Materials for item 2 of the agenda:

APPOINTMENT OF THE GENERAL MEETING’S BODIES

The Telekom Slovenije d.d. Management Board proposes that the General Meeting adopts the following resolution:

Stojan Zdolšek shall be appointed the chair of the General Meeting, and representatives of Ixtlan Forum d.o.o. as the tellers.

The General Meeting acknowledges the presence of notary Bojan Podgoršek at this sitting.

Explanation:

Working bodies, i.e. the General Meeting chair, who chairs the General Meeting, and tellers for the voting, must be elected. A notary must be present at the General Meeting to write the General Meeting’s resolutions in the form of minutes compliant to the legislation.

Ljubljana, 12 April 2015

President of the Management Board:
Rudolf Skobe, MSc
ADOPTION OF CHANGES AND AMENDMENTS TO ARTICLES OF ASSOCIATION OF TELEKOM SLOVENIJE, D.D.

The Telekom Slovenije, d.d., Management and Supervisory Boards propose that the General Meeting adopts the following resolution:

The General Meeting shall adopt changes and amendments the Telekom Slovenije, d.d. Articles of Association according to the proposal by the Management and Supervisory Boards, which is a part of this resolution.

Ljubljana, 12 April 2016

President of the Management Board: Rudolf Skobe, MSc
President of the Supervisory Board: Borut Jamnik

Eclosed:
- Proposed changes and amendments to the Telekom Slovenije d.d. Articles of Association
- Telekom Slovenije, d.d., Articles of Association with indicated changes
PROPOSED CHANGES AND AMENDMENTS TO ARTICLES OF ASSOCIATION
OF TELEKOM SLOVENIJE D.D.

The General Meeting shall adopt the following changes and amendments to the Telekom Slovenije d.d. Articles of Association:

1. In paragraph 1 of Article 5 the following activities shall be added:

- "35.230 Trade of gas through mains
- 64.190 Other monetary intermediation
- 64.920 Other credit granting
- 64.990 Other unclassified activities involving financial services, excluding insurance services and pension fund activities
- 65.110 Life insurance
- 86.210 General medical practice activities
- 86.220 Specialist medical practice activities
- 88.109 Other social work activities without accommodation for the elderly and disabled
- 88.999 Other social work activities without accommodation n. e. c."

Explanation of the proposed amendment:
Due to the planned expansion of our economic activities into energy services, certain insurance and financial services, and social and health care services to more than just providing IT support in these areas, we must amend our list of economic activities. One of the basic conditions is that economic activities are registered.

2. Paragraph 2 of Article 18 shall be deleted.

Explanation of the proposed amendment:
The provision about convening Management Board meetings was taken from ZGD-1, and is the subject of the Management Board’s Rules of Procedure.

3. Paragraph 4 of Article 19 shall be amended as follows:
The requirements from the preceding paragraph, with the exception of the provision on education level from indent 1 of the preceding paragraph, do not apply to worker director as a member of the Management Board.

Paragraph 5 of Article 19 shall be deleted.

Explanation of the proposed amendment:
General requirements for appointing Management Board members are determined in Article 255 of the Companies Act (ZGD-1). ZGD-1 does not preclude the possibility of specifying additional requirements for appointing Management Board members.
Specifying an additional requirement regarding the education level for appointing the worker director as a member of the Management Board is a minimal requirement that is necessary for performing the work of a Management Board member of a large company from the field of advanced technologies with due diligence and responsibility. The requirement regarding the education level is reasonable and does not prevent workers from exercising their rights and obligations related to their involvement in the Management Board.
The right to severance pay is determined by ZGD-1 and the Act Regulating the Income of Managers of Companies Owned by the Republic of Slovenia and Municipalities.

4.

Article 21 shall be deleted.

Explanation of the proposed amendment:
The Management Board’s Rules of Procedure already determine the manner in which the President of the Management Board should be informed of the essential issues from Management Board members’ areas of responsibility, so this Article shall be deleted.

5.

Paragraph 4 of Article 22 shall be amended as follows:
1. concluding legal transactions that represent an obligation for the company and whose value exceeds €2,000,000.00 (two million), except for goods and services intended for further sale;
2. disposal of fixed assets, whose value exceeds €100,000.00 (one hundred thousand);
3. write-off of fixed assets, whose book value exceeds €100,000.00 (one hundred thousand);
4. taking long-term loans and granting loans whose value exceeds €2,000,000.00 (two million);
5. issuing long-term bonds and other long-term debt securities by the company;
6. providing surety bonds and guarantees, with the exception of:
   - guarantees and sureties issued by the company to third parties for the liabilities of the company's subsidiaries, which are part of regular course of business (e.g. corporate guarantees);
   - joint and several liability for partners in bids submitted in public procurement procedures, when the company acts as one of the partners submitting a joint bid in collaboration with third parties;
7. authorization of mortgages;
8. resolutions, which the company adopts as a founder or shareholder of subsidiaries in cases stipulated by the valid legislation or memorandum of association of an individual subsidiary, exclusively in those decisions on subsidiaries' transactions, when the Management Board requires the Supervisory Board’s consent for the company's transactions and decisions in compliance with indents 1 through 6 of this paragraph.

Explanation of the proposed amendment:
The proposed changes to paragraph 4 are based on the existing practice, and represent a more clear division of powers between the Management and Supervisory Boards.

6.

Paragraph 4 of Article 24 shall be deleted.

Current paragraph 5 shall become paragraph 4.

Explanation of the proposed amendment:
Replacement of the President of the Management Board in their absence is regulated by the Management’s Board Rules of Procedure, so we propose deleting this provision.

Ljubljana, 12 April 2016

Rudolf Skobe, MSc
President of the Management Board

Borut Jamnik
President of the Supervisory Board
The consolidated text of the Telekom Slovenije, d.d., Articles of Association comprises:

