

„Mtel“ a.d. Banja Luka
- MANAGEMENT BOARD-

No: 1-02-12536-1/24

Date: 23/02/2024

In accordance with the Article 33. of the Company's Articles of Association, and Article 3. of the Company's Management Board Rules of Procedure, the Company's Management Board, issues the following:

DIVIDEND POLICY

1. DIVIDEND AND DIVIDEND POLICY

Dividends represent the commercial company's net profit distribution to the shareholders, based on their respective ownership shares in the company. The term dividend, being a part of the commercial company's net profit distribution to the shareholders, relates both to the dividend and the interim dividend.

The shareholders are entitled to the share in the company profit. This right may be realized in two ways, indirectly – through realization of capital gains (increase of market value of the shares they own in the company) and/or directly – through dividends.

The dividends may be paid exclusively from the company's net profit. The payment of the dividend to the shareholders with regular shares completely falls within the company's discretion, and their payment does not represent a legal obligation.

The dividend policy determines the net profit distribution to the dividend and accumulated profit. The aim of the dividend policy is to provide the shareholders with the information on when and under what conditions they may expect the payment of dividend, and to determine the amount to be paid to the shareholders.

The Company's aim is to distribute a part of the retained profit to the shareholders in the form of dividend.

2. PAYMENT OF DIVIDEND IN THE REPUBLIC OF SRPSKA

Pursuant to the RS Commercial Companies Law, the dividends may be paid in money and in the shareholding company shares.

The shareholding company may approve of the payment of the dividend on its shares annually, in accordance with the decisions issued by the annual Shareholders Assembly, or at any time between the annual Shareholders Assembly sessions.

The shareholders are entitled to receive the dividend, unless the decision of the Shareholders Assembly pursuant to the Law or the Statutes, stipulates the profit to remain undistributed and transferred to the following periods, in which case, the retained profit is registered in accordance with the regulations applicable to the accounting.

Upon adoption of the financial report for the previous fiscal year, the company must distribute the realized profit as follows:

1. For covering the losses from the previous years,
2. For covering the issuance loss originated from the issuance of shares below the nominal value
3. For legal reserves
4. For dividend pursuant to this Law
5. For statutory reserves, if the Company establishes them in the Articles of Association.

3. DIVIDEND PAYMENT PROCEDURE IN MTEL A.D. BANJA LUKA

In accordance with Mtel a.d. Banja Luka Statutes, the Shareholders Assembly issues the Decision on Payment of the Dividend, with prior statement of the Auditing Board. The Decision on Payment of the Dividend includes the amount of dividend to be paid, the dividend day on which the list of shareholders that are entitled to the payment of the dividend is made (cutoff day) and the date of commencement of the dividend payment.

The Management Board may propose the payment of the interim dividend to the Shareholders Assembly during the business year, with prior statement of the Auditing Board.

The payment of the interim dividend may be performed under the following conditions:

- It is obvious from the interim accounts and the accounts made to such purpose that the available funds are sufficient for making the payment,
- That the amount to be paid does not exceed the total profit at the end of the previous business year for which the financial report was made, increased for retained profit and the amounts drawn from the reserves that may be used for such purposes and decreased for the amount of established losses and the amount to be entered into the reserves, in accordance with the special law and the Articles of Association
- That the Decision on Payment of the Interim Dividend has been made based on the semi-annual audited financial reports.

After issuing and announcing the Decision on Payment of the Interim Dividend, Mtel a.d. Banja Luka announces, at the Company's internet site and the Banja Luka Stock Exchange internet site, the Information to the shareholders, by which it informs all shareholders that they may commence the dividend collection and advises on the manner of obtaining all necessary information regarding the payment.

With the aim of realizing quality and efficient communication with the shareholders, the Mtel a.d. Banja Luka Company has provided a special email address - akcionar@mtel.ba through which the shareholders may communicate with the Company.

4. DIVIDEND POLICY OF MTEL A.D. BANJA LUKA

Prior to issuing the Decision on Payment of the Dividend, the Company shall consider several factors, namely, future income, financial position, cash flows, working capital requirements, capital expenditures, general climate in the economy, and other factors, with withdrawal excluding income from non-cash categories, income from non-recurring items, and extraordinary activities.

Along with the above, in issuing the Decision on Profit Distribution, the Company shall consider the provisions of the Law on Commercial Companies, namely, limitations on payment of the dividend.

If the conditions for payment of the dividend are met, the Company will enable payment of the dividend in the amount of at least 50% net profit, harmonized upon the previously considered factors, and after the distribution into the legal reserves and other reserves of the Company.

At least once in every financial year, the Company shall consider the Decision on Payment of the Dividend and/or the profit accumulation, also considering the interim dividend.

5. FINAL PROVISIONS

This Dividend Policy enters into force on the day of its issuing and shall be announced at the Company's internet site and the Banja Luka Stock Exchange internet site.

Vladimir Lučić,
Management Board Chairman