



Corporate Governance Report 2009

Our Principles

- Enhancing transparency
- Safeguarding company's efficiency
- Application of control mechanisms
- Two-way communication between the company and stakeholders

Contents

- 1. Introduction**
- 2. Board of Directors**
 - 2.1 Role and Responsibilities of the Board of Directors
 - 2.2 Composition of the Board of Directors
 - 2.3 Committees of the Board of Directors
 - 2.4 Conflict of Interests of the members of the Board of Directors
- 3. Management Team**
 - 3.1 Managing Director
 - 3.2 Members of the Management Team
 - 3.3 Stock Option Plan for Executives
- 4. Shareholders**
 - 4.1. General Assembly of Shareholders
 - 4.2. Rights of Minority Interest Holders
 - 4.3. Allocation of Profits
 - 4.4. Payment of Dividend
- 5. Control Mechanisms**
 - 5.1 Internal Audit
 - 5.2 External Audit
- 6. Transparency and Information Dissemination**
 - 6.1 Established Procedures
 - 6.2 Communication with Shareholders
- 7. Regulations, Laws and Decisions**

1. Introduction

Corporate governance refers to a number of principles and practices adopted by a company, aiming to uphold its performance and the interests of its shareholders and all stakeholders.

Corporate governance is a key factor in business performance, as it focuses on the following areas:

- **The Board of Directors and the Management Team (issues such as, the percentage of independent members, number of members of the Board of Directors and composition of the Board of Directors committees, evaluation process of the members of the Board of Directors, separation of the positions of the Chairman and the Managing Director)**
- **Shareholders' rights (one share-one vote, rights of minority interest holders)**
- **Transparency and control level (quality of financial statements, publication of remuneration of the executives, quality of internal and external audit and risk management)**

OTE implements best corporate governance practices across its operations, based on international and European standards. By reinforcing its procedures and organizational structure, the company manages not only to comply with the regulatory framework but also develop a special corporate culture, founded on business ethics and committed to protect the rights of its shareholders and the interests of all stakeholders.

On March 2010, OTE won an award for best corporate governance in Greece in the 2010 Corporate Governance Awards, organized by the World Finance Magazine. This distinction reflects the company's commitment to enhance the communication channels in terms of corporate governance, by

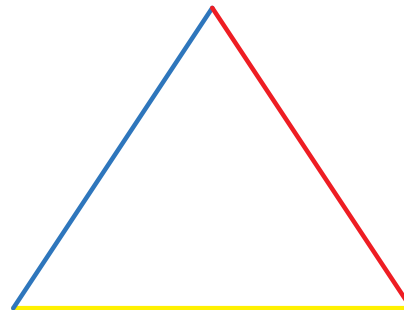
following best international practices in this field.

As a large capitalization company, listed on the Athens, New York and London Stock Exchanges, OTE complies with applicable domestic and international corporate governance legislation.

All relevant provisions and practices are incorporated in the company's Articles of Incorporation, Bylaws, Internal Operations Regulation, Code of Ethics and Business Conduct, Personnel Regulation, and in all other company regulations or policies overriding its business functions.

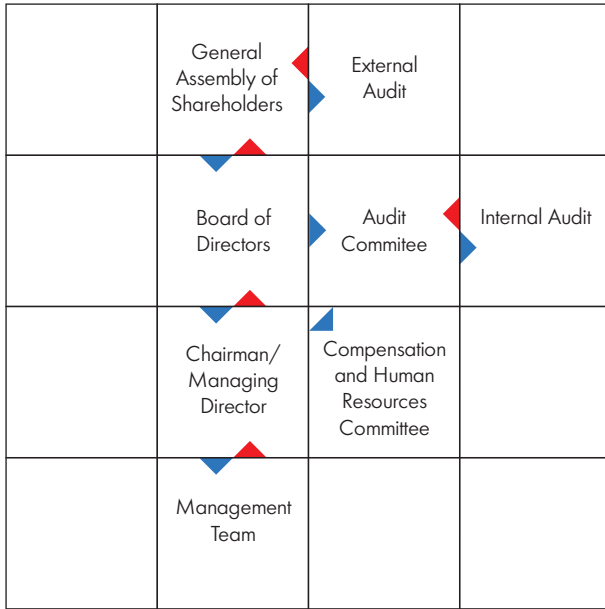
Corporate Governance System

OTE applies corporate governance principles and practices on the basis of three key priorities which include the definition of the role of the Board of Directors and executive members, the protection of shareholders' rights, and the enhancement of transparency and information disclosure.





- The Role of the Board of Directors and Management Team
- Protection of Shareholders Rights
- Transparency and Information Disclosure

The following illustrates the structure of OTE's Corporate Governance System.



Corporate Governance Structure

-  Either Elects or Forms or Supervises or Selects
-  Either Convenes or Reports to, or Supports

2. Board of Directors

2.1 Role and Responsibilities of the Board of Directors

The Board of Directors (BoD) is the top administrative body of the company. Its aim is to safeguard the general interests of the company and ensure its operational efficiency. Pursuant to the provisions of the Articles of Incorporation, as in force since 7-4-2009, as part of its responsibilities, OTE's Board of Directors:

- **Convenes Ordinary or Extraordinary General Assemblies of Shareholders and proposes on their agenda**
- **Prepares and approves the company's annual financial reports and submits them to the General Assembly of Shareholders**
- **Approves the company's strategy and decides upon the establishment of subsidiaries or upon the company's participation in the share capital of other companies (domestic or foreign)**
- **Decides upon share capital increases through the issue of new shares and convertible bonds, following the authorization granted by the General Assembly of Shareholders**
- **Decides upon the issue of convertible or exchangeable bonds**

The Chairman of the BoD sets the agenda, presides over its meetings and administers its operations. 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 divided into executive and non-executive, of which at least two (2) are independent. The members of the BoD are elected by the General Assembly of Shareholders. The General Assembly of Shareholders also nominates the two independent members. The members of the BoD may be re-elected ad

indefinitum, and may be recalled at any time by the General Assembly of Shareholders.