- The Articles of Association of Telekom Slovenije, d.d., adopted at the 4th General Meeting on 10 August 2001 (tenth of August two thousand and one), with effect from 31 August 2001 (thirty-first of August two thousand and one);
- The first round of changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 6th General Meeting on 24 July 2002 (twenty-fourth of July two thousand and two), with effect from 23 September 2002 (twenty-third of September two thousand and two);
- The second round of changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 7th General Meeting on 11 June 2003 (eleventh of June two thousand and three), with effect from 22 July 2003 (twenty-second of July two thousand and three);
- The third round of changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 9th General Meeting on 26 April 2005 (twenty-sixth of April two thousand and five), with effect from 5 May 2005 (fifth of May two thousand and five);
- The fourth round of changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 10th General Meeting on 26 August 2005 (twenty-sixth of August two thousand and five), with effect from 16 September 2005 (sixteenth of September two thousand and five);
- Changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 12th General Meeting on 30 June 2006 (thirtieth of June two thousand and six), with effect from 31 July 2006 (thirty-first of July two thousand and six);
- Coordination of provisions of the Articles of Association of Telekom Slovenije, d.d., with the conversion of the share capital into Euros, adopted at the 21st session of the Supervisory Board on 15 January 2007 (fifteenth of January two thousand and seven) in accordance with the General Meeting’s authorization of 30 June 2006 (thirtieth of June two thousand and six);
- Changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 13th General Meeting on 26 June 2007 (twenty-sixth of June two thousand and seven), with effect from 25 July 2007 (twenty-fifth of July two thousand and seven);
- Changes to the Articles of Association of Telekom Slovenije, d.d., adopted at the 14th General Meeting on 30 June 2008 (thirtieth of June two thousand and eight), with effect from 21 August 2008 (twenty-first of August two thousand and eight);
- Changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 17th General Meeting on 1 July 2010 (first of July two thousand and ten), with effect from 6 July 2010 (sixth of July two thousand and ten);
- Changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 20th General Meeting on 31 August 2011 (thirty-first of August two thousand and eleven), with effect from 5 September 2011 (fifth of September two thousand and eleven);
- Changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 21st General Meeting on 7 March 2012 (seventh of March two thousand and twelve), with effect from the date of registration in the register of companies;
- Changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 24th General Meeting on 1 July 2013 (first of July two thousand and thirteen), with effect from the date of registration in the register of companies;
- Changes and amendments to the Articles of Association of Telekom Slovenije, d.d., adopted at the 27th session of the General Meeting on 13 May 2016 (thirteenth of May two thousand sixteen), with effect from the date of registration in the court register;
ARTICLES OF ASSOCIATION OF TELEKOM SLOVENIJE, D.D.

I. GENERAL PROVISIONS

Article 1

Telekom Slovenije, d.d., was established by the restructuring of the public enterprise Telekom Slovenije, d.d., which was founded by the Republic of Slovenia, on the basis of the Telecommunications Act (Official Gazette of the Republic of Slovenia no. 30/01).

Telekom Slovenije d.d. is a public limited company.

Telekom Slovenije, d.d., (hereinafter referred to as the "Company") is the legal successor of the public enterprise Telekom Slovenije, d.d., entered in the register of companies at the District Court of Ljubljana under filing number 1/24624/00.

Article 2

The Company's main objectives are:
- maximizing the Company's value,
- generating long-term value for shareholders,
- considering social and environmental aspects of operations to provide the Company's sustainable development,
- providing public telecommunication services in accordance with regulations,
- providing and performing telecommunication and other services demanded by the market and satisfying the needs of its users,
- constantly improving reliability and quality by implementing a comprehensive quality assurance system,
- implementing new profitable and technologically efficient telecommunication services, and improving the availability of existing services, where and when economically viable, while prioritizing development and technological modernization,
- creation of a good working environment where employees have the possibility to develop and take advantage of their abilities.

I. NAME AND REGISTERED OFFICE

Article 3

The name of the Company shall be: Telekom Slovenije, d.d.

In addition to the company name, a visual identity, part of it or as a whole, can be used, as decided by the Management Board.

The company's registered office shall be at: Ljubljana

Change of the Company's registered office shall be decided by the General Meeting.

Article 4

The stamp shall contain the following text: Telekom Slovenije, d.d.

The Management Board shall define the shape, use and sign of the Company's stamp in detail.
II. ACTIVITIES OF THE COMPANY

Article 5

The Company’s activities are:

