



Zagreb, 10 April 2018

COUNTERPROPOSALS TO THE DECISION PROPOSALS FOR THE GENERAL ASSEMBLY

Enclosed to this Notification, Hrvatski Telekom d.d. (hereinafter referred to as "the Company") publishes four shareholders' counterproposals to the decision proposals on the agenda of the General Assembly of the Company, convoked for 24 April 2018.

- Counterproposal from Splitska banka d.d., depositary on behalf and for the account of the client, to the decision proposal under item 3 of the agenda.
- Counterproposal from Darko Tomrlin, to the decision proposals under items 4 and 5 of the agenda.
- Counterproposal from Raiffeisen društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima d.d., on behalf and for the account of funds it manages, to the decision proposal under item 3 of the agenda.
- Counterproposal from PROGLAS 2017 j.d.o.o., to the decision proposal under item 3 of the agenda.

Pursuant to Article 282 of the Companies Act, these shareholders' counterproposals are published on 10 April 2018 on the web site of the Company (www.t.ht.hr) and are delivered the same day to the Zagreb Stock Exchange, to the Official Register of Proscribed Information, and are made available to the shareholders and for issuing of copies at the seat of the Company in Zagreb.

Contact:

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Received: 09.04.2018

Croatian Telecom Inc.
Roberta Frangeša Mihanovića 9
10 000 Zagreb

COUNTERPROPOSAL
for the agenda of the General Assembly

Shareholder: **SPLITSKA BANKA D.D. for the joint custody account no: 8911975 with the SKDD d.d.**
Domovinskog rata 61
21000 Split

SPLITSKA BANKA D.D., acting as depository for the client managed at the joint custody account no: 8911975 with the SKDD d.d. in the name Splitska banka d.d., in the name and on behalf of the client submits the counterproposal for the agenda of the General Assembly of the company Croatian Telecom Inc. to be held on 24th April 2018, and related to Agenda item 3 of the General Assembly of the shareholders of the company Croatian Telecom Inc., and the following counterproposal is hereby proposed:

Ad 3) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

“Decision on utilization of profit for the year 2017

1. It is determined that Croatian Telecom Inc. in the business year ending with 31 December 2017 realized net profit in the amount of HRK 841,265,803.70.

Net profit amount stated herein shall be used accordingly:

- A part of net profit in the amount of HRK 841,201,659.20 shall be paid out as dividend to shareholders, in the amount of HRK 10.30 per share.
- A part of net profit in the amount of HRK 64,144.50 shall be allocated to retained earnings.

2. Dividend referred to under Item 1 hereof shall be paid out to all shareholders that are registered as shareholders at the Central Depository & Clearing Company (SKDD) on May 9th, 2018 (record date). Date on which security of Croatian Telekom Inc. will be traded without dividend payment right is May 8th, 2018 (ex date). Dividend payment claim matures on May 21st, 2018 (payment date).

3. This Decision comes into force as of the day of its passing”.

Explanation

- Continued accumulation of cash, cash equivalents and financial assets in the balance sheet of Croatian Telecom Inc. (hereinafter: “the Company”) leads to sub-optimal capital structure which directly decreases Return On Equity (ROE). Furthermore, the drop in ROE and in dividend yield negatively influences the share price performance.
- By comparing the balance in cash, cash equivalents and financial assets of the Company with other comparable companies, it can be observed that comparable companies hold significantly lower levels of cash assets in their balance sheets in relation to total assets. Median for comparable companies indicates

