



Zagreb, 14 February 2017

Hrvatski Telekom

Hrvatski Telekom continues with business transformation in 2017

- **Around 100 workers leave the company during the transformation**
- **Average severance per employee is around 230,000 kunas gross, equivalent to 1,5 year average wage in HT**

This year, Hrvatski Telekom continues with the process of business transformation aimed at maintaining operational efficiency and providing the potential for long-term, sustainable growth. As part of this process, the surplus of around 100 workers was determined, whose employment contracts the company intends to terminate for business reasons by March 31, 2017. This is the lowest number of workers leaving the company since HT started with the transformation process.

HT approaches the downsizing process with full social sensitivity and responsibility. With a severance guaranteed in a collective agreement, HT passed a decision on additional, incentive severance to be paid to workers, depending on years of service in the company. Also, certain categories of workers will be paid a special supplement in the amount of 6 employee's salaries.

Employees who leave the company receive severance that in the average amounts to HRK 230,000, equivalent to 1,5 year average wage in HT. Severance payments in HT are among the highest in Croatia and are on average twice the legally prescribed.

Downsizing is carried out in accordance with the provisions of the Labor Act and the applicable Collective Agreement.

Through the "Support Plus" program, HT provides workers with qualified experts who advise them to more easily navigate the labor market and settle their employment status. Also, HT workers who leave the company get subsidized education of their choice five thousand kunas worth.

The telecommunications industry HT operates in is rapidly changing and the constant adaptation and transformation is necessary in order to maintain the leading position and ensure the future growth and development. Technological development brings significant changes and certain jobs completely cease to exist or their scope is greatly reduced, which results in the need for reduced number of workers.

With the process of permanent restructuring, HT continuously employs young professionals with specific expertise in STEM areas, and has for years been among the top most desirable employers, which only confirms the fact that the company is managed responsibly.

The rights HT provides to its employees is several times above the Croatian average, and they are guaranteed by the Collective Agreement concluded by the Management Board and the representative trade unions operating in HT. The company continuously invests significantly in staff training and in 2016 six million kunas were invested for this purpose. During the year, workers are paid: performance bonus, vacation bonus, Christmas bonus, Christmas gift for children, Easter gift voucher, and additional payments for other important life events. Special attention is given to health care so all workers get a free medical checkup, and members of their families get a significant discount for checkups in these institutions.



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About Hrvatski Telekom

Hrvatski Telekom (HT) is the leading provider of telecommunication services in Croatia, serving 1.0 million fixed lines, 2.3 million mobile subscribers and 740,000 broadband connections through its Residential and Business divisions