

**MATERIALS
FOR THE 33rd GENERAL MEETING OF SHAREHOLDERS OF
TELEKOM SLOVENIJE, D. D.**

Ljubljana, 13 May 2021

Materials for item 2 of the agenda:

APPOINTMENT OF GENERAL MEETING BODIES

Telekom Slovenije d. d.'s Management Board hereby proposes that the General Meeting of Shareholders adopt the following

resolution:

Franci Matoz is hereby appointed chair of the General Meeting of Shareholders, while a representative of Ixtlan Forum d.o.o. is hereby appointed as vote-counter.

The General Meeting of Shareholders is hereby informed of the presence of the notary Bojan Podgoršek at the General Meeting of Shareholders.

Explanation:

Working bodies, i.e. the chair of the General Meeting of Shareholders and a vote-counter, must be elected. In accordance with the applicable legislation, a notary must be present at the General Meeting of Shareholders to record resolutions in the form of minutes.

President of the Management Board:
Cvetko Sršen

Materials for item 3 of the agenda:**PRESENTATION OF THE ANNUAL REPORT FOR 2020 AND THE REPORT OF THE SUPERVISORY BOARD ON THE RESULTS OF THE REVIEW OF THE ANNUAL REPORT FOR THE 2020 FINANCIAL YEAR, INFORMATION REGARDING THE REMUNERATION OF MEMBERS OF THE COMPANY'S MANAGEMENT AND SUPERVISORY BODIES, AND THE MEMBERS OF THE MANAGEMENT BODIES OF THE COMPANY'S SUBSIDIARIES IN 2020**

The General Meeting of Shareholders is hereby briefed on the annual report for 2020 and the report of the Supervisory Board on the results of the review of the annual report for the 2020 financial year, and on information regarding the remuneration of members of the Company's management and supervisory bodies and the members of the management bodies of the Company's subsidiaries in 2020.

Explanation:

Pursuant to Article 282 of the Companies Act (Official Gazette of the Republic of Slovenia, No. 60/06, with further changes and amendments; hereinafter: the ZGD-1), the Supervisory Board must review the written annual report and the proposal for the use of distributable profit submitted by the Management Board. The Supervisory Board must prepare a written report for the General Meeting of Shareholders explaining how and to what extent it supervised the management of the Company during the financial year. The Supervisory Board must also adopt a position on the auditor's report, which is enclosed to the annual report. At the end of the report, the Supervisory Board must provide any comments it may have after its final review of the report, and indicate whether it approves the annual report.

The Supervisory Board thoroughly reviewed the annual report of the Telekom Slovenije Group and Telekom Slovenije, d. d. for 2020 by the legally defined deadline. The Supervisory Board finds that the Telekom Slovenije Group's performance in 2020 was in line with established objectives.

The Supervisory Board was briefed on and discussed the audit report, in which the audit firm PricewaterhouseCoopers, podjetje za revizijo in druge finančno računovodske storitve, d. o. o. found that the financial statements, which are an integral part of the annual report, present a true and fair picture of the financial position of the Company and the Group, and of their operating and financial results and changes in equity. The Supervisory Board had no comments regarding the audit report, nor did it have any remarks or reservations that would prevent the adoption of a decision approving the annual report and consolidated annual report.

Pursuant to the provisions of Article 282 of the Companies Act (ZGD-1), the Supervisory Board hereby confirms the annual report of the Telekom Slovenije Group and Telekom Slovenije, d. d. for 2020, together with the accompanying audit report for 2020. The report of the Supervisory Board regarding the review of the annual report for the 2020 financial year can be found in the enclosure to the relevant item of the materials.

The Company drew up a clear and understandable report on the remuneration of the members of its management and supervisory bodies, and the members of the management bodies of the Company's subsidiaries in 2020 (hereinafter: the remuneration report). The remuneration report contains a comprehensive overview of remuneration, including all benefits in any form that the Company provided or owed individual members of the management and supervisory bodies during the 2020 financial year. The remuneration report also contains a report on the remuneration of members of the management bodies of the three largest subsidiaries, one of which is a foreign company. The remuneration report can be found in the enclosure to the relevant item of the materials.

President of the Management Board:
Cvetko Sršen

President of the Supervisory Board:
Iztok Černoša

Enclosures:

Report of the Supervisory Board

Report on the remuneration of the Company's management and supervisory bodies, and the members of the management bodies of the Company's subsidiaries in 2020

SUPERVISORY BOARD REPORT

The Supervisory Board comprises nine members, and the composition of that body changed several times during the 2020 financial year.

The term of office of member of the Supervisory Board Dimitrij Marjanovič expired on 13 May 2020. At the Company's 31st General Meeting of Shareholders held on 5 June 2020, Aleš Šabeder was elected to a four-year term of office on the Supervisory Board.

On 15 June 2020, the newly constituted Supervisory Board elected Aleš Šabeder to serve as President of the Supervisory Board, and Barbara Gorjup, MSc and Drago Kijevčanin to serve as Vice-Presidents. It also reconstituted the Supervisory Board's committees.

Barbara Kürner Čad served as President of the Supervisory Board until 15 June 2020.

Aleš Šabeder, Barbara Cerovšek Zupančič, MSc and Bernarda Babič, MSc tendered their resignations on 19 October 2020. On 3 November 2020, the Ljubljana District Court issued a decision based on the initiative of Slovenski državni holding, d. d. Under that decision, it appointed Boštjan Koler, Dimitrij Marjanovič and Štefan Belingar, MSc to serve as new members of the Supervisory Board until the election of members to the Supervisory Board by the Company's General Meeting of Shareholders, but for a period of no more than one year from the issue of that decision. The terms of office of Aleš Šabeder, Barbara Cerovšek Zupančič, MSc and Bernarda Babič, MSc were terminated, effective the same day.

On 4 November 2020, the newly constituted Supervisory Board elected Boštjan Koler to serve as President of the Supervisory Board, and Barbara Kürner Čad and Drago Kijevčanin to serve as Vice-Presidents. It also reconstituted the Supervisory Board's committees.

On 21 January 2021, the General Meeting of Shareholders recalled member of the Supervisory Board Igor Rozman. On 22 January 2021, Iztok Černoša, Aleksander Igličar, MSc, Marko Kerin and Radovan Cerjak were appointed to four-year terms of office as new members of the Supervisory Board. With the election of the new members of the Supervisory Board, the terms of office of the persons who were appointed under the decision of Ljubljana District Court of 3 November 2020 were terminated: Boštjan Koler, Dimitrij Marjanovič and Štefan Belingar.

