

EVENT POLICY

1 PURPOSE AND SCOPE

This policy aspires to set clear criteria for the planning, implementation and follow up work for events. It is intended to be a strategic umbrella for event management and should serve as the guideline for event-related issues.

This Policy shall apply to all workers and managing persons of Croatian Telecom Inc. (hereinafter: the Company) and all workers and managing persons in companies where the Company holds a majority share or majority voting rights, if the Management Boards of such companies adopt the Policy by their decisions. The principles of this Policy also apply to persons

who are employed under special contracts as external associates (consultants, students, workers employed through agencies, etc.), in a way that these principles are embedded in their or their companies' contracts with the Company. Work-related meetings regulated by law do not fall within the scope of this policy (e.g. General Assembly, Work Council).

This Policy applies regardless of whether the person in question the Event Initiator or the Event Project Manager is, and regardless of the status of that employee. It harmonizes with the values of the five Guiding Principles and with the Code of Conduct.

In addition, during all activities related to specific event, other applicable policies must be observed e.g. Policy on Accepting and Granting of Benefits, Policy on Avoiding Corruption and Other Conflicts of Interest.

2 COMPLYING TO BEHAVIORAL STANDARDS

These guidelines aim to assist in successfully implementing events in the interests of the Company. Deliberate breach of this policy may trigger labor related measures within the scope of applicable laws and regulations.

3 DEFINITION OF TERMS

3.1 DEFINING AND CATEGORIZING EVENTS

In principle, an event is an organized one-off occasion with a limited time frame in which a group of people take part. The purpose of an event must be elaborated within the goals that are set out in Event Presentation (4 Event objectives).

Individual event formats can be summarized in the following event categories:

Event	Definition
Work-related	The emphasis of events in this category is primarily on imparting knowledge and information. Depending on the format, they can involve a varying degree of interaction between speakers and participants; for example, lectures with a passive audience.
Infotainment	Events in the infotainment category have both a work-related (see above) as well as an entertainment element (incentive share). These are used to achieve more activated and receptive behavior when conveying information. An example is “Kick off” event in which individual presentation of an overall concept are combined with entertaining elements. In addition to conveying information, these events serve the additional purpose of providing networking opportunities in the form of a “Get Together”.
Leisure-based	This category includes events that have the primary goal of entertaining the participants and generating a strong emotional response; for example, incentive trips.

An incentive is a motivational instrument that is awarded for a specific act or when a specific goal is achieved. The incentive can be in the form of money or property, but it can also be an intangible advantage or individual benefit. For example, taking part in an event at which the participants are offered an entertaining program would offer an individual benefit that can be measured in monetary terms.

3.2 DEFINITION OF EVENTS WITHIN THE SCOPE OF THE EVENT POLICY

The Event Policy differentiates between company events at which the Company or one of its companies acts as the organizer, and events at which a Company is a co-organizer or sponsor.

3.2.1 Company Events

Events which fulfill at least one of the following criteria will always be classified as an event within the scope of the Event Policy:

- The event has more than 30 participants.
- The total value of the event without hotel and transfer costs equals or exceeds a net value of 5.308,91 EUR.
- Organizational and preparation work go beyond a standard “Jour Fixe”, regular meeting or

department activity (teambuilding, workshop or training measure in one's own department).

Events from the “infotainment” or “leisure-based” categories always fall within the scope of the Event Policy.

Note: All subsequent references to the term “events” hereinafter refer to all events/occurrences that fall within the scope of the Event Policy as described above.

3.2.2 Sponsorship

Sponsorship refers to the planning, organizing, implementing and controlling all activities that are associated with contributing money or value in kind, or services in sporting, cultural and social areas.

Note: Events that arise as the result of a sponsoring activity are also subject to this Policy.

Company is a co-organizer or sponsor:

Also at events in which the Company only acts as a co-organizer or sponsor, the extent to which the regulations in the Event Policy are applicable should be checked in each case.

4 EVENT OBJECTIVES

Clearly defined goals are a crucial prerequisite for planning and carrying out successful events. The goals should be defined by the Event Initiator at the start of the project and should accompany the entire project process. The goals must be defined in Event Presentation.

After the event, based on defined objectives, evaluation has to be performed in order to measure whether the goals have been reached.

4.1 EVENT PRESENTATION

To implement an event effectively and efficiently, the Event Project Manager must plan it in a structured manner in advance. All necessary information about the event must be included in Event Presentation.

