



POLICY	
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Process Owner:	CORPORATE COMMUNICATION ROMANIA COMPLIANCE ROMANIA
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Summary:	This Policy describes how to deal with Sponsorship issues by setting out clear criteria for implementing the procedure which needs to be followed by the OTE Group companies in order to carry out Sponsorships. The Policy is aimed at ensuring transparency regarding the efficient use of resources allocated for Sponsorships, ensuring a uniform process and providing a clear basis to involved parties.

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1) Preamble

Sponsorship is an integral part of corporate communications and marketing for OTE Group companies and a crucial tool for interacting with our customers.

Our sponsorship activities cover several fields, including sports, music, culture, education, childhood & people in need (vulnerable social groups), entrepreneurship, environment and mass media.

Telekom Romania Mobile Communications (Company) long term economic success depends on recognition/acceptance from socially significant groups and recognition as a "good corporate citizen". By focusing on advertising and PR goals, sponsorship activities promote the interest of OTE Group companies.

Although sponsorship is used in a range of different areas and is often customized to its recipient (sponsoree), certain criteria must always be met. The diverse and international nature of our Group makes it necessary to create a uniform basis for action that is understood by all employees in the same way.

2) Scope

This Sponsoring Policy of the Company (the Policy) aims at setting out clear criteria for implementing the sponsorship procedure which needs to be followed and for ensuring transparency regarding the efficient use of resources in carrying out sponsorships. It sets the strategic framework for sponsorships and the set of rules governing sponsorship activities.

The Policy describes how to deal with sponsorship issues by setting out a framework for action of the persons responsible for deciding upon the sponsorships and business units directly involved in the planning, implementation and follow-up of sponsorship activities. Some important aspects of the Policy are the following:

- defining the term Sponsorship,
- acceptable and non-acceptable Sponsorships,
- procedures for authorising Sponsorships,
- concluding agreements,
- preserving public trust for each company,
- ensuring society's benefits,
- ensuring fairness so that all interested parties have equal opportunities to potential support. Compliance Department together with Corporate Communication Department is responsible to update this policy, to communicate it to employees, to make sure of its availability on the intranet and to ensure that it is respected. Any breach of this policy is considered a severe violation of the Compliance Policies and the Internal Regulation and could lead to disciplinary actions and termination of the labour contract.

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 Sponsorships as well as to all those involved in the Policy's procedures in general.

Any employee involved in the decision making process for a sponsorship request must not have any personal interest in the applicant for the sponsorship.

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

The following business unit that is in charge of Sponsorships shall hereinafter be mentioned as "**The competent Sponsorships Department**".

4) Access Rights

Access to the Policy is permitted to all employees of the OTE Group companies.

5) Description

5.1) Definitions

- **Sponsorship:** A sponsorship is a provision in money or in kind (e.g. provision of services or items) by the Company (**sponsor**) to support an event, activity, individuals, groups of people, an organization or institution (**sponsoree**) of the sectors mentioned here in below in par. 5.2, in return for certain and specified inducements such as promotional services or other benefits in return for the Company.

More specifically, a sponsorship is based on an agreement, with which the goals for the sponsor's promotion are pursued or the sponsor's PR work is implemented and which includes the return benefits for the sponsor from a wide range of sponsorship benefits, such as: brand advertising promotion, tickets, the right to carry out promotional activities, exclusion of sponsor's direct and indirect competitors, the right to promote/communicate the sponsorship, i.e. "Grand Sponsor", "Official Sponsor", etc.

Sponsorship is both an element of corporate communications and a marketing tool. There are many reasons why companies choose to sponsor sports events, the arts, and cultural and social projects, including the opportunity to link the sponsorship activities with the Company's corporate communications, advertising, marketing, media relations and public relations. Sponsorship is usually aimed at enhancing a Company's external image.

In order to avoid any misinterpretation, a distinction of the concept of Sponsorship from other concepts is provided below in Par. 5.3 of the Policy.

It is clarified that as **Advertising promotion** is characterized any Sponsorship agreement according to which the main inducement on the part of the sponsoree is the sponsor's right for the promotion of the sponsor's logo or any other communication material that the sponsor finds purposeful to communicate at that specific time, place, or through that specific media or event.

