

CORPORATE GOVERNANCE STATEMENT

Telekom Slovenije, d.d. [hereinafter: Telekom Slovenije] hereby issues its corporate governance statement in accordance with the fifth paragraph of Article 70 of the Companies Act, and the recommendations of the Corporate Governance Code and the Corporate Governance Code for Companies with Capital Assets of the State.

The corporate governance statement is an integral part of the audited annual report of the Telekom Slovenije Group and Telekom Slovenije, d.d. for 2023. It relates to the period 1 January 2023 to 31 December 2023. We also disclose significant events after the aforementioned period and up to the publication of the statement. The corporate governance statement is accessible in electronic form, for a minimum of five years from the date of its publication, on the Company's website at <https://www.telekom.si/en/about-us/company/corporate-governance> and in the Ljubljana Stock Exchange's electronic information system at <http://seonet.ljse.si>.

CORPORATE GOVERNANCE POLICY

Corporate governance at Telekom Slovenije and within the Telekom Slovenije Group is based on the following principles and guidelines:

- Corporate Governance Policy of Telekom Slovenije, d.d., which was initially adopted in December 2011 and last updated on 13 February 2020,
- Corporate Governance Rulebook of the Telekom Slovenije Group, which was adopted on 22 August 2017, and
- Instructions on the Implementation of the Corporate Governance Rulebook of the Telekom Slovenije Group by individual area, which were adopted on 18 February 2020.

The Corporate Governance Policy defines a system for segregating responsibilities and competences between members of management and supervisory bodies, the role of Supervisory Board's committees and the protection of employees' interests. It also defines groups of stakeholders, a strategy for communication and cooperation with those groups, a policy governing links between the Company and its subsidiaries, and a commitment to identify conflicts of interest and to ensure the independence of members of the Supervisory Board and Management Board.

The Supervisory Board and Management Board adopt updates to the Corporate Governance Policy, taking into account current guidelines in the area of corporate governance, as well as binding regulations and best practices.

The Corporate Governance Rulebook of the Telekom Slovenije Group defines the rules, criteria and mechanisms for managing and supervising companies in the Telekom Slovenije Group. The Instructions on the Implementation of the Corporate Governance Rulebook of the Telekom Slovenije Group defines the way in which the corporate governance of subsidiaries is implemented in individual areas.

The Management Board and Supervisory Board function in accordance with the law and other regulations, the Articles of Association of Telekom Slovenije, d.d. and the rules of procedure of the Management Board and Supervisory Board.

The Corporate Governance Policy of Telekom Slovenije, d.d., the rules of procedure of the Management Board and the other documents linked to corporate governance are publicly accessible on the Company's website at <https://www.telekom.si/en/about-us/company/corporate-governance>.

STATEMENT OF COMPLIANCE WITH THE CODE

Telekom Slovenije, as a public interest entity whose securities are traded on the regulated securities market, and as a company with capital assets of the State, took into account the corporate governance recommendations set out in the following documents to the greatest extent possible during the 2023 financial year:

- **Corporate Governance Code** adopted by the Ljubljana Stock Exchange and the Slovenian Directors' Association on 9 December 2021. The code entered into effect on 1 January 2022 and is published on the website www.ljse.si;
- **Corporate Governance Code for Companies with Capital Assets of the State**, which was adopted by Slovenski državni holding in June 2022, and the **Recommendations and Expectations of Slovenski državni holding**, adopted in May 2023 and updated in August 2023, which are published on the website www.sdh.si;
- **Recommendations to Public Companies Regarding Notification** from 19 November 2020, which entered into force on 23 November 2020. The above recommendations were adopted by the Ljubljana Stock Exchange and are published on the website www.ljse.si.

In its work and operations, Telekom Slovenije also complies with the guidelines set out in the Code of Ethics of the Telekom Slovenije Group of 1 February 2017 [published on the Company's website at www.telekom.si].

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Telekom Slovenije explains below deviations from individual recommendations set out in the aforementioned code:

Diversity Policy

Recommendations 4.1 and 4.3: In 2020, Telekom Slovenije adopted the Policy Governing the Diversity of the Management Board and Supervisory Board of Telekom Slovenije, d.d. in accordance with the recommendations of the code. The Company deviates in part from this recommendation, as targets are stated in descriptive terms, but not in numerical terms or percentages, except with regard to gender diversity.

The Supervisory Board began the process of revising the Diversity Policy in 2024.

Remuneration Policy and report on the remuneration of management and supervisory bodies

Recommendations 6 and 6.2: Telekom Slovenije deviates in part from this recommendation as, in accordance with Appendix 2 to the Recommendations and Expectations of SDH, the Remuneration Policy for the Management Body of Telekom Slovenije, d.d. and the Management Bodies of Telekom Slovenije Group Subsidiaries only governs the remuneration of members of the Company's management body, while the remuneration of the members of its supervisory body were defined by a resolution of the 31st General Meeting of Shareholders that is in line with the sample resolution found in Appendix 1 to the Recommendations and Expectations of SDH.

Annual training plan for members of the Supervisory Board and its committees

Recommendation 15.1: Telekom Slovenije deviates in part from the recommendation with respect to the definition of an annual training plan for members of the Supervisory Board and the members of its committees, as an annual plan as a unique document is not defined.

External evaluation of the assessment of the Supervisory Board

Recommendation 16.4: Telekom Slovenije did not comply with this recommendation, as an external evaluation of the assessment of the Supervisory Board was not performed. The self-assessment of the Supervisory Board for 2023 was carried out based on the methodology of the Slovenian Directors' Association. Based on that assessment, the Supervisory Board discussed and adopted an action plan of improvements.

