



## 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 26 March 2024 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 8 May 2024 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 2023, including the Annual Report on the Status and Business Operations of the Company and HT Group for the business year 2023 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2023;
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 2023;
5. Decision on approval of actions of the Members of the Supervisory Board of the Company for the business year 2023;
6. Decision on amendments to Article 5, Article 8a, Article 32 and Article 39 of the Articles of Association of the Joint Stock Company Croatian Telecom;
7. 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 2023;
8. Decision on confirmation of the Decision on Remuneration for the Work of the Members of the Supervisory Board;
9. Decision on election of Members of the Supervisory Board;
10. 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 2023***

1. *It is determined that Croatian Telecom Inc. in the business year ending with 31 December 2023 realized net profit in the amount of EUR 125,161,197.98.*

*Net profit amount stated herein shall be used accordingly:*

- *A part of net profit in the amount of EUR 119,340,000.00 shall be paid out as dividend to shareholders, in the amount of EUR 1.53 per share.*
  - *A part of net profit in the amount of EUR 5,821,197.98 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 13<sup>th</sup>, 2024 (record date). Date on which security of Croatian Telecom Inc. will be traded without dividend payment right is May 10<sup>th</sup>, 2024 (ex date). Dividend payment claim matures on May 20<sup>th</sup>, 2024 (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 2023”.*

**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 2023”.*

**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 Article 5, Article 8a, Article 32 and Article 39 of the Articles of Association of the Joint Stock Company Croatian Telecom**

**Article 1**

In Article 5, paragraph 1, Item 65 is added which reads as follows:

*“intermediation in waste management “*

**Article 2**

Behind existing Article 8 of the Articles of Association, new Article 8a is added, which read as follows:

**“Article 8a**

*The Management Board is authorized, with the approval of the Supervisory Board, to pass one or more decisions on increase of the share capital by issuing new shares with the payment of stake (approved share capital). The Management Board is authorized to increase the share capital in this manner up to the half of amount of the share capital at the time of coming into force of this provision of the Articles of Association, i.e., up to the amount of EUR 679,871,086 (in words: six hundred seventy nine million eight hundred seventy one thousand and eighty six euro).*

*Stake for the new shares is paid generally in cash.*

*As an exception to the provision of the previous paragraph, The Management Board can decide, without further approval of the General Assembly, but with the approval of the Supervisory Board, that the stake for new shares can also be paid in rights and that the shares can be acquired as a substitution for claims that shareholders have towards the Company on the ground of right for payment of dividend of the Company. In that case, the decision of the Management Board and the decision of the Supervisory Board granting approval thereon, can start making effect only after the General Assembly passes the decision that profit shall be paid out to shareholders and after the shareholders acquire the claims for dividend payment in line with the provision of Article 223 of the Companies Act and the decision of the General Assembly on utilization of profit.*

*The Management Board is authorized, with the approval of the Supervisory Board, to decide on the content of the rights from the shared and on the conditions for issuing those shares. In so doing, only regular shares can be issued which are in registered form and without a nominal amount. Each newly issued share gives right to one vote. The Management Board is not authorized to exclude priority right of existing shareholders to register shares which are issued based on this provision of the Articles of Association. The amount of the share capital which falls to a single share after the performed increase cannot be less than an amount of the share capital which fell to a single share before its increase.*

*The Supervisory Board is authorized to align the provisions of the Articles of Association with the changes to the amount of the share capital and the number of the shares of the Company, all based on the increase of the share capital of the Company and issuing of new shares based on the authorization of the Management Board from this Article of the Articles of the Association.*

*This authorization is granted to the Management Board for a period of five years as of coming into force of this provision of the Articles of Association, i.e., as of the entry of the amendments to the Articles of Association by which the authorization is granted into the Court Register.”*

**Article 3**

In Article 32 of the Articles of Association behind paragraph 2, new paragraphs 3 and 4 are being added, which read as follows:

*“The General Assembly can decide to assign shares of the Company to shareholders on the ground of the pay out of profit. If the General Assembly decides that profit shall be paid out to shareholders in shares of the Company, the same decision shall determine the criteria based on which shares of the Company shall be distributed to shareholders on the ground of the pay out of dividend.*

*The General Assembly can decide that shareholders who wish can acquire shares of the Company in exchange for pay out of dividend.”*

Former paragraph 3 of the Articles of Association becomes paragraph 5.

#### Article 4

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, July 20, 2020, April 23, 2021, July 7, 2022, May 10, 2023 and December 14, 2023 shall cease to be valid.”*

#### Article 5

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

#### Article 6

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 7

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:

1. *“The Report on remuneration paid to the members of the Supervisory Board and to the Management Board Members in the business year 2023 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 an integral part hereof.*
2. *This Decision shall come into force as of the day of its passing”.*

**Ad 8)** The Supervisory Board of the Company proposes to the General Assembly to adopt the following decision:

1. *“The Decision on Remuneration for the Work of the Members of the Supervisory Board is hereby confirmed, in the text published as Attachment 2 of the Invitation to the General Assembly, as attached hereto and making an 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 pass the following decision:

*“Mr. André Lenz, graduate economist, residing in Köln, Federal Republic of Germany, is elected Member of the Supervisory Board of Croatian Telecom Inc. for the period of four (4) years. This Decision enters into force as of the day of its passing”.*

*“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, after the expiry of his current term of office, i.e., as of 20 July 2024”.*

*“Mrs. Eirini Nikolaidi, degree in law and masters 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, after the expiry of her current term of office, i.e., as of 20 July 2024”.*

*“Professor Vedran Bilas, Dean of Faculty of Electrical Engineering and Computing, Ph.D. in Electrical Engineering, from Zagreb, is elected Member of the Supervisory Board of Croatian Telecom Inc. for the period of four (4) years. This Decision shall come into effect as of 20 July 2024”.*

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

*“The company Deloitte d.o.o., Radnička cesta 80, 10000 Zagreb, is appointed as the auditor of the Company for the business year 2024”.*

## **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 previous four years, which were 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 2023, including the Annual Report on the Status and Business Operations of the Company and HT Group for the business year 2023 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2023**

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 2023 are adopted both by the Management Board and the Supervisory Board, and, therefore, the General Assembly does not pass a decision thereon. The said audited financial statements, together with the Auditors' Report, 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 2023 and the Supervisory Board's Report on the Performed Supervision of Business Operations Management of the Company in the business year 2023.

