

**MATERIALS  
FOR THE 36th GENERAL MEETING OF SHAREHOLDERS  
OF TELEKOM SLOVENIJE, D.D.**

Ljubljana, 11 May 2023

**Materials for item 2 of the agenda:**

## **APPOINTMENT OF THE WORKING BODIES OF THE GENERAL MEETING OF SHAREHOLDERS**

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

### **resolution:**

- 2.1 The attorney-at-law Stojan Zdolšek 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.

### **Grounds:**

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:  
Boštjan Košak

**Materials for item 3 of the agenda:**

**PRESENTATION OF THE ANNUAL REPORT FOR 2022 AND REPORT OF THE SUPERVISORY BOARD ON THE RESULTS OF THE REVIEW OF THE ANNUAL REPORT FOR THE 2022 FINANCIAL YEAR**

The General Meeting of Shareholders is hereby briefed on the annual report for 2022 and the report of the Supervisory Board on the results of the review of the annual report for the 2022 financial year.

**Grounds:**

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 2022 by the legally defined deadline. The Supervisory Board finds that the Telekom Slovenije Group's performance in 2022 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. (hereinafter: PricewaterhouseCoopers 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 2022, together with the accompanying audit report for 2022. The report of the Supervisory Board regarding the review of the annual report for the 2022 financial year can be found in the enclosure to the relevant item of these materials.

President of the Management Board:  
Boštjan Košak

President of the Supervisory Board:  
Žiga Debeljak, MSc

**Enclosures:**

- Annual report of the Telekom Slovenije Group and Telekom Slovenije, d.d. for 2022: [Annual and interim reports - English - Telekom Slovenije](#)
- Report of the Supervisory Board

## REPORT OF THE SUPERVISORY BOARD

In the scope of its competences, the Supervisory Board ensured the responsible and high-quality supervision of the operations of Telekom Slovenije and the Telekom Slovenije Group in 2022. It met regularly, and 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 findings, proposals and careful assessment by those committees, the Supervisory Board adopted decisions and informed stakeholders after its sessions. The Supervisory Board met at 16 regular, one extraordinary and five correspondence sessions in 2022.

### Composition of the Supervisory Board

The Supervisory Board comprises nine members, six of whom are shareholder representatives and three of whom are employee representatives. When selecting candidates for Supervisory Board members, diversity in terms of knowledge, skills, experience and other personal circumstances of candidates (gender, age, education, etc.) is taken into account, in addition to the required level of qualifications, reputation and integrity.

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.

### Work of the Supervisory Board

The Supervisory Board performed its work in accordance with the powers and competences prescribed by the law, the Company's Articles of Association and its own rules of procedure. It is fully liable for the performance of its supervisory function and makes its decisions independently. To that end, it ensures the responsible and high-quality supervision of the operations of Telekom Slovenije and the Telekom Slovenije Group. All members of the Supervisory Board submitted statements of compliance with the criteria of independence in accordance with the Corporate Governance Code (the statements are published on the website of Telekom Slovenije). No member of the Supervisory Board disclosed any fact that could have affected their independence during the 2022 financial year.

The Supervisory Board discussed various aspects of the operations of the Company and other Group companies, and monitored the implementation of plans. Specific topics were discussed in advance by the Supervisory Board's committees. Based on the proposals and assessments of committees, the Supervisory Board adopted the appropriate decisions.

Within the scope of its competences, the Supervisory Board made the following responsible decisions in 2022:

- adopted the annual business plan of Telekom Slovenije and the Telekom Slovenije Group for the 2023 financial year;
- adopted the audited annual report of the Telekom Slovenije Group and Telekom Slovenije for 2021;
- concluded agreements on the termination of the terms of office of three members of the Management Board, and relieved one member of the Management Board for reasons of culpability;
- appointed the President, Vice-President and two members to the Management Board;
- gave its consent to the appointment of managing directors of subsidiaries;
- gave its consent to the purchase of a 100% participating interest in ACTUAL I.T., informacijske tehnologije, d.d. That agreement was concluded on 28 March 2022, but the transaction was not completed for reasons beyond the Company's control; and
- discussed other topics relating to the operations of the Company and other Group companies.

In its supervision of the management of the operations of the Company and Telekom Slovenije Group subsidiaries, the Supervisory Board was briefed regularly on the following in 2022:

- reports on the operations of the parent company and subsidiaries;
- implementation of the Strategic Business Plan of the parent company and subsidiaries;
- assessments of the performance indicators of the Company and subsidiaries in each period; and
- other information in connection with the operations of the parent company and subsidiaries.

The Supervisory Board partially updated its rules of procedure in April 2022. It performed an internal assessment of its work in the spring of 2022 according to the methodology of the Slovenian Directors' Association. No proposals for improvements were put forth.

### **Composition and functioning of Supervisory Board committees**

The Supervisory Board had four permanent committees until the end of November: the Audit Committee, HR Committee, Strategy Committee and Marketing and Technology Committee. It then reconstituted its committees, and appointed three permanent committees: the Audit Committee, HR Committee and Business Development Committee. The aforementioned committees discussed individual areas of expertise in accordance with their respective competences and tasks. 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 composition and most important tasks of individual committees in 2022 are described in the annual report.

### **Assessment of the Supervisory Board's work**

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 2022 financial year, and based on the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022, 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 Telekom Slovenije Group subsidiaries and Telekom Slovenije.

### **Report of the Supervisory Board on the verification of the annual report**

The Supervisory Board discussed the audited annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022. 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 2022.

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 2022, together with the auditor's report for 2022, immediately after compilation and the issuance of the auditor's opinion. The annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022 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. The Audit Committee of Telekom Slovenije's Supervisory Board discussed the audited annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022 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 Community, and other relevant legislation. The Audit Committee had no comments with respect to the annual report for 2022, and proposed that the Supervisory Board approve the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022 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 assets and financial position of the Telekom Slovenije Group and Telekom Slovenije.

Slovenije as at 31 December 2022, 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 Community. 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 2022 that would in any way inhibit its decision to approve that 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 2022. The Supervisory Board approved the annual report for 2022 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, which is included in the business report section of the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022, and assessed that they are a reflection of the actual governance of the Company in 2022.

President of the Supervisory Board:  
Žiga Debeljak, MSc

**Materials for item 4 of the agenda:**

**PROPOSAL FOR THE USE OF DISTRIBUTABLE PROFIT FOR THE 2022 FINANCIAL YEAR  
AND PROPOSAL ON GRANTING DISCHARGE TO THE MANAGEMENT BOARD AND SUPERVISORY  
BOARD FOR THE 2022 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 for 2022 in the amount of EUR 40,292,646.55 shall remain undistributed as retained earnings.
- 4.2 The General Meeting of Shareholders hereby grants discharge to the members of the Management Board for the 2021 financial year.
- 4.3 The General Meeting of Shareholders hereby grants discharge to the members of the Supervisory Board for the 2021 financial year.

**Grounds:**

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 2022 was discussed and approved by the Company's Supervisory Board.

The Company's Management Board has prepared a proposal on the use of distributable profit for 2022 with the consent of the Company's Supervisory Board. The aforementioned bodies propose that the Company's General Meeting of Shareholders leave distributable profit for 2022 in the amount of EUR 40,292,646.55 undistributed, which deviates from the established dividend policy in the past.

The reason for that proposal lies in the fact that the Company benefited from aid granted with the aim of alleviating high electricity prices in accordance with the Act on Aid to the Economy to Mitigate the Impact of the Energy Crisis (ZPGOPEK). The aforementioned act states that companies are not entitled to aid if they pay dividends in 2023 or for 2023. Such a payment would make Telekom Slovenije, d.d. liable for the repayment of aid currently estimated to EUR 3.8 million.

Given the proposal to refrain from the payment of dividends in 2023, the Management Board and Supervisory Board will strive to submit a proposal to the General Meeting of Shareholders in 2024 to pay total distributable profit for 2022, representing dividends of around EUR 6.0 per share, taking into account business and financial circumstances at that time.

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 on granting discharge to the current Management Board and Supervisory Board members. In accordance with the recommendation of the Corporate Governance Code, voting on the conferral of official approval shall be carried out separately for the Management Board and the Supervisory Board.

President of the Management Board:  
Boštjan Košak

President of the Supervisory Board:  
Žiga Debeljak, MSc

**Materials for item 5 of the agenda:**

**REPORT ON THE REMUNERATION OF MEMBERS OF TELEKOM SLOVENIJE, D.D.'S MANAGEMENT BOARD AND SUPERVISORY BOARD FOR 2022, AND INFORMATION REGARDING THE REMUNERATION OF MEMBERS OF THE MANAGEMENT BODIES OF THE THREE BIGGEST SUBSIDIARIES FOR 2022**

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:**

- 5.1 The General Meeting of Shareholders has been briefed on and has approved the report on the remuneration of members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board for 2022.

The General Meeting of Shareholders is hereby briefed 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 three biggest subsidiaries for 2022.

**Grounds:**

Pursuant to Article 294b of the ZGD-1, the Management Board and Supervisory Board have prepared a report on the remuneration of members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board for 2022 (hereinafter: the Report), which includes a comprehensive overview of remuneration, including all fringe benefits in any form that the Company provided or owed individual members of the management and supervisory bodies during the last financial year. The Report was reviewed by the auditor, PricewaterhouseCoopers d.o.o., which issued a Report of the independent auditor on limited assurance procedures conducted in connection with the Report (hereinafter: the auditor's report), from which it is evident that in its review the auditor found nothing that would cause us to believe that the Report is incomplete or that it is not in accordance with the valid requirements set out in the basis for preparation in all material aspects. The remuneration report, together with the auditor's report, serves as an enclosure to these materials.

The Company drew up a clear and understandable report on the remuneration of the members of the management bodies of the Company's three biggest subsidiaries in 2022 (hereinafter: the remuneration report), which includes a comprehensive overview of remuneration, including all fringe benefits in any form that the Company provided or owed individual members of management bodies during the 2022 financial year. The report on the remuneration of the management bodies of the Company's three biggest subsidiaries in 2022 serves as an enclosure to these materials.

President of the Management Board:  
Boštjan Košak

President of the Supervisory Board:  
Žiga Debeljak, MSc

**Enclosures:**

- Report on the remuneration of members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board for 2022
- Report on the remuneration of the management bodies of the Company's three biggest subsidiaries in 2022

## **REPORT ON THE REMUNERATION OF MEMBERS OF TELEKOM SLOVENIJE, D.D.'S MANAGEMENT BOARD AND SUPERVISORY BOARD FOR 2022**

### **1. Introduction**

The Management Board and Supervisory Board have prepared a report on the remuneration of members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board for 2022 (hereinafter: the Report) in accordance with the provision of Article 294b of the Companies Act (hereinafter: the ZGD-1). The Report contains a comprehensive overview of remuneration, including all fringe benefits that the Company provided or owed individual members of the management and supervisory bodies during the 2022 financial year.

All remuneration paid or owed to members of the Management Board and Supervisory Board in the period 1 January 2022 to 31 December 2022 is in line with the Remuneration Policy for Members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board (hereinafter: the Remuneration Policy), which was adopted by the Company's Supervisory Board on 11 May 2022 in accordance with Article 294a of the ZGD-1. The Remuneration Policy is published and accessible on the Company's website at <https://www.telekom.si/o-podjetju/skupscine-delnicarjev/Politika%20prejemkov%20%C4%8Dlanov%20uprave%20in%20NS.pdf>.

The Company's General Meeting of Shareholders held in June 2022 did not adopt a consultative resolution regarding the Remuneration Policy. For this reason, an adjusted Remuneration Policy will be submitted for consultative voting at the Company's regular General Meeting of Shareholders in 2023. The Remuneration Policy nevertheless is valid.

