





Together, we are one.

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# 2014 CORPORATE GOVERNANCE REPORT



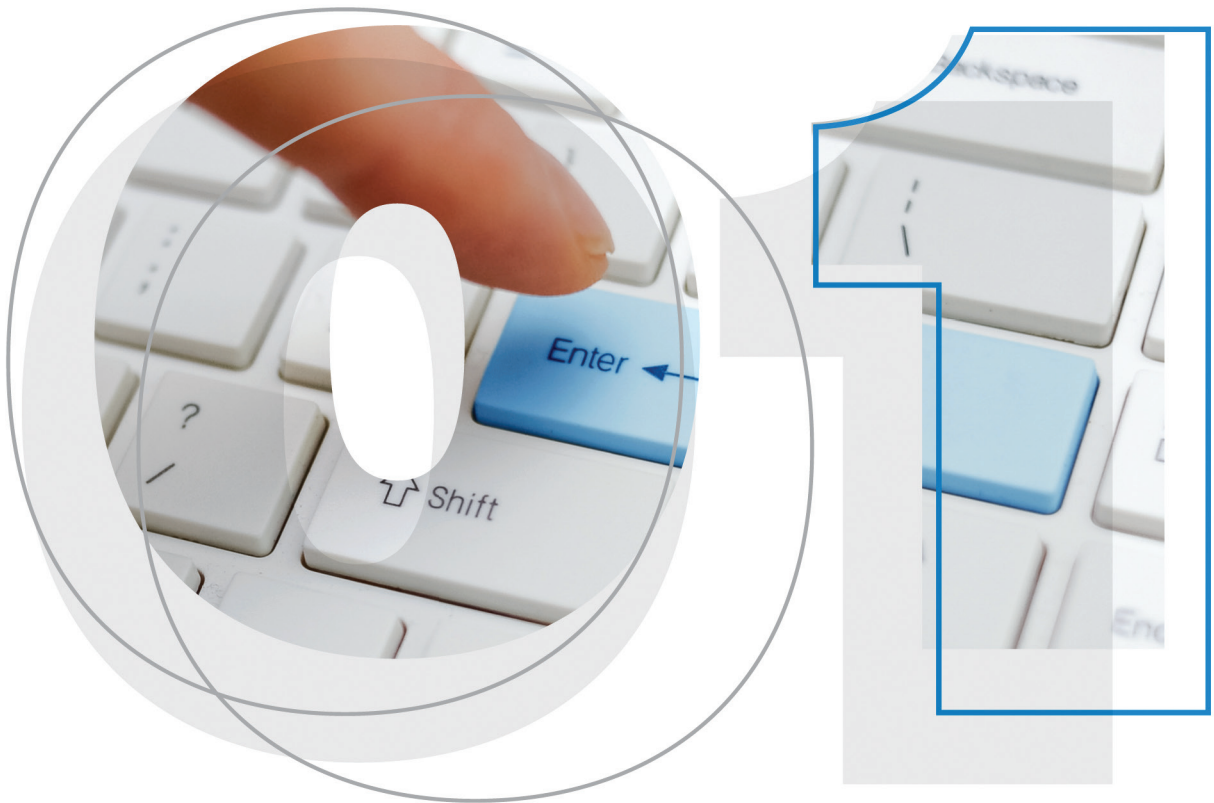


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# **INTRODUCTION**

# 01. INTRODUCTION



Corporate governance refers to the set of principles and practices adopted by a company to ensure performance, its organizational effectiveness the trust of shareholders, employees and other stakeholders, while preserving the legitimate interests of those associated with it.

The corporate governance framework for listed companies is a combination of legislature and non-binding rules (soft law), which includes, among other things, corporate governance codes.

The definition of the set of relationships between Management, the Board of Directors, the shareholders and other stakeholders and the strengthening of processes and company structures endures not only compliance with the regulatory framework but also the development of a corporate culture, underpinned by the principles of business ethics and the protection of the interests of all stakeholders.

Corporate governance determines a structure through which the company's objectives are approached and set; the main risks are identified; the means by which the company's goals can be achieved are defined; the risk management system is organized and the monitoring of Management's performance is made possible.

As a large capitalization company listed on the Athens Stock Exchange, with its shares also traded on the London Stock Exchange (LSE)<sup>1</sup>, OTE complies with applicable domestic and international legislation. The legislative and regulatory framework and the corporate governance practices implemented by the company are reflected in the regulations, the laws and the pertinent decisions included in this publication.



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<sup>1</sup>It should be noted that following OTE's delisting from the New York Stock Exchange, its American Depositary Shares (ADRs) trade in the OTC (Over the Counter) market through the Level I ADRs program.

### ► Corporate Governance System

In application of Law 3873/2010, OTE complies with the special practices defined by the Hellenic Federation of Enterprises (SEV) Corporate Governance Code for Listed Companies, as currently in force as the Hellenic Corporate Governance Code (EKED), following its revision/amendment by the Hellenic Corporate Governance Council (ESED) in October 2013.

OTE's Corporate Governance Statement is published, as provided by law, in the company's 2014 Annual Financial Report, which is included in the company's 2014 Annual Report.

At the heart of good corporate governance as reflected in the provisions of the Greek Corporate Governance Code (EKED) is the role of the Board of Directors and the executive management, the protection and the role of the shareholders and the enhancement of transparency and control through the disclosure of information regarding the company.

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# **BOARD OF DIRECTORS**

# ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors (BoD) is the top administrative body of the company. Its aim is the constant pursuit of enhancing the long-term economic value of the company and to safeguard the general interests of the company. Pursuant to the provisions of the company's Articles of Incorporation, as part of its responsibilities, OTE's Board of Directors is active in the following indicative capacities:



In accordance with legislation currently in force and the company's Articles of Incorporation:

The BoD may choose to transfer its authority and competence to its members, to other executives, to third parties or to Committees. The members of the BoD are either executive or non-executive members, of which at least two must be independent. They are elected by the General Assembly of Shareholders, which also appoints the independent members among them.

The BoD convenes whenever necessary or pursuant to a request submitted to its Chairman by at least two members. With the exception of certain provisions of the Articles of Incorporation about special quorums and majorities, the BoD is in quorum and convenes validly when half-plus-one of its members are present; nevertheless, the number of members present should not be less than three. Resolutions are reached by simple majority, unless otherwise provided by Law 2190/1920 as currently in force, or by the company's Articles of Incorporation.

In 2014, the BoD met a total of 26 times.



### ➤ Main roles and responsibilities

#### ***Chairman of the BoD***

- Sets the meetings' agenda
- Presides over the Board's meeting and administers its operations
- Coordinates and directs the Board's operation

The Chairman has the same rights and obligations as any other member of the BoD, and is subject to whatever else is explicitly stated in the Law, the Articles of Incorporation and the Board's Regulation of Operation.

#### ***Vice-Chairman of the BoD***

The Vice-Chairman serves as Chairman in the event that the Chairman is absent or is unable to carry out any one of his duties.

#### ***BoD Secretariat***

- Provides secretarial support to the BoD
- Gathers together, classifies and processes the proposals made to the BoD and the Management Council
- Prepares the meetings of the above mentioned Bodies
- Writes out, sees to the ratification, maintains and distributes the minutes and the Board's decisions and is in charge of the pertinent archive.

The appointment and the repeal of the Secretary of the BoD must be approved by the BoD.

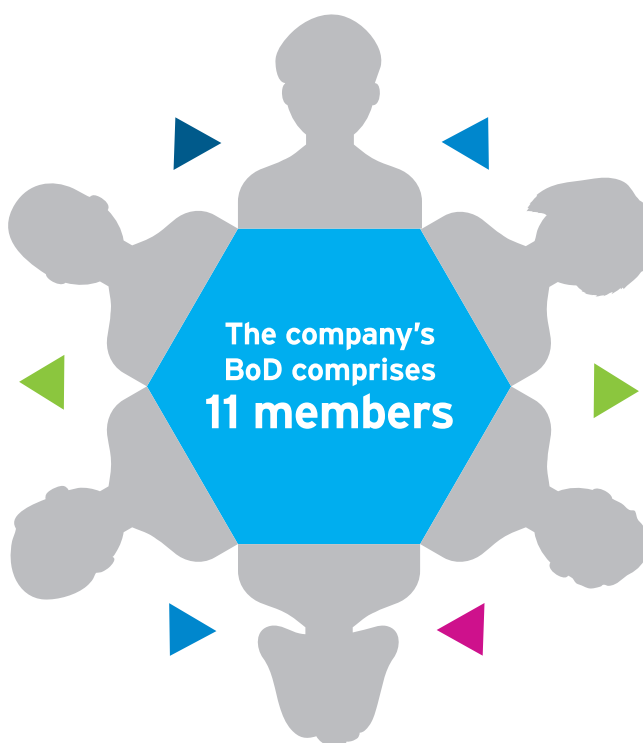


# COMPOSITION OF THE BOARD OF DIRECTORS

Pursuant to the provisions of the Articles of Incorporation, the BoD comprises nine to eleven members, who may or may not be shareholders in the company. The precise number of members is determined each time by the General Assembly.

Following the decision of the Ordinary General Assembly of Shareholders on June 15, 2012 the company's BoD comprises 11 members.

The BoD currently comprises two executive members and nine non-executive members, of whom four are independent. According to the Shareholders' Agreement between the Hellenic Republic and Deutsche Telekom AG, Deutsche Telekom and the Greek State recommend six and five members respectively.





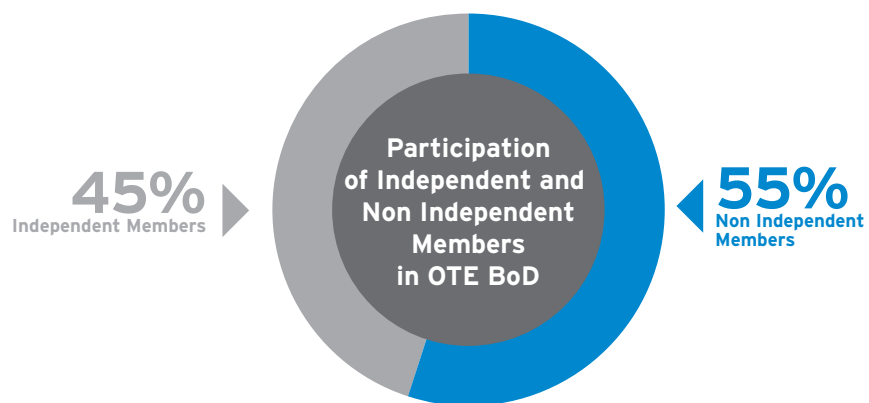
The table that follows lists the members of the BoD with dates of commencement of office and dates of termination of office of each one.

NAME	CAPACITY	DATE OF INITIAL COMMENCEMENT OF OFFICE AND POSSIBLE RE-ELECTION	TERMINATION OF OFFICE
Michael Tsamaz	Chairman and CEO Executive member	Commencement 3/11/2010 Re-election 15/6/2012	2015
Manousos Manousakis*	Vice-Chairman Non-executive member	Commencement 1/4/2015	2015
Charalampos Mazarakis	Executive member	Commencement 19/7/2012	2015
Claudia Nemat	Non Executive member	Commencement 26/10/2011 Re-election 15/6/2012	2015
Klaus Müller	Non Executive member	Commencement 15/11/2011 Re-election 15/6/2012	2015
Raphael Kübler	Non Executive member	Commencement 23/5/2013	2015
Vasileios Kafouros*	Independent Non-executive member	Commencement 1/4/2015	2015
Ioannis Margaritis*	Independent Non-executive member	Commencement 1/4/2015	2015
Athanasios Misdanitis*	Independent Non-executive member	Commencement 1/4/2015	2015
Panagiotis Tabourlis	Independent Non-executive member	Commencement 17/6/2004 Re-election 15/6/2012 (the most recent)	2015
Konstantinos Christopoulos*	Independent Non-executive member	Commencement 1/4/2015	2015
Nikolaos Karavitis*	Vice-Chairman, Independent Non-executive member	Commencement 11/10/2013	31/3/2015
Christos Kastoris*	Independent Non-executive member	Commencement 11/10/2013	31/3/2015
Theodoros Matalas*	Independent Non-executive member	Commencement 11/10/2013	1/4/2015
Stylianios Petsas*	Non Executive member	Commencement 3/9/2013	1/4/2015
Leonidas Filippopoulos*	Independent Non-executive member	Commencement 11/10/2013	1/4/2015

\* Vice-Chairman Mr. Nikolaos Karavitis and members Messrs. Stylianios Petsas, Christos Kastoris, Theodoros Matalas and Leonidas Filippopoulos submitted their resignation (on the dates cited in the table above) and on 1 April 2015 they were replaced by Messrs. Manousos Manousakis, Vasileios Kafouros, Ioannis Margaritis, Athanasios Misdanitis and Konstantinos Christopoulos. Mr. Manousos Manousakis was named Vice-Chairman of the BoD.

