants are invited to come to the General Assembly on 23 April 2021 at least one hour prior to its scheduled beginning for the purpose of timely registration of participants and in order for the Committee for Participant Registration to make a list of participants in the work of the General Assembly. When registering, the shareholders or their proxies or representatives have to submit to the Committee a valid identification document provided under law, while the proxies who are legal persons have to submit an excerpt from the court register or other appropriate register in which the legal person concerned is entered or other appropriate public document, if such a document was not submitted with the application for participation in the General Assembly. After they have registered, the participants may leave the General Assembly only after informing the Committee for Participant Registration until the conclusion of the General Assembly.

Participation and voting at the General Assembly

4. Each shareholder of the Company who has submitted to the Company, either personally or through their proxy or representative, an application for participation in written form and at the latest six days prior to the holding of the General Assembly, taking into account that the day the application reaches the Company is not included into that deadline, i.e. latest by 16 April 2021, has the right to participate in the General Assembly. A legal or natural person who is registered as Company shareholder with the Central Depository & Clearing Company Inc., Zagreb, on the last day for application for participation in the General Assembly, i.e. on 16 April 2021, is considered a Company shareholder entitled to participate in the General Assembly.
5. The application shall have the following contents and attachments:

I. Application for shareholder – natural person

- Name and family name, residence, address, number of account opened with the Central Depository & Clearing Company Inc. and the total number of shares of the shareholder concerned

II. Application for shareholder – legal person

- Company name of the legal person, seat and address, personal identification number (OIB)
- Number of account opened with the Central Depository & Clearing Company Inc. and the total number of shares of the shareholder concerned
- An excerpt from the court register or from other register in which the legal person is entered or a copy of such document, a certified copy or other appropriate public document clearly showing that the application was signed by a person who is under law authorized to represent the legal person concerned shall be attached to the application

III. Application submitted by shareholder's proxy

a) Proxy – natural person:

- Name and family name, residence and address of the proxy
- List of shareholders the proxy is representing; for each shareholder – number of their account with the Central Depository & Clearing Company Inc. and the total number of shares of all represented shareholders
- All individual powers of authority on the recommended form shall be attached to the application

b) Proxy – legal person:

- Company name, seat and address and proxy's company personal identification number (OIB)
- List of shareholders the proxy is representing; for each shareholder – number of their account with the Central Depository & Clearing Company Inc. and the total number of shares of all represented shareholders
- Individual powers of authority given by shareholders in written form shall be attached to the application; if a shareholder is a legal person, the attachment shall contain an excerpt from the court register or other register in which the legal person is entered or a copy of such document, a certified copy or other public document clearly showing that the power of authority was signed by a person who is under law authorized to represent the legal person concerned.

6. For minors and legally incapable or partially capable natural persons application shall be submitted by their statutory representative, who represents them and an original document or a copy or certified copy thereof proving the status of statutory representative shall be enclosed to the application.
7. The shareholders at the General Assembly may be represented by proxies on the basis of a valid written power of authority which is issued by the shareholder or which on behalf of a shareholder which is a legal person is issued by a person who is under law authorized to represent them.
8. The Company shall report the Invitation to the General Assembly, at the latest 21 days prior to holding of the General Assembly, to credit or financial institutions and to shareholder associations that voted on behalf of shareholders at the previous General Assembly, or if they asked for the Invitation to be reported to them. This report shall state the possibility for shareholders to vote at the General Assembly by proxies and by shareholder associations on their behalf.
9. Due to reasons stated under Item 2 hereof, for representation at the General Assembly shareholders are referred to the proxy stated therein, provided by the Company. If the shareholder does not wish to be represented by one of the proposed Law Offices, he/she can participate in the work of the

General Assembly in person or designate another proxy based on valid written power of attorney issued by the shareholder, i.e., by the person legally authorized for representation of shareholder – legal person.

10. The power of authority for the application for participation and/or voting at the General Assembly shall include name and family name or company, residence or seat and address of the giver of authority, number of account with the Central Depository & Clearing Company Inc., the total number of shares, name and family name or company, residence or seat and address of the proxy, signature of the giver of authority or statutory representative or representative under law, if the giver of authority is a legal person. It is recommended to use forms for the application for participation in the General Assembly and for the power of authority, which can be obtained at the seat of the Company and on the web site of the Company www.t.ht.hr.