When setting the remuneration of Management Board members in 2022, the Company **complied with valid legislation** until the receipt of the new Remuneration Policy. In doing so it took into account the following legal bases, principles and rules, which were included *mutatis mutandis* in the remuneration policy:

- In accordance with Article 270 of the ZGD-1, the Supervisory Board ensures, when determining the total remuneration of individual members of the Management Board (salary and the reimbursement of costs, fringe benefits, performance bonus in the form of a stock option plan, profit participation, severance pay and other remuneration), that **total remuneration is proportionate with the tasks of Management Board members and the Company's financial position**, and that the **remuneration** of individual Management Board members is **in line** with the following **principles**:
  - (i) the remuneration of Management Board members **promotes the long-term sustainability of the Company and is in line with the results achieved and the Company's financial position**;
  - (ii) remuneration comprises a basic component and a **variable component that depends on previously determined and measurable criteria**; and
  - (iii) **severance is only paid in the event of the early termination of a contract**. Severance pay may not be paid if a Management Board member is recalled for the reasons set out in the first, second and third indents of the second paragraph of Article 268 of the ZGD-1, or if a Management Board member terminates their contract of their own volition.
- When setting the remuneration of Management Board members, the Supervisory Board takes into account the 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 (hereinafter: the ZPPOGD), which states in the second indent of the third paragraph of Article 4 that the **basic salary is determined in relation to the average gross salary paid at Group companies during the previous financial year**. To that end, the Supervisory Board also takes into account the Decree setting the highest correlation between the basic salary and the amount of variable remuneration of directors (hereinafter: the Decree). In accordance with Article 7 of the ZPPOGD, the Company must send every contract with an individual Management Board member (and thus every amendment to a contract) to the Ministry of the Economy, Tourism and Sport.
- Management Board members are also entitled to **variable remuneration that depends on previously determined and measurable criteria**. The Supervisory Board adopts a resolution setting variable remuneration at the end of an individual financial year when it approves the audited annual report.
- The Supervisory Board **defines the objectives and criteria** for Management Board members **for the next financial year following approval of the plan**. Variable remuneration **may not exceed 30%** of the basic salary of a member of the Management Board during the financial year. The **payment of 50%** of this

component of remuneration **is deferred for at least two years**. A total of 50% of variable remuneration may be paid in the form of the Company's shares.

- The Company also adopted Rules governing the other rights of members of the Management Board (hereinafter: the Rules). **In accordance with the ZPPOGD, the Company's 26th General Meeting of Shareholders held on 15 May 2015 was briefed on the Rules, while the 28th General Meeting of Shareholders held on 21 April 2017 was briefed on changes to the rules.** The Rules were appropriately incorporated into the employment contracts of individual Management Board members, as explained in point 3.5 of this Report. The Rules were taken into account in the Remuneration Policy *mutatis mutandis*, and ceased to be in force with the adoption of the Policy.
- When setting the remuneration of Management Board members, the Company also takes into account the **recommendations of the Corporate Governance Code and the Corporate Governance Code for Companies with Capital Assets of the State.**

The **remuneration of Supervisory Board members and the amount thereof is set by the Company's General Meeting of Shareholders** in accordance with the valid Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: the Code), which was adopted by Slovenski državni holding, d.d. in March 2021. The remuneration paid to Supervisory Board members comprises payment for the performance of their function and session fees, all of which are paid monthly. The Supervisory Board adopts a resolution setting payments to the external members of committees.

### 1.1. Performance of the Telekom Slovenije Group in 2022 and 2021

#### Fulfilment of key financial objectives of the Telekom Slovenije Group for 2022

	Planned in 2022	Achieved in 2022	Index – achieved/ planned
Operating revenues	EUR 660.6 million	EUR 659.0 million	100
EBITDA	EUR 211.2 million	EUR 216.5 million	102
Net profit	EUR 27.9 million	EUR 37.5 million	135
Investments	EUR 203.1 million	EUR 167.8 million*	83

The Telekom Slovenije Group (hereinafter: the TSG) generated EUR 659.0 million in operating revenues in 2022, which was at the planned level. Both Telekom Slovenije and IPKO recorded an increase in revenues in the mobile segment of the end-user market. Revenues on the wholesale market were higher than planned at the Group level on account of domestic wholesale services and higher revenues from international voice traffic.

EBITDA was EUR 5.3 million or 2% higher than planned, in part due to measures adopted to optimise direct and indirect costs.

Following the calculation of income tax (including deferred tax assets), the TSG generated a net profit of EUR 37.5 million in 2022, which was EUR 9.6 million higher than planned.

Investments by the TSG totalled EUR 167.8 million in 2022, which was 17% less than planned. Investments were lower due to significant optimisation activities in this area, which were carried out with no negative effects on the operations of the TSG.

## Fulfilment of key financial objectives of the Telekom Slovenije Group for 2021

	Planned in 2021	Achieved in 2021	Index – achieved/ planned
Operating revenues	EUR 653.0 million	EUR 653.6 million	100
EBITDA	EUR 210.6 million	EUR 220.8 million	105
Net profit	EUR 30.8 million	EUR 37.9 million	123
Investments	EUR 203.7 million	EUR 208.2 million*	102
Investments excluding the purchase of frequencies	EUR 203.7 million	EUR 156.1 million	77

\* The purchase of frequencies in the amount of EUR 52.1 million was not included in planned investments in 2021.

The TSG generated EUR 653.6 million in operating revenues in 2021, which was more than planned. Revenues were higher in the mobile segment of the end-user market, primarily on account of higher revenues from the sale of mobile merchandise at Telekom Slovenije and higher revenues at IPKO. IPKO is attracting new users through intensive marketing activities, while the company's revenues were also higher due to an increased number of visits by expatriates. Revenues on the wholesale market were higher than planned at the Group level, primarily on account of higher revenues from international voice traffic and an increased number of visits by expatriates in Kosovo.

OPEX was lower than planned due to measures adopted to optimise both direct and indirect costs.

As a result, EBITDA was EUR 10.2 million or 5% higher than planned.

Following the calculation of income tax (including deferred tax assets), the TSG generated a net profit of EUR 37.9 million in 2021, which was EUR 7.1 million higher than planned.

Investments by the TSG totalled EUR 208.2 million in 2021. That amount includes the purchase of frequencies in the amount of EUR 52.1 million, which was not planned (the amount for the purchase of frequencies was included in a sensitivity analysis). Without the amount for the purchase of frequencies, investments would have totalled EUR 156.1 million, which is 23% lower than planned. Investments were lower due to significant optimisation activities in this area, which were carried out with no negative effects on the operations of the TSG.

In 2021, the TSG increased the number of both mobile and broadband connections, which serves as a sound foundation for operations in 2022.

### Sustainable operations

The principles of sustainable operations are an integral element of the business processes of Telekom Slovenije and Telekom Slovenije Group companies, while the creation of a sustainable future is a key strategic policy. Our strategic objectives, and material sustainability aspects and topics are closely linked, and reflect the Telekom Slovenije Group's desire to create a sustainable future that combines the advantages of the digital and green transition.

Through our infrastructure and services and the most advanced solutions, we are contributing to Slovenia's development into a digital society. Through them, we are linking all stakeholders. We responsibly manage economic-governance, social and environmental impacts, and are integrating the principles of sustainability into our operations, products, services and content. We act in accordance with the highest ethical principles to that end.

As a signatory of the charter of the European Telecommunications Network Operators' Association (ETNO), we are committed to protecting the environment and efficient energy consumption, social and corporate responsibility, and the responsible management of employees and vulnerable user groups. Our sustainable activities also take into account the Sustainable Development Goals of the United Nations.

By understanding interdependence and interconnectivity, the Group places itself at the forefront in creating a balance between the economy, a profitable activity, the environment and civil society.

Environmental objectives are closely linked to everyday operations, as a number of activities are carried out to reduce energy consumption and limit emissions into the environment.

We earmark sponsorships and donations for sporting, educational, cultural, environmental and humanitarian organisations and projects at the national and regional levels.

We are aware of the importance of ensuring the health and safety of our employees, and keeping them well-informed. We are implementing numerous activities in that regard.

A permanent working group for sustainable operations was established in 2022, and was tasked with monitoring trends and legislation in the aforementioned area, and with adopting recommendations and measures for the introduction of sustainability aspects in the operations of the Telekom Slovenije Group.

We pursue the United Nations' Sustainable Development Goals through our commitment to our activities:

- The provision of the most advanced communication services to residential and business users for the digitalisation of society and the economy.
- The provision of advanced ICT services and content in both urban and rural areas, through which we contribute to the bridging of the digital divide in society.
- The development of comprehensive smart city and community solutions for the management of traffic flows, the measurement of air and water quality, the management of energy sources, public lighting, etc.
- Ensuring the accessibility of digital services, and the security of connections and systems.
- The provision of eCare and telemedicine services to the Slovenian population.
- The facilitation of independent access to Telekom centres and points of sale by disabled persons.
- The preservation of the natural environment and cultural heritage.
- We strive for tolerance, mutual respect and the respect of basic human rights. We promote fair and ethical treatment, and operations that are in line with valid legislation.
- We advocate diversity and gender equality in all areas.
- The promotion of intergenerational cooperation and the implementation of measures aimed at the transfer of knowledge.

## **1.2. Average employee remuneration at Telekom Slovenije, d.d.**

The methodology used to calculate average employee remuneration at Telekom Slovenije, d.d. (excluding members of the Management Board) is presented below.

The same methodology used in the disclosure of the remuneration of Management Board members was taken into account in the setting of employee remuneration. In addition to salaries and bonuses, remuneration includes all other employment-related remuneration (e.g. annual leave allowance, severance pay at retirement, etc.), all fringe benefits and the reimbursement of costs (e.g. travel to and from work, food allowance, and daily allowances and other business travel-related costs), and all other compensation charged to the Company (e.g. wage compensation for annual leave and holidays, etc.) or charged to others (e.g. care, guardianship, blood donation, etc.).

The calculation of average remuneration was performed in such a way that the sum of the total remuneration of all employees at the Company (excluding members of the Management Board) was divided by the number of employees calculated based on hours. The calculation of the number of employees based on hours took into account all hours worked and all hours not worked but for which wages or wage compensation was paid.

**Gross** average annual employee remuneration at the Company, excluding members of the Management Board, was **EUR 42.5 thousand in 2022**.

**Gross** average annual employee remuneration at the Company, excluding members of the Management Board, was **EUR 41.1 thousand in 2021**.

## 2. Remuneration of members of Telekom Slovenije, d.d.'s Supervisory Board for 2022

The remuneration of Supervisory Board members and the amount thereof is set by the Company's General Meeting of Shareholders in accordance with the valid Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: the Code), which was adopted by Slovenski državni holding, d.d. in March 2021.

On 18 June 2021, the Company's General Meeting of Shareholders adopted a resolution setting the remuneration of Supervisory Board members.

Representing the basis for setting the remuneration of Supervisory Board members in 2021 were the following two resolutions of the Company's General Meeting of Shareholders:

- the resolution adopted under item eight of the agenda of the Company's General Meeting of Shareholders held on 5 June 2020, which was in force and applied for the setting of the remuneration of Supervisory Board members until 18 June 2021; and
- the resolution adopted under point seven of the agenda of the Company's General Meeting of Shareholders held on 18 June 2021.

External members of the Supervisory Board's committees are entitled to pay for the performance of their functions and session fees. In 2021, the Supervisory Board decided to apply the valid resolution of the Company's General Meeting of Shareholders regarding the remuneration of Supervisory Board members for the reimbursement of costs and payment of session fees to the external members of its committees. External members of the Supervisory Board's committees receive a basic salary for the performance of their function in the amount of 40% of the basic salary received by Supervisory Board members for the performance of their function. The Supervisory Board concludes the requisite contract with every external member of its committees. That contract applies from the date of appointment.

### Remuneration of Supervisory Board members for 2022 (broken down)

(in EUR)	Session fees	Basic salary	Committees**	Travel expenses	Liability insurance	Total gross*
<b>Shareholder representatives</b>						
Žiga Debeljak (9 September to 31 December), President of the Supervisory Board	2,860	7,865	1,100	0	0	11,825
Iztok Černoša (1 January to 9 September), President of the Supervisory Board	2,915	16,878	1,540	0	620	21,953
Karla Pinter (1 January to 31 December), Vice-President of the Supervisory Board	5,775	19,940	1,320	0	620	27,655
Marko Boštjančič (9 September to 31 December), member of the Supervisory Board	2,860	5,833	1,100	1,731	0	11,524
Alenka Čok Pangeršič (9 September to 31 December), member of Supervisory Board	2,860	5,396	660	0	0	8,916
Mateja Čuk Orel (9 September to 31 December), member of Supervisory Board	2,860	5,916	1,100	0	0	9,876
Aleksander Igličar (1 January to 31 December), member of the Supervisory Board	5,775	21,000	2,904	0	620	30,299
Radovan Cerjak (1 January to 9 September), member of the Supervisory Board	2,915	15,672	1,540	0	620	20,747
Marko Kerin (1 January to 9 September), member of the Supervisory Board	2,915	16,644	3,564	0	620	23,743

Jurij Toplak (1 January to 9 September), member of the Supervisory Board	2,640	12,056	1,100	0	620	16,416
<b>Employee representatives</b>						
Drago Kijevčanin (1 January to 31 December), Vice-President of the Supervisory Board	5,396	22,400	5,104	0	620	33,520
Dušan Pišek (1 January to 31 December), member of the Supervisory Board	5,775	19,104	220	0	620	25,719
Rok Pleteršek (2 June to 31 December), member of the Supervisory Board	4,180	9,755	220	0	0	14,155
Jana Žižek Kuhar (1 January to 2 June), member of Supervisory Board	1,595	7,340	0	0	620	9,555
<b>Total</b>	<b>51,321</b>	<b>185,799</b>	<b>21,472</b>	<b>1,731</b>	<b>5,580</b>	<b>265,903</b>

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

\*\* Committees – session fees for committees.