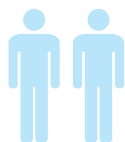
## 02. BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD OF DIRECTORS





## CVS OF THE MEMBERS OF THE BOARD OF DIRECTORS



### **MICHAEL TSAMAZ**

**Chairman & CEO, OTE Group**



Michael Tsamaz heads OTE Group, the largest telecommunications provider in Greece and SE Europe, since November 2010. Under his leadership, OTE has been implementing a multilayered operational & financial restructuring strategy achieving its transformation from former Greek telecoms state monopoly into an efficient, integrated operator. He also leads OTE's mobile arm, COSMOTE, since 2007. COSMOTE, market leader in Greece, is today one of the best performing mobile operators in Europe.

Since 2001, Michael Tsamaz held several senior roles within OTE, overseeing the course of its international investments and also served as CEO & BoD member for a number of OTE & COSMOTE international subsidiaries. As of February 1st 2014, he is non-executive director on the board of EE, UK. He is also Chairman of the Board of Romtelecom s.a. Prior to his tenure at OTE Group, he held high ranking positions in Marketing, Sales & General Management for multinational companies such as Vodafone and Philip Morris.

Mr Tsamaz holds a degree in Business Administration from the University of New Brunswick, Canada.



## 02. BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD OF DIRECTORS



#### **MANOUSOS MANOUSAKIS**

**Vice-Chairman, Non-executive member**

Mr. Manousos Manousakis is the General Secretary in the Ministry of Economy, Infrastructure, Shipping and Tourism. He is a Doctoral (in techniques of diffusion control on nonlinear & DWDM optical networks) and a certificated Electrical and Computer Engineer as well, from National Technical University of Athens. From 2006 to 2010 he worked as Engineer for the development of collocation services of telecommunication providers in Directorate General of OTE wholesale, as Project Manager of RUO (Reference Unbundling Offer) project implementation and as Head of Collocation Services Department as well.

Mr. Manousakis participated in the network's development and in the development of telecommunication services in Attica Telecommunications S.A and he was also consultant of Ionian University for the construction of metropolitan fiber networks in 4 cities. Moreover he provided consulting services to the Public Power Company of Greece S.A for optical networks issues.

The period 2005-2006 he worked as lecturer in University of Piraeus. He participated in the design of awarded by Metro Ethernet Forum metropolitan network Ethernet and in European and Greek research programs as well, while he has published invited paper in Journal of Lightwave Technology.





## **CHARALAMPOS MAZARAKIS**

### **Executive member**



Mr. Mazarakis, born in 1964, has 20 years of professional experience, chiefly in senior management positions in Greece and abroad. Before joining OTE Group, on July 1st, 2012, as OTE Group Chief Financial Officer, Mr Mazarakis was Group Chief Financial Officer (CFO) of the National Bank of Greece, which is listed on the Athens and New York Stock Exchanges and from 2008 until 2010 he was Group Chief Financial Officer (CFO) and Member of the Group Executive Committee of TITAN Cement Company, which is listed on the Athens Stock Exchange.

From 1999 to 2008 Mr Mazarakis served in various executive positions in Vodafone Group. Initially, he was Group CFO and Member of the BoD in Greece (1999-2006), then Chief Executive Officer (CEO) in Hungary (2006-2007) and in 2007 he returned to Greece as COO and Vice-Chairman of the BoD.

During the period 1997-1999 he held the position of Finance Director and Member of the BoD at Georgia Pacific-Delica in Greece, while from 1992 until 1997 he worked as Financial Analysis Group Manager at Procter & Gamble, first in Athens and then in the European Headquarters in Brussels.

Mr Mazarakis holds a Bachelor's degree in Business Administration from the University of Piraeus (with distinction) and an MBA from the Ohio State University, The Fischer School of Business (with Wielder Scholar), where he was Teaching Assistant in Finance. He has been listed among the 30 most distinguished CFOs in Europe below 40 years old (2002, CFO Europe magazine).

## 02. BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD OF DIRECTORS

#### **CLAUDIA NEMAT**

**Non-executive member**

***Committees' participation:***

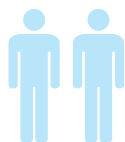
*Remuneration and Human Resources Committee*



Ms. Claudia Nemat, born in 1968, has been a member of the Board of Management of Deutsche Telekom AG since October 2011 and is responsible for the Board area Europe and the strategic steering of technology. Before joining Deutsche Telekom, Claudia Nemat spent 17 years working for the consultancy McKinsey&Company.

In her last position there, she was responsible for the high-tech sector in Europe, the Middle East and Africa. In addition, Claudia Nemat was responsible for projects in the fields of information and communication technology integration (ICT), sustainable IT, as well as medical technology for international companies. As a consultant, Claudia Nemat also worked on corporate leadership and performance culture as well as on questions regarding the influence of diversity on a company's performance.

Claudia Nemat studied physics at the University of Cologne, where she also once taught at the department of theoretical physics and mathematics.



## **KLAUS MÜLLER**

**Non-executive member**



Mr. Klaus Müller, born in 1965, has been a member of the Deutsche Telekom Group since 1997. Currently he holds the position of Senior Vice-President for Strategy Execution and Performance Management in DT's Board Area Europe. Until September 2011 he was COO of DT's mobile telephony subsidiary in FYROM and Deputy CEO of DT's fixed-line subsidiary in FYROM.

Prior to that he was Executive Vice-President for DT Group Regulatory Strategy and from 2000 - 2005 he served as Director of Magyar Telekom's Wholesale Division. Mr. Müller holds a Diploma in Economics and a PhD in Political Economics from Nuremberg University, Germany.



## 02. BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD OF DIRECTORS



#### **RAPHAEL KÜBLER**

**Non-executive member**

***Committees' participation:***

*Remuneration and Human Resources Committee*



Dr. Raphael Kübler is a Senior Vice President Group Controlling at Deutsche Telekom AG where he is responsible for the financial planning, analysis and steering of the overall Deutsche Telekom Group as well as the financial management of central headquarters and shared services of the Deutsche Telekom Group, a position he has held since 2009.

From 2003 to 2009, Mr. Kübler served as Chief Financial Officer of T-Mobile Deutschland GmbH, the mobile operations of Deutsche Telekom AG in Germany, where he executed various cost reduction programs, developed value-based steering mechanisms for sales and market investments, and implemented a new service oriented culture in all customer facing finance operations.

In the years 2000-2003 Mr. Kübler was Senior Vice President Mergers&Acquisition of the Deutsche Telekom Group. Mr. Kübler presently serves on the supervisory boards of T-Systems International, T-Mobile USA, Inc., and Deutsche Telekom Kundenservices GmbH, the customer services subsidiary of Deutsche Telekom AG.





## **VASILEIOS KAFOUROS**

**Independent - Non-executive member**

Dr. Vassileios Kafouros is a Special Adviser in the Office of the Minister of Finance, holds a doctorate in Economic Sciences (with specialization in National Economic Programming) from the University of Warsaw, a postgraduate degree (with specialization in Economics) and a BA in Economics from the University of Essex in England.

From April of 2010 he is a visiting Associate Professor at the Department of Statistics of Athens University of Economics and Business while from January 1997 he is Senior Research Fellow in the Centre of Planning and Economic Research. During 2003-2009 he was a visiting Lecturer at the Department of Economics of Athens University.

Dr. Kafouros was also a visiting Lecturer at the Department of Health Management (2000-2001) and at the Department of Business Administration of Athens Technological Institution (T.E.I.) (2000-2003).

During the period 1990-1995 he was Lecturer in the School of Business and Public Administration of Charles Sturt University- Mitchell Australia and in the School of Business Administration of Australian Catholic University, Sydney, Australia.

## 02. BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD OF DIRECTORS

#### **IOANNIS MARGARIS**

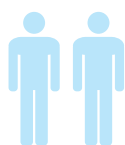
**Independent - Non-executive member**

Mr. Ioannis Margaris is an Electrical and Computer Engineer with a PhD from National Technical University of Athens. In 2012 he acquired a post doctorate from the Department of Wind Energy of the Technical University of Denmark (DTU) in which he worked at the same time as a researcher (eq. Assist. Prof.) on Renewable Energy Sources penetration in autonomous and interconnected power systems.

Mr. Margaris, is a special advisor at the office of Vice President of Government on Technology and Industrial policy, International Economic Affairs and National Reform Program.

From 2006 he is delivering lectures in undergraduate and postgraduate courses of National Technical University of Athens and of Technical University of Denmark on analysis of electricity systems, renewable energy sources and RES integration in modern power systems.

During 2007-2008 he worked at the Department of non-interconnected island power systems - Public Power Corporation S.A in Greece where he participated in power system operation and planning studies. He has more than 50 publications in newspapers, magazines and websites related to technology and industrial policy, energy technologies, innovation ecosystems etc. He is a member of Greek Technical Chamber, of IEEE (Institute of Electrical and Electronics Engineers) and of FLOK Society. Mr. Margaris is also an Executive member of the BoD of HEDNO S.A.



## **ATHANASIOS MISDANITIS**

**Independent - Non-executive member**



Mr. Athanasios Misdanitis is a special advisor at the office of Vice President of Government, while the period 2013-2015 he was economic analyst and researcher at Vice President's Office of Hellenic Parliament.

He is a PhD Candidate in Economics in Department of Applied Mathematics and Physics of the National Technical University of Athens, he has a postgraduate degree (Business Innovation with Entrepreneurship & Innovation Management) from Birkbeck College of London University and he is certificated Economist from Aristotle University of Thessaloniki.

He is an economist with solid background in Economics/Finance/Public Policy and experience in working closely with diversified scholars and experts to produce written intelligence papers and briefings for policy makers. Mr. Misdanitis has expert knowledge on the socioeconomic impacts of public policies (legislation, taxes, regulations etc) in Greece and also he is a member of the team which works out the Government's National Reform Program.

He has worked as a consultant and analyst in the private sector in start-ups companies in Greece and in Great Britain. Mr. Misdanitis is a member of Greek Economic Chamber.



## 02. BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD OF DIRECTORS



#### **PANAGIOTIS TABOURLLOS**

**Independent - Non-executive member**

***Committees' participation:***

- *Audit Committee (Chairman and Financial Expert*

*of the Committee)*

- *Remuneration and Human Resources Committee (Chairman)*



Mr. Tabourlos is a graduate of the Piraeus University of Economics and holds a Master's degree in Business Administration (MBA) from McGill University (Montreal, Canada). Since 1980 he has worked as Finance Manager in various corporations, including Milchem International, Hilti SA, American Express and ICI.

From 1990 to 2003 he worked for Pfizer/Warner Lambert SA, where immediately prior to his departure he held the position of Regional CFO for Europe, Middle East and Africa. From June 2003 until April 2004 he held the position of Chief Financial Officer at OTE.

He then resumed the position of Group CFO at Frigoglass SA, which he held until October 2013. From November 2013 he assumed the responsibilities of Corporate Development & Strategy Director until his departure in May 2014. Mr. Tabourlos serves as Chairman of OTE Audit Committee, being also its financial expert.

He is also Chairman of OTE Compensation & Human Resources Committee, as well as member of COSMOTE Board of Directors.





## **KONSTANTINOS CHRISTOPOULOS**

**Independent - Non-executive member**

Mr. Konstantinos Christopoulos holds a PhD and a postgraduate degree in Economic Development from University Paris I-Panthéon Sorbonne and a degree in Economic Studies from the University of Macedonia as well. He worked with OTE from 1988 until 2014, in various positions in the area of Foreign Investments and Financial Operations.

During the period 2007-2013 he was the head of Strategy Planning and Financial Services Department, while in the period 2013-2014 he was the head of Group Corporate Finance Department.