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

The Company continued to acquire and withdraw Company shares during the year 2023. Company shares were acquired within the Company Share Buyback Programme which was implemented based on the General Assembly Decision, which authorized the Management Board to acquire Company shares and to withdraw them without the share capital of the Company being decreased, in which case the remaining shares' participation in the share capital is increased, and to align the Articles of Association accordingly.

During 2023, the Company acquired at Zagreb Stock Exchange in total 808,252 Company shares, representing 1.03% of the Company's issued share capital. For this acquisition of Company shares in 2023, the Company paid out an equivalent value of EUR 21,226,327.66 and necessary reserves were formed.

The total number of Company shares held on December 31<sup>st</sup>, 2023, amounted to 811,054, in book value of EUR 21,226,327.66, representing 1.03% of the Company's issued share capital.

In December 2023 the Management Board withdrew 775,842 acquired Company shares without nominal value, without the share capital of the Company being decreased, and the information on the new number of shares has been aligned in the Articles of Association of the Company. Thereby the total number of shares has decreased from 78,775,842 shares to 78,000,000 shares without nominal value, while the remaining shares' participation in the share capital is being increased.

### **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 EUR 119,340,000.00, or EUR 1.53 per share, and the remainder of net profit in the amount of EUR 5,821,197.98 will be allocated to retained earnings.

The proposed dividend is within the range declared as a dividend policy and represents a 95.3 % pay-out of the distributable profits earned in the year 2023 and growth of 39.1% compared to the previous year.

HT Inc. announces target dividend for each year at the beginning of the year. Management Board currently expects a minimum dividend of EUR 0.80 per share for the year 2024. 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 2023**

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 2023. It is hereby proposed that the Assembly approves the manner of the work of the Management Board for the business year 2023.

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 2023**

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 2023. It is hereby proposed that the Assembly approves the manner of the work of the Supervisory Board for the business year 2023.

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 5, Article 8a and Article 32 of the Articles of Association of the Company**

### **a) Article 5/1 of the Articles of Association**

In order to align with the new Corporate Sustainability Reporting Directive, and with the goal of reducing negative impact to the environment, it is proposed to join the electrical and electronic waste (EE waste) management system in relation to devices sold to HTs' business customers.

In line with applicable regulations on waste management, HT as seller is obliged to collect EE waste in its retail shops from residential customers, and this is already being performed, while it is not allowed to intermediate, collect, transport, or perform any other activity related to EE waste from legal entities, without being previously registered to perform such activities.

In order to additionally encourage business customers to systematically manage EE waste, it is proposed that HT starts performing the activity of intermediate in waste management, for which it is necessary to add a new business activity in Article 5, paragraph 1 of the Articles of Association:

*"intermediation in waste management"*.

In performing this activity HT would act exclusively as an intermediate and would not take part in any other activities pertaining to transport and EE waste disposal.

### **b) Articles 8a and 32/3/4 of the Articles of Association**

By the proposed amendments to the Articles of Association, the following is being introduced:

- the possibility to pay out dividend by assignation of shares (Article 32, paragraph 3 of the Articles of Association);
- the possibility for the General Assembly to approve the acquisition of shares for shareholders as a substitution for dividend payment (Article 32, paragraph 4 of the Articles of Association);
- approved share capital, i.e., the authority of the Management Board to increase the share capital with the approval of the Supervisory Board up to the half of amount of the current share capital of the Company (Article 8a of the Articles of Association).

Authority of the Management Board (approved share capital) is being granted for a period of five years. The Management Board can thereby decide that the increase of share capital can be performed either by payment in cash or by entry of claims that shareholders have on the ground of dividend. For the decision of the Management Board that the increase of share capital is to be performed by entry of claims on the ground of dividend, i.e., by substitution of dividend for the shares which are being issued in the procedure of increase of share capital, the approval of the General Assembly is not necessary. In both cases existing shareholders have priority right to register new shares.

By the said amendments, *inter alia*, prerequisites are being set to offer an alternative to shareholders in the future – either payment of dividend in cash, or substitution of claim on dividend for shares of the Company, according to their choice.

The Supervisory Board shall be authorized to align the provisions of the Articles of Association with the changes to the amount of the share capital and the number of the shares of the Company.

## **Ad 7) Explanation of the proposal of 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 2023**

In line with 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.

Pursuant to the amendments to the Companies Act from November 2023, the Remuneration Policy for Members of the Management Board must contain the determination of the maximum amount of remuneration for Management Board Members. The Supervisory Board is entitled to align the Remuneration Policy in a given period, *inter alia*, by introduction of any element required by the amended legislation, in a procedure as stated in the Policy itself. The Supervisory Board aligned the Remuneration Policy by determining the maximum amount of remuneration for Management Board Members up to EUR 1,500,000.00.

When determining the maximum amount of remuneration for Management Board Members all elements of remuneration were considered: fixed (fixed annual salary) and variable (short-term and long-term), that can be granted depending on performance, and fringe benefits. Determined maximum remuneration amount has been included in the Remuneration Report for 2023.

The Auditor who performed the audit of the Annual Financial statements, the company Deloitte 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. 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 8) Explanation of the proposal of decision on confirmation of the Decision on Remuneration for the Work of the Members of the Supervisory Board**

In line with Article 269, paragraph 3 of the Companies Act, the Supervisory Board is obliged to determine the Decision on Remuneration for the Work of the Members of the Supervisory Board and submit it to the General Assembly for approval, at least once in every four years. It is allowed for the General Assembly to confirm its previously adopted Decision.

The General Assembly approved the Decision on Remuneration for the Work of the Members of the Supervisory Board in 2020.

Given the expiry of the four-year period, the Supervisory Board proposes to the General Assembly to confirm the Decision on Remuneration for the Work of the Members of the Supervisory Board, in the same content as adopted by the General Assembly in 2020. The proposed Decision has been published as Attachment 2 of the Invitation to this General Assembly.