#### Remuneration of external members of the Supervisory Board's committees for 2022 (broken down)

(in EUR)	Session fees	Basic salary	Travel expenses	Total gross*
Janez Bešter (28 November to 31 December)	0	467	0	467
Barbara Gorjup (1 January to 31 December)	2,684	5,600	0	8,284
Marko Hočevár (1 March to 31 December)	2,464	5,600	0	8,064

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

In accordance with the law and the relevant Supervisory Board resolution, the Audit Committee of Telekom Slovenije's Supervisory Board also performs audit committee tasks at the subsidiaries Soline and Avtenta, which are public-interest entities under valid legislation.

Telekom Slovenije has concluded agreements on the performance of audit committee tasks with both subsidiaries. Those agreements include the definition of the remuneration of members of the Audit Committee. Taking into account the above facts, the members of the Audit Committee of Telekom Slovenije's Supervisory Board received the following remuneration in 2022 for performing the function of audit committee at Soline and Avtenta:

#### Remuneration of members of the Audit Committee of Telekom Slovenije's Supervisory Board for performing the function of audit committee at Soline in 2022

(in EUR)	Session fees	Basic salary	Travel expenses	Total gross*
Aleksander Igličar (1 January to 31 December), committee chair	1,540	0	0	1,540
Alenka Čok Pangeršič (14 September to 31 December), committee member	220	0	0	220
Barbara Gorjup (11 February to 31 December), committee member	1,540	0	0	1,540
Marko Hočevár (1 January to 31 December), committee member	1,320	0	0	1,320

Marko Kerin (1 January to 9 September), committee member	1,320	0	0	1,320
Drago Kijevčanin (1 January to 31 December), committee member	1,540	0	0	1,540
<b>Total</b>	<b>7,480</b>	<b>0</b>	<b>0</b>	<b>7,480</b>

\* The total gross amount represents the sum of session fees for the committee.

#### Remuneration of members of the Audit Committee of Telekom Slovenije's Supervisory Board for performing the function of audit committee at Avtenta in 2022

(in EUR)	Session fees	Basic salary	Travel expenses	Total gross*
Aleksander Igličar (1 January to 31 December), committee chair	1,540	0	0	1,540
Alenka Čok Pangeršič (14 September to 31 December), committee member	440	0	0	440
Barbara Gorjup (11 February to 31 December), committee member	1,540	0	0	1,540
Marko Hočevár (1 January to 31 December), committee member	1,320	0	0	1,320
Marko Kerin (1 January to 9 September), committee member	1,100	0	0	1,100
Drago Kijevčanin (1 January to 31 December), committee member	1,540	0	0	1,540
<b>Total</b>	<b>7,480</b>	<b>0</b>	<b>0</b>	<b>7,480</b>

\* The total gross amount represents the sum of session fees for the committee.

The amounts that members of the Supervisory Board and external committee members receive for the performance of their functions and session fees fluctuate from year to year. The total amount depends on the number and types of sessions convened, the function of an individual and the duration of their term of office during the year. The amount of annual payments is capped.

Supervisory Board members received training in 2022 in various areas relating to the Supervisory Board's work. Training costs totalled EUR 650.00 (2021: EUR 2,329.65).

#### Remuneration of Supervisory Board members for 2021 (broken down)

(in EUR)	Session fees	Basic salary	Committees***	Travel expenses	Liability insurance	Total gross*
<b>Shareholder representatives</b>						
Iztok Černoša (22 January to 31 December), President of the Supervisory Board	5,500	23,328	2,420	0	689	31,937
Karla Pinter (18 June to 31 December), Deputy President of the Supervisory Board	2,420	10,094	660	28	0	13,202

Radovan Cerjak (22 January to 31 December), member of the Supervisory Board	5,280	19,626	1,980	0	689	27,575
Aleksander Igličar (22 January to 31 December), member of the Supervisory Board	5,500	19,626	4,004	28	689	29,847
Marko Kerin (22 January to 31 December), member of the Supervisory Board	4,675	19,626	4,950	124	689	30,064
Jurij Toplak (18 June to 31 December), member of the Supervisory Board	2,420	9,343	660	383	0	12,806
Štefan Belingar (1 January to 21 January), member of the Supervisory Board	275	1,482	220	0	0	1,977
Barbara Gorjup (1 January to 27 April), member of Supervisory Board	2,805	7,394	1,672	0	689	12,560
Boštjan Koler (1 January to 21 January), President of the Supervisory Board	275	1,778	220	0	0	2,273
Barbara Kürner Čad (1 January to 27 April), Deputy President of the Supervisory Board	2,805	8,318	1,540	0	689	13,352
Dimitrij Marjanović (1 January to 21 January), member of the Supervisory Board	275	1,185	0	0	0	1,460
Igor Rozman (1 January to 21 January), member of the Supervisory Board	275	1,185	0	0	0	1,460
<b>Employee representatives</b>						
Drago Kijevčanin (1 January to 31 December), Vice-President of the Supervisory Board	5,396	22,400	5,104	0	689	33,589
Dušan Pišek (1 January to 31 December), member of the Supervisory Board	5,775	18,813	660	0	689	25,937
Jana Žižek Kuhar (1 January to 31 December), member of Supervisory Board	5,500	17,500	660	0	689	24,349
<b>Total</b>	<b>49,176</b>	<b>181,698</b>	<b>24,750</b>	<b>563</b>	<b>6,201</b>	<b>262,388</b>

\* The total gross amount represents the sum of remuneration for session fees 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, together with travel expenses.

\*\*\* Committees – session fees for committees.

**Remuneration of external members of the Supervisory Board's committees for 2021 (broken down)**

(in EUR)	Session fees	Basic salary	Travel expenses	Total gross*
Barbara Gorjup (22 June to 31 December)	1,672	3,442	0	5,114
Marko Hočevár (11 February to 31 December)	3,124	5,975	0	9,099
Melita Malgaj (1 January to 6 April)	660	1,867	0	2,527
Barbara Nose (1 January to 11 February)	220	1,219	0	1,439
Gregor Rajšp (1 January to 6 April)	660	1,867	0	2,527
Alenka Stanič (1 January to 6 April)	660	1,867	0	2,527
<b>Total</b>	<b>6,996</b>	<b>16,237</b>	<b>0</b>	<b>23,233</b>

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

In accordance with Articles 514 and 514a of the ZGD-1, the Company's Supervisory Board adopted a decision under which the audit committee tasks at the subsidiary Soline will be performed by the Audit Committee of Telekom Slovenije's Supervisory Board from 24 May 2021 on.

For that purpose, Telekom Slovenije and Soline concluded an agreement on the performance of audit committee tasks at Soline. That agreement includes a definition of the remuneration of members of the Audit Committee. Taking into account the above facts, the members of the Company's Supervisory Board received the following payments in 2021 for the performance of the function of Audit Committee members at Soline:

(in EUR)	Session fees	Basic salary	Travel expenses	Total gross*
Aleksander Igličar (24 May to 31 December), committee chair	220	0	0	220
Barbara Gorjup (24 May to 31 December), committee member	220	0	0	220
Marko Hočevár (24 May to 31 December), committee member	220	0	0	220
Marko Kerin (24 May to 31 December), committee member	220	0	0	220
Drago Kijevčanin (24 May to 31 December), committee member	220	0	0	220
<b>Total</b>	<b>1,100</b>	<b>0</b>	<b>0</b>	<b>1,100</b>

\*\* The total gross amount represents the sum of session fees for the committee.

The amounts that members of the Supervisory Board and external committee members receive for the performance of their functions and session fees fluctuate from year to year. The total amount depends on the number and types of sessions convened, the function of an individual and the duration of their term of office during the year. The amount of annual payments is capped.

Supervisory Board members received training in 2021 in various areas relating to the Supervisory Board's work. Training costs totalled EUR 2,329.65.

### 3. Remuneration of members of Telekom Slovenije, d.d.'s Management Board for 2022

Presented below is the remuneration of members of Telekom Slovenije's Management Board, including all fringe benefits. Members of the Management Board are not entitled to profit participation or stock options. Members of the Management Board did not receive remuneration in the form of profit participation or stock options in 2022 and 2021.

The system of variable remuneration is linked to the fulfilment of the plan and strategy of Telekom Slovenije and the Telekom Slovenije Group, and thus contributes to the long-term performance of the Company and Group.

The basic monthly salary of members of the Management Board is set in accordance with the ZPPOGD and the Remuneration Policy, which was adopted in part with the aim of promoting the development and implementation of the business strategy, and the long-term development and sustainability of the Company.

Variable remuneration for 2022 will be set taking into account criteria that include the sustainability aspect (coverage of households with the possibility of connection to the fibre optic network owned by Telekom Slovenije and GVO, the proportion of reused CPE expressed in %, etc.) and the long-term performance of the Company (modernisation of the fixed network, implementation of ESG sustainability commitments, etc.).

Variable remuneration for 2021 was set taking into account qualitative financial criteria (EBITDA of the TSG, etc.) and qualitative non-financial criteria (transformation of the fixed network, etc.).

Other rights of Management Board members are set out in accordance with the ZPPOGD and the Remuneration Policy.

#### 3.1 Remuneration of members of the Company's Management Board for 2022

(in EUR)	Basic salary	Variable remuneration*	Other personal income***	Reimbursement of expenses	Annual leave allowance	Insurance premiums	Fringe benefits	Voluntary supplemental pension insurance	Total gross**
Boštjan Košak (4 October to 31 December), President of the Management Board	40,228	0	0	664	502	10	1,898	726	44,028
Boštjan Škufca Zaveršek (14 November to 31 December), Vice-President of the Management Board	20,591	0	0	266	331	0	591	484	22,263
Špela Fortin (1 January to 31 December), member of the Management Board – Workers Director	145,686	18,321	0	1,541	1,924	1,013	6,387	2,904	177,776
Irma Gubanec (12 October to 31 December), member of the Management Board	32,699	0	0	675	502	81	0	726	34,683
Vesna Prodnik (14 November to 31 December), member of the Management Board	19,508	0	0	271	331	81	1,202	484	21,877

Barbara Galičič Drakslar (1 January to 11 October), member of the Management Board	114,251	11,913	80,582	1,171	1,443	790	5,414	2,420	217,984
Tomaž Jontes (1 January to 1 September), Vice-President of the Management Board	103,933	41,123	689	823	1,283	871	5,579	2,178	156,479
Cvetko Sršen (1 January to 3 October), President of the Management Board	123,058	14,107	83,048	1,303	1,443	465	5,695	2,420	231,539
Mitja Štular (1 January to 13 November), member of the Management Board	146,148	12,753	0	1,127	1,924	544	6,790	2,904	172,190
Tomaž Seljak (for 2020 and 2021), President of the Management Board	0	10,264	0	0	0	0	0	0	10,264
Matjaž Beričič (for 2020 and 2021), member of the Management Board	0	5,061	0	0	0	0	0	0	5,061
Vida Žurga (for 2020), Vice-President of the Management Board	0	2,939	0	0	0	0	0	0	2,939
Ranko Jelača (for 2020), member of the Management Board	0	718	0	0	0	0	0	0	718
<b>Total</b>	<b>746,102</b>	<b>117,199</b>	<b>164,319</b>	<b>7,841</b>	<b>9,683</b>	<b>3,855</b>	<b>33,556</b>	<b>15,246</b>	<b>1,097,801</b>

\* Variable remuneration represents part of payment for successful operations in 2019, 2020 and 2021.

\*\* 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).

\*\*\* Other personal income comprises the payment of loyalty bonuses, severance pay, etc.

In accordance with Articles 514 and 514a of the ZGD-1, a Supervisory Board and Audit Committee were formed at the subsidiary GVO, gradnja in vzdrževanje telekomunikacijskih omrežij, d.o.o. (hereinafter: GVO).