Also available on the web site of the Company is the form for the power of authority to be granted to one of the Law Offices provided for shareholders and engaged at the cost of the Company.

11. The application for participation in the General Assembly and the power of authority, as well as any other attachment, shall be in the Croatian language; if they are in a foreign language, they shall be translated into Croatian by an authorized court interpreter.
12. The application for participation in the General Assembly shall be submitted directly to the Company at its seat in Zagreb, Radnička cesta 21, or sent to the Company by registered mail to the address: Croatian Telecom Inc, Radnička cesta 21, 10 000 Zagreb.
13. The application for participation in the General Assembly shall be considered timely submitted if it is, in accordance with these Instructions, submitted or sent by mail to the Company by 24:00 hours on 16 April 2021, at the latest. The shareholders who have failed to apply for participation in the General Assembly correctly and in accordance with these Instructions or who have failed to attach to the application the documents provided under these Instructions shall not be entitled to participate in the General Assembly.
14. Pursuant to the Articles of Association of the Company, the General Assembly cannot pass valid decisions unless attended by the shareholders, in person or via proxy, representing more than half (50%) of the share capital of the Company (quorum). If the quorum will not be met, the General Assembly will be held on the same day with commencement at 18:00 hours, at the same venue, with the same agenda and will be able to pass valid decision notwithstanding to the amount of the capital represented. Given powers of authority are valid for this General Assembly as well.

Shareholder rights to ask questions, request amendments to the agenda, submit counterproposals and the right on information

15. The shareholders who intend to ask questions at the General Assembly regarding individual agenda items are hereby asked, for the purpose of an efficacious organization of the work of the General Assembly, to announce their intention in writing when submitting their application for participation in the General Assembly or during the registration of participants prior to the General Assembly at the latest and to indicate the agenda item which their question or proposal will refer to and the content of their question.
16. Shareholders who together hold a twentieth part of the share capital of the Company have the right to request, after the General Assembly is convened, that an additional item is included in the agenda and published, and while doing so, the new agenda item should be accompanied by an explanation or respective decision proposal. Shareholders deliver the requests to add new items to the agenda to the seat of the Company (Croatian Telecom Inc., Radnička cesta 21, 10 000 Zagreb). In order for the amended agenda to be validly published according to the Companies Act, the request to add new items to the agenda has to be received by the Company at least 30 days prior to the day the General Assembly takes place, i.e., latest by 23 March 2021. This deadline does not include the day the request is received by the Company. In case the previously stated deadline is not observed the proposed additional items of the agenda would be considered as not validly published and no decision on them can be made at the General Assembly.
17. Shareholders have the right to submit counterproposals to the proposals submitted by the Management Board and/or Supervisory Board relating to the particular agenda item. Counterproposals, together with the names and surnames of shareholders, explanation and opinion by the Management Board if any, shall be reported to credit or financial institutions and to shareholder associations that voted on behalf of shareholders at the previous General Assembly and made available to shareholders on web pages of the Company (www.t.ht.hr), in case a shareholder submits his/her counterproposal to the seat of the Company (Croatian Telecom Inc., Radnička cesta 21, 10 000 Zagreb), at least 14 days prior to the day the General Assembly takes place. The date counterproposal is received by the Company is not included in this 14-day deadline, which expires accordingly on 8 April 2021. In case the shareholder does not exercise this right, he shall still be entitled to make counterproposals at the General Assembly. The same applies to shareholders proposals regarding the election of the Supervisory Board Members or appointment of the auditor of the Company.
18. At the General Assembly, the Management Board is obliged to provide information about the Company operations to any shareholder at his/her request, in case this information is necessary to judge topics included on the agenda.
19. The materials for the General Assembly, when required so under the law, will be made available to the shareholders and for issuing of copies at the seat of the Company in Zagreb on every working day from the day on which the invitation to the General Assembly is published to the day of the General Assembly, from 10:00 to 14:00 hours. At the same date the materials for the General Assembly shall be published on web pages of the Company (www.t.ht.hr). Due to precautionary measures connected with coronavirus (COVID-19), shareholders are kindly asked to announce their

arrival to the seat of the Company a day in advance by sending an e-mail to Investor Relations e-mail address (ir@t.ht.hr) or by calling one of the telephone numbers listed as contacts below.