61.100 Wired telecommunications activities
61.200 Wireless telecommunication activities
61.300 Satellite telecommunication activities
61.900 Other telecommunication activities
60.200 Television broadcasting services
64.190 Other monetary intermediation
64.920 Other credit granting
64.990 Other unclassified activities involving financial services, excluding insurance services and pension fund activities
18.110 Printing of newspapers
18.120 Other printing
18.130 Pre-press and pre-media services
18.140 Binding and related services
18.200 Reproduction of recorded media
26.110 Manufacture of electronic components
26.120 Manufacture of electronic boards
26.200 Manufacture of computers and peripheral devices
26.300 Manufacture of communication devices
27.900 Manufacture of other electrical devices
28.290 Manufacture of other general purpose machinery and equipment
29.310 Manufacture of electrical and electronic equipment for engines and vehicles nec
33.120 Repair of machinery
33.130 Repair of electronic and optical devices
33.140 Repair of electrical devices
33.190 Repair of other devices
33.200 Installation of industrial machinery and devices
35.119 Production of electricity
35.120 Electricity transmission
35.130 Electricity distribution
35.140 Electricity trading
35.230 Trade of gas through mains
42.220 Construction of utility projects for electricity and telecommunications
42.990 Construction of other civil engineering projects
43.110 Demolition
43.120 Site preparation
43.210 Electrical installation
43.220 Plumbing, heat and air-conditioning installation
43.290 Other construction installation
43.990 Other specialized construction works
45.310 Wholesale of motor vehicle parts and accessories
45.320 Retail sale of motor vehicle parts and accessories
46.190 Non-specialized agency in the sale of various products
46.490 Wholesale of other household goods
46.510 Wholesale of computer devices
46.520 Wholesale of electronic and telecommunication equipment and parts
46.900 Non-specialized wholesale business
47.110 Retail in non-specialized stores, food, drink, tobacco predominating
47.190 Other retail sale in non-specialized stores
47.410 Retail in specialized stores with computer devices and programs
47.420 Retail trade in specialized stores with telecommunication devices
47.430 Retail trade in specialized stores selling audio and video devices
47.510 Retail trade in specialized stores with textile products
<table>
<thead>
<tr>
<th>Code</th>
<th>Activity Description</th>
</tr>
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<tr>
<td>47.610</td>
<td>Retail trade in specialized stores with books</td>
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<td>47.621</td>
<td>Retail sale of newspapers and magazines</td>
</tr>
<tr>
<td>47.622</td>
<td>Retail sale of paper and stationery</td>
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<tr>
<td>47.630</td>
<td>Retail trade in specialized stores selling audio and video records</td>
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<td>47.640</td>
<td>Retail sale of sporting equipment in specialized stores</td>
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<tr>
<td>47.650</td>
<td>Retail sale of games and toys in specialized stores</td>
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<tr>
<td>47.710</td>
<td>Retail trade in specialized clothing stores</td>
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<tr>
<td>47.720</td>
<td>Retail trade in specialized stores with footwear and leather products</td>
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<td>47.750</td>
<td>Retail trade in specialized stores with cosmetic and toiletry products</td>
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<tr>
<td>47.782</td>
<td>Retail trade in specialized art stores</td>
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<td>47.789</td>
<td>Other retail sale in other specialized stores</td>
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<td>47.890</td>
<td>Retail trade at stands and markets with other goods</td>
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<td>47.910</td>
<td>Retail trade via mail order or internet</td>
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<td>47.990</td>
<td>Other non-store, non-stand and non-market retail sale</td>
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<td>49.391</td>
<td>Interurban and other passenger road transport</td>
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<td>49.410</td>
<td>Freight transport by road</td>
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<td>Maritime transport of passengers</td>
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<td>Storage and warehousing</td>
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<td>55.100</td>
<td>Hotels and similar accommodation</td>
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<td>55.201</td>
<td>Holiday homes and resorts</td>
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<td>55.204</td>
<td>Youth hostels and mountain lodges</td>
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<td>55.209</td>
<td>Other short-stay accommodation</td>
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<td>56.101</td>
<td>Restaurants and inns</td>
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<td>56.104</td>
<td>Temporary food facilities</td>
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<td>56.300</td>
<td>Serving of beverages</td>
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<td>58.110</td>
<td>Publishing of books</td>
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<tr>
<td>58.120</td>
<td>Publishing of directories and mailing lists</td>
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<td>58.130</td>
<td>Publishing of newspapers</td>
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<td>58.140</td>
<td>Publishing of journals and periodicals</td>
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<tr>
<td>58.190</td>
<td>Other publishing</td>
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<tr>
<td>58.210</td>
<td>Publishing of computer games</td>
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<tr>
<td>58.290</td>
<td>Other software publishing</td>
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<td>59.200</td>
<td>Sound recording and music publishing activities</td>
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<td>62.010</td>
<td>Computer programming activities</td>
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<td>62.020</td>
<td>Computer consultancy activities</td>
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<td>62.030</td>
<td>Computer facilities management activities</td>
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<td>62.090</td>
<td>Other information technology and computer service activities</td>
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<td>63.110</td>
<td>Data processing, hosting and related activities</td>
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<td>63.120</td>
<td>Web portals</td>
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<td>63.990</td>
<td>Other information service activities n.e.c.</td>
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<tr>
<td>64.190</td>
<td>Other monetary intermediation</td>
</tr>
<tr>
<td>64.200</td>
<td>Activities of holding companies</td>
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<tr>
<td>64.910</td>
<td>Financial leasing</td>
</tr>
<tr>
<td>64.920</td>
<td>Other credit granting</td>
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<tr>
<td>64.990</td>
<td>Other unclassified activities involving financial services, excluding insurance services and pension fund activities</td>
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<tr>
<td>65.110</td>
<td>Life insurance</td>
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<td>65.120</td>
<td>Non-life insurance</td>
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<td>65.300</td>
<td>Pension funding</td>
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<td>66.110</td>
<td>Financial market management</td>
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<td>Other auxiliary activities involving financial services, excluding insurance services and pension funds activities</td>
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<td>68.100</td>
<td>Buying and selling of own real estate</td>
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<td>68.200</td>
<td>Renting and operating of own or leased real estate</td>
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<td>69.103</td>
<td>Other legal activities</td>
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<td>69.200</td>
<td>Accounting, book-keeping and auditing activities, tax consultancy</td>
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<td>Company management activities</td>
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<td>70.210</td>
<td>Public relations services</td>
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<td>Description</td>
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<td>-------</td>
<td>--------------------------------------------------------------</td>
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<td>70.220</td>
<td>Business and other management consultancy activities</td>
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<td>71.111</td>
<td>Architectural planning</td>
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<td>71.129</td>
<td>Other engineering activities and related technical consultancy</td>
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<td>71.200</td>
<td>Technical testing and analysis</td>
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<tr>
<td>72.190</td>
<td>Other research and experimental development in natural sciences and engineering</td>
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<td>73.200</td>
<td>Market research and public opinion polling</td>
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<td>74.200</td>
<td>Photographic activities</td>
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<td>74.300</td>
<td>Translation and interpretation activities</td>
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<td>77.110</td>
<td>Leasing out and renting of light motor vehicles</td>
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<td>77.330</td>
<td>Renting and leasing out of office machinery and equipment, including computers</td>
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<tr>
<td>77.340</td>
<td>Leasing out and renting of boats</td>
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<tr>
<td>77.390</td>
<td>Renting and leasing out of machinery, equipment and tangible assets</td>
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<tr>
<td>77.400</td>
<td>Leasing rights to the use of intellectual property except copyrighted works</td>
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<tr>
<td>80.100</td>
<td>Security services</td>
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<td>80.200</td>
<td>Security systems service activities</td>
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<tr>
<td>82.190</td>
<td>Photocopying, preparation of documents and other individual office activities</td>
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<tr>
<td>82.200</td>
<td>Call center activities</td>
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<td>82.920</td>
<td>Packaging activities</td>
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<td>82.990</td>
<td>Other business support service activities n.e.c.</td>
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<td>Other education n.e.c.</td>
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<td>Educational support activities</td>
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<td>86.210</td>
<td>General medical practice activities</td>
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<td>86.220</td>
<td>Specialist medical practice activities</td>
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<td>88.109</td>
<td>Other social work activities without accommodation for the elderly and disabled</td>
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<td>88.910</td>
<td>Daycare</td>
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<td>88.999</td>
<td>Other social work activities without accommodation n. e. c.</td>
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<td>91.011</td>
<td>Library activities</td>
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<td>91.012</td>
<td>Archives activities</td>
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<td>93.190</td>
<td>Other sporting activities</td>
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<td>93.299</td>
<td>Leisure activities n.e.c.</td>
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<td>95.110</td>
<td>Repair of computers and peripheral equipment</td>
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<td>95.120</td>
<td>Repair of communication equipment</td>
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<td>95.210</td>
<td>Repair of consumer electronics</td>
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<tr>
<td>96.090</td>
<td>Other service activities, n.e.c.</td>
</tr>
</tbody>
</table>

The Management Board can by itself reconcile potential changes in activities with the Standard Classification of Activities.

**Article 6**

In addition to the registered activity the Company also performs other activities, which are necessary for its existence and performance of registered activities.

**III. COMPANY ORGANIZATION**

**Article 7**

The Company may perform its activity at units or subsidiaries as defined in a general act by the Management Board.

**IV. SHARE CAPITAL**

**Article 8**

The Company's share capital amounts to 272,720,664.33 (two hundred and seventy two million seven hundred and twenty thousand six hundred and sixty four and 33/100) EUR and is divided into 6,535,478 (six million five hundred and thirty five thousand four hundred and seventy eight) ordinary registered shares.
Ordinary shares are registered shares whose holders have:
- the right to participate in the governance of the Company,
- the right to a portion of the profits,
- the right to a proportional share of the assets remaining after the Company's liquidation or bankruptcy.

**Article 9**

All shares have been paid up in full.

Shares are issued as book-entry securities.

**Article 10**

Transfer of registered shares is carried out according to provisions of a special law.