On 11 February 2021, the newly constituted Supervisory Board elected Iztok Černoša to serve as President of the Supervisory Board, and Barbara Kürner Čad and Drago Kijevčanin to serve as Vice-Presidents. It also reconstituted the Supervisory Board's committees.

The composition of the Supervisory Board is diverse, as its members complement each other in terms of their expertise, competences, experience, age, gender, work method and other aspects. This facilitates the effective exchange of opinions and views at sessions.

The Supervisory Board met at 17 regular and two correspondence sessions in 2020. During the course of 2020, it ensured the responsible and high-quality supervision of the operations of Telekom Slovenije and the Telekom Slovenije Group. The Supervisory Board discussed different aspects of operations and monitored the implementation of plans. Specific topics were discussed in advance by the Supervisory Board's committees. Based on the findings, proposals and careful assessment of committees, the Supervisory Board adopted the appropriate decisions and continuously informed stakeholders following sessions. In accordance with the Slovenian Corporate Governance Code, the Supervisory Board hereby declares that all costs in connection with its work are disclosed in this annual report.

Most important topics of sessions of the Supervisory Board

The most important topics at sessions of the Supervisory Board in 2020 were linked to the monitoring of the ordinary operations and development of the Company, and the composition of the Management Board. The Supervisory Board and Management Board focused on defining the strategy, and on identifying and managing business risks, which is important for the successful future operations of Telekom Slovenije and the Telekom Slovenije Group.

On 2 January 2020, the Supervisory Board appointed Dr Vida Žurga to serve as Vice-President of the Management Board. The term of office of Ranko Jelača, member of the Management Board responsible for the commercial sector, expired on 15 March 2020. Thus, on 22 June 2020, the Supervisory Board appointed Tomaž Jontes to serve as member of the Management Board responsible for sales and marketing.

Within the scope of its competences, the Supervisory Board made the following responsible decisions in 2020:

- adopted the Strategic Business Plan of the Telekom Slovenije Group for the period 2021 to 2025, with the business plan for 2021;
- adopted the audited annual report of the Telekom Slovenije Group and Telekom Slovenije for 2019;
- appointed a member of the Management Board responsible for sales and marketing;
- gave its consent to the conditional conclusion of an out-of-court settlement in proceedings against the former members of the Management Board, on the basis of which the insurance company that provided liability insurance paid the Company the amount of EUR 2.8 million following approval by the Company's General Meeting of Shareholders;
- gave its consent to the appointment of managing directors of subsidiaries; and
- gave its consent to the sale of Planet TV, the initiation of the sale of TSmedia and the initiation of the merger of Avtenta with Telekom Slovenije.

With respect to supervision of the management of the Company's operations, the Supervisory Board was briefed regularly on the following in 2020:

- reports on the operations of the parent company and the Group;
- implementation of the Strategic Business Plan of the Telekom Slovenije Group;
- assessments of the Company's and Group's performance indicators in each period;
- the implementation of strategic projects and initiatives;
- other information in connection with Telekom Slovenije, the Telekom Slovenije Group and subsidiaries; and
- the effects of the COVID-19 pandemic on the operations of the Telekom Slovenije Group.

The Supervisory Board continuously resolved conflicts of interest (statements according to the reference code are published on the Company's website). During the 2020 financial year, one member of the Supervisory Board informed the latter of specific facts that could affect their independence. In February, the Supervisory Board assessed its work and adopted a resolution regarding improvements to that work in the future. On that basis, the text of the rules of procedure of the Supervisory Board was updated at the beginning of 2021 and is expected to be adopted at one the Supervisory Board's next sessions.

Work of the Supervisory Board's committees

The Supervisory Board had four permanent committees in 2020. They were the Audit Committee, HR Committee, Strategy Committee and Marketing and Technology Committee, which was renamed from the Technical Committee in January. A Nomination Committee was appointed for the selection of candidates for members of the Supervisory Board in February and December.

Committees discussed topics related to the Supervisory Board's work and advised the latter in important matters. This contributed to the improved work and effectiveness of the Supervisory Board. The Supervisory Board continuously monitored the work of its committees and the implementation of their resolutions. The work of committees is described in detail in the section *Management and supervisory bodies* in the business report section of the annual report.

On 10 March 2021, the Supervisory Board concluded an agreement with the President and three members of the Company's Management Board on the termination of their employment contracts and their recall from those positions. Accordingly, the terms of office of the President of the Management Board Tomaž Seljak, MSc and members Dr Vida Žurga, Matjaž Beričič, MSc and Tomaž Jontes were terminated, effective 10 March 2021. The Supervisory Board appointed Cvetko Sršen to serve as new President and Dr Mitja Štular and Tomaž Jontes to serve as members of the Management Board. Their four-year terms of office began on 10 March 2021. On 22 March, the Supervisory Board appointed Barbara Galičič Drakslar to serve as member of the Company's Management Board, effective 31 March 2021.

Assessment of the work of the Management Board and Supervisory Board

The work of members of the Supervisory Board, including their work on committees, was professional and focused on the effective performance of their functions. Members of the Supervisory Board regularly attended sessions, were well-prepared for topics of discussion and put forth constructive proposals.

The Supervisory Board adopted competent decisions in accordance with its rules of procedure, the Company's internal acts and legally prescribed powers on the basis of professionally prepared written and oral information provided by the Management Board. The work of the Supervisory Board was complemented, in terms of content, by the proposals made by its committees.

Based on the above-described continuous monitoring and supervision of the operations and management of Telekom Slovenije and Group companies during the 2020 financial year, and based on the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020, as compiled and submitted by the Management Board, the Supervisory Board assesses that the annual report and disclosures contained therein reflect the actual situation and position of the Telekom Slovenije Group and Telekom Slovenije.

The Supervisory Board assesses that the Management Board of Telekom Slovenije successfully managed the Company's transactions during the 2020 financial year and achieved established objectives, particularly taking into account the extraordinary circumstances the declared COVID-19 pandemic brought to the telecommunications sector and the highly competitive environment in which the Company operates.

Approval of the annual report and the proposed use of the distributable profit for 2020

The Supervisory Board discussed the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020 at its session on 23 April 2021. Based on its review of the annual report and financial statements (including the notes thereto), and its review of the Management Board's proposal on the use of distributable profit and the certified auditor's report, the Supervisory Board confirmed the audited annual report of the Telekom Slovenije Group and Telekom Slovenije, d. d. for 2020.

