

**OTE S.A.**

**CODE OF OPERATIONS**

**COMPENSATION AND HUMAN RESOURCES COMMITTEE**

**JULY 2004**

**ORGANIZATIONAL DEVELOPMENT AND QUALITY  
DIRECTORATE**

## **OBJECTIVE**

This code of operations, approved at meeting no. 2711/21-7-2004 (item.2) of the OTE Board of Directors, regulates the role and functions of the Compensation and Human Resources Committee which constitutes a Committee of the OTE Board of Directors and reports directly to it.

## **ARTICLE 1**

### **MEMBERS – PARTICIPANTS**

The Committee is appointed by the Board of Directors of the Company and is comprised of at least 3 members, of which at least two are non-executive. The Chairman of the Committee is also appointed by the Board of Directors.

The Committee is considered to form a quorum when two members are present.

The Chief Executive Officer and the General Director of Administration & Human Resources Development attend the Committee Meetings except when matters concerning them personally are to be discussed.

The Secretary is an OTE Executive appointed by the Chairman of the Committee.

## **ARTICLE 2**

### **LOCATION AND FREQUENCY OF MEETINGS**

Committee meetings are held at the Company headquarters or elsewhere at least twice a year.

## **ARTICLE 3**

### **RESPONSIBILITIES/DUTIES**

The Committee reports directly to the Board of Directors.

The Committee's responsibilities/duties are as follows:

- To establish the principles of the Company's human resources policy which shall determine the Management decisions and actions.
- To select the Company's compensation and severance strategy.
- To approve the compensation ranges, benefits, severance, company stock option program and plan to reward goal achievement.
- To make proposals to the Board of Directors for compensation and benefits for the Chief Executive Officer.
- To review and process matters related to human resources.
- To set out the principles of the Company's Social Responsibility policy.

The Committee may employ external consultants whose fees shall be approved by the OTE Board of Directors.