The BoD convenes whenever necessary or pursuant to a request submitted to its Chairman by at least two (2) 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 may not be less than three (3). Resolutions are reached by simple majority, unless otherwise provided by Act 2190/1920 as currently in force, or by the company's Articles of Incorporation. In 2009, the BoD met 25 times. The terms and conditions under which the members of the BoD receive remuneration, compensation and benefits in exchange for their services are proposed by the BoD and approved by the General Assembly of Shareholders. In case the members of the BoD are employed with the company, they receive the compensation provided under their employment contract and are not eligible to the remuneration, compensation and benefits paid to the other members of the BoD.

In the event of resignation, death or any other reason of one or more than one Directors prior to the expiration of their term, the Board shall, with at least five (5) of the remaining Directors, present or represented, either elect temporary replacement(s) for the remaining term of service of the Director(s) being replaced and under the same capacity of executive, non-executive or independent Director or continue the management of the business affairs and representation of the Company without electing such temporary replacement(s). Any such election(s) is announced at the next following General Shareholders Assembly (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 Shareholders Assembly. The continued absence or non-representation of a Director at the meetings of the Board of Directors for more than six (6) 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 notice of resignation must be written and takes effect upon its reception by the Company, without prior approval.

2.2 Composition of the Board of Directors

Pursuant to the provisions of the Articles of Incorporation, as currently in force, the BoD consists of nine (9) to eleven (11) members; the total number of members is determined by the General Assembly of Shareholders. The members of the BoD may or may not be shareholders of the company.

From June 2004 until 4-6-2009 the BoD consisted of eleven members. Since then the BoD consists of ten members.

Since 24-6-2009, the BoD consists of three (3) executive members and seven (7) non-executive members, of which four (4) are independent. Pursuant to the provisions of the Articles of Incorporation, as currently in force, the members of the BoD are elected by the General Assembly of Shareholders and serve for a three (3) year term. This term commences on the date the members are elected by the General Assembly of Shareholders and terminates at the completion of the Ordinary General Assembly of Shareholders of the year in which the three (3) year term has already been completed.

The following table presents the members of the BoD in the period 2009-2010, with dates of commencement of office (election dates by the General Assembly of Shareholders-the most recent for each one) and dates of termination of office of each one.

BOARD OF DIRECTORS

NAME	CAPACITY	OFFICE COMMENCEMENT (most recent)	OFFICE TERMINATION
Panagis Vourloumis	Chairman and Managing Director, Executive member	24/6/2009	2012
Iordanis Aivazis	Executive member	24/6/2009	2012
Charalambos Dimitriou	Vice Chairman, non executive member	24/6/2009 (was appointed Vice Chairman on 6/2/2009)	2012
Leonidas Evangelidis	Independent non executive member	24/6/2009	2012
Konstantinos Michalos	Independent non executive member	24/6/2009	2012
Ioannis Benopoulos	Independent non executive member	24/6/2009	2012
Panagiotis Tabourlos	Independent non executive member	24/6/2009	2012
Kevin Copp	Executive member <i>(served as a non executive member until 24/6/2009)</i>	24/6/2009	2012
Guido Kerkhoff	Non executive member	24/6/2009	2012
Rainer Rathgeber	Non executive member	19/2/2010	2012
Hamid Akhavan	Non executive member	24/6/2009	19/2/2010 <i>Due to resignation</i>
Martin Walter	Non executive member	6/2/2009	4/6/2009 <i>Due to resignation</i>
Karl-Gerhard Eick	Non executive member	26/6/2008	26/3/2009 <i>Due to resignation</i>
Leonidas Korres	Independent non executive member	26/6/2008	6/2/2009 <i>Due to resignation</i>
Ilias Gounaris	Independent non executive member	21/6/2007	6/2/2009 <i>Due to resignation</i>
Georgios Tzovlas	Non executive member <i>(served as an Independent non executive member until 26/6/2008)</i>	21/6/2007	6/2/2009 <i>Due to resignation</i>
Georgios Bitros	Non executive member	22/6/2006	6/2/2009
	Vice Chairman	26/6/2008	<i>Due to resignation</i>
Xeni Skorini	Independent non executive member	22/6/2006	24/6/2009

DIRECTOR BIOGRAPHIES

Panagis Vourloumis

Mr Vourloumis is a graduate of the London School of Economics and the Economic Development Institute. He headed the Southeast Asia division of the International Finance Corporation from 1966 to 1973, was CEO of the Commercial Bank of Greece Group from 1979 to 1981 and Chairman and CEO of ALPHA Finance, ALPHA Mutual Funds and ALPHA Bank Romania from 1988 to 2000 while at the same time serving as Executive Director of ALPHA Bank. From 2000 until mid-2004, Mr. Vourloumis was Chairman of Frigoglass and of the Aegean Baltic Bank. He has been President of the Association of Institutional Investors and member of the Board of the Federation of Greek Industries.

Charalambos Dimitriou

Mr. Dimitriou is an attorney at law at the Greek Supreme Court and a graduate of the Law School of the University of Athens, holding an LL.M. degree on European Law, International Economic Law, Comparative Private International Law and Law of European Organizations from the London School of Economics. He has served as legal counsel to the Hellenic Republic on privatisation, lecturer at University College London and a member of the investment board of JEREMIE Greece. He is a member of the board of directors of the New Economy Development Fund and founder and managing partner of the law firm C. & S. Dimitriou & Associates.