In Zagreb, 10 March 2021

Croatian Telecom Inc.

Contact:

Investor Relations:

Marina Bengez Sedmak + 385 1 491 1080

Email: Marina.Sedmak@t.ht.hr

Tomislav Bajić + 385 1 4911 11

Email: ir@t.ht.hr

Web: www.t.ht.hr

Hrvatski Telekom d.d.

**Independent limited assurance report
on the Remuneration Report for the year 2020**



Independent limited assurance report on the Report on remuneration to the members of the Supervisory Board and Management Board in the business year 2020

To the Management Board and Supervisory Board of Hrvatski Telekom d.d.

Subject matter

Pursuant to the provisions of Article 272r item 3 of the Companies Act and the contract concluded with Hrvatski Telekom d.d. (the "Company"), we performed a limited assurance engagement of the accompanying Report on remuneration to the members of the Supervisory Board and Management Board for the year ended 31 December 2020 (the "Remuneration Report") prepared by the Company's Management Board.

Reporting criteria

The applicable reporting criteria for identifying the individuals to be included in the Remuneration Report and the disclosure requirements of their remuneration are contained in the provisions of Article 272r items 1 and 2 of the Companies Act.

Management and Supervisory Board's responsibilities

The Company's Management Board and the Supervisory Board are responsible for:

- preparing the Remuneration Report for the year 2020 in accordance with disclosure requirements of Article 272r items 1 and 2 of the Companies Act,
- identifying the individuals to be included in the Remuneration Report in accordance with Article 272r item 1 of the Companies Act,
- selecting and applying appropriate remuneration policies as well as making judgments and estimates that are reasonable in relation to the information disclosed in the Remuneration Report,
- measurement of remuneration for the year ended 31 December 2020 in accordance with provisions of Article 272r items 1 and 2 of the Companies Act, and
- publishing the Remuneration Report on the Company's website in accordance with provisions of Article 272r item 4.

The Company's Management Board is also responsible for maintaining an internal control system that provides limited assurance that the information described above is free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers d.o.o., Heinzelova 70, 10000 Zagreb, Croatia
T: +385 (1) 6328 888, F:+385 (1)6111 556, www.pwc.hr

Commercial Court in Zagreb, no. Tt-99/7257-2, Reg. No.: 080238978; Company ID No.: 81744835353; Founding capital: HRK 1,810,000.00, paid in full; Management Board: J. M. Gasparac, President; S. Dusic, Member; T. Macasovic, Member; Giro-Account: Raiffeisenbank Austria d.d., Petrinjska 59, Zagreb, IBAN: HR8124840081105514875.



Our responsibilities

Our responsibility is to report on the Remuneration Report in accordance with the requirements of Article 272r item 3 of the Companies Act. We performed a limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised) - *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Our independence and quality control

We apply International Standard on Quality Control 1 and, accordingly, maintain a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Federation of Accountants, based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

We have performed the following procedures regarding the subject matter:

- we inquired of members of Management, Supervisory Board and other persons within the Company to gain understanding of the remuneration policies and the process applied in preparing the Remuneration Report;
- we received from the Company a list of all members of the Management and Supervisory Boards during 2020 and checked whether their remuneration is disclosed in the Remuneration Report;
- we reconciled the remuneration information presented in the Remuneration Report with the Company's accounting records (general ledger and subledgers) for the year ended 31 December 2020;
- we reviewed, on a sample basis, the relevant documentation (contracts and payments) related to the remuneration information presented in the Remuneration Report; and
- we checked whether the Remuneration Report contains all the information required by provisions of Article 272r items 1 and 2 of the Companies Act.

The nature and extent of our procedures were determined based on our risk assessment and our professional judgment in order to obtain limited assurance.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion.