Pursuant to the third paragraph of Article 272 of the Companies Act (ZGD-1), Telekom Slovenije's Management Board submitted the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020, together with the auditor's report for 2020, immediately after compilation and the issuance of the auditor's opinion. The annual report was discussed by the Supervisory Board at its session held on 23 April 2021. The annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020 was audited by the audit firm PricewaterhouseCoopers, d. o. o., which issued an unmodified opinion regarding the financial statements of the Telekom Slovenije Group and Telekom Slovenije. At its second extraordinary session held on 23 April 2021, the Audit Committee of Telekom Slovenije's Supervisory Board discussed the audited annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020 and found that the annual report was compiled in a timely, clear and transparent manner, and in accordance with the provisions of the Companies Act (ZGD-1), the applicable International Financial Reporting Standards, as adopted by the European Union, and other relevant legislation. The audit committee had no comments with respect to the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020, and proposed that the Supervisory Board approve the annual report of the Telekom Slovenije Group and Telekom Slovenije, d. d. for 2020 in accordance with Article 282 of the ZGD-1.

Based on the auditor's opinion, the position of the Audit Committee, and data and disclosures in the annual report, Telekom Slovenije's Supervisory Board assesses that the auditor performed its work independently and professionally in accordance with valid legislation and business practices, that the annual report was compiled, in all material aspects, in accordance with the requirements of the ZGD-1, and that the financial statements fairly present, in all material aspects, the financial position of the Telekom Slovenije Group and Telekom Slovenije as at 31 December 2020, and their operating results and cash flows for the year then ended in accordance with the International Financial Reporting Standards, as adopted by the European Union. The Supervisory Board has no remarks regarding the auditor's report. It also has no comments regarding the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020 that would in any way inhibit its decision to approve the annual report.

Thus, in accordance with the third paragraph of Article 282 of the ZGD-1, the Supervisory Board of Telekom Slovenije hereby approves the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020. The Supervisory Board approved the annual report for 2020 by the prescribed deadline, i.e. within one month from its submission by the Company's senior management.

When adopting the annual report, the Supervisory Board also took a position with regard to the corporate governance statement and statement of compliance with the reference code, which are included in the business report section of the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2020, and assessed that they are a reflection of the actual governance of the Company in 2020.

President of the Supervisory Board:
Iztok Černoša

REPORT ON THE REMUNERATION OF THE COMPANY'S MANAGEMENT AND SUPERVISORY BODIES, AND THE MEMBERS OF THE MANAGEMENT BODIES OF THE COMPANY'S SUBSIDIARIES IN 2020

1. Remuneration of management and supervisory bodies of Telekom Slovenije, d. d.

The remuneration of the members of Telekom Slovenije, d. d.'s Management Board and Supervisory Board in 2020 is (broken down) disclosed in the audited annual report of the Telekom Slovenije Group and Telekom Slovenije, d. d. for 2020.

Remuneration of Management Board members for 2020 (broken down):

Full name	Salary	Variable remuneration*	Other personal income	Reimbursement of costs	Annual leave allowance	Insurance premiums	Fringe benefits	Voluntary supplemental pension insurance	Total gross**	Total net***
Tomaž Seljak (1 January to 31 December)	157,783	28,715	-	1,433	1,481	795	9,213	2,819	202,239	87,185
Vida Žurga (1 January to 31 December)	130,615	11,195	-	1,394	1,481	795	14,381	2,819	162,680	62,568
Matjaž Beričič (1 January to 31 December)	155,995	780	-	1,383	1,481	795	5,906	2,819	169,160	79,336
Tomaž Jontes (22 June to 31 December)	82,134	-	-	734	-	218	4,622	1,484	89,193	37,078
Špela Fortin (1 January to 31 December)	110,456	2,594	-	1,322	1,481	795	7,431	2,819	126,898	57,084
Ranko Jelača (1 January to 14 March)	31,908	58,703	77,999	166	247	461	1,074	470	171,028	72,313
Rudolf Skobe (for 2019)	-	6,949	-	-	-	-	-	-	6,949	3,962
Dean Žigon (for 2019)	-	5,891	-	-	-	-	-	-	5,891	2,843
Total	668,891	114,827	77,999	6,432	6,171	3,859	42,627	13,230	934,038	402,369

* Variable remuneration is part of payment for successful operations in 2017, 2018 and 2019.

** The total gross amount represents the sum of all types of labour costs, including net receipts (reimbursement of costs), insurance premiums, fringe benefits and voluntary supplementary pension insurance (VSPI).

*** The total net amount represents the sum of the net remuneration of Management Board members, including insurance premiums and fringe benefits that actually reduce the net remuneration of Management Board members, but excluding VSPI, which is not personally received by members but is transferred to a pension company.

Remuneration of Supervisory Board members for 2020 (broken down):

Full name	Sessions	Basic payment for performance of function	Committees	Travel expenses	Liability insurance	Total gross*	Total net**
External members							
Boštjan Koler (3 November to 31 December)	1,045	4,539	660	0	0	6,244	4,541
Barbara Gorjup (1 January to 31 December)	4,950	21,514	5,328	0	409	32,201	23,122
Barbara Kürner Čad (1 January to 31 December)	4,950	22,463	5,302	0	409	33,124	23,794
Bernarda Babič (1 January to 3 November)	3,658	16,766	814	264	409	21,911	15,638
Dimitrij Marjanovič (1 January to 13 May; 3 November to 31 December)	2,008	9,828	1,236	0	409	13,481	9,507

Aleš Šabeder (5 June to 3 November)	1,925	11,200	660	0	0	13,785	10,026
Barbara Cerovšek Zupančič (1 January to 3 November)	3,905	18,163	4,448	0	409	26,925	19,285
Igor Rozman (1 January to 31 December)	4,950	20,394	2,838	0	409	28,591	20,497
Štefan Belingar (3 November to 31 December)	1,045	4,195	440	0	0	5,680	4,131
Internal members							
Drago Kijevčanin (1 January to 31 December)	4,950	21,432	5,328	0	409	32,119	23,063
Dušan Pišek (1 January to 31 December)	4,675	17,695	2,002	0	409	24,781	17,726
Jana Žižek Kuhar (1 January to 31 December)	4,675	16,742	880	0	409	22,706	16,217
Total	42,736	184,931	29,936	264	3,681	261,548	187,547

* The total gross amount represents the sum of all types of session fee costs and basic payments for the performance of functions and work on committees, including net remuneration (travel expenses) and liability insurance.

** The total net amount represents the sum of net remuneration, including liability insurance, which actually reduces the net remuneration of members, together with travel expenses.

Supervisory Board members received training in 2020 in various areas relating to the Supervisory Board's work. Training costs totalled EUR 1,139.12. Members of the Supervisory Board did not receive other forms of remuneration.

