

## **STATEMENT OF POLICY**

**OF**

### **NON-PROFIT ORGANIZATION "PROTEGNI RAKA"**

#### **I. OBJECTIVES**

1. **"PROTEGNI RAKA"** (THE ORGANIZATION) is a non-profit organization established to support financially the treatment of sick children aged up to 18 (eighteen) years, coming from poor families or orphans. The support includes payment of medical services, treatments, medications and / or surgeries, and post-operation costs.
2. The founders of the ORGANIZATION are employees of ProCredit Bank (Bulgaria) AD.
3. While observing the Bulgarian legislation, in its activities, the ORGANIZATION, shall be governed by the By-laws adopted by General Assembly, and this Policy of the ORGANIZATION.
4. The ORGANIZATION will conduct its activities following the principles of social justice and responsibility, preventing discrimination and conflict of interest.
5. The ORGANIZATION shall carry out its business effectively on the basis of established humanitarian principles and independent decisions in accordance with all applicable laws and regulations, internal rules and in full compliance with the Policy.
6. The ORGANIZATION shall ensure equal rights to all beneficiaries, regardless of gender, race, education, ethnicity, residence, etc., as well as appropriate use of the funds raised.

#### **II. RESOURCES AND PROPERTY OF THE ORGANIZATION**

1. The means for achieving the objectives of the ORGANIZATION are: payment of medical services needed by sick children; providing funds for purchase of medicines for sick children; providing funds to carry out medical treatment; financing operations in the country and abroad; payment of postoperative treatment costs.
2. The property of the ORGANIZATION consists of: cash, goods and chattels, receivables and other assets.
3. The property of the ORGANIZATION is acquired by: donations, bequests and all other methods of acquisition permitted by law.
4. The ORGANIZATION, in the person of the Management Board, may receive donations from individuals and legal entities and to enter into sponsorship contracts.

#### **III. MEMBERSHIP IN THE ORGANIZATION**

1. Membership in the organization is voluntary. Members can be any able physical and legal persons. Member of the organization may be any person (including major individual or legal entity) which shares the objectives of the ORGANIZATION and the means to achieve them, implements its By-laws and follows this Policy.
2. Desire for membership shall be stated on the basis of written application-declaration (Appendix 1)

#### **IV. MANAGEMENT BOARD**

1. The ORGANIZATION is managed and represented by the Management Board. The Management Board consists of 29 regional and administrative members. Management Board members may only be members of the ORGANIZATION who are employees of ProCredit Bank (Bulgaria) JSC.
2. Each member of the Management Board (regional or administrative) shall be elected at the proposal of the Bank's employees. Approval of application for membership of the Management Board shall be made by voting and a majority of 75% of the members of the Management Board. The mandate of each member shall be 1 year and may be repeated. Membership may be terminated before its expiry date at the request of the person, as it shall perform its functions until the election of another member under the order established above.

3. The country is divided into 7 (seven) regions as follows:

Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7
Sofia Pernik Petrich Blagoevgrad	Pleven Svishtov Troyan	Plovdiv Asenovgrad Pazardzhik	Ruse Razgrad V. Tarnovo G. Oryahovitsa Gabrovo	Haskovo St. Zagora Kardzhali Kazanlak	Varna Dobrich Shumen	Burgas Sliven Yambol

4. Management Board members according to their functions are as follows:

- a) 21 regional representatives, three persons for each of the 7 regions (Appendix 2);
  - 6) 8 administrators (Appendix 2), of which:
    - 2 administrators responsible for reporting;
    - 2 administrators responsible for updating and maintaining website;
    - 2 coordinators;
    - 1 administrator responsible for public relations (publicity);
    - 1 honorary member.
5. Management Board members shall have equal rights and duties regardless of the internal distribution of functions between them.
6. The main tasks of each member of the Management Board are:
- to seek and submit to the Management Board cases of ill children who need funding for treatment;
  - to raise funds for the ORGANIZATION, incl. not limited to organizing various events for this purpose;
  - to propose, consider and approve cases for funding.
7. All decisions concerning the activities of the ORGANIZATION, such as decisions on funding, but not limited to, are taken only by the members of the Management Board, as follows:

Level	Votes	Decisions
Regional	Unanimity	Cases for funding
Supra-regional (two or more regions)	No less than 50 % + 1 vote	Solving cases above the limit of the region
General (for the whole country)	No less than 75 % of the members of the Management Board	Any decisions of principle, new members of MB, adopting amendments to the Policy

## V. PROCEDURE FOR GRANTING FUNDS

1. The funds raised through the ORGANIZATION may be used only for financial support of the treatment of sick children aged up to 18 (eighteen) years, coming from poor families or orphans. The support includes payment of medical services, treatments, medications and / or surgeries, and post-operation costs.
2. Each member of the ORGANIZATION may submit cases for consideration by the Management Board. Each employee of ProCredit Bank (Bulgaria) JSC, whether a member of the ORGANIZATION or not, may propose cases for consideration. Cases shall be presented in a certain form (Appendix 3).
3. The decision to finance the proposed case shall be taken by the Management Board.  
*(In order to gain experience, members of MB decided that all cases on financing will be approved at the supra-regional level for a period of 6 months from the adoption of this Policy.)*
4. Monthly limits on funding and conflict of interest:
  - a) for optimal allocation of the funds of the ORGANIZATION, there shall be determined a monthly limit on financing of cases no more than BGN 2500 area per region and no more than 50% of the amount in the ORGANIZATION's account for all regions. The monthly limit may be changed by decision of the Management Board of the ORGANIZATION.
  - b) In case of conflict of interest which shall be declared by the Management Board member of the ORGANIZATION or by any other officer of the Bank or by an external person, rotation shall be applied and a new member replaces the one in whom there is such conflict of interest.

- c) No Management Board member shall have the right to participate in deciding the case of a relative, acquaintance, client, friend or relative, acquaintance, client, friend of a relative, acquaintance, client, friend.
  - d) Each month, the Management Board of the ORGANIZATION shall publish a financial report to be published on the website of the ORGANIZATION.
  - e) Every six months, the Management Board shall draw up a full report on the decisions taken and results achieved during the review period and shall publish the report on the website of the ORGANIZATION.
5. Granting funds:
- In all cases the money is granted directly to the performer to pay for the service operation or treatment or the provider to pay for medicines.
  - All regional board members and two administrative members responsible for reporting have specimen to the account of the ORGANIZATION. Signatures of any two of the regional board members in the region shall be needed for the accounting of documents for payment of amounts up to BGN 2,500 per month. Payment documents for amounts over BGN 2,500 per month shall be signed by two of the regional members and one administrator responsible for reporting.
  - The account of the ORGANIZATION in BGN, 1007092910.
6. Required documentation
- the following documents are required in considering each case by the parents or tutors of children:
- Declaration by the parent / guardian who will represent the child, which shall confirm that the information provided is true and correct.
  - Authentic diagnosis by a physician (medical history) with attached additional information on any treatments already performed, appointed, and / or prescribed medication.
  - Documents giving information about the child's age and their family.
  - Documents providing information on parental income and their overall property status.
  - Declaration of consent that the ORGANIZATION shall use the name, photographs and other details of the child, but only to promote the ORGANIZATION and fundraising.
7. Archive of the documentation will be created and stored by the Management Board by regions and access will be provided when two members of the Management Board of the ORGANIZATION state in writing certain files to be reviewed by the Management Board. Regional register of incoming files will be kept on paper. Appendix at the end of each regional registry will certify when and what records were removed from the archive and when they were returned. At the end of each calendar year the regional registers shall be transferred into the Bank's headquarters for storage.

## **VI. PROHIBITORY PROVISIONS**

1. In no way the participation in the ORGANIZATION of any member thereof may be associated or linked with the receipt of any advantage, benefit or service in any form.
2. Neither the leadership of the ORGANIZATION nor its members are entitled to participate in social and public appearances on behalf of the ORGANIZATION, except the administrator responsible for the publicity of the ORGANIZATION after approval by the Management Board.

## **VII. POLICY FOR PUBLICITY**

The Management Board of the ORGANIZATION is obliged to maintain public image in line with the political neutrality of ProCredit Bank (Bulgaria) JSC and by protecting its status as a stable and socially responsible public-oriented institution. Accordingly, all public relations concerning the activities of the ORGANIZATION shall be conducted in a prudent manner.