**V.a SHARE REPURCHASE**

**Article 10.a**

The Company may repurchase its own shares only under conditions and for purposes stipulated by the law.

**V. INCREASE AND DECREASE IN SHARE CAPITAL**

**Article 11**

The decision on increasing the share capital with the issue of new shares, the share type and class, shall be made by the General Meeting with a three-quarter majority of the share capital represented at the vote. Existing shareholders have a pre-emptive right to subscription of new shares in proportion to their share in the Company's share capital. The pre-emptive right can be eliminated solely on the basis of the General Meeting's resolution adopted by a three-quarter majority of the share capital represented at the vote.

**Article 12**

The Management Board must publish a notice inviting existing shareholders to subscribe for and pay up for the new shares in proportion to their current participation no later than 14 (fourteen) days from the General Meeting's resolution on increasing share capital by issuing new shares. Existing shareholders must subscribe to newly issued shares within 30 (thirty) days from date on which the notice was published, unless defined otherwise in each resolution on the issue of new shares.

**Article 13**

The pre-emptive right is exercised by a written statement, which the entitled shareholder must send to the Management Board within the deadline set by the resolution on the issue of new shares.

If the existing shareholders do not exercise their pre-emptive rights and do not subscribe for the issued shares within the set deadline, the Management Board may freely invite third parties to subscribe for and pay up for the new shares.

**Article 14**

The procedure of issuing, and conditions of subscribing for and paying up for shares are determined by law and with each General Meeting's resolution on the issue of new shares.
Article 15

The increase of share capital shall take effect on the date of its entry in the register of companies.

Article 16

The General Meeting may decide, with a simple majority, to increase the share capital by transforming other items of the equity capital into the share capital. The resolution on the increase of the share capital with other items of the equity capital shall be based on the most recent audited annual balance sheet.

If the share capital is increased according to this article, this may also be done without issuing new shares, in which case the resolution on the increase must state the method of the increase. If new shares are issued, the existing shareholders are entitled to new shares in proportion to their share in the Company's share capital. When increasing the share capital out of the reserves, the latter must not be reduced below the legally set minimum.

Article 17

The Company may reduce the share capital if so required by law or if so decided by the General Meeting with a three-quarter majority of the share capital represented at the vote. The resolution must include the reason or purpose and the method for decreasing the share capital.

VI. COMPANY BODIES

Management Board

Article 18

The Management Board consists of 5 (five) members. These are: president, vice-president, two members and a worker director, who is appointed according to the law regulating workers' participation in governance.

Management Board sessions are convened and conducted by the president of the Management Board.

Management Board's sessions may also be regularly attended by employees appointed with a Management Board's resolution, who are tasked with providing administrative, organizational and professional support in convening the session and at the session.

Article 19

Members of the Management Board are appointed and dismissed by the Supervisory Board.

Management Board members are appointed for a four-year term with the possibility of re-appointment.

In addition to meeting the criteria imposed by regulations, members of the Management Board shall also meet the following criteria:

- university degree;
- a minimum of five (5) years of experience at executive employment positions;
- proficiency in at least one world language;
- any other criteria, as stipulated by the Supervisory Board.

Conditions from the preceding paragraph do not apply to the worker director as a member of the Management Board. The requirements from the preceding paragraph, with the exception of the provision on education level from indent 1 of the preceding paragraph, do not apply to worker director as a member of the Management Board.
Severance pay may be paid out to a member of the Management Board in the event of early termination of contract. The severance pay shall not be paid if the member of the Management Board is dismissed for grave violation of obligations, because of their inability to manage business affairs, if a vote of no confidence is carried out against them by the General Meeting, except if the vote of no confidence was clearly unjustified, or if the member of the Management Board should terminate the contract themselves.

Article 20

Individual members of the Management Board manage the Company’s affairs independently and pass decisions within the limits of the area of work which was assigned to them in the Rules of Procedure of the Management Board.

Division into areas of work does not interfere with the liability rules for members of the Management Board.

Article 21

Each member of the Management Board must regularly inform the president of the Management Board about the essential matters in their assigned area of work. Upon request from the president of the Management Board, a member of the Management Board must also inform the president about individual matters of interest in their assigned area of work.

In the case when actions or business operations from one allocated business sector interfere with other business sectors, a member of the Management Board must acquire prior approval of the member of the Management Board whose business sector such actions or business operations interfere with. When an agreement cannot be reached, the execution of the action or business operation is decided on by the entire Management Board unless immediate action or business operation is necessary, when acting as bonus pater familias, to prevent damage to the Company. An independent execution of an action or a business operation must be immediately reported by the member of the Management Board to the president of the Management Board and reported at the next session of the Management Board.

Members of the Management Board must collaborate and regularly inform each other about important actions and business operations in their respective areas of work. If a member of the Management Board has reasonable doubt about the appropriateness of the action or business operation in other areas of work, they must demand that the whole Management Board decides on execution of such action, unless the doubt is eliminated by discussion with the member of the Management Board responsible for the area of work in question.

Actions or business operations, which are of outmost importance for the Company, or whose execution is associated with special risks, may be executed only upon unanimous approval of the Management Board, unless an immediate action or business operation is necessary, when acting as bonus pater familias, to prevent damage to the Company. An independent execution of an action or a business operation must be immediately reported by the member of the Management Board to the president of the Management Board and reported at the next session of the Management Board.

Article 22

It shall be deemed that a quorum is present when at least one half of the Management Board members is present, except in cases when the Articles of Association require the Management Board to make decisions unanimously, in which case it shall be deemed that a quorum is present when all Management Board members are present.
The Management Board makes decisions by the majority of cast votes of all Management Board members, with the exception of the following:

- draft annual report and proposal for distribution of distributable profit,
- staffing and social matters related to employee interests, when decisions must be made unanimously.

When the Management Board makes decisions through a majority vote of its members, in the event of a tied vote, the decision voted on by the president shall prevail.

The Management Board needs approval of the Supervisory Board in the following matters:

1. Conclusion of legal transactions, which represent an obligation for the Company and are not meant for acquisition of revenue, and for taking out long-term loans, granting loans, and deciding on investments in the amount of more than 2,000,000 (two million) EUR;
2. Disposal and write-off of fixed assets in the amount of more than 100,000.00 (one hundred thousand) EUR;
3. Authorization of mortgages;
4. Issuing surety bonds and guarantees, with the exception of surety bonds and guarantees issued by the Company to third parties for the liabilities of the Company's subsidiaries, which are part of regular course of business (e.g., corporate guarantees);
5. Resolutions, which the Company adopts as a founder or shareholder of subsidiaries in cases stipulated by the valid legislation or memorandum of association of an individual subsidiary, exclusively in those decisions on subsidiaries' transactions, when the Management Board requires the Supervisory Board's consent for the Company's transactions and decisions in compliance with indents 1 through 4 of this paragraph.