Mr. Christopoulos was a member of Board of Directors of: Hellenic Center of Productivity-ELKEPA-(1989-1992), Telekom Serbia (2004-2011) and OTE Estate (2009-2014). He is the author of the book "Trends of Capital Development in Greece" (Modern Era publications, 1991), and of articles with subjects: Globalization of Economy, Privatizations and Telecommunications.

Mr. Christopoulos is member of the Greek Economic Chamber.

# SELECTION, REPLACEMENT AND CHANGES OF THE MEMBERS OF THE BOARD OF DIRECTORS

The persons participating in the Board of Directors have the required know-how and the scientific and professional proficiency that will guarantee the most efficient operation of the BoD.

According to the company's Articles of Incorporation, the members of the BoD are elected for three years and each Director's tenure begins on the day of his/her election by the General Assembly of Shareholders and ends on the Ordinary General Assembly of the year during which a three-year tenure will have been completed.

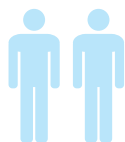
The members of the BoD are re-electable and may be recalled at any time by the General Assembly of Shareholders. According to the company's Articles of Incorporation as currently in force, in the event of resignation, death or any other reason of withdrawal of one or more than one Directors prior to the expiration of their term, the Board shall - with at least five of the remaining Directors (present or represented) - either elect replacement(s) for the remaining tenure of the Director(s) being replaced and determine their capacity as executive or non-executive, or continue the management of the business affairs and representation of the company without electing such replacement(s). In the event that the BoD elects a member in replacement of another independent member, the elected member must also be independent. Any such election(s) is announced at the next General Assembly of Shareholders (ordinary or extraordinary), which can replace the elected members, even if such announcement has not been included in the agenda of such General Assembly of Shareholders. The actions of the replacing Directors, thus elected, are valid even if their election is not approved at the General Assembly of Shareholders.

The continued absence or non-representation of a Director at the meetings of the Board of Directors for more than six months is deemed to be equivalent to the resignation of such Director; the Board will resolve thereupon at its first meeting immediately after the resignation has taken effect.

Any Director's notice of resignation must be written and takes effect upon its reception by the company, without prior approval.



# REMUNERATION POLICY OF THE MEMBERS OF THE BOARD OF DIRECTORS



The terms and conditions under which the members of the BoD receive remuneration and benefits in exchange for their services are proposed by the BoD and approved by the General Assembly of Shareholders. In cases where the members of the BoD are employed with the company, they receive the compensation provided under their employment contract and are not eligible for the remuneration, compensation and benefits paid to the other members of the BoD.

For the fiscal year 2014, the Ordinary General Assembly of Shareholders on June 24, 2014 approved:

- The remuneration of the members of the BoD for their participation in its meetings as follows: €2,000 net per month, irrespective of the number of meetings
- The remuneration of the Chairman and the members of the Audit Committee for their participation in the Committee's meetings as follows:
  - Chairman: €1,200 net per meeting
  - Members: €960 net per meeting
- The remuneration of the Chairman and the members of the Compensation and Human Resources Committee for their participation in the Committee's meetings as follows: €480 net per meeting.

Following a resolution of the General Assembly of Shareholders, OTE assumes the travel and sojourn expenses of the BoD members (from and to their country of residence) for their participation in the OTE BoD meetings and in the meetings of its Committees, provided that these expenses are not covered by their employers.

Moreover, following a resolution of the General Assembly of Shareholders, OTE also assumes the travel and sojourn expenses of BoD members for their participation in the company's meetings and the meetings of its committees from and to their place of residence, provided such place is within Greece but outside the prefecture of the company headquarters and at a distance of over one hundred and fifty (150) kilometres, and provided that these expenses are not covered by their employers.

It is noted that certain BoD members have relinquished remuneration for their participation in the meetings of the BoD and its Committees.

## Regulation of Operations of the BoD



# BRIEFING OF THE MEMBERS OF THE BOARD OF DIRECTORS BY THE MANAGEMENT

Following their election, new members of the Board of Directors are given a file containing literature regarding the operation of the company and the Board of Directors (Articles of Incorporation, Internal Regulation, Regulations of the Board of Directors, Policies/Codes/ Regulations which are in force). Immediately following their election, new members meet with the company's Management and are briefed regarding the structure of the company and its subsidiaries, critical issues pertaining to the company and the Group, as well as issues regarding the company's operation.

Moreover, the members of the BoD are briefed on matters relating to the company, during the meetings of the BoD within the context of the discussion of items on the Agenda, by receiving the necessary information from Management for the full comprehension of the issues to be approved and whenever the need arises for their briefing through personal communication of the Chairman with the members (by sending the relevant briefs).

In addition, the members of the BoD are regularly briefed through:

- The OTE Group Compliance Report for information regarding the planning and efficiency of the operation of the Compliance Management System, including any weaknesses that may exist or important cases (incidents/accusations) related to Compliance which may have come to the company's attention
- The OTE Group Corporate Risk Report for information regarding major corporate risks (evaluation, general assessment of risks, need to take measures, classification of a risk's trends, and timely warning process) and the operation of the Risk Management System
- The Internal Audit Activity Report.



# COMMITTEES OF THE BOARD OF DIRECTORS



## AUDIT COMMITTEE

### > Operation and role

In April 1999, OTE's Management established the Audit Committee. According to article 37 of Law 3693/2008, the members of the Audit Committee are nominated by the General Assembly of Shareholders. At least one member must have proven experience in the field of accounting and auditing. During 2014, the Audit Committee of the company comprised three independent non-executive members of the Board of Directors, one of which is appointed as Chairman.

Concisely, the objective of the Audit Committee is to support the company's Board of Directors in the exercise of the latter's supervisory authority and the fulfillment of the latter's obligations towards shareholders, the investment community and third parties, especially with regards to the financial reporting process.

The Audit Committee has frequent communication with the Internal Audit during the course of its operations. In this context, the OTE Group Chief Internal Auditor is invited and participates in most of the meetings of the Audit Committee. The external auditors are also invited and participate, when the semi-annual and annual financial statements of the company are reviewed.

### > Meetings

The Audit Committee's meetings are either Ordinary, taking place four times a year before the preparation of the financial statements and their publication, and Extraordinary, taking place whenever it is deemed necessary.

The Audit Committee meets in quorum and convenes lawfully when its Chairman plus one member are present. In the event of such quorum, the third member may be represented by the Chairman of the Audit Committee or by the member that is present.

Resolutions of the Audit Committee are passed by an absolute majority of the total number of its members.

During 2014, the Audit Committee held 17 meetings, and its composition was as follows: Panagiotis Tabourlos (Chairman - Expert on Financial Matters), Christos Kastoris (Member), Nikolaos Karavitis (Member). On 31/3/2015 the members Messrs. Christos Kastoris and Nikolaos Karavitis submitted their resignation. Mr. Panagiotis Tabourlos remained Chairman of the Committee.

### > 2014 at a glance

In 2014, the Audit Committee addressed issues of which the principles ones were the following:

- Approve and monitor the company's Internal Audit activities
- Approval and monitoring of the activities of Compliance, Enterprise Risk Management & Insurance
- Assess the comprehensiveness and consistency of the company's Financial Statements
- Assure the independence of the Chartered Auditors with regard to the services provided to the companies of OTE Group
- Advise for the choice of auditing firm
- Handling of complaints and allegations.

Also in 2014, the Audit Committee reviewed and assessed, in terms of their comprehensiveness and accuracy, the quarterly Regulatory Compliance reports - which included, among other things, information regarding the handling of complaints and accusations and its outcomes - and the quarterly Corporate Risk reports.

[Audit Committee Regulation](#)



## 02. BOARD OF DIRECTORS

### COMMITTEES OF THE BOARD OF DIRECTORS

#### COMPENSATION AND HUMAN RESOURCES COMMITTEE

##### > Operation and role

OTE's BoD established the Compensation and Human Resources Committee in 2004. This Committee is appointed by the company's BoD and consists of a minimum of three members, at least two of which are non-executive. The Chairman of the Committee is also appointed by the BoD.

The operating framework of this Committee is determined by the Regulation of Operation of the Remuneration and Human Resources Committee, which has been approved by the Board.

##### > Meetings

During 2014, the Committee held six (6) meetings and its composition was as follows: Panagiotis Tabourlos (Chairman), Charalampos Mazarakis (Member), Claudia Nemat (Member). In February 2015 the place of Mr. Charalampos Mazarakis was taken by Mr. Raphael Kübler.

##### > 2014 at a glance

In 2014, the Compensation and Human Resources Committee proceeded to:

- Set the principles of the company's human resources policy that will guide the decisions and actions of the management
- Define the company's compensation and remuneration policy
- Approve the schemes and plans concerning compensation, benefits, stock options and bonuses
- Propose to the Board of Directors the compensation and benefits of the Managing Director
- Study and process issues related to the company's human resources
- Set the principles of Corporate Social Responsibility.

[Regulation of Operation of the Compensation and Human Resources Committee](#)



## PARTICIPATION OF THE BoD MEMBERS IN THE MEETINGS OF THE BoD AND ITS COMMITTEES (1/1/2014 - 31/12/2014)

The participation of each member of the BoD in the BoD's meetings and in the meetings of its Committees during the fiscal year 2014 is presented in the following table:

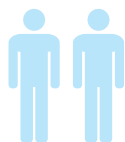
BoD					COMMITTEES OF THE BoD				
Capacity	Members	Executive member	Non-executive member	Independent member	Rate of participation in the BoD's meetings	Audit Committee		Compensation and Human Resources Committee	
						Members	%*	Members	%**
Chairman	Michael Tsamaz	✓			100%				
Vice-Chairman	Nikolaos Karavitis***		✓	✓	100%	✓	100%		
Member	Charalampos Mazarakis	✓			100%			✓	100%
Member	Klaus Müller		✓		100%				
Member	Claudia Nemat		✓		100%			✓	100%
Member	Raphael Kübler		✓		100%				
Member	Panagiotis Tambourlos		✓	✓	100%	✓	100%	✓	100%
Member	Christos Kastoris ***		✓	✓	100%	✓	100%		
Member	Theodoros Matalas ***		✓	✓	100%				
Member	Leonidas Filippopoulos ***		✓	✓	100%				
Member	Stylianios Petsas ***		✓		100%				

\* Rate of participation in the Audit Committee's meetings

\*\* Rate of participation in the Compensation and Human Resources Committee's meetings

\*\*\* Vice-Chairman Mr. Nikolaos Karavitis and members Messrs. Stylianios Petsas, Christos Kastoris, Theodoros Matalas and Leonidas Filippopoulos submitted their resignation (on the dates cited in the table above) and on 1 April 2015 they were replaced by Messrs. Manousos Manousakis, Vasileios Kafouros, Ioannis Margaris, Athanasios Misdanitis and Konstantinos Christopoulos. Mr. Manousos Manousakis was appointed Vice-Chairman of the BoD.

# CONFLICT OF INTEREST OF THE MEMBERS OF THE BOARD OF DIRECTORS



With regard to the conflict of interest of the members of the BoD, reference is made in specific company regulations and policies:

### ➤ The Internal Regulation of Operations of the company

The Regulation contains provisions regarding the monitoring of financial activities and significant transactions between the members of the BoD and individuals who carry out managerial duties in the company on the one hand, and important customers or suppliers on the other, as well as the monitoring of transactions related to OTE issued shares or derivatives or other financial instruments linked to these shares. Moreover, according to the Regulation, holdings of Board members in the share capital of other companies of over 10% must be reported to the company.

### ➤ The OTE Group Code of Ethics

The Code dictates that the members of the BoD, the employees and the company's contractors must operate according to local legislation, the basic principles of corporate behavior and the company's internal policies.

### ➤ The OTE Group Policy on Avoiding Corruption and other Conflicts of Interest

The Policy provides a framework on avoiding corruption and other conflicts of interest in relationships with customers and business partners.

### ➤ The OTE Group Policy on Accepting and Granting of Benefits

The Policy provides a description of the rules and regulations of conduct governing the acceptance and granting of benefits in business transactions.

### ➤ Policy on Donations and Sponsorships

The Policy provides guidelines to the Group's Companies regarding the handling of issues related to donations and sponsorships.

### ➤ The OTE Group Fraud Policy

This Policy describes the significant basic principles and ways in which the Group addresses the question of fraud, and includes instructions and recommended actions for managing fraud. In addition, the Policy's objective is to draw the attention of the Group's employees at all levels to addressing the issue of fraud.





