

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

AUDIT COMMITTEE REGULATIONS

(Addendum to OTE's Internal Regulation)

Adopted by the Audit Committee during its meeting 11/12-5-2004 (agenda item 1).
Approved by OTE's Board of Directors during its meeting 2706/24-5-2004 (agenda item 6) and further modified by same during its meetings 2728/16-6-2005 (agenda item 2) and 2738/20-10-2005 (agenda item 3).

ARTICLE 1: ESTABLISHMENT – SCOPE – LIABILITY

An Audit Committee (hereafter “AC”) is hereby established as a permanent Committee of the Board of Directors of OTE SA (hereinafter “the Company”) within the framework of US legislation and related regulatory decisions (Sarbanes-Oxley Act and other regulations) bearing on companies listed on the New York Stock Exchange (NYSE).

The main purpose of the AC is to support the Board of Directors in the latter’s exercise of its supervisory powers and execution of its duties vis-a-vis the Company’s shareholders, investors and third parties, during the financial reporting process in particular, and more specifically in relation to :

1. the integrity of the financial statements of the Company
2. the adequacy of the internal audit procedures and systems
3. the observance and adequacy of accounting and financial reporting processes
4. the function of the internal audit procedures
5. the appraisal of the external certified auditors of the Company, with particular regard to their independence, integrity, proficiency and performance
6. the observance by the Company of the pertinent legal and the regulatory framework

During the exercise of its powers, the AC shall not bear any liability for the drafting of financial statements of the Company and the accuracy and integrity of information contained therein. Such liability belongs to the Company’s management and the external certified auditors.

ARTICLE 2 : AC MEMBERS

1. The AC comprises of three (3) independent, non-executive members of the Board of Directors of the Company as per Article 4 of L.3016/2002 relating to “the corporate governance and other provisions” (Government Gazette Issue A’ 110/2002) and pursuant to the legislative and the regulatory framework of USA. AC members are freely appointed or released from their duties by the Company’s Board of Directors which will also appoint the Committee’s Chairperson among the Committee’s members, for an initial term of two (2) years. The Board of Directors may freely renew the term of service of the AC members.
2. AC members are entitled to compensation for their term, the amount of which will be determined by the Company’s Board of Directors. The Board of Directors approves the annual budget of the AC.
3. At least one (1) member of the AC must be a “financial expert.”

ARTICLE 3: MEETINGS

1. The meetings of the AC are:
 - a) *Ordinary*, taking place four (4) times a year, following the drafting of the quarterly financial statements provided for in Articles 2 and 3 of PD360/1985, but prior to their publication and
 - b) *Extraordinary*, which will take place whenever it is deemed necessary, following proposal by any one member of the AC to the latter's Chairperson
2. The AC stands in quorum and duly convenes when its Chairperson and one other member are present. If there is quorum, the third AC member may be represented by either the Chairperson or the other present member. All AC decisions are adopted on the basis of absolute quorum
3. The AC is supported in its administrative needs by the Secretariat of the Board of Directors of the Company. It is also supported by a team of OTE executives, the members of which report directly to the AC on AC issues.
4. In preparation for the AC meetings three (3) business days prior to the meeting an agenda is drafted which includes all the information necessary for the timely and adequate briefing of the AC members.
5. The AC Secretary will keep minutes of the meetings which will be signed by all parties present, either AC members or not. Such minutes will be distributed by the Secretary to the recipients designated by the AC.
6. At the AC meetings members of the Board of Directors of the Company, internal auditors, other corporate officers and external auditors and/or external consultants offering their services to the AC may be invited to participate without voting rights, on the condition that issues of their responsibility are being discussed and the AC deems that their presence is required to provide information and clarifications. Persons with no voting rights will not be present at any voting sessions.

ARTICLE 4: RESPONSIBILITIES

The following AC responsibilities are indicative in the sense that ad hoc AC needs or a new legislative and regulatory framework may lead to the modification of such responsibilities:

A) Internal Control Framework

1. The AC examines and appraises the performance and efficiency of internal control procedures applied in the Company, including the adequacy or not of the security and control of information systems. Within the scope of such responsibility, the AC examines and assesses important findings, proposals by internal and external auditors as well as any measures adopted in relation thereto. To this end, the bodies and the departments of

- the Company ensure that the AC and/or its proxies have unimpeded access to any sources of information that may be considered necessary.
2. The AC will report to the Board of Directors on the issues above.