1. concluding legal transactions that represent an obligation for the company and whose value exceeds €2,000,000.00 (two million), unless for goods and services intended for further sale;
2. disposal of fixed assets, whose value exceeds €100,000.00 (one hundred thousand);
3. write-off of fixed assets, whose book value exceeds €100,000.00 (one hundred thousand);
4. taking long-term loans and granting loans, whose value exceeds €2,000,000.00 (two million);
5. issuing long-term bonds and other long-term debt securities by the company;
6. providing surety bonds and guarantees, with the exception of:
   - guarantees and sureties issued by the company to third parties for the liabilities of the company's subsidiaries, which are part of regular course of business (e.g., corporate guarantees);
   - joint and several liability for partners in bids submitted in public procurement procedures, when the company acts as one of the partners submitting a joint bid in collaboration with third parties;
7. authorization of mortgages;
8. resolutions, which the company adopts as a founder or shareholder of subsidiaries in cases stipulated by the valid legislation or memorandum of association of an individual subsidiary, exclusively in those decisions on subsidiaries' transactions, when the Management Board requires the Supervisory Board's consent for the company's transactions and decisions in compliance with indents 1 through 6 of this paragraph.

The Management Board reports to the Supervisory Board at least every three months in particular on:

- planned business policy,
- profitability of operations,
- course of operations, in particular the revenue and the Company's financial situation,
- transactions that could significantly impact the Company's profitability and solvency,
- risk management,
- credit exposure,
- operations of subsidiaries,
- uncollected receivables past-due for over a year.
Article 23
The Management Board shall adopt the rules of procedure governing its operations, detailing areas of work and methods of work, and shall assign areas of work and responsibilities to individual members.

Article 24
The president of the Management Board represents and acts on behalf of the Company without restrictions.

All members of the Management Board, with the exclusion of the worker director, represent the Company individually in conclusion of legal transactions in the area of work, assigned to them in the Management Board’s rules of procedure.

The worker director represents the Company in conclusion of transactions together with other members of the Management Board.

The vice-president of the Management Board acts as deputy for the president in the event of illness or other similar longer absence of the president, with the same power as the president of the Management Board.

The authorization for representing parts of the Company is defined with the general act in accordance with article 7 (seven) of these Articles of Association.

Article 25
The president, vice-president and members of the Management Board may receive a share of the profit for their work, which is decided on by the General Meeting.

Supervisory Board

Article 26
The Supervisory Board shall be composed of nine members, six members representing the shareholders and three members representing the workers.

Members of the Supervisory Board representing the shareholders shall be elected by the General Meeting with a simple majority of votes of present shareholders.

Members of the Supervisory Board shall be appointed for a term of four years and may be re-appointed.

Article 27
The Supervisory Board elects a president and two deputies from its members.

Supervisory Board sessions are convened and conducted by the president of the Supervisory Board, who has the authority to state the will and announce the decisions of the Supervisory Board.

The president of the Supervisory Board represents the Company in relation to members of the Management Board, and the Supervisory Board in relation to Company bodies and third parties.

The president of the Supervisory Board and one of his deputies must be chosen from the representatives of shareholders.
Article 28

Every member of the Supervisory Board or the Management Board may request that the president of the Supervisory Board convenes an immediate session of the Supervisory Board, stating the purpose and reasons for this session. The session must be convened within two weeks after the request is filed.

If the request filed by at least two members of the Supervisory Board or the Management Board has not been accepted, they can convene a Supervisory Board session by themselves and propose the agenda.

Article 29

The Supervisory Board shall make decisions at its sessions.

It shall be deemed that a quorum is present at a Supervisory Board meeting when the majority of its members are present.

Article 30

The Supervisory Board shall make decisions by way of a simple majority of votes cast, with the exclusion of the event from the second paragraph of this article.

In the event of a tied vote, the vote of the president of the Supervisory Board shall prevail.

Article 31

Resolution on the dismissal of representatives of shareholders in the Supervisory Board is adopted by the General Meeting with a three-fourths majority of the votes cast. The conditions for dismissing workers' representatives are defined by the workers' council in its general act.

Article 32

The Supervisory Board supervises the management of the Company's operations.

The Supervisory Board also:
- discusses and approves the Company's business plan,
- reviews and approves the annual report and reports to the General Meeting in writing,
- reviews the proposal on the distribution of distributable profit, presented by the Management Board,
- decides on the bonus for members of the Management Board,
- supervises the risk management system and internal audits and control system,
- approves legal transactions listed in the fourth paragraph of Article 22 of these Articles of Association,
- gives consent in accordance with Article 43 of these Articles of Association,
- adopts rules of procedure of the Supervisory Board,
- may at any time request a report from the Management Board on any issue related to the Company's business operations,
- proposes the dismissal of a member of the Supervisory Board to the General Meeting,
- proposes acts, adoption of which is within the competence of the General Meeting,
- reconciles the text of the Articles of Association with valid resolutions of the General Meeting,
- discusses and decides on all other matters, which are under its jurisdiction in accordance with the law, other regulations and Company's general acts.

Article 33

Supervisory Board members shall be entitled to attendance fees and basic remuneration for performing their duties, and additional payments for special tasks, if the General Meeting so decides, in the amount determined by the General Meeting.
Supervisory Board members shall be entitled to reimbursement of expenses related to work and other income not included in the tax base.

With a resolution, the General Meeting may define in more detail the criteria for eligibility for reimbursement of accommodation costs.

**Article 34**

The Supervisory Board shall arrange the methods and conditions for its work and work of its working groups (commissions) in detail in the rules of procedure.

**General Meeting**

**Article 35**

Shareholders shall exercise their rights at the General Meeting by themselves or through their authorized representatives.

**Article 36**

The Management Board shall convene the General Meeting at its own initiative, at the request of the Supervisory Board or at the request of shareholders, which represent at least 5 (five) % of the Company's share capital. The party requesting the convocation of the General Meeting, must also submit to the Management Board an explanation of the purpose and reason for the convocation along with proposal of resolutions.

The General Meeting may be convened by the Supervisory Board, especially when the Management Board does not convene the General Meeting in good time.

The General Meeting shall be convened, when this is for the benefit of the Company or when it is required by law and by these Articles of Association, but not less than once per year.

**Article 37**

The notice of a General Meeting taking place shall be published no less than 30 (thirty) days in advance.

Attendance and voting rights can only be exercised by shareholders who send their registration to the Company's registered office in written form at least 3 (three) days before the General Meeting. Otherwise they shall lose their voting rights.

Any shareholder entitled to attend the General Meeting shall have the right to appoint a natural person or legal entity with legal capacity to attend the General Meeting on their behalf and exercise their voting rights. A written power of attorney must be provided. The power of attorney must be presented to the Company and shall be kept in the Company's records.