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# **MANAGEMENT TEAM**

# MANAGING DIRECTOR



The Managing Director is the chief executive officer of the company and has the powers conferred by either the Articles of Incorporation or the BoD of the company. The BoD, under the current statute, may delegate to the Managing Director the authority and power to act and represent the company in matters concerning the management of its affairs.

In this context, the BoD has delegated to the Managing Director, among other things, the authority to:

- Participate, represent and bind the company in all General Assemblies of Shareholders, of affiliated companies and in all of its relations vis-à-vis affiliated companies
- Decide upon and execute agreements, the value of which does not exceed the level determined by the BoD
- Decide upon the company's internal organization, personnel development issues and realization of the company's objectives
- Submit to the BoD the motions and proposals necessary in order to realize the company's objectives
- Represent and bind the company in issues related to the negotiation and conclusion of collective labor agreements
- Represent the company before any authority.

The Managing Director of the company today is Mr. Michael Tsamaz.





# MEMBERS OF THE MANAGEMENT TEAM

The members of the Management Team during the period 2014-2015 are presented in the following table:

NAME	CAPACITY
Michael Tsamaz	Chairman and Managing Director
Zacharias Piperidis	OTE Group Chief Operating Officer
Charalampos Mazarakis	OTE Group Chief Financial Officer
George Athanasopoulos	OTE Group Chief Information Technology Officer
Eirini Nikolaidi	General Counsel - OTE Group Chief Legal & Regulatory Affairs Officer
Stefanos Theocharopoulos	OTE Group Chief Technology & Operations Officer
Konstantinos Liamidis	OTE Group Chief International Activities Officer
Elena Papadopoulou	OTE Group Chief Human Resources Officer
Ioannis Konstantinidis	OTE Group Chief Strategic Planning & Transformation Officer
Deppie Tzimea	Executive Director Corporate Communications OTE Group
Aristodimos Dimitriadis	Executive Director Compliance, ERM & Insurance OTE Group
Maria Rontogianni	Executive Director Internal Audit OTE Group

## 03. MANAGEMENT TEAM

### MEMBERS OF THE MANAGEMENT TEAM



#### CVS OF THE MANAGEMENT TEAM

##### **MICHAEL TSAMAZ**

###### **Chairman and Managing Director**

(Mr. Tsamaz's CV appears in the "Board of Directors CVs" section, page 16)

##### **ZACHARIAS PIPERIDIS**

###### **OTE Group Chief Operating Officer**



Mr. Zacharias Piperidis is OTE Group Chief Operating Officer since February 2011 and COSMOTE Group's Chief Commercial Officer since November 2007. He has extensive experience in telecommunications, a sector he has served for more than 20 years.

He has served in executive and managerial commercial and technical posts in fixed and mobile European operators (Vodafone Greece, O2 Germany, OTE Investments, Romtelecom Romania, Wind Greece). As from November 1st Mr. Piperidis is the Interim CEO of T-Mobile Polska, while preserving his current duties at OTE Group.

He holds a BSc in Electrical Engineering from the National Technical University of Athens and an MSc in Communications & Signal Processing from the Imperial College of Science, Technology & Medicine, London. He also holds an MBA from the Heriot-Watt University of Edinburgh Business School.



**CHARALAMPOS MAZARAKIS****OTE Group Chief Financial Officer**

(Mr. Mazarakis's CV appears in the "Board of Directors CVs" section, page 18)

**GEORGE ATHANASOPOULOS****OTE Group Chief Information Technology Officer**

Mr. George Athanasopoulos has held the position of OTE Group Chief Information Technology Officer since February 2011. He has been the General Director of COSMOTE's Operations and IT Systems since October 2007. He joined the OTE Group in 2002 as OTE Investments' Information Management Executive Director and since September 2006 he has held the position of Operational Support Executive Director for OTE Globe.

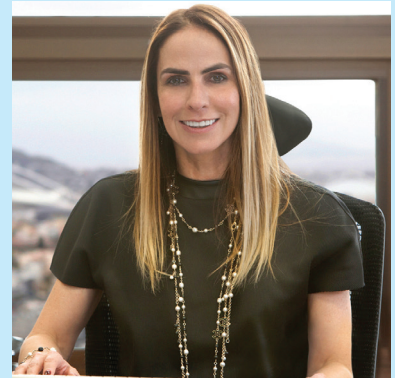
Prior to that, he worked for Atos Origin and Vodafone, Greece. He holds a BSc in Economics from the University of Athens (1991) and an MSc in Computing from Cardiff University, UK (1993).

## 03. MANAGEMENT TEAM

### MEMBERS OF THE MANAGEMENT TEAM

#### **EIRINI NIKOLAIDI**

**General Counsel - OTE Group Chief Legal &  
Regulatory Affairs Officer**



Ms. Eirini Nikolaidi is the General Counsel - OTE Group Chief Legal & Regulatory Affairs Officer and joined the Group in 1996 when she assumed the position of COSMOTE's General Counsel. Ms Nikolaidi is a member of the Executive Committees of OTE and COSMOTE, as well as member of the Boards of Directors of OTE's subsidiaries in Romania and Albania.

She holds a law degree from the University of Athens, as well as a master's degree (LLM) in International Business Law from the University of London (UCL), where she specialized, among others, in international finance and international trade law. She is a telecommunications expert and member of the Athens Bar Association.

**STEFANOS THEOCHAROPOULOS****OTE Group Chief Technology & Operations Officer**

Mr. Stefanos Theocharopoulos assumed the position of OTE Group Chief Technology & Operations Officer in Fixed and Mobile Telephony in 2013. He has been COSMOTE Romania CEO since January 2008 and Romtelecom CEO since July 2011.

He has held the position of OTE Globe Business Development Executive Director, OTE Investment Services Executive Technology Director, as well as BoD member in a number of OTE Group companies.

He holds a BEng in Electronic Engineer from Sussex University as well as a M.Sc. in Mobile & Satellite Communications from the University of Westminster.



## 03. MANAGEMENT TEAM

### MEMBERS OF THE MANAGEMENT TEAM



#### **KONSTANTINOS LIAMIDIS**

**OTE Group Chief International Activities Officer**



Mr. konstantinos Liamidis holds the position of OTE Group Chief International Operations Officer as of February 2011. He started his career in OTE and became an Executive in the Commercial Department of the Organization. Mr. Liamidis then joined COSMOTE as Deputy Commercial Director at the time of its incorporation in 1996. In February 2000 he was appointed as the Retail Network Sales Director and in May 2003 he became the General Commercial Director of COSMOTE.

He has been Advisor to the COSMOTE CEO since November 2007 and between December 2012 and April 2013 he held the position of Interim Chief Technology & Operations Officer of OTE, while preserving his other duties. He is also a Board Member in various subsidiaries of OTE Group. He holds a B.Sc. in Physics and Mathematics from the University of Ioannina, Greece.



**ELENA PAPADOPOULOU****OTE Group Chief Human Resources Officer**

Ms. Elena Papadopoulou has held the position of Chief Human Resources Officer of OTE Group since December 2011. She has been General Director of COSMOTE Human Resources since 2008. She joined COSMOTE in October 2005 as Human Resources Director.

Prior to that, she had worked in the Financial Division of Shell Hellas S.A. and as Human Resources Manager in Kraft Foods International. In the past 10 years she has worked as Human Resources Director and served as a member of the Executive Committee of Mercedes Benz Hellas, P.N. Gerolymatos and Praktiker Hellas of the Metro Group.

## 03. MANAGEMENT TEAM

### MEMBERS OF THE MANAGEMENT TEAM

#### **IOANNIS KONSTANTINIDIS**

**OTE Group Chief Strategic Planning &  
Transformation Officer**



Mr. Ioannis Konstantinidis was appointed Chief Strategic Planning & Transformation Officer in June 2011. He has held various senior managerial positions at OTEGlobe, an affiliated company of the OTE Group, over the past 11 years. In particular, he held the positions of Operating Technology Officer, Operating Commercial Officer and Chief Operating Officer, while at the same time he is a member of the Board of Directors of the company.

Prior to the OTE Group, he worked for Global One Hellas SA, where he was head of the Technical Department. He holds a degree in Electrical Engineering from the National Technical University of Athens, with a specialization in Telecommunications.

**DEPPIE TZIMEA**

**Executive Director Corporate Communications  
OTE Group**



Ms. Deppie Tzimea is Executive Director of Corporate Communications at OTE Group since March 2015, having served as Head of Corporate Communications at OTE Group since July 2011 and Head of Corporate Communications at OTE S.A. since February 2001.

She has been working in Marketing and Corporate Communications in both mobile and fixed line telecommunication providers since 1995. She has thorough knowledge and experience in advertising having worked, among others, at Adel Saatchi & Saatchi.

D. Tzimea holds a postgraduate degree in Public Relations and Communications from Stirling University, and is a Political Sciences & Public Law graduate from the University of Athens.



## 03. MANAGEMENT TEAM

### MEMBERS OF THE MANAGEMENT TEAM



#### **ARISTODIMOS DIMITRIADIS**

**Executive Director Compliance,  
ERM & Insurance OTE Group**



Mr. Aristodimos Dimitriadis assumed the position of Executive Director Compliance, ERM & Insurance OTE Group in November 2012. He has been a member of the executive team of COSMOTE since 2005 and was Head of Internal Audit and Compliance for the COSMOTE Group.

Prior to his employment with COSMOTE Group, he worked at KPMG and for many years in the banking sector, first at ABN AMRO and later at FBB-First Business Bank as Internal Audit Officer. He holds a BA in Economics and Politics and an MBA from Kent University, UK.

He is a Certified Internal Auditor (CIA), as well as a Certified Financial Services Auditor (CFSA), a Certified in Risk Management Assurance (CRMA) according to the International Institute of Internal Auditors and a Certified in Risk & Information Systems Control (CRISK). He also holds (ICA) International Advanced Certificate in Compliance & Financial Crime.



**MARIA RONTOGIANNI****Executive Director Internal Audit OTE Group**

Ms. Maria Rontogianni holds a Bachelor's of Science degree in Public Accounting and Marketing from the College of Business at Fordham University of New York. Mrs. Rontogianni has worked in the auditing profession in various industries and has held several roles including regulator and consultant positions for the past nineteen years. She began her career at the National Futures Association, a self-regulatory organization for the U.S. futures industry.

Ms. Rontogianni then moved to the financial services industry, where she audited the emerging markets, foreign exchange and commodities businesses, as Vice President of J.P. Morgan and later for the Private Banking business of J.P. Morgan.

Upon moving to Athens in late 2001, Ms. Rontogianni worked as a consultant for Arthur Andersen before assuming the position of Internal Auditor at Lamda Development, SA (a member of the Latsis Group of companies) listed on the Athens Stock Exchange, specializing in the development, investment and management of real estate in Greece and South-Eastern Europe. Before joining OTE, Ms. Rontogianni was the Director of Internal Controls and Revenue Assurance at WIND Hellas Telecommunications, SA, where she headed the Internal Audit department and developed the procedures and tools necessary for Risk Management and Revenue Assurance monitoring.

As of September 2009, Ms. Rontogianni has held the position of Chief Internal Audit Officer at OTE.

# OTHER ADMINISTRATIVE, SUPERVISORY BODIES AND COMMITTEES

The administrative and supervisory bodies and committees include the following:

### ➤ Management Board

Following a decision by the company's Chairman and Managing Director, the OTE Group Managing Board was established and put into effect. Its primary mission is:

- to coordinate and ensure the necessary cohesion in the operation of OTE SA and the affiliated companies
- to solve major problems faced by the current administration, and
- to review and decide on any other matter referred to the Board either by the Board of Directors or by the company's Managing Director.

The Council meets on a weekly basis, and its meetings are chaired by the Managing Director or a substitute whom he designates. The Council comprises, besides the Managing Director, the following executives:

- OTE Group Legal Counsel - OTE Group Chief Legal and Regulatory Affairs Officer
- OTE Group Chief Operating Officer
- OTE Group Chief Financial Officer
- OTE Group Chief Information Technology Officer
- OTE Group Chief Human Resources Officer
- OTE Group Chief Technology & Operations Officer
- OTE Group Chief Strategic Planning & Transformation Officer
- OTE Group Chief International Activities Officer
- Executive Director Corporate Communications OTE Group and any other managers that are being invited by the Chairman of the Management Board.