Limited assurance conclusion

Based on our work performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Remuneration Report for the year ended 31 December 2020 is not prepared in accordance with the requirements specified in Article 272r items 1 and 2 of the Companies Act.



Restriction of distribution and use

This report has been prepared solely for the Management Board in accordance with the agreement between us, to assist the Company in reporting the Remuneration Report, and is intended solely for the purposes specified in Article 272r item 3 of the Companies Act. We permit this report to be disclosed in the Company's web page in accordance with Article 272r item 4 of the Companies Act. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's Management Board for our work or this report, except where such terms are expressly agreed in writing.

In addition, based on the procedures performed and described above, this is a limited assurance report and it is not, nor is it intended to be, a legal opinion on the Company's compliance with Article 272r items 1 and 2 of the Companies Act.

The Company's Management Board is responsible for placing the Remuneration Report on the Company's web-site and for accuracy of such information. The scope of our performed work does not include reviewing these matters; consequently, we do not assume any responsibility for any amendments that might have been made to the Remuneration Report underlying this Independent limited assurance report or any differences between the report issued by us and the information presented on the Company's web-site.

PricewaterhouseCoopers d.o.o.

PricewaterhouseCoopers d.o.o.
Heinzelova 70, Zagreb
9 March 2021

John Mathias Gasparac
President of the Management Board



PricewaterhouseCoopers d.o.o.⁴
za reviziju i konzalting
Zagreb, Heinzelova 70

Tomičić

Michaela Tomičić
Certified Auditor



LIFE IS FOR SHARING.

Pursuant to Article 272r of the Companies Act and pursuant to Code of Corporate Governance of the Zagreb Stock Exchange Inc. and Croatian Financial Services Supervisory Agency (HANFA), the Supervisory Board and Management Board of Croatian Telecom Inc., Zagreb, Radnička cesta 21, (hereinafter referred to as "HT" or "the Company"), submit to the General Assembly this

REPORT
on remuneration to the members of the Supervisory Board and Management Board in the business year 2020

The remuneration and evaluation of the work performed by the Management Board of HT, focusing on the Company's sustainable development and growth, have been conducted in accordance with the Global Compensation Guideline for Executives adopted by Supervisory Board on 27 February 2018 and approved in the Remuneration Policy for Members of the Management Board adopted by the General Assembly as of 20 July 2020.

The remuneration of the Supervisory Board Members has been determined in accordance with the decision of the General Assembly as of 16 June 2000, with amendments as of 21 April 2009 and the Decision on remuneration of members of the Supervisory Board as of 20 July 2020.

The Remuneration Policy for Members of the Management Board and the Decision on remuneration of members of the Supervisory Board are published on the Company's website.

REMUNERATION OF THE SUPERVISORY BOARD

The Supervisory Board consists of nine members, eight members are elected by the General Assembly and one is appointed by the Workers' Council as a representative of the Company's employees. Out of eight members elected by the General Assembly, five members represent Deutsche Telekom AG and two members are independent and they are Ms. Dolly Predovic and professor Gordan Gledec, Ph.D.

Supervisory Board members serving according to the function they hold in the membership of the Supervisory Board and the tasks they perform within the Board or committees of the Supervisory Board during 2020:

Jonathan Richard Talbot	Chairman	From 25 April 2017 (member of the Compensation and Nomination Committee and the Related Parties Transactions Committee)
Ivica Mišetić, Ph. D.	Deputy Chairman	Deputy Chairman from 8 May 2008; Member from 21 April 2008 until 24 April 2020 (member of the Audit Committee until 24 April 2020); Member from 20 July 2020 (member of the Compensation and Nomination Committee)
Vesna Mamić	Member, workers' representative	From 1 January 2016
Dolly Predovic	Member	From 29 April 2014 (member of the Compensation and Nomination Committee until 20 July 2020; member of the Audit Committee and the Related Parties Transactions Committee form 20 July 2020)
Marc Stehle	Member	From 16 December 2015 (member of the Audit Committee)