Shareholders may appoint a proxy using electronic means. The form for exercising voting rights through a proxy is available on the Company website. The power of attorney may be sent to the Company via e-mail to the address published in the notice on the convocation of the General Meeting, as an attached scan. The Company reserves the right to verify the authenticity of the shareholder or person issuing the power of attorney who submitted said document via e-mail.

Shareholders may revoke the power of attorney at any time in the same manner.
Article 38

The date of publication of the notice on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES) shall be considered the official date of calling the General Meeting, from which deadlines prescribed by the Companies Act shall run.

Shareholders whose combined shares amount to more than one-twentieth part of the share capital may file a written request for an additional item on the agenda after publication of the notice. A proposed resolution to be voted upon at the General Meeting must be attached with such a request, or if the General Meeting does not pass a resolution on a particular item on the agenda, clarification for such an item must be given. It shall suffice that the request be sent via e-mail to the Company to the address provided in the notice, no more than seven days following the publication of the notice, as an attached scan.

Shareholders may submit proposed written resolutions on each item on the agenda. The shareholder's proposal shall be published and communicated in the manner described in Article 296 of the Companies Act only if the shareholder has submitted a suitably formed proposal within seven days following the publication of the notice on convoking the General Meeting and indicated their intent to protest the management or supervisory body's proposal and to persuade other shareholders to vote on their proposal. The proposed resolutions may be sent to the Company via e-mail to the address published in the notice on convoking the General Meeting, as an attached scan.

Article 39

As a rule a General Meeting shall take place in the city of the Company's registered office.

Article 40

Decisions of the General Meeting are valid only when shareholders with a voting right representing at least 51% of the represented share capital are present (first convocation).

If a quorum is not reached at the first convocation, a new General Meeting shall be convened with the same agenda, where decisions of the General Meeting will be valid regardless of the share of the represented share capital, which must be specifically indicated in the invitation (second convocation).

Article 41

The General Meeting mainly passes decisions in the following matters:
- use of distributable profit,
- appointment and dismissal of Supervisory Board members,
- granting of discharge to the members of the Management Board and the Supervisory Board,
- amendments to the Articles of Association,
- measures to increase and decrease share capital,
- dissolution of the Company and statutory restructuring,
- appointment of the auditor and
- other matters prescribed by these Articles of Association in accordance with the law, or in other matters prescribed by the law.

The General Meeting decides by the majority of votes cast by the shareholders, with the exclusion of events from the third paragraph of this article.

The General Meeting passes decisions on the following matters by a three-quarter majority of the share capital represented at the vote:
- changes and amendments to the Articles of Association,
- increase and decrease of share capital,
- changes in status and the dissolution of the Company,
- elimination of shareholders' pre-emptive right when new shares are issued.
VII. NON-COMPETE CLAUSE

Article 42

Members of the Management Board and the Supervisory Board must not act in the same capacity or as employees, entrepreneurs, founders or capital owners in any company which is or could be in a direct competitive relationship with the Company or its subsidiaries in regard to its main activity or as entrepreneurs with such activities.

This clause applies to persons listed in the preceding paragraph of this article for two years after termination of membership in the Company’s Supervisory or Management Board, unless otherwise stipulated by law.

If the non-compete clause under this Article is breached, the Company may enforce sanctions against violators in accordance with the law.

VIII. SUBSIDIARIES

Article 43

Questions regarding the founding, purchase, sale and dissolution of a subsidiary shall be decided by the Management Board with the consent of the Supervisory Board.

With the consent of the Supervisory Board, the Management Board appoints managers, members of supervisory boards and members of management boards of subsidiaries, but not the workers' representatives, which are appointed in accordance with a special law.

IX. ANNUAL REPORT, PROFIT AND DIVIDENDS

Article 44

The financial year shall be the calendar year.

The Management Board must prepare and submit to the Supervisory Board an annual report, including a proposition for the use of distributable profit, within deadlines defined in regulations.

The Supervisory Board must review the annual report and deliver its report to the Management Board within a month from the receipt.

The annual report is approved upon confirmation at the Supervisory Board meeting.

Annual financial statements of the Company must be audited according to law.

Article 44.a

The company shall form the following reserves in its operations:
- capital reserves,
- statutory reserves,
- reserves for own shares,
- reserves under articles of association,
- other profit reserves.

The Company shall form statutory reserves in such amount, that the sum of statutory reserves and those capital reserves, which are based on the law added to statutory reserves for the purpose of establishing the required amount of statutory reserves, is 20 (twenty) % of the Company's share capital.
The Company shall form reserves under articles of association until their level reaches 20 (twenty) % of the Company's share capital.

In an individual financial year 20 (twenty) % of net profit reduced by potential amounts used for covering losses from previous years, forming of statutory reserves and reserves for own shares, shall be allocated for reserves under articles of association.

When net profit in an individual financial year amounts to less than 21 (twenty-one) million EUR, the Company shall not increase reserves under articles of association.

Article 44.b

Capital and statutory reserves shall be used under conditions and for purposes stipulated by law.

Reserves under articles of association shall be used for forming reserves for own shares, for covering losses, increasing share capital and for covering various business and other risks.

Other profit reserves may be used for any purpose in accordance with law, Articles of Association, business policy and General Meeting resolutions.

Article 45

The use of distributable profit and granting of a discharge are decided upon by the General Meeting. Its decision is bound by the approved annual report.

The General Meeting decides upon the use of distributable profit and at the same time and according to procedure and method defined by law also decides upon granting a discharge to the Management and the Supervisory Boards.

Upon a General Meeting's resolution employees can receive a share of the profit.

Article 46

When drafting the proposal for the allocation of distributable profit, which is submitted for review to the Supervisory Board together with the audited annual report, the Management Board shall observe the relevant provisions of the Companies Act and other acts and regulations, and the Company's Articles of Association.

Article 47

The Company's Management Board is authorized to pay out interim dividends after the end of the financial year based on the projected distributable profit, if the preliminary accounts for the preceding year disclose net profit.

When determining the interim dividend, the Management Board must observe legal restrictions.

The payment of interim dividends must be approved by the Company's Supervisory Board.

X. INFORMING SHAREHOLDERS

Article 48

If an act or the Articles of Association set out the obligation of publishing particular company information or notices, these shall be published on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES), unless otherwise stipulated by law.
XI. a MEDIA PUBLISHING

Article 48.a

The Company publishes media based on a resolution by the Management Board.

The media outlets are registered in the mass media register, which is kept by the competent ministry.

Each media outlet has an executive editor.

Article 48.b

Media, published by the Company, disseminate programming content according to the programming concept and within the framework of financial, technical and personnel possibilities.