Kevin Copp

Mr. Kevin Copp assumes the position of Chief Financial Officer of the OTE Group since August 2009. From 1995 until the assumption of his present position he served as executive in Deutsche Telekom and was until recently Senior Executive Vice President and Head of Mergers and Acquisitions of Deutsche Telekom responsible for the Group's corporate development activities worldwide. Prior to that, he was Head of International

Legal Affairs of Deutsche Telekom. Mr. Copp holds a Juris Doctor degree from Catholic University in Washington D.C. and a Bachelor of Arts in Foreign Languages from West Chester University, Pennsylvania.

Guido Kerkhoff

Mr Guido Kerkhoff, was born in 1967 and holds a degree in Business Administration. He began his career in the Group Accounting Department of VEW AG, where he worked from 1995 through 1996. He then moved on to Bertelsmann AG, where he held the position of Head of Projects and General Corporate Accounting and Controlling. Since April 2002, Mr. Guido Kerkhoff has held various management positions in Deutsche Telekom's Finance department and since mid-2006 he has been the Head of Deutsche Telekom Group Accounting and Controlling. On March 1, 2009, Mr. Kerkhoff was appointed Member of Deutsche Telekom's Board of Management, responsible for South Eastern Europe.

Iordanis Aivazis

Mr Iordanis Aivazis holds a degree in Economics from Athens University, a Master of Arts (MA) in Marketing and Finance from Lancaster University, UK, as well as a Postgraduate Diploma in Industrial Economics from the same university. He speaks English and French. Between 1980 and 2001 he worked in the Banking sector, holding senior managerial positions. After pursuing a career in banking he joined the OTE Group in February 2001. Since then he has been member of the Board of Directors and Executive Vice President of OTE Investments. In March 2003, he was appointed OTE Group Chief Financial Officer and from April 2004 until June 2007 he served as Chief Financial Officer of OTE SA. Since June 2007 he has served as Chief Operating Officer of OTE SA.

Leonidas Evangelidis

Mr Leonidas Evangelidis served as Ambassador of Greece to

the Federal Republic of Germany between 1987 and 1990 and as Permanent Representative of Greece to the European Union from 1992 to 1993. During the period of 1995 - 2000 he held the position of Director General for the Common Foreign and Security Policy of the EU at the Council of the European Union.

Konstantinos Michalos

Mr Konstantinos Michalos was born in 1960. He studied Finance and Political Science at the University of Essex in Great Britain and holds a postgraduate degree on Financial Applications from London School of Economics & Political Science. He is President of the Athens Chamber of Commerce and Industry (ACCI). Moreover, since 1988 he has been Chairman and CEO of the industrial exporting company SWAN S.A. based in the Attica region. From 1993 to 2005 he was an elected member of the Board of ACCI and from 1998 to 2002 he served as Treasurer at ACCI. During the period of 2004-2005 he served as Senior Advisor at the Ministry of Development. From 2005 to 2006 he was Secretary General of the Ministry of Economy & Finance. In 2007 he was elected as a member of the Board of Directors of PPC S.A. (Public Power Corporation).

Ioannis Benopoulos

Mr Ioannis V. Benopoulos was born in 1965 in Athens. He studied Economics in USA and holds a bachelor degree from the Clark University (1986) and a doctorate diploma from the Columbia University (1991), specialized in the fields of Industrial Organization, Economic Theory and Economic Strategy and Development. In 1994 he established Coffee Connection S.A., a company of coffee production and trading and for many years was the Chairman and CEO of the Group, which now manages the brands Coffeeway, Brazita, Street Cafe and Via Espresso. From 1999 until 2006 he was a member of the Board of Directors of SELPE (Hellenic Retail Business Association). From September 2006 until October 2007 he served as General

Secretary for Commerce at the Ministry of Development. From October 2007 until July 2008 he was Chairman and CEO of Olympic Airlines. From July 2008 until May 2009 he was Chairman and CEO of Pantheon Airways and remained Chairman of Olympic Air until September 2009. Today he is Chairman and CEO of Coffee Connection S.A.

Panagiotis Tambourlos

Mr Tambourlos is a graduate of the Piraeus University of Economics and holds a Master's degree in Business Administration from McGill University (Montreal, Canada). He worked as Financial Manager in various corporations, including Milchem International, Hilti SA, American Express and ICI. From 1990 to 2003 worked for Warner Lambert SA, an affiliate of Pfizer where immediately prior to his departure he held the position of Regional Financial Manager for Europe, Middle East and Africa. From June 2003 until April 2004 he held the position of Chief Financial Officer of OTE S.A. Since then he has been Financial Director of the Frigoglass Group. He is the Chairman of our Audit Committee as well as its financial expert.

Rainer Rathgeber

Mr Rainer Rathgeber, member of Cosmote's Board of Directors since July 2009, was born in 1964, and has been a member of the Deutsche Telekom Group since 2002. Currently he is Senior Vice-President for Marketing in SE Europe and for the area management of the OTE Group. Until September 2009 he held the position of CEO of Mobile Hrvatski as well as the position of COO Mobile of Telekom Hrvatski Board. Prior to joining the Deutsche Telekom Group, he had worked for prominent consulting firms, such as A.T. Kearney and Roland Berger in Germany and Latin America. Mr. Rathgeber holds a Masters degree in economics from the University in Passau, Germany.

2.3 Committees of the Board of Directors

A. Audit Committee

In April 1999, OTE's management established an Audit Committee. According to the article 37 of Act 3693/2008, the members of the Audit Committee are nominated by the General Assembly Of Shareholders. The Audit Committee consists of three independent non-executive members of the Board of Directors, at least one member has proven experience in the field of accounting and auditing and one member is appointed as Chairman. The role of the Committee is to supervise the company's Internal Auditors and to assist the Board of Directors in the latter's supervisory responsibilities by monitoring the financial information published by the company, evaluating and controlling the internal audit systems, and assessing and coordinating the auditing process and control procedures, in accordance with applicable laws.