Remuneration of members of the Supervisory Board's committees for 2020 (broken down):

Full name	Sessions	Basic payment for performance of function	Committees	Travel expenses	Liability insurance	Total gross*	Total net**
External committee members							
Barbara Nose (1 January to 31 December)	0	9,713	4,096	0	0	13,809	10,043
Melita Malgaj (9 December to 31 December)	0	216	440	0	0	656	477
Boštjan Koler (12 February to 1 April)	0	805	616	0	0	1,421	1,033
Alenka Stanič (12 February to 1 April; 9 December to 31 December)	0	1,021	1,056	0	0	2,077	1,511
Gregor Rajšp (12 February to 1 April; 9 December to 31 December)	0	1,021	1,056	0	0	2,077	1,511
Total	0	12,776	7,264	0	0	20,040	14,575

* The total gross amount represents the sum of basic payments for the performance of functions and work on committees.

** The total net amount represents the net remuneration of members of the Supervisory Board's committees.

Average gross wage within the Telekom Slovenije Group

The average gross wage within the Telekom Slovenije Group was EUR 2,639.78 in 2019.

1.1 Criteria for setting the variable element of remuneration and the gross amount of the granted right to variable remuneration for the previous financial year

The Supervisory Board defined the objectives and criteria for the calculation of the variable element of remuneration of the Company's Management Board for 2019 in accordance with provisions of the Act Governing the Earnings of Management Staff at Companies Under the Majority Ownership of the Republic of Slovenia and Self-Governing Local Communities (ZPPOGD) and the employment contracts of Management Board members.

The Management Board's objectives comprise quantitative and qualitative objectives, as well as financial and non-financial objectives that are defined for the purpose of monitoring the work of the Management Board, which focuses on

the long-term success of the operations of the Company and the Group. The methodology for that calculation is defined by the Supervisory Board, taking into account the ratio of achieved and planned results during the financial year following the conclusion of the financial year and the auditing of the financial statements.

Members of the Management Board received 50% of variable remuneration for 2019 in 2020, while the payment of the other 50% of variable remuneration for 2019 was deferred for two years. Members of the Management Board whose term of office was terminated were also paid the second part of variable remuneration for 2019. The length of the term of office during the financial year is also taken into account when setting the amount of variable remuneration.

Surname	Name	Variable remuneration for 2019 – granted right
Seljak	Tomaž	24,755.25
Žurga	Vida	22,390.16
Beričič	Matjaž	1,559.92
Fortin	Špela	5,187.11
Jelača	Ranko	24,755.25
Žigon	Dean	11,782.90*
Skobe	Rudolf	6,949.40
Total		97,379.99

* Taking into account Article 4 of the Act Governing the Earnings of Management Staff at Companies Under the Majority Ownership of the Republic of Slovenia and Self-Governing Local Communities (ZPPOGD), Dean Žigon was only entitled to 50% of remuneration and thus received EUR 5,891.45, as his term of office lasted for less than two years.

1.2 Definition of other rights of Management Board members

In accordance with the Rules on the other rights of Management Board members and the relevant employment contract, Management Board members shall have the following other rights:

- the right to a work-related telecommunications connection at the location where a Management Board member actually lives, and the unlimited use of a mobile device;
- the right to use broadband services;
- the right to annual education and training in areas that are important for the high-quality and efficient performance of a Management Board member's tasks up to the amount of one monthly gross salary of a specific Management Board member;
- the right to use an upper-mid-range company car for business and private purposes;
- the right to an annual preventive medical examination for managers in the amount of up to EUR 1,000;
- the right to an annual premium for personal insurance in the amount of one monthly basic salary, based on the relevant employment contract, in proportion to the duration of their employment as a member of the Management Board during an individual calendar year;
- the right to liability insurance in accordance with the relevant annual contract with an insurance company under conditions that apply for all Supervisory Board members and the members of the management and supervisory bodies of Telekom Slovenije Group companies;
- the right to the payment of 100% wage compensation in the event of sick leave, where the difference is borne by the Company;
- the right to the payment of a supplementary pension insurance premium up to the amount that represents a tax break for the Company;
- the right to use a Company payment card that shall be used exclusively for business purposes to pay for business expenses; and
- the right to compensation for respecting the non-compete clause in the amount of 12 monthly salaries, where one salary represents the average of the last three salaries of a Management Board member.

Management Board members shall be entitled to severance pay in the amount of six basic monthly wages, but only in the event of the early termination of their employment contract and under the condition that the contract was not terminated by a Management Board member. Severance pay must also be paid in the other cases set out in the ZGD-1 and ZPPOGD.

Other rights of Management Board members in 2020 (in EUR):

Surname	Name	Fees for education/training	Medical examinations*	Gross value of fringe benefit – use of company car**	Long-service award	Severance pay at retirement
Seljak	Tomaž	0	0	9,212.68	0	0
Žurga	Vida	12,954.00	650	14,380.62	0	0
Beričič	Matjaž	506.00	0	5,906.08	0	0
Jontes	Tomaž	88.00	0	4,590.98	0	0
Fortin	Špela	2,857.98	781	7,364.63	0	0
Jelača	Ranko	0	0	1,074.42	0	0

* The cost of a medical examination depends on the type of examination performed (pre-employment or managerial medical examination). Amounts may thus vary.

** The amount of fringe benefits for the use of a company car for private reasons depends on the value and age of the vehicle, and the term of office of the Management Board member.

Management Board members did not participate in profits, or receive options, fees or other remuneration.

Management Board members shall not be entitled to remuneration for the performance of the function of member of the supervisory body or other tasks at Telekom Slovenije Group subsidiaries.

2. Remuneration of members of the management bodies of the three largest Telekom Slovenije Group subsidiaries for 2020

The remuneration of management staff (managing directors) of subsidiaries is defined in employment contracts in accordance with the ZPPOGD (for companies registered in the Republic of Slovenia) and is the same, *mutatis mutandis*, as the remuneration of the members of Telekom Slovenije, d. d.'s Management Board.

2.1 GVO, d. o. o.

a) Remuneration of Managing Director for 2020 (broken down)

Full name	Salary	Variable remuneration*	Other personal income	Reimbursement of costs	Annual leave allowance	Fringe benefits	Voluntary supplemental pension insurance	Total gross**	Total net***
Borut Radi	113,138	16,080	0	1,395	1,855	6,991	2,819	142,278	65,664

* Variable remuneration (including the deferred part of variable remuneration).

** The total gross amount represents the sum of all types of labour costs, including net receipts (reimbursement of costs), insurance premiums, fringe benefits and voluntary supplementary pension insurance (VSPI).

