

In accordance with the Corporate Governance Code, the Management Board and Supervisory Board of Telekom Slovenije, d. d. collectively drew up and on 13 February 2020 adopted the following

CORPORATE GOVERNANCE POLICY OF TELEKOM SLOVENIJE, D. D.

The Corporate Governance Policy of Telekom Slovenije, d. d. (hereinafter: the Corporate Governance Policy) serves as the corporate governance framework of Telekom Slovenije, d. d. (hereinafter: Telekom Slovenije, the Company or parent company), as drawn up and adopted by the Company's Supervisory Board and Management Board, which undertake to publicly disclose how they will supervise and manage the Company in accordance with legal and statutory provisions.

The Company's Supervisory Board and the Management Board will update the Corporate Governance Policy with the current corporate governance guidelines, binding regulations and best practices.

1. Purpose of the Corporate Governance Policy and reference corporate governance code

Through this policy, the Company's Supervisory Board and Management Board set out the main guidelines for the management of Telekom Slovenije and the Telekom Slovenije Group. Governance is in line with the Company's vision, mission, values and strategic business plan and other documents that define the development policy of the parent company and companies within the Telekom Slovenije Group. The vision, mission, values and key strategic policies are presented on Telekom Slovenije's website at www.telekom.si.

Planned and transparent corporate governance generates sustainable value for the Company. The Company therefore implements the highest standards of corporate governance in its operations. Those standards are in line with the Corporate Governance Code, which the Company adheres to as a reference code. The aforementioned code was adopted by the Ljubljana Stock Exchange and the Slovenian Directors' Association, and is accessible on the Ljubljana Stock Exchange's website (www.ljse.si). The Company also adheres to the valid Corporate Governance Code for Companies with Capital Assets of the State, which was adopted by Slovenski državni holding, d. d., and strives to comply with the valid Recommendations and Expectations of Slovenski državni holding, d. d. Both documents are accessible on the website of Slovenski državni holding, d. d. (www.sdh.si).

2. Organisational structure and corporate governance

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

Telekom Slovenije and its subsidiaries comprise the Telekom Slovenije Group (hereinafter: the Group), in which Telekom Slovenije is the parent company. The organisational structure is presented in more detail at www.telekom.si. The Group's activities include fixed and mobile communications services, digital and television content and services, multimedia services and digital advertising, system integration and cloud services, the construction and maintenance of telecommunication networks, and the conservation of natural and cultural heritage in the Sečovlje Saltpans Regional Park.

Corporate governance is based on legal provisions, the rules and recommendations of the Ljubljana Stock Exchange, the Corporate Governance Code, the Corporate Governance Code for Companies with Capital Assets of the State, the recommendations of the Slovenian Directors' Association and the internal acts of the parent company and companies within the Group.

The Management Board adopts decisions that the Company makes or formulates as the owner of subsidiaries, associates or material investments. To that end, it acts in a responsible manner in accordance with the laws of the countries in which Group companies operate.

The Management Board creates a corporate culture that is based on compliance and the ethical conduct of employees and all other persons who work on behalf of the Company.

3. Responsibility to the wider company's environment

Socially responsible conduct is deemed one of Telekom Slovenije's key strategic policies. The Company actively identifies opportunities where it can contribute to the development of the broader and immediate social environment in which it operates, through its expertise, and financial and other resources. The Company's social responsibility is demonstrated through active support for Slovenian sports, culture, science, education and humanitarian activities.

Telekom Slovenije is a sustainability-oriented and environmentally friendly company. The principles of sustainable development are therefore built into its operations, products, services and content, while the Company also responsibly manages the economic, social and environmental impacts of its operations.

4. Stakeholder groups and strategies defining communication and cooperation with those groups

The Company's key stakeholders include shareholders and potential investors, the users of its services, employees, regulatory and government authorities, suppliers and other business partners, financial analysts and other financial publics, the media, and the local and wider communities. In the context of corporate governance, the Company strives to maintain correct, stable and long-term relationships with specific stakeholders through its activities. The Company's objective is to reinforce trust and cooperation with the aim of managing its reputation at all levels of operations.