Members of the Company's Management Board received the following remuneration as members of GVO's Supervisory Board in the period January 2022 to December 2022:

(in EUR)	Session fees	Basic salary	Committees	Total (gross)
Vesna Prodnik (9 November to 31 December)	138	563	0	701
Mitja Štular (1 January to 9 November)	660	4,365	0	5,025
<b>Total</b>	<b>798</b>	<b>4,928</b>	<b>0</b>	<b>5,726</b>

### 3.2 Remuneration of members of the Company's Management Board for 2021

(in EUR)	Basic salary	Variable remuneration*	Other personal income***	Reimbursement of expenses	Annual leave allowance	Insurance premiums	Fringe benefits	Voluntary supplemental pension	Total gross**
Cvetko Sršen (10 March to 31 December), President of the Management Board	130,223	0	0	1,470	1,216	0	7,734	2,349	142,992
Tomaž Jontes (22 March to 31 December), Vice-President of the Management Board; (1 January to 21 March), member of the Management Board	152,840	6,160	0	1,285	1,621	1,005	9,588	2,819	175,318
Mitja Štular (10 March to 31 December), member of the Management Board	117,717	0	689	1,088	1,312	59	2,551	2,278	125,694
Barbara Galičič Drakslar (31 March to 31 December), member of the Management Board	109,970	0	0	1,379	1,197	366	5,010	2,114	120,036
Špela Fortin (1 January to 31 December), member of Management Board – Workers Director	133,707	8,284	0	1,316	1,621	1,005	7,783	2,819	156,535
Tomaž Seljak (1 January to 10 March),	30,987	53,655	0	282	314	639	1,670	552	88,099

President of the Management Board									
Vida Žurga (1 January to 10 March), Vice-President of the Management Board	0	30,787	0	0	314	639	2,558	552	34,850
Matjaž Beričič (1 January to 10 March), member of the Management Board	30,521	11,700	0	275	314	639	1,067	552	45,068
Ranko Jelača (for 2020), member of the Management Board	0	4,786	0	0	0	0	0	0	4,786
<b>Total</b>	<b>705,965</b>	<b>115,372</b>	<b>689</b>	<b>7,095</b>	<b>7,909</b>	<b>4,352</b>	<b>37,961</b>	<b>14,035</b>	<b>893,378</b>

\* Variable remuneration represents part of payment for successful operations in 2018, 2019 and 2020.

\*\* 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).

\*\*\* Other personal income comprises the payment of loyalty bonuses.

The members of the Management Board whose terms of office were terminated early in 2021 did not receive financial benefits, services or entitlements, as they remained employed at the Company.

In accordance with Articles 514 and 514a of the ZGD-1, a Supervisory Board and Audit Committee were formed at the subsidiary GVO, gradnja in vzdrževanje telekomunikacijskih omrežij, d.o.o. (hereinafter: GVO). Dr Mitja Štular was elected to serve as the President of GVO's Supervisory Board.

The member of the Company's Management Board received the following remuneration as member of GVO's Supervisory Board in the period January 2021 to December 2021:

(in EUR)	Session fees	Basic salary	Committees	Total (gross)
Mitja Štular (28 May to 31 December)	550	2,966	0	3,516
<b>Total</b>	<b>550</b>	<b>2,966</b>	<b>0</b>	<b>3,516</b>

### 3.3 Basic monthly salary of members of the Company's Management Board

On 1 May 2021, the Company's Supervisory Board set the basic monthly salary of the President of the Management Board in the **amount of five times** the average monthly salary of employees at companies in the Telekom Slovenije Group with a registered office in the Republic of Slovenia. The basic monthly salary of the **Vice-President of the Management Board was set at 95%** of the basic salary of the President, while the basic monthly salary of other **members of the Management Board was set at 90%** of the basic monthly salary of the President. Prior to that, the basic monthly salary of all members of the Management Board was set at five times the average monthly salary of employees at TSG companies, with the exception of the Workers' Director, whose monthly salary was set at 70% of the basic monthly salary of the President of the Management Board.

### 3.4 Variable remuneration paid to members of the Company's Management Board

The Supervisory Board defined the objectives and criteria for the calculation of the variable remuneration paid to the Company's Management Board for 2020, 2021 and 2022 in accordance with provisions of the ZPPOGD and the employment contracts of Management Board members.

The objectives of Management Board members 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. The objectives of the Management Board focus on the long-term success of the Company and Group (e.g. the EBITDA of the TSG, the number of users of the TSG's services, the expansion and modernisation of the network, etc.). The calculation methodology is defined by the Supervisory Board, taking into account the ratio between achieved and planned results during the reporting period following the conclusion of the financial year and the auditing of the financial statements. Variable remuneration is set every year via a resolution adopted by the Company's Supervisory Board, taking into account the provisions of the employment contracts of individual Management Board members and the ZPPOGD. The amount of variable remuneration depends on the achievement of the objectives set out in employment contracts, the amount of the basic salary and the term of office of a Management Board member, but may not exceed 3.6 average monthly salaries of a member during the year for which variable remuneration is set.

Members of the Management Board received 50% of variable remuneration for 2021 in 2022, while the payment of the other 50% of variable remuneration for 2021 was deferred for two years. Members of the Management Board whose terms of office were terminated were also paid the second part of variable remuneration for 2021. The length of the term of office during the financial year is also taken into account when setting the amount of variable remuneration.

#### 3.4.1 Payment of variable remuneration

Presented below is the payment of variable remuneration to Management Board members, with details regarding the period for which remuneration was paid. All data are gross amounts expressed in euros.

##### Payment of variable remuneration in the period January 2022 to December 2022

(in EUR)	Variable remuneration	Of which from 2019	Of which from 2020	Of which from 2021
Špela Fortin	18,321	2,593	1,243	14,485
Barbara Galičič Drakslar	11,913	0	0	11,913
Tomaž Jontes	41,123	0	8,008	33,115
Cvetko Sršen	14,107	0	0	14,107
Mitja Štular	12,753	0	0	12,753
Tomaž Seljak	10,264	0	3,550	6,714
Matjaž Beričič	5,061	0	1,755	3,306
Vida Žurga	2,939	0	2,939	0
Ranko Jelača	718	0	718	0

Variable remuneration for 2021 was set under a resolution of the Company's Supervisory Board in the amount of **2.6 times a Management Board member's salary**, taking into account the period for which they performed their function.

**Payment of variable remuneration in the period January 2021 to December 2021**

(in EUR)	Variable remuneration	Of which from 2018	Of which from 2019	Of which from 2020
Tomaž Seljak	53,655	17,610	12,378	23,667
Vida Žurga	30,787	0	11,195	19,592
Matjaž Beričič	11,700	0	0	11,700
Tomaž Jontes	6,160	0	0	6,160
Špela Fortin	8,284	0	0	8,284
Ranko Jelača	4,786	0	0	4,786

**3.4.2 Deferred payment of variable remuneration to members of the Company's Management Board**

In accordance with the ZPPOGD and specific resolutions of the Company's Supervisory Board, the payment of **50% of variable remuneration is withheld for two years**. Accordingly, the balance of withheld variable wages was as follows **as at 31 December 2022**:

- for Špela Fortin, member of the Management Board and Workers' Director:
  - o EUR 9,526.87 for 2020; and
  - o EUR 14,484.91 for 2021.

Employment contracts with Management Board members also set out the possibility of the repayment of variable remuneration in the cases laid out in the relevant legislation. There was no need or basis in 2022 and 2021 for the Company to demand the repayment of previously paid variable remuneration from Management Board members.

**3.5 Other rights of the members of the Company's Management Board**

Until the adoption of the Remuneration Policy, the other rights of Management Board members were set out in the Rules approved by the Company's Supervisory Board on 20 March 2017. In 2021, the Company's Supervisory Board partially amended the other rights of Management Board members at its session on 22 March 2021. The following other rights and fringe benefits, as set out in the Rules, were included in the employment contracts of members of the Management Board, Cvetko Sršen, Tomaž Jontes, Barbara Galičič Drakslar, Mitja Štular and Špela Fortin in 2022:

- 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 the use of 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. If a company car is used solely for business purposes, a Management Board member is entitled to a travel allowance to and from work in the same amount as the Company's other employees;
- the right to an annual preventive medical examination for managers in the amount of up to EUR 1,500;
- 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 TSG 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.

In accordance with the provisions of their employment contracts, Management Board members were also entitled to the following remuneration and fringe benefits:

- an annual leave allowance in the amount received by the Company's other employees;
- a loyalty bonus in the amount received by the Company's other employees;
- the reimbursement of business travel expenses in the same amount as the Company's other employees; and
- the reimbursement of the costs of travel to and from work, if the Management Board member is not allocated a company car for business and private purposes.

The other rights of Management Board members were amended in 2022 via the Remuneration Policy, and were only included in the employment contracts concluded with Management Board members in 2022. The following other rights and fringe benefits were defined in accordance with the Remuneration Policy:

1. an annual leave allowance in the amount received by the Company's other employees;
2. a long-service award in the amount received by the Company's other employees;
3. severance pay upon retirement in the amount received by the Company's other employees;
4. the reimbursement of costs necessary for or in connection with performing their function, in the amount received by the Company's other employees (e.g. per diem for business travel, reimbursement of overnight accommodation, etc.);
5. the reimbursement of costs for entertainment in accordance with the business and financial plan, and contingent on the traceability of expenses;
6. wage compensation in the amount received by the Company's other employees;
7. the use of a laptop computer including for private purposes;
8. the use of a fixed connection at their residential address and the use of a mobile device, tablet computer and mobile services including for private purposes;
9. education and training in fields that are important for the high-quality and effective performance of duties as a member of the Management Board, up to the gross annual amount of EUR 10,000, wherein they have the right to wage compensation due to absence for this reason, if the absence lasts up to and including 10 days a year; in the case of justified business reasons, this right may also be granted in a higher amount or for a greater number of days, regarding which the supervisory body shall issue an official decision in specific cases based on the proposal of the management body;
10. the use of a company car for business and private purposes with a retail price including VAT of up to EUR 60,000, or up to EUR 70,000 for a more environmentally friendly vehicle; if a company car is used solely for business purposes, a Management Board member is entitled to a travel allowance to and from work in the same amount as the Company's other employees; a company car that is also used for private purposes should not be replaced sooner than in three years or before it has been driven at least 150,000 kilometres, and before this only in specially justified cases and with the consent of the supervisory body;
11. an annual preventive medical examination for managers in the amount of up to EUR 1,500;
12. the payment of insurance premiums (such as supplementary pension insurance, collective accident insurance, 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) and liability insurance in accordance with the annual contract with an insurance company under the same conditions as apply to any member of the Supervisory Board and members of management and supervisory bodies at TSG companies;
13. the use of a Company payment card exclusively for business purposes to pay for business expenses, including entertainment in accordance with the business and financial plan and contingent on the traceability of expenses;
14. the payment of legal protection in the event of actions or complaints brought in various legal procedures by third parties (but not the actual Company) in cases relating to the performance of their function in the Company;
15. the reimbursement of expenses for membership fees in professional organisations in the amount of up to EUR 1,500 annually; and
16. a separation allowance in accordance with the Decree.

In accordance with the provisions of their employment contracts, Management Board members were also entitled to the following remuneration and fringe benefits:

- an annual leave allowance in the amount received by the Company's other employees;
- a loyalty bonus in the amount received by the Company's other employees;
- the reimbursement of business travel expenses in the same amount as the Company's other employees; and
- the reimbursement of the costs of travel to and from work, if the Management Board member is not allocated a company car for business and private purposes.

President of the Management Board:  
Boštjan Košak

President of the Supervisory Board:  
Žiga Debeljak, MSc

Enclosure: Auditor's report



## Independent auditor's report on the limited assurance engagement in relation to the Remuneration Report

To the General Shareholders' Meeting, the Supervisory Board and the Management of TELEKOM SLOVENIJE, d.d.

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### Introduction

We have been engaged by the Management Board of TELEKOM SLOVENIJE, d.d. (the "Company") on the basis of an agreement to conduct a limited assurance engagement for the verification of completeness and compliance with applicable requirements of the attached Report on Remuneration by the members of the management and supervisory bodies of the Company TELEKOM SLOVENIJE, d.d. for the 2022 financial year (the "Remuneration Report").

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### Description of the subject matter and applicable criteria

The Remuneration Report was prepared by the Company's Management and the Supervisory Board to comply with the requirements in Art. 294.b of the Companies Act (Official Gazette of the RS, no. 42/06 dated 19 April 2006 with amendments) (hereinafter "ZGD-1"). The applicable requirements regarding the Remuneration Report are contained in the ZGD-1.

The requirements referred to in the preceding paragraph determine the basis for preparation of the Remuneration Report (hereinafter the "Basis for Preparation") and, in our view, constitute appropriate criteria to form the limited assurance conclusion.