Advertising promotion, as is the case with other forms of communication, is an indirect way of promotion. In addition, measures can be initiated to promote sales directly on the basis of rights granted during sponsorship activities.

5.2) Sponsorship Sectors

- **Sports**

Sponsorship of this Sponsorship sector is a form of commitment on the part of the Company in order to strengthen sports, which is based on an agreement for the support for individual sportsmen and sportswomen, sport teams/events and lawfully established, recognized by the competent state authority sporting organisations/clubs/associations (with different sports disciplines) in both professional and non-professional sports sectors, and serves to promote corporate image, commercial activities and PR opportunities. The aim of these Sponsorships is the largest and most massive promotion of the sponsor through the attributes of the sponsoree.

- **Music**

Through this Sponsorships sector, individual upcoming and established music artists, music groups, bands, music events/concerts of local, national or international magnitude in general are supported.

Furthermore it is possible for individual artists' releases (e.g., audio recording or album for downloading), a concert or concert series (tour) or an artist/group to be supported, through which the sponsor is also placed in a positive light.

- **Mass Media**

This Sponsorships sector includes Sponsorships in various mass media (e.g. television or radio). The most important form of media Sponsorship similar to traditional advertising is program Sponsorship (also called "presenting"). This involves displaying a Company-specific symbol or a brand or a product or a service in a show or promoting them in electronic media in exchange on the part of the sponsor of money or in kind (e.g. services).

- **Events**

Under the scope of this Policy fall events that are supported with money or services. These are special events where the opportunity for communication at that specific time (e.g. fashion shows) is offered and where the Company aims to promote its brands/products/services. An example of event Sponsorship is professional events and conventions.

If the Company is the event organizer, the provisions of the Event Policy must be also observed.

- **Culture**

Cultural activities that promote a country's culture, on the areas of both national heritage and modern national identity fall within this sector. Indicative activities of the culture sector can be: Painting, sculpture, cinema, theatre, photography, digital arts, multimedia, museums (especially synergies with reputable museums), etc.

- **Business / Technology**

Sponsorships that promote the technological and innovative corporate image of the Company to opinion leaders as well as the general public.

- **Environment**

Sponsorships that promote the Company's environmental profile.

- **Local Communities**

Sponsorships that contribute to the development of community projects and strengthen the overall Company's relations with community.

- **Academic Community / Research**

Sponsorships that support the utilisation of technology for the benefit of the mankind, via communication improvement and quality of life in general.

- **Education & Innovation**

Supporting educational institutions (e.g. schools, universities) / organizations / non-governmental organizations (NGOs), that promote education & innovation.

- **Entrepreneurship**

Supporting organisations/ projects/ initiatives that promote entrepreneurship

- **People in Need**

Sponsorships that support public benefit purposes, voluntary and community service and helping people in need.

- **Childhood**

Supporting activities that enhance children's welfare and development.

5.3) How Sponsorship is different from other Measures

The term "Sponsorship" is often used with different meanings, so that it is sometimes difficult to distinguish Sponsorship from other activities. In order to avoid any misinterpretation, for the purposes of the Policy's implementation, the following measures which do not consist of Sponsorships are listed below:

▪ **Marketing partnerships**

Unlike Sponsorship, in which the sponsor has a wide range of benefits, a marketing partnership refers to the promotion of the Company's products and services, with a specific cost and for a specific period of time (e.g. brand advertising promotion on sports fields).

▪ **Donations**

A Donation is a provision of cash or in kind (e.g. provision of services or items), with no payment of consideration by the recipient of Donation and with no return benefits expected either explicitly or implicitly by the donor.

5.4) Acceptable Sponsorships

The Company's Sponsorship program shall support only those organizations/other legal entities (recipients or sponsorees) which can demonstrate their effectiveness at meeting their scope of business and it seems, according to what is publicly known that they are well-administered and financially stable. Preference shall be given to organizations and events more likely to provide lasting or long-term benefit to the Group and/or society.