Proposal of the remuneration of Supervisory Board Members is based on the principle of attracting, motivating and retaining highly qualified professionals with the aim to promote an effective supervisory function in accordance with the sustainable long-term strategy of the Company.

#### **Ad 9) 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 election of four Supervisory Board Members, that is, Mr. André Lenz, Mr. Ivica Mišetić, Ph.D., Mrs. Eirini Nikolaidi, and professor Vedran Bilas, Ph.D., given one submitted resignation and three terms of office that are to expire soon.

Mr. Jonathan Richard Talbot resigned from the Supervisory Board membership, with effect as of 31 October 2023, and it is proposed to elect Mr. André Lenz as the new Member of the Supervisory Board.

Mr. Lenz is a manager with significant experience in complex international organizations in the controlling segment (Deutsche Telekom AG, T-Mobile Austria GmbH, Telekom Deutschland GmbH, T-Mobile Deutschland GmbH), which includes responsibility for business controlling, innovation controlling, capex controlling and HR controlling, Technology & Innovation and business controlling responsibility for Deutsche Telekom's strategic business units. He currently holds the function of Vice President Group Performance Controlling, at Deutsche Telekom AG.

The terms of office of the Member and Deputy Chairman of the Supervisory Board, Mr. Ivica Mišetić, Ph.D., and of Supervisory Board Members, Mrs. Eirini Nikolaidi and professor Gordan Gledec, Ph.D., are to expire as at 20 July 2024.

It is proposed that Mr. Ivica Mišetić, Ph.D., and Mrs. Eirini Nikolaidi are re-elected due to their past engaged work in the Supervisory Board and its committees. Mrs. Nikolaidi is an expert in international finance and international trade law and Mr. Mišetić, Ph.D., is an expert in finances and marketing.

It is also proposed to elect professor Vedran Bilas, Dean of Faculty of Electrical Engineering and Computing, Ph.D. in Electrical Engineering, as new Supervisory Board Member, with effect as 20 July 2024. The Supervisory Board performed the initial assessment of independence of professor Bilas, in accordance with recommendations set by the Code of Corporate Governance, and concluded that the candidates' previous experiences, knowledge and personal values meet the requirements for the membership in the Supervisory Board and that his nomination as an independent member of the Supervisory Board should not be called into question.

Mr. André Lenz is a Member of the Advisory Board of Telekom Innovation Pool GmbH, Bonn, Federal Republic of Germany, Member of the Supervisory Board of Deutsche Telekom Strategic Investments GmbH, Bonn, Federal Republic of Germany, and the Chairman of Supervisory Board of Deutsche Telekom Venture Funds GmbH, Bonn, Federal Republic of Germany.

Mrs. Eirini Nikolaidi is a member of the Boards of Directors of Germanos S.A., Maroussi, Greece, Telekom Romania Mobile Communications S.A., Bucharest, Romania, and COSMOTE Payments Electronic Money Single Member S.A., Maroussi, Greece.

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

Professor Vedran Bilas, Ph.D., holds no membership in the Supervisory Boards and/or Boards of Directors of other companies.

#### **Ad 10) 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 Deloitte d.o.o., Radnička cesta 80, 10 000 Zagreb, is appointed as the auditor of the Company for the business year 2024.

Deloitte d.o.o. is one of the leading professional services organization in the country providing services in audit, and related services through national and specialized expatriate professionals, and is also affiliate of Deloitte Central Europe Holdings Limited.

**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 78,000,000 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 86,561 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 & Clearing Company. The Company accepts as a shareholder only such person who has HT's share registered on its securities' account at the Central Depository & Clearing Company.

**Share symbols**

Share ISIN:	HRHTOORA0005
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 8 May 2024 at 10:00 hours.
2. The participants are invited to come to the General Assembly on 8 May 2024 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 1 May 2024, 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 1 May 2024, 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](http://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 1 May 2024, 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 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**

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 7 April 2024. 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](http://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 23 April 2024. 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](http://www.t.ht.hr)). 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](mailto:ir@t.ht.hr)) or by calling one of the telephone numbers listed as contacts below.

In Zagreb, 26 March 2024

Croatian Telecom Inc.

**Contact:**

Investor Relations:

Marina Bengez Sedmak + 385 1 4911080

Email: [Marina.Sedmak@t.ht.hr](mailto:Marina.Sedmak@t.ht.hr)

Tomislav Bajić, CFA + 385 1 4911 11

Email: [ir@t.ht.hr](mailto:ir@t.ht.hr)

Web: [www.t.ht.hr](http://www.t.ht.hr)

## **INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2023**

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

### *Scope*

Pursuant to the requirements of Article 272.r, paragraph 3 of the Companies Act and the contract concluded with Hrvatski Telekom d.d. ("the Company"), we have performed an engagement to express a limited assurance on the attached Remuneration Report for the year 2023 ("the Report") prepared by the Company's Management Board and Supervisory Board.

Our engagement with limited assurance relates to the subject matter of whether the Report contains information in accordance with Article 272.r, paragraphs 1 and 2 of the Companies Act.

### *Applicable Criteria*

The applicable criteria for determining individuals to be included in the Report and requirements related to the disclosure of their receipts are contained in the requirements of Article 272.r, paragraphs 1 and 2 of the Companies Act.

### *Responsibilities of the Management Board and the Supervisory Board*

Management Board and Supervisory Board are responsible for:

- preparing the Report for the year 2023 in accordance with the disclosure requirements outlined in Article 272.r, paragraphs 1 and 2, of the Companies Act,
- determining the individuals to be included in the Report in accordance with Article 272.r, paragraph 1, of the Companies Act,
- selecting and applying appropriate receipt policies, as well as making reasonable judgments and assessments regarding the data disclosed in the Report,
- measuring receipts for the year ended December 31, 2023, in accordance with the requirements of Article 272.r, paragraphs 1 and 2, of the Companies Act, and
- publishing the Report on the Company's website in accordance with the requirements of Article 272.r, paragraph 4, of the Companies Act.

The Management Board of the Company is responsible for designing, implementing, and maintaining a system of internal controls that reasonably ensures that the aforementioned data does not contain material errors, whether due to fraud or error. Additionally, the Management Board and the Supervisory Board of the Company are responsible for ensuring the completeness and accuracy of the documentation provided to us.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 80, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/en/about](http://www.deloitte.com/en/about) to learn more.

## INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2023 (CONTINUED)

### *Auditor's Responsibility*

Our responsibility is to issue a report on the Report in accordance with the requirements of Article 272.r of the Companies Act. We have performed an engagement to express a limited assurance in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000')*. This standard requires that we comply with ethical standards and plan and perform the engagement to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether the Report contains the information required by relevant legal requirements.

### *Our Independence and Quality Management*

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) ('Code') issued by the International Ethics Standards Board for Accountants. The Code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct. We comply with the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements ('ISQM 1') and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.

### *Summary of the work performed*

As part of our engagement, we have planned and performed the following procedures:

- inquiries to the Management Board, the Supervisory Board, and other individuals within the Company to gain an understanding of receipt policies and the process of compiling the Report;
- we received a list of all members of the Management Board and the Supervisory Board of the Company during 2023 and verified whether their receipts were disclosed in the Report;
- we reconciled the receipt data presented in the Report with the Company's accounting records (general ledger and subledgers) for the year ended December 31, 2023.;
- we reviewed, based on a sample, the relevant documentation of the Company (contracts and payments) related to the receipt data presented in the Report; and
- we verified whether the Report contains all the data required by the provisions of Article 272.r, paragraphs 1 and 2, of the Companies Act.

The nature and scope of our procedures were determined based on risk assessment and our professional judgment to express a conclusion with limited assurance.

The scope of the engagement to express a conclusion with limited assurance is significantly smaller than the scope of the engagement to express a conclusion with limited assurance regarding risk assessment procedures, including understanding internal control and procedures performed in response to assessed risks.

We believe that the evidence we obtained is sufficient and appropriate and forms a reasonable basis for expressing our conclusion with limited assurance.

## INDEPENDENT AUDITOR'S REPORT WITH EXPRESSION OF LIMITED ASSURANCE ON THE REMUNERATION REPORT FOR THE YEAR 2023 (CONTINUED)

### *Conclusion with an expression of limited assurance*

Based on the procedures performed and evidence obtained, nothing has come to our attention that would cause us to believe that the Report for the year 2023 prepared by Hrvatski Telekom d.d. does not contain information, in all material respects, in accordance with Article 272.r, paragraphs 1 and 2 of the Companies Act.

### *Limitations*

Our report is intended solely for the Management and the Supervisory Board of the Company for the purpose of reporting to the Company's Assembly on the Report prepared by the Company for the year ended December 31, 2023, in accordance with Article 272.r of the Companies Act. We permit the publication of this report on the Company's website in accordance with Article 272.r, paragraph 4, of the Companies Act. Our report does not constitute, nor is it intended to represent, legal advice on compliance with Article 272.r, paragraph 4, of the Companies Act.

In case of additional information or data provided to us, or in the event of misleading oral or written statements or explanations, our findings, interpretations, or conclusions in our Report of Independent Auditor with Limited Assurance may be incomplete or may result in the need for additional procedures that are not included in the scope of this engagement.

To the fullest extent permitted by law, we do not accept any responsibility and do not agree to any obligations to any other party, except to the Management and the Supervisory Board of the Company, regarding our work or this Report of Independent Auditor with Limited Assurance or the conclusions we have reached.

The Management and the Supervisory Board of the Company are responsible for publishing the Report on the Company's website as well as for the accuracy of the data contained therein. The scope of our work does not include a review of the aforementioned, and we do not accept any responsibility for any changes or amendments that may be made to the Report based on the Report of Independent Auditor with Limited Assurance or for any discrepancies between the report we issued and the data displayed on the Company's website.

### **Katarina Kadunc**

Director and certified auditor

Deloitte d.o.o.

For signatures, please refer to the original Croatian auditor's report, which prevails.

19 March 2024  
Radnička cesta 80,  
10 000 Zagreb,  
Republic of Croatia



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 2023**

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 latest valid Remuneration Policy for Members of the Management Board adopted by the General Assembly held on 10 May 2023.

The remuneration of the Supervisory Board Members has been determined in accordance with the latest valid 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, two members are independent.

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 2023:

Jonathan Richard Talbot	Chairman	Until 30 October 2023 (chairman of the Related Parties Transactions Committee and chairman of the Compensation and Nomination Committee)
Elvira Gonzalez Sevilla	Chairwoman	Member from 10 May 2023 Chairwoman as of 31 October 2023 (chairwoman of the Compensation and Nomination Committee)
Ivica Mišetić, Ph. D.	Deputy Chairman	Deputy Chairman from 8 May 2008(member of the Compensation and Nomination Committee from 20 July 2020)
Vesna Mamić	Member, workers’ representative	From 1 January 2016

Dolly Predovic Ph.D.	Member	From 29 April 2014 (member of the Audit Committee and the Related Parties Transactions Committee from 20 July 2020)
Marc Stehle	Member	From 16 December 2015 (President of the Audit Committee)
Eirini Nikolaidi	Member	From 25 April 2016 (member of the Audit Committee from 20 July 2020)
Jonathan Abrahamson	Member	From 25 April 2022
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 2023 is as follows:**

**The period of 2023 in which the remuneration was paid**

			From	To	Gross 1 (in EUR)
<b>Vesna</b>	<b>Mamić</b>	Member	1 January	31 December	21.941
<b>Dolly</b>	<b>Predovic</b>	Member	1 January	31 December	31.431
<b>Ivica</b>	<b>Mišetić</b>	Deputy Chairman	1 January	31 December	32.912
<b>Gordan</b>	<b>Gledec</b>	Member	1 January	31 December	21.941
<b>Total</b>					<b>108.225</b>

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 seven positions.

Management Board Members serving during 2023:

Konstantinos Nempis	President of the Management Board
Nataša Rapačić	Member of the Management Board and Chief Operating Officer (COO Residential)
Ivan Bartulović	Member of the Management Board and Chief Human Resources Officer (CHRO)
Matija Kovačević	Member of the Management Board and CFO
Marijana Bačić	Member of the Management Board and Chief Business Officer (COO Business)
Boris Drilo	Member of the Management Board and Chief Technical and Information Officer (CTIO)
Siniša Đuranović	Management Board Member and Chief Corporate Affairs Officer (CCO)

The Management Board members' remuneration consists of a fixed annual remuneration and a performance-related variable component that depends on performance (Short-Term Incentive – STI) and other fringe benefits, Spot bonus, Long-Term Incentives (LTI, Game Changer) and Share Matching Plan (SMP and Company's Shares Award plan - PDD), which can be awarded on top of the annual target salary.