Eirini Nikolaidi	Member	From 25 April 2016 until 24 April 2020; From 20 July 2020 (member of the Audit Committee)
Eva Somorjai-Tamassy	Member	From 25 April 2017 (member of the Compensation and Nomination Committee)
Tino Puch	Member	From 24 April 2018
Davor Majetić	Member	Until 14 May 2020 (member of the Related Parties Transactions Committee until 14 May 2020)
Gordan Gledec Ph.D.	Member	From 20 July 2020 (member of the Related Parties Transactions Committee)

Members of the Supervisory Board are entitled to a monthly remuneration for their work during their entire term of office. The remuneration of members of the Supervisory Board is determined according to the function they hold in the membership of the Supervisory Board and the tasks they perform within the Board or committees of the Supervisory Board, and in relation to the average net salary of employees paid in the previous month.

The remuneration to the Supervisory Board members does not include a variable part, therefore it is not influenced by the Company's operating results in a given past or future period.

The remuneration of individual Supervisory Board members paid in 2020 is as follows:

The period of 2020 in which the remuneration was paid

			From	To	Gross 1 (in HRK)
Vesna	Mamić	Member	1 January	31 December	156,963
Dolly	Predovic	Member	1 February	31 December	198,348
Ivica	Mišetić	Deputy Chairman	1 January 20 July	24 April 31 December	79,331 84,587
Davor	Majetić	Member	1 January	14 May	71,562
Gordan	Gledec	Member	20 July	31 December	56,391
Total					647,182

DT AG representatives do not receive any remuneration for their membership in the Supervisory Board due to a respective policy of Deutsche Telekom AG.

The Company deems the remuneration paid as appropriate for engagement in the tasks they perform in the Supervisory Board and the committees thereof, as well as that the remuneration paid corresponds to the status and business operations of the Company.

The Company has not granted any advances or loans to the current or former Supervisory Board members, nor were there any other financial obligations to the benefit of this group of people entered into.

The Company and its affiliates have not given any gifts or benefits of significant value to the members of the Supervisory Board.



REMUNERATION OF THE MANAGEMENT BOARD

The Management Board consists of five to seven members, and in line with the relevant Supervisory Board Decision on the division of competence among Management Board Members, the current composition of the Management Board includes five positions.

Management Board members serving during 2020:

Konstantinos Nempis	President of the Management Board (CEO)
Nataša Rapačić	Member of the Management Board and COOR
Ivan Bartulović	Member of the Management Board and CHRO
Daniel Darius Denis Daub	Member of the Management Board and CFO
Boris Drilo	Member of the Management Board and CTIO

The Management Board members' remuneration consists of a fixed annual remuneration and a performance-related variable component (Short-Term Incentive), as well as other fringe benefits, non-cash benefits and remuneration in kind, Spot bonus, Long-Term Incentive and Share Matching Plan, which can be awarded on top of the annual target salary.

Annual target salary, performance-related variable components and other remuneration elements and other non-cash benefits and services are determined by an individual contract of each MB Member, subject to the approval by the Supervisory Board, based on the proposal of the Compensation and Nomination Committee.

The total fixed and variable remuneration paid to Management Board members in 2020 is shown in detail in the following table:

Gross 1 (in HRK)

Management Board member	Fix remuneration	%	Short-Term Incentive (STI)	%	Total	%
Konstantinos Nempis	2,259,214	65%	1,205,742	35%	3,464,956	100%
Nataša Rapačić	1,713,100	69%	783,732	31%	2,496,832	100%
Ivan Bartulović	1,080,915	72%	411,962	28%	1,492,877	100%
Daniel Darius Denis Daub	1,206,079	66%	641,396	34%	1,847,475	100%
Boris Drilo	1,349,017	73%	506,412	27%	1,855,429	100%
Saša Kramar*	91,171	15%	506,412	85%	597,583	100%

* Saša Kramar, a member of the Management Board and COOB terminated his mandate with effect as of 1 January 2020 in accordance with the Agreement on the early Termination of the Contract on Rights and Obligations of the Member of the Management Board

Remuneration (fixed or variable) is paid in pro-rated amount in accordance with the term of appointment.



