

APPROVED

by Acron's Chief Executive Officer

Order No 1-1/16 dd. 14 March 2022

**Regulation**  
**on Charitable Activity and Sponsorship**

Moscow, 2022

## 1. GENERAL PROVISIONS

### 1.1. Purpose and objectives

The Regulation on Charitable Activity and Sponsorship (the 'Regulation') governs charitable activity and sponsorship by Acron Group companies.

This Regulation pursues the following objectives:

- Set general rules and principles of charitable activity and sponsorship
- Establish a procedure to select, consider and approve charitable activity and sponsorship
- Determine a procedure for charitable activity and sponsorship and cooperation between Acron Group subdivisions and officers.

1.2. This Regulation is prepared in compliance with the Civil Code of the Russian Federation, Federal Law *On Charitable Activities and Volunteering*, Federal Law *On Advertising*, the Company's Charter, the Collective Agreement and other bylaws.

1.3. Acron's charitable activity and sponsorship are aimed at supporting charitable initiatives at the federal, regional and local levels in Acron Group's footprint regions, forming and strengthening the Group's reputation as a socially responsible entity, and creating a social environment favourable for its development.

1.4. Key terms, definitions and abbreviations:

**Charitable activity** (charitable contribution, donation) means the voluntary transfer of property, including cash and property rights, to individuals or legal entities, or performance of work, rendering of services or provision of other assistance, unmotivated by self-interest (free of charge or on preferential terms).

**Acron Group** means a group of legal entities whose financial statements are included in IFRS consolidated financial statements of PJSC Acron (ticker AKRN at the Moscow Exchange and London Stock Exchange).

**Applicant** means any person who submitted an application for a charitable contribution or sponsorship to an Acron Group company.

**Supervisor** means an Acron Group employee responsible for execution of contractual documents for charitable activity or sponsorship.

**Ultimate Beneficiary** means a person or a group of persons who are the beneficiaries of charitable activity, i. e. those whose needs are met through charitable contribution.

**Department** means Acron's Public Relations Department.

**Acron Group's footprint regions** mean Russian regions where Acron Group companies operate.

**Sponsorship** (sponsorship activity, sponsoring) means contribution (by providing property or results of intellectual activity, rendering services or performing work) to another person's (sponsored person) activity under the condition that the sponsored person advertises the sponsor and/or its products while organising and/or holding sporting, cultural or other events, or using results of creative activity.

## 2. PRINCIPLES OF CHARITABLE ACTIVITY AND SPONSORSHIP

### 2.1. Key areas of charitable activity and sponsorship

2.1.1. Key areas of charitable activity and sponsorship are the following:

2.1.1.1. Social support for and protection of:

- Socially vulnerable groups, families with children, retirees, people with disabilities etc.
- Institutions for orphans and children deprived of parental care, care homes for the elderly etc.

2.1.1.2. Support for education, culture and sports by contributing to:

- Activities related to training, education, innovations, science and engineering

- Activities related to fitness and popular sports, including by supporting children and youth sports
  - Cultural activities.
- 2.1.1.3. Support for the public health system, including:
- Public health institutions
  - Rehabilitation, therapy, and health resort facilities.
- 2.1.1.4. Support for other socially significant efforts and state social programmes, including:
- Environmental efforts
  - Protection and maintenance of buildings, sites and territories of historical, cultural or environmental importance
  - Construction and repair of social facilities (including public health, education, sports and other facilities).
- 2.1.1.5. Other efforts envisaged by the bylaws of Acron Group companies.
- 2.2. Beneficiaries of charitable activity and sponsorship
- 2.2.1. Acron Group companies provide charitable contributions to the Beneficiary directly or via non-profit organisations and charitable foundations, with preference given to charitable foundations.
- 2.2.2. Acron Group companies do not provide any charitable contributions if ultimate beneficiaries are:
- Current public officers
  - Government agencies
  - Political parties, movements and activists
  - Commercial organisations.
- 2.3. Main requirements for charitable activity and sponsorship
- 2.3.1. Acron Group companies' charitable activity and sponsorship must comply with Acron's Regulation on Anti-corruption Policy, including the following criteria:
- Complying with applicable laws, and principles and requirements of Acron Group companies' bylaws
  - Directly or indirectly serving the business interests and/or the purposes declared in the Charters of Acron Group companies
  - Having a positive impact on Acron Group's reputation and being effective in achieving socially significant goals
  - An event may be sponsored only on condition that advertising services are provided for the benefit of Acron Group companies, for instance, displaying a sponsoring company's logo, commercial or brand name, advertising its activity etc.