### ➤ OTE Group Compliance, Corporate Risks and Corporate Governance Committee

By resolution of the Chairman of the Board of Directors & Managing Director, the OTE Group Compliance, Enterprise Risks and Corporate Governance Committee has been established with primary mission the support, the audit and assurance of the implementation of the Compliance and Risk Management Systems (CMS and RMS) and general corporate governance issues. Indicatively, the Committee designates the strategic issues regarding corporate governance, compliance and corporate risks, keeping abreast of best practices, monitors and reviews the implementation of RMS, CMS and supports business units in their risk analysis, ensuring efficient communication between employees and management about the RMS and CMS Programs. Proposes the appropriate measures/procedures and policies to the competent corporate bodies to be approved on the issues of its competences and supports the design of the implementation of these measures. Reviews the Reports and the results of CMS and RMS procedures and assess the completeness, accuracy and precision of the reports that are being submitted to the competent corporate bodies (quarterly or/and ad hoc), namely the Board of Directors and the Audit Committee.

Members of the Committee are the Executive Director Compliance, Enterprise Risk Management & Insurance OTE Group (Committee's Chairman), the Executive Director Internal Audit OTE Group, the OTE Group Legal Counsel - OTE Group Chief Legal and Regulatory Affairs Officer, the OTE Group Chief Human Resources Officer, the Executive Director Regulatory Issues and the Executive Director Business Security & Continuity OTE Group. In every meeting the Executive Director Corporate Communications OTE Group is present and participates, while extraordinarily other executives may participate according to the agenda items.



# STOCK-OPTION PLAN FOR EXECUTIVES



The 9/7/2008 Repeated Assembly of the 56th Ordinary General Assembly of OTE S.A. Shareholders approved the establishment and implementation of the OTE S.A Stock Option Plan, intended for the executives of the company and of its affiliated companies, in Greece and abroad, as in force after its amendment by the decisions dated 10/7/2009, 23/6/2011 and 26/6/2013 of the General Assembly of Shareholders of OTE SA (henceforth the Plan).

According to the conditions of the Plan, in 2008, 2009 and 2010 (when the last stock options grant took place) participants were granted Stock Options in the following categories:

**1. Basic Options** granted once to the executives upon their initial participation in the Plan and not granted again during the duration of the plan. Basic Options were converted into Vested Rights for the Acquisition of OTE Shares gradually (40% upon completion of the first year from the Grant Date, 30% upon completion of the second year from the Grant Date and the rest 30% upon completion of the third year from the Grant Date.), and may be exercised by the participant in total or partially up to October of the 7th calendar year after the Grant Date of the Basic Options in question (exercise deadline October 2016).

**2. Additional Options** granted annually to executives who had already been granted Basic Options which were converted into Vested Rights for the Acquisition of OTE Shares by 100 % upon completion of the third year from the Grant Date and may be exercised up to October of the 3rd calendar year after the year of their conversion into Vested Rights.

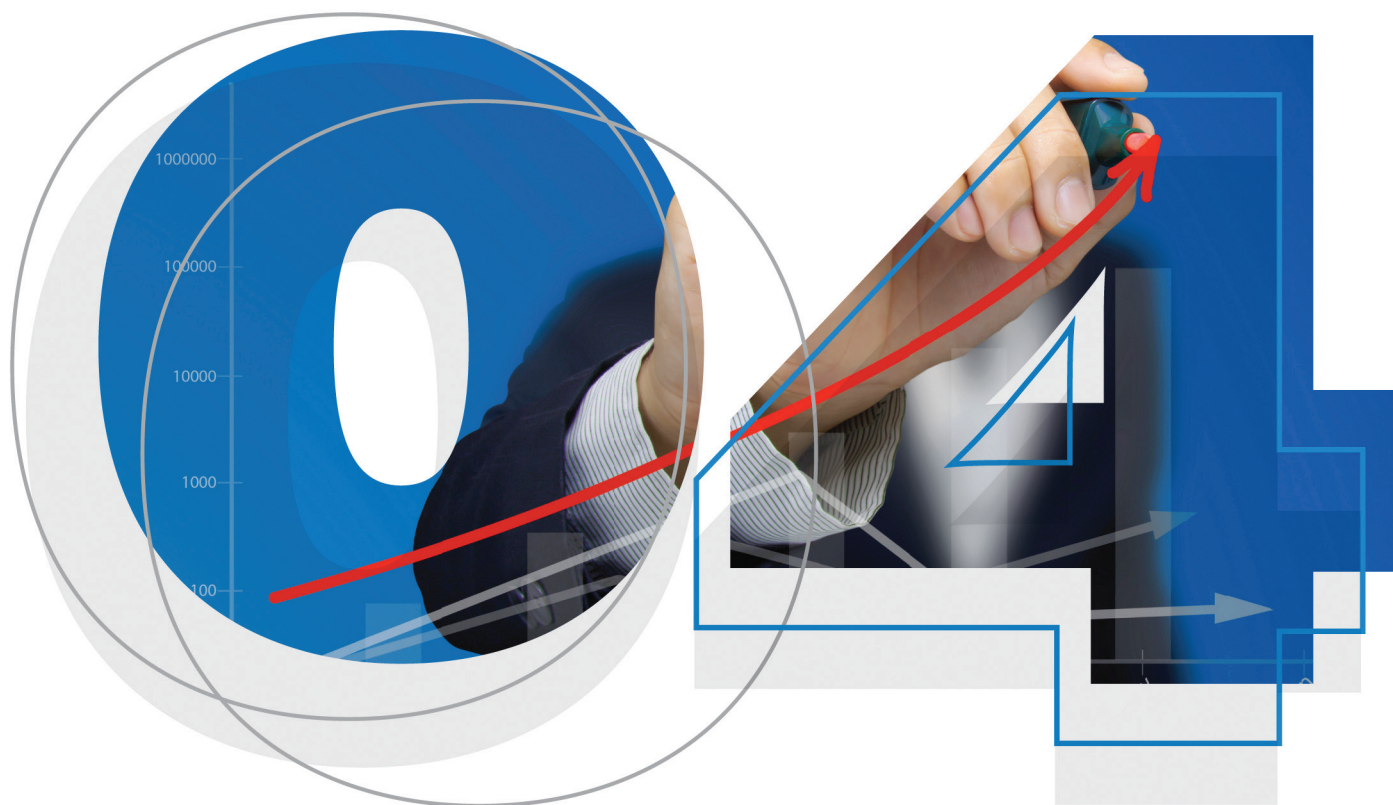
Participating in the Plan, according to its terms, are: The Managing Director, General Directors, Deputy General Directors, General Counsel, Directors, Deputy Directors, Heads of Districts and Heads of Complexes of OTE (in the event of change in the organizational chart, individuals who, according to the new organizational chart, hold positions of similar rank); Managing Directors of companies affiliated with OTE SA, such as OTEGlobe, OTE Estate and Telekom Romania Communications (formerly Romtelecom); the Chairman of the Board of Directors, the Managing Director, Deputy Managing Director, if any, General Counsel, General Directors, Directors, Deputy Directors and Unit Managers of COSMOTE Managing Directors, General Counsels, General Directors and Directors of COSMOTE's subsidiaries abroad, as well as Germanos Group executives in corresponding positions in Greece and abroad (in the event of change in the organizational chart, individuals who, according to the new organizational chart, hold positions of similar rank).

The implementation of the Plan will be completed in October 2016 (deadline for the exercising of Vested Rights).



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# **SHAREHOLDERS**

# GENERAL ASSEMBLY OF SHAREHOLDERS



In accordance with Corporate Law 2190/1920 as currently in force and OTE's Articles of Incorporation, the General Assembly of Shareholders is the company's highest ranking body and may resolve upon all matters of the company unless otherwise stated in the company's Articles of Incorporation.

The General Assembly of Shareholders convenes at the call of the Board of Directors in an ordinary session once a year, within six months of the end of the previous fiscal year, whereby the annual financial statements are approved, and certified accountants and members of the Board of Directors are absolved of any potential indemnity. The Board of Directors may also convene Extraordinary General Assemblies of Shareholders whenever it is deemed necessary.

The General Assembly of Shareholders is in quorum and convenes validly when 1/5 of its share capital is present or represented, except for issues specified explicitly in the law and the company's Articles of Incorporation, when a special quorum is required, i.e., 2/3 of the company's share capital. Such cases, requiring a special quorum, include:

- Merger or dissolution of the company
- Increase or decrease of the share capital, with the exception of cases which are governed by different provisions under the law or the Articles of Incorporation in force
- Issue of bond loans
- Amendment of the manner of allocation of profits
- Increase of the liability of shareholder
- Limitation or cancellation of the preemption rights of existing shareholders in the event of increases to the capital by means of payment in cash or contributions in kind
- Amendment of the special majority of the Board of Directors provided in Article 6 paragraph 1 of the present Articles of Incorporation
- Modification of Article 20 of the company's Articles of Incorporation.

The resolutions of the General Assembly of Shareholders on issues that call for a simple quorum are passed by absolute majority. Resolutions on issues that call for a special quorum are passed by a majority of 2/3 of those present or represented. In absence of a quorum, the first Repeated General Assembly of Shareholders convenes. On issues that may be resolved by simple quorum, the Repeated General Assembly of Shareholders convenes validly, irrespective of the present or represented capital. For issues that require a special quorum, at least 1/2 of the company's share capital must be present or represented, otherwise the General Assembly of Shareholders is repeated again, in which case 1/5 of the company's share capital must be present or represented.





# MINORITY SHAREHOLDER RIGHTS

Minority shareholders have certain rights regarding:

- **The convocation of General Assemblies of Shareholders**

Following a request by the shareholders representing one twentieth of the company's paid-up share capital, the Board of Directors must convoke an Extraordinary General Assembly of Shareholders, setting the day of the meeting, which must be no more than forty-five days from the date of service of the request to the Chairman of the Board of Directors. The request includes the subject of the agenda.

- **Additional items**

Following a request by shareholders representing one twentieth of the company's paid-up share capital, the Board of Directors shall be obliged to include additional items in the agenda of the General Assembly already held, provided the relevant request is communicated to the Board of Directors at least fifteen days before the General Assembly. The additional items must be published or notified by the Board of Directors (according to article 26 of Codified Law 2190/1920), at least seven days before the General Assembly. The request for an additional item on the agenda must be accompanied by a justification or a draft resolution to be adopted in the General Assembly. The revised agenda is made available in the same manner as the previous agenda thirteen days before the General Assembly and at the same time, it is made available to the shareholders on the company's website, together with the justification or the draft resolution that had been submitted by the shareholders.

- **Draft resolutions**

Following a request of shareholders, representing one twentieth of the paid-in share capital, the Board of Directors makes available to the shareholders the draft resolutions for the items included in the initial or revised agenda, in accordance with article 27 paragraph 3 of C.L. 2190/1920, at least six days before the General Assembly, if the relevant request is communicated to the Board of Directors at least seven days before the General Assembly.

- **Postponement of a resolution**

Following a request by a shareholder or shareholders representing the one twentieth of the paid-up share capital, the chairman of the Assembly is obliged to postpone, only once, the taking of a decision by the General Assembly, ordinary or extraordinary, for all or some subjects of the agenda, setting as date on which the Assembly will continue the date set in the shareholders' request which may not be later than thirty days from the date of the postponement.

- **Provision of specific information with respect to the company, the members of the Board of Directors and the company's managers**

Following the request of any shareholder, communicated to the company at least 5 full days before the General Assembly, the Board of Directors must provide to the General Assembly, the requested, specific information with respect to matters of the company, to the extent that this information is useful for the actual assessment of the items on the agenda.

Following a request by the shareholders representing the one twentieth (1/20) of the paid-up share capital, the Board of Directors must announce to the General Assembly, provided that it is ordinary, the amounts which during the last two years were paid to each member of the Board of Directors or the managers of the company, as well as any benefit to these persons for any reason or any contract between them and the company.

Following a request of shareholders representing one fifth of the paid-up share capital the Board of Directors must provide to the General Assembly information with respect to the course of the company affairs and the financial condition of the company.

## 04. SHAREHOLDERS

### MINORITY SHAREHOLDER RIGHTS



- **Petition to vote by roll call**

Following a request by shareholders representing the one twentieth of the paid-up share capital, the decision on any subject of the agenda of the General Assembly is taken by roll-call vote.