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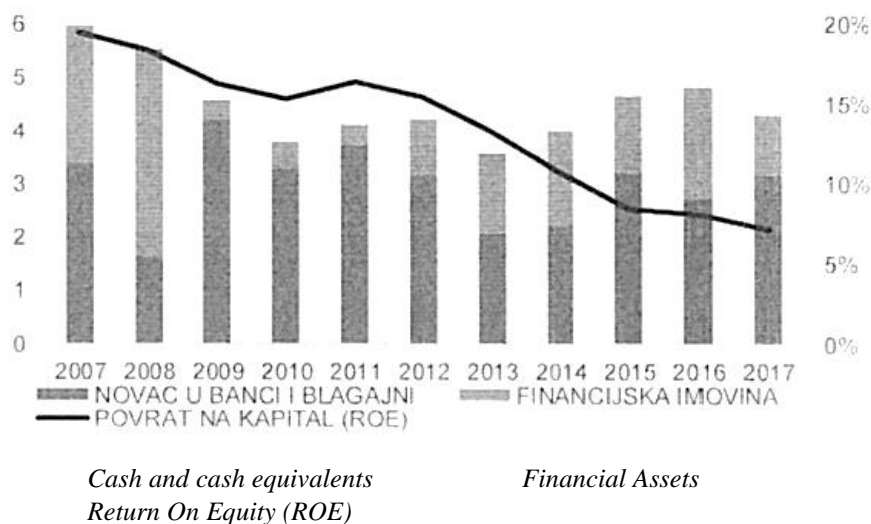
MB: 03129241, Personal identification number (OIB): 69326397242
Company registration number (MBS): 060000488, Commercial Court in Split,
IBAN: HR24 2330 0031 0000 0001 3

Equity capital: HRK 143,445,300.00 fully paid,
Total number of issued shares: 9 914 258 ordinary shares issued, nominal share price: HRK 100
President of the Management Board: Slaven Celić
Members of the Management Board: Zvonimir Akrap, Balázs Balogh, Balázs Olchváry
Procurator: Tomislav Krpan
Chairman of the Supervisory Board: Dr. Antal Pongrácz

that cash, cash equivalents and financial assets comprise 3.0% of their total assets, while this ration in the Company amounts to 27.3% (comparable companies observed are Hellenic Telecommunications Organization S.A., Magyar Telekom Nyrt, Orange Polska S.A., Telecom Italia S.p.A., A1 Telekom Austria AG and Telekom Slovenije d.d.).

- Moreover, by comparing the geographically closest telecom companies with Croatian Telecom, namely Telekom Slovenije and Magyar Telekom which is also owned by Deutsche Telekom, it can be seen that their dividend yield in the year 2017 amounted to app. 6%.
- Given that the Company generates sufficient cash flow from its regular business operations for the financing of capital investments foreseen in the published business outlook for the year 2018, and in case of substantial acquisition it has the option to partially finance it through a debt arrangement, we find that the Company has the ability to adopt the dividend policy that foresees the pay-out of 100% of its net profit.
- Furthermore, it should be noted that that the Company acquisitions made so far have yet to show satisfactory return levels for shareholders, given that in the year 2017 the Company realized the unconsolidated net profit in the amount of HRK 841.3 million, while on the consolidated level somewhat lower amount of HRK 804.2 million was realized.
- The proposed dividend amount of HRK 10.30 per share is based on the proposal that the Company pays out the total unconsolidated net profit generated in the year 2017. The remaining part proposed to be allocated to retained earnings is a result of rounding down the dividend amount to the first lower amount in lipa's.

Chart 1) Trend of cash, cash equivalents and financial assets and of Return On Equity (in HRK billion; %)



