# GROUP POLICY ON THE CREATION AND IMPLEMENTATION OF POLICIES

# (POLICY No. 1)

## PURPOSE OF THE POLICY

This policy establishes a unified framework for the creation, coordination, adoption, publication, implementation and monitoring of internal policies in Croatian Telecom Inc. (hereinafter: the Company) and affiliates in majority ownership of the Company, regardless of territorial scope, in the Republic of Croatia and abroad. The goal is to ensure compliance of internal policies with applicable legislation, regulations and standards and to improve corporate governance and responsibility. The policy also contributes to strengthening the culture of compliance, ethical behavior and transparency, thereby supporting effective corporate governance and responsible business operations within the Company and affiliates.

## SCOPE OF APPLICATION AND ADDRESSEES

This policy applies to all organizational units and employees of the Company who are involved in the procedures of creating, coordinating, adopting, publishing, implementing, supervising and revising internal policies. It also applies to all affiliates in majority ownership of Croatian Telecom, regardless of territorial scope, with the possibility of local adaptation of this policy in accordance with the applicable legal, regulatory and cultural framework of each country.

## DEFINITIONS

**Policy:** Internal normative document that regulates a specific area of work, behavior or organizational activities within the Company and affiliates.

**Policy proposer:** Organizational unit within the Company responsible for creating, updating and maintaining policy content.

**Adoption:** Formal decision of the Company's Management Board to accept and introduce the policy into official application.

**Validity:** The date from which the policy enters into force, is officially applied and binds the Company and/or affiliates.

**Implementation:** The entire process after policy development, coordination and approval, including all steps that ensure the policy is known, understood and applied within the organization.

# POLICY CREATION PRINCIPLES

**Need for policy creation**

Policies are created exclusively based on a real and justified need to regulate a specific area of work, business or behavior within the Company and affiliates.

**Compliance with legal and internal acts**

Policy creation must be in accordance with applicable laws of the Republic of Croatia, relevant European Union regulations and internal acts and policies of the Company. Policies must be aligned with existing acts to ensure coherence and prevent mutual contradictions.

**Clarity and operational content**

Each policy must have a clearly defined target group, be concise, operational, up-to-date and easily understandable to end users.

**Responsibilities of the policy proposer**

The policy proposer is responsible for the accuracy, updating and compliance of policy content with the subject of regulation. The proposer should avoid unnecessary elements such as repetition of legal texts, area descriptions or organizational charts and ensure that the policy covers all necessary aspects without unnecessary details.

**Application of policies within the Group**

The policy proposer should take steps to ensure policy implementation in affiliates in majority ownership of the Company that are covered by the scope of application, provided that it is meaningful and feasible considering the content and legal framework.

# CREATION AND COORDINATION PROCEDURE

The proposer develops a draft policy and coordinates it in cooperation with key organizational units (legal, human resources, compliance, data protection and other relevant organizational units, depending on the policy content).

The minimum elements of a policy are as follows:

- Title page: policy name, proposer, version, date of last change
- Change history: list of all significant editorial and content changes
- Contents: table of contents
- Main part of the document
- Validity: date of entry into force

If the policy has effects on employment relations, working conditions or rights and obligations of workers, the proposer is obliged to timely involve the Workers' Council or trade union, according to applicable participation, consultation, information and notification rights.

For policies applied in affiliates abroad, it is necessary to conduct an assessment of possible local adaptations.
After coordinating the draft, the policy is forwarded for formal approval to the Company's Management Board.
The proposer prepares the Management Board decision on policy approval and its implementation, respecting all relevant requirements regarding signing and formal validity.

## POLICY ADOPTION

Policies are adopted by the Management Board of Croatian Telecom Inc. as the parent company.
In affiliates in majority ownership of the Company, policies are adopted after being previously approved by the Management Board of Croatian Telecom, and then formally adopted by the competent management body of the affiliates, in accordance with applicable local legislation and internal procedures.
Supervisory Board of Croatian Telecom gives consent to the policies for which it is required based on the applicable regulations (e.g. Corporate Governance Code).
All policies receive a unique designation that includes the number, name and version of the document, for tracking, updating and revision purposes.

## PUBLICATION AND COMMUNICATION

Policies are published in the official herald of the Company, in accordance with the Management Board decision.
The target group of policy users is notified about the publication, and if necessary, additional educational content is provided to ensure proper application.
For policies that apply to all employees, the proposer ensures that new hires include familiarization with the policy.
Policies for which there is an obligation under applicable regulations (e.g., Croatian Company Law, Corporate Governance Code, etc.) to be made available on websites are published on the Company's website.

## POLICY REVISION AND REVIEW

All policies are subject to mandatory revision at least once every two years or earlier if required by changes in legislation, organizational structure or business processes.
The revision is conducted by the policy proposer, with the obligation of re-approval in case of substantive policy changes.
In case of editorial changes that relate exclusively to language, format or structure (without changing meaning or content), re-approval is not required, but all such changes must be documented and recorded in the version history.

## CHANGES, AMENDMENTS AND PUTTING POLICIES OUT OF FORCE

All changes, amendments and putting policies out of force must be formally approved in the same way as their original adoption.
A new version must have a clearly indicated date of entry into force. Policy users must be timely notified about the replacement of the existing version.
Old versions of policies are archived in accordance with internal rules.

## DOCUMENTATION AND ARCHIVES

Documentation on policy adoption is stored in the electronic archive of Management Board decisions.