Succession system for the Management Board

Recommendation 22.1: Telekom Slovenije deviates in part from this recommendation, as it does not have a succession system in place for the Management Board; internal candidates are appropriately considered in the scope of the selection process.

The Company began drafting a Succession Policy in 2024.

Publication of rules of procedure of bodies

Recommendation 32.7: Telekom Slovenije deviates in part from this recommendation, as it has only published the rules of procedure of the Management Board on its website.

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE FOR COMPANIES WITH CAPITAL ASSETS OF THE STATE

Telekom Slovenije explains below deviations from individual recommendations set out in the aforementioned code:

Diversity Policy

Recommendations 3.6.1 and 3.6.3: Telekom Slovenije deviates from this recommendation in the part that relates to specific targets of individual aspects of diversity, which the policy did not include in 2023, while targets are likewise not implemented in the Company's internal acts. In 2024, the Supervisory Board adopted a renewed Diversity Policy, which sets a target of 33% under-represented gender in the Management Board and Supervisory Board by the end of 2026.

Succession policy

Recommendations 6.1, 6.2 and 6.2.1 to 6.2.3 and 6.2.6: Telekom Slovenije deviates in part from this recommendation, as it has not adopted a succession policy in the form of a single document; internal candidates are appropriately considered in the scope of the selection process.

The Company began drafting a Succession Policy in 2024.

The Supervisory Board starts the selection process for candidates for the Management Board before the expiry of the term of office of the current Management Board or when the need to start the recruitment process for the appointment of Management Board members is identified.

Recommendations and expectations of Slovenski državni holding

Telekom Slovenije adheres to the Recommendations and Expectations of Slovenski državni holding to the greatest extent possible. Telekom Slovenije's position regarding the recommendations and expectations is published on the Company's website at: <https://www.telekom.si/en/about-us/company/corporate-governance>.

MANAGEMENT AND SUPERVISORY BODIES

Telekom Slovenije is a public limited company. It has a two-tier system of governance. It is run by the Management Board and supervised by the Supervisory Board. The Company's governing bodies are the General Meeting of Shareholders, Supervisory Board and Management Board.

GENERAL MEETING OF SHAREHOLDERS AND RIGHTS OF SHAREHOLDERS

All shareholders are treated equally, and we consistently ensure the exercising of their rights. Shareholders have the right to participate in the management of the company, the right to dividends and the right to an appropriate share of residual assets after the company's liquidation or bankruptcy.

Shareholders exercise their right to information at the General Meeting of Shareholders. The convening, competences and functioning of the General Meeting of Shareholders are set out in the ZGD-1, the Company's Articles of Association and the rules of procedure of the General Meeting of Shareholders. The Company convenes the General Meeting of Shareholders at least once a year, when it benefits the Company or whenever required in accordance with the law and its Articles of Association. The date that the convening of the General Meeting of Shareholders is published on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services is deemed the official date of that convocation. Shareholders exercise their rights at the General Meeting of Shareholders in person or through authorised representatives. Detailed information about the rights of shareholders is published to coincide with the convening of the General Meeting of Shareholders and is accessible on the Company's website [<https://www.telekom.si/en/about-us/investor-relations/shareholder-s-meetings>].

Shareholders who are entered in the central register of securities at KDD [Central Securities Clearing Corporation] at the close of business seven days prior to the General Meeting of Shareholders [cut-off day] are entitled to participate and vote at the General Meeting of Shareholders, if they have registered in writing at least three days prior to the General Meeting of Shareholders.

Telekom Slovenije's shareholders met at one General Meeting of Shareholders in 2023. At total of 80.60% of shares with voting rights were represented at the **36th General Meeting of Shareholders** held on 16 June. At the General Meeting of Shareholders, the Company's shareholders:

- were briefed on the written report of the Supervisory Board on the approval of the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022;
- were briefed on the report on the remuneration of members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board for 2022, and on information regarding the remuneration of members of management bodies of the three biggest subsidiaries for 2022;
- conferred official approval on the Management Board and Supervisory Board for the 2022 financial year;
- were briefed on and approved the Remuneration Policy for the Management Body of Telekom Slovenije, d.d. and the Management Bodies of Telekom Slovenije Group Subsidiaries;
- appointed the audit firm Deloitte Revizija, d.o.o. to audit the financial statements of the Group and Telekom Slovenije, d.d. for the 2023, 2024 and 2025 financial years; and
- rejected the proposed resolution of the use of distributable profit, which amounted to EUR 40,292,646.55 for 2022.

No challenges against resolutions adopted by the General Meeting of Shareholders were announced.

The resolutions of General Meetings of Shareholders and documentation from previous meetings are published on the Company's website.

MANAGEMENT BOARD

Composition of the Management Board

Telekom's Management Board comprises five members: the President, Vice-President, two members and the Workers' Director. The term of office of Management Board members is four years, with the possibility of reappointment.

At its 16th ordinary session held on 11 September 2023, Telekom Slovenije's Supervisory Board reappointed Špela Fortin as member of the Management Board and Workers' Director based on the proposal of the Works Council. Her four-year term of office began on 14 September 2023.

There were no other changes to the Management Board in 2023.

