

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-1¹ 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

¹ 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