5.5) Non Acceptable Sponsorships

The Company does not carry out Sponsorships, in case the proposed activities:

- conflict with OTE 's Group or Company's values or objectives,
- do not support or promote OTE 's Group or Company's values or objectives,
- damage health,
- come from tobacco or tobacco-related products,
- come from alcohol or alcohol-related products, if the proposal involves activities concerning children or youth,
- impede or potentially impede the Company from carrying out its functions,
- will require the Company to give, or appear to imply, a strong explicit endorsement of the products and services of the recipient,
- concern applicants for sponsorship for whom there are indications that they will not carry out the obligations deriving from a Sponsorship (indicatively, the former cooperation with the particular recipient is assessed).

5.6) Criteria for Sponsorships

- **Transparency:** Decisions on the conclusion of sponsorship contracts, including the subsequent activities, must be verifiably and transparently documented at each stage. The Sponsorship's recipient and its use must be disclosed and the fulfilment of the said Sponsorship's purpose must be verified, according to the relevant written requesting party's application. Sponsorships made without compliance with the requirements of transparency as referred to in the Policy are prohibited. Moreover, there should be no personal motivation or/and conflicts of interest for the approval of a Sponsorship.
- **Purpose:** Sponsorships must be implemented exclusively as part of OTE Group PR activities or for promotional purposes. Regardless of the recipient, Sponsorships shall not be granted for the purpose of influencing the decisions of business partners or representatives of the public sector. Relevant reference is also made in the provisions laid out in the OTE Group Policy on Avoiding Corruption and other Conflicts of Interest and the OTE Group Policy on Accepting and Granting of Benefits.
- **Data Protection:** Legislation on Personal Data Protection must be observed under the scope of Sponsorships. In addition, it is advisable to observe the OTE Group Event Policy.
- **Cost:** The cost required for the implementation of the Sponsorship must be well defined, justified and reasonable as far as the amounts paid are concerned.
- **Integrity/Reliability of the recipient:** In any case, as far as it is possible, a due diligence of the recipient of the Sponsorship shall be conducted.

- **Sponsorships Strategic Framework:** The Sponsorship should correspond to the relevant Company strategy.
- **Benefits offered:** The recipient of the Sponsorship should offer to the Company significant visibility or business opportunities with a financial impact.
- **Previous relationship:** Positive previous cooperation affects positively the evaluation of any possible new request.
- **Sustainability - climate-neutrality of events for Sponsorships:** Events that take place as part of a sponsorship activity should be climate-neutral.

In any case, the issuance of an invoice is required, on the basis that they are considered rendered services pursuant to the law.

5.7) Sponsorship Goals

When assessing proposals for sponsorship activities, it is important to what extent they can fulfill one or more of the following objectives:

- **Increasing brand awareness in target groups**
Brand awareness is a central parameter as a starting point of many cause-and-effect chains to explain consumer behavior. Sponsorship is an efficient way to transport the brands of the Company via the media and make them known.
- **Enhance brand image**
Particularly when marketing intangible products like the services of the Company, the brand has a particularly important role to play. Sponsorship can positively affect the perception of the core brand values.
- **Product communication/product understanding**
Many products of the Company are not easy to explain. Sponsorship can create opportunities for communication that present and explain our products to a broad public. It allows us to highlight the strengths of our products vis-à-vis the competition.
- **Supporting sales**
Sponsorship increases brand recognition and can support the sales of our products, e.g. using Sponsorship-specific product giveaways.
- **Demonstrate corporate responsibility / citizenship**
An appropriate Sponsorship to appropriate recipients can positively affect the perception for the entire Group (or also just for individual brands) as a responsible member of society.
- **Motivate employees**
The commitment and motivation of the employees as well as their affiliation with their own Company can be boosted via the Sponsorship tool.

5.8) Processes and Procedures

5.8.1) Sponsorships Requests

All Sponsorships requests must be made in writing to the **competent Sponsorships Department designated within the Company**, and include the following details:

- name of the applicant for a Sponsorship, 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 that will be delivered via the Sponsorship;
- return benefits for the Company deriving from the granted Sponsorship and
- other possible sources of funding of the same request (e.g. Sponsoring by competitive companies).