According to the requirements of Art. 294.b, paragraph 6 of the ZGD-1, the Remuneration Report is subject to review by an auditor to check whether the Remuneration Report contains the information required under Art. 294.b paragraphs 2 and 3 of the ZGD-1. This report fulfils these requirements.

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### Responsibilities of the Management and the Supervisory Board

The Company's Management and the Supervisory Board are responsible for the preparation and completeness of the Remuneration Report and its compliance with the Basis for Preparation. The Company's Management and the Supervisory Board are responsible for the selection and application of the appropriate methods for preparation of financial data and non-financial information as well as for the design, implementation and maintenance of systems and processes of internal control and accounting records that are necessary to enable preparation of a Remuneration Report that is free of material misstatements and complies with the applicable requirements.

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PricewaterhouseCoopers d.o.o.  
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Matriculation No.: 5717159, VAT No.: SI35498161

The company is entered into the company register at Ljubljana District Court under Insert no. 12156800 per resolution Srg. 200110427 dated 19 July 2001 and into the register of audit companies at the Agency for Public Oversight of Auditing under no. RD-A-014/94. The registered share capital is EUR 34,802. The list of employed auditors with valid licenses is available at the company's registered office.

Translation note:

This version of our report is a translation from the original, which was prepared in Slovenian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.



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### Our responsibility

Our responsibility is to assess the completeness and compliance with the applicable requirements of the information contained in the attached Remuneration Report and to express, based on the evidence obtained, an independent limited assurance conclusion based on the limited assurance engagement performed.

We have conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) – “Assurance Engagements Other than an Audit or Review of Historical Financial Information”. This standard requires that we comply with ethical requirements, plan and perform procedures to obtain limited assurance whether the Remuneration Report is prepared, in all material aspects, in accordance with the applicable requirements.

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

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### Quality Control requirements

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

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants. The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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### Summary of the work performed

Our planned and performed procedures were aimed at obtaining limited assurance whether the Remuneration Report was prepared, in all material aspects, in accordance with the applicable requirements, is complete and free from material misstatements and omissions. Our procedures included, in particular:

- analysis of the Remuneration Report and comparing the information contained therein with the applicable requirements;
- analysis of the resolutions of the General Shareholders' Meeting of the Company regarding the remuneration policy for members of the Management and the Supervisory Board as well as any supplementary resolutions of the Supervisory Board and other documents regulating the remuneration policy subject to the disclosure requirement in the Remuneration Report;
- understanding the procedures adopted by the Management and the Supervisory Board of the Company to meet the requirements of the preparation of the Remuneration Report, including understanding the relevant internal control procedures to the extent necessary to assess the risk of material misstatement or the omission of significant information;
- identifying, by comparing with corporate documents, a list of persons for whom there is a requirement to include information in the Remuneration Report and verifying, through inquiries of persons responsible for preparing the report, and, where we consider it appropriate, also directly with persons subject to the requirement provide information on, whether all information covered

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- by the criteria for the preparation of the Remuneration Report are disclosed in the Remuneration Report;
- where we consider it appropriate to assess the compliance of the Remuneration Report with applicable regulations, reconciliation of the financial data regarding remuneration presented in the Remuneration Report to the Company's accounting books and relevant source documents;
  - where we consider it appropriate to assess the completeness of the Remuneration Report with the applicable regulations, reconcile with the relevant source documents whether the non-financial information required for disclosure in the Remuneration is accurate and does not omit material facts.

The Remuneration Report was not subject to audit as defined in International Standards on Auditing. In the course of performing the assurance procedures, we have not conducted an audit or review of the historical financial information used in the process of preparation of the Remuneration Report and we therefore do not accept any responsibility for the issuance or update of any reports or opinions on historical financial information of the Company.

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

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#### Limited assurance conclusion

In our opinion, based on the limited assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration Report is not complete and does not comply, in all material aspects, with the applicable requirements contained in the Basis for Preparation.

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#### Emphasis of Matter – Remuneration policy is not yet approved by the shareholders

We draw attention to *Note 1. Introduction*, in the Remuneration Report, where Management disclosed that up to the date of the issuance of the Remuneration report, the remuneration policy was not yet approved by the shareholders as required by law. Our limited assurance conclusion is not modified in respect of this matter.

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#### Limitation of application

This report has been prepared by the company PricewaterhouseCoopers d.o.o. for the General Shareholders' Meeting, the Supervisory Board and the Management of the Company and is intended solely to fulfil the purpose described in the section *Description of the subject matter and applicable criteria*. It should not be used for any other purpose.

In connection with this report, the company PricewaterhouseCoopers d.o.o. does not accept any liability resulting from contractual and non-contractual relationships (including for negligence) with entities other than the Company in the context of this report. The above does not relieve us of liability where such release is excluded by law.

The Management of the Company is responsible for publishing the Remuneration Report on the Company's website and for providing access to it free of charge for at least 10 years from the date of the General Meeting at which the resolution evaluating the Remuneration Report was adopted, and for

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the reliability of information on the Company's website. The scope of our work does not include an assessment of these matters. Accordingly, we are not responsible for any changes that may have been made to the information which is the subject of our assessment or for differences, if any, between the information covered by our report and the information provided on the Company's website.

For and on behalf of PricewaterhouseCoopers d.o.o.

Damjan Ahčin  
Director, Certified Auditor

Primož Kovačič  
Director, Certified Auditor

Ljubljana, Slovenia, 26 April 2023

Translation note:

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## REPORT ON THE REMUNERATION OF THE MANAGEMENT BODIES OF THE COMPANY'S THREE BIGGEST SUBSIDIARIES FOR 2022

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.

All figures are presented in euros.

### 1. GVO, d.o.o.

#### a) Remuneration of Managing Director for 2022 (broken down)

Zef Vučaj has performed the function of the company's Managing Director since 1 September 2021, based on the resolution of the company's owner on his appointment.

Name and surname	Salary	Variable remuneration*	Reimbursement of expenses	Annual leave allowance	Insurance premiums	Fringe benefits	Voluntary supplementary pension insurance	Total gross*
Zef Vučaj (1 January to 31 December)	99,599	2,075	1,859	2,064	177	4,746	2,904	113,424

\* Variable remuneration is part of payment for performance in 2021.

\*\* 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).

#### b) 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 monthly;
- 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 price 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 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; 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 also cannot be paid in the other cases set out in the ZGD-1 and ZPPOGD.

### Other rights of the Managing Director in 2022:

Name and surname	Fees for education/training	Medical examinations*	Gross value of fringe benefit – use of company car**	Long-service award	Severance pay at retirement
Zef Vučaj (1 January to 31 December)	713	720	4,746	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.

### **c) Remuneration of members of GVO's Supervisory Board**

Name and surname	Sessions	Basic salary	Committees**	Travel expenses	Total gross*
<b>Shareholder representatives</b>					
Vesna Prodnik (14 November to 31 December)	138	563	0	0	701
Mitja Štular (1 January to 13 November)	660	4,365	0	0	5,025
Sabina Merhar (1 January to 31 December)	798	5,000	638	0	6,436
<b>Employee representatives</b>					
Helena Jakič (1 January to 31 December)	798	4,238	638	0	5,674
<b>Total</b>	<b>2,394</b>	<b>14,166</b>	<b>1,276</b>	<b>0</b>	<b>17,836</b>

\* The total gross amount represents the sum of remuneration for session fees and basic payments for the performance of functions and work on committees, including net remuneration (travel expenses).

\*\* Session fees for committees.

## **2. Avtenta, d.o.o.**

### **a) Remuneration of Managing Director for 2022**

Name and surname	Remuneration*	Total (gross)
Primož Kučič (1 January to 31 December)	24,000	24,000

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

According to the management agreement, the Managing Director is not entitled to variable remuneration.

### **b) Definition of other rights of the Managing Director**

The Managing Director has no other rights defined in the management agreement.

### 3. IPKO Telecommunications LLC

#### a) Remuneration of Managing Director for 2022 (broken down)

Tomaž Seljak served as IPKO's Managing Director in 2022. 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.

Name and surname	Basic salary	Christmas bonus	Other personal income	Reimbursement of expenses	Annual leave allowance	Insurance premiums	Fringe benefits	Voluntary supplemental pension insurance	Total gross*
Tomaž Seljak (1 January to 31 December) <sup>1</sup>	67,414	1,391	21,735	1,273	1,924	229	6,276	2,904	103,146
Tomaž Seljak (1 January to 31 December) <sup>2</sup>	72,300	0	0	5,820	0	0	0	0	78,120
<b>Total</b>	<b>139,714</b>	<b>1,391</b>	<b>21,735</b>	<b>7,093</b>	<b>1,924</b>	<b>229</b>	<b>6,276</b>	<b>2,904</b>	<b>181,266</b>

\* Other personal earnings comprise a supplement for work abroad.

\*\* 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).

<sup>1</sup> Payer of remuneration Telekom Slovenije, d.d.

<sup>2</sup> Payer of remuneration IPKO

#### b) 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:

- the right to a work-related telecommunications connection at the location where the employee actually lives, and the unlimited use of a mobile device;
- the right to use broadband services;
- the right to use a company car for business and private purposes in accordance with the company's rules; if a company car is used for business and private purposes, the employee shall not be entitled to a travel allowance to and from work;
- 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 level and basis for calculating the premium are the same as applies for other employees whose salary system is set in the Collective Agreement for Telekom Slovenije, d.d., and are defined in the agreement on the creation of a pension plan, which is binding on the employer;
- the right to private accident insurance with the payment of a monthly premium; and
- the right to annual international insurance (CORIS).

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

- use of a mobile device;
- use of a company car; and
- 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 in the event that they do not accept the employer's offer of appropriate permanent employment.

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

**Other rights of the Managing Director in 2022:**

Name and surname	Fees for education/training	Medical examinations	Gross value of fringe benefit – use of company car*	Long-service award	Severance pay at retirement
Tomaž Seljak (1 January to 31 December)	300	0	6,276	-	-

*\* 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:  
Boštjan Košak

**Materials for item 6 of the agenda:**

**APPOINTMENT OF AN AUDITOR FOR THE 2023, 2024 AND 2025 FINANCIAL YEARS**

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

**resolution:**

- 6.1 The Company's General Meeting of Shareholders hereby appoints the audit firm Deloitte Revizija, d.o.o. to audit the financial statements of Telekom Slovenije, d.d. for the 2023, 2024 and 2025 financial years.

**Grounds:**

Pursuant to Article 16(2) of Regulation (EU) No 537/2014 on specific requirements regarding the statutory audit of public-interest entities, the Audit Committee must submit a justified proposal for the appointment of the auditor, unless it concerns the renewal of an audit engagement.

The process of selecting an auditor for the mandatory auditing of the financial statements of the Telekom Slovenije Group and Telekom Slovenije for the 2023, 2024 and 2025 financial years, which was coordinated by the Audit Committee of Telekom Slovenije in the scope of the selection of a statutory auditor for all Telekom Slovenije Group companies subject to auditing, was carried out in accordance with valid legislation and the adopted Guidelines for Ensuring the Independence of the Auditor of the Financial Statements of the Telekom Slovenije Group, and based on the adopted Criteria for the Appointment of an Auditor of the Financial Statements of Telekom Slovenije, d.d., the Telekom Slovenije Group and Subsidiaries, and Other Audit Assurance Services as Part of the Annual Audit.

Based on previously drafted tender documentation, which included transparent and non-discriminatory selection criteria, and in cooperation with the Audit Committee of Telekom Slovenije's Supervisory Board, the independent Procurement Committee, which comprises representatives from Telekom Slovenije's specialist departments called on several audit firms to submit bids for the mandatory auditing of the financial statements of the Telekom Slovenije Group, Telekom Slovenije and other Group companies subject to such an audit for 2023, 2024 and 2025. The Procurement Committee then called on tenderers who responded to its original call to supplement or improve their bids several times. The Audit Committee of Telekom Slovenije's Supervisory Board was regularly briefed on the assessment of bids, and also reviewed the final assessment of bids and the report on the review, assessment and evaluation of bids, including enclosures, which was drafted by the independent Procurement Committee, and determined that the report was prepared transparently and professionally and includes all criteria and elements set out in the tender documentation.

Based on previously determined criteria, and taking into account documentation received and presentations by representatives of bidders at a session of the Audit Committee of Telekom Slovenije's Supervisory Board, the Audit Committee presents below justification of the selection of DELOITTE REVIZIJA, d.o.o., Dunajska cesta 165, 1000 Ljubljana, as the most favourable service provider for the audit of the financial statements of the Telekom Slovenije Group and Telekom Slovenije, d.d. for the 2023, 2024 and 2025 financial years.