Shareholders and potential investors

The Company's core mission is to generate value for owners, and to ensure the long-term value of investments through successful operations. It communicates regularly and comprehensively with existing shareholders and potential investors, with the aim of strengthening their trust in the Company. Communication activities adhere to the principles of equal treatment, transparency, timeliness and the accuracy of information. The Company ensures long-term stable dividends that pursue the objective of a balance between profits for its owners and the use of free cash flow for the financing of investments, which ensures long-term growth and the maximisation of value for owners.

Communication takes place through participation at investor conferences and meetings, and in discussions with investors and analysts. The Company draws up quarterly reports on operations and quarterly electronic publications (in Slovene and English). Every year, it convenes the General Meeting of Shareholders. It communicates through the media, publishes information in the Ljubljana Stock Exchange's SEOnet electronic information system and has an open email addresses for investors (ir@telekom.si) and for dividend payments (dividenda@telekom.si). The Company also has a tab for investors on its website, and publishes answers to questions posed by shareholders by email or regular post.

Users

Through continuous development and the introduction of innovative and flexible communication solutions, Telekom Slovenije simplifies the lives of users, and through its state-of-the-art network guarantees them security, stability and reliability, even in unforeseeable circumstances. The Company's range of services is presented to private and business users through various communication channels (advertising, leaflets, promotions, notifications, the website, social networks,

events, etc.). Professionally qualified employees are responsible for relationships with key business users, for whom they also prepare thematic professional events, materials with information about the Company's services and presentations.

Employees

The Company expresses its concern for employees through activities that reinforce its values, and builds a business-oriented organisational culture and stable organisational vitality. It creates a culture of mutual trust, respect, cooperation, knowledge, and responsible and efficient work.

The main tool for communicating with employees is an intranet portal, which represents an instrument that facilitates the fast, up-to-date and secure transfer of information, while serving as a dynamic and motivational centre. Numerous internal sub-portals function within the intranet portal, providing employees access to detailed information about individual projects and areas, and to various documents.

Other tools and channels are used in communication with employees, including emails, electronic screens, traditional notice boards, special events, councils, and personal formal and informal meetings. The Management Board also briefs employees on current information at meetings of the Works Council. The Company encourages employees to participate in a broader business dialogue. The organisational culture and vitality are measured, while individual discussions are held with employees regarding business objectives and personal development in the scope of assessment and development interviews, which are held twice a year.

Regulatory and government authorities

Electronic communications are considered one of the more regulated sectors. The Company consistently complies with applicable laws, regulatory measures, regulations and best practices in all phases of the business process and its operations. Cooperation and communication with government authorities is based on professional business relationships.

Suppliers and other business partners

The Company maintains responsible partnerships with its suppliers and other business partners, and ensures that business agreements are respected and liabilities are settled regularly. Business relationships are based on trust and mutual respect. In a dynamic business environment, this ensures secure and reliable resources, the appropriate price and quality of supplied products and services, the improved planning of deliveries and access to a supplier's technologies, as required. The Code of Conduct for the Suppliers of the Telekom Slovenije Group defines the core principles and standards of conduct.

Financial publics

Financial analysts represent an important group of stakeholders. Communication with analysts and other financial publics takes into account the principles of equal treatment and transparency, timeliness, consistency and the accuracy of information. The key objective of activities in this area is to maintain trust. The prerequisite for this is the achievement of stable operating results, and regular and proactive communication. The Management Board or authorised organisational unit is responsible for communication with analysts and other financial publics.

Media

The Company strives for an open and professional relationship with the media that is built through quick responses, open communication, and a willingness to cooperate and provide truthful, correct, timely and relevant information. Communication with the media represents support for the Company's operations and its strategic and business objectives. It also strengthens the position and reputation of the Company in the environment in which it operates. The Company maintains regular relations with the media by organising press conferences, by proactively communicating about the latest developments, its range of products and services and other business events, and by responding to questions from the media quickly and accurately, with the aim of preventing the potential spreading of rumours or the publication of speculative or inaccurate articles. As this cannot be entirely prevented,

the Company responds to journalists' articles that could be detrimental to its reputation or the reputation of its employees in accordance with the Media Act and best business practices.