B) Financial reporting

1. The AC, in cooperation with the competent bodies of the Company's management and the latter's external auditors will review the quarterly, semi-annual and annual financial statements of the Company prior to their publication. The AC will assess the integrity and accuracy of the financial statements on the basis of the information that has been made available to its members.
2. Upon completion of the annual audit, the AC examines issues arising therefrom, the findings of the audit and the difficulties that the auditors encountered in the execution of their duties.
3. The AC will report to the Board of Directors on the issues above

C) External audit

1. The AC offers its opinion to the Board of Directors in relation to the selection of external auditors, after it has been given all pertinent information to this end.
2. The AC examines the audit framework and the audit approach of the annual audit of external auditors, appraises their performance and proposes to the Board of Directors their waiver of liability.
3. The AC offers its opinion on all services that may be offered by certified auditors of the Group's companies to the Group's companies, prior to the exercise of material responsibilities relating to assignment [of service] by the appropriate bodies of the said companies.
4. The AC examines and assesses the independence of external auditors and proposes to the Board of Directors measures ensuring such independence.

D) Internal audit

The AC supervises the operation of the Internal Audit and safeguards the independent and efficient operation of the internal auditors, through the exercise of the following responsibilities:

1. Inquires about and appraises the organizational and operational adequacy of the Internal Audit Department Units;
2. Inquires about and appraises the independence of internal auditors pursuant to the existing institutional framework and the internal processes of the Company as well as the smooth and full access of such auditors to all essential information and archives of the Company;
3. Proposes to the Board of Directors measures with a view to eliminating problems that have been identified in relation to the above;
4. Offers its opinion on proposals relating to the appointment or release of duty of the General Director of the Internal Audit Division of OTE and may propose to the Board of Directors the removal of the latter on the grounds of inefficiency;
5. Offers its opinion on the appointment or release of duty of Heads of the Internal Audit Department Units;

6. Examines and assesses the process of action plans of the Internal Audit Department Units and proposes their approval to the Board of Directors;
7. Supervises the implementation of the annual action plans of the Internal Audit Department Units through regular reports of the General Director of Internal Audit Division, which –inter alia- includes implementation progressive reports related thereto;
8. Assesses the progress and efficiency of the Internal Audit work by way of examining, through the above-mentioned periodic reports, the actions agreed to be taken with a view to solving problems identified as “significant audit findings” as well as the degree of implementation of such actions;
9. Proposes to the Board of Directors the adoption of measures in order to promote solutions in case where Departments are stalling the implementation of actions agreed to be taken.

E) Complaint and Report management

The AC looks to the planning, drafting and operation of processes which allow for and ensure the following:

1. reception, maintenance and management of complaints sent to the Company, relating to accounting issues as well as internal audit or financial issues and
2. the confidential -anonymous submission by the Company’s employees, of their concerns about questionable (suspicious) accounting or financial issues.

F) Other responsibilities

1. The AC jointly with the Company’s management and the external auditors of the Company examines every communication, correspondence and generally every exchange of information with the supervisory authorities as well as all public reports and/or publications relating to critical issues on the Company’s financial statements and data.
2. The AC jointly with the General Legal Counsel of the Company examines the legal issues that may have significant impact on the financial statements of the Company or the Company’s compliance with the pertinent regulatory framework.

ARTICLE 5: MEANS AND IMPLEMENTATION OF RESPONSIBILITIES

1. In order for the AC to carry out its responsibilities, and on the basis of decisions of the Board of Directors that have been adopted following AC proposals thereto, procedures may be introduced as attachments or addendum to the Internal Regulation of the Company
2. The AC may assign the exercise of specific responsibilities to its members. To this end it may provide, in writing, specific authorizations on the basis of procedures adopted pursuant to paragraph 1 hereinabove
3. In addition and further to the Support Team of Article 3.3 hereof, the AC may use, following approval of the Board of Directors of the Company, external auditors for the execution of its duties , pursuant to the established procedures of the Company

4. The AC defines and the Company's Management must provide the necessary financial resources and means for the execution of the AC's duties , pursuant to the established procedures of the Company
5. The Company is obliged to provide to the AC all necessary information, data, and decisions deemed necessary for the execution of its duties. .
6. To this end, the unimpeded access of the AC to all fundamental information and archives of the Company is ensured; the AC may directly request from the Company's departments (General Directorates, Departments, Divisions etc) any information deemed important for the execution of its duties.

ARTICLE 6: APPLICATION –AMENDEMENT PROCESS

1. The present Regulation enters in force on the day of its approval by the Board of Directors.
2. The Regulation shall be reviewed on an annual basis and may be modified at any time by decision of the AC, following proposal of a member thereof or a member of the Support Team or the independent counsel, as the case may be.
3. Any amendment – change thereto will have to be approved by the Board of Directors following proposal by the AC.