*** The total net amount represents the sum of the net remuneration of the company's Managing Director, including insurance premiums and fringe benefits that actually reduce the net remuneration of the Managing Director, but excluding VSPI, which is not personally received by the Managing Director but is transferred to a pension company.

b) Gross amount of the granted right to variable remuneration for the previous financial year

In accordance with objectives established for the purpose of calculating variable remuneration for 2019, the company's sole owner defined the variable remuneration to which its Managing Director is entitled, which is paid in two parts. The Managing Director received 50% of variable remuneration for 2019 in 2020, while the payment of the other 50% of variable remuneration is deferred for two years.

Surname	Name	Variable remuneration for 2019 – granted right (in EUR)
Radi	Borut	12,089

c) Definition of other rights of the Managing Director

In accordance with the relevant employment contract, the Managing Director has the following other rights:

- the right to a work-related telecommunications connection at the location where the Managing Director actually lives, and the use of a mobile device up to the amount of EUR 150;
- the right to use broadband services;
- the right to annual education and training in areas that are important for the high-quality and efficient performance of the Managing Director's tasks;
- the right to use a company car for business and private purposes with a retail value of EUR 35,000 including VAT (purchase price);
(If a company car is used for business and private purposes, the Managing Director shall not be entitled to a travel allowance to and from work. In that case, the company concludes an agreement with the Managing Director on the use of a company car for business and private purposes.)
- the right to a preventive medical examination for managers every two years in the amount of up to EUR 1,000;
- the right to the payment of a supplementary pension insurance premium up to the amount that represents a tax break for the company;
- the right to personal accident insurance and insurance for healthcare services abroad in the amount of EUR 32.99; and
- the right to use a company payment card for the payment of business expenses that shall not be used for private purposes.

The Managing Director shall be entitled to severance pay in the amount of six basic monthly wages, but only in the event of the early termination of their employment contract and under the condition that the contract was not terminated by the Managing Director. Severance pay must also be paid in the other cases set out in the ZGD-1 and ZPOGD.

Other rights of the Managing Director in 2020 (in EUR):

Surname	Name	Fees for education/training	Medical examinations*	Gross value of fringe benefit – use of company car**	Long-service award	Severance pay at retirement
Radi	Borut	0	923	6,855	0	0

* The cost of a medical examination depends on the type of examination performed (pre-employment or managerial medical examination). Amounts may thus vary.

** The amount of fringe benefits for the use of a company car for private reasons depends on the value and age of the vehicle, and the term of office of the Managing Director.

2.2 Avtenta, d.o.o.

a) Remuneration of Managing Director for 2020 (broken down)

Avtenta had two managing directors in 2020. Managing Director Miran Potočnik had an employment contract from 1 January 2020 to 31 January 2020, inclusive. Primož Kučič performed the function of the company's Managing Director from 1 February 2020 on, based on the resolution of the company's owner on his appointment. Based on the relevant management agreement, he received remuneration for the performance of his function from 1 August 2020 on.

Full name	Wages/remuneration	Variable remuneration	Other personal income	Reimbursement of costs	Annual leave allowance	Fringe benefits	Voluntary supplementary pension insurance	Total gross	Total net
Miran Potočnik*	7,548	0	0	104	110	342	234	8,339	4,201
Primož Kučič**	10,000	0	0	0	0	0	0	10,000	7,023

* The total gross amount represents the sum of all types of labour costs, including net receipts (reimbursement of costs), insurance premiums, fringe benefits and voluntary supplementary pension insurance (VSPI). The total net amount represents the sum of the net remuneration of the company's Managing Director, including insurance premiums and fringe benefits that actually reduce the net remuneration of the Managing Director, but excluding VSPI, which is not personally received by the Managing Director but is transferred to a pension company.

** Taken into account is remuneration of the company's Managing Director for services performed under the relevant management agreement.

b) Gross amount of the granted right to variable remuneration for the previous financial year

Variable remuneration for 2019 was neither defined nor paid in 2020.

c) Definition of other rights of the Managing Director

In accordance with his employment contract, Managing Director Miran Potočnik had the following other rights:

- the right to a work-related telecommunications connection at the location where the Managing Director actually lives, and the use of a mobile device up to the amount of EUR 150;
- the right to use broadband services;
- the right to annual education and training in areas that are important for the high-quality and efficient performance of the Managing Director's tasks;
- the right to use a company car for business and private purposes with a retail value of EUR 35,000 including VAT (purchase price);
(If a company car is used for business and private purposes, the Managing Director shall not be entitled to a travel allowance to and from work. The company has concluded an agreement with the Managing Director on the use of a company car for business and private purposes.)
- the right to a preventive medical examination for managers every two years in the amount of up to EUR 1,000;
- the right to the payment of a supplementary pension insurance premium up to the amount that represents a tax break for the company;
- the right to personal accident insurance and insurance for healthcare services abroad; and
- the right to use a company payment card for the payment of business expenses that shall not be used for private purposes.

The term of office of Managing Director Miran Potočnik expired on 1 February 2020. He did not receive severance pay at that time.

Managing Director Primož Kučič, who performed his function based on the relevant management agreement, had no other rights as the Director of Avtenta.

According to the relevant management agreement, the Managing Director is not entitled to severance pay.

Other rights of Managing Directors in 2020 (in EUR):

Surname	Name	Fees for education/training	Medical examinations*	Gross value of fringe benefit – use of company car**	Long-service award	Severance pay at retirement
Potočnik	Miran	0	0	328	0	0
Kučič	Primož	0	0	0	0	0

* The cost of a medical examination depends on the type of examination performed (pre-employment or managerial medical examination). Amounts may thus vary.

** The amount of fringe benefits for the use of a company car for private reasons depends on the value and age of the vehicle, and the term of office of the Managing Director.

2.3 IPKO Telecommunications LLC

a) Remuneration of Managing Director for 2020 (broken down)

The Managing Director leads and manages the company based on two contracts/agreements: an employment contract concluded with Telekom Slovenije, d. d. on the performance of work abroad, and a management agreement concluded with IPKO Telecommunications LLC in accordance with local law.

Full name	Contract	Wages/remuneration	Variable remuneration*	Other personal income	Reimbursement of costs	Annual leave allowance	Fringe benefits	Voluntary supplemental pension insurance	Total gross	Total net
Robert Erzin	Employment contract for work abroad	59,167	0	1,259 Christmas bonus 7,820 Supplement for work abroad	1,083	1,481	7,370	2,747	80,927**	37,442***
Robert Erzin	Management agreement	145,865	9,238	0	2,160	0	0	0	157,263****	-
Total		205,032	9,238	9,079	3,243	1,481	7,370	2,747	238,190****	-

* Variable remuneration is part of payment for successful operations in 2017.

** The total gross amount represents the sum of all types of labour costs, including net receipts (reimbursement of costs), insurance premiums, fringe benefits and voluntary supplementary pension insurance (VSPI).