Communication with the media is objective-oriented and channelled through the responsible organisational unit.

Local and wider communities

The Company's recognition and reputation in the wider and immediate environment is built through sponsorships and donations in the areas of sports, culture, science, education and humanitarian activities. To that end, the Company strives to ensure that sponsorships and donations reach the widest possible audience at the national and local levels.

Communications strategy, disclosure of business information and protection of confidentiality

The communications strategy of Telekom Slovenije, d. d., which is published on the Company's website, includes, *inter alia*, communication guidelines and standards, key stakeholders and activities to protect confidential information. The basic purpose of communication activities is to ensure transparency and strengthen the reputation of the Company, its senior management and employees, as well as the corporate and other brands. To that end, the Company strives to maintain correct, stable and long-term relationships with all stakeholders.

Communication is open, direct, proactive and two-way, and is based on respecting the ethical principles of communication. Communication follows the principle that messages reach the target public in a timely manner in the desired form, and that these messages are understood correctly.

Publication of performance data and other business information

As a company whose shares are listed on the prime market of the Ljubljana Stock Exchange, Telekom Slovenije adheres to the highest standards for publishing business reports set out in the Financial Instruments Market Act and in the recommendations of the Ljubljana Stock Exchange. The Company therefore publishes a financial calendar with the dates of all the important business publications on its website and the website of the Ljubljana Stock Exchange (SEOnet), where it also publishes all the other price-sensitive information that could affect the value of shares. Advance notification regarding the timing of disclosure and the occurrence of significant events in the ordinary course of business and the most important periodical publications of information helps the Company contribute to strengthening its recognition and credibility, while also facilitating the monitoring of the Company's operations by investors and the professional public.

Protection of data confidentiality, trade secrets and inside information

The Company complies with laws and internal acts governing the protection of trade secrets, personal data and inside information pursuant to the Financial Instruments Market Act and in accordance with internal acts. The Company appropriately protects documents, facilities, technical resources and procedures, and ensures the secure processing and storage of confidential data and information, and the secure dissemination and transmission thereof.

5. Procedure for informing subsidiaries and shareholders about the Group's governance strategy and standards

Informing subsidiaries about the Group's governance strategy and standards

Group subsidiaries are independent legal entities that operate in accordance with local laws, their articles of association and resolutions issued by bodies of the parent company and subsidiaries, and internal acts.

The parent company briefs subsidiaries on the content of internal acts and calls on subsidiaries to comply with them. Subsidiaries adopt substantively the same acts, which comply with the laws of the country in which a particular company operates. The same applies to briefing subsidiaries on the governance strategy and standards. The parent company facilitates the use of corporate function services by subsidiaries.

Informing shareholders about the Group's governance strategy and standards

The Company provides information regarding the Group's governance strategy and standards to shareholders at the General Meeting of Shareholders in accordance with the procedures and best practices of corporate communication with shareholders.

6. Policy on transactions between the Company and associates, including members of their management and supervisory boards

The Company executes all transactions with subsidiaries under market terms, and as parent company defines the Group's strategic policies with the aim of achieving optimal performance.

Data regarding the value of transactions between the parent company and major subsidiaries are presented in the annual reports of subsidiaries and in the report on relations with associates in Slovenia, if these companies are subject to audit in accordance with the Companies Act (ZGD-1).

The Supervisory Board evaluates all legal transactions with associates in terms of the Slovenian Sovereign Holding Company Act. A list of associates is published on the Company's website. The Supervisory Board gives its consent to legal transaction with associates if those transactions are in the Company's economic interest, risks associated with conflicts of interest, corruption and the abuse of inside information are appropriately managed, and the Company's integrity is ensured. Consent is published on the Company's website.