Annual target salary, performance-related variable components and other remuneration elements 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.

**Short-Term Incentive (STI)** rewards the achievement of collective targets of the Company over an annual period. Collective target achievement is split between financial and non-financial targets and for the year 2022 were set, as follows:

- 1) Financial Targets (40% of total target set)
  - Total Service Revenue
  - EBITDA AL Booked
  - oFCF AL Booked
- 2) Strategic Targets (40% of total target set)
  - External indirect costs after adjusted leases
  - Customer experience

- Digital Transformation
- Employee Satisfaction

3) ESG (20% of total target set)

- Reduction in CO2 emission
- Reduction of energy consumption

The Supervisory Board, after the evaluation had been performed, passed the decision on the target achievements of the collective targets set for 2022, which amounts to 115,1% and according to which the payment of STI was made in 2023.

During 2023 the following accruals were made for the Short-Term Incentive (STI) for 2023:

Gross 1 (in EUR)

Management Board member	Accruals for the Short-Term Incentive (STI) for 2023.
Konstantinos Nempis	220.000
Nataša Rapačić	97.500
Ivan Bartulović	66.000
Matija Kovačević	73.500
Marijana Bačić	66.000
Boris Drilo	84.000
Siniša Đuranović	66.000



**Long-Term Incentive (LTI) 2019** is a cash-based four-year program that covered the period from 1 January 2019 to 31 December 2022, 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.

The right to participate in the Long-Term Incentive (LTI) plan is granted only if the goals of the Short-Term Incentive (STI) plan, which are exclusively related to HT (Hrvatski Telekom), are achieved at a minimum of 100%.

LTI 2019 ended on 31 December 2022, and the Supervisory Board determined the final target achievement of 182,2%.

Long-Term Incentive (LTI) 2019 paid to eligible Management Board Members in 2023 is shown in the following table:

Gross 1 (in EUR)

Management Board Member	Long-Term Incentive (LTI) 2019-2022
Konstantinos Nempis	307.323
Nataša Rapačić	158.432
Daniel Darius Denis Daub*	86.332
Boris Drilo	114.718
Ivan Bartulović	107.384
Saša Kramar*	22.249

*\*Saša Kramar, Member of the Management Board and COO Business until 1 January 2020, was paid a pro-rated amount of LTI 2019 that corresponds to the period of duration of his participation in LTI 2019 in accordance with the Agreement on termination of the contract on rights and obligations of the Member of the Management Board*

*\* Daniel Darius Denis Daub, Member of the Management Board and CFO until 2 August 2022, was paid a pro-rated amount of LTI 2019 that corresponds to the period of duration of his participation in LTI 2019 in accordance with the Agreement on termination of the contract on rights and obligations of the Member of the Management Board*

During 2023 the following accruals were made for the Long-Term Incentive (LTI):

Gross 1 (in EUR)

Management Board member	Accruals for the Long-Term Incentive (LTI) 2020/2021/2022/2023
Konstantinos Nempis	510.496
Nataša Rapać	241.494
Ivan Bartulović	151.303
Boris Drilo	195.026
Marijana Bačić*	22.801
Matija Kovačević*	22.801
Siniša Đuranović*	21.259

\* In the function of Management Board Member for LTI 2023

**Fringe benefits** (company car usage, accommodation, education or training costs, payment into a pension fund, children's tuition, life and accident insurance, relocation costs, other non-monetary benefits and services and other in line with the contract, depending on the individual situation of the Management Board Member) paid to Management Board Members in 2023 are shown in the following table:

Gross 1 (in EUR)

Management Board Member	Fringe benefits
Konstantinos Nempis	164.238
Nataša Rapać	5.267
Ivan Bartulović	7.082
Marijana Bačić	8.739
Matija Kovačević	8.391
Boris Drilo	7.271
Siniša Đuranović	8.461
Daniel Darius Denis Daub*	72.908

\*Daniel Darius Denis Daub was paid based on the right from the contract

**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 2019 covered the period from 1 July 2019 to 30 June 2023 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 2019. 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 2023 as a part of the Share Matching Plan (SMP) 2019 is shown in the following table:

Management Board member	Share Matching Plan (SMP)	Full entitlement for the entire SMP 2019 duration			The part of the entitlement relating to HT*
		Matching DT AG shares (pieces)	Non-cash benefit per share	Non-cash benefit	Non-cash benefit
			(in EUR)	(in EUR)	(in EUR)
Konstantinos Nempis	2019	3.893	19,198	74.738	74.738

During 2023 accruals were made for the following Share Matching Plans (SMP) 2020, 2021, 2022, 2023:  
Gross 1 (in EUR)

Management Board member	Accruals for the Share Matching Plan (SMP) 2020/2021/2022/2023
Konstantinos Nempis	81.942
Nataša Rapačić	10.952
Boris Drilo	1.033
Matija Kovačević*	1.758
Ivan Bartulović	567
Marijana Bačić*	545
Siniša Đuranović*	1.686

\*For Matija Kovačević, Marijana Bačić and Siniša Đuranović accrual obligation for the Share Matching Plan (SMP) applies in accordance with the term of appointment

**Company's Shares Award Plan (PDD)** is a voluntary compensation tool under which a Member of the Management Board has the option to choose 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 a bonus shares according to the ratio 7 awarded shares : 1 bonus share, and all shares must be retained for an uninterrupted period of one year (lock-up period).