The aim 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.

In 2009, the Audit Committee dealt with all issues provided in its Regulation including, among others:

- **The approval and monitoring of the company's Internal Audit activities**
- **The assessment of the accuracy and consistency of Financial Statements**
- **The assurance of the Chartered Auditors' independence, in relation to the services provided by the latter to the OTE group of companies**
- **The monitoring of the Management control results, in relation to compliance with SOX 404**
- **The review of the annual 20-F Form which is filed with the US Securities and Exchange Commission, and the 2008 consolidated Financial Statements under IFRS**

- **The expression of opinion on the appointment of Chartered Auditors**
- **The handling of complaints and accusations related to accounting or internal audit matters**

The Audit Committee holds four ordinary meetings every year (following the preparation of the quarterly financial statements and prior to their publication). Whenever necessary, the committee may also hold extraordinary meetings. 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 by the member that is present. Resolutions of the Audit Committee are passed by an absolute majority of the entire composition.

From June 2008 (26-6-2008) until 6-2-2009, the Audit Committee consisted of the following members: Mr Panagiotis Tabourlos (Chairman - Expert on Financial Matters), Ms Xeni Skorini and Mr Leonidas Korres. From 20-2-2009 (when the Committee was formed anew by the BoD) until 24-6-2009 the members were: Mr Panagiotis Tabourlos (Chairman - Expert on Financial Matters), Ms Xeni Skorini and Mr Leonidas Evangelidis. Since 24-6-2009 the members are: Mr Panagiotis Tabourlos (Chairman - Expert on Financial Matters), Mr Leonidas Evangelidis and Mr Ioannis Benopoulos.

B. Compensation and Human Resources Committee

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 Committee's main duties, as set out in its Regulation, are the following:

- **Setting the principles of the company's human resources policy, that will guide the decisions and actions of the Management**

- **Defining the company's compensation and remuneration policy**
- **Approving the schemes and plans concerning compensation, benefits, stock options and bonuses**
- **Proposing to the BoD the compensation and benefits of the Managing Director**
- **Studying and processing issues related to the company's human resources**
- **Setting the principles of Corporate Social Responsibility policies**

The Compensation and Human Resources Committee submits proposals to the BoD on matters related to the responsibilities of the Committee; the BoD either approves these proposals, or refers them to the General Assembly of Shareholders, whenever matters ought to be resolved by the General Assembly of Shareholders. Along these lines, in 2009, the Compensation and Human Resources Committee handled the following:

- **Determined the bonus that should be paid to the Chairman and Managing Director for 2008, and his compensation for 2009**

From June 2008 (26-6-2008) until 6-2-2009, the Compensation and Human Resources Committee consisted of the following members: Mr Charalambos Dimitriou (Chairman), Mr. Hamid Akhavan and Mr. Ilias Gounaris. From 20-2-2009 until 24-2-2010 the Compensation and Human Resources Committee consisted of the following members: Mr. Charalambos Dimitriou (Chairman), Mr. Hamid Akhavan and Mr. Ioannis Benopoulos. Since 25-2-2010 (when the Committee was formed anew by the BoD) the Compensation and Human Resources Committee consists of the following members: Mr. Charalambos Dimitriou (Chairman), Mr. Ioannis Benopoulos and Mr Guido Kerkhoff.

2.4 Conflict of Interests of the members of the Board of Directors

With regards to this topic, a special reference is made in the

Code of Ethics approved by the BoD (article 9). According to the Code, employees and members of the BoD must avoid acts that could cause them (or members of their family) to have a conflict of personal interest.

Specifically:

- **Employees and members of the Board of Directors are not allowed to have or maintain, directly or indirectly, any material economic interest (as the latter is defined each time in the Internal Operations Regulations) in vendors, customers, competitors or other undertakings, if such interest may influence their business decisions**
- **Employees and members of the Board of Directors cannot accept or allow a member of their family to accept money, gifts, loans, entertainment services or favourable treatment from anyone maintaining business relations with OTE or being an OTE competitor**

In conjunction with the abovementioned article, there are relevant provisions in the Internal Operations Regulation of the company, regarding the monitoring of economic activities and financial transactions of the members of the BoD and the persons carrying out managerial duties with significant customers or suppliers of the company, as well as the financial transactions concerning shares issued by OTE, derivatives or other financial instruments linked to them.

In addition, there are relevant provisions in the policies that have been prescribed in the Compliance Management System of OTE Group. This system includes the Policy on acceptance and offering of corporate gifts of OTE Group and the Policy on abuse of inside information of OTE Group.

3. Management Team

3.1 Managing Director

The Managing Director is selected among the members of the BoD during its incorporation as a body and he is the company's Chief Executive Officer, supervising all corporate departments and divisions. The Managing Director has the responsibilities that the BoD delegates to him. The BoD, according to the Articles of Incorporation as in force, may delegate to the Managing Director the authority and power to decide upon and to represent the company on any matter pertaining to administration of the company affairs. In this framework, the BoD has indicatevely delegated to the Managing Director the authority to:

- **Participate, represent and bind the company in all General Assemblies of Shareholders of the 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 structure, personnel development issues and implementation of the company's object**
- **Define the agenda of the BoD and submit proposals in line with of the company's objectives**
- **Represent and bind the company in issues related to the negotiation and conclusion of operational collective labor agreements**
- **Represent the company before any authority**

The Managing Director of the company today is Mr Panagis Vourloumis.