# ALLOCATION OF PROFITS AND PAYMENT OF DIVIDENDS

According to the company's Articles of Incorporation, allocation of net profits is conducted according to the provisions of the law as in force.

Shareholders are eligible to receive dividends following the approval of the annual financial statements by the Ordinary General Assembly of Shareholders. Dividends, as approved by the General Assembly of Shareholders, are paid to shareholders in accordance with Law 2190/1920 as in force, the Athens Stock Exchange Regulation as in force, and the company's Articles of Incorporation.

FISCAL YEAR	DIVIDEND IN € PER SHARE	AGA RESOLUTION DATE
1999	0.60	29 June, 2000
2000	0.70	26 June, 2001
2001	0.70	19 June, 2002
2002	0.70	30 June, 2003
2003	0.35	17 June, 2004
2004	–	16 June, 2005
2005	–	22 June, 2006
2006	0.55	21 June, 2007
2007	0.75	26 June, 2008
2008	0.75	24 June, 2009
2009	0.19	16 June, 2010
2010	0.1179	23 June, 2011
2011	–	15 June, 2012
2012	–	26 June, 2013
2013	–	24 June, 2014
2014	It will be submitted for approval at the Ordinary General Assembly 2015	

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An abstract graphic on the right side of the page. It features a grid of blue squares of varying shades, some of which are semi-transparent, creating a layered effect. A curved line, possibly representing a signal or a path, starts from the top right and curves downwards and to the left, passing through the grid.

# **CONTROL MECHANISMS**

# INTERNAL AUDIT



Internal Audit is an independent, auditing-related and advisory activity, designed to add value to the company's operations by helping in the attainment of the company's objective goals through a systematic, scientific approach, which aims to improve the efficiency of procedures across the company's range of activities.

The OTE Group has established an Internal Audit Department in the form of an independent administrative unit which reports directly to the Board and is supervised by the Audit Committee. The operation of OTE's Internal Audit Department is governed by the provisions of the legislative framework (as defined by Law 3016/2002 and its amendments in force) and is in compliance with the International Standard for the Professional Practice of Internal Audit (IPPF) of The Institute of Internal Auditors ([www.theiia.org](http://www.theiia.org)).

### 2014 AT A GLANCE

In 2014 the OTE Group Internal Audit carried out the Annual Audit Plan which has been approved by the Audit Committee. The drafting of the Audit Plan is based on the results produced by the annual identification and assessment of risks according to the methodology observed on a Group level.

The results of the audits as well as the evaluation of the efficiency of the Internal Audit System are made known to Management and the management actions that arise are monitored periodically by the OTE Group Internal Audit, which then informs both the Audit Committee and Management.

Furthermore, towards attaining the objectives of Internal Audit for 2014, the updating of the procedures of Internal Audit was implemented on a Group level, in order to continuously ensure the quality of the auditing activity, while at the same time satisfying all the provisions of Internal Audit's international standards.

### OBJECTIVES FOR 2015

Internal Audit's objectives for 2015 concern the successful implementation of the Annual Audit Plan which will add value to the Group's smooth operation.





## EXTERNAL AUDIT

The company's regular audit is carried out by certified auditors. To this end, every year, the Ordinary Assembly of Shareholders approves the appointment of an auditing firm or a consortium of auditors to audit the company's financial statements and business operations over the fiscal year being audited.

OTE's Ordinary General Assembly of Shareholders in June 2014 approved the election of the auditing firm PRICEWATERHOUSECOOPERS SA to carry out the regular audit of the corporate and consolidated financial statements of OTE SA for the fiscal year 2014.

The fee of the auditing firm is determined according to Article 36 of Codified Law 2190/1920 and based on the particular requirements in force at the time for chartered accountants.

## RISK MANAGEMENT

OTE Group Risk and Insurance Management System (RIMS) comprise a continuous process towards the timely identification, evaluation, management, communication and control of risks. Its main objective is to ensure the smooth operation and the future business success of OTE Group. In this context, it encompasses risk and opportunity analysis across all Enterprise Risk Management (ERM) dimensions, going beyond a purely financial view.

The RIMS utilizes all the strategic, operational and organizational monitoring and control measures used for risk management in order to:

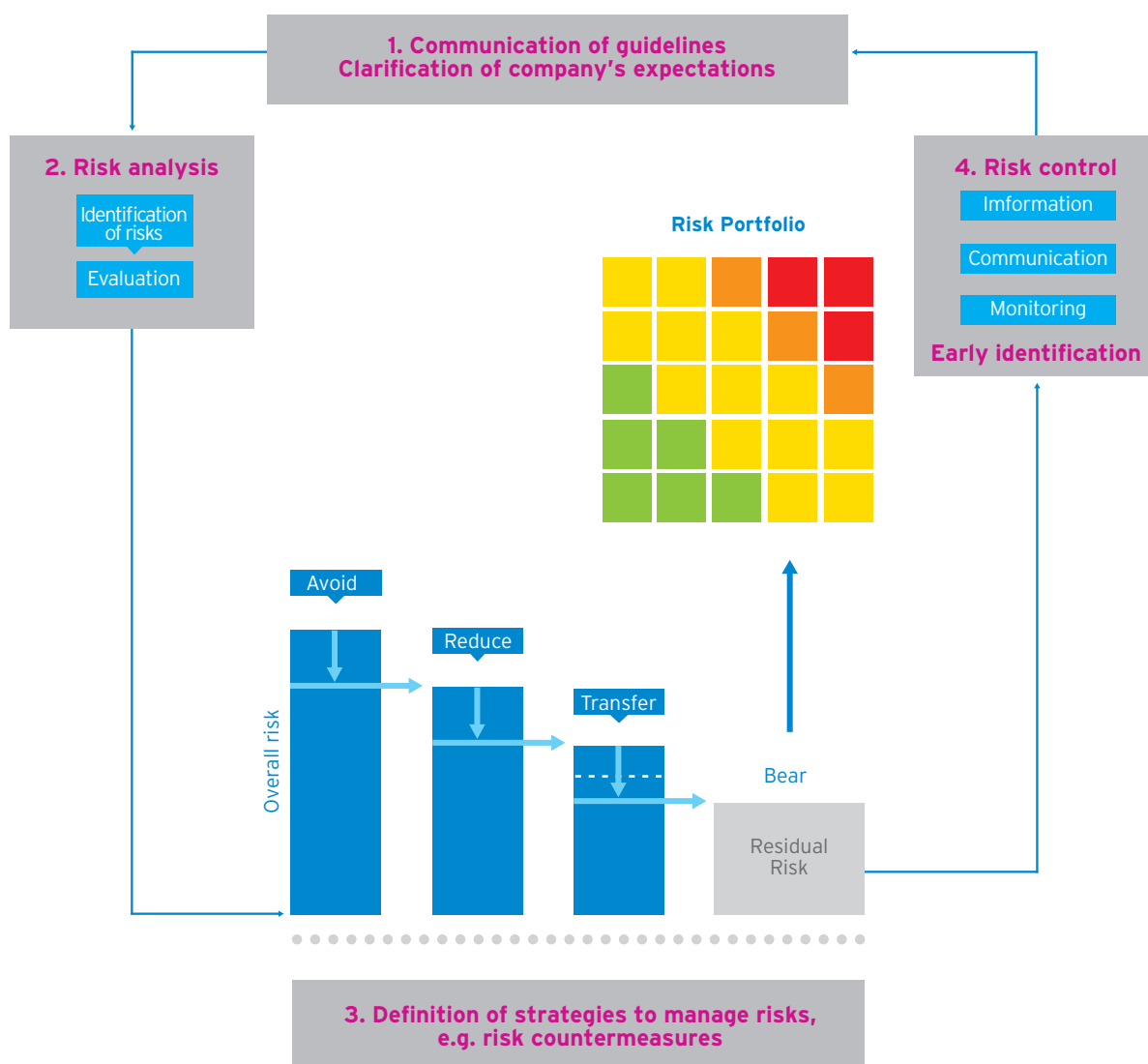
- Ensure that existing risks are systematically identified, analyzed and evaluated and that the information related to the risks and/or the respective opportunities are communicated forthwith to the competent decision-making bodies
- Provide direct reporting of risks which may have a significant impact on the business success of the company (operations, financial position and cash management)
- Record the response of OTE Group regarding the way it addresses risks which have been identified, analyzed and communicated
- Evaluate options for transferring risk to third parties. (e.g., insurance companies)
- Establish tolerance thresholds (risk appetite) for each level of risk evaluation, triggering a reporting requirement when these are exceeded
- Establish a common methodology for the identification, evaluation and management of corporate risks, which incorporates the all risk assessment methodologies of other business units
- Receive and evaluate the risk assessment reports from all business units, in order for them to be recorded in to be included in OTE Group Risk Register.

The OTE Group Enterprise Risk Management Department supports decision making in risk management issues and is responsible for the continuous development of an early warning system for the identification and management of corporate risks. It is also responsible for the insurance strategy, at Group level, and monitors the adequacy of insurance policy coverage and its validity for OTE Group.

## 05. CONTROL MECHANISMS

### RISK MANAGEMENT

The process for identifying and managing risks is illustrated in the following graph:



Enterprise Risk Management implies the adequate documentation of corporate risks as a basis for making optimum decisions and maximizing the value of OTE Group. In this context, corporate risks are categorized with an aim to graphically visualize the most important risk areas, while a framework for risk management is provided by ERM, aiming to manage risks to an acceptable level that has been determined by the Board of Directors and Senior Management. This includes the identification of specific events or circumstances related to the organization's objectives (risks and opportunities), the evaluation of their likelihood and the magnitude of their impact, by defining a strategy for response and monitoring.



Color Legend	Description	Probability	Potential Financial Impact
Very Critical	Immediate action is necessary	Almost certain from 50% onwards	> 50 mn
Critical	Action must be planned immediately	Likely, from 25% onwards but less than 50%	25 - 50 mn
Middle, Manage/Contain	Risk mitigation is mandatory	Possible, from 5% onwards but less than 25%	5 - 25 mn
Risc under observation, Accept/Plan	Management may decide whether to accept the risk and take no further actions of plan occasionally	Unlikely, less than 5%	< 5 mn

## BODIES AND OFFICIAL FUNCTIONS THAT ARE INVOLVED IN RISK MANAGEMENT

### > Audit Committee

The Audit Committee is responsible for the monitoring of the efficient operation of the company's internal audit and risk management systems.

### > OTE Compliance, Enterprise Risks and Corporate Governance Committee (GRC)

OTE Compliance, Enterprise Risks and Corporate Governance Committee's primary mission is to support, control and monitor the implementation of the Compliance Management System (CMS), the Risk & Insurance Management System (RIMS) and defines the strategic issues concerning Corporate Governance. In this context, it has, among others, the following responsibilities:

- It defines the strategic issues related to Corporate Governance, Compliance and Enterprise Risks.
- It identifies, recommends and monitors the implementation of measures, procedures and policies for the effective operation of the Compliance Management System (CMS), Enterprise Risk Management (RMS) and Corporate Governance
- It reviews and evaluates the completeness, correctness and accuracy of the Compliance and Enterprise Risk Management reports
- It submits to the Audit Committee and the Board of Directors the OTE Group Compliance Report, the OTE Group Risk Report and other corporate governance matters on a quarterly and/or in an ad-hoc basis.

Regular Members of the GRC Committee are the Executive Director Compliance, ERM and Insurance OTE Group (Chairman of the Committee), General Counsel - OTE Group Chief Legal & Regulatory Affairs Officer, OTE Group Chief Financial Officer, OTE Group Chief Human Resources Officer, the Executive Director Internal Audit OTE Group and the Executive Director Business Security and Continuity OTE Group. Other executives may be invited to participate, on an extraordinary basis, depending on the agenda topics.

### > Business Managers

The Business Managers in the Group Units (e.g. a project leader, everyone that holds a position of responsibility) are responsible for the identification, assessment, control and mitigation of risks in connection with the maintenance of effective internal controls. Operational management has ownership, responsibility and accountability for the daily management of business risks, compliance with laws and regulations and implementation/ maintenance of internal controls.