Management Board Member	Company's Share Award Plan (PDD)	Full entitlement for the entire PDD 2023 duration		
		Matching HT shares (pieces)	Non-cash benefit per share	Non-cash benefit, capital income tax and supertax
			(in EUR)	(in EUR)
Konstantinos Nempis	2023	1.716	25,20	56.601
Nataša Rapaic	2023	779	25,20	25.695
Ivan Bartulović	2023	522	25,20	17.218
Boris Drilo	2023	312	25,20	10.291
Marijana Bačić*	2023	195	25,20	6.432
Matija Kovačević*	2023	352	25,20	11.610
Siniša Đuranović*	2023	504	25,20	15.876

\*Marijana Bačić, Matija Kovačević and Siniša Đuranović choose HT shares in 2023. based on their previous function

**EU Game Changer** : “EU Game Changer” was introduced in 2022 based on the decision of the Supervisory Board, approved by the General Assembly in 2023, with the goal to motivate top managers to improve customer orientation and increase the company's profitability. It is an additional benefit that can be awarded as a reward component if the level of achievement of goals according to performance parameters in the area of customer satisfaction and increased profitability is exceeded.

During 2023 payments to Management Board members for EU Game Changer for the year 2022 are shown in the following table:

Gross 1 (in EUR)

Management Board Member	EU Game Changer
Konstantinos Nempis	57.500
Nataša Rapaić	46.000
Ivan Bartulović	46.000
Daniel Darius Denis Daub	29.076
Boris Drilo	46.000
Marijana Bačić**	-
Matija Kovačević**	-
Siniša Đuranović**	-

\* Marijana Bačić, Matija Kovačević and Siniša Đuranović participated based on their previous function, and they were compensated according to their previous function

During 2023 accruals were made for the EU Game Changer as follows:

Gross 1 (in EUR)

Management Board member	Accruals for EU Game Changer
Konstantinos Nempis	141.340
Nataša Rapaić	84.804
Ivan Bartulović	84.804
Boris Drilo	84.804
Marijana Bačić	84.804
Matija Kovačević	84.804
Siniša Đuranović	84.804

The total fixed and variable remuneration paid to Management Board Members in 2023 is shown in detail in the following table:

Bruto 1 (u eur)	Fix remuneration		Short-Term Incentive (STI)				Total	
		%	STI - Paid out in cash	%	PDD 2023**	%		%
Konstantinos Nempis	330.178	56%	198.035	34%	56.601	10%	584.814	100%
Nataša Rapačić	227.692	66%	89.778	26%	25.695	8%	343.165	100%
Ivan Bartulović	154.083	67%	60.103	26%	17.218	7%	231.404	100%
Daniel Darius Denis Daub*	-	-%	49.888	100%			49.888	100%
Matija Kovačević*	167.153	82%	25.322	12%	11.610	6%	204.085	100%
Marijana Bačić*	152.250	85%	19.736	11%	6.432	4%	178.418	100%
Boris Drilo	194.875	68%	80.800	28%	10.291	4%	285.966	100%
Siniša Đuranović*	148.773	89%	3.724	2%	15.876	9%	168.373	100%

\* Variable remuneration, STI achieved for the year 2022 is paid in pro-rated amount in accordance with the term of appointment, while for PDD is taken from the total STI

\*\*It refers to the payment of STI achievement from 2022.

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.

<b>Average remuneration per employee</b>	<b>2023.</b>	<b>2022.</b>	<b>2021.</b>	<b>2020.</b>	<b>2019.</b>
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Bruto 1 (u eur)

Annual remuneration	26.414	24.849	24.439	24.325	23.241
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<b>Croatian Telecom Inc.</b>	<b>2023.</b>	<b>2022.</b>	<b>2021.</b>	<b>2020.</b>	<b>2019.</b>
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Gross 1 (in eur)

Revenue	868.393.024	814.987.863	781.523.025	751.691.046	782.196.566
Net profit	125.161.197	92.218.462	88.410.668	93.410.333	95.170.808

<b>Average remuneration paid to:</b>	<b>2023.</b>	<b>2022.</b>	<b>2021.</b>	<b>2020.</b>	<b>2019.</b>
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Gross 1 (in HRK)

Supervisory Board Members	27.056	26.368	25.216	23.860	22.955
Management Board Members*	420.761	421.575	426.401	425.765	418.255

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.

According to the latest amendments to the Companies Act from November 2023, the Supervisory Board determined the maximum amount of remuneration for Management Board members in the amount of 1.500.000 euros for the year 2024.



This Report has been submitted pursuant to Article 247a of the Companies Act for the General Assembly to be held in Zagreb, 8.5.2024.

Zagreb, 19.3.2024.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the bottom.

Elvira Gonzalez Sevilla,  
Chairwoman of the Supervisory Board

A handwritten signature in blue ink, featuring a vertical stroke with a loop at the top and a horizontal stroke at the bottom.

Konstantinos Nempis,  
President of the Management Board (CEO)



Pursuant to Article 269, paragraph 3 of the Companies Act, the Supervisory Board of Hrvatski Telekom d.d. (hereinafter: "the Company" or "HT") submits to the General Assembly to be held in 2024 for confirmation the following

## Decision on remuneration of members of the Supervisory Board

### Introduction

The remuneration for the work of the members of the Supervisory Board of HT was determined by the decisions of the General Assembly of the Company of 20 July 2020.

This decision on the remuneration of the members of the Supervisory Board is based on the principle of attracting, motivating and retaining highly qualified professionals in order to promote an effective supervisory function in accordance with the sustainable long-term strategy of the Company.

In determining the remuneration model, various external and internal factors were taken into account, such as the state and opportunities of the Company, the prevailing practices of regional and local companies in the telecommunications industry and the salary and remuneration policies applied in the Company and the Group.

### Remuneration for work


1. Members of the Supervisory Board are entitled to a monthly remuneration for their work during their entire term of office. The monthly remuneration is determined in relation to the average net salary of the Company's employees paid in the previous month. Remuneration does not contain a variable part.
2. In the event of an earlier termination of the term of office, the remuneration for the month in which the term of office was ended shall be calculated and paid in accordance with the time spent in that function ("*pro rata temporis*").
3. The remuneration of members of the Supervisory Board is determined according to the function they have 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, as follows:
  - a. The Chairman of the Supervisory Board receives a remuneration in the amount of 1.5 of the average net salary of the Company's employees paid in the previous month.
  - b. The Deputy Chairman receives a remuneration in the amount of 1.25 of the average net salary of the Company's employees paid in the previous month.
  - c. A member of the Supervisory Board receives a remuneration in the amount of 1 average net salary of the Company's employees paid in the previous month.
  - d. A member of the Supervisory Board who is also the Chairman of the Audit Committee of the Supervisory Board receives a remuneration in the amount of 1.5 of the average monthly net salary of the Company's employees paid in the previous month.
  - e. A member of the Supervisory Board who is also a member of a board or a committee of the Supervisory Board receives a remuneration in the amount of 1.25 of the average monthly net salary of the Company's employees paid in the previous month.
  - f. A member of the Supervisory Board who is simultaneously a member of two or more committees of the Supervisory Board receives a remuneration in the amount of 1.5 of the average net salary of the Company's employees paid in the previous month.