3.2 Members of the Management Team

Aiming to ensure the effective management and operation of the company, the company's Articles of Incorporation prohibit the members of the Board of Directors and their relatives (up to 2nd degree), executive directors and their relatives (up to the 2nd degree) and the company's personnel, in general, from:

- **Engaging, occasionally or consistently, for their own benefit or for the benefit of others, in commercial activities that are similar to those of the company, without the prior consent of the General Assembly of Shareholders**
- **Serving as members of the Board of Directors, executive officers, employees, or agents of other companies with objectives that are similar to those pursued by OTE**
- **Participating in unlimited/general partnerships or holding a substantial interest in the share capital of other companies whose activities are similar to those of OTE**

The Management Team in the period 2009-2010 consisted of the following members:

MEMBERS OF THE MANAGEMENT TEAM

NAME

Panagis Vourloumis
Iordanis Aivazis
Ilias Drakopoulos
Maria Efthimerou
Konstantinos Kappos
Andreas Karageorgos
Christos Katsaounis
Loizos Kyzas
George Mavrakis
Christini Spanoudaki
Maria Rontogianni
Kosmas Liaros
Paraskevas Passias
Konstantinos Ploumbis
Panos Sarantopoulos

Kevin Copp
Aristodimos Dimitriadis

CAPACITY

Chairman and Managing Director
Chief Operating Officer
Chief Commercial Officer for Corporate and Business Customers
Chief Technology Officer
Chief Information Technology Officer
Chief Regional Officer
Chief Commercial Officer for Residential Customers
Chief Human Resources Officer
Chief Financial Officer since 19/8/2009
Chief Financial Officer untill 18/8/2009
Chief Internal Audit Officer since 7/9/2009
Chief Internal Audit Officer untill 6/9/2009
General Counsel
Chief Regulatory Officer
Chief Officer of National Wholesale Services

OTE Group Chief Financial Officer
OTE Group Chief Compliance Officer

BIOGRAPHIES OF THE MANAGEMENT TEAM

Panagis Vourloumis:

(Mr Vourloumis' cv is available in the section "Composition of the Board of Directors").

Iordanis Aivazis:

(Mr Aivazis' cv is available in the section "Composition of the Board of Directors").

Elias Drakopoulos:

Dr. Drakopoulos holds a BSc in electrical engineering from Aristotle University of Thessaloniki and a Masters Degree and PhD in telecommunications from Northwestern University in Evanston, Illinois, USA and postgraduate studies in business management and strategy from INSEAD, France. From 1989 to 1998, Mr. Drakopoulos held various managerial positions at AT&T, Bell Laboratories and Lucent Technologies in the United States, where he was responsible for design and technological matters and in parallel, was an adjunct professor at the Illinois Institute of Technology and Northwestern University in the United States. In 1998, he was appointed Director of Network Planning in Lucent Technologies for Europe until 2001 and subsequently until January 2003 Vice President of Solutions, Business Development and Marketing for Europe. He joined OTENET as General Manager of Technology, Strategy and Development in February 2003 and in February 2007, he became Managing Director of OTENET. He assumed the position of Chief Commercial Officer for Enterprise and Business Services on December 18, 2007.

Maria Efthimerou:

Ms. Efthimerou studied electrical engineering at the University of Patras and holds a Masters degree in Engineering-Electronics from Carleton University in Ottawa, Canada. She has worked with the research department of Thomson CSF in Orsay, France in 1982 as an MMIC research engineer and in 1987 joined

OTE as a telecommunications engineer. In 1995, she joined Intracom, as a senior satellite telecommunications engineer until 1999 and subsequently as Deputy General Director of Research and Development. In 2000, she was appointed Manager of International Operations of OTEGLOBE, and from 2005 to February 2007, she held the position of Assistant General Manager of Technology of OTE before being appointed Chief Technology Officer. Ms. Efthimerou has many years of experience in the telecommunications field and has authored numerous scientific articles.

Konstantinos Kappos:

Mr. Kappos holds a degree in economics from the Munich Technical University and a degree in mechanical and electrical engineering from the Athens National Technical University. Mr. Kappos has extensive experience in the management of large IT projects, both in Greece and abroad. Before joining us in March 2001, he worked for over six years with KANTOR, a leading international management consultants company based in Greece, as the director responsible for major consulting assignments in the areas of strategy, reorganization, process improvement, information technology and human resources. Prior to that, he had worked for nine years with Daimler-Benz Interservices (debis) in Germany as pre-sales Senior Consultant and Project Manager responsible for implementing IT solutions at well-known enterprises such as Mercedes-Benz, BMW, Deutsche Aerospace, MAN and Philips Telecommunications. He currently serves on the boards of OTEplus and, since 2005, HellasCom. In March 2001, he was appointed Chief Information Officer of OTE. He speaks English and German.

Andreas Karageorgos:

Mr. Karageorgos holds degrees in electrical engineering and economics. He has worked with us in various technical divisions since 1977. He has extensive experience in sectors related to construction and maintenance of telecommunication

infrastructure. He has served as Director of the District of Korinth from 1997 to 2002 and Regional Manager of Peloponnisos from 2003 to 2004. He was appointed Chief Regional Officer in September 2004.

Christos Katsaounis:

Mr. Katsaounis holds a BSc in computer science from the University of Lowell, Massachusetts, U.S.A. Mr. Katsaounis joined OTE in January 2006 as head of the wholesale division. He is also a member of the board of directors of OTEGlobe, the OTE subsidiary managing the international wholesale business. From 2001 until joining OTE, Mr. Katsaounis served as Senior Vice President of Operations at Net One (an alternative fixed-network operator). At the same time, he served as the Chairman from 2004 to 2005 and as a member of the board from 2003 to 2004 of the Hellenic Association of Licensed Operators. From 1998 until 2001, he worked with Vodafone, Greece (formerly Panafon) as Carrier Services Product Manager, while from 1995 until 1998 he was the International Carrier Services Manager for Greece and Cyprus of AT&T Communications Services. Prior to that, he worked in the areas of IT and telecommunications equipment and solutions vendors at such companies as Alcatel Business Systems Hellas. Since January 2010 Mr. Katsaounis assumes the position of Chief Commercial Officer for Residential Customers.