Requests must be received by the Company in reasonable period of time before the anticipated completion of the relevant event/action. The Requests/applications for Sponsorships addressed to the Company should be forwarded to the **competent Sponsorships Department**, to be registered to respective databases/protocols.

5.8.2) Decision-making Process for Sponsorships Requests

5.8.2.1) Approval of Sponsorships

For Sponsorships **evaluated positively** by the **competent Sponsorships Department**: a proposal is drafted and sent to be verified by the Compliance Department; only after the approval by the Compliance Department the request will be forwarded to the Executive Director – HR, Transformation and Governance and only if all the necessary approvals have already been verified by the Competent Department Director as per the Procurement Policy in force at the approval time and Company's statutory acts.

Only when the sponsoring request has been approved, the following should be taken into account:

- The execution of the written contract;
- Sponsorship implementation;
- Payment, according to the approved terms of payment
- Budget to be monitored in every step.

5.8.2.2) Rejections of Requests for Sponsorships

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

5.8.2.3) Requests addressed directly to CEO's Office

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

5.8.3) Written Contract on Sponsorships

In case of an approved Sponsorship, the contract will be concluded as follows.

- the contract is drafted by the **competent Department** and it is sent for review to the Legal Department and the Finance Department of the Company. The final draft of the contract is approved by the **Requesting Division** and the **Compliance Officer** and it is reviewed in terms of its legal wording by the competent Lawyer of the Legal Department. The contract is signed by the competent Company's representatives, in accordance with the Procurement Policy and Company's statutory acts.
- The full terms and conditions of an agreement will vary depending on the nature and details of the Sponsorship. Provided that the requirements of the national law are complied, the contract shall include the following details depending on the case (indicatively):
 - presentation of the counterparties (identified according to applicable laws at the moment of signing);
 - description and objective of the Sponsorship agreement;
 - period of the agreement;

- contact persons;
- statements that:
 - the Sponsorship does not imply Company's general endorsement of the activities of the other parties;
 - the Company has the right to object to the content of all information/promotional documents/materials, in order to ensure there is no implied endorsement and no content will be widely known without the prior consent of the Company;
 - the Sponsorship in no way impedes or affects Company's exercise of regulatory or inspection functions;
 - no personal benefits will be provided to the Company's employees.
- plan of how the Sponsorship will be managed;
- detailed description of the benefits for the sponsor, the recipient and the Company;
- how the sponsor, the recipient and the Company can use the Sponsorship;
- access to information;
- ownership, protection and use of logos and other intellectual property;
- administration, including financial and administrative reporting, responsibility for advertising and promotion, supervision, and rescheduling of events (where applicable);
- insurance including public liability and professional indemnity as appropriate to the Sponsorship;
- payment arrangements;
- monitoring, evaluation and audit requirements;
- dispute resolution;
- confidentiality;
- termination rights and suspension;
- effect of changes in Policy or law;
- renewal and renegotiation.

When entering into sponsorship projects with a counterparty from the public sector, the policies or regulations of the counterparty is required to be taken into consideration.

5.9) Monitoring Sponsorships - Evaluation

The Company assesses the Sponsorship according to the below-mentioned:

- Following the implementation of a Sponsorship, the recipient must send, a concise report, stating the tangible results achieved by the beneficiary for the purpose that the Sponsorship was granted.
- Following the Sponsorship completion, every Company should evaluate the following parameters:
 - compliance with the written agreement and the Group's policies;
 - observance of Sponsorship terms.
- Following the Sponsorship completion, and if this exceeds the amount of 25.000€ per agreement, every Company should evaluate also other parameters, such as the following, except for those which may not be consistent with the form of Sponsorship taking also into consideration the nature of the Company's activities:
 - achieving objectives of the Sponsorship;

- abide to the contract and Company's policies
- benefit to OTE Group and the society;
- abide to the sponsoring terms

5.10) Documentation

Without prejudice to Data Privacy Policies (including on retention of private data) which shall prevail, data related to sponsorships must be kept for the period established by 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 sponsorship
- Responsible Department for implementation
- Amount of sponsorship
- Estimated cost and way of benefiting from the sponsorship.