### > The business units of the Executive Director Compliance, ERM & Insurance OTE Group

The business units of the Executive Director Compliance, ERM & Insurance OTE Group are responsible for developing, keeping and revising of Compliance, Enterprise Risk Management and Insurance Policies/Proce-

## 05. CONTROL MECHANISMS

### RISK MANAGEMENT

dures, and for ensuring their implementation methodically and consistently in all OTE Group Companies, for developing procedures regarding monitoring and investigation of cases/ complaints, for conducting relevant checks and investigations, for implementing corrective actions and introducing preventive measures, for identifying recording and keeping the OTE Group Risk Register, monitoring, evaluation and management of corporate risks and insurance issues, for identifying and exploiting insurance synergies for the Group, as well as for the relevant reports and proposals to the competent corporate bodies.

The business units of the Executive Director Compliance, ERM & Insurance OTE Group on a quarterly basis submit the OTE Group Compliance Report and the OTE Group Risk Report to the GRC Committee for review, evaluation and submission to the competent corporate bodies, namely the Audit Committee and the Board of Directors.

#### ➤ Risk Managers

The OTE Group Enterprise Risk Management (ERM) Department is the single point of contact for all issues regarding Risk Management.

The OTE Group ERM Department facilitates and monitors the implementation of effective risk management practices by the Group's business units and helps the risk managers to determine the degree of risk exposure and to provide adequate disclosure of relevant information regarding the risk. The tasks of risk managers include reporting and monitoring the risk situation, and observing compliance methodology in terms of the analysis and risk evaluation in the respective unit.

#### ➤ External Auditors

External auditing provides assurance to the organization's shareholders, Board of Directors and senior management regarding the true and fair view of the organization's financial statements. The external auditors are entrusted with the duty to determine whether a risk management system has been installed in accordance with the Greek and European auditing standards, and whether it is sufficient to meet the requirements that have been set. This determines whether the measures taken to identify and notify all potential risks early enough are sufficient, in order for the Management to be able to take all the appropriate measures. The external auditors also consider whether the risk management system, and the risks and opportunities arising from business developments, are accurately described in the OTE Group Risk Report, which is submitted by the OTE Group Chief Compliance, Enterprise Risk Management & Insurance Officer to the Board of Directors.

#### 2014 AT A GLANCE

- Preparation on a quarterly basis of the OTE Group Risk Report, which analyzes corporate risks which have been identified and monitored, along with the respective actions carried out by the company, with an aim to mitigate the risks and limit their impact
- Submitting on a quarterly basis the OTE Group Risk Cockpit, which is an overall economic outlook, containing issues related to economic developments, competition in the telecommunications industry, as well as general legal and regulatory issues which affect or may affect OTE Group in Greece, Romania and Albania.
- Drafting, enrichment and continuous monitoring of the OTE Group Risk Register, as these are analyzed and recorded per company and country in which OTE Group operates
- Exercising an interim risk assessment - Risk Pulse: During the Annual Compliance Risk Assessment, ERM conducted a risk pulse, in order for the business units involved to evaluate the most critical categories of risks. The exercise was based on risk pulse questionnaires on major risk categories, personal interviews and workshops in order to analyze identified risks. The significance of the results of this exercise lies in the identification and prioritization of each risk as they are described in the OTE Group Risk Register, from the business units' perspective, in order to deliver an accurate risk information for decision making, concerning controls improvement and contingency planning



- Participation in the EU project for the creation and establishment of the DT EU Group Risk Methodology and implemented pilot procedures and tools of this new methodology in order to explore any areas of possible improvement or better operation of the new risk management system. The new approved methodology will be implemented in all DT Group's companies in early 2015
- Establishing the OTE Group Claims Management System, in cooperation with OTE Insurance. Since early 2014, ERM is monitoring on a monthly basis all incidents of material damage involving the Group's companies and the corresponding loss of revenue, as part of the Group Early Warning System, with an aim to identify new risks and the efficient management of the Group's existing insurance policies. The incident monitoring process is reflected in the OTE Group Monthly Claims Report
- Review and evaluation of the processes and participation in the optimization procedure and the approval flow, in order to confirm and identify risks and the effectiveness of corresponding controls
- Conducting of the Annual Probable Maximum Loss Exercise for the recognition of OTE Group critical buildings for 2014, in terms of value of property, technological equipment and loss of revenues concerning business interruption, so as to assess the adequate insurance coverage for all Group premises
- Continuous monitoring of various internal and external communication channels, such as media, external risk surveys, internal policies and procedures and collaboration with other business units, such as Business Continuity, Health & Safety, Environmental, Legal, Internal Audit, Processes, etc., in order to enhance the Early Warning System and to identify new potential emerging risks.

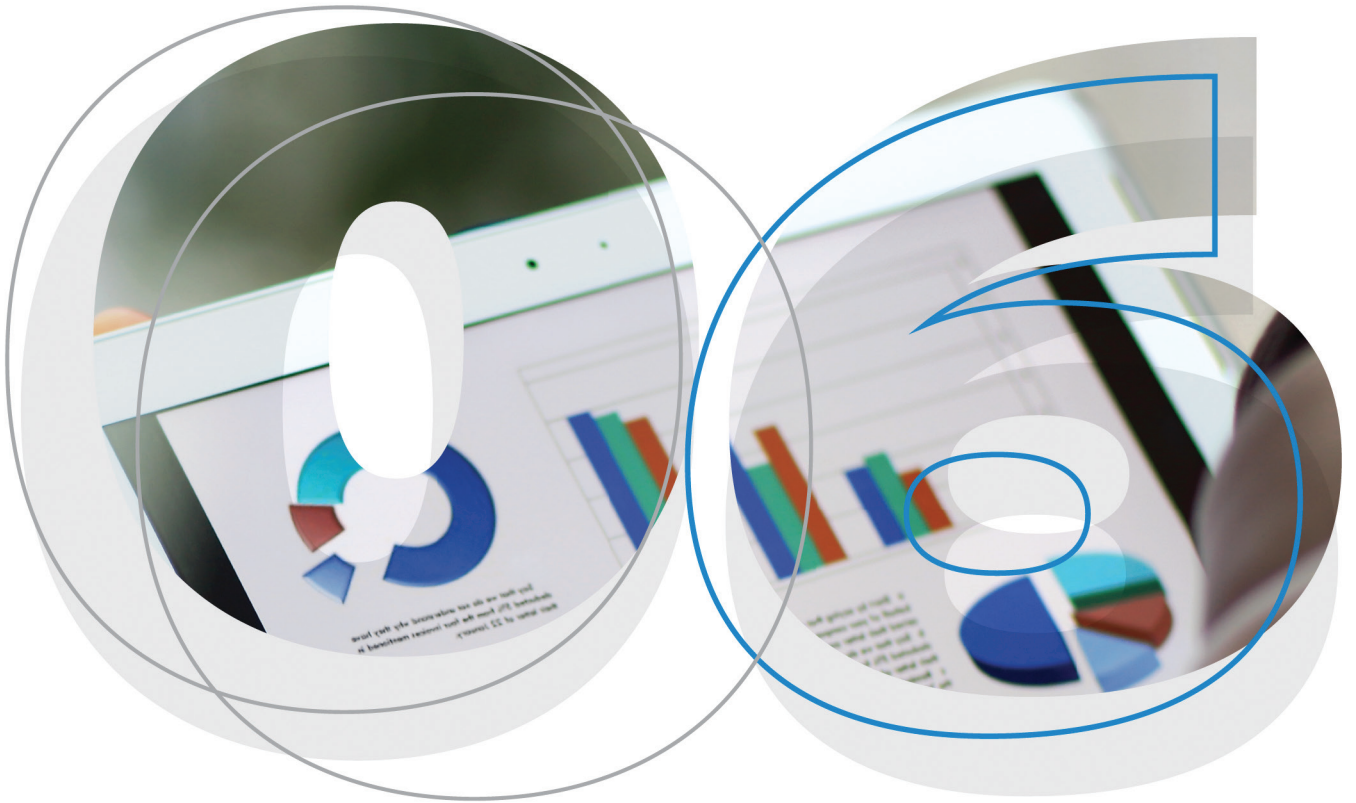
#### **OBJECTIVES FOR 2015**

- Gap analysis of the RIMS to the ISO 31000 Standard and attestation in 2015. Part of this procedure involves the alignment of all business units' risk assessments according to the Group ERM methodology, in order to establish a common way of mapping and evaluating risks for all business operations
- Enhancing the corporate risk culture through continuous action on the training and briefing of all business units to create a common risk language and a common way to address issues that may affect the company. The aim is to create a more proactive risk culture in order to prevent and mitigate risks
- Implementation of the DT EU Risk Management methodology in OTE Group subsidiaries within 2015. Towards this goal, training sessions and meetings with all companies will be initiated, so as to facilitate the understanding and implementation of the new methodology.



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# **TRANSPARENCY AND INFORMATION DISSEMINATION**

### ESTABLISHED PROCEDURES

Placing special emphasis on transparency and disclosure, OTE implements various related procedures, which stem from the legislative framework in force.

- Regulated Information Disclosure Process, which is implemented pursuant to the provisions of Law 3556/2007, Decision 1/434/3.7.2007 and circular No. 33 of the Hellenic Capital Market Commission, regarding information disclosure and transparency requirements for companies which are publicly traded on organized markets. The purpose of the process is, first, for the investment community and any other interested parties to be informed, timely and validly, regarding cases of changes (acquisition or disposal) of important participations, as they are defined by Law 3556/2007, and, second, to adjust the operation of OTE to the legislative framework.
- Processes pursuant to the provisions of Law 3340/2005 for the protection of the capital market from the actions of insider traders and actions to manipulate the market and Law 3016/2002 on Corporate Governance. Towards enacting the above Laws, the company has implemented:
  - A process for publicizing transactions by liable persons: persons who exercise managerial duties at the company, as well as persons who are closely tied to them, should notify OTE of any transactions carried out on their behalf, which involve company shares or other financial instruments connected to these shares
  - A process for the avoidance of insider trading: persons who possess privileged information that concerns the company are forbidden to use this information in order to acquire or to directly or indirectly make available financial instruments which this information concerns
  - A process of monitoring the financial activities of those persons who exercise managerial duties at the company which are related to the company and with key customers and suppliers: the persons who exercise managerial duties at the company must inform the company regarding the financial activities which they carry out with key customers and suppliers of the company.

### COMPLIANCE

The OTE Group has adopted a Compliance Management System (CMS) regarding the company's compliance with the legislation in force, as well as internal policies, aiming to prevent risks and other legal consequences for the company and its employees. As part of the implementation of the OTE Group's Compliance Management System, there are certain policies and codes in force on a company and Group level.

In 2014, the Compliance Management Systems of the companies of OTE SA, COSMOTE SA and Telekom Romania Communications SA were successfully reviewed by independent external auditors with regard to the risk area Anti-trust. The auditors confirmed the adequacy, implementation and effectiveness of the Systems (Anti-Trust Certification 2014 under standard AssS 980). The audit included:

- Reviewing the procedures of the CMS concerning the above risk area, to ensure that they comply with the requirements of the standard and the procedures adopted and implemented by the company in order to ensure that issues related to Anti-trust law are reviewed and/or approved by the competent legal department/s
- Training (e-Learning and classroom training) for the organizational unit executives handling competition issues, in order for them to understand the legislation requirements regarding the Anti-trust law.

The effectiveness and adequacy of the Compliance Management System is supervised by the OTE Compliance, Corporate Risks & Corporate Governance Committee.



