

**OT – OPTIMA TELEKOM D.D.
MANAGEMENT BOARD
Number: 49/2016
Zagreb, 14 December 2016**

Pursuant to the provisions of Article 277 paragraph 2 of the Companies Act and Article 23 of the Articles of Incorporation of the Company OT-OPTIMA TELEKOM d.d., Zagreb, Bani 75/a (hereinafter: "Company"), the Company's Management Board adopted on 14 December 2016 the following

Decision to Convene an Extraordinary General Meeting of the Company

Shareholders are hereby invited to the Extraordinary General Meeting of the company OT-OPTIMA TELEKOM d.d., Zagreb, to be held on 25 January 2017 at 12:00 PM in Zagreb, at Hotel Aristos, Cebini 33, Buzin.

It is proposed that the General Meeting should take place according to the following

AGENDA:

1. Opening of the General Meeting and verifying the list of attending shareholders or their authorized representatives, establishing a quorum
2. Company Management Board and Supervisory Board Merger Report
3. Merger Audit Report
4. Decision approving the Agreement on the Merger of the Company H1 TELEKOM d.d. (merged company) into the Company OT – OPTIMA TELEKOM d.d. (merging company)
5. Decision to increase the share capital for merger purposes
6. Decision to amend the subject of business (activity)
7. Decision to amend the Articles of Incorporation

The Company Management Board and the Supervisory Board propose to the General Meeting to adopt the decisions under agenda items 4., 5. and 6., fully as follows:

Ad 4. The General Meeting has adopted the following

**DECISION
approving the Agreement on the Merger of the Company H1 TELEKOM d.d. (merged
company) into the Company OT – OPTIMA TELEKOM d.d. (merging company)**

The Merger Agreement entered into on 29 July 2016 by and between the company OT-OPTIMA TELEKOM d.d. for telecommunications, Bani 75/a, Zagreb, OIB number 36004425025, as the merging company and H1 TELEKOM, a joint-stock company for telecommunication services, Dračevac 2D, Split, OIB number 88551335012, as the merged company, certified by the notary public Stjepan Šaškor from Zagreb, Petrinjska 4 under the number OV-4102/16, which constitutes an Annex to these Minutes.

This Decision shall become legally effective with the adoption of a positive resolution by the Croatian Competition Agency (hereinafter: CCA) regarding the permissibility of the merger of the Company and the company H1 TELEKOM d.d. and a positive resolution by CCA regarding the request of the company Hrvatski telekom d.d., Zagreb, Roberta Frangeša Mihanovića 9, OIB number 81793146560 (hereinafter: HT) for an extension of the conditionally permitted merger of the company HT over OT-OPTIMA TELEKOM d.d. pursuant to Resolution number, class: UP/I 034-03/2013-02/007 of 19 March 2014 for a period of additional three years.

Ad 5. The General Meeting has adopted the following

DECISION to increase the share capital for merger purposes

The Company's share capital amounts to 635,568,080.00 (in words: six-hundred-and-thirty-five-million-five-hundred-and-sixty-eight-thousand-and-eighty) HRK.

The Company's share capital is divided into 63,556,808 (in words: sixty-three-million-five-hundred-and-fifty-six-thousand-and-eight-hundred-and-eight) ordinary shares at their individual nominal values amounting to 10.00 (in words: ten) HRK. The share capital has been paid in full.

The Company's share capital shall be increased from the amount of 635,568,080.00 (in words: six-hundred-and-thirty-five-million-five-hundred-and-sixty-eight-thousand-and-eighty) HRK, for the amount of 58,864,560.00 (in words: fifty-eight-million-eight-hundred-and-sixty-four-thousand-and-five-hundred-and-sixty) HRK, to the amount of 694,432,640.00 (in words: six-hundred-and-ninety-four-million-four-hundred-and-thirty-two-thousand-and-six-hundred-and-forty) HRK.

The increase of the Company's share capital shall be carried out in accordance with the provisions of Articles 519 and 520 of the Companies Act, for the purpose of implementing the merger procedure, by issuing 5,886,456 (in words: five-million-eight-hundred-eighty-six-thousand-four-hundred-fifty-six) new ordinary shares at their individual nominal values amounting to 10.00 (in words: ten) HRK.