Members of the Management Board

Name	Office	Area of work on the Management Board	First appointment to function	Completion of function/ term of office	Gender	Nationality	Year of birth	Education / professional profile	Membership in supervisory bodies of unaffiliated companies
Boštjan Košak	President of the Management Board	Corporate Governance, Human Resource Management, General Affairs, Corporate Communications, Legal Affairs, Regulation, Compliance, Risk Management, Corporate Security, Internal Auditing, Wholesale Market and the subsidiary IPKO.	4 October 2022	3 October 2026	Male	Slovenian	1971	Holds a bachelor's degree in economics.	
Boštjan Škufca Zaveršek, MSc	Vice-President of the Management Board	B2B and B2C, Development of Products and Services, Digitalisation, Development of ICT Solutions, Marketing and the subsidiaries Avtenta and Soline.	14 November 2022	13 November 2026	Male	Slovenian	1976	Holds a bachelor's degree in economics and a master's of science.	Deželna banka Slovenije, d.d.
Irma Gubanec, MSc	Member	Finance, Accounting, Controlling, Procurement, Real Estate Management, Logistics and the subsidiary TSmedia.	12 October 2022	11 October 2026	Female	Slovenian	1968	Holds a bachelor's degree in economics and a master's of science.	
Vesna Prodnik, MSc	Member	Network Management, IT and ICT Services, and the subsidiaries GVO, SIOL Zagreb, SIOL Podgorica, SIOL Sarajevo, SIOL Skopje, SIOL DOO Beograd and SIOL Prishtina.	14 November 2022	13 November 2026	Female	Slovenian	1972	Holds a bachelor's degree in electrical engineering and a master's degree in communication sciences.	
Špela Fortin	Member of Management Board – Workers' Director	Sustainable operations, quality management systems and the subsidiary TSinpo. The responsibilities of the Management Board member who serves as Workers' Director derive directly from valid legislation.	14 September 2019 [first term of office] 14 September 2023	13 September 2023 [first term of office] 13 September 2027	Female	Slovenian	1978	High school graduate.	

Work of the Management Board

The Management Board manages transactions and represents the Company independently, and is liable for its own actions in that regard in accordance with the limitations set out in the Company's Articles of Association and internal acts. The responsibilities of individual members of the Management Board are set out in the rules of procedure of that body and in the resolution defining the business areas and responsibilities of Management Board members, to which the Supervisory Board gives its consent.

In managing transactions, the Management Board ensures the appropriate risk management, respect for the integrity and security of trade secrets, and acts with the diligence of a conscientious and fair manager.

The Management Board met at 66 ordinary sessions and one correspondence session in 2023. Due to circumstances that could result in conflicts of interest, individual members of the Management Board recused themselves from decision making on nine matters within their own or the Management Board's collective competence.

The Management Board made numerous business decisions and implemented activities to achieve the objectives set out in the current Strategic Business Plan, taking into account the principles of sustainable development and the interests of shareholders and other stakeholders. It dedicated special attention to activities to upgrade the mobile network and to ensuring the provision of secure and reliable services. The Management Board actively responded to events in the broader and local social environment, which was particularly evident after August's catastrophic floods, when Telekom Slovenije's network was functioning normally again in the shortest time possible.

With the consent of the Supervisory Board, the Management Board adopted the Strategic Business Plan for the period 2024 to 2028, in the scope of which it also discussed the strategy of sustainable operations. The conclusion of a loan agreement in the amount of EUR 100 million for the pursuit of Telekom Slovenije's ambitious and development-oriented strategy ensured the Company will receive the necessary funding, and stable, long-term sources of financing.

Earnings of the Management Board

The remuneration, composition and amount of earnings of Management Board members are set out in employment contracts taking into account the Act Governing the Remuneration of Managers of Companies with Majority Ownership held by the Republic of Slovenia or Self-Governing Local Communities [ZPPOGD], the Decree setting the highest correlation between the basic salary and the amount of variable remuneration of directors [hereinafter: the Decree] and the Remuneration Policy for Members of Telekom Slovenije, d.d.'s Management Bodies and the Management Bodies of Telekom Slovenije Group Subsidiaries [hereinafter: Remuneration Policy], which was updated in 2023.

In accordance with the Company's Annual Business Plan, each year the Supervisory Board defines in detail specific questions regarding the remuneration of Management Board members, the selection of short- and long-term performance criteria and their target values for individual years, the weighting of criteria in terms of importance, a system of assessing the fulfilment of criteria, the method for calculating the variable component of remuneration taking into account achieved assessments, and other necessary content.

The earnings of Management Board members comprise a basic salary, a variable component of remuneration, and other rights and benefits. The criteria for the payment of the variable component of remuneration comprise quantitative and qualitative and financial and non-financial criteria.

According to the Remuneration Policy, the variable component of remuneration based on financial criteria [e.g. net sales revenue, EBITDA, etc.] is 50%. The same 50% share applies to the variable component of remuneration based on non-financial criteria [e.g. trend in market share, NPS, organisational efficiency, development, sustainable operations according to environmental, social and governance criteria].

The aforementioned Decree states that the basic salary of Management Board members may amount to a maximum of five times the average gross salary within the Telekom Slovenije Group, where the salary of an individual member of the Management Board is determined taking into account their powers, duties, experience, responsibilities, scope of work and the Company's financial situation.

The conditions for profit sharing by the Management Board are governed by the Company's Articles of Association. The earnings of Management Board members in 2023 are presented in the separate report, Report on the remuneration of members of Telekom Slovenije, d.d.'s Management Board and Supervisory Board for 2023, and in the financial report in point 42. *Related party transactions.*

REPORT ON THE WORK OF THE SUPERVISORY BOARD

In accordance with the Articles of Association of Telekom Slovenije, d.d., the Company's Supervisory Board comprises nine members. The composition of the Supervisory Board was unchanged in 2023.