Content, published in the media, are divided into marketing content (ads) and informative content. Marketing content are all Company advertisements, including ads, published by order of third parties, regardless whether they are paid ads or non-paid ads. Informative content means all other content, published in the media.

Article 48.c

A programming concept of a media outlet shall be approved by the Management Board.

Prior to a fundamental modification or an essential amendment of the programming concept, the Management Board shall obtain the opinion of the editorial board.

Article 48.d

After obtaining the opinion of the editorial board, the Management Board shall appoint or dismiss the executive editor for a term of 4 (four) years.

Executive editor may be any person who fulfills the conditions stipulated in the Media Act, has editorial, organizational and leadership experience and skills, and submits an editorial concept proposal.

Article 48.e

The editorial board of an individual media outlet shall comprise an executive editor and other employees, who prepare contents of the media outlet within their duties. Freelancers and contractors are not members of the editorial board.

The Management Board may regulate the work of the editorial board in detail with a special act.

Article 48.f

The executive editor and members of the editorial board make sure that all contents published in the media issued by the Company are in accordance with valid regulations in the Republic of Slovenia and with the approved programming concept.

The executive editor of the media outlet shall form the editorial policy of the media outlet within the approved programming concept.
The executive editor and the editorial board of an individual media outlet are professionally bound to occupational and ethical journalist standards.

Journalists can report and make decisions independently, in accordance with the Media Act, ethical norms and professional standards, and within the programming concept.

Nobody may demand of a journalist to create or change a report to include content, which the journalist does not agree with.

The executive editor may refuse the publication of a report without explanation.

Article 48.g

The executive editor of the media outlet shall coordinate and distribute the tasks to journalists and other employees who create the content.

Members of the editorial board are responsible to the executive editor. Members of the editorial board shall regularly report to the executive editor.

The executive editor is responsible to the Management Board. The executive editor shall regularly report to the Management Board.

XI. DURATION AND TERMINATION OF THE COMPANY

Article 49

The Company is established for an indefinite period.

XII. TRANSITORY AND FINAL PROVISIONS

Article 50

On the date these Articles of Association come into force, the existing Articles of Association of the public enterprise Telekom Slovenije, d. d. (Official Gazette of the RS no. 11/98) shall cease to be in effect with all changes and amendment. Other general acts of the public enterprise shall be applied as the Company's acts, unless they are in contradiction with the Articles of Association.

Changes and amendments to the general acts shall be adopted by the Management Board, unless otherwise stipulated by law or other regulation.

Article 51

Shares of the public enterprise Telekom Slovenije, d.d., shall become the shares of the Company.

The share register of the public enterprise Telekom Slovenije, d.d., shall become the share register of the Company.

Article 52

These Articles of Association shall come into force on the day of their entry in the register of companies.
Materials for item 4 of the agenda:

SUPERVISORY BOARD’S WRITTEN REPORT ON THE APPROVAL OF ANNUAL REPORT FOR THE 2015 FINANCIAL YEAR

The General Meeting shall be informed on the written report of Supervisory Board on the approval of the annual report for the 2015 financial year.

Explanation:

Pursuant to Article 282 of the Companies Act - ZGD-1, (Official Gazette of the Republic of Slovenia, No. 60/06, with further changes and amendments), the Supervisory Board must review the written annual report and the proposal for the use of the distributable profit submitted by the Management Board. The Supervisory Board shall prepare a written report for the General Meeting with explanation on how and in what scope the Supervisory Board had checked the management of the company throughout the financial year. The Supervisory Board must adopt a position on the auditor’s report, which is enclosed to the annual report.

Ljubljana, 12 April 2016

President of the Supervisory Board:
Borut Jamnik

Enclosed: Report of the Supervisory Board
REPORT OF THE SUPERVISORY BOARD

The Supervisory Board comprises nine members, six of whom are shareholder representatives and three of whom are employee representatives. Shareholder representatives are elected by the General Meeting of Shareholders, while employee representatives are elected by Telekom Slovenije’s Works Council. Their appointment and recall are carried out in accordance with applicable laws and the Company’s Articles of Association. Members of the Supervisory Board are elected for a period of four years and may be re-elected when their term of office expires. There were no changes in the composition of the Supervisory Board during the 2015 financial year. The current composition ensures diversity in terms of experience, age and gender.

Members are fully liable for the performance of their supervisory function and make their decisions independently. Members prepare themselves adequately for topics discussed at individual sessions, put forward constructive proposals and comments, and make decisions in accordance with their respective competences. Supervision of the Company’s operations was carried out in line with the basic authorisations and competences set out in the Companies Act, and in the Company’s Articles of Association and the Rules of Procedure of the Supervisory Board.

The Supervisory Board elects a president and two vice-presidents, one from the Company’s shareholder representatives and one from its employee representatives. Borut Jamnik was President and Adolf Zupan, MSc and Dean Žigon served as Vice-Presidents of the Supervisory Board at the end 2015.

Functioning of supervisory board
Telekom Slovenije's Supervisory Board met at a total of 18 sessions in 2015, of which 13 were regular sessions and five were correspondence sessions. As a rule, session were held at the Company’s registered office. Only once did the Supervisory Board meet elsewhere, at the subsidiary Soline.

The Supervisory Board prudently and responsibly monitored and supervised the operations of Telekom Slovenije and the Telekom Slovenije Group as a whole. If was continuously briefed on the operations of the Company and the Group, discussed the Telekom Slovenije Group’s Strategic Business Plan for the period 2016 to 2020, took steps to reorganise the Company’s Management Board and approved the appointment of managing directors of subsidiaries. It approved the merger of the subsidiary ONE DOOEL Skopje with VIP OPERATOR DOOEL Skopje and the acquisition of a 100% participating interest in Debitel telekomunikacije, d.d. The Supervisory Board regularly monitored the sale of the majority stake in the Company and the purchase of shares in Telekom Srbija a. d. within the scope of its powers.

The Supervisory Board continuously monitored potential conflicts of interest between its members. No such circumstances arose in 2015 with respect to Supervisory Board members.

The efficiency of the Supervisory Board was assessed based on the manual governing the assessment of the efficiency of work of supervisory boards. That assessment was carried out using a self-assessment matrix developed by the Slovenian Directors’ Association for conditions in Slovenia. An action plan was then drawn up to improve the Supervisory Board’ work in the future.

Work of Supervisory Board committees
The Supervisory Board had four committees in 2015. Those committees discussed topics related to the Supervisory Board’s work and advised the latter in important matters. This contributed significantly to improving the work and effectiveness of the Supervisory Board.

The work of committees is described in detail in the section, Corporate governance, in the Business Report section of the annual report.