The new shares shall be, through the share admission commissioner referred to under Article 522 paragraph 2 of the Companies Act, distributed to the shareholders of the merged company H1 TELEKOM d.d. at the conversion ratio of 1 : 0.75 (one to zero point seventy-five), who shall in exchange for 1 (one) share of the merged company H1 TELEKOM d.d. receive 0.75 (zero point seventy-five) shares of the Company.

To those shareholders of the merged company who, due to the share conversion ratio, are lacking a certain amount to acquire a whole number of the Company's share, the Company shall make an additional cash payment, in a proportional amount, and taking into account the value of one Optima share at 1.70 HRK (one Croatian kuna and seventy lipas).

The new shares shall be issued in a non-materialized form, in the form of an electronic entry in the Central Depository and Clearing Company (CDCC) computer system, with a code assigned by CDCC. Each new share carries the right to one vote at the Company's General Meeting. The new shares are registered shares and carry the same rights as all the existing shares, i.e. all rights stipulated by law and the Company's Articles of Incorporation, from the date of share capital increase registration in the court register.

The Management Board is hereby authorized to take all actions required for registering the share capital increase in the court register and the CDCC depository.

The listing of the shares at Zagrebačka burza d.d. stock market shall be carried out within the legal time limit of 12 months following the date of issue of the shares pursuant to applicable legislation.

The Management Board is hereby authorized to list the newly issued ordinary shares at Zagrebačka burza d.d. stock market in accordance with the legislation in force.

This Decision shall become legally effective with the adoption of a positive CCA resolution regarding the permissibility of the merger of the Company and the company H1 TELEKOM d.d. and a positive resolution by CCA regarding the request of the company Hrvatski telekom d.d., Zagreb, Roberta Frangeša Mihanovića 9, OIB number 81793146560 (hereinafter: HT) for an extension of the conditionally permitted merger of the company HT over OT-OPTIMA TELEKOM d.d. pursuant to Resolution number, class: UP/I 034-03/2013-02/007 of 19 March 2014 for a period of additional three years.

Ad 6. The General Meeting has adopted the following

**DECISION
to amend the subject of business (activity)**

The subject of business of the Company shall be amended by the activity:
* *information society services.*

This Decision shall become legally effective with the adoption of a positive CCA resolution regarding the permissibility of the merger of the Company and the company H1 TELEKOM d.d. and a positive resolution by CCA regarding the request of the company Hrvatski telekom d.d., Zagreb, Roberta Frangeša Mihanovića 9, OIB number 81793146560 (hereinafter: HT) for an extension of the conditionally permitted merger of the company HT over OT-OPTIMA TELEKOM d.d. pursuant to Resolution number, class: UP/I 034-03/2013-02/007 of 19 March 2014 for a period of additional three years.

Ad 7. The General Meeting has adopted the following

**DECISION
to amend the Articles of Incorporation**

Under Article 6 of the Articles of Incorporation, after the words "** Bookkeeping and accounting activities*", a new line shall be added that reads:

“* information society services.”

Article 7 of the Articles of Incorporation shall be amended to read:

“The Company’s share capital amounts to 694,432,640.00 HRK. The share capital has been partially paid in cash, in the amount of 28,003,600.00 HRK, and partially in things and rights, in the amount of 666,429,040.00 HRK.

The share capital is divided into 69,443,264 ordinary shares at their individual nominal values amounting to 10.00 HRK.

The shares are registered shares and provide their owner with the right to vote at the Company’s General Meeting, the right to a dividend and other rights defined by the Companies Act and these Articles.”

All other provisions of the Articles of Incorporation shall remain unaffected.

The Supervisory Board is hereby authorized to establish the full text of the Articles in accordance with this Decision to amend the Articles of Incorporation.

This Decision shall become legally effective with the adoption of a positive CCA resolution regarding the permissibility of the merger of the Company and the company H1 TELEKOM d.d. and a positive resolution by CCA regarding the request of the company Hrvatski telekom d.d., Zagreb, Roberta Frangeša Mihanovića 9, OIB number 81793146560 (hereinafter: HT) for an extension of the conditionally permitted merger of the company HT over OT-OPTIMA TELEKOM d.d. pursuant to Resolution number, class: UP/I 034-03/2013-02/007 of 19 March 2014 for a period of additional three years, and the amendments to the Articles shall become valid with the date of their registration in the Court Register.