7. Segregation of responsibilities and powers between members of management and supervisory bodies

The responsibilities and powers of members of the Management Board and Supervisory Board derive from valid legislation, Telekom Slovenije's Articles of Association, and the Rules of Procedure of the Management Board's and Supervisory Board.

Management Board

The Management Board comprises five members: a president, vice-president, two members and a workers' director who is appointed in accordance with the law governing the participation of employees in management. The term of office of Management Board members is four years, with the possibility of reappointment.

Members are appointed to the Company's Management Board by the Supervisory Board, which through the diligent and timely selection of new Management Board members ensures the continuity of that body's work.

In addition to legal and statutory requirements and conditions, the Supervisory Board takes into account the Policy Governing the Diversity of the Management Board and Supervisory Board of Telekom Slovenije, d. d., when selecting candidates to serve as members of the Management Board. To that end, it assesses the qualifications, expertise, experience, personal integrity and the goal-orientation of candidates.

The Management Board manages the Company's operations independently and at its own risk. It makes decisions that are in line with the Company's strategic objectives and in the interest of shareholders, taking into account the principles of sustainable development and the interests of other stakeholders. The Management Board requires the approval of the Supervisory Board for certain decisions, as set out in detail in the Company's Articles of Association. The areas of responsibility of specific Management Board members are set out in the Rules of Procedure of the Management Board to which the Supervisory Board grants its consent.

The President of the Management Board represents the Company without limitation. Every member of the Management Board, except for the workers' director, represents the Company independently for

the conclusion of legal transactions in the business areas assigned to them by the Rules of Procedure of the Management Board. Each member of the Management Board manages the areas delegated to them independently and at their own risk.

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

The Management Board is quorate if at least half of its members are present when resolutions are adopted, except in cases where the Articles of Association state that decisions must be adopted unanimously (i.e. for decisions regarding the proposed annual report, the proposed use of distributable profit, and for HR and social issues associated with employee interests).

The Management Board regularly and thoroughly briefs the Supervisory Board in a timely manner on all material activities that relate to the Company's operations, and also briefs the latter on a quarterly basis on the planned business policy, the profitability of operations, risk management, credit exposure, the operations of subsidiaries and unrecoverable receivables more than one year past-due.

Supervisory Board

The Supervisory Board has nine members, six of whom are shareholder representatives and three of whom are employee representatives. Members of the Supervisory Board who are shareholder representatives are elected by the General Meeting of Shareholders via a simple majority of votes of the shareholders in attendance. Members of the Supervisory Board are elected for a period of four years and may be re-elected when their term of office expires.

When selecting candidates for Supervisory Board members, diversity in terms of knowledge, skills, experience and other personal circumstances of candidates (gender, age, education, etc.) is taken into account, in addition to the required level of qualifications, reputation and integrity.

When constituting the Supervisory Board, when the mandate of new members begins or when special Supervisory Board committees are appointed, the Chairman of the Supervisory Board ensures the thorough initiation of Supervisory Board members, with the organisational support of the Company's Management Board and the secretary of the Supervisory Board.

Supervisory Board committees and their roles

The Supervisory Board has four permanent committees: Audit Committee, Marketing and Technology Committee, HR Committee and Strategy Committee. The aforementioned committees discuss individual areas of expertise in accordance with their respective competences and tasks. The Supervisory Board appoints a temporary Nomination Committee for specific matters.

In accordance with the law and best practices, the Supervisory Board may also appoint other committees and working bodies that discuss predetermined areas and specific issues, draft proposed resolutions for the Supervisory Board and ensure their implementation, and carry out other professional tasks with the aim of supporting the work of the Supervisory Board. The Supervisory Board regularly monitors the need to form committees and working bodies. By way of a resolution on the appointment of a committee or working body, the Supervisory Board sets out the competences of the relevant committee or working body. It also includes external members on committees and working bodies, as required.

Cooperation between the Management Board and Supervisory Board

Regular communication flows between the President of the Management Board and Chairman of the Supervisory Board. Those bodies work closely for the Company's benefit and strive to achieve consensus regarding all relevant decisions. The Supervisory Board oversees the management of the Company. In addition to its competences pursuant to the law, the Supervisory Board gives its consent to decisions adopted by the Management Board in accordance with the Company's Articles of Association.