1 GRI 4.9–4.11
Assessment of the work of the Management Board and Supervisory Board

On the basis of the aforementioned continuous monitoring and supervision of the management of Telekom Slovenije and Group companies during the 2015 financial year and based on the consolidated annual report of the Telekom Slovenije Group for 2015, compiled and submitted by the Management Board, the Supervisory Board assesses that the annual report and disclosures contained therein reflect the actual situation and position of the Telekom Slovenije Group.

The Supervisory Board assesses that the Management Board of Telekom Slovenije successfully managed the Company's transactions during the 2015 financial year and achieved established objectives. The Management Board prepared materials in a timely manner, which facilitated quality information and the thorough discussion of all the most important operational matters. The Management Board also provided exhaustive responses to the Supervisory Board's additional questions and initiatives. On this basis a good-quality work of the Supervisory Board was enabled. The Management Board also provided exhaustive responses to the Supervisory Board's additional questions and initiatives. The Management Board and Supervisory Board worked well together at sessions, while the presidents of the Management Board and Supervisory Board communicated regularly between sessions.

Approval of the annual report and the proposed use of the distributable profit for 2015

The Supervisory Board thoroughly reviewed the annual report of Telekom Slovenije, d.d. and the Telekom Slovenije Group for 2015 by the legally prescribed deadline. The Supervisory Board finds that the Telekom Slovenije Group operated in accordance with forecasts during the 2015 financial year.

The Supervisory Board was briefed on and discussed the audit report, in which the certified auditors of KPMG, d. o. o. find that the financial statements, which are an integral part of the annual report, present a true and fair picture of the financial position of the Company and the Group, their operating and financial results and changes in equity. The Supervisory Board had no comments or reservations regarding the audit report that would prevent the adoption of a decision to approve the annual report and consolidated annual report.

Pursuant to Article 282 of the Companies Act, the Supervisory Board hereby approves the annual report of Telekom Slovenije, d.d. and the consolidated annual report of the Telekom Slovenije Group, with the accompanying audit report for 2015.

Borut Jamnik,
President of the Supervisory Board of Telekom Slovenije, d.d.
Materials for item 5 of the agenda:

PROPOSAL FOR THE USE OF THE DISTRIBUTABLE PROFIT FOR THE 2015 FINANCIAL YEAR
WITH THE PROPOSAL FOR APPROVAL OF THE WORK OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD FOR THE 2015 FINANCIAL YEAR

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

resolution:

5.1 Distributable profit, which amounted to EUR 42,253,947.72 for 2015, shall be used for:
   a. the payment of dividends in the amount of EUR 32,527,390.00 or EUR 5.00 gross per share,
   b. the remainder in the amount of EUR 9,726,557.72 shall be brought forward to the following year.

Dividends shall be paid to shareholders who were entered in the register of shareholders with the right to dividends two working days following the adoption of this resolution at the Company's General Meeting, within 90 days following the adoption of this resolution at the General Meeting.

5.2 The General Meeting shall confer its official approval on the Management Board for its work in the 2015 financial year.

5.3 The General Meeting shall confer its official approval on the Supervisory Board for its work in the 2015 financial year.

Explanation:

Pursuant to Article 293 of the Companies Act (ZGD-1), the General Meeting decides on the allocation of the distributable profit at the proposal of management or supervisory bodies. In deciding on the allocation of the distributable profit, the General Meeting is bound by the approved annual report. The audited 2015 annual report has been discussed and approved by the Company's Supervisory Board. Dividends shall be paid in accordance with the adopted Strategic Business Plan 2016-2020.

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

Ljubljana, 12 April 2016

President of the Management Board:  President of the Supervisory Board:
  Rudolf Skobe, MSc  Borut Jamnik

Enclosed: Annual Report for 2015 of the Telekom Slovenije Group and Telekom Slovenije, d.d.,
http://www.telekom.si/en/investor-relations/annual-and-interim-reports
PROPOSAL FOR THE APPOINTMENT OF THE AUDITOR FOR 2016

The Supervisory Board of Telekom Slovenije, d.d. proposes the General Meeting to adopt the following resolution:

The General Meeting shall appoint the auditing company KPMG Slovenija, d.o.o., Železna cesta 8a, Ljubljana, for the auditing of Telekom Slovenije, d.d.’s financial statement for the 2016 financial year.

Explanation:

Pursuant to Article 280 of the ZGD-1 and the Auditing Act, and upon the proposal by the audit committee, the Supervisory Board proposes KPMG Slovenija, d.o.o., Železnica cesta 8a, Ljubljana, to be appointed the auditor.

Ljubljana, 12 April 2016

President of the Supervisory Board:
Borut Jamnik
Materials for item 7 of the agenda:

INFORMATION ON THE RESIGNATION OF A MEMBER OF THE SUPERVISORY BOARD
AND NOMINATION OF A NEW MEMBER

The Supervisory Board of Telekom Slovenije, d.d. proposes that General Meeting adopts the following resolution:

1. Information on the resignation of a member of the Supervisory Board and nomination of a new member

7.1. The General Meeting shall be informed on the resignation of Matej Golob Matzele from the position of a member of the Supervisory Board of Telekom Slovenije, representative of the capital, effective from the day a new Supervisory Board member is appointed at the General Meeting of Telekom Slovenije, d.d.

7.2. The General Meeting shall appoint Charles J Burdick as the new member of the Supervisory Board to represent capital for the term of office of four years, effective from 13 May 2016.

Explanation:

Pursuant to the provisions of Article 26 of the Articles of Association of Telekom Slovenije, d.d., the Supervisory Board has nine members, six of them representatives of the capital. On 6 February, the general Meeting appointed the representatives of capital to the Supervisory Board with the term of office beginning on 27 April 2013.

Due to the resignation of Matej Golob Matzele as a Supervisory Board member, the Supervisory Board appointed a nomination committee which carried out the candidate selection procedure for a substitute Supervisory Board member. Pursuant to Article 274 of the Companies Act (ZGD-1), the candidates have presented their past professional training, their current work, and any circumstances that may lead to a conflict of interest or bias on their part.

The Supervisory Board proposes that the General Meeting appoints the following candidate as a member of the Supervisory Board representing capital:

Charles J Burdick, MBA from the UCLA and BA in economics from the UC Santa Barbara, has long and rich work experience in telecommunications and media. At the same time he is a specialist in finance and company operations restructuring as a result of experience obtained at several executive and non-executive functions in different companies. He is focused on corporate governance of companies that work with new technologies. As a representative of the EBRD, he is a non-executive member of the management in companies VirginConnect Russia, Orion Telecom Serbia, and Maykor Russia.

The candidate also has experience in working in several auditing committees at companies Verint, CTC Media, Transcom, QXL, Bally Fitness and Kaupthing Singer, and Friedlander.

The Supervisory Board is of the opinion that, considering his professional experience, the proposed candidate will successfully perform the function of a Supervisory Board member.

Ljubljana, 12 April 2016

President of the Supervisory Board:
Borut Jamnik