

**EXECUTIVE BOARD**

**No: 419488/2-2013**

**Date: 18 December 2013**

Pursuant to Article 10.3 paragraph 1 item 5) of the Articles of Association of Telekom Srbija a.d. ("Official Gazette of Telekom Srbija", no. 54/2012), Article 2 of the Rules of Procedure of the Executive Board no. 191498/1 of 29 June 2012 and Article 427 paragraph 1 item 5) of the Law on Business Companies ("Official Gazette of RS", no. 36/2011 and 99/2011), and in accordance with the Decision of the Telekom Srbija a.d. General Meeting no. 419418/4-2013 of 18 December 2013, the Executive Board of Telekom Srbija a.d. Belgrade, on 18 December 2013, adopted the following

**DECISION**

**Item 1**

The payment of interim dividend to the shareholders of Telekom Srbija a.d. Belgrade (hereafter: the Company) shall be made in cash, in the total gross amount of 7,571,846,498.00 (seven billion five hundred seventy one million eight hundred forty six thousand four hundred ninety eight) dinars, i.e. in the gross amount of 9.4648 dinars (nine dinars and four thousand six hundred forty eight paras) per share.

**Item 2**

The right to receive the interim dividend referred to in item 1 hereof shall be exercised by persons entered into the Central Securities Depository and Clearing House as the legal holders of shares of Telekom Srbija a.d. Belgrade as at 8 December 2013 (Dividend Day).

**Item 3**

It is hereby established that on Dividend Day the Company has 1,000,000,000 issued ordinary shares that constitute a single class of shares, of which 800,000,000 shares entitle the shareholder to receive dividend.

**Item 4**

The payment of the interim dividend to shareholders of the Company referred to in Item 2 hereof shall be performed in the following manner:

- 1) To the Republic of Serbia as a shareholder – by payment from the Company's account according to the instructions of the relevant authorities of the Republic of Serbia,
- 2) To all the other shareholders - through the Central Securities Depository and Clearing House on 27 February 2014, upon the completion of the necessary preparatory activities preceding the performance of payment in the said manner.

**Item 5**

The amount of the interim dividend shall be reduced by an appropriate amount of withholding tax which the Company shall calculate, withhold and pay for the shareholders of the Company at the moment of payment of the interim dividend, and in accordance with the applicable tax regulations.

**Item 6**

The Company shall assume the obligation of paying the commission charged by the Central Securities Depository and Clearing House for the payment of interim dividend.

**Item 7**

If a difference created by rounding up is established in the final calculation of the gross amount of the interim dividend referred to in item 1 hereof, the Company shall be allowed to pay the difference in the net amount of the interim dividend to the Central Securities Depository and Clearing House, while the difference in the amount of tax referred to in item 5 hereof shall be paid to the Tax Administration of the Republic of Serbia.

**Item 8**

This Decision establishes the following:

- The wording of a notification delivered to Company shareholders about the payment of the interim dividend, as in the wording attached to this Decision as its integral part, which shall be published according to the provisions of the Law on Business Companies on notifying the shareholders about the Company's General Meeting, and
- The wording of a notification to the Central Securities Depository and Clearing House about the payment of the interim dividend referred to in item 1 hereof, as in the wording attached to this Decision as its integral part.

**Item 9**

This Decision shall come into force as of the date of its adoption.

**DIRECTOR GENERAL**

**Predrag Ćulibrk/signed/**