Source: Croatian Telecom, Bloomberg, InterCapital Asset Management

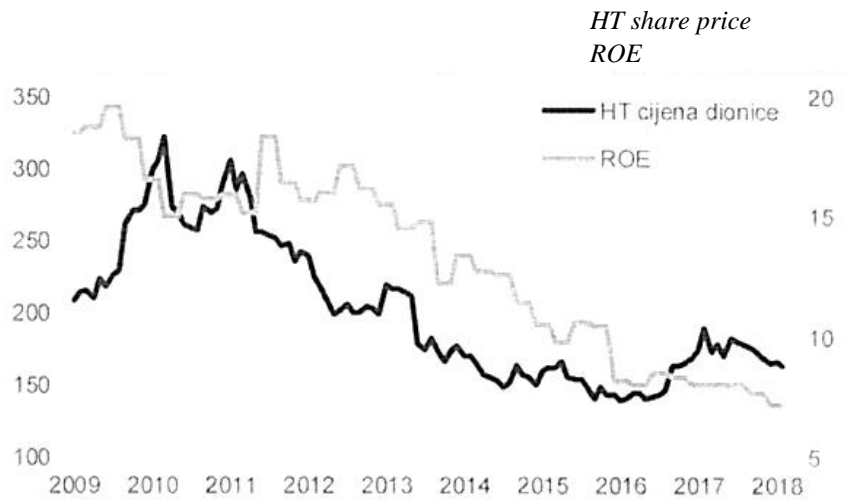
Splitska banka d.d.
Domovinskog rata 61, 21000 Split, Hrvatska

Phone: + 385 (0)21 304 304, Fax: + 385 (0)21 304 034
Web: www.splitskabanka.hr, e-mail: info@splitskabanka.hr

MB: 03129241, Personal identification number (OIB): 69326397242
Company registration number (MBS): 060000488, Commercial Court in Split,
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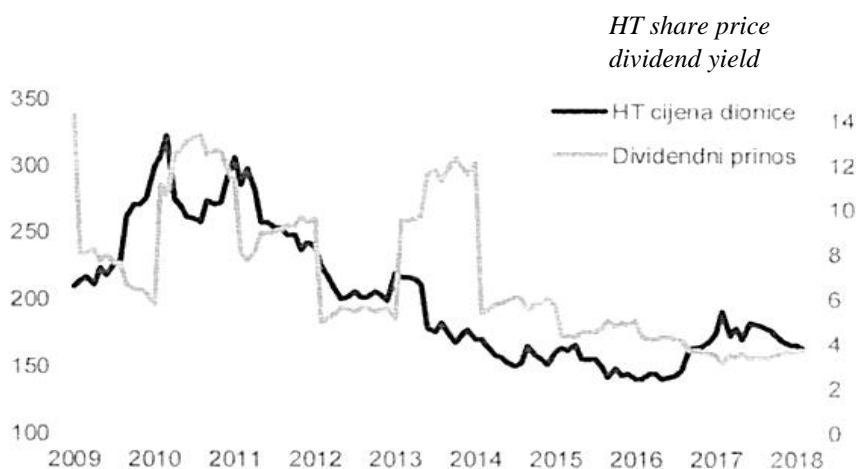
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Chairman of the Supervisory Board: Dr. Antal Pongrácz

Chart 2) Trend of Croatian Telecom share price performance and of Return On Equity (HRK; %)



Source: Croatian Telecom, Bloomberg, InterCapital Asset Management

Chart 3) Trend of Croatian Telecom share price performance and of dividend yield (HRK; %)



Source: Bloomberg, InterCapital Asset Management

It is proposed to the General Assembly to adopt this counterproposal, and the Chairman of the General Assembly is hereby invited to submit this counterproposal to the shareholders for voting prior to the decision making on the proposal by the Management Board and the Supervisory Board.

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MB: 03129241, Personal identification number (OIB): 69326397242
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Procurator: Tomislav Krpan
Chairman of the Supervisory Board: Dr. Antal Pongrácz

Counterproposal is submitted on behalf of:

- **5,249,697** regular shares of the company Croatian Telecom Inc. identification code HT-R-A, ISIN: HRHT00RA0005 (under the name of joint custody account no: 8911975 with the SKDD)

Shareholder: SPLITSKA BANKA D.D., Domovinskog rata 61, 21000 Split, OIB: 69326397242, acting as depository in the name and on behalf of the client managed at the joint custody account no: 8911975 with the SKDD.