4. Company shall bear travel expenses, accommodation costs and other costs related to the presence of members of the Supervisory Board at the sessions of the Supervisory Board and the sessions of the committees of the Supervisory Board and at the General Assembly.
5. Members of the Supervisory Board are not entitled to severance pay, additional payments from the Company or its affiliates or to participate in share allocation plans.
6. The Supervisory Board, with the support of the Compensation and Nomination Committee, shall monitor the implementation of this Decision on an annual basis.

In case considering changes to this decision, the Supervisory Board shall submit to the General Assembly a proposal on the changes to this decision and an explanation in accordance with applicable regulations.

7. This Decision shall enter into force on the day of the approval of the General Assembly and shall apply until a different decision of the General Assembly.

Chairwoman of the Supervisory Board

A handwritten signature in blue ink, appearing to be 'Elvira Gonzalez Sevilla', written over a horizontal line.

Elvira Gonzalez Sevilla

# ANDRÉ LENZ

## KEY ACCOMPLISHMENTS

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*Combining profound understanding of telco market dynamics and efficient financial processes and their contribution to the company's success*

- Orchestrating CFO/F-LT crisis monitoring in a x-segment-mode to manage the financial implications for DT (wrt. corona crisis & inflation)
- Key role in Magenta AT's turn-around by forming a sustainable growth path – led business plan throughout the UPC Austria M&A project and established an integrated monthly planning & steering process (24 month FC) with full system integration.
- Successfully lead various change processes (e.g. integration of German mobile and fixed line sales controlling, AT Controlling & Customer finance, DT GC Business & Functional Controlling).

## EXPERIENCE

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*Deutsche Telekom AG, Vice President Group Performance Controlling, Mar 2021 – present*

- In addition to previous role: Business controlling Technology & Innovation, innovation controlling, Capex controlling, HR controlling.
- member of advisory board of Telekom Innovation Pool GmbH
- member of supervisory board of Deutsche Telekom Strategic Investments GmbH
- chairman of supervisory board of Deutsche Telekom Venture Funds GmbH

*Deutsche Telekom AG, Vice President Group Business Controlling, May 2018 – Feb 2021*

- Business controlling responsibility for Deutsche Telekom's strategic business units Germany, T-Systems, Europe, Group Development and Group Headquarter Service.

*T-Mobile Austria GmbH, Vienna, Senior Vice President Controlling & Customer Finance, Jul 2016 – Apr 2018*

- Responsibility for T-Mobile Austria controlling (s. below) and customer finance comprising credit check, billing-management, revenue assurance, payment & collection and fraud-management.

*T-Mobile Austria GmbH, Vienna, Senior Vice President Controlling, Jan 2014 – Jun 2016*

- Responsible for financial controlling with regards to entire financial planning and steering, supplying business insights and decision support for board of management.

*Telekom Deutschland GmbH, Bonn, Vice President Planning & Reporting, Mar 2013 – Dec 2013*

- Responsible for monthly closing, forecast and iPF mass market, analyzing deviations and trends, supplying business insights for responsible sales and marketing decision makers, financial reporting and CFO briefings.

*Telekom Deutschland GmbH, Bonn, Vice President Functional Controlling Sales Retail, Apr 2010 – Feb 2013*

- Controlling support for sales units concerning business cases within projects or decision boards (MLT, PMT, GF) as well as advancing steering model in German mass market with respect to direct and indirect sales channels.

*T-Mobile Deutschland GmbH, Bonn, Vice President Sales Controlling, Mar 2009 – Mar 2010*

- Sales controlling for consumer and business customers, responsible for monthly closing, forecasts and iPF as well as continuous development of the steering model and member of business deal office, deciding on individual sales offers.

*E-Plus Mobilfunk GmbH & Co. KG, Düsseldorf, Team Manager Sales Controlling, Jul 2006 – Feb 2009*

- Sales controlling for consumer and business customers for E-Plus and sub-brands like Base and aldi talk, responsible for monthly closing, forecasts and budget as well as development steering model, monthly analyzing of business figures and reporting to board of directors and kpn.

*E-Plus Mobilfunk GmbH & Co. KG, Düsseldorf, Revenue Controlling, Mar 2002 – Jun 2006*

- Revenue controlling in monthly closing, forecasting and budgeting, monthly analyzing of business figures and reporting to board of directors and kpn.

## **EDUCATION**

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Ruhr Universität  
■ Diploma, Economics

Bochum, Germany

## - Curriculum Vitae -

**Mr. Ivica Mišetić, Ph.D.**, graduated from the Faculty of Economics and Business of the University of Zagreb in 1983. He earned his Masters' degree with the thesis "Marketing in Travel Agencies" and his Doctor's Degree with the dissertation "Air Carrier Marketing Management".

Mr. Mišetić started his career as Regional Sales Manager of Slovenian air carrier Adria Airways, where he was employed from 1985 to 1991. He then moved to Croatia Airlines in March 1991 as one of the founders of the Croatian carrier and was promoted to Senior Vice President for Marketing and Sales the following year.

In early 1995, Mr. Mišetić was appointed Head of State Protocol for the Republic of Croatia and Ambassador, simultaneously holding Ambassador status. Upon his return to Croatia Airlines in 1997 he took the position of Chief Executive Officer.

Under the leadership of Mr. Mišetić, Croatia Airlines became one of the first airlines to fulfill the requirements of the IATA Operational Safety Audit (IOSA). Mr. Mišetić also initiated the modernization of the fleet and took the airline into the Star Alliance in 2004. As a result, Croatia Airlines is now a leading airline in the region.