8. Identification of conflicts of interest and the independence of members of the Supervisory Board and Management Board

Conflicts of interest are assessed with the help of criteria from autonomous legal resources (e.g. business practices, customary practices and general terms and conditions), in particular the Corporate Governance Code (criteria for the assessment of the relevance of conflicts of interest), the Corporate Governance Code for Companies with Capital Assets of the State and internal rules governing conflicts of interest.

Every member of the Supervisory Board and Management Board takes all necessary precautionary measures to avoid conflicts of interest that might influence their judgement. In accordance with the above, every member of the Supervisory Board and Management Board adopts decisions exclusively to the benefit of the Company and its shareholders, with constant awareness of circumstances that could give rise to a conflict of interest.

In the event of a conflict of interest, the member of the Supervisory Board or Management Board in question must immediately inform the Supervisory Board. If the Supervisory Board deems the matter to be a material conflict of interest, that member must terminate the controversial relationship immediately; otherwise the Supervisory Board must assess whether the person's function as member of the Management Board or Supervisory Board should be terminated and take appropriate action.

Supervisory Board

Once a year, upon appointment and in the event of changes, every Supervisory Board member must sign and submit to the Supervisory Board a special statement in which they take a position regarding the fulfilment of every criterion of independence in accordance with Appendix B to the Corporate Governance Code. The signed statements of members are published on the Company's website and stored for at least five (5) years after publication.

Individual members of the Supervisory Board are not bound by the opinions or instructions of those who elected, proposed or appointed them.

Members of the Supervisory Board are obliged to disclose and explain to that body (potential) conflicts of interest that arise or could arise during the performance of or in connection with the performance of their function, membership on the supervisory boards of other companies or breaches of the non-compete clause.

All of the Company's bodies must identify and assess potential conflicts of interest before drafting a proposal for the appointment of a candidate to serve as member of the Supervisory Board, where candidates with existing conflicts of interest that could significantly affect their decision-making are not deemed suitable for appointment to the Supervisory Board.

Management Board

In the event of a conflict of interest or breach of the non-compete clause that arises or could arise during the performance or in connection with the performance of their function, every member of the Management Board must disclose this immediately to the Supervisory Board or request the required approval from that body, and notify all other Management Board members accordingly.

9. Supervisory Board's commitment to self-assessment

The Supervisory Board is committed to assessing its own effectiveness once a year and to drafting a report as part of the Company's annual report.

The self-assessment of the Supervisory Board includes the following activities:

- an evaluation of the work of the Supervisory Board or its committees, and the formulation of an opinion regarding necessary improvements;
- an assessment of whether communication and cooperation between the Management Board and Supervisory Board is appropriate;

- an assessment of the contributions of individual members, their attendance at Supervisory Board meetings, and their involvement in discussions and the decision-making process;
- verification of the existence of circumstances that may give rise to a conflict of interest or affect the independence of an individual member; and
- an assessment of the current composition of the Supervisory Board based on the needs that derive from the Company's established objectives, including an assessment of that body's composition in terms of ensuring diversity.

The effectiveness of the Supervisory Board is assessed based on the manual governing the assessment of the effectiveness of supervisory boards and the self-assessment matrix that was drawn up by the Slovenian Directors' Association. Based on this assessment, the Supervisory Board drafts an action plan to improve its continuing work. The Supervisory Board reports in the Company's annual report to what extent the self-assessment contributed to changes in the functioning of the Supervisory Board.

10. Compliance management system

The Code of Ethics of the Telekom Slovenije Group sets out the basic principles of the Group's operations and its responsibilities in its mutual internal relationships and in relationships with the users of its services, shareholders, the social and natural environment, and all other stakeholders.

