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Croatian Telecom

Zagreb – 20 March 2020

Croatian Telecom Inc.

Radnička cesta 21, HR – Zagreb

Ordinary share: HT (ISIN: HRHT00RA0005)

LEI: 097900BFHJ0000029454

Listing: Zagreb Stock Exchange, Official 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 29 April 2020 at 10:00 hours, together with the proposed Agenda, proposed Decisions 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 is not met on 29 April 2020, the General Assembly will be held on 7 May 2020 with commencement at 10:00 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.

In case that the circumstances following its convocation do not allow the General Assembly to be held in the light of a rapid spread of the coronavirus (COVID-19), the Management Board of Croatian Telecom shall pass a timely decision on its cancellation.

The Management Board continually monitors the situation and the health and safety recommendations and decisions of the National COVID-19 Crisis Headquarters. The health of Croatian Telecom's shareholders, employees and service providers involved in the organization of the General Assembly are our utmost priority.

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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 736 thousand 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 17 March 2020 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 29 April 2020 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 2019, including the Annual Report on the Status and Business Operations of the Company and HT Group for the business year 2019 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2019;
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 2019;
5. Decision on approval of actions of the Members of the Supervisory Board of the Company for the business year 2019;
6. Decision on election of Members of the Supervisory Board;
7. 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 2019"

1. *It is determined that Croatian Telecom Inc. in the business year ending with 31 December 2019 realized net profit in the amount of HRK 717,064,453.22.*
Net profit amount stated herein shall be used accordingly:
 - *A part of net profit in the amount of HRK 646,129,832.00 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 21,106,194.51 shall be allocated to legal reserves.*
 - *A part of net profit in the amount of HRK 49,828,426.71 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 7th, 2020 (record date). Date on which security of Croatian Telecom Inc. will be traded without dividend payment right is May 6th, 2020 (ex date). Dividend payment claim matures on May 18th, 2020 (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 2019".

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 2019".

Ad 6) The Supervisory Board of the Company proposes to the General Assembly to pass the following decision:

"Mr. Ivica Mišetić, Ph.D. in Economics, from Zagreb, is elected Member of the Supervisory Board of Croatian Telecom Inc. for another term of office for the period of four (4) years. This decision shall come into effect on the day of its passing".

"Mrs. Eirini Nikolaidi, degree in Law and master's degree in International Business Law, from Athens, Hellenic Republic, is elected Member of the Supervisory Board of Croatian Telecom Inc. for another term of office for the period of four (4) years. This decision shall come into effect on the day of its passing".

Ad 7) The Supervisory Board of the Company proposes to the General Assembly to pass the following decision:

"The company PricewaterhouseCoopers d.o.o., Heinzelova ulica 70, 10 000 Zagreb, is appointed as the auditor of the Company for the business year 2020".

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. 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 2019, including the Annual Report on the Status and Business Operations of the Company and HT Group for the business year 2019 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2019

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 2019 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 2019 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2019.

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 July 2019 the Company withdrew 450,517 Company shares without nominal value acquired during the year 2018, without the share capital of the Company being decreased. Thereby the total number of shares has decreased from 81,670,064 shares to 81,219,547 shares without nominal value, while the remaining shares' participation in the share capital has been increased.

During 2019 the Company acquired at Zagreb Stock Exchange 453,318 Company shares, representing 0.56% of the Company's issued share capital, i.e., HT holds in total 453,318 Company shares as at 31 December 2019. For this acquisition of Company shares in 2019, the Company paid out an equivalent value of HRK 72,774,264.79.

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 646.129.832,00, or HRK 8.00 per share, a part of the net profit in the amount of HRK 21.106.194,51 is to be allocated to legal reserves, and the remainder of net profit in the amount of HRK 49.828.426,71 is to be allocated to retained earnings.

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 2019

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 2019.

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 2019

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 2019.

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 for election of Members of the Supervisory Board

The terms of office of Members of the Supervisory Board, Mrs. Eirini Nikolaidi and Mr. Ivica Mišetić, Ph.D., are to expire as at 24 April 2020.

Pursuant to Article 280, paragraph 3 of the Companies Act, the Supervisory Board proposes to the General Assembly that Mrs. Eirini Nikolaidi and Mr. Ivica Mišetić, Ph.D., are re-elected as Members of the Supervisory Board of Croatian Telecom Inc., with the commencement of the terms of office as of the day of the passing of the General Assembly decision.

Mrs. Eirini Nikolaidi is a member of the Boards of Directors of Germanos S.A., Telekom Romania Communications S.A. and Telekom Romania Mobile Communications S.A.

Mr. Ivica Mišetić, Ph.D., holds no membership in the Supervisory Boards or Boards of Directors of other companies.

Ad 7) 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 PricewaterhouseCoopers d.o.o., Heinzelova ulica 70, 10 000 Zagreb, is appointed as the auditor of the Company for the business year 2020.

**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 81,219,547 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 591,631 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 29 April 2020 at 10:00 hours.
2. The participants are invited to come to the General Assembly on 29 April 2020 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

3. 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 22 April 2020, 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 22 April 2020, is considered a Company shareholder entitled to participate in the General Assembly.

4. 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.

5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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 22 April 2020, 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.
12. 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 is not met on 29 April 2020, the General Assembly will be held on 7 May 2020 with commencement at 10:00 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.

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

13. 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.
14. 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 29 March 2020. 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.

15. 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 14 April 2020. 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.
16. 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.
17. 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 the spread of the 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.
18. In case that the circumstances following its convocation do not allow the General Assembly to be held in the light of a rapid spread of the coronavirus (COVID-19), the Management Board of Croatian Telecom shall pass a timely decision on its cancellation.

The Management Board continually monitors the situation and the health and safety recommendations and decisions of the National COVID-19 Crisis Headquarters. The health of Croatian Telecom's shareholders, employees and service providers involved in the organization of the General Assembly are our utmost priority.

In Zagreb, 17 March 2020

Croatian Telecom Inc.

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