Zagreb, 9 April 2018

Signature

Martina Martek
Securities Services Department Director

Stamp with the following text
splitska banka d.d.
otp group
Split, ul. Domovinskog rata 61
0228/1

Splitska banka d.d.
Domovinskog rata 61, 21000 Split, Hrvatska

Phone: + 385 (0)21 304 304, Fax: + 385 (0)21 304 034
Web: www.splitskabanka.hr, e-mail: info@splitskabanka.hr

MB: 03129241, Personal identification number (OIB): 69326397242
Company registration number (MBS): 060000488, Commercial Court in Split,
IBAN: HR24 2330 0031 0000 0001 3

Equity capital: HRK 143,445,300.00 fully paid,
Total number of issued shares: 9 914 258 ordinary shares issued, nominal share price: HRK 100
President of the Management Board: Slaven Celić
Members of the Management Board: Zvonimir Akrap, Balázs Balogh, Balázs Olchváry
Procurator: Tomislav Krpan
Chairman of the Supervisory Board: Dr. Antal Pongrácz

Darko Tomrlin
Bistrička 8
10360 Sesvete

Hrvatski Telekom d.d.
Roberta Frangeša Mihanovića 9
10 110 Zagreb
Management Board of Hrvatski Telekom d.d.

In Zagreb, 5th April 2018

SUBJECT: Counterproposal for giving approval of actions to the Management Board of Hrvatski Telekom and to the Supervisory Board

Pursuant to Article 282, Paragraph 1 of the Companies Act (Official Gazette, Nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/22, 152/11, 111/12, 68/13 and 110/15), and pursuant to Item 15 of the Invitation and instruction to shareholders for participation at the General Assembly, as of 12th March 2018, I, Darko Tomrlin, Bistrička 8, 10 360 Sesvete, OIB: 23116288270, as owner of 74 shares, held at the account number 6628672 with the SKDD, hereby submit the Counterproposal to Agenda Items 4 and 5 of the General Assembly of Hrvatski Telekom, to be held on 24th April 2018.

The Counterproposal states as follows:

I. Ad 4 “The approval of actions is not given to the Members of the Management Board for the business year 2017”.

I. Ad 5 “The approval of actions is not given to the Members of the Supervisory Board for the business year 2017”.

STATEMENT OF REASONS FOR COUNTERPROPOSAL

Ad.4 The approval of actions is not given to the Members of the Management Board

By the final verdict from 2017 it has been confirmed that Renata Preglej Garić, Shops Sales Sector Director, appointed directly by the Management Board during the whole years 2015 and 2016, has been conducting **multiple, extended and severe discrimination**, resulting in **permanent mental illnesses**. The reputation of HT has also been substantially impaired, since this news has become publicly wide known as a unique precedent. **Representatives in EU Parliament** have also become interested in this case.

Among other things, in the final verdict it has been determined that all these and other unlawful actions have been brought, verbally as well as in writing multiple times, to the attention of the Management Board and of the Supervisory Board, and to Davor Tomašković and Nataša Rapačić personally, all of whom choose not to react. Given that by analysis of court-appointed expert and by final verdict it has been confirmed that the **severe illness** is in direct causality with the harmful and unlawful actions by the employer, in line with article 125 paragraph 1 of the Criminal Act/11, criminal charges were also filed at the State Attorney Office against responsible parties, for their actions, and for the lack thereof, which also constitutes a criminal offence. The verdict also determined that a subsequent reorganization has been approved, all for the apparent purpose of concealing unlawful actions previously committed within the Franchise Section, Shops Sales Sector.

Two other ex-workers of HT have found themselves in the similar situation, and they are engaged in court proceedings of the same nature. Given that there are 10 court proceedings in total, **the damage to shareholders from such unlawful actions** might amount to HRK one million.

The results of the work of the Management Board in the Shops Sales Sector, are among others, as follows:

- **10 unnecessary court cases** in which discrimination has already been finally proven
- dismissals of competent workers who have been forced to work as instructed by persons appointed by the Shops Sales Sector Director (with the knowledge of the Management Board), and these newly appointed persons were lacking adequate expertise and knowledge (for example, newly appointed executive with secondary education and no experience giving orders to Master of Sciences with 8 years of experience)
- constant reorganizational changes
- continuous dissatisfaction of HT workers since expertise and knowledge are not criteria for promotion
- misdemeanor proceedings against HT for discrimination.

