

Recovery Plan / Schedule of Contributions

Registration number:

T.Σ.3257

Date:

July 2017

Recovery Plan

Introduction

This Recovery Plan has been prepared by the Trustees to satisfy the requirements of Article 34 of Law 208(I) 2012, after obtaining the advice of **Philippos Mannaris FCCA, AIA**, the Pension Fund Actuary, and after consultation with the Employer.

It follows the actuarial valuation of the Pension Fund as at **31 December 2016** which revealed a funding shortfall (technical provisions minus value of assets) of **€184.363.001**.

Steps to be taken to ensure the funding objective is met

To eliminate the funding shortfall above, the Trustees and the Employer have agreed that additional contributions (i.e. contributions over and above those needed to cover benefits being earned in the future) will be paid to the Pension Fund by the Employer as follows:

- **€19,6 million payable annually over the next 10 years for funding the past-service deficit**

Period in which the funding objective should be met

Under this Recovery Plan, if the assumptions made are borne out in practice, the funding shortfall will be eliminated in 10 years.

This assumes that future Pension Fund experience will be in line with the assumptions underlying the technical provisions. The assumptions are:

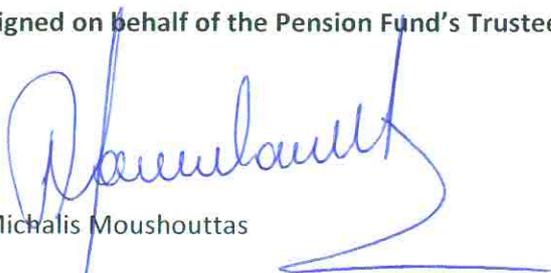
- technical provisions will continue to be calculated according to the method and assumptions set out in the Statement of Funding Principles dated 4 July 2017, with financial conditions unchanged from those at the valuation effective date;
- future Pension Fund experience will be in line with the assumptions underlying the technical provisions, except that the future investment return during the period will be equal to 4,50% per year, on future contributions held in respect of final salary liabilities.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 4 July 2017.

This Recovery Plan was agreed by the Trustees and the Employer at their meeting on 27 June, 2017.

Signed on behalf of the Pension Fund's Trustees



Michalis Moushouttas

Chairman

Signed on behalf of the Employer



Rena Rouvitha Panou

Chairman - Cyta

Date: 25/7/2017

Date: 25/7/2017

Schedule of Contributions

Status of this document

This schedule has been prepared by the Trustees of the Pension Fund after obtaining advice of **Philippos Mannaris FCAA**, the actuary to the Pension Fund, appointed by the Trustees.

After discussions between the Trustees and the Employer, this schedule of contributions has been agreed by the Employer, Cyprus Telecommunications Authority.

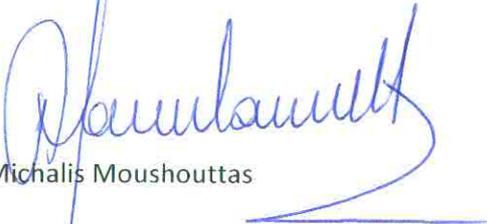
Contributions to be paid

- €19,6 million payable annually over the next 10 years for funding the past-service deficit
- 12,6% of pensionable payroll payable annually from 1 January 2017 (€7,5 million for FY2017) for financing the cost of future service accrual

Dates of review of this schedule

This schedule of contributions will be reviewed by the Trustees and the Employer annually.

Signed on behalf of the Pension Fund's Trustees



Michalis Moushouttas
Chairman

Signed on behalf of the Employer



Rena Rouvitha Panou
Chairman - Cyta

Date: 25/7/2017

Date: 25/7/2017

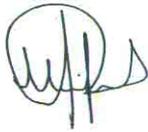
Certification of Schedule of Contributions

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the funding objective can be expected to be met by the end of the period specified in the recovery plan.

The certification of the adequacy of the rates of contributions for the purpose of securing that the funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Pension Fund's liabilities, if the Pension Fund were to be wound up.

Signature:



Date: **4 July 2017**

Name: **Philippos Mannaris**

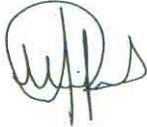
Employer: **Aon Hewitt (Cyprus) Ltd**

Certificate of Technical Provisions

Calculation of technical provisions

I certify that, in my opinion, the calculation of the Pension Fund's technical provisions as at 31 December 2016 is made in accordance with the requirements of Law 208(I) 2012. The calculation uses a method and assumptions determined by the Trustees of the Pension Fund.

Signature:



Date: **4 July 2017**

Name: **Philippos Mannaris**

Employer: **Aon Hewitt (Cyprus) Ltd**