Maria Rontogianni:

Mrs Rontogianni holds a BA in Public Accounting and Marketing from Forham University, New York. She has worked in the auditing (in various industries), regulatory and consulting fields for fifteen years. She started off her carrier with the National Future Association, the independent regulatory authority for US time deposit transactions and options. She moved to investment banking, where she dealt with emerging markets, foreign exchange and goods market, as Vice President of JP Morgan (New York) and later on for the private bank JPM. Upon returning

to Athens she worked as consultant for Andersen Consulting before assuming the position of Internal Auditor at Lamda Development (a member of the Latsis Group of companies), a listed company in the Athens Stock Exchange, which operates in the real estate market. At Lamda Development she monitored projects and procedures related to the development of the real estate market. During her last-held position (before OTE) as Chief Internal Audit and Revenues Assurance Officer at WIND Telecommunications, she headed the Internal Audit department and developed the procedures and tools necessary for Risk Management and Revenues Assurance. Throughout her carrier she has been involved with the recruitment and development of human resources. She assumed the position of Chief Internal Audit Officer on September 2009.

George Mavrakis:

Mr. George Mavrakis has been with OTE Group since 1997 in various senior positions in Strategy and Financial Planning, focusing on international investments. From June 2007 until August 2009 he worked as Assistant to the Chief Financial Officer of OTE, while on August 2009 he assumed the position of Chief Financial Officer of OTE. Mr Mavrakis holds a BA (Hons) in Economics from Leicester Polytechnic and a MA in Financial and Business Economics from Essex University.

Paraskevas Passias:

Dr. Passias is a graduate of the Law School of the University of Athens and holds a masters degree in European Comparative Law, and a PhD in Civil and Commercial Law from the University of Hanover in Germany. Dr. Passias is a member of the Athens Bar and a solicitor of the Supreme Court of England and Wales. He has been working for the OTE Group since 1998. Before his appointment as our General Counsel in March 2006, Dr. Passias held a similar position with OTE International Investments.

Konstantinos M. Ploumpis:

Mr. Ploumpis is a graduate of the Law School of the Athens University (1991) and holds a DEA in International and European Economic Law and a PhD in European and International Economic Law from the Université des Sciences Humaines de Lille II, in Lille, France. Mr. Ploumpis served as special Advisor to the French Ministry of Labor from 1994 to 1995, as well as Senior Legal Counsel and Head of Legal Services for Vodafone-Panafon from 1996 to 2004. He was also member of the Vodafone Group plc public policy and legal teams. He has been a guest speaker at numerous conferences and speaks fluent English, French and Italian.

Panagiotis Sarantopoulos:

Mr. Sarantopoulos studied electrical engineering at the National Technical University of Athens and has extensive experience in the telecommunications and information technology market. In the past, he has worked for Hewlett Packard Hellas as a Sales Engineer and Sales Manager for Test and Measurement Solutions. He has also worked for our Group as a telecommunications engineer. From April 1990 until March 2001, he worked for the Quest Group, holding various managerial positions. In particular, from April 1997 until March 2001 he held the position of General Manager of Hellas on Line. In April 2001, Mr. Sarantopoulos joined OTENET as General Manager of Consumer Products and Services and then held the position of the Chief Commercial Officer until February 2007, when he moved to OTE as Deputy Chief Technology Officer. From December 2007 until January 2010 Mr. Sarantopoulos had served as Chief Commercial Officer for Residential Customers and SOHO. Since January 2010 he holds the position of Chief Officer of National Wholesale Services.

Loizos Kyzas:

Mr Kyzas assumed the position of Chief Human Resources

Officer on April 27, 2009. He holds a BSc in Economics from the Athens University of Economics and Business Studies. He has significant experience in managing companies in the start-up, change and development phases. From 2007, he held the position of HR, Organization and Operational Excellence Director for four countries (Greece, Cyprus, Albania and Malta) with Ericsson Hellas S.A., in parallel with his role as Director, Compensation and Benefits, in the Market Unit of Southeastern Europe consisting of 10 countries, including Greece and Italy. In addition, from 2002 until 2006, in his capacity as Head of Human Resources and Organization within Ericsson Hellas S.A., he took an active part in the creation, formation and development of the newly-established, at that time, Business Unit of Southeast Europe (BUSEE). Prior to working with Ericsson, from 1993 until 2001, he served as Human Resources Director with Panafon and the Panafon/Vodafone Group, as well as a member of board of directors of Panavox SA, a subsidiary of Panafon.

Kevin Copp:

(Mr Copp's cv is available in the section "Composition of the Board of Directors").

Aristodimos Dimitriadis:

Mr Aristodimos Dimitriadis, Head of Internal Audit and Compliance of Cosmote Group, is a member of the executive team of Cosmote since 2005. Prior to his employment with Cosmote Group, he worked for many years in the banking sector, first at ABN AMRO and later at FBB-First Business Bank as Internal Audit Officer. Mr Dimitriadis holds a BA in Economics and Politics as well as an MBA from Kent University, UK. He is a Certified Internal Auditor, as well as a Certified Financial Services Auditor according to the International Institute of Internal Auditors. Since January 2010 he assumes the position of OTE Group Chief Compliance Officer.