Short-Term Incentive (STI) rewards the achievement of collective targets over an annual period. Collective target achievement is split between financial and non-financial targets and for the year 2019 were set, as follows:

- 1) Financial Targets (50% of total target set)
 - Revenue HT Group (weight: 40%)
 - EBITDA HT Group (weight: 40%)
 - oFCF HT Group (weight: 20%)
- 2) Strategic Targets (50% of total target set)
 - Convergence HT Group (weight: 33%)
 - Digitalization HT Group (weight: 67%).

The Supervisory Board, after the evaluation had been performed, passed the decision on the target achievements of the collective targets set for 2019, which amounts to 106.2% and according to which the payment of STI was made in 2020.

During 2020 the following accruals were made for the Short-Term Incentive (STI) for 2020:
Gross 1 (in HRK)

Član Uprave	Accruals for the Short-Term Incentive (STI) for 2020.
Konstantinos Nempis	1,500,000
Nataša Rapaić	731,250
Ivan Bartulović	461,250
Daniel Darius Denis Daub	534,617
Boris Drilo	585,000

A Spot bonus, as additional reward to acknowledge extraordinary individual performance, is paid out to the member of the Management Board Ivan Bartulović as a one-time payment in the amount of HRK 75,000.

Long-Term Incentive (LTI) 2016 is a cash-based four-year program that covered the period from 1 January 2016 to 31 December 2019, and it was linked to the performance of four indicators of the Deutsche Telekom Group: ROCE (Return on Capital Employed), Adjusted EPS (Earnings per Share), Customer satisfaction and Employee satisfaction.

LTI 2016 ended on 31 December 2019, and the Supervisory Board determined the final target achievement of 107.2%.



Long-Term Incentive (LTI) 2016 paid to eligible Management Board members in 2020 is shown in the following table:

Gross 1 (in HRK)

Management Board member	Long-Term Incentive (LTI) 2016
Konstantinos Nempis	136,513
Nataša Rapaic	703,503
Daniel Darius Denis Daub	242,896
Saša Kramar	367,337
Davor Tomašković*	1,270,615

**Davor Tomašković, President of the Management Board and CEO until 1 April 2019, was paid a pro-rated amount of LTI 2016 that corresponds to the period of duration of his participation in LTI 2016 in accordance with the Agreement on termination of the contract on rights and obligations of the President of the Management Board.*

During 2020 the following accruals were made for the Long-Term Incentive (LTI):

Gross 1 (in HRK)

Management Board member	Accruals for the Long-Term Incentive (LTI) 2017/2018/2019/2020
Konstantinos Nempis	652,432
Nataša Rapaic	1,196,267
Ivan Bartulović	180,400
Daniel Darius Denis Daub	446,000
Boris Drilo	354,539
Saša Kramar	20,355
Davor Tomašković	69,292

Fringe benefits (company car usage, accommodation cost, education/trainings, pension fund, scholarship for children) paid to Management Board members in 2020 are shown in the following table:

Gross 1 (in HRK)

Management Board member	Fringe benefits
Konstantinos Nempis	1,090,445
Nataša Rapaic	66,311
Ivan Bartulović	52,163
Daniel Darius Denis Daub	437,429
Boris Drilo	50,638



Share Matching Plan (SMP) is a long-term remuneration instrument which is mandatory to the Company's President of the Management Board and voluntary for Management Board members. SMP 2016 covered the period from 1 July 2016 to 30 June 2020 and relates to the non-cash benefit arising from the inflow of the matching shares, with the corresponding personal investment in Deutsche Telekom AG shares having been made in 2016. The proportion of the number of additional shares thus granted depends on the individual's management level: CEO: 1:1, other Management Board members: 1:2.

Total number of Deutsche Telekom AG shares granted in 2020 as a part of the Share Matching Plan (SMP) 2016 is shown in the following table:

Management Board member	Share Matching Plan (SMP)	Full entitlement for the entire SMP 2016 duration			The part of the entitlement relating to HT*
		Matching DT AG shares (pieces)	Non-cash benefit per share (in EUR)	Non-cash benefit (in EUR)	Non-cash benefit (in EUR)
Konstantinos Nempis	2016	1,250	14,705	18,381	6,808
Daniel Darius Denis Daub	2016	872	14,725	12,840	8,560
Saša Kramar	2016**	126	11,405	1,437	1,437

* The part of the non-cash benefit that relates only to the period of assignment in the HT.

