



OTE GROUP

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A.

TELEKOM ROMANIA COMMUNICATIONS S.A.

DONATION POLICY

Approved by the Board of Directors of OTE S.A at its meeting No 3023/15.12.2016
Approved by the Board of Directors of Telekom Romania Communications S.A at its
meeting No. 6/23.05.2017



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1) Preamble

In accordance with the OTE Group Code of Conduct, OTE Group as a responsible member of society promotes and supports education, culture, entrepreneurship, social concerns, vulnerable social groups, childhood, sports and the environment, in the form of provision of cash or in kind (e.g. services), within the boundaries of its economic capabilities and the legislation governing its operation.

OTE Group aspires to enhance its business sustainability in all actions thus contributing to supporting economy, society at large as well as protecting the environment. The Group's business model aims to create value for the Group's shareholders but also for its customers, society and its employees. Sustainable development principles are incorporated in the operations of the Group and its priorities are discerned in its four strategic pillars:

- The Market
- The Employees
- The Society
- The Environment

OTE is aware of its social and environmental responsibility and therefore OTE implements social/non-profit activities.

OTE views the provision of support for non-profit projects and initiatives through Donations as just one aspect of this social commitment.

2) Scope

The scope of the Donation Policy of OTE Group (the Policy), and also of its affiliate Telekom Romania Communications S.A (the Company), is to ensure consistent, standardized Donation activities by OTE Group companies in the action areas defined by the Sustainable Development strategy. For this purpose, the specific and transparent procedures to be mandatorily applied when assessing and implementing Donations are described in the Policy.

Some important aspects of the Policy are the following:

- defining the term Donation,
- acceptable and non-acceptable Donations,
- approval procedures for Donations,
- preserving public trust for each company,
- ensuring society's benefits,

- ensuring fairness so that all interested parties have equal opportunities to potential support.

3) Area of Application

The Policy applies to OTE SA and the OTE Group companies in Greece and abroad (hereinafter each one of them will be referred to as the "Company").

It is addressed to persons responsible for making decisions regarding Donations as well as to all those involved in the Policy's procedures in general.

The Policy sets out a framework for action for all persons and business units directly involved in the planning, implementation and follow-up of Donation activities.

When implementing the Policy, the current legislation in force and the existing collectively agreed and adopted Regulations shall be observed.

The Policy is also consistent with the OTE Group Code of Conduct.

The following business unit that is in charge of the Donations shall hereinafter be mentioned as "**The competent Donation Department**" (Corporate Communication Division Romania).

4) Access Rights

Access to the Policy is permitted to all employees of the Company.

5) Description

5.1) Definitions

- **Donation:** A Donation is a provision of cash or in kind (e.g. provision of services or items) of value, with no payment of consideration by the recipient of Donation and with no return benefits expected by the donor. The Company is entitled to request specific documentation in order to verify that the Donation was used for the purpose that was provided.
- **Cash Donation:** A Cash Donation is any Donation made with the provision of cash.

A Cash Donation may also include:

- (a) a Grant, i.e. the provision of financial assistance that funds an individual or an organization in order to develop a specific project. A Grant may also be combined with an in kind Donation, e.g. services.
- (b) Scholarships that are awarded to distinguished University students facing financial and social issues, in accordance with the terms of each Scholarship Program adopted by the Company, in order to contribute to education and innovation.

- **In Kind Donation:** In kind Donation is any non-cash donation such as indicatively the following: Web Hosting, Internet connections, mobile phones devices, telecommunications equipment, mobile telephony services, essential products and equipment, used for charity purposes, tickets or invitations to NGO's, etc.

- **Distinction between Donation and Sponsorship:** In contrast to Donation, as defined above, a Sponsorship is the contribution for which the person who provides it (sponsor) receives appropriate benefits in return from the person who receives it (sponsee).

5.2) Donation Sectors

- **Culture**

Donations that aim to support the restoration and preservation of monuments with great national importance. These monuments can indicatively be: archaeological sites, churches, monasteries etc.

- **Sports**

Support of sport teams/events of trustworthy, legally established and recognized by the competent state authority organisations/clubs/facilities/associations, in both professional and non-professional sports sectors.

- **Childhood**

Support of projects, institutions or/and NGOs that promote and care for children in need, as well as children's welfare and development.

- **Education & Innovation**

Donations aiming to support and promote education and/or innovation for all ages.

- **Entrepreneurship**

Support of projects, institutions or/and NGOs that promote entrepreneurship.

- **People in need/Vulnerable Social Groups**

Donations aiming to support people in need/ vulnerable social groups, either nationally or internationally.