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

- Evaluation by Compliance department (for at least 3 years)
- Approval note (for at least 3 years)
- Plan of benefiting from the sponsorship (if exists), for at least 3 years
- Report/ email from the recipient (for at least the term required by the local fiscal legislation in this respect)
- Sponsorship' evaluation following its completion, for at least the term required by the local fiscal legislation in this respect
- Sponsorship contracts (for at least 10 years or according to the archiving procedure)
- In case of tickets / invitations given due to sponsorships: the purchase request and the Table of Distribution must be kept the term required by the local fiscal legislation in this respect.

5.11) Relevant Policies and Legislation

The Company has adopted a number of other policies that are relevant and should be taken into account before a decision making regarding Sponsorships or during the Sponsorship's implementation process. 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

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

5.12) Participation of Third Parties

The participation of third parties in sponsorship projects of the Company as well as the participation of the Company in sponsorship programs of third parties is permitted under the scope of the requirements of the Event Policy, the Policy on Avoiding Corruption and Other Conflicts of Interest and the Policy on Accepting and Granting of Benefits.

5.13) Sponsorships in Kind through Services

In some cases, the granting of Sponsorship in Kind, especially with the form of provision of services (e.g. electronic communications) to the sponsoree instead of a monetary payment, can be advantageous for the Company. This form of Sponsorship will be dealt as Sponsorship in Money. This means that the same formal requirements have to be satisfied. The transparency requirement, the principle of benefit and service in return also apply here as well as the process-based

requirements. These services should be granted as Sponsorship only if the promotion that the Company will receive as a benefit in return, is obvious and immediately perceived by third parties.

5.14) The Sponsorship Strategy

The Company's Sponsorship strategy defines the framework within which the operative plans relating to the use of the Sponsorships are implemented.

The Company's sponsoring strategy thus pursues the following main goals:

- Efficient use of the resources spent on sponsoring activities by the Company by focusing on defined goals as part of Company's public relations and marketing activities.
- Mutual reinforcement of sponsoring strategy.
- Exclusion of improper motives or personal preferences when entering into sponsoring activities.

In addition, the Group Policy on Avoiding Corruption and Other Conflicts of Interest and the Group Policy on Accepting and Granting of Benefits prohibit offering, promising and entering into sponsorship activities for the purpose of influencing business partners or representatives of the public sector. This means, in particular, that a Sponsorship commitment may not be entered into for a concrete business transaction for an express or implicit service in return.

Sponsorship activities are also only permitted if the sponsorship partner/event organizer provides appropriate communication and marketing services. These must be transparently documented and verifiable for third parties.

5.15) Sponsoring in the political sphere

The Company is not permitted to make sponsorships to political parties or political parties' alliances. The aforementioned also applies to the working groups, youth organizations, and associations etc. of the above, but not to independent institutions not affiliated with any political party (or political party alliance) that use sponsorships for their own social purposes (such as non-profit independent political foundations). In the latter case, the recipient must offer an acceptable and proper or customary service in return. If a sponsorship significantly exceeds the market value of the service given in return, this is generally a non-admissible sponsorship.

5.16) Benefits offered to the Company from Sponsorships

The recipient should offer to the Company significant visibility or business reciprocity opportunities with a financial impact. More specifically and indicatively:

If the Company sponsors events, activities, programs, assets, or services, at least some or all of these benefits for the Company should be anticipated:

- Company's naming/branding rights;
- acknowledgment as a sponsor with logo in sponsoree's all relevant communications, unless not allowed by law;
- branding opportunities;
- BTL Activities;
- Free/reduced cost invitations/tickets to the events;
- publicity opportunities;
- exclusive image or footage use;
- reciprocal website links;
- media rights to run ATL Communication;
- Sector exclusivity.

Apart from these tangible benefits, Sponsorship is an opportunity to raise the company profile, promote key messages and build new relationships with all/targeted stakeholders.



5.17) 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/or its bodies. Willful misconduct shall be punished in accordance with the applicable provisions of the law.

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

5.18) 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 rest OTE Group companies, the Policy enters into force by a decision of their competent bodies.

The **competent Sponsorships 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 Sponsorships 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.