Since 2002 until 2010, Mr. Mišetić has been a Member of the Presidents' Committee of the Association of European Airlines (AEA). and in 2009, he became Chairman of the AEA and Member of the IATA Nominating Committee. He was also a Council Member of the Croatian Tourist Board in the period from 1997 until 2012.

In October 2010, he joined Atlantic Grupa d.d. as General Secretary, at the time of the acquisition of Droga Kolinska. In 2010, Mr. Mišetić was also elected Lecturer at the University of Zagreb. In November 2011, he was appointed, for the second time, to the National Council for Higher Education.

Mr. Mišetić has received several decorations from the Republic of Croatia for his contribution and achievements and has been awarded the French Legion of Honor Medal.

Number of meetings attended by Supervisory Board member, Mr. Ivica Mišetić, Ph.D., during his previous term of office

Period	Meeting / Decision making out of session	Attendance	Attendance rate in %
<b>2023</b>	Supervisory Board session	4/4	100%
	Compensation and Nomination Committee session	2/2	100%
	Compensation and Nomination Committee voting out of session	1/1	100%
	<b>Total</b>	<b>7/7</b>	<b>100%</b>
<b>2022</b>	Supervisory Board session	5/5	100%
	Supervisory Board voting out of session	3/3	100%
	Compensation and Nomination Committee session	3/3	100%
	Compensation and Nomination Committee voting out of session	2/2	100%
	<b>Total</b>	<b>13/13</b>	<b>100%</b>
<b>2021</b>	Supervisory Board session	5/5	100%
	Supervisory Board voting out of session	4/4	100%
	Compensation and Nomination Committee session	3/3	100%
	Compensation and Nomination Committee voting out of session	1/1	100%
	<b>Total</b>	<b>13/13</b>	<b>100%</b>
<b>2020<sup>1</sup></b>	Supervisory Board session	4/4	100%
	Supervisory Board voting out of session	2/2	100%
	Audit Committee session <sup>2</sup>	2/2	100%
	Compensation and Nomination Committee session <sup>3</sup>	1/1	100%
	<b>Total</b>	<b>9/9</b>	<b>100%</b>

<sup>1</sup> Member until 24 April 2020 and again from 20 July 2020

<sup>2</sup> Audit Committee Member until 24 April 2020

<sup>3</sup> Compensation and Nomination Committee Member from 20 July 2020

## **Eirini Nikolaidi**

### **General Counsel - OTE Group Chief Legal and Regulatory Affairs Officer**

Ms. Eirini Nikolaidi is the General Counsel and Chief Officer for Legal & Regulatory Affairs of OTE Group and joined the Group in 1996.

Ms. Nikolaidi is a member of the Management Board of OTE, member of the Board of Directors of GERMANOS and Telekom Romania Mobile Communications, and member of the Supervisory Board and the Audit Committee of Croatian Telecom Inc.

She holds a law degree from the University of Athens, as well as a master's degree (LLM) in International Business Law from the University of London (UCL), where she specialized, among others, in international finance and international trade law.

She is a telecommunications expert and member of the Athens Bar Association.



Number of meetings attended by Supervisory Board member, Eirini Nikolaidi, during her previous term of office

Period	Meeting / Decision making out of session	Attendance	Attendance rate in %
2023	Supervisory Board session	3/4	75%
	Audit Committee session	5/5	100%
	<b>Total</b>	<b>8/9</b>	<b>89%</b>
2022	Supervisory Board session	4/5	80%
	Supervisory Board voting out of session	3/3	100%
	Audit Committee session	4/5	80%
	<b>Total</b>	<b>11/13</b>	<b>85%</b>
2021	Supervisory Board session	5/5	75%
	Supervisory Board voting out of session	4/4	100%
	Audit Committee session	5/5	100%
	<b>Total</b>	<b>14/14</b>	<b>100%</b>
2020 <sup>1</sup>	Supervisory Board session	3/4	75%
	Supervisory Board voting out of session	2/2	100%
	Audit Committee session	4/4	100%
	<b>Total</b>	<b>9/10</b>	<b>90%</b>

<sup>1</sup> Member until 24 April 2020 and again from 20 July 2020

# PROF. DR. SC. VEDRAN BILAS

**University of Zagreb**

**Faculty of Electrical Engineering and Computing**

**Full professor, Department of Electronic Systems  
and Information Processing**

Function: **dean**

Web: <http://www.fer.hr/vedran.bilas>

## **BIOGRAPHY**

Vedran Bilas was born in Makarska in 1968. He obtained Dipl.Eng., M.Sc. and Ph.D. degrees in electrical engineering from the University of Zagreb, Faculty of Electrical Engineering and Computing (FER), Zagreb, Croatia, in 1991, 1995 and 1999, respectively.

From January 1992 he is working at the Department of Electronic Systems and Information Processing at FER. In June 2010 he was promoted to Full Professor.

He participated in 7 scientific projects financed by the Ministry of Science, Education and Sports of the Republic of Croatia, 1 PoC BICRO project, 1 COST project and 2 EU FP7 projects. Currently he is a project leader of research projects: "Enabling Inductive Metal Characterisation in Non-cooperative Soils" financed by the Find a Better Way foundation from United Kingdom and „Enhancing research and development of energy-efficient networked sensor systems“ funded by Swiss National Science Foundation. He published more than 100 papers in journals and conference proceedings in the area of electromagnetic inductive methods, electronic systems for harsh environment and smart sensors and sensor networks.

Prof. Bilas is a member of IEEE and a member of the Croatian Society for Biomedical Engineering and medical Physics. He participated in 10 conference international programs committees; he is member of a journal editorial board, and he serves as a technical reviewer for various international journals.

He is one of the initiators of the Sensors, Electronics and Emerging Applications (SEA) international workshop in 2022. He is a member of the Scientific Council of HCR-CTRO. He is the initiator of the national section of the IEEE Association for Measurement and Instrumentation and a member of the IEEE IMS Administrative Committee for the period 2023-2026.

As dean of FER, he participates in the Committee for Innovation and Technology Transfer of the University of Zagreb from September 2023. He has been a member of the Partnership Council of the City of Zagreb since October 2022.