- **Environment**

Donations that contribute to the protection of the environment.

- **Health**

Co-operation with health institutions, i.e. public or private hospitals.

- **Fundraising for social causes**

Contribution to the conduction of fundraisings via own telecommunication services, as well as Donations in the framework of fundraising initiatives for charity or social causes (e.g. tv marathons, radio marathons, etc.).

- **Emergency Situation Relief**

Donations of this kind seek to immediately support national/international emergencies by ensuring the constant continuation of communication channels and by donating funds and equipment or other products needed (such as food, beverages, blankets, etc.).

5.3) Donation Recipients

The Company's Donations strategy shall support only those non-profit organizations (NGOs) and other institutions which can demonstrate their effectiveness at meeting their stated goals and are well-administered and financially stable. OTE Group wishes to support reliable non-profit organizations and institutions whose values and objectives are in line with OTE Group's. The support is not restricted to NGOs and institutions based domestically.

OTE Group may realize Donations in profitable organizations as well, as long as they initiate efforts to support non-profit organizations, institutions or individuals in need (e.g. TV/Radio channels for Marathons, etc.), as far as integrity and transparency is ensured.

5.4) General Admissibility Criteria

The following admissibility criteria apply to all Donations:

OTE Group Donations strategic framework: The Donation should correspond to the relevant OTE Group strategy.

Ban on offering bribes and granting undue advantages: Regardless of the recipient or the recipient's organization, Donations shall not be offered, promised or granted for the purpose of influencing the decisions of business partners or members of the public sector. Existing policies governing the prevention of corruption and conflicts of interests and the granting of benefits shall additionally be observed.

Transparency: Donations must be transparent, their recipients and scopes disclosed and their purpose verifiable, according to the relevant written requesting party's application and all these should be documented.

Avoidance of Conflict of Interests: Decisions regarding the granting of Donation, as far as the selection of Donation recipients and Donation amounts is concerned, shall not be linked to personal preferences or other motives and any conflicts of interests should be avoided.

Appropriateness of Donation amount/cost: All Donations must fall within appropriate limits, bearing in mind the Company's financial situation and the purpose of Donation. The Donation cost must be defined and clearly justified.

Intended purpose of Donation: Donations shall be made to useful and achievable purposes whose support contributes to the Company's social acceptance, as a "good corporate citizen." In addition, all Donations must be compatible with the respective Donation recipient's Articles of Incorporation (as long as the recipient's legal entity requires the existence of such Articles).

Integrity/Reliability of the beneficiary: In any case, as far as it is possible, a due diligence of the recipient shall be conducted.

Previous relationship with OTE Group: Positive previous experience affects positively the evaluation of any possible new request. A Donation does not consist/guarantee the right to further or regular support.

Tax deductibility: Donations are only tax-deductible if specific criteria are met. The general rule regarding Donations is that according to Greek Tax legislation they are considered as non tax-deductible expenses. However, in cases where such expenditure promotes the good corporate image (for example through an advertising campaign), this could lead such expenditure to be treated as tax deductible.

5.5) Non Acceptable Donations

The Company shall not donate to private individuals or private accounts or to individuals or organizations that could prove harmful to the reputation of the Group.

Moreover, the Company will not donate to political organizations or initiatives or projects with political motives. The Company will not support religious organizations, unless they are engaged in significant projects which benefit society and they are directly related to the main strategic sectors of this Policy.

5.6) Donation Budget

5.6.1) OTE Donation Budget

The Company's Board of Directors decides annually on the total budget of the Company, part of which is the Donation budget.

5.6.2) Proceeds from special promotions

Donations that are made out of income from special promotions (e.g. SMS during festive seasons as Christmas) or advertising campaigns (including customer's participation in fundraising) shall not be set against the approved Donation budget provided that the total amount donated has been acquired with the abovementioned ways. Any other Donations must be included and remain within the approved Donation budget. All admissibility criteria for Donations must be fulfilled.

5.7) Documentation of Donation activities

A necessary precondition for ensuring that the Company's Donation activities are transparent and consistent with law and the Policies which the Company has adopted is to ensure that the Donation activities are fully documented.

5.7.1) Donations Requests

All Donations requests must be made in writing to Company's **competent Donation Department** (Corporate Communication Division Romania), providing the following details:

- name of the organization, phone number, address and contact person;
- purpose of the action/program/event for which the support is required, including background information;
- amount or type of support sought;
- results/ benefits of such support;
- other possible sources of funding.