In the scope of its competences, the Supervisory Board ensured the responsible and prudent supervision of the operations of Telekom Slovenije and the Telekom Slovenije Group in 2023. 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 eleven ordinary sessions and four correspondence sessions in 2023.

Composition of the Supervisory Board

The Supervisory Board comprised the following members in 2023: Žiga Debeljak, MSc [President] Karla Pinter, MSc [Vice-President], Aleksander Igljčar, MSc, Mateja Čuk Orel, MSc, Alenka Čok Pangeršič, MSc, Marko Boštjančič, Drago Kijevčanin [Vice-President], Dušan Pišek and Rok Pleteršek.

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.

In accordance with the Corporate Governance Code, the Supervisory Board hereby declares that all costs in connection with its work are disclosed in this annual report.

Members of the Supervisory Board													
Name	Office	First appointment to function	Completion of function/ term of office	Shareholder/ employee representative	Participation in Supervisory Board sessions	Gender	Nationality	Year of birth	Education / professional profile	Independence per statement of independence	Existence of conflicts of interest during the financial year	Membership in supervisory bodies of other companies	Employment
Žiga Debeljak, MSc	President	9 September 2022	8 September 2026	Shareholder representative	15/15	Male	Slovenian	1971	Holds a bachelor's degree in information technology and a master's degree in business administration and corporate governance.	YES	NO	GEN energija, d.o.o., Krško	President of the Management Board of SDH, d.d.
Karla Pinter, MSc	Vice-President	18 June 2021	17 June 2025	Shareholder representative	15/15	Female	Slovenian	1982	Holds a bachelor's degree in law and a master's degree in legal affairs.	YES	NO	Mariborska livarna Maribor, d.d.	Director General of the Internal Market Directorate at the Ministry of the Economy, Tourism and Sport.
Aleksander Igljčar, MSc	Member	22 January 2021	21 January 2025	Shareholder representative	14/15	Male	Slovenian	1962	Holds a master's degree in economics / accounting.	YES	NO	Iskra Mehanizmi Holding, d.d. Lipnica; Slovenska tiskovna agencija, d.o.o., Ljubljana (until 12 December 2023)	Senior lecturer at the University of Ljubljana's School of Economics and Business.
Marko Boštjančič	Member	9 September 2022	8 September 2026	Shareholder representative	15/15	Male	Slovenian	1967	Holds a bachelor's degree in law/ telecommunications.	YES	NO		Managing Director of MIBO, Komunikacije, d.o.o., Sarajevo
Alenka Čok Pangeršič, MSc	Member	9 September 2022	8 September 2026	Shareholder representative	14/15	Female	Slovenian	1971	Holds a bachelor's degree in engineering physics and a master's degree in management and organisation/asset management.	YES	NO		Advisor to the Management Board/ head of project to introduce sustainable operations at Modra zavarovalnica, d.d..
Mateja Čuk Orel, MSc	Member	9 September 2022	8 September 2026	Shareholder representative	15/15	Female	Slovenian	1980	Holds bachelor's and master's degrees in law/ legal affairs.	YES	NO	GEN energija, d.o.o., Krško SODO, d.o.o., Maribor (until 2 October 2023)	Attorney-at-law to the Law company of Čuk Orel, Ljubljana
Drago Kijevčanin	Vice-President	19 September 2018 (first term of office) 15 November 2021 (current term of office)	14 November 2021 14 November 2025	Employee representative	15/15	Male	Slovenian	1964	Telecommunications engineer/technology.	YES	NO	NO	Telekom Slovenije, network engineer in the Network and Infrastructure organisational unit, President of the SELEKS trade union and member of the Works' Council
Dušan Pišek	Member	19 September 2018 (first term of office) 15 November 2021 (current term of office)	14 November 2021 14 November 2025	Employee representative	15/15	Male	Slovenian	1964	Telecommunications engineer/technology.	YES	NO	NO	Telekom Slovenije, team leader in the Network and Infrastructure organisational unit, Chair of the Works' Council
Rok Pleteršek	Member	2 June 2022	14 November 2025	Employee representative	15/15	Male	Slovenian	1990	Holds a master's degree in law / legal affairs and telecommunications	YES	NO	NO	Telekom Slovenije, Network and Infrastructure organisational unit, member of the Works' Council

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. In accordance with the Corporate Governance Code, all members of the Supervisory Board issued statements of compliance with the criteria of independence, which are published on the Company's website.

During the 2023 financial year, one member of the Supervisory Board informed the latter of facts that could affect their independence. The compliance and integrity officer assessed the possible existence of a conflict of interest in connection with a member of the Supervisory Board, but did not identify any circumstances that would affect the impartial and objective performance of the Supervisory Board member's duties.

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 its committees, the Supervisory Board adopted the appropriate decisions.

Within the scope of its competences, the Supervisory Board made the following responsible decisions in 2023:

- discussed and adopted the strategic Business Plan of the Telekom Slovenije Group for the period 2024 to 2028;
- discussed and adopted the audited annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022;
- regularly discussed the interim reports on the operations of the Telekom Slovenije Group and Telekom Slovenije, and monitored the realisation of business plans;
- appointed the member of the Management Board and Workers' Director in accordance with the Workers' Participation in Management Act and based on the proposal of Telekom Slovenije's Works' Council;
- monitored activities in connection with the further development and modernisation of the network, and activities to repair the damage caused to the infrastructure of Telekom Slovenije and GVO by August's storms; 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 companies, the Supervisory Board was briefed regularly on the following in 2023:

- 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 assessed its work in August 2023 according to the methodology of the Slovenian Directors' Association. Following discussion, it adopted an action plan with commitments that were fulfilled by the set deadline.