3.3 Stock-Option Plan for Executives

Since 2007, the company has adopted a stock-option plan, based on performance criteria, for its executive officers/directors, as well as for the executive officers/directors of its affiliated companies, in accordance with article 42e of Act 2190/1920. The company created a flexible and performative programme with the following characteristics:

- **It allows for the affiliation in the programme of the executives that assume a senior position, as long as it is in force**
- **It includes executives of OTE and Cosmote in one programme**

The Stock Option Plan aims at recognizing the contribution of the executives of OTE and Cosmote in raising company's value. More precisely, it aims at:

- **Motivating the participants in achieving high personal and corporate performance, that will create value to OTE shareholders**
- **Achieving harmonization between the executives' contribution and results and the company's strategy, configuring in this way an efficiency oriented culture.**

4. Shareholders

4.1 General Assembly of Shareholders

In accordance with Company's Act 2190/1920, as currently in force, and OTE's Articles of Incorporation, the General Assembly of Shareholders is the company's highest body and may resolve upon all matters of the company. The General Assembly of Shareholders is convoked by the Board of Directors in an ordinary session once a year, and in any case 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 from any potential indemnity. The Board of Directors may also convene extraordinary General Assemblies of Shareholders whenever necessary. The invitation to the General Assembly of Shareholders is published according to the law in the Government Gazette, as well as in one political, financial and local newspaper. In the event of adjourned meetings, no further announcement is required, provided that the date and venue of adjournment are stated in the initial invitation. Shareholders wishing to participate in the General Assembly of Shareholders must reserve, at the company's counters, at least five days prior to the General Assembly of Shareholders, in part or in full their shares through their custodian and submit evidence of such reservation. Shareholders may attend the General Assembly of Shareholders either in person or through a proxy; one share provides the right to one vote.

The General Assembly of Shareholders is in quorum and convenes validly on the issues of the agenda when one-fifth (1/5) of its paid-in capital is present or represented, except for issues specified explicitly in the Law and in the Articles of Incorporation, when two-thirds (2/3) of the company's paid-in capital should be present or represented. In absence of quorum, the General Assembly of Shareholders is adjourned within 20

days. On issues that may be resolved by simple quorum, the adjourned General Assembly of Shareholders convenes validly, irrespective of the present or represented capital. For issues that require a special quorum, at least half (1/2) of the company's share capital must be present or represented, otherwise the General Assembly of Shareholders is adjourned again, in which case one-fifth (1/5) of the company's share capital must be present or represented. Resolutions on issues that call for simple quorum are passed by absolute majority. Resolutions on issues that call for special quorum are passed by a majority of two-thirds (2/3) of those present or represented.

4.2 Rights of Minority Interest Holders

According to the company's Articles of Incorporation the shareholders have the rights that, in each case, the Act 2190/1920, as currently in force, specifies. The rights of the minority interest holders concisely are:

- **Request of adoption of a certain resolution by roll-call vote in the General Assembly of Shareholders (article 39)**
- **Annulment of the resolutions of the General Assembly of Shareholders (article 35a)**
- **Deferment of a resolution of the General Assembly of the Shareholders (article 39 par. 3)**
- **Objections in the resolutions making process the General Assembly of the Shareholders (articles 22a, par. 4, 23a par. 2, 24 par.2)**
- **Exercise of indemnification claims of the company against the members of the BoD, due to the management of its corporate affairs (article 22b, par. 1-3)**
- **Management control (article 39a and 40)**

- **Convention of extraordinary General Assembly of Shareholders (article 39, par.1)**

A historic presentation of OTE cash dividends is available below:

4.3 Allocation of Profits

According to the company's Articles of Incorporation, allocation of profits is preceded by the withholding of the amount necessary by the Law for ordinary capital reverse. Such deduction is no longer mandatory when the capital reverse is equal to at least 1/3 of the company's paid in capital. Dividends declared may not be less than 6% of the company's share capital or 35% of net profits(the biggest ammount is in force). The Articles of Incorporation allow for the General Assembly of Shareholders to decide upon the allocation of the remaining profits at its own discretion.

Fiscal Year	Dividend in EUR share	AGA Resolution Date
1999	0,65	June 29, 2000
2000	0,70	June 26, 2001
2001	0,70	June 19, 2002
2002	0,70	June 30, 2003
2003	0,35	June 17, 2004
2004	-	June 16, 2005
2005	-	June 22, 2006
2006	0,55	June 21, 2007
2007	0,75	June 26, 2008
2008	0,75	June 24, 2009

4.4 Payment of Dividend

Shareholders are eligible to receive dividend after the General Assembly of Shareholders approves the annual financial statements. Dividends, as approved by the General Assembly of Shareholders, are paid to shareholders in accordance with the New Law 2190/1920 and the Athens Stock Exchange Regulation, as in force from time to time.

The amount approved for distribution as dividend, is required to be paid to Shareholders within two months from the resolution of the Annual General Assembly of Shareholders, which approves our annual financial statements and declares such dividend.

5. Control Mechanisms

5.1 Internal Audit

The Internal Audit unit assists the company's Management, as an independent, objective and advisory activity, improves and ensures company's operations and assists the Management in achieving its goals. Specifically, as part of its responsibilities the Internal Audit unit:

- **Examines and evaluates the company's auditing systems and procedures**
- **Audits systems and procedures, carries out inspections (including those for fraud) and investigates compliance issues**
- **Identifies risks, proposes solutions and makes relevant recommendations to the Management**
- **Monitors the consistent application and progress of Internal Audit operations across the OTE Group of companies**
- **Examines and evaluates the suitability, performance and efficiency of security measures in OTE's ICT systems**

Correct and efficient operation of the Internal Audit unit is ensured by the fact that, it is an independent business unit, reporting directly to the BoD, is supervised by the Audit Committee and operates under a strict code of conduct.

5.2 External Audit

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

In June 2009, OTE's Ordinary General Assembly of Shareholders assigned the regular audit of the 2009 financial statements to the firm "ERNST & YOUNG (HELLAS) Certified Auditors-Accountants S.A.". The fee for the audit of the stand-alone and consolidated financial statements was set at €478,460.