### **3. PROCEDURE TO APPROVE CHARITABLE AND SPONSORSHIP PROJECTS**

Any charitable and sponsorship project must be approved by officers in the manner and within the time specified in this Regulation and other bylaws of Acron Group companies. If it is necessary to approve a charitable contribution in case of emergency due to a natural or man-made disaster, a charitable contribution may be provided under a simplified procedure, by order of the sole executive body of an Acron Group company.

#### **3.1. Initiating a charitable or sponsorship project**

3.1.1. Acron Group companies provide charitable contributions and sponsorship under the Applicant's written request.

3.1.2. The Applicant's written request shall contain the following information:

3.1.2.1. For charitable contribution:

- Form and amount/value of donation (property (movable property or real estate), property rights, cash etc.)

- Area/target of charitable contribution
  - Full name and registration details of the Applicant and the Ultimate Beneficiary
  - Banking details.
- 3.1.2.2. For sponsorship:
- Sponsorship fee
  - Description of sponsor's benefits, options for placing sponsor's advertisement etc.
  - Area/target of sponsorship, description of a sponsored event, its time and venue
  - Full name and registration details of the Beneficiary
  - Banking details for the transfer of funds provided as sponsorship.
- 3.2. Considering the submitted application/request
- 3.2.1. All applications and requests for charitable contributions and sponsorship are accumulated by relevant public relations subdivisions of Acron Group companies and subsequently forwarded to Acron's Public Relations Department.
- 3.2.2. Acron's Public Relations Department analyses incoming requests to determine whether:
- A charitable or sponsorship project complies with current laws, including anti-corruption laws, and Acron's Regulation on Anti-corruption Policy
  - A charitable or sponsorship project complies with the Group's bylaws, including this Regulation
  - Participation in the project and requested sponsorship fee are reasonable considering current priorities in relations with local communities, potential for the project's long-term development, and adequacy of investments.
- 3.2.3. Acron's Security Department checks the Applicants to identify potential fraud.
- 3.2.4. If any violations are revealed as a result of the application/request consideration, such application/request is dismissed.
- 3.3. Approving charitable contribution or sponsorship
- 3.3.1. Vice President for Human Resources and Special Projects decides on providing charitable contribution or sponsorship based on information and documents provided by Acron's Public Relations Department following analysis as provided in Clause 3.2.
- 3.4. The deadline for considering requests and applications and approving decisions on providing charitable contribution or sponsorship is one (1) month.
- 3.5. All requests are considered confidentially. The received information may not be disclosed unless otherwise agreed by the company and the Applicant.

#### **4. EXECUTION OF AN AGREEMENT AND OTHER REQUIRED DOCUMENTS**

- 4.1. After the decision to provide charitable contribution or sponsorship is made, the Supervisor drafts a relevant agreement.
- 4.2. Agreements are approved in accordance with the established procedures.
- 4.3. Contractor check is made at the stage of transaction approval in accordance with the procedure determined by the relevant bylaw of an Acron Group company.
- 4.4. Funds or items of charitable contribution or sponsorship are transferred in accordance with the established procedure.

#### **5. DISCLOSURE OF INFORMATION ON CHARITABLE AND SPONSORSHIP PROJECTS**

- 5.1. Acron Group companies consistently implement a complex of measures to disclose publically available information on their charitable activity and sponsorship to all interested parties, including by publishing the information:
- On Acron Group website
  - In Acron Group annual reports
  - In mass media and the Group's official social media accounts.

5.2. The following information on charitable activity and sponsorship is subject to disclosure:

- Areas of charitable activity
- Break-down of total charitable contributions by area and project
- List of non-profit organisations and charitable foundations who are the Ultimate Beneficiaries of charitable contributions
- List of sponsored events (for sponsorship).