Above described infringement of duty to manage the company by acting with due care of the prudent and conscientious business person, in the 10 court cases alone, could result in multi-million damages for HT for which, in accordance with article 252 of the Companies Act the Management Board is liable for with personal assets. Furthermore, misdemeanor proceedings against HT for discrimination are in progress, for which a fine is stipulated in the amount of HRK 300,000. All this does not include the possible reputational risk, damage within the Shops Sales Sector for leading a poor business and personnel policy, and the effect of loss of profit still remains to be assessed.

This manner of work of the Management Board is neither in line with the Corporate Governance Code, nor with article 252 of the Companies Act (care of the prudent and conscientious business person) or with the Articles of Association of HT. All of the listed reasons have to be heard and discussed at the Assembly, following the argumentation of the Chairman of the General Assembly from the year 2016, that legal validity has to be fulfilled in order to discuss this issue, which has occurred in 2017.

In conclusion, from the perspective of shareholder, the question must be asked whether such unlawful actions, left unaddressed by the Management Board and the Supervisory Board, possibly constitute a “silent” policy of the majority owner Deutsche Telekom, who has also been made familiar with all the facts, and if this should be the case, they are in the interest of profit, but where does that leave the interest of workers, shareholders, the State, as well as over 10,000 dismissed workers.

Ad.5 The approval of actions is not given to the Members of the Supervisory Board

The Supervisory Board has been warned during 2015, 2016 and 2017 on all unlawful actions committed by HT Management Board in the Shops Sales Sector, by protecting Renata Preglej Garić, appointed directly by the Management Board, who has committed severe and long-lasting discrimination towards workers, resulting in their mental illnesses.

The Supervisory Board has failed to express any views on multiple HT shareholder petitions and workers petitions who submitted 20 or so letters addressed to various Supervisory Board Members.

Moreover, at the previous Assembly held in 2017, the Supervisory Board became aware of all the facts that are now determined by final court verdict, but again failed to do anything.

The Supervisory Board is obliged to request from the Management Board to report on issues pertaining to the business operations of the Company, in particular when the Management Board is conducting a personnel policy which results in unlawful actions and workers' illnesses. This undermines HT's reputation and worker productivity, which constitutes the violation of article 252 of the Companies Act, of the Articles of Association of HT and of the Corporate Governance Code.

In relation therewith, the Supervisory Board has failed to conduct a detailed analysis and hold the Management Board accountable for the lack of actions that may result in multi-million damages for HT, while also posing an indirect threat of reputational risk damage. Workers' motivation is also being put under question by such a policy, and there is also the issue of **loss of profit in relation to the competition by such poor personnel decisions.**

In conclusion for the counterproposals:

Based on all above stated, it is proposed to the General Assembly to adopt both counterproposals, and the Chairman of the General Assembly is invited to submit both counterproposals to shareholders for voting prior to decision making on the proposal by the Management Board and the Supervisory Board.

It is also proposed to HT to make a sufficient number of copies of attachments hereto for all participants at the Assembly, at the cost of the Company, given that the discussion on this issue is important for the Company. If this is not fulfilled, the shareholder himself shall provide a sufficient number of copies for a clearer overview of the subject.

Attachments:

- ***Final and executable verdict of the Appellation Court***
 - o *Letters to the Management Board on unlawful actions*
 - o *E-mail correspondence between the director appointed by the Management Board and the worker, and the e-mail showing that the relief of me and my colleagues from duty in October 2014 **has been arranged in advance***
 - o *E-mail sent to the Compliance section, due to failure to provide the report on the complete case that was compiled for the Management Board*
 - o *Analysis of the court-appointed medical expert on the illnesses*
- *Letters to the Supervisory Board*

Yours sincerely,

Darko Tomrlin, shareholder

(Signature)

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Raiffeisen
MIROVINSKI FONDOVI

Received: 05.04.2018

Croatian Telecom Inc.
Roberta Frangeša Mihanovića 9
10 110 Zagreb

Zagreb, 5 April 2018
Reference number: 2018-IP-191

Subject: Counterproposal to decision proposal of the General Assembly

Dear Sir/Madame,

Pursuant to provisions of the Companies Act and instructions in the Invitation and to the General Assembly of Croatian Telecom Inc., to be held on 24th April 2018, enclosed to this letter we are delivering the counterproposal to decision proposal under item Ad.3 of the agenda with pertaining explanation.