DELOITTE REVIZIJA, d.o.o., which achieved the highest number of points in the comprehensive assessment of bids, prepared the best bid in terms of content, with appropriate references for the auditing of public-interest entities and other comparable entities. The proposed team of employees that will perform audit services is experienced and high-quality in terms of structure and is integrated amongst all subsidiaries that comprise the Telekom Slovenije Group, including through the direct presence of an auditing network in all countries in which subsidiaries of Telekom Slovenije that are subject to audit operate. In addition to certified auditors, the team also includes experts in the fields of information technology, the valuation of assets and companies, taxes, quality and sustainable reporting, which is important from the point of view of providing comprehensive and high-quality audit services for the Telekom Slovenije Group. At the presentation of the bid at the session of the Audit Committee of Telekom Slovenije's Supervisory Board held on 12 April 2023, representatives of the audit firm DELOITTE REVIZIJA, d.o.o. demonstrated extremely good knowledge of the Telekom Slovenije Group and Telekom Slovenije business. In

addition to the quality aspect, the tender for the provision of audit services also includes a price that the Supervisory Board's Audit Committee assesses as appropriate.

No third parties influenced the recommendation of the Audit Committee of Telekom Slovenije's Supervisory Board to select the audit firm in question. The proposal to appoint the auditor was compiled in accordance with the Guidelines for Ensuring the Independence of the Auditor of the Financial Statements of the Telekom Slovenije Group. No contractual obligation was undertaken in connection with the proposal that would have restricted the choice of invited tenderers.

President of the Supervisory Board:  
Žiga Debeljak, MSc

**Materials for item 7 of the agenda:**

**REMUNERATION POLICY FOR THE MANAGEMENT BODY OF  
TELEKOM SLOVENIJE, D.D. AND THE MANAGEMENT BODIES OF TELEKOM SLOVENIJE GROUP  
SUBSIDIARIES**

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 General Meeting of Shareholders is hereby briefed on and approves the Remuneration Policy for the Management Body of Telekom Slovenije, d.d. and the Management Bodies of Telekom Slovenije Group Subsidiaries.

**Grounds:**

In accordance with Article 294a of the ZGD-1, a company involved in trading securities on an organised market must formulate a remuneration policy for the management and supervisory bodies. Such policy must be submitted to the General Meeting of Shareholders for voting and approval. That remuneration policy must be clear and understandable, and in connection with the individual components of remuneration must contain information such as that stated in the second paragraph of Article 294a of the ZGD-1.

In 2022, the Supervisory Board adopted the Remuneration Policy for Members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board, which was submitted to the General Meeting of Shareholders of Telekom Slovenije, d.d. held on 16 June 2022 for consultative voting. The General Meeting of Shareholders did not adopt a consultative resolution regarding the Remuneration Policy for Members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board. Pursuant to the third paragraph of Article 294a of the ZGD-1, an appropriately amended Remuneration Policy for the Management Body of Telekom Slovenije, d.d. and the Management Bodies of Telekom Slovenije Group Subsidiaries (hereinafter: the Remuneration Policy) is being resubmitted to the Company's General Meeting of Shareholders for consultative voting. That policy is in line with the requirements of Article 294a of the ZGD-1 and takes into account the relevant Recommendations and Expectations of Slovenski državni holding. The Supervisory Board adopted the Remuneration Policy on 10 May 2023.

Voting on the Remuneration Policy has the nature of a consultation, but the Company may only determine remuneration for members of the management and supervisory bodies in accordance with the Remuneration Policy submitted to the General Meeting of Shareholders for voting and approval.

Following the vote at the General Meeting of Shareholders, the Remuneration Policy shall be published without delay on the Company's website, together with the date and outcome of voting at the General Meeting of Shareholders. The Remuneration Policy shall be available on the website free of charge and accessible to the public for at least as long as it is applicable, and for no less than ten years.

President of the Management Board:  
Boštjan Košak

President of the Supervisory Board:  
Žiga Debeljak, MSc

Enclosure:

- Remuneration Policy for the Management Body of Telekom Slovenije, d.d. and the Management Bodies of Telekom Slovenije Group Subsidiaries

In accordance with Article 294a of the Companies Act (hereinafter: the ZGD-1), Telekom Slovenije, d.d., Cigaletova ulica 15, 1000 Ljubljana, hereby adopts the following

## **REMUNERATION POLICY FOR THE MANAGEMENT BODY OF TELEKOM SLOVENIJE, D.D. AND THE MANAGEMENT BODIES OF TELEKOM SLOVENIJE GROUP SUBSIDIARIES**

### **I. GENERAL INFORMATION REGARDING THE REMUNERATION POLICY FOR MANAGEMENT BODIES**

The Remuneration Policy for the Management Body of Telekom Slovenije, d.d. (hereinafter: the Company), whose shares are listed on the regulated securities market, includes principles and rules that are taken into account in the arrangement of the remuneration of the Company's management body. The Company is the parent company of the Telekom Slovenije Group (hereinafter: the Group). For this reason, the Remuneration Policy also governs a framework (guidelines) for the remuneration of the management bodies of the Group's subsidiaries.

The Company formulated the Remuneration Policy for Telekom Slovenije's management body based on and in accordance with Article 294a of the Companies Act (Official Gazette of the Republic of Slovenia No. 42/06 with amendments; hereinafter: the ZGD-1) and taking into account the Recommendations and Expectations of Slovenski državni holding, d.d. Because the Company is under the majority ownership of the state, as are Group subsidiaries, some with a registered office in the Republic of Slovenia, the provisions of the Act Governing the Remuneration of Managers of Companies with Majority Ownership held by the Republic of Slovenia or Self-Governing Local Communities (Official Gazette of the Republic of Slovenia No. 21/10 with amendments; hereinafter: the ZPPOGD) and the Decree setting the highest correlation between the basic salary and the amount of variable remuneration of directors (Official Gazette of the Republic of Slovenia Nos. 34/10 and 52/11; hereinafter: the Decree) were taken into account in the formulation of this Remuneration Policy.

The Company did not seek the consent of the Slovenian government for exemption from the frameworks set out in the ZPPOGD pursuant to Article 90 of the Slovenian Sovereign Holding Act (Official Gazette of the Republic of Slovenia, Nos. 25/14 and 140/22; hereinafter: the ZSDH-1), as the supervisory body assessed that the frameworks set out in the ZPPOGD are not restrictive for the Company to the extent that HR risks would rise significantly.

The Remuneration Policy for the Company's management body was adopted via resolution of the supervisory body and will enter into force with its submission to the Company's General Meeting of Shareholders following the conclusion of voting on this point by the aforementioned body. The Company will submit the Remuneration Policy for its management body to the General Meeting of Shareholders for voting every time it is amended or every four years, and to the next General Meeting of Shareholders if the latter does not approve the policy.

The competent bodies of subsidiaries shall adopt a remuneration policy for their management bodies in accordance with the framework and guidelines set out in this Remuneration Policy for management bodies, as formed by the Company's management body, taking into account the legal organisational form of a specific subsidiary.

The supervisory body shall verify the appropriateness of the Remuneration Policy of the Company's management body annually; appropriateness of the part that relates to guidelines for Group subsidiaries shall be verified by the Company's management body.

The Company's Supervisory Board shall adopt a bylaw that defines in detail specific questions regarding the remuneration of the Company's management body, in particular for the selection of criteria for short- and long-term performance and target values for individual years, the weighting of criteria in terms of importance, a system for assessing the fulfilment of criteria, the method for calculating the variable component of remuneration taking into account achieved assessments and other necessary content (hereinafter: **Bylaw of the Supervisory Board defining criteria for the payment of the variable component of remuneration to the Company's Management Board**). The Supervisory Board shall review the content of the aforementioned bylaw taking into account each year's annual business plan and other bylaws, and shall supplement/amend it accordingly.

## **II. MEASURES FOR AVOIDING CONFLICTS OF INTEREST AND THE MANAGEMENT THEREOF**

The Company has bylaws in place that govern the handling of potential and actual conflicts of interest. The Company is bound by the rules set out in the ZSDH-1 in the area of conflicts of interest.

Members of the Company's management body shall avoid conflicts of interest in the performance of their function, meaning that they shall not take action, make decisions or bring influence to bear in specific matters in which they have a private interest that is in conflict with the interest of the Company.

The members of the Company's supervisory body shall not receive remuneration that is dependent on the operations of the Company or other Group companies, in order to prevent conflicts of the interests of the supervisory body and those of the Company in connection with the definition of the Remuneration Policy for the management body.

## **III. OBJECTIVES AND PRINCIPLES OF THE REMUNERATION POLICY FOR MANAGEMENT BODIES**

### **1. Objectives of the Remuneration Policy**

The objectives of the Remuneration Policy shall be as follows:

- to recruit qualified experts for management bodies and to set remuneration for those persons that facilitates competent work and financial sustainability;
- to motivate members of management bodies to work responsibly and actively, and to achieve established objectives, thereby promoting the business strategy, and the long-term development and sustainability of a company; and
- to prevent the premature departure of professional, motivated and successful members of management bodies.

### **2. Principles of the Remuneration Policy**

When setting total remuneration in the Remuneration Policy for management bodies, the principle of proportionality shall be taken into account in connection with all components. According to that principle, the total remuneration of the members of management bodies shall be appropriately proportionate to the tasks of individual members and to the financial situation of a company.

Also taken into account is the principle regarding the limitation of total remuneration, as this facilitates the definition of an upper limit for all components of remuneration based on the Remuneration Policy for the management body.

The principle of linking total remuneration with a company's long-term performance is likewise taken into account, as the variable component of remuneration based on long-term performance is an important element of total remuneration. To that end, the principle of linking the remuneration system for the management bodies of a company and the Group with the strategy of a company and the Group is also taken into account.

The principle of cost-effectiveness is taken into account, as the principles and rules set out in the Remuneration Policy for management bodies provide an appropriate tool for managing HR risks, and provide a basis for considering the remuneration of management bodies at competitive companies.

### **3. Components of remuneration and the function thereof**

The supervisory body defined the components of remuneration in the Remuneration Policy for the Company's management body based on the function of individual components of remuneration, taking into account the remuneration structure established in the Slovenian business environment (which is also referred to in the ZGD-1<sup>1</sup> and ZPPOGD). There are four recommended components. The first is the basic component of remuneration, which comprises remuneration for efforts made in the performance of the function assumed by a member of the management body and which a member of the management body receives irrespective of achieved results. The second is the variable component of remuneration, the allocation of which depends on the performance of a

<sup>1</sup> Companies Act (Official Gazette of the Republic of Slovenia, Nos. 65/09 [official consolidated version], 33/11, 91/11, 32/12, 57/12, 44/13 [Constitutional Court decision], 82/13, 55/15, 15/17, 22/19 [ZPosS], 158/20 [ZIntPK-C] and 18/21).

company and the individual performance of each member of the management body in relation to predefined objectives. The third component comprises other rights that are subdivided into fringe benefits and special forms of monetary remuneration, while the fourth component comprises severance pay that a member of the management body may receive in certain cases in lieu of the preceding three months of remuneration if their function as member of the management body is terminated early.

**4. Maximum permitted amount of the basic component of remuneration of a member of the management body that enables supervisory bodies to recruit to the management body top professionals motivated to work responsibly and actively, while avoiding the unjustifiably high remuneration of members of the management body in relation to the needs, performance and financial situation of a company**

The supervisory body defined the maximum permitted amount of the basic component of remuneration of the Company's management body based on the complexity of the Company's operations, taking into account its financial position. The supervisory body also applied the system of operational complexity established by SDH in the latter's Recommendations and Expectations, which define factors used to measure the complexity of a company's operations.

The financial position of the Company and Group subsidiaries is sound. The Company generates stable profit, and the same is forecast for the future. The ratio of the remuneration of the Company's management body to the financial situation of the Company is also indirectly reflected in the ratio of the remuneration of the management body to the average salary at the Company.

The Company also took remuneration at competitive companies into account when concluding agreements with members of its management body. This ensures that the remuneration of the Company's management body will be normal in relation to comparable companies, and will facilitate the management of HR risks.

**5. Maximum permitted amount of the variable component of remuneration of a member of the management body**

The variable component of remuneration shall be limited to a maximum percentage of the basic component of remuneration. The Company considered the HR risks to which it is exposed, the Recommendation and Expectations of SDH and the provisions of the ZPPOGD when setting the aforementioned ratio.

**6. Maximum permitted severance pay**

The Remuneration Policy sets out the maximum permitted severance pay and rules on when it can be paid.

