



Zagreb, 13 February 2018

## Hrvatski Telekom

### Downsizing with incentive severance payments

To ensure conditions for further growth and development of the Company in the challenging competitive and regulatory environment, Hrvatski Telekom is continuously adjusting its operations to market requirements and technology trends that change our way of work and life.

These changes will also include a headcount reduction for business reasons. As part of this process, a surplus of around 60 employees was determined, whose employment contracts the company intends to terminate for business reasons by 31 March 2018.

Downsizing is carried out in line with the provisions of the Labour Act and the applicable Collective Agreement. HT approaches this process with full social sensitivity and responsibility. Besides the severance pay guaranteed by the Collective Agreement, a decision has been passed on additional, incentive severance to be paid to workers, depending on tenure of employment with the Company. Furthermore, certain categories of workers will be paid a special supplement in the amount of six worker's salaries.

The average severance payment per worker amounts to HRK 230,000.00 gross.

In addition to the increased severance, through the "Support Plus" programme, HT provides workers with qualified experts who advise them on how to more easily navigate the labour market and settle their employment status. Also, HT workers who leave the Company get subsidised education of their choice worth up to five thousand Kuna.

Moreover, workers who will be part of the surplus will be offered to work in the Customer Experience Area in line with the business needs of HT.

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#### About Hrvatski Telekom

Hrvatski Telekom (HT) is the leading provider of telecommunication services in Croatia, serving 0.9 million fixed lines, 2.3 million mobile subscribers and 0.8 million broadband connections through its Residential and Business divisions