*** The total net amount represents the sum of the net remuneration of the company's Managing Director, including insurance premiums and fringe benefits that actually reduce the net remuneration of the Managing Director, but excluding VSPI, which is not personally received by the Managing Director but is transferred to a pension company.

**** Only gross remuneration is stated due to the application of local legislation and the Managing Director's residence in Slovenia.

b) Gross amount of the granted right to variable remuneration for the previous financial year

Variable remuneration for 2019 was neither defined nor paid in 2020.

c) Definition of other rights of the Managing Director

In accordance with the relevant employment contract on the performance of work abroad, the Managing Director shall have the following other rights:

- risk life insurance in the maximum insured sum of EUR 100,000;
- a preventive medical examination for managers every two years in the amount of up to EUR 1,000;
- private accident insurance;
- CORIS insurance;
- the right to use a company car for business and private purposes in accordance with internal rules governing company vehicles; and
- the right to a work-related telecommunications connection and mobile device, including use specified in accordance with the Company's rules.

In accordance with the relevant management agreement, the Managing Director shall have the following other rights:

- the use of a mobile phone;
- the use of a company car; and
- the use of a personal computer.

According to the employment contract for work abroad concluded with Telekom Slovenije, d. d., the Managing Director is not entitled to severance pay.

According to the relevant management agreement, the Managing Director is entitled to severance pay in the amount of six salaries. In the event of employment at another Telekom Slovenije Group company, the Managing Director shall not be entitled to severance pay.

Other rights of the Managing Director in 2020 (in EUR):

Surname	Name	Fees for education/training	Medical examinations	Gross value of fringe benefit – use of company car*	Long-service award	Severance pay at retirement
Erzin	Robert	0	0	5,709.42	0	0

* The amount of fringe benefits for the use of a company car for private reasons depends on the value and age of the vehicle, and the term of office of the Managing Director.

President of the Management Board:
Cvetko Sršen

Materials for item 4 of the agenda:**PROPOSAL FOR THE USE OF DISTRIBUTABLE PROFIT FOR THE 2020 FINANCIAL YEAR
AND PROPOSAL ON GRANTING DISCHARGE TO THE MANAGEMENT BOARD AND SUPERVISORY BOARD
FOR THE 2020 FINANCIAL YEAR**

The Company's Management Board and Supervisory Board hereby propose that the General Meeting of Shareholders of Telekom Slovenije, d. d. adopt the following

resolution:

- 4.1 Distributable profit, which amounted to EUR 34,981,050.48 for 2020, shall be used as follows:
- a. the payment of dividends in the amount of EUR 26,021,912.00 or EUR 4.00 gross per share; and
 - b. the remainder in the amount of EUR 8,959,138.48 shall be brought forward to the following year. Dividends shall be paid on 3 August 2021 to shareholders and other beneficiaries who were entered in the register of shareholders as such on the cut-off date of 2 August 2021.
- 4.2 The General Meeting of Shareholders hereby grants discharge to the members of the Management Board for the 2020 financial year.
- 4.3 The General Meeting of Shareholders hereby grants discharge to the members of the Supervisory Board for the 2020 financial year.

Explanation:

Pursuant to Article 293 of the Companies Act (ZGD-1), the General Meeting of Shareholders shall decide on use of distributable profit based on the proposal of management or supervisory bodies. The General Meeting of Shareholders is bound by the approved annual report in its decision regarding the allocation of distributable profit. The audited annual report for 2020 was discussed and approved by the Company's Supervisory Board.

Pursuant to the provisions of Article 294 of the Companies Act (ZGD-1), the General Meeting of Shareholders shall decide on the use of distributable profit and granting discharge to the Management Board and Supervisory Board. In accordance with the recommendation of the Corporate Governance Code, voting on granting discharge shall be carried out separately for the Management Board and the Supervisory Board.

Due to the direct inclusion of KDD Centralna klirinško depotna družba, d. d. in the TARGET2-Securities system, Telekom Slovenije, d. d., as the issuer of securities, sets dates for the processing of individual corporate actions in accordance with the uniform European standards on corporate actions. Those dates are presented in the table below:

Ex-dividend date	30 July 2021
Cut-off date	2 August 2021
Payment execution date	3 August 2021

President of the Management Board:
Cvetko Sršen

President of the Supervisory Board:
Iztok Černoša

Enclosure:

Annual Report of the Telekom Slovenije Group and Telekom Slovenije, d. d. for 2020:

<https://www.telekom.si/en/investor-relations/annual-and-interim-reports>

Materials for item 5 of the agenda:

INFORMATION REGARDING THE EXPIRATION OF THE TERMS OF OFFICE OF SUPERVISORY BOARD MEMBERS

The Company's General Meeting of Shareholders is hereby informed that the term of office of Supervisory Board members and shareholder representatives Barbara Kürner Čad and Barbara Gorjup, MSc expired on 27 April 2021.

Explanation:

At the 28th General Meeting of Shareholders held on 21 April 2017, Barbara Kürner Čad and Barbara Gorjup, MSc were elected to serve four-year terms of office as Supervisory Board members and shareholder representatives. Those terms of office ended on 27 April 2021.

President of the Supervisory Board:
Iztok Černoša

Materials for item 6 of the agenda:**ELECTION OF MEMBERS TO THE SUPERVISORY BOARD**

The Company's Supervisory Board hereby proposes that the General Meeting of Telekom Slovenije, d. d. adopt the following

resolution:

- 6.1 The Company's General Meeting of Shareholders hereby elects Barbara Kürner Čad to serve as member of the Supervisory Board and shareholder representative. Ms Kürner Čad's four-year term of office shall begin on the day of her election by the General Meeting of Shareholders, i.e. 18 June 2021.
- 6.2 The Company's General Meeting of Shareholders hereby elects Jurij Toplak, PhD to serve as member of the Supervisory Board and shareholder representative. Mr Toplak's four-year term of office shall begin on the day of his election by the General Meeting of Shareholders, i.e. 18 June 2021.

Explanation:

Pursuant to Article 26 of the Articles of Association of Telekom Slovenije, d. d., the Supervisory Board comprises nine members, six of whom are shareholder representatives. At the 28th General Meeting of Shareholders held on 21 April 2017, Barbara Kürner Čad and Barbara Gorjup, MSc were elected to serve four-year terms of office as Supervisory Board members and shareholder representatives, effective 27 April 2017. Those terms of office ended on 27 April 2021. It is therefore necessary to elect two Supervisory Board members/shareholder representatives.