**IV. CONTRIBUTION OF THE REMUNERATION POLICY TO PROMOTION OF THE BUSINESS STRATEGY, AND THE LONG-TERM DEVELOPMENT AND SUSTAINABILITY OF THE COMPANY**

The Company adopts a multi-year business strategy, in which it defines its strategic objectives, key measures (activities) and those persons responsible for the implementation thereof. The components of remuneration are defined in the Remuneration Policy for the Company's management body in such a way that the policy promotes the achievement of the adopted business strategy. The remuneration set out in the Remuneration Policy of the Company's management body is divided into two key components: a basic component and a variable component. No specific incentive function is attributed to the basic component of remuneration, as payment of this component of remuneration is not dependent on operating results. An incentive effect is provided by the variable component of remuneration, the allocation of which depends on predefined criteria in the Remuneration Policy that represent a link between the achievement of annual business objectives and the objectives of the business strategy on the one hand, and remuneration on the other hand. In this way, members of the management body receive a higher amount of variable remuneration and thus higher total remuneration, if they achieve annual objectives and the objectives set out in the adopted business strategy, which is defined in terms of content to promote the long-term development of a company, long-term performance, sustainable operations and sustainability.

The variable component of remuneration comprises two elements: the first promotes short-term performance (criteria are defined to measure performance during the financial year), while the second promotes long-term performance (allocation criteria are defined to promote the achievement of strategic objectives over a longer period

of at least three years). Both elements contribute to the achievement of the multi-year objectives set out in the business strategy, with the element that promotes long-term performance contributing more.

## **V. REMUNERATION OF MEMBERS OF THE MANAGEMENT BODY**

### **1. Presentation of management bodies**

Comprising the Company's management body is the Management Board, which has five members, one of whom serves as President and another who serves as Vice-President. One member of the Management Board, the Workers' Director, is appointed by the Works Council. The Management Board shall manage transactions independently and at its own risk for the benefit of the Company, and in accordance with the limitations set out in the Articles of Association. Individual members of the Management Board shall manage the Company's operations independently and adopt decisions in the scope of their assigned business area.

### **2. Basic component of remuneration**

The basic component of remuneration of the management body shall be defined in employment contracts with members of that body in absolute monetary terms, expressed as a gross monthly amount. It shall be received by members of the management body as remuneration for the performance of their function as members of that body, and cannot be unilaterally reduced, withheld, revoked or terminated, except in the cases defined for by law. The basic component of remuneration shall include all allowances in terms of the law governing employment relationships, irrespective of which act defines employees' rights to allowances. It shall be paid monthly. If work is performed for part of a month, the remuneration for that month shall be paid in proportion to the number of days worked.

The basic component of remuneration of members of the Company's management body shall be defined in this Remuneration Policy as the maximum amount that may be agreed in employment contracts with members of the management body. The maximum permitted amount of the basic component of remuneration shall be set in this Remuneration Policy taking into account the criteria of complexity.

The overall assessment for complexity criteria for the Company according to the matrix set out in the Recommendations and Expectations of SDH, as assessed by the Company's supervisory body, is 5. This, in accordance with the Recommendations and Expectations of SDH, implies that the basic component of the remuneration of members of the Company's management body can be agreed in contracts in the gross monthly amount of up to EUR 22,000 or in the gross annual amount of up to EUR 264,000. The complexity of the Company's operations shall be verified at least every four years, and the overall assessment for those criteria adjusted as necessary.

Notwithstanding the previous paragraph, the basic component of remuneration for the period in which the Company is bound by the provisions of the valid ZPPOGD and Decree may only be determined in relation to the average salary paid at Group companies, which may mean that the basic component of the remuneration of the President of the Management Board is limited to a maximum of five times the average gross salary of Group employees.

The supervisory body further decided that the basic component of the remuneration of the Vice-President of the Management Board should not exceed 95% of the basic component of the remuneration of the President of the Management Board, and that the basic component of the remuneration of other members of the Management Board should not exceed 90% of the basic component of the remuneration of the President of the Management Board.

In contracts concluded with members of the management body, the basic component of remuneration shall be set within the maximum amount defined in this Remuneration Policy, taking into account the valid ZPPOGD. Where within the range up to the maximum amount the basic component of the remuneration of an individual member of the management body is set shall be dependent on the tasks and responsibilities of that member (i.e. whether that person is the President, Vice-President or member of the management body; the sectoral division of areas shall be taken into account if the complexity of the sectors differs, or if the member serves as Workers' Director) and their individual qualities (knowledge, experience, length of service with the Company, references, skills, etc.). To that end, a reassessment of the normalcy of remuneration in relation to remuneration at competitive companies shall be carried out.

In accordance with the Recommendations and Expectations of SDH, the remuneration of employees did not have a direct impact on the setting of the maximum amount of the basic component of remuneration. However, a comparison with the average salary of the Company's employees was made and it was determined that this is a normal ratio.

### 3. Variable component of remuneration

The variable component of remuneration is set depending on the performance of the Company or the individual performance of a certain member of the management body.

The variable component of the remuneration of members of the Company's management body during the financial year shall not exceed 30% of the basic component of remuneration paid to members of the management body during the previous financial year, and shall depend on the fulfilment of performance criteria. Of that amount, a maximum of 50% of the variable component of remuneration may be allocated due to the achievement of short-term results (for a period of one financial year), while a minimum of 50% may be allocated for the achievement of long-term results (for a period of at least three financial years).

The right to the variable component of remuneration shall be assessed based on performance criteria, which are broken down into financial and non-financial criteria. Criteria shall be further broken down into criteria intended for the measurement of short-term performance (short-term criteria) and those intended for the measurement or contribution to the achievement of strategic or long-term objectives (long-term criteria).

In an annual resolution on the setting of criteria for the payment of the variable component of remuneration to the management body, the supervisory body shall specify measures by the end of March and weight them so that selected criteria will guide the management body to the greatest extent possible to the achievement of business objectives and long-term performance, taking into account the currently valid strategy. Established objectives for specific measures shall be based on the adopted annual business plan, the adopted business strategy and medium-term business plan, as well as the objectives and expectations set out in the annual management plan drawn up by SDH, d.d.

The supervisory body shall generally take into account the following criteria categories when defining criteria:

#### Financial criteria:

Criteria category	Basic contribution to the overall assessment based on financial criteria
Criteria linked to the scope of operations (e.g. net sales revenue, etc.)	20%
Criteria linked to the capacity to generate cash flows (e.g. EBITDA, etc.)	40%
Criteria linked to financial soundness and investment potential (e.g. net financial debt / EBITDA, etc.)	25%
Criteria linked to the capacity to generate value added (e.g. value added / employee, etc.)	15%

The above-selected financial criteria pursue financial objectives that promote balanced growth in the scope of operations, the ability to generate cash flows, financial soundness, investment potential and the creation of value added.

Together, financial criteria contribute 50% to the variable component of remuneration.

The actual contribution of an individual criteria category shall not deviate by 5 percentage points, up or down, from the presented baseline values.

Criteria that measure or contribute to the achievement of long-term or strategic objectives shall contribute at least 50% to the overall assessment based on financial criteria.

#### Non-financial criteria:

Criteria category	Basic contribution to the overall assessment based on non-financial criteria
Criteria of market position (e.g. change in market share, number of users, NPS, etc.)	30%
Development criteria (e.g. launch of new products/services, implementation of development projects, implementation of investments, etc.)	25%
Criteria of organisational efficiency (e.g. organisational measures, introduction of new systems, implementation of important projects, etc.)	15%
Criteria of environmental responsibility (e.g. carbon footprint, etc.)	10%
Criteria of social responsibility (e.g. employee development, education and training, ensuring diversity, etc.)	10%
Criteria of governance responsibility (e.g. activities in the areas of compliance and integrity, quality of communication with stakeholders, etc.)	10%

The above-selected financial criteria pursue business objectives that relate to market position, development, organisational efficiency, and environmental, social and governance responsibility.

Together, non-financial criteria contribute 50% to the variable component of remuneration.

The actual contribution of an individual criteria category shall not deviate by 5 percentage points, up or down, from the presented baseline values.

Criteria that measure or contribute to the achievement of long-term or strategic objectives shall contribute at least 50% to the overall assessment based on non-financial criteria.

When specifying criteria, the resolution of the supervisory body setting the criteria for the payment of the variable component of remuneration to the management body may define a lower performance threshold in the achievement of objectives in order to be eligible for the variable component of remuneration. The supervisory body resolution may dictate the fulfilment of specific criteria as a precondition for the right to the variable component of remuneration, regardless of the fulfilment of other criteria. Members of the management body shall only be entitled to the entire amount of variable remuneration if objectives are met or exceeded. The amount of variable remuneration allocated is reduced accordingly for the value of objectives achieved in the interim period. It is within the supervisory body's discretion whether and how the over-achievement of one or more objectives partially offsets the under-achievement of one or more other objectives.

All criteria are measured at the Group level, unless the Bylaw of the Supervisory Board defining criteria for the payment of the variable component of remuneration to the Company's Management Board explicitly states otherwise for a specific criterion.

#### Exceptionally altered circumstances

The supervisory body may, for justified reasons, adopt a resolution adjusting the criteria for the payment of the variable component of remuneration to the management body or the target values thereof during the year due to exceptionally altered circumstances with effect for the financial year subject to such a decision, taking into account market, property, financial and other relevant positions. The main criteria for making such an assessment is that the long-term interests (long-term performance) and sustainability of the Company's operations dictate a change in objectives. In particular, justified reasons shall mean circumstances that could not have been objectively foreseen during business planning and that could not have been justifiably included in the risk management system in advance, and it was not justifiably possible or practical to adopt effective measures to reduce the level of risk. This option, which is at the discretion of the supervisory body, shall also be appropriately included in contracts concluded with members of the management body. The supervisory body must appropriately justify its decision.

### **Free assessment of the supervisory body**

The supervisory body may, taking into account operating results, financial position, and other circumstances in connection with an individual management body member, decide to pay a higher or lower variable component of remuneration than was calculated based on previously defined objective criteria set out in this Remuneration Policy and in a valid bylaw defining criteria for the payment of the variable component of remuneration, if it assesses that there are important justified grounds for doing so, where deviations shall not be material in relation to the assessment of performance shown by the predefined objective system of criteria. Deviations shall be deemed material if they exceed 50% of the variable component of remuneration taking into account objective measurement according to predefined criteria and target values. Such action shall be taken if the established system of criteria and objectives does not significantly reflect the performance achieved at the end of the relevant period or the contribution of an individual member of the management body to that achievement, or if there is a significant change in the Company's financial position. To that end, the supervisory body shall take into account the collective performance of the management body and/or an individual member thereof, as well as the following circumstances:

- the successful implementation of important initiatives and measures with the aim of achieving the business strategy;
- the achievement of the Company's strategic objectives;
- the implementation of key projects;
- the achievement of the most important objectives of sustainable operations;
- the surpassing of the results of the competition; and
- the impact of extraordinary events.

A resolution in which the supervisory body decides to pay a higher or lower variable component of remuneration at its discretion shall be reasoned and adopted in accordance with the principles of due diligence, good faith and fairness, where it shall be stated in the contract with an individual member of the management body that the discretionary decision of the supervisory body may not be the subject of a dispute. In any case, the limits set out in other sections of this Remuneration Policy shall apply.

### **Deferral of payment of the variable component of remuneration**

Payment of 50% of the variable component of remuneration allocated to an individual management body member for a specific financial year shall be deferred for two years (deferral period). If a management body member served in their function for less than two years, they shall not be entitled to payment of the deferred portion of the variable component of remuneration.

### **Method used to assess the fulfilment of objectives deriving from criteria for setting the variable component of remuneration**

The variable component of remuneration based on the achievement of performance criteria shall be set annually for members of the Company's management bodies on the basis of the audited annual report and other materials from which the achievement of objectives is evident. As a rule, the HR Committee and Supervisory Board assess and set the variable component of remuneration within two months following the publication of the Company's annual report.

### **Repayment of variable component of remuneration (*clawback*)**

The Company may require members of management bodies to return the previously paid variable component of remuneration or a proportionate share thereof, and to withhold all or a proportionate share of previously allocated but unpaid variable component of remuneration:

- in the event of a legally enforceable finding that the annual report is null and void, and the reasons for such a finding relate to items or facts that served as the basis for the setting of variable remuneration; or
- based on the report of a special auditor who finds that the criteria for setting the variable component of remuneration were erroneously applied or that decisive accounting, financial and other indicators were not properly identified or taken into account.