COMPOSITION AND FUNCTIONING OF SUPERVISORY BOARD COMMITTEES

The Supervisory Board had three permanent committees: Audit Committee, HR Committee and Business Development Committee. In accordance with their respective competences and tasks, the aforementioned committees discussed individual areas of expertise and topics relating to the functioning of the Supervisory Board, and advised the latter regarding important issues. This contributed to the improved work and effectiveness of the Supervisory Board.

The composition and most important tasks of individual committees in 2023 are described below:

As an advisory body, the **Audit Committee** assists the Supervisory Board in its supervision of financial reporting, internal controls and risk management at Telekom Slovenije and at the Telekom Slovenije Group level, and in cooperation with external and internal auditors. The Audit Committee's key tasks are to ensure professional cooperation in the areas of corporate governance, where it functions for the good of the Company and protects the interests of its stakeholders.

Based on the decision of Telekom Slovenije's Supervisory Board, audit committee tasks at the subsidiaries Soline and Avtenta, which are public-interest entities, are carried out by the Audit Committee of Telekom Slovenije's Supervisory Board.

The Audit Committee's members were as follows as at 31 December 2023:

- Aleksander Igljčar, MSc [chair],
- Alenka Čok Pangeršič, MSc,
- Drago Kijevčanin,
- Barbara Gorjup, MSc – external member, and
- Dr Marko Hočvar – external member.

Information regarding the members of the Audit Committee who were also members of the Supervisory Board in 2023 is presented in the table detailing the members of the Supervisory Board, while information regarding the external members of the Audit Committee is presented in the table below.

External members of the Audit Committee

Name	Committee	Gender	Nationality	Education	Year of birth	Professional profile	Membership in supervisory bodies of other companies
Barbara Gorjup, MSc	Audit Committee	Female	Slovenian	Holds a master's of science.	1973	Accounting, auditing, business finance, business valuation.	Member of the Supervisory Board of: HSE d.o.o., and Triglav skladi, d.o.o.
Dr Marko Hočevar	Audit Committee	Male	Slovenian	Holds a doctorate in economics.	1962	Accounting.	Member of the Supervisory Board of KZPS, d.o.o.

The Audit Committee met at twelve ordinary sessions and held three correspondence sessions in 2023. As a rule, all members were present at sessions.

Members of the Supervisory Board who are not members of the Audit Committee were kept abreast about the latter's work through the review of the minutes of the committee's sessions. The chair of the Audit Committee also regularly reported on the committee's work and findings at sessions of the Supervisory Board. The Audit Committee addressed issues in accordance with the ZGD-1, recommendations for the work of audit committees, the Audit Committee's rules of procedure, its work plan adopted for 2023 and the resolutions of Telekom Slovenije's Supervisory Board.

Key tasks performed by the Audit Committee in 2023 were as follows:

- it monitored and discussed financial reporting regarding the operations of the Telekom Slovenije Group and Telekom Slovenije;
- it monitored the progress of and was briefed on the findings from the external audit of the annual report and financial statements of the Telekom Slovenije Group and Telekom Slovenije;
- it discussed the unaudited and audited annual report of the Telekom Slovenije Group and Telekom Slovenije for 2022, assessed the content of the annual report and prepared a proposal for the Supervisory Board;
- it discussed the Internal Audit Service's quarterly reports regarding audits performed and the implementation of issued recommendations;
- it discussed the report on the work of the Internal Audit Service for 2022, changes to the work plan of the Internal Audit Service for 2023, changes to the Internal Auditing Rules of the Telekom Slovenije Group, and conducted interviews with the head of the Internal Audit Service and its employees in the absence of the Management Board;
- it periodically monitored the risk management system, the functioning of internal controls, compliance and reports on suspected breaches of corporate integrity;
- in accordance with the adopted Guidelines for monitoring the independence of the auditor of the financial

statements of the Telekom Slovenije Group and Telekom Slovenije, which define the methods and procedures for monitoring the independence and impartiality of the auditor, as well as protective measures, procedures for approving non-audit services and the process of selecting an auditor, it:

- approved in advance all intended non-audit services with the auditor at Telekom Slovenije Group companies based on a comprehensive review of cooperation with the auditor of the financial statements of the Telekom Slovenije Group and Telekom Slovenije;
- continuously assessed the independence of the auditor based on internal information, written statements and an interview with the auditor of the financial statements of the Telekom Slovenije Group and Telekom Slovenije;
- discussed a review of transactions with other auditors at Telekom Slovenije Group companies;
- in cooperation with the other audit committees to Telekom Slovenije Group companies, prepared standard criteria and led the process of selecting an audit firm for the mandatory auditing of the financial statements of the Telekom Slovenije Group and Telekom Slovenije for 2023, 2024 and 2025. In accordance with the Guidelines for monitoring the independence of the auditor of the financial statements of the Telekom Slovenije Group and Telekom Slovenije, an auditor is selected every three years. An invitation to submit bids was sent to seven audit firms in February 2023. A total of four bids were received. All four bidders presented themselves at a meeting attended by the audit committees of all Group companies. Based on those presentations and an analysis of bids, a proposal was issued in April 2023 for the selection of the auditor of the financial statements of the Telekom Slovenije Group and Telekom Slovenije for 2023, 2024 and 2025. The auditor was appointed at Telekom Slovenije's General Meeting of Shareholders held on 16 June 2023;

- o monitored and assessed the quality of the work of the auditor of the financial statements of the Telekom Slovenije Group and Telekom Slovenije for 2022;
- o performed the tasks of the audit committee at the subsidiaries Soline and Avtenta in accordance with the resolution of Telekom Slovenije’s Supervisory Board.