## 2014 AT A GLANCE

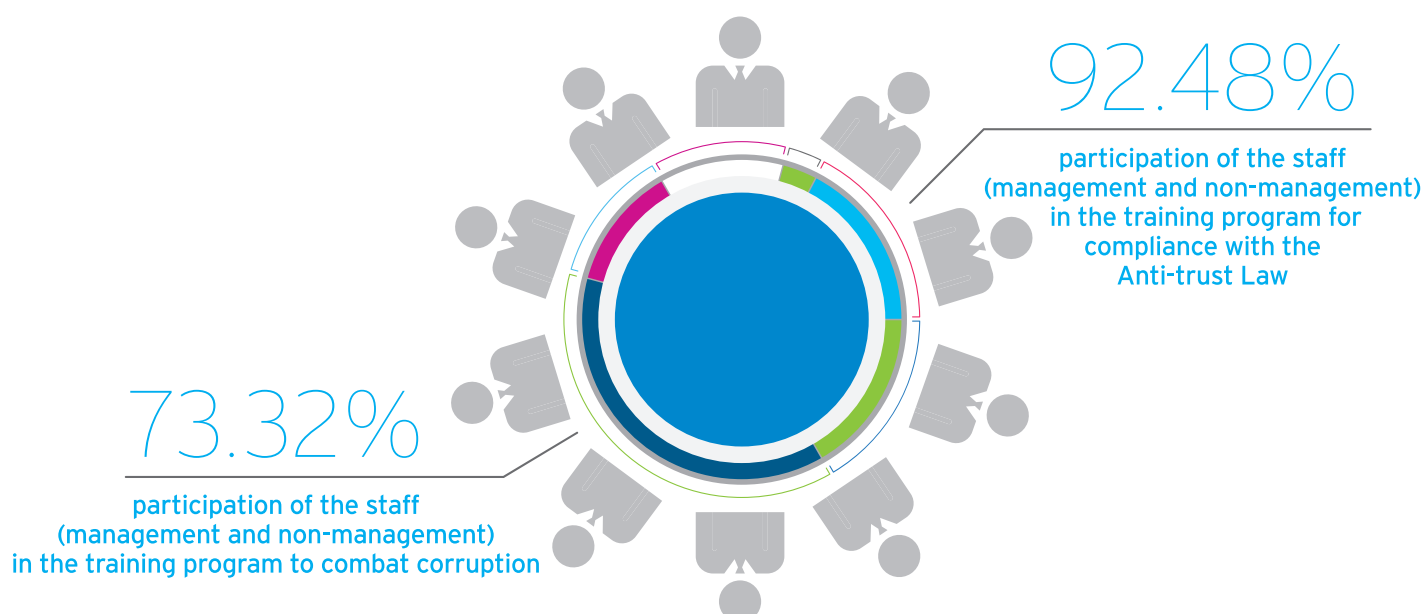
### • OTE Group's Compliance Codes/Policies

All Compliance Policies are reviewed regularly, and/ or revised either because of changes in the legislative/ regulatory framework or because of corporate changes. The company's personnel is informed of all Policies, which are also sent to the subsidiaries for approval and adoption by their competent bodies. In 2014 the following Compliance Policies were updated and were then communicated to OTE and COSMOTE's employees and posted on the corporate intranet:

- Policy on Avoiding Corruption and Other Conflicts of Interest
- Policy on Insider Trading
- Events Policy
- Policy on Donations and Sponsorships
- Policy on Accepting and Granting Benefits

### • Training and briefing of the company's personnel regarding Compliance Policies

In 2014, a training program was implemented which included classroom training seminars and online training programs (e-learning) for management and non-management OTE and COSMOTE staff. The subjects covered by the above training program, included avoiding corruption and other conflicts of interest and compliance with the Anti-trust Law. The rate of participation in the training program to combat corruption reached 73.32% of the staff (management and non-management) and the training program for compliance with the Anti-trust Law in 92.48% of the staff (management and non-management).



## 06. TRANSPARENCY AND INFORMATION DISSEMINATION

### COMPLIANCE



- **Communication regarding Compliance-related issues**

Internal communication of important messages to Management and all employees on compliance issues, such as relations with business partners in accepting and offering benefits (for example, the guidelines on gifts for celebrating Christmas and respect invitations to relevant events) has been enhanced and improved.

- **OTE Group's Compliance Risk Assessment for 2014**

In 2014, the OTE and COSMOTE executives responsible for Compliance carried out a Compliance Risk Assessment for OTE and the OTE Group companies COSMOTE, OTEestate, OTEsat-Maritel, COSMO-ONE, and OTEPIc, which were selected according to scoping criteria, such as field of operations, budgeted EBIDTA, etc.

The Risk Assessment process, in which the Enterprise Risk Management Department actively participated, began in June 2014 and the related workshops for representatives of the units involved were held in September of that year. The representatives of the operating units of the companies evaluated the compliance risk areas based on the likelihood of a related incident occurring, its financial impact if it did occur and the reputational risk with respect to the company. The list of compliance risk areas, which are evaluated annually, includes cases of active and passive corruption, conflict of interest, breach of personal data, violations of the Anti-trust law, abuse of privileged information, etc.

Based on the results of the Compliance Risk Assessment carried out in 2014, a Compliance Action Plan was drafted for 2015. The results of the Assessment and the Action Plan were initially presented to OTE and COSMOTE's Compliance, Enterprise Risks and Corporate Governance Committees, then to the OTE and COSMOTE audit committees, and were finally approved OTE's Board of Directors in December 2014.

- **Signing of the Annual Compliance and Conflict of Interest Statements**

The Annual Compliance Statement and the Conflict of Interest Statement are signed by the Members of the Boards and the Management teams of all of OTE Group's companies. Moreover, in 2014, these statements were addressed to all OTE Group employees, who were briefed regarding Compliance Policies and especially the Policy on Avoiding Corruption and other conflicts of interest.

- **Signed Statements by Senior Financial Officers, based on the provisions of the Code of Conduct for Senior Financial Officers**

In the framework of implementing the Code of Ethics for Senior Financial Officers, the members of the BoD and senior financial executives stated in writing to OTE Group's Compliance Office that they have been informed of the requirements of the Code and comply with its provisions that aim towards honest and ethical business conduct.

- **Integrity Check and Compliance Business Assessment Procedure**

Under the correct implementation of the Compliance Management System and to avoid any risks arising from the cooperation with suppliers, consultants and other partners, an Integrity Check and Compliance Business Assessment Procedure has been developed. In 2014 this procedure was enhanced and optimized, based on its practices to avoid corruption and the Group's internal policy terms. During 2014 662 supplier, consultant and partner integrity checks were conducted.

- **Providing Compliance services and Enterprise Risk Management to affiliated companies within the Group**

In June 2014, OTE's Board of Directors approved the provision by OTE SA of Compliance and Enterprise Risk Management services indefinitely to affiliated companies within the Group. The companies OTEACADEMY, OTEestate, OTEsat-MARITEL, GERMANOS and E-VALUE, following a decision of their Boards of Directors, appointed, as their Compliance and Risk Officer, the Executive Director Compliance, Enterprise Risk Management & Insurance OTE Group.





### **OBJECTIVES FOR 2015**

- Planned for 2015 is a revision of OTE's Internal Regulation of Operations, as well as of certain Compliance Policies, including Fraud Policy and Whistleblowing Policy
- Also planned is a study and analysis of the ISO 19600 standard, which sets the guidelines for the Compliance Management System, in order to identify any differences between it and OTE Group's Compliance System, or any part of OTE Group's Compliance System which may not be in line with the Standard's requirements
- Following the training program carried out in 2014 for senior executives in positions of responsibility, planned for 2015 is an employee survey regarding Compliance issues. This survey is intended for executives in positions of responsibility at OTE, COSMOTE (Section manager level and above) and other OTE Group companies (Telekom Romania, AMC, OTEplus and GERMANOS). It will question the executives on their views regarding the Compliance services offered, in order to ascertain to what degree they are familiar with Compliance issues and to what degree Compliance has been incorporated into the Group's corporate culture
- The action plan for 2015 also focuses on a review of the method of operation and the procedures implemented for customer service, as well as on the closer monitoring of commercial issues, with an aim to limit the occurrence of incidents related to Compliance issues
- It is set as main priority the enhancement of the preventive role of Compliance and Enterprise Risk Management.

# COMMUNICATION WITH SHAREHOLDERS

Apart from established procedures that ensure transparency, OTE has adopted a number of other practices that enhance the disclosure and dissemination of information to all interested parties, such as:

- Uploading and posting of company-related information on the OTE website so that all interested parties can have equal and timely access to information
- The release of corporate publications (Annual Report, Corporate Governance Report, Corporate Responsibility Report) which enhance the continuous flow of information on issues that relate to the company's strategy, targets, operation and performance
- The establishment of a two-way communication channel between company representatives and the investment community, through the organization of conferences, corporate presentations, investor days, road shows (in Greece and abroad) and conference calls.

All activities related to OTE's listing on the Athens Stock Exchange (ATHEX) and the London Stock Exchange (LSE) are the responsibility of OTE Group's Investor Relations. These activities include:

- Responding to shareholder requests (both individual and institutional, in Greece and abroad) and providing information related to the exercise of their rights and the payment of dividends
- The release of the company's financial results and the timely and fair disclosure of information related to the company's financial performance and the Corporate Governance System to all shareholders, through presentations, roadshows, conferences and meetings
- The presentation of activities and communication with shareholders through various communication channels (the Investor Relations website, corporate presentations, etc.)
- The issuing of the company's Annual Report and the Corporate Governance Report
- Relationship building with the Stock Exchanges and Capital Market Commissions in the countries where OTE is listed
- Ensuring the company's compliance with the regulatory framework of the capital markets in which OTE is listed (ATHEX and LSE)
- Supporting the company's credit rating review
- Organizing and hosting the company's General Assemblies of Shareholders and ensuring the optimum disclosure of information to shareholders.

Head of OTE Group's Mergers, Acquisitions & Investor Relations Department is Mr. Evrikos Sarsentis. His contact details are as follow:

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Investor Relations webpage: <https://www.ote.gr/web/guest/corporate/ir>



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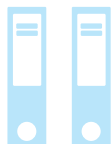
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# **REGULATIONS, LAWS AND DECISIONS**



### **INTERNAL OPERATIONS REGULATION**

OTE's Operations Regulation refers to the company's management bodies and their powers, to the organizational structure of the company, to the hiring and evaluation of senior executives, to the operation of Committees and transaction monitoring procedures by obligated persons, and to transactions between associated enterprises.

### **REGULATION OF OPERATIONS OF THE BOARD OF DIRECTORS**

The Regulation of Operations of the Board of Directors regulates the way in which the members of the BoD are invited, convene and proceed with decisions. It also refers to the responsibilities of the Chairman and the Vice-Chairman

### **AUDIT COMMITTEE REGULATION**

The operational framework of this Committee is defined by the Audit Committee Operations Regulation, which has been approved by the Board of Directors.

### **COMPENSATION AND HUMAN RESOURCES COMMITTEE REGULATION**

The Compensation and Human Resources Committee Regulation defines the responsibilities and the operation of the Compensation and Human Resources Committee.

### **INTERNAL AUDIT STATUTES**

The Internal Audit Statute, which has been approved by a decision of the Board, regulates the operation of the company's Internal Audit.

### **PROCUREMENT POLICY**

The Procurement Policy defines the terms and the rules according to which the procurement processes of OTE and COSMOTE are carried out.

### **COMPLIANCE POLICIES AND CODES**

- OTE Group Code of Conduct
- Code of Ethics for Senior Financial Officers
- Code of Conduct for the Protection of the Individual's Right to Privacy in the handling of Personal Data within the OTE Group
- Whistleblowing Policy
- Fraud Policy
- Policy on Insider Trading
- Policy on Avoiding Corruption and other Conflicts of Interest
- Policy on Accepting and Granting of Benefits
- Policy on Donations and Sponsorships
- Events Policy
- Policy on Avoiding Sexual Harassment within OTE Group
- Policy on Anti-trust Law
- Policy on Employee Relations within OTE Group
- Policy on Pensions and Risk Benefits
- Risk Management and Insurance Policy





OTE Group's Code of Conduct and related policies, place strong emphasis on, among other things, banning donations or contributions to political parties or individuals, and on banning the use of the Group's resources or real estate assets for political purposes. Furthermore, it is noted that the organization of corporate events, the acceptance or non-acceptance of donations/sponsorship or corporate gifts must be approved through specific procedures, which are supervised by Regulatory Compliance and which apply to all employees.

### **LAWS AND DECISIONS**

Key Acts and Resolutions which touch upon corporate governance issues, in Greece and abroad, are the following:

- Act 2190/1920 on Corporate Law, as in force
- Act 3016/2002 on Corporate Governance, as in force
- Act 3340/2005 on the Protection of the Hellenic Capital Market from Actions of Inside Information Abuse, as well as Market Manipulation
- Act 3556/2007 on Transparency
- Act 3693/2008 on the compliance of Greek law with Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC
- Resolution 5/204/14-11-2000 of the Hellenic Capital Market Commission regarding the rules of conduct of companies that have listed their shares on the Athens Stock Exchange and the individual linked to these, as in force
- Resolution 3/347/12-7-2005 of the Hellenic Capital Market Commission concerning the obligations of listed companies with regard to publication of inside information
- The UK Bribery Act

More information on OTE's Corporate Governance system is available here:

<https://www.ote.gr/web/quest/corporate/ir/corporate-governance>

OTE S.A.

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