The Supervisory Board appointed a Nomination Committee to assist in the selection of candidates. That committee called on all major shareholders to propose potential candidates for Supervisory Board members, and received three candidates. In accordance with valid standards in the area of corporate governance, the Nomination Committee of Telekom Slovenije, d. d.'s Supervisory Board carried out the nomination and evaluation procedure for candidates to serve as Supervisory Board members.

Following the completion of that procedure, the Supervisory Board hereby proposes that Telekom Slovenije, d. d.'s General Meeting of Shareholders elect Barbara Kürner Čad and ~~Dr~~ Jurij Toplak, PhD to serve four-year terms of office as Supervisory Board members and shareholder representatives, effective on the day they are elected by the General Meeting of Shareholders.

Presentation of proposed candidates:

Barbara Kürner Čad is an attorney and partner at the Čad Law Firm. She has worked in the area of the economy throughout her career. She worked in the commercial judiciary department (General Court in Ljubljana and Ljubljana District Court) from 1988 to 1998, and then served as a member of the Management Board of Slovenska razvojna družba until 2001. From 2001 to 2007, she headed her own financial and legal consultancy company, F.I.I.N., d. o. o. In 2007, she made the decision to become a lawyer, a profession that she continues to pursue today. She served as Director of the Ski Association of Slovenia in 2012 and 2013. She was a member of the Telekom Slovenije, d. d.'s Supervisory Board until 27 April 2021, and is a member of the Supervisory Board of Loterija Slovenije, d. d.

~~Dr~~ Jurij Toplak, PhD is the Head of the Department of Public Law and a full professor in the area of law at the Faculty of Law at the University of Maribor. He is also the Managing Director and a full professor at Alma Mater Europaea ECM. He is a visiting professor at the Faculty of Law at Fordham University in New York, and is an adviser and expert for constitutional and election matters for the Council of Europe/GRECO and OSCE/ODIHR. As an expert for human rights, he has served as a member of numerous international election observation missions, expert missions in the area of human rights and law, and assessment missions of the Council of Europe's GRECO. He has been a lecturer at more than 60 international conferences and a guest lecturer at world-renown universities. He is the author of seven books and many scientific and professional publications.

President of the Supervisory Board:
Iztok Černoša

Materials for item 7 of the agenda:**REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD**

The Company's Management Board and Supervisory Board hereby propose that the General Meeting of Shareholders of Telekom Slovenije, d. d. adopt the following

resolution:

- 7.1 The Supervisory Board members receive the attendance fee for their participation at a session which amounts to EUR 275 gross per an individual member. The members of a Supervisory Board's committee receive the attendance fee for their participation at a session of the committee which, per an individual member, amounts to 80% of the attendance fee for the participation at a session of the Supervisory Board. The attendance fee for a meeting by correspondence amounts to 80% of the regular attendance fee. Regardless of the above mentioned, that is, regardless of the number of sessions at which he/she participates, in an individual financial year, an individual Supervisory Board member is entitled to receive the payment of attendance fees up to a total amount of attendance fees that reaches 50% of the basic payment for the performance of duties of a Supervisory Board member at the annual level. Regardless of the above mentioned, that is, regardless of the number of sessions of the Supervisory Board and committees at which he/she participates, in an individual financial year, an individual Supervisory Board member, who is a member of a Supervisory Board committee or committees, is entitled to receive the payment of attendance fees related to his/her participation at the sessions of the Supervisory Board and committees up to the total amount of attendance fees that reaches 75% of the basic payment for the performance of duties of a Supervisory Board member at the annual level.
- 7.2 In addition to attendance fees, the Supervisory Board members shall receive a basic payment for their services in the amount of EUR 14,000 gross per year per an individual member. The President of the Supervisory Board is also entitled to receive an additional payment in the amount of 50% of the basic payment for the performance of duties of the Supervisory Board member, while the Vice President/Deputy of the Supervisory Board President, is entitled to receive an additional payment in the amount of 10% of the basic payment for the performance of duties of the Supervisory Board member.
- The members of the Supervisory Board's committee shall receive an additional payment for the performance of duties which amounts to 25% of the basic payment for the performance of duties of the Supervisory Board member. The President of a committee is entitled to receive the additional payment for the performance of the duties in the amount of 37.5% of the basic payment for the performance of duties of the Supervisory Board member. Regardless of the above mentioned, that is, regardless of the number of sessions at which he/she is a member or a President, in an individual financial year, an individual member of a Supervisory Board's committee is entitled to receive additional payments for the performance of supervisory duties up to a total amount of such additional payments that reaches 50% of the basic payment for the performance of duties of a Supervisory Board member at the annual level. If the term of office of an individual Supervisory Board member is shorter than the financial year, the individual member of a Supervisory Board's committee, irrespective of the above mentioned, that is, regardless of the number of committees in which he/she is a member or a President, is entitled to receive additional payments for the performance of supervisory duties in an individual financial year up to a total amount of such payments that reaches the value of 50% of the basic payment for the performance of duties of the individual Supervisory Board member for the duration of the time for which his/her term of office lasted in the relevant financial year.
- 7.3 In addition to the above mentioned payments, Supervisory Board members shall also be entitled to receive additional payments for special assignments. Special assignments are assignments which include actual carrying out of unusual, longer-lasting and in terms of complexity above average type of assignments, as a rule, lasting for at least one month. Having obtained a consent by an individual Supervisory Board member, a Supervisory Board shall be authorised to make a decision on the allocation of special assignments to the individual Supervisory Board Member, the duration of such special assignments and on the additional payment for special assignments, in accordance with the General Meeting Resolution. The Supervisory Board shall be authorised to make decision on additional payments for special assignments due to temporarily objective circumstances in which a company has found itself. Additional payments for special assignments shall be permissible only for the time period when such special assignments are actually carried out about which the Supervisory Board may exceptionally also make a retroactive decision (particularly in case of special assignments due to objective circumstances), however, not more than for

the past financial year. In an individual financial year, total additional payments for special assignments for an individual Supervisory Board member may amount to the maximum of 50% of the basic payment for the performance of the services of a Supervisory Board member, irrespective of the number of such special assignments. The additional payment for an individual special assignment shall be determined by taking into account the complexity of the task and the associated increased workload and responsibility involved. Additional payments shall always be calculated in suitable proportion with regard to the actual active performance of such special assignment.