The Director of the Telekom Slovenije’s Internal Audit Service was invited to all sessions of the Audit Committee. The Audit Committee also invited the appointed external auditor to sessions at which quarterly reports on the operations of the Telekom Slovenije Group and Telekom Slovenije were discussed.

With the aim of implementing continuous improvements and ensuring the quality of its work, the Audit Committee performed a self-assessment of its work in February 2023 and discussed potential improvements. It notified the Supervisory Board about the aforementioned self-assessment and proposed improvements.

The **HR Committee** met at six regular sessions. Significant activities of the HR Committee included:

- o drafting the Remuneration Policy for the Management Body of Telekom Slovenije, d.d. and the Management Bodies of Telekom Slovenije Group Subsidiaries;
- o appointing the member of the Management Board who serves as Workers’ Director;
- o updating the Competence Profile for Members of the Supervisory Board of Telekom Slovenije, d.d.; and
- o updating the Policy Governing the Diversity of the Management Board and Supervisory Board of Telekom Slovenije, d.d.

The HR Committee’s members were as follows as at 31 December 2023:

- o Mateja Čuk Orel, MSc [chair]
- o Marko Boštjančič,
- o Žiga Debeljak, MSc,
- o Drago Kijevčanin, and
- o Karla Pinter, MSc.

The **Business Development Committee** held three sessions, at which it discussed the Strategic Business Plan of the Telekom Slovenije Group for the period 2024 to 2028 and activities aimed at the modernisation of Telekom Slovenije’s mobile network.

Members of the Business Development Committee as at 31 December 2023:

- o Marko Boštjančič [chair],
- o Žiga Debeljak, MSc,
- o Karla Pinter, MSc,
- o Dušan Pišek,
- o Rok Pleteršek, and
- o Dr Janez Bešter, external member.

Information regarding the members of the Business Development Committee who were also members of the Supervisory Board in 2023 is presented in the table detailing the members of the Supervisory Board, while information regarding the external member of the Business Development Committee is presented in the table below.

External member of the Business Development Committee

Name	Committee	Gender	Nationality	Education	Year of birth	Professional profile	Membership in supervisory bodies of other companies
Dr Janez Bešter	Business Development Committee	Male	Slovenian	Holds a doctorate in telecommunications.	1955	Telecommunications and multimedia.	

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.

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 2023. 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 auditor's report with the latter's opinion, the Supervisory Board confirmed the audited annual report of the Telekom Slovenije Group and Telekom Slovenije, d.d. for 2023.

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 2023, together with the auditor's report for 2023, immediately after compilation and the issuance of the auditor's report with the latter's opinion. The annual report of the Telekom Slovenije Group and Telekom Slovenije for 2023 was audited by the audit firm Deloitte Revizija, 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 2023 and found that the annual report was compiled in a timely, clear and transparent manner, and in accordance with the provisions of the ZGD-1, the applicable International Financial Reporting Standards and other relevant legislation. The Audit Committee had no comments with respect to the annual report for 2023, and proposed that the Supervisory Board approve the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2023 in accordance with Article 282 of the ZGD-1.

Based on the auditor's report with the latter'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 as at 31 December 2023, 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 2023 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 approved the annual report of the Telekom Slovenije Group and Telekom Slovenije for 2023 at its ordinary session held on 16 April 2024. The Supervisory Board approved

the annual report for 2023 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 2023, and assessed that they are a reflection of the actual governance of the Company in 2023.

REMUNERATION OF SUPERVISORY BOARD MEMBERS

Supervisory Board members are entitled to basic payment for performing their functions, attendance fees and additional payments for participation in Supervisory Board committees. The remuneration of members of the Supervisory Board is defined in a general meeting resolution, and is in line with the Recommendations and Expectations of the Slovenian Sovereign Holding. Also defined are the maximum annual amounts of and eligibility criteria for the reimbursement of transportation expenses, daily allowances and costs of overnight stays. The amounts of payments made to members of the Supervisory Board are disclosed in the financial report.

DIVERSITY POLICY

The Policy Governing the Diversity of the Management Board and Supervisory Board of Telekom Slovenije, d.d. [hereinafter: the Diversity Policy], which was adopted in 2020, states that in order to ensure the optimal composition of the Management Board and Supervisory Board, the diversity of a body in terms of professional profile, continuity, experience, gender and age must be taken into account, in addition to legal requirements and requirements set out in the Company's Articles of Association.

As a measurable objective, the Diversity Policy lays out efforts to ensure heterogeneity in terms of gender composition, whereby an under-represented gender should account for 40% of the members of the Supervisory Board and 33% of all members of the Management Board and Supervisory Board by the end of 2026.

The overall objective of gender diversity in terms of the composition of Telekom Slovenije's management and supervisory bodies was achieved in 2023.

On 13 February 2024, the Supervisory Board adopted a renewed Policy on Ensuring Diversity of Management and Supervisory Bodies of companies of Telekom Slovenije Group.

MANAGEMENT AND GOVERNANCE OF SUBSIDIARIES

Telekom Slovenije is the parent company of the Telekom Slovenije Group. It manages the operations of subsidiaries in the scope of corporate governance by defining subsidiaries' strategic policies and operational objectives, and by monitoring the achievement of established objectives. The Telekom Slovenije Group's strategy defines uniform corporate governance within the Group, which facilitates the optimisation of the operations of companies, and ensures the improved flow of information and the exploitation of synergies at the Group level.