6. Transparency and Information Dissemination

6.1. Established Procedures

Placing particular emphasis on transparency, OTE has established a regulated-information disclosure process, on the grounds of Act 3556/2007, Decision 1/434/3.7.2007 and Circular No.33 of the Hellenic Capital Market Commission concerning information disclosure and transparency requirements for companies which are publicly traded on organized markets (stock exchanges). The aim of this disclosure process is to inform, the investment community and all interested parties of any significant changes in the company's participations (acquisitions or disposals) in a timely and accurate manner, under Act 3556/2007, and to ensure OTE's compliance with applicable laws.

In compliance with Inside Information Act 3340/2005 ("Protection of the Hellenic Capital Market from Actions of Inside Information Abuse, as well as Market Manipulation"), as well as with Corporate Governance Act 3016/2002, OTE has adopted the following:

- **Transactions disclosure procedure for all individuals that are considered liable under applicable law: the persons that carry out managerial duties in the company and persons closely affiliated with those persons should notify the company of transactions conducted for their own account relating to shares issued by OTE, derivatives or other financial instruments linked to them**
- **Procedure that deters the improper use of inside information: persons who possess inside information about the company, are forbidden to use this information in order to acquire or dispose, either**

directly or indirectly, financial instruments of the company, to which the information relates

- **Procedure that monitors any financial activity carried out by OTE's managers/directors with the company's significant suppliers/customers: the persons that carry out managerial duties in the company should notify the company of financial transactions conducted with basic customers or suppliers of the company. In the event of such transactions, the company proceeds with the publication of those transactions**

Focusing on the optimization of its organization and operation, OTE has implemented and continues to implement a number of process planning and process reengineering projects. Within this context, OTE developed a Business Process Framework, aiming at recording and optimizing the company's operations, eTOM (enhanced Telekom Operations Map). Through eTOM a Business Process Map was drawn. This methodological framework includes a number of separate structural elements with many interdependencies in the way they are applied. Its development is based on process decomposition, meaning on processes' breakdown into levels.

6.2 Communication with Shareholders

Apart from established procedures that ensure transparency, OTE has adopted a number of other practices that enhance the 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, fast and efficient access to that information**

- Publication of corporate documents (Annual Report, 20-F, Corporate Social Responsibility Report), thereby enhancing the continuous flow of information on issues that relate to the company's strategy, targets, operation and performance
- 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, on a regular basis (e.g. after the announcement of quarterly results) and whenever deemed necessary

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

- Response to shareholders' requests (individual and institutional) in Greece and abroad. 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 dissemination of information related to the company's financial performance to all shareholders, through presentations, road shows, conferences and meetings
- Presentation of activities and communication with shareholders through various communication channels (Investor Relations website, corporate presentations etc.)
- The preparation of the company's Annual Report, Report on Corporate Governance, as well as the 20-F Report for the US Securities and Exchange Commission
- Handling the relations with Stock Exchanges and Capital Market Commissions in the countries where OTE is listed

(ATHEX, NYSE, LSE)

- Ensuring the company's compliance with the regulatory framework of the capital markets in which OTE is listed (ASE, NYSE, LSE)
- Supporting the company's credit rating process
- The organization and hosting of the company's General Assemblies of Shareholders.

The Investor Relations Department is headed by Mr. Dimitris Tzelepis. His contact details are as follows:

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Investor Relations Webpage:

www.ote.gr/portal/page/portal/InvestorRelation

7. Regulations, Laws and Decisions

Code of Ethics and Business Conduct

The Code of Ethics and Business Conduct comprises of a set of rules and practices which contribute to the smooth operation of the company and the proper business conduct of its employees. The Code is in compliance with current laws and mainly determines the relations that the company should have with employees, suppliers, shareholders, competitors and other third parties.

Internal Operations Regulation

OTE's Internal Operations Regulation cover issues relating to the company's decision-making bodies (and their responsibilities), the company's organizational structure, the recruitment and evaluation of executives, the internal committees and regulatory frameworks, as well as to the provisions for transactions of liable persons or transactions between affiliated companies.

Compliance Management System

OTE has prescribed a Compliance Management System, which concerns the compliance with the legislation and the internal policies, aiming at avoiding risks and other legal consequences for the company and the employees. In the framework of the System, the following policies are described:

- Policy on abuse of inside information of OTE Group
- Policy on donations and sponsorships of OTE Group
- Policy on acceptance and offering of corporate gifts of OTE Group
- Fraud Policy of OTE Group
- Policy on organising corporate events of OTE Group

- Whistleblowing Policy of OTE Group
- Code of Conduct for the Protection of Individual's right to privacy in the handling of personal data within OTE Group

Since 18/1/2010 the newly created position of Chief Compliance Officer of OTE Group was assumed by Mr Aristodimos Dimitriadis.

Laws and Decisions

Key Acts and Resolutions which touch on corporate governance issues, in Greece and abroad, are:

- Act 2190/1920 on Corporate Law, as amended by Act 3604/2007
- Act 3016/2002 on Corporate Governance, as amended by Act 3091/2002
- Act 3340/2005 on Protection of the Hellenic Capital Market from Actions of Inside Information Abuse, as well as Market Manipulation
- Act 3556/2007 on Transparency
- Resolution 5/204/2005 of the Hellenic Capital Market Commission, as amended by Resolution 7/372/2006 of the Hellenic Capital Market Commission
- Resolution 3/347/2005 of the Hellenic Capital Market Commission concerning obligations of listed companies with regards to publication of inside information
- US legislation on Corporate Governance, including the 2002 Sarbanes-Oxley Act, and the regulations issued by the US Securities and Exchange Commission

More information on OTE's Corporate Governance is available on the OTE Investor Relations website: <http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/OurPrinciples>

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Production

Baxas SA, Graphic Arts

Printing

May 2010

The Corporate Governance Report 2009 is also available electronically at:<http://www.ote.gr/portal/page/portal/InvestorRelation/CorporateGovernance/apologismosetairikisdiak>