The return of the previously paid variable component of remuneration may be requested within three years of the day of payment of the remuneration or a portion thereof. As a rule, the return of the previously paid variable

component of remuneration is first carried out by netting allocated but unpaid portions of the variable component of remuneration, where the possibility of netting is also agreed in the relevant employment or civil contract.

#### **Shares, share options and profit participation**

The Company does not have in place a programme of remuneration through share options, nor does it remunerate management bodies in the form of profit participation.

#### **4. Other rights**

Other rights comprise fringe benefits and special monetary forms of remuneration.

**Fringe benefits** comprise the right to use items owned by the Company, including for private purposes, as well as payments by the Company (to third persons), from which a management body member typically receives a certain non-monetary benefit. Notwithstanding the definition from the previous paragraph, fringe benefits shall also include the right to the reimbursement of membership fees in professional organisations in connection with the performance of the function of management body member, as well as other non-monetary rights that do not meet the definition of fringe benefit, but it is customary in business practice for the supervisory body to decide with regard to a right to some fringe benefit when contracts with members of the management body are concluded.

**Special forms of monetary remuneration** comprise annual leave allowance, severance pay at retirement, the reimbursement of costs in connection with the performance of a function, wage compensation for various absences paid by a company (e.g. due to sickness, the use of vacation, training and education, etc.), special forms of monetary remuneration included in a contract, or set by referencing a collective agreement or general bylaw of the employer, and all other monetary forms of remuneration that, by their nature (basis), are not included or cannot be defined in any of the following categories: basic component of remuneration, variable component of remuneration, severance pay or fringe benefits.

##### **4.1 Fringe benefits**

Members of the Company's management body may be entitled, in particular, to the following fringe benefits and to the maximum extent set out in their employment contracts:

- the right to the **use of a mobile telephone**, also for private purposes, including the right to the payment of the associated subscription fee and the costs of calls and data transfer, and to the **use of a fixed connection** at their address of residence, also for private purposes;
- the right to **use a laptop and/or tablet computer**, including for personal purposes;
- the right to **use a company car**, including for private purposes, with a retail price including VAT of up to EUR 70,000, or up to EUR 90,000 for a more environmentally friendly vehicle. **A company vehicle that is also used for private purposes shall not be replaced** before three years or at least 150,000 kilometres. Prior replacement shall only be possible in specially justified cases and with the consent of the supervisory body. In the event of the acquisition of an automobile **based on a leasing agreement**, the above-stated maximum values shall relate to the purchase value of the automobile in question at the time such an agreement is concluded;
- the right to the **reimbursement of all costs in connection with supplementary education and training** that relate to the more effective performance of a function, up to the annual amount of EUR 15,000, including the right to wage compensation due to absence for that reason, if that absence lasts up to and including 10 days a year. In its assessment, the supervisory body shall take into account the characteristics of the market and the sector in which the Company and Group operate. The right to a higher amount and or additional days may also be approved for justified reasons. In specific cases, the supervisory body shall make decisions in this regard based on the proposal of the management body;
- the **right to a preventive medical examination for managers**, once a year, where the value of an individual examination shall not exceed EUR 1,500;
- the right to the payment of insurance premiums: collective supplementary pension insurance, accident insurance and supplementary health insurance. The total annual value of all premiums shall not exceed 50% of the gross monthly basic component of remuneration;
- the right to the **payment of D&O insurance**;

- the right to the **use of a payment card** for the payment of certain costs (e.g. fuel costs for an assigned company car, education and training, etc.), including entertainment costs, in accordance with the business and financial plan and contingent on the traceability of expenses;
- the **right to the reimbursement of entertainment costs** in accordance with the business and financial plan, and contingent on the traceability of use; and
- the right to the **reimbursement of membership fees in professional organisations**, in connection with the performance of the function of a management body member, up to the maximum gross amount of EUR 2,000 annually. In its assessment, the supervisory body shall take into account the characteristics of the market and the sector in which the Company and Group operate, and business practices relating to this area of cooperation. The right to a higher amount may also be approved for justified reasons. In specific cases, the supervisory body shall make decisions in this regard based on the proposal of the management body.

This rule shall apply in cases relating to employment contracts and to civil contracts, assuming a work week of at least 40 hours. If a contract specifies a shorter work week, this shall be taken into account in the assessment of the inclusion of other relevant rights, both in terms of a right itself and in terms of rules on limits (i.e. the maximum permitted amount for a specific right).

#### 4.2 Special forms of monetary remuneration governed by the ZDR-1

Members of the Company's management board shall also have the right to the following forms of remuneration:

- **annual leave allowance** under the conditions and in the amount received by the Company's other employees;
- a **long-service award** under the conditions and in the amount received by the Company's other employees;
- **severance pay at retirement** under the conditions and in the amount set out in the ZDR-1;
- the **right to reimbursement of costs necessary for or in connection with performing their function, under the condition and in the amount received by the Company's other employees** (e.g. reimbursement for food during work, a per diem for business travel, reimbursement of overnight accommodation, etc.);
- a **performance bonus** in accordance with the collective agreement or other bylaw of the employer, under the condition that the aforementioned bonus is paid to all of the Company's employees, resulting in more favourable tax treatment for that bonus, which shall be included in the maximum permitted amount of the variable component of remuneration for members of management bodies for a given year;
- the **right to wage compensation** under the conditions and in the amount received by the Company's other employees; and
- the **right to a separation allowance** in the cases and in the amount that applies for the Company's other employees.

#### 5. Severance pay due to the early termination of a term of office

The members of management bodies shall not be entitled to severance pay due to the early termination of their terms of office in the cases set out in the law governing companies. In no case shall members of management bodies be entitled to severance pay in the event of the normal expiry of their terms of office and when they tender their own resignation. Members of management bodies shall be entitled to severance pay in the event of dismissal for economic and/or business reasons and in the event of the mutual termination of their function, provided that recall is not for reasons of culpability, as defined in more detail below.

In the event of recall for economic and/or business reasons, the maximum amount of severance pay shall be six times the monthly amount of the gross basic component of remuneration, as defined in the employment contracts of management body members. In no event may the amount of severance pay be greater than the total amount of the gross basic component of remuneration that the management body member would receive up to the end of their term of office according to the relevant contract, if that term of office was completed normally. In the event of the early termination of the function of a management body member who has performed their function for less than one year, the maximum amount of severance pay may be three times the monthly amount of the gross basic component of remuneration, as defined in that member's employment contract.

A member of the management body who is employed by the Company after the early termination of their contract as member of the management body shall not be entitled to severance pay. If they are employed by the Company's subsidiary or other related company, they may be entitled to severance pay up to the maximum of the difference

between the amount of the gross basic component of remuneration under the previous contract and the gross basic component of remuneration under the new contract applying the relevant multiple, meaning the difference shall be applied to the number of months of remuneration in their new position to which they would have been entitled to monthly severance pay in accordance with the above rules of this Remuneration Policy.

If the recall of a management body member is not for reasons of culpability, an agreement may be concluded on the early termination of their term of office at the initiative of one party or the other, if this is in the interest of both parties. This shall apply in particular in cases when, in the reasonable assessment of the supervisory body, a member of the management body does not achieve optimal results in the management of transactions, does not have the best view of the Company's development, does not have optimal organisational skills, there is no special trust between the member of the management body and the supervisory body, or they were simply unsuccessful in their business judgement, and the supervisory body assesses that it is possible to find someone to better manage transactions than the member of the management body, with whom an agreement on the early termination of their term of office would be concluded. The expected benefits for the Company shall exceed the amount of severance pay and other potential payments should an agreement be reached. The recommendations regarding recall for economic and/or business reasons shall apply *mutatis mutandis* in such cases for setting the amount of severance pay.

## **6. Other elements of employment contracts**

### **6.1 Non-compete clause**

Contracts with management body members shall include a non-compete clause that also applies following the termination of the function of a management body member. In the event of recall by the Company, the duration of the non-compete clause shall not exceed six months. In other cases, that duration shall be set in contracts at no less than six months and no more than two years. Management body members shall be entitled to compensation equal to 75% of the basic monthly component of remuneration while the non-compete clause is in force.

Irrespective of whether a non-compete clause is contractually agreed, the supervisory body shall waive enforcement of that clause for the period after the termination of a term of office if, taking into account all known circumstances, there is no real threat to the Company's interests from such non-enforcement for an individual member of the management body.

### **6.2 Dual or multiple functions**

In the event of dual or multiple functions within the Group, such functions, as may be performed by members of the Company's management body, shall be remunerated. Such remuneration shall be appropriately adjusted for time spent, and the tasks and responsibilities that are already included, in whole or part, in tasks and responsibilities based on the function of a management body member or any of their other remunerated functions.

The Company's Supervisory Board shall give its prior consent to the performance of any such additional function and the amount of associated remuneration and, as required, take into account the amount of that remuneration when setting the remuneration of those persons in their function as member of the Company's Management Board.

## **7. Remuneration arrangements for the management bodies of Group subsidiaries**

In its role as parent company of the Group, the Company shall define in this Remuneration Policy guidelines for the drafting of remuneration policies for the management bodies of subsidiaries, and for the conclusion of contracts with members of the management bodies of Group subsidiaries. The management body of the parent company shall ensure the adoption of the necessary remuneration policies for the management bodies of subsidiaries. Once a year, the management body of the parent company shall verify compliance with the aforementioned guidelines and the remuneration policies for the management bodies of subsidiaries.

### **7.1 Basic component of remuneration**

The basic component of the remuneration of the management bodies of Group subsidiaries shall be set taking into account the complexity criteria set out in the Recommendations and Expectations of SDH. Taking into account the complexity criteria referred to in the previous paragraph, the basic component of the remuneration of the

management bodies of Group subsidiaries shall not exceed 70% of the maximum amount of the basic component of the remuneration of the Company's management body.

A percentage outside the limits referred to in the previous paragraph may be set for the management bodies of subsidiaries with a registered office outside the Republic of Slovenia, taking into account the complexity of an individual subsidiary's operations. That percentage shall not exceed 75% of the maximum amount of the basic component of the remuneration of the Company's management body.

In view of the above, the maximum amount of the basic component of remuneration of management bodies at Group subsidiaries shall be as follows at the time of the adoption of the Policy:

- up to the gross monthly amount of EUR 16,500 at the subsidiary IPKO Telecommunications LLC;
- up to the gross monthly amount of EUR 12,000 at the subsidiaries GVO, gradnja in vzdrževanje telekomunikacijskih omrežij, d.o.o., Avtenta, napredne poslovne rešitve, d.o.o. and TSmedia, medijske vsebine in storitve, d.o.o.; and
- up to the gross monthly amount of EUR 8,000 at the subsidiaries TSinpo, storitveno in invalidsko podjetje, d.o.o. and Soline Pridelava soli, d.o.o.

Those arrangements are in line with the provisions of the ZPPOGD.

## **7.2 Variable component of remuneration**

The variable component of remuneration for members of the management bodies of Group subsidiaries shall not exceed 30% of the gross annual amount of the basic component of remuneration for members of management bodies. The structure of criteria and method for assessing performance shall be set, *mutatis mutandis*, on the same bases as set out in this Remuneration Policy for the Company.

Those arrangements are in line with the provisions of the ZPPOGD.

## **7.3 Other rights**

Members of the management bodies of subsidiaries may be given the same rights in their employment contracts, *mutatis mutandis*, as members of the Company's management bodies, subject to the following additional restrictions:

- the retail price of vehicle at the time of acquisition (purchase or lease), including VAT, shall not exceed EUR 40,000 or EUR 50,000 for a more environmentally friendly vehicle;
- the right to the use of a mobile telephone, also for private purposes, including the right to the payment of the associated subscription fee and the costs of calls and data transfer of up to EUR 150 a month; and
- the right to a preventive medical examination for managers, once every two years, where the value of an individual examination shall not exceed EUR 1,000.

Those arrangements are in line with the provisions of the ZPPOGD.

## **7.4 Severance pay**

The arrangements set out in the Company's remuneration policy shall apply to severance pay for the early termination of terms of office at Group subsidiaries. Those arrangements are in line with the provisions of the ZPPOGD.

## **VI. TRANSITIONAL AND FINAL PROVISIONS**

Currently valid legislation and regulations governing the remuneration of members of management bodies of the Company shall apply for all issues not regulated by the Remuneration Policy.

The Remuneration Policy shall enter into force following conclusion of consultative voting regarding that policy by the Company's General Meeting of Shareholders. On the day this Remuneration Policy enters into force, the Remuneration Policy for Members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board of 11 May 2022 shall cease to be in force.

This Remuneration Policy shall be published on the Company's website.

This Remuneration Policy shall be published in Slovene and English.

President of the Supervisory Board:  
Žiga Debeljak, MSc