Rules, criteria and mechanisms for managing and supervising Group companies are defined in the Telekom Slovenije Group's Corporate Governance Rules, in line with Telekom Slovenije's Corporate Governance Policy.

Management and supervisory tasks are performed taking into account Slovenian law and the applicable laws in the

home countries of individual subsidiaries. Subsidiaries operate in accordance with local legislation, business cooperation agreements with Telekom Slovenije, and with internal rules and instructions adopted by the management of an individual subsidiary or the Management Board of the parent company.

The management and supervision of the operations of Telekom Slovenije Group companies is based on the following core principles:

- links with the Group's strategy;
- governance in the form of management by objectives, where those objectives derive from the Group's strategy;
- clearly defined roles [tasks, competences and responsibilities] of those responsible for the management and supervision of the Group; and
- simplicity and flexibility [the ability to adapt to changes in the organisation and operations of the Group].

COMPOSITION OF THE MANAGEMENT AND SUPERVISORY BODIES OF SUBSIDIARIES OF THE TELEKOM SLOVENIJE GROUP AS AT 31 DECEMBER 2023

SLOVENIA	
GVO, d.o.o.	Managing Director: Dr Zef Vučaj Supervisory Board: Vesna Prodnik, MSc (President), Peter Anžin and Helena Jakič; Peter Anžin began his term of office as member of the company's supervisory board on 9 June 2023. The function of supervisory board member Sabina Merhar ended on the same day.
Infratel, d.o.o.	Managing Director: Dr Zef Vučaj
Optic-Tel, d.o.o.	Managing Director: Dr Zef Vučaj
Avtenta, d.o.o.	Managing Director: Matija Nendl Primož Kučič served as Managing Director until 31 March 2023.
TSmedia, d.o.o.	Managing Director: Igor Gajster
Soline, d.o.o.	Managing Director: Klavdij Godnič
TSinpo, d.o.o.	Managing Director: Vesna Lednik Sandra Peršak served as Managing Director until 9 January 2023.

OTHER COUNTRIES	
IPKO Telecommunications LLC, Kosovo	CEO: Andrés Páli Tomaž Seljak, MSc served as CEO until 4 November 2023.
SIOL, d.o.o. Zagreb, Croatia	Managing Director: Simon Furlan, MSc
SIOL, d.o.o. Podgorica, Montenegro	Managing Director: Simon Furlan, MSc
SIOL, d.o.o. Sarajevo, Bosnia and Herzegovina	Managing Director: Simon Furlan, MSc
SIOL, DOOEL Skopje, North Macedonia	Managing Director: Simon Furlan, MSc
SIOL DOO Beograd, Serbia	Managing Director: Simon Furlan, MSc
SIOL Prishtina LLC, Kosovo	Managing Director: Simon Furlan, MSc

OTHER EXPLANATIONS IN ACCORDANCE WITH THE COMPANIES ACT

uant to the fifth paragraph of Article 70 of the Companies Act (ZGD-1), Telekom Slovenije hereby issues the following explanations:

Main features of internal control systems and risk management within the Telekom Slovenije Group in connection with financial reporting procedures

The internal control system as it relates to financial reporting and risk management are integral elements of corporate governance within the Group.

The internal control system as it relates to financial reporting ensures the appropriate management of risks, the ethical operations of Group companies, precise, reliable, timely and complete accounting records, and true, fair, transparent and reliable external and internal financial reporting that is in accordance with the law, the adopted accounting framework and regulations, and the guidelines and policies of the Group. All Group companies must report in accordance with the same accounting guidelines and policies.

In the scope of the risk management framework, the Company treats the internal control system as a process that is based on the principle of segregation of duties and that serves as the basis for identifying, assessing and managing risks, and control over the financial reporting process.

Information support is provided for the accounting process. Internal controls are therefore built into the IT infrastructure, which comprises, inter alia, controls over restrictions on access to data and applications, and controls over access to data and applications as a way to control the accuracy and completeness of data capture and processing. Data access rights are regularly reviewed and updated.

Also in place in addition to internal accounting controls are other internal controls in the processes and organisational units of companies, and at all levels of operations. The Group strives to ensure an appropriate system of internal controls that includes:

- responsibilities for processes;
- competences and responsibilities for specific tasks;
- automated and manual controls in processes;
- accounting and business information systems at the parent company and subsidiaries;
- controls for the prevention of errors and risk management; and
- the adaptation of internal controls to legislation, standards, processes, organisational changes,

- findings from self-assessments of internal controls, findings from other reviews, recommendations of internal and external audits, and best practices.

The owners of internal controls are responsible for the consistent implementation of controls, documentation regarding their functioning and proposals for improvements. A report is drafted once a year on the self-assessment of internal controls at the parent company and subsidiaries to provide a comprehensive overview of the establishment and functioning of internal controls.

DATA AND EXPLANATIONS RELATED TO THE MERGERS AND ACQUISITIONS ACT

Share capital of Telekom Slovenije

There were no changes to the structure of share capital in 2023. The value of Telekom Slovenije's share capital is EUR 272,720,664.33 and is divided into 6,535,478 ordinary registered no-par-value shares. All shares constitute one class and are issued in dematerialised form. Each share represents the same stake and corresponding amount in share capital, while all shares have been paid up in full. Each share gives its holder the right to one vote at the General Meeting of Shareholders, a proportionate share of profits (payment of dividends) and a proportionate share of residual assets after the liquidation or bankruptcy of the Company. Shares are listed on the prime securities market of the Ljubljana Stock Exchange. Detailed information regarding shares and the ownership structure is presented in section 6 *Share trading and ownership structure*.