Sincerely yours,

Raiffeisen Mandatory and Voluntary Pension Funds Management Company d.d.

Signature

Gordan Šumanović, Management Board Member

Signature

Mladen Latković, Procurator

Stamp with the following text
Raiffeisen
MIROVINSKO DRUŠTVO
Raiffeisen društvo za upravljanje obveznim i
dobrovoljnim mirovinskim fondovima d.d.
Zagreb, Petrinjska 59

Raiffeisen društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima d.d. • HR – 10000 Zagreb, Petrinjska 59 • Phone: 01/6003-900 • Fax: 01/6003-925 • Commercial Court in Zagreb, company registration number (MBS): 080406381 • Personal identification number (OIB): 14148900600 • IBAN: HR5524840081100231365 with Raiffeisenbank Austria d.d. • Equity capital of HRK 143,445,300.00 fully paid, total number of shares: 1,434,453, nominal share price: HRK 100 • Management Board: Damir Grbavac, President of the Management Board, Eva Horvat, Member of the Management Board, Gordan Šumanović, Member of the Management Board • Supervisory Board: Anton Starčević, President

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Raiffeisen
MIROVINSKI FONDOVI

CROATIAN TELECOM Inc.
Roberta Frangeša Mihanovića 9
10 110 Zagreb

Zagreb, 5 April 2018
Reference number: 2018-IP-191

Subject: Shareholders counterproposal

Pursuant to Article 282 of the Companies Act, RAIFFEISEN Mandatory and Voluntary Pension Funds Management Company d.d., in the name and on behalf of the following pension funds:

1. Raiffeisen obvezni mirovinski fond kategorija A;
2. Raiffeisen obvezni mirovinski fond kategorija B;
3. Raiffeisen dobrovoljni mirovinski fond;
4. Zatvoreni dobrovoljni mirovinski fond Ericsson Nikola Tesla;
5. Zatvoreni dobrovoljni mirovinski fond Hrvatskog liječničkog sindikata;
6. Zatvoreni dobrovoljni mirovinski fond Novinar;
7. Zatvoreni dobrovoljni mirovinski fond T-HT;
8. Zatvoreni dobrovoljni mirovinski fond Sindikata hrvatskih željezničara;
9. Raiffeisen zatvoreni dobrovoljni mirovinski fond,

together holding 7,670,378 ordinary shares with voting rights, representing 9.39% of the issued share capital and the same number of votes at the General Assembly of Croatian Telecom Inc., hereby submits the following

COUNTERPROPOSAL
to decision proposal under item Ad.3 of the agenda of the General Assembly CROATIAN TELECOM Inc., convoked for 24 April 2018

Ad 3) The Management Board and the Supervisory Board of the Company propose to the General Assembly to adopt the following decision:

1. "It is determined that Croatian Telecom Inc. in the business year ending with 31 December 2017 realized net profit in the amount of HRK 841,265,803.70.

Net profit amount stated herein shall be used accordingly:

- The whole amount of the unconsolidated net profit in the amount of HRK 841,265,803.70 shall be paid out as dividend to shareholders, in the amount of HRK 10.30 per share.
 - A part of net profit from the year 2017 in the amount of HRK 64,144.50 shall be allocated to retained earnings.
2. From the retained earnings from previous years, amounting to HRK 1,112,524,837, the Company shall pay out dividend in the amount of HRK 927,771,927.04, i.e., HRK 11.36 per share.

