



PL02.SERM.03
DONATION POLICY

Level of Detail 3

POLICY	
Title:	DONATION POLICY
Process Group:	STAKEHOLDER & EXTERNAL RELATIONS MANAGEMENT
Process Owner:	CORPORATE COMMUNICATION ROMANIA COMPLIANCE ROMANIA
Effective Date:	07/11/2023
Summary:	This Policy defines the specific transparent and mandatory procedures to be followed by OTE Group companies when assessing and implementing Donations, based on the action areas defined by the Sustainable Development strategy.

	POSITION	SIGNATURE
Created by:		
Reviewed by:		
Approved by:	Approved by the Board of Directors of Telekom Romania Mobile Communications S.A. Decision no. 239/04.08.2020	



This Policy has been acknowledged by the Executive Director Internal Audit OTE Group:

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2.0	07/11/2023	updating contact points after segregation of Telekom Romania Mobile Communication



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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 OTE Group's business model aims to create value for the OTE Group's shareholders but also for its customers, society and its employees. Sustainable development principles are incorporated in the operations of the OTE Group and its priorities are discerned in its four strategic pillars:

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

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

OTE Group 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) 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 parts 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, including Telekom Romania Mobile Communications (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**".

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. Company 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.

Company 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 Company 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 Conflicts 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.

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 OTE Group.

Moreover, Company will not donate to political organizations or initiatives or projects with political motives. 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) 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) Donations' procedure

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 (See paragraph 5.9).

5.7.1) Donations Requests

All Donations requests must be made in writing to Company's **competent Donation Department**, providing the following details:

- name of the recipient of the Donation (non-profit organization, public sector institution, etc.), phone number, address and details of 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 OTE Group Policies and the legislation in force for any Donation.

5.7.2) Process for Donations Requests

The following are the overall steps for all OTE Group companies to follow regarding Donations requests, without prejudice, however, to the legislation in force, pursuant to which different requirements are possible to exist (e.g. certain Donations may require resolution of specific Company's bodies or/and of the recipient of the Donation, contract drafting etc.).

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

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

It is noted that, the following apply:

- Written agreement on Donations is required.
- The payment is conducted according to the term of payment approved by the Company.

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 OTE 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 the Donation and any special requirements by legislation in force for some of them (e.g. public sector institutions)
- Strategic business areas and
- Means of supporting communication

Decision-making process:

- The Executive Director Corporate Communications Telekom Romania is responsible for the proposal of Donation.
- The Compliance Officer consents to the fulfilment of the requirements of 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 upon the request of **the competent Donation Department** a thank you letter or the appropriate donation receipt, informing the company that the Donation was received; a report on how the Donation was utilized and, if case may be, how any specific conditions were fulfilled.
2. The Company should generally monitor the following:

- compliance with the Company's policies;
- achieving objectives of the Donation;
- benefit to Company and the society;
- observance of Donation terms.

5.9) Documentation of Donations

Without prejudice to Data Privacy Policies (including on retention of private data) which shall prevail, data related to donations must be kept all the period established by the Retention Policy, at an electronic file/data base, that contains, at minimum, the following (depending on the kind of the request and the relevant available information):

- The request
- Date the request was received
- Short description of the donation
- Responsible Department for implementation
- Amount of donation

Also, the following documents must be kept, at least:

- Evaluation by Compliance department (for at least the term required by the national fiscal-accounting legislation in this respect)
- Approval note (for at least 3 years)
- Thank you letter or donation receipt from the recipient (for at least 3 years)
- The recipient of Donations reports (for at least the term required by the national fiscal-accounting legislation in this respect)
- Donation agreement

5.10) Benefits from Donations

The Company may require an acknowledgment, as stated at the above assessment criteria (Clause 5.8 above), as the only benefit in return for the Donation provision on behalf of the Company.

5.11) Relevant Policies and Legislation

1. OTE Group and the Company has 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 Accepting and Granting of Benefits
- Event Policy
- Procurement Policy

2. Every Donation shall comply fully with the legislation in force (e.g. legislation on donations of goods, services or works to public sector institutions, anti-bribery legislation, anti-corruption legislation, etc.), which shall prevail when this is contrary to the provisions of the current Policy.

5.12) 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 OTE Group and/or its bodies. Willful misconduct shall be punished in accordance with the applicable provisions of the law. Violations of legal provisions relating to donations shall have also the consequences which the relevant legislation provides for.



For reporting any violations against this OTE Group Policy, the following channels are available at the website of Telekom Romania: whistleblowing.mobil.ROU02@telekom.ro or raportare.nereguli.ROU02@telekom.ro or through the "**Electronic Whistleblowing Form**".

5.13) 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 Compliance Policies shall apply.