** According to the Terms & Conditions of participation in SMP, Saša Kramar received a pro-rata number of the matching shares for a period proportionated to the duration of his participation in the SMP 2016

During 2020 accruals were made for the following Share Matching Plans (SMP) 2017, 2018, 2019, 2020: Gross 1 (in HRK)

Član Uprave	Accruals for the Share Matching Plan (SMP) 2017/2018/2019/2020
Konstantinos Nempis	402,876
Nataša Rapačić	20,310
Daniel Darius Denis Daub	55,598

Repeated Performance Incentive (RPI) is a four-year program that covers the period of 1 January 2018) to 31 December 2021 with the target achievement of a minimum two consecutive years as the decisive factor for the eligibility for a bonus payment. No RPI bonus pay-out was made in 2020.

The following tables show an average remuneration paid to all employees in Gross 1 amount, which includes a fixed and variable part of the salary, other remuneration components, remuneration in kind and other material rights arising from employment status, divided by the average number of employees



equivalent to full time employment (FTE). The same methodology is applied to calculate the average remuneration paid to Management Board members and Supervisory Board members.

Average remuneration per employee	2020	2019	2018	2017	2016
Gross 1 (in HRK)					
Annual remuneration	183,277	175,110	171,102	176,866	175,114

Croatian Telecom Inc. (in HRK)	2020	2019	2018	2017	2016
Revenue	5,663,616,185	5,893,460,026	6,028,401,549	6,073,361,765	5,933,439,097
Net profit	703,800,152	717,064,453	990,660,719	841,265,804	908,796,891

Average remuneration paid to:	2020	2019*	2018*	2017	2016
Gross 1 (in HRK)					
Supervisory Board members	179,773	172,957	179,063	179,152	148,355
Management Board members*	3,207,930	3,151,345	2,483,903	2,112,158	2,521,154

* One-off payments (early Termination Payment and other compensation related to termination) have been excluded in 2018 and 2019.

No Management Board member received benefits or corresponding commitments from a third party for his or her activity as Management Board member during the past financial year.

There were no requests to Management Board members to repay to the Company any received remuneration.

The Company has not granted any advances or loans to current or former Management Board members, nor were any other financial obligations to the benefit of this group of people entered into.

No additional remuneration was paid for members who are members of the Supervisory Boards and similar positions/functions in companies in which the Company directly or indirectly holds shares, as well as duties in associations to which the Company belongs pursuant to its scope of activities.

This Report has been submitted pursuant to Article 247a of the Companies Act for the General Assembly to be held in the year 2021.

Zagreb, 9th March 2021

Jonathan Richard Talbot,
Chairman of the Supervisory Board

Konstantinos Nempis,
President of the Management Board (CEO)



Attachment 2

Pursuant to Article 247a and in connection with Article 276a of the Companies Act, the Supervisory Board of Croatian Telecom Inc. (hereinafter: the Company or HT) proposes to the General Assembly an amendment to the Remuneration Policy for Members of the Management Board as follows:

Amendment to the Remuneration Policy for Members of the Management Board

The Remuneration Policy for Members of the Management Board, approved by the General Assembly as of 20 July 2020 is amended by introducing Company's Shares Award Plan (PDD).

Company's Shares Award Plan (PDD)

Company's Shares Award Plan (PDD) is a voluntary compensation tool on the basis of which a member of the Management Board has the option to choose the allotment of HT shares instead of a pay-out of certain percentage of Short-Term incentive (STI) achieved for the previous year. PDD participants are entitled to bonus shares in the ratio of 7 allotted shares : 1 bonus share, and all shares must be retained for an uninterrupted period of one year (lock-up period).

The decision to initiate PDD in a certain year is made by the Supervisory Board, and the details are determined by the Terms and Conditions of the relevant plan.

The PDD applies from 2021 onwards.

All other provisions of the Remuneration Policy, approved by the decision of the General Assembly as of 20 July 2020, remain unaffected.



Chairman of the Supervisory Board

Jonatan Richard Talbot