Raiffeisen društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima d.d. • HR – 10000 Zagreb, Petrinjska 59 • Phone: 01/6003-900 • Fax: 01/6003-925 • Commercial Court in Zagreb, company registration number (MBS): 080406381 • Personal identification number (OIB): 14148900600 • IBAN: HR5524840081100231365 with Raiffeisenbank Austria d.d. • Equity capital of HRK 143,445,300.00 fully paid, total number of shares: 1,434,453, nominal share price: HRK 100 • Management Board: Damir Grbavac, President of the Management Board, Eva Horvat, Member of the Management Board, Gordan Šumanović, Member of the Management Board • Supervisory Board: Anton Starčević, President



3. Dividend referred to under Items 1 and 2 hereof amounts to HRK 21.66 per share in total, and it shall be paid out to all shareholders that are registered as shareholders at the Central Depository & Clearing Company (SKDD) on May 9th, 2018 (record date). Date on which security of Croatian Telekom Inc. will be traded without dividend payment right is May 8th, 2018 (ex date). Dividend payment claim matures on May 21st, 2018 (payment date).
4. This Decision comes into force as of the day of its passing”.

Explanation

Raiffeisen Mandatory and Voluntary Pension Funds Management Company d.d., in the name and on behalf of the funds under its management, finds the balance sheet structure of Croatian Telekom Inc. (hereinafter: “the Company”) sub-optimal and that such balance sheet structure is not in the interest of Company shareholders for the following reasons:

- The Company still holds inappropriately high amounts in the cash and cash equivalents category for a period of several years.
- Although a positive shift in the business strategy can be observed, towards utilizing high cash levels for capital expenditures, acquisitions and Share Buyback Programme, from the published business outlook for the year 2018, we conclude there is no need for a liquidity reserve on the current level. We deem that capital expenditures, investments and Share Buyback Programme for future periods can be financed by generated cash flows and significant surplus of liquid assets above retained earnings. Proposed reduction of the currently high liquidity reserve shall not influence the investment potential of the Company.
- Taking into consideration the size of the balance sheet, the Company is still almost debtless, the result of which is an inappropriately high average capital cost for the Company (from the shareholders’ point of view), especially considering the circumstances in which debt security interests are still at their historically lowest levels.
- We find that even after adopting this proposal, the Management Board of the Company would still have enough room for further implementing the acquisition of Company shares in compliance with the decision under item Ad.7 adopted at the General Assembly of the Company held on 21st April 2016, what we deem to be in the interest of the Company and its shareholders.
- The proposed dividend amount of HRK 21.66 per share is based on the proposal that the Company pays out the total unconsolidated net profit generated in the year 2017 as well as the larger portion of the of retained earnings from previous years, taking into account the reduction of retained earnings the Company is carrying out due to Share Buyback Programme. The remaining part proposed to be allocated to retained earnings is a result of rounding down the dividend amount to the first lower amount in lipa’s.
- We point out that the generated consolidated profit of the Company is higher than the unconsolidated profit stated herein, and on the grounds thereof the Company would have room to pay out an even higher dividend amount than proposed hereby, that being for the year 2017 alone.

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Raiffeisen
MIROVINSKI FONDOVI

RAIFFEISEN Mandatory and Voluntary Pension Funds Management Company d.d.

Signature

Gordan Šumanović, Management Board Member

Signature

Mladen Latković, Procurator

Stamp with the following text

Raiffeisen

MIROVINSKO DRUŠTVO

Raiffeisen društvo za upravljanje obveznim i

dobrovoljnim mirovinskim fondovima d.d.

Zagreb, Petrinjska 59

Raiffeisen društvo za upravljanje obveznim i dobrovoljnim mirovinskim fondovima d.d. • HR – 10000 Zagreb, Petrinjska 59 • Phone: 01/6003-900 • Fax: 01/6003-925 • Commercial Court in Zagreb, company registration number (MBS): 080406381 • Personal identification number (OIB): 14148900600 • IBAN: HR5524840081100231365 with Raiffeisenbank Austria d.d. • Equity capital of HRK 143,445,300.00 fully paid, total number of shares: 1,434,453, nominal share price: HRK 100 • Management Board: Damir Grbavac, President of the Management Board, Eva Horvat, Member of the Management Board, Gordan Šumanović, Member of the Management Board • Supervisory Board: Anton Starčević, President

Received: 28.03.2018

PROGLAS 2017 j.d.o.o.