Through its compliance management system, the Company provides an additional mechanism for operations that are in line with the law, other rules, valid recommendations, internal regulations and ethical principles. The compliance management system focuses on the identification and mitigation of risks. Special emphasis is placed on measures in the area of competition law, the prevention of corruption, conflicts of interest, personal data protection and the prevention of money laundering. Playing an important role in that process are preventive actions, and rapid and effective measures in the event of identified breaches.

With the aim of establishing the compliance management system, the Company put into place the relevant bodies that are responsible for the implementation of the compliance assurance function, and the adoption, implementation and maintenance of documents relating to compliance and integrity. The Company has adopted various internal acts in the scope of the compliance management system that apply *mutatis mutandis* to subsidiaries.

11. Safeguarding the interests of employees at the Company

The Company is aware that motivated and satisfied employees are vital for the successful achievement of established objectives. It therefore reinforces the organisational culture, which is based on a positive atmosphere and the satisfaction of employees in the workplace. In the scope of the Family-Friendly Company certificate, the Company ensures the right work-life balance for employees, and provides them with equal opportunities for development.

Concern for employees

Concern for employees is a priority of the Company's corporate policy and organisational culture.

The Company provides its employees a safe work environment, taking into account different employee groups in accordance with laws governing occupational health and safety. The professional and personal development of employees is ensured through a wide range of training programmes, while employees are encouraged to live a healthy and active lifestyle through awareness, prevention and the promotion of health.

Prevention of discrimination

The Company guarantees equal opportunities to all its employees regardless of gender, race, skin colour, age, state of health or disability, religious, political or other persuasion, membership in unions,

nationality or social origin, family status, wealth, sexual orientation or other personal circumstance. Telekom Slovenije rejects all forms of direct and indirect discrimination.

Prevention of the unlawful encroachment on the privacy and dignity of employees

The Company encourages employees to think positive and develop good interpersonal relationships. It rejects any conduct that would in any way harm the dignity and privacy of employees.

The Company ensures protection against mobbing in the workplace, and sexual or other forms of harassment, for which it has zero tolerance. In the event of breaches, action is taken in accordance with the law and internal acts. Through measures to prevent mobbing, the Company creates the necessary conditions for good relationships that are based on mutual respect and cooperation, which in turn lead to a good organisational vitality and the desired organisational culture, where the focus is on active, empowered and innovative individuals and teams.

Promotion of employee training and development

Knowledge and the transfer thereof are the primary emphasis of employee training. To that end, the Company primarily focuses on training in the areas of sales, sales skills and information and communication technology. The Company also organises training in the areas of communication and foreign language courses, and organises all legally prescribed forms of education and training. Training in the areas of management by objective and diversity management is organised for managers. The Company recognises and rewards the most successful employees, while the assessment and development of competences reinforces efficiency and professionalism among employees, and promotes innovation and the search for user-friendly solutions and services.

Employee participation in management

Employees participate in the management of the Company via their representatives on the Works Council and Supervisory Board, and through the member of the Management Board who serves as workers' director. They express and implement their positions, proposals and opinions through their representatives on management bodies and in trade unions. The members of the Management Board regularly participate in meetings of the Works Council. Employees may also communicate directly with all members of the Management Board, through both formal and informal meetings, and via email.

The Company will continue to provide employees a stimulating, creative and pleasant work environment. To that end, it will carry out the periodic measurement of organisational vitality and the organisational culture, and adopt the necessary measures based on results to change, improve or maintain the well-being of employees, which is a precondition for their commitment and effectiveness, and the achievement of established business objectives.

12. Final provisions

The Corporate Governance Policy of Telekom Slovenije, d. d. will enter into force on the day it is adopted by the Company's Supervisory Board and Management Board. On the same day, the Corporate Governance Policy of Telekom Slovenije, d. d. of 22 February 2017 will cease to be in force.

Shareholders and interested parties are informed about the adoption and content of the Corporate Governance Policy through a public announcement in the SEOnet system and an announcement on the Company's website at www.telekom.si. The Corporate Governance Policy of Telekom Slovenije, d. d. is published in Slovene and English.

President of the Management Board:
Tomaž Seljak, MSc

President of the Supervisory Board:
Barbara Kúrner Čad