Invitation for shareholders to participate at the General Meeting

The shareholders are hereby invited to participate in the work of the General Meeting. Attendees are also invited to arrive at the General Meeting one hour before the scheduled beginning so that the list of participants in the General Meeting may be made in a timely manner.

The materials for the Company’s General Meeting that serve as the basis for passing the announced Decisions shall be available for shareholders to peruse as of the date of publication of this invitation at the Company premises, Zagreb, Bani 75/a, during the Company’s working hours, from 9 AM to 4 PM and on the Company’ website www.optima.hr.

Pursuant to Article 517 paragraph 1 of the Companies Act (hereinafter: “CA”), shareholders are advised and notified that at the Company’s business premises, pursuant to Article 517 paragraph 2 of CA, the following has been made available:

- Merger Agreement
- Annual Financial Statements and reports on the status of the companies taking part in the merger procedure, for the past three business years
- New Financial Statements as at 30 June and 30 September 2016

- Management Board Reports of the companies participating in the merger within the meaning of Article 514 of CA
- Supervisory Board Reports of the companies participating in the merger within the meaning of Article 515.a of CA
- Joint Merger Audit Report within the meaning of Article 515 of CA

The Merger Agreement is available on the Company's website www.optima.hr as a free download.

The right to participate at the General Meeting shall have those shareholders of the company whose application to participate at the General meeting arrives at the Company's registered address in Zagreb, Bani 75/a no later than six days before the date of the General Meeting (the time limit does not include the day of arrival of the application to the company and the day on which the General Meeting is to take place), i.e. no later than 18 January 2017, and who are on the last day eligible for the arrival of the application to participate at the General Meeting registered as the Company's shareholders in the CDCC depository.

Shareholders shall participate at the General Meeting in person or through an authorized representative, based on a valid written power of attorney issued by the shareholder, or, in case of a legal entity, a person empowered to represent it. A valid special power of attorney shall contain: the data of the name or firm of the representative and the represented party and a special authorization to vote on behalf of the shareholder being represented. The power of attorney form is available on the Company's website www.optima.hr. In the event that a shareholder or his/her authorized representative cannot be identified (by a valid identification document, a certified extract from the court register for legal entities etc.), they shall not be allowed to participate at the General Meeting.

Shareholders who jointly have stock in the amount of one twentieth of the Company's share capital may, in line with the provision of Article 278, paragraph 2 of CA, make a written demand to the Company's Management Board for a subject to be included in the General Meeting Agenda and announced. The request for a subject to be included in the Agenda must be received by the Company no later than 30 days before the date of the General Meeting, not counting the date of arrival of the request to the Company.

Shareholders are entitled to put forward a counter-proposal to a proposal for a decision given by the Management Board and/or Supervisory Board concerning an agenda item, in accordance with the provision of Article 282, paragraph 1 of CA. The counter-proposal, containing the names of the shareholders, explanation and, if required, the Management Board's opinion, shall be available to persons referred to under Article 281, paragraph 1 to 3 of CA and shall be made available to shareholders on the Company's website (www.optima.hr) if the shareholder delivers his/her counter-proposal to the Company address no later than 14 days prior to the date of the General Meeting. The date of arrival of the counter-proposal at the Company is not included in this 14-day time limit. If the shareholder does not exercise this right, it shall not result in the loss of the right to put forward counter-proposals at the General Meeting. The aforesaid in a corresponding manner also applies to shareholders' submission of proposals with respect to appointing the Company auditor.

Shareholders are entitled to request from the Management Board at the General Meeting information on Company operations, if this is necessary for judgement of the matters on the agenda.

Should at the convened General Meeting be no quorum as stipulated by the Company's Articles of Incorporation, the Company's General Meeting shall take place on 26 January 2017, starting at 12:00 PM, at the same location, with the same agenda. If no quorum can be established for the new General

Meeting as well, the General Meeting shall still take place, irrespective of the number of shareholders there represented.

Notifications referred to under Article 280.a of CA are available on the Company's website www.optima.hr.

Zoran Kežman, President of the Management Board

Tomislav Tadić, Management Board Member