Restrictions on the transfer of shares

All shares are freely transferable.

Qualifying holdings according to the Takeovers Act

There were two holders of a qualifying holding as set out in the Takeovers Act as at 31 December 2023: the Republic of Slovenia with 4,087,569 shares or 62.54% of the issuer's share capital and Kapitalska družba, d.d. with 365,175 shares or 5.59% of the issuer's share capital.

Holders of securities that provide special controlling rights

Telekom Slovenije has not issued securities that would provide special controlling rights.

Share scheme for shareholders

Telekom Slovenije does not have a share scheme for shareholders.

Agreements between shareholders that might place limits on the transfer of securities or voting rights

Telekom Slovenije is not aware of any such agreements.

Rules on the Appointment and Replacement of Members of Management and Supervisory Bodies

The Supervisory Board appoints members of the Management Board in accordance with its legal powers and statutory provisions. To that end, it prudently and responsibly assesses the fulfilment of the required qualifications. In accordance with the above, the Supervisory Board also defined the candidate selection process, additional conditions that candidates must meet and procedures for determining the appropriateness of candidates in the Criteria and Procedures for Determining the Appropriateness of Candidates for Members of the Management Board.

The Supervisory Board formulated criteria and professional profiles for members of the Company's Supervisory Board [competence profile] in June 2016, taking into account the specific nature of the Company. Those criteria ceased to apply with the adoption of the Competence Profile for Members of the Supervisory Board of Telekom Slovenije, d.d. of 12 February 2020. That profile is publicly accessible on the Company's website.

Rules on Amendments to the Articles of Association

Telekom Slovenije does not have any special rules governing changes to its Articles of Association. Changes to the Company's Articles of Association are made in accordance with the law and the Articles of Association themselves.

Special agreements that come into effect, are amended or terminated on the basis of a change in control at the Company as the result of a bid as defined by the act governing mergers and acquisitions

Telekom Slovenije is not aware of any such agreements.

Agreements concluded between the Company and the members of its management or supervisory body or employees that envisage compensation if they resign or are laid off without justification in the event of a bid as set out in the act governing mergers and acquisitions or if their employment is terminated

Telekom Slovenije has no such agreements in accordance with the Takeovers Act.

Telekom Slovenije constantly strives to improve corporate governance practices in its operations, including proactive corporate communication with various stakeholders. The Company communicates in the manner set out in Telekom Slovenije, d.d.'s Corporate Governance Policy, the Communications Strategy of Telekom Slovenije, d.d. and the Policy on Communication with the Shareholders of Telekom Slovenije, d.d.

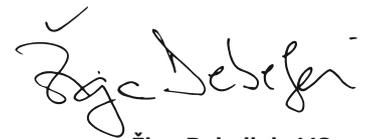
With the listing of its shares on the prime market of the Ljubljana Stock Exchange, the Company undertook to comply with the relevant reporting standards. Telekom Slovenije once again provided investors with high-quality, timely, relevant and reliable information in 2023.

In order to ensure that Telekom Slovenije Group companies and employees comply with the law, other rules, applicable recommendations and bylaws, the Telekom Slovenije Group's Compliance Management Policy defines the purpose and objectives of compliance management, an integrity plan and powers and responsibilities. The compliance management system facilitates the identification of risks and the implementation of measures to manage those risks. Playing an important role in that framework are preventive actions, and rapid and effective measures in the event of identified breaches. For more information, see section 8.4.1 Compliance and integrity.

Telekom Slovenije will continue to strive in the future to comply with and introduce the highest standards and best practices in the area of corporate governance, both at the parent company and at other Telekom Slovenije Group companies.



Boštjan Košak,
President of the
Management Board



Žiga Debeljak, MSc
President of the
Supervisory Board

STATEMENT REGARDING THE EXTERNAL ASSESSMENT OF THE CORPORATE GOVERNANCE STATEMENT FOR THE 2023 ANNUAL REPORT

The Slovenian Directors' Association hereby declares that it performed an external assessment of the corporate governance statement of Telekom Slovenije, d.d. for 2023 in the period 2 February 2024 to 11 March 2024 in accordance with Article 5.7 of the Slovenian Corporate Governance Code. That external assessment is not deemed to be the provision of the assurance services provided by accounting experts with public authorisation (auditors) or accounting experts without public authorisation (e.g. internal auditors).

As an independent external reference institution that does not provide audit services for the aforementioned Company or in connection with it, we reviewed all of the contents of the corporate governance statement and its appropriateness in terms of the fifth paragraph of Article 70 of the ZGD-1, and assessed whether that statement appropriately describes the governance of the Company, as is evident from the latter's relevant documents.

That assessment also included a review of selected reference codes and statements of compliance with the reference codes that the Company follows. A report was drawn up on the external assessment of the corporate governance statement, and submitted to the Company's Management Board and Supervisory Board.

The Slovenian Directors' Association hereby declares that the corporate governance statement included in the annual report of the Telekom Slovenije Group and Telekom Slovenije, d.d. for 2023 contains all legally prescribed elements, and that the content of that statement appropriately describes the governance of the Company, as is evident from documents received from the latter.

11 March 2024



Irena Prijovič, MSc
Executive Director
Slovenian Directors' Association