10000 Zagreb, Palmotićeveva 60
OIB HR52028463602 MB 4812077
tel 01 5807888 fax 01 5807978
gsm 099 6000620

HRVATSKI TELEKOM D.O.O.

Roberta Frangeša Mihanovića 9, 10110 Zagreb

Subject: COUNTERPROPOSAL FOR THE SHAREHOLDERS GENERAL ASSEMBLY

Pursuant to Article 282 of the Companies Act (Official Gazette, Nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/22, 152/11, 111/12, 68/13 and 110/15), in relation to the shareholders General Assembly convoked on 24th April 2018, at 10:00 hours, regarding the proposed Agenda Item 3 "Decision on the utilization of profit", Proglas 2017 j.d.o.o. as shareholder of Hrvatski Telekom d.d. we submit a counterproposal to the proposed Agenda Item 3 and we propose that the shareholders General Assembly adopts the following

Decision on utilization and distribution of profit

1. It is determined that Hrvatski Telekom d.d. in the business year ending with 31 December 2017 realized net profit in the amount of HRK 841,265,803.70. Net profit from the year 2017 in the total amount of HRK 841,265,803.70 and HRK 547,125,284.30 of retained earnings from previous years shall be paid out as dividend to shareholders, in the amount of HRK 17.00 per share in a way that to each shareholder who is entitled to an amount exceeding HRK 247,500.00 shall be transferred for each amount of HRK 247,500.00 thirty three (33) bonds issued by Deutsche Telekom International Finance B.V. Stationsplein 8 K, 6221 BT Maastricht, The Netherlands marked ISIN:XS1543033242, held by Hrvatski Telekom d.d., and the remainder as well to those shareholders who are entitled to an amount below HRK 247,500.00, the share in profit shall be paid out in money.
2. The share in profit to be distributed belongs to shareholders that are registered as shareholders at the Central Depository & Clearing Company (SKDD) on May 9th, 2018 (record date). Date on which security of Hrvatski Telekom d.d. will be traded without dividend payment right is May 8th, 2018 (ex date).
3. The Management Board of Hrvatski Telekom d.d. is entrusted to enable latest by 21st May 2018 in the company headquarters the takeover of documents for shareholders who are entitled to distribution of profit in bonds issued by Deutsche Telekom International Finance B.V. marked ISIN:XS1543033242 in order to be transferred to their name. Each shareholder who is entitled to distribution of profit in the amount of at least HRK 7,500.00 is entitled to request that for each HRK 7,500.00 one bond issued by Deutsche Telekom International Finance B.V. marked ISIN:XS1543033242 is distributed, of which they have to notify the company latest until 14th May 2018 by 15:00 hours. Claim for profit share distribution by payment in money matures on May 21st, 2018 (payment date).
4. This Decision shall enter into effect as at the day of its passing.

Explanation

Proposed distribution of profit partially in securities – bonds issued by Deutsche Telekom International Finance B.V. marked ISIN:XS1543033242 held by Hrvatski Telekom d.d. and partially in money would reduce the exposure of assets of Hrvatski Telekom d.d. towards Deutsche Telekom International Finance B.V., and the proposed decision complies with formal requirements for its passing as it is not in collision neither with the Articles of Association of Hrvatski Telekom d.d. nor with the Companies Act.

PROGLAS 2017 j.d.o.o. ZAGREB

Signature

Director Hrvoje Šimić

Stamp with the following text:

PROGLAS 2018 j.d.o.o.
ZAGREB Palmotićeveva 60

In Zagreb 27th March 2018
Reference number 18-1634/18-60/04