- 7.4 The Supervisory Board members shall receive the basic payment, the additional payment for the performance of the supervisory duties and the additional payment for special assignments in the proportional monthly payments to which they are entitled until they carry out the function and/or the special assignment. The monthly payment amounts to one twelfth of the above mentioned annual sums. Considering circumstances, additional payment for special assignments may also be paid in a total one-off eligible amount, after the special assignment is completed.
- 7.5 The limitation of the amount of the total payments for attendance fees or additional payments for a Supervisory Board member must not in any way influence his/her obligation regarding active participation at all Supervisory Board sessions and committees' sessions in which he/she is a member, and his/her statutorily stipulated responsibility.
- 7.6 The Supervisory Board members are entitled to receive the reimbursement of travel and accommodation costs incurred in relation to their services in the Supervisory Board, specifically, up to the amount stipulated in regulations regulating the reimbursement of work-related costs and other income which is not included in the tax base (provisions which apply to the transportation during business trips and accommodation during business trips). The amount attributable to a Supervisory Board member under the quoted regulation shall be made gross so that the net payment reimburses the actual travel costs. The distance between destinations as calculated at the AMZS web site is taken into account for the determination of the mileage. The accommodation costs may only be refunded if the distance of the permanent or temporary residence of a Supervisory Board member or a member of a Supervisory Board's committee from the location of the work of the body amounts to a minimum of 100 kilometres, if the member of the Supervisory Board could not return to their place of residence because of the lack of any scheduled public transport, or for other objective reasons.
- 7.7 This resolution shall enter into force and apply on the day it is adopted by the General Meeting of Shareholders. With this resolution, the resolutions adopted under items 8.1 to 8.5 by the General Meeting of Shareholders on 5 June 2020 shall cease to be in force.

Explanation:

On 5 June 2020, Telekom Slovenije, d. d.'s General Meeting of Shareholders adopted a decision regarding the remuneration of Supervisory Board members in accordance with Appendix 2 to the Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: the Code) adopted by Slovenski državni holding, d. d.

On 17 March 2021, Slovenski državni holding, d. d. adopted amendments to the Code that relate, *inter alia*, to the remuneration of supervisory board members. Those changes allow the Supervisory Board to define supplemental payments to its members for special tasks based on the authorisation of the General Meeting of Shareholders. Appendix 2 to the Code was amended accordingly and lays out a sample General Meeting of Shareholders resolution defining the remuneration of supervisory board members. Point 3 of that appendix defines supplemental payments for special tasks.

Given the above, it is hereby proposed that Telekom Slovenije, d. d.'s General Meeting of Shareholders adopt a resolution regarding the remuneration of Supervisory Board members that is in line with amended Appendix 2 to the Code and that does not result in any changes to the currently valid resolution of Telekom Slovenije, d. d.'s General Meeting of Shareholders of 5 June 2020 regarding the amounts of session fees and basic wages for the performance of functions.

President of the Management Board:
Cvetko Sršen

President of the Supervisory Board:
Iztok Černoša

Materials for item 8 of the agenda:**AUTHORISATION TO PURCHASE TREASURY SHARES**

The Company's Management Board and Supervisory Board hereby propose that the General Meeting of Shareholders of Telekom Slovenije, d.d. adopt the following

resolution:

The Company's General Meeting of Shareholders hereby authorises the Management Board to purchase and dispose of treasury shares under the following conditions:

- i) The Company's Management Board shall be authorised to purchase treasury shares, whereby the total proportion of the Company's share capital accounted for by all treasury shares, together with the shares that the Company already holds on the day this authorisation is issued, shall not exceed 10% or 653,547 shares.
- ii) Authorisation to purchase treasury shares shall be valid for 36 months from the day this resolution is adopted.
- iii) The Company may purchase treasury shares via transactions concluded on the regulated securities market at the currently valid market price. Treasury shares may also be purchased outside the regulated securities market (over-the-counter). When purchasing shares on the regulated securities market or over-the-counter market, the purchase price for shares shall not be less than 0.45 times the book value per share, calculated based on the most recent published financial statements of the Telekom Slovenije Group, and shall not be more than 0.80 times the book value per share, calculated in the same manner.
- iv) The Company may use treasury shares purchased on the basis of this authorisation for the following purposes:
 - to replace participating interests in other companies in the scope of implementing its takeover strategy;
 - for further sale to a strategic partner; and
 - for sale on the regulated market.
- v) The pre-emptive right of existing shareholders shall be excluded in full in the disposal of treasury shares in accordance with point iv) of this resolution.
- vi) Based on the consent of the Supervisory Board, the Company's Management Board shall be authorised to withdraw treasury shares by way of resolution, without the additional convening of the General Meeting of Shareholders to decide on the reduction in share capital.

Explanation:

In accordance with the eighth indent of the first paragraph of Article 247 of the ZGD-1, the Company's General Meeting of Shareholders may authorise senior management to purchase treasury shares. That authorisation shall be valid for a maximum of 36 months, and shall set out the lowest and highest purchase price for shares and the number of shares that may be purchased. The total proportion of shares purchased on the basis of this authorisation, together with other treasury shares already held by the Company, shall not exceed 10% of share capital.

We assess that it is appropriate to create a treasury share reserve that can be used to replace participating interests in other companies in the scope of implementing the Company's takeover strategy, for the sale of treasury shares to a potential strategic partner and for sale on the regulated market. If purchased treasury shares are not used for the above-stated reasons, the Company's Management Board shall be authorised to reduce share capital through the withdrawal of treasury shares.

We propose that the General Meeting of Shareholders authorise the Management Board to purchase treasury shares up to the maximum amount of 10% of all shares issued by the Company.

The Company shall purchase treasury shares based on this authorisation in accordance with valid legislation. The Company shall report on changes in the balance of treasury shares in accordance with valid regulations. In accordance with the third paragraph of Article 247 of the ZGD-1, the Management Board shall report to future General Meetings of

Shareholders regarding the purchase of treasury shares based on the proposed authorisation of the General Meeting of Shareholders.

We also propose that the pre-emptive rights of existing shareholders be excluded in the event of the disposal of purchased treasury shares, which shall be based on a report on justified grounds for the full exclusion of pre-emptive rights in the disposal of treasury shares.

Report on justified grounds for the full exclusion of pre-emptive rights in the disposal of treasury shares

The Company's treasury shares may represent an additional source of financing for the takeover of companies on the market or for a potential link with a strategic partner. To that end, the Company's Management Board shall carefully assess whether the financing of a transaction via treasury shares purchased on the basis of this authorisation is relevant and appropriate in a specific case.

In the case of the financing of the above-stated transactions via treasury shares, the pre-emptive rights of existing shareholders cannot be ensured, as those rights shall be offered to the owners of companies that are the target of potential takeovers or to strategic partners.

Given the above facts, we assess that the exclusion of the pre-emptive rights of existing shareholders in the potential disposal of treasury shares is justified and in the interest of the Company.

President of the Management Board:
Cvetko Sršen

President of the Supervisory Board:
Iztok Černoša