Requests must be sent to the Company in reasonable period of time before the anticipated completion of the relevant program/ event/action. The Requests for Donations addressed to the Company should be forwarded to the Company's competent Donation Department, to be registered to the respective databases/protocols.

OTE Group companies can freely organize their own Donations, as long as they follow the Policy, the rest of the Group/Company Policies and the legislation in force for any Donation.

5.7.2) Decision-making Process for Donations Requests

The following are the overall steps for all Group companies to follow, without prejudice to the legislation in force for any Donation, pursuant to which certain Donations may require resolution of specific Company's bodies.

5.7.2.1) Approval of Donations Requests (except for Emergency Situations Relief)

For Donations that are **evaluated positively** by **the competent Donation Department** (Corporate Communication Division Romania): a proposal is drafted from the competent Donation Department, communicated to the **Compliance Officer Romania** for its consent and then approved by the **Director Corporate Communication Division Romania**. Finally, it is forwarded to CEO for approval.

The following have to be noted:

- Written agreement on Donations is required, regardless of its value
- The payment is conducted according to the approved by the Company terms of payment

5.7.2.2) Rejection of Donations Requests

For Donations that are **evaluated negatively** by **the competent Donation Department**: a rejection letter/e-mail is sent to the applicants explaining the reasons of rejection.

5.7.2.3) Requests addressed directly to CEO's Office

Requests addressed directly to CEO's office are forwarded to the competent Donation Department for further processing.

5.7.2.4) Decision-making Process for Donations in case of Emergency Situations Relief

In the event of disasters or other major events bearing a great relevance to the public (such as earthquakes, fires, terrorist attacks, accidents, floods, etc.), decisions regarding the Company's participation and contribution to the public are to be made quickly and immediately considering also the case of a Group-wide action.

When deciding on the Company's participation and contribution in case of an emergency situation, the following, inter alia, should be taken into consideration:

- Donation in kind (and services) or
- Cash Donation
- Budget and value of the provision of Donation
- Recipients of Donation
- Strategic business areas and
- Means of supporting communication

Decision-making process:

The **Director Corporate Communication Division Romania** is responsible for the proposal of Donation.

- The **Compliance Officer Romania** consents to the fulfilment of the requirements this Policy.

- The **CEO** or the Board of Directors of the Company approves of the Donation depending on its amount.
- If it is deemed necessary by the abovementioned, the following are to be consulted:
 - Business Continuity
 - Other relevant Business Units
- Implementation
- Monitoring

5.8) Monitoring Donations - Evaluation

The Company assesses the Donation according to the assessment criteria.

1. After the Donation process is concluded, the recipient of the Donation shall send a concise report to the competent Donation Department, stating how the Donation was utilized and all the tangible results obtained.

2. The Company should generally monitor the following:
 - compliance with the Group's (Company's) policies;
 - achieving objectives of the Donation;
 - good management and record keeping;
 - public statements about the Donation;
 - benefit to the Group (Company) and the society;
 - observance of Donation terms.

5.9) Benefits from Donations

The Company may require an acknowledgment as the only benefit in return for the Donation provision on behalf of the Company.

5.10) Relevant Policies and Legislation

OTE Group and the Company have adopted a number of other policies, in accordance with the Code of Conduct, that are relevant and should be taken into account before a decision making. These Policies are the following:

- Policy on Avoiding Corruption and Other Conflicts of Interest



- Policy on the Accepting and Granting of Benefits
- Event Policy
- Procurement Policy

Every Donation shall comply fully with the legislation in force (Anti-bribery Legislation, Anti-corruption, etc.).

5.11) Consequences of Non-compliance with this OTE Group Policy

Violations of this Policy may result in risk of liability and damage to the reputation of the Company and OTE Group and/or its bodies. Wilful misconduct shall be punished in accordance with the applicable provisions of the law.

For reporting any violations against this Group Policy, the following channels are available at the website of OTE, under the "Whistleblowing Channels" section of Compliance: whistleblowing@telekom.ro or raportare.nereguli@telekom.ro or through the "Electronic Whistleblowing Form".

5.12) Entry into Force & Review of the Policy

This Policy enters into force as regards OTE S.A. by a decision of its Board of Directors. As regards the Company, the Policy enters into force by a decision of their competent bodies.

The competent Donation Department shall review this Policy within no more than five (5) years since any previous amendment, in order to ascertain whether it requires amendment. The competent Donation Department is responsible for the preparation of the final draft of the amended Policy (in Romanian and English).

In case of any necessary amendments of the Policy, the provisions of the PL1.EEM.01 Policy "Approval of Corporate Policies / Processes / Procedures" regarding the CMS Policies shall apply.