The Event Initiator is responsible for defining the objectives of the planned event. Every Event Presentation must include:

Event Presentation Toolkit	
Question	Answers
Target group and number Who will be addressed/ invited?	Third parties (customers, business and cooperation partners, journalists / opinion leaders / lobbyists, shareholders...) Internal (Board members, managers, employees)

Event Presentation Toolkit	
Question	Answers
Objective What is the purpose/goal of the event?	Impact on reputation, positioning of the company on the market, media coverage, brand value, promotion, etc.
Event format – how the event will be implemented?	<p>Examples of work-related events</p> <ul style="list-style-type: none"> - Road show without an incentive share - Large group conferences without an incentive share - Press conference <p>Examples of infotainment events</p> <ul style="list-style-type: none"> - Meeting / conference with an incentive share - Road show with entertainment - Press events with an incentive share - Award ceremony / Prize - (Product) launch events - Promotion <p>Exclusive events with a select group of participants</p> <p>Examples of leisure-based events</p> <ul style="list-style-type: none"> - Evening event - Company event - Incentive trip - Concert - Trade Fair party - Cultural event - Sponsoring: music, sports, culture, B2B events
Timeframes	<p>Examples</p> <ul style="list-style-type: none"> - 4 hours - 2 days - Road show for one day, in X locations over X weeks
Budget	To be calculated in proportion with the objectives and the economic efficiency of holding the event.

Based on this data, an event category can be assigned.

For example, based on the definitions and categorizations of events, residential project are usually the leisure-based events, and the business projects are work-related or infotainment events- depending on the type of sponsorship.

The target groups for events generally differ between external and internal participants. They should be selected according to the objectives of the event and comply with the Company's business interests.

Note: In general, events should be designed to preclude invitations to the companions of customers or employees.

4.2 EVALUATION OF THE OBJECTIVES

The Event Initiator should initiate an evaluation of targets set in order to check whether the objective has been reached. The results of the evaluation must be used to continue developing successful concepts and also to adjust less efficient ones.

The evaluation must be included in the documentation of an event and serve as the basis for optimizing future events.

Events applicable under the Event Policy must be evaluated. For a series of events, a regular, random evaluation suffices (e.g. for regular press conferences). Elements for evaluations can be: PR media presence, brand awareness, audience attendance, etc.

If a Company is just the co-organizer or sponsor of an event, the Event Initiator must check to what extent an evaluation is possible – based on the total costs, the objectives and the legal framework.

5 AREAS OF RESPONSIBILITY IN ORGANIZING EVENTS

5.1 DEFINING THE RESPONSIBILITY OF THE EVENT INITIATOR AND THE EVENT PROJECT MANAGER

The Event Initiator is the employee who initiates an event; who carries the overall responsibility and often also provides the budget for the event.

The Event Project Manager is the employee responsible for planning, implementing and following up on events. The Event Project Manager is acting in accordance with given budget framework while taking purchasing process into account. Where possible, The Event Project Manager will use internal resources of the Company (e.g. its premises) as well as synergies with other Company's units.

If an agency or/and other external service providers takes on parts of the event, the Company's internal Event Project Manager carries the ultimate responsibility. Transferring this responsibility to external service providers or agencies is prohibited.

If the Event Initiator does not abide by the Event Policy rules, even after receiving such advice from the Event Project Manager, the Event Project Manager can transfer the responsibility to the Event Initiator with a written notification referring to the relevant chapter of this Policy. This notification must also be documented.

5.2 APPROVAL OF EVENTS

As a general rule, events that grant monetary benefits to participants (“infotainment” and “leisure-based” event categories) must be approved by the supervisor of the relevant cost centre owner. The Event Initiator is responsible for obtaining the permission and providing it to the Event Project Manager (segregation of duties -principle).

All other events need to be approved in writing prior to the event by the relevant manager of the Event Initiator.

The Event Initiator must ensure:

- approval for events where participants receive monetary benefits
- approval for partial funding of events by a third party (see art. 6.2 Financing events by third parties)
- approval for one-to-one participant liaison at an event (see art. 6.1 Participant-host ratio)
- approval within the exemption clause to invite/allocate tickets to employees or companions of employees or other private use (see art. 9.2 Regulations for inviting employees to events);

If needed the Event Project Manager should request and document all approvals from the Event Initiator that are required according to the Event Policy before the event.

In case of uncertainty regarding the interpretation of Policy, the Event Initiator has to involve organizational unit responsible for compliance in regard to compliance-relevant elements of the event (e.g. accepting and granting of benefits), and should inform the Event Project Manager of the results. When commencing planning of the event, the Event Project Manager has to ensure that compliance considerations, national tax and audit-related issues are taken into account.

5.3 DOCUMENTATION AND COMPLETION OF EVENTS

Every event must be precisely documented – from the planning stage through to the final invoice. The Event Initiator has to provide a comprehensive written briefing about event objectives, while the Event Project Manager has to document all changes from the initial objectives. Possible additional costs resulting from changes in event objective are to be avoided, and if additional costs are necessary, they have to be documented (see art. 4 Event objectives).

The Event Project Event Manager is responsible for the completeness of the documentation.

5.3.1 Necessary documentation according to Event Policy

- Event Presentation
- Event Project Manager must document changes or change requests made by the Event Initiator that diverge from the original event description.

- Invitation
- Agenda of the event / concept
- List of participants with the following fields:
- Surname / first name, name of the company, details of any gifts and their gross value.
- If gifts will be handed out to guests as part of an event, the gift allocation must be filled in on the participant list, or a separate list of recipients must be deposited.
- A total cost report including a schedule of costs per person.
- The costs per person can be calculated by dividing the total cost of the event by the number of registered participants.
- Result of the evaluation including the derived measures
- All audit results and approvals (e.g. written approval from the relevant manager; special approval by the supervisor of the relevant cost centre owners).

6 ECONOMIC ASPECTS OF EVENTS

Note: Bribery is a criminal offense. Events and event invitations are therefore prohibited from aiming for, or to be used to illicit preferential treatment from, or exert undue influence on a business partner. For more details, please refer to Policy on the Accepting and Granting of benefits.

6.1 PARTICIPANT-HOST RATIO

A balanced participant-host ratio is required for every event. Hosts are Company employees who liaise on functional terms with guests on site at the event (e.g. sales representatives). Employees which have purely organizational tasks at events will not be considered in determining the participant-host ratio.

For groups with more than 5 guests, each host should be allocated at least 3 guests (host - participant ratio 1:3). Companions of guests are not calculated in the participant-host ratio.

Note: A participant-host ratio of 1:1 is only allowed in exceptional cases. Only the supervisor of the relevant cost center owner can grant such permission. This permission must be obtained by the Event Initiator.

Company guests which are awarded with tickets for sports or music events should be accompanied / looked after by an internal host. Whoever acts as host within the definition of the Event Policy is to be seen as the Event Initiator and must assume all relevant functions (see art. 5.1 Defining the responsibility of the Event Initiator and the Event Project Manager).

Note: The regulations about the participant-host ratio do not apply to events in the work-related category

6.2 FINANCING EVENTS BY THIRD PARTIES

Business partners that partially fund events within contract-regulated sponsoring commitments or partnerships (e.g. strategic alliances) are generally permitted. Other than that, any other partial funding has to be approved in writing by the supervisor of the relevant cost centre owner. The Event Initiator is responsible for obtaining this permission. Organizational unit responsible for compliance should be consulted in case of any doubts or uncertainties.

6.3 INITIATING ORDERS AND PROCUREMENT

To achieve the best cost-benefit ratio out of an event, the Event Project Manager must involve Procurement department early on. All commissioned orders must follow Company Procurement Policies.

7 GENERAL PRINCIPLES OF EVENT ORGANIZATION

Event divisions or business units assigned to plan and carry out events must create central and consistent annual event and budget planning for their area of responsibility.

7.1 QUALITY STANDARDS

Corporate Identity and Corporate Design Policy (CI/CD) of the respective legal entity are to be observed when designing and holding events.

7.2 DATA PROTECTION

When preparing and carrying out events, data protection laws and Company regulations must be observed. In particular, the principles of data quality and need to know/have principle.

Data protection and anonymity must be guaranteed in all survey methods.

7.3 SAFETY

The issue of safety should be fundamentally addressed by all those concerned with the event. The Event Project Manager is obliged to abide by the law as well as the company's own rules and has to coordinate within the respective areas – always depending on the extent of the event.

Organizational unit responsible for Corporate Security is responsible for event security and advises and supports in this regard. By analysing and evaluating event components, individual measures will be implemented depending on the situation.

8 TICKET ALLOCATION WITHIN SPONSORING COMMITMENTS

Inviting a business partner to an event must not be connected with any profound corporate objectives and business expectations.

- The allocation of tickets for events with business partners should evolve from the Company's sponsoring commitments. As a general rule, all ticket allocations from the Company's sponsoring commitments must be purchased and used within the compliance standards and are to be documented (e.g. tickets given to Management Board, Business Sales - KAM, prize winning games, etc.).
- In allocation of tickets priority should be given for their use for events with business partners.
- Tickets that are not used for the purposes described above (remaining tickets) can be used for media partners, donations or staff campaigns in compliance with the applicable guidelines.
- VIP boxes are intended for high-ranking clients (directors / managers).
- Tickets that become free on short notice can only be re-used by the host in line with the Event Policy. If this cannot be guaranteed, the tickets must be returned to the relevant organizational unit responsible for events or they have to be voided (if too little time remains to allocate them to campaigns or media partners). Under no circumstances are such tickets be used in a way that is contrary to the provisions of this policy, for example by passing them on to friends or family.

Note: The Event Initiator is responsible for adhering to the compliance regulations (e.g. reviewing guest lists) when tickets are allocated (see art. 5.1 Defining the responsibility of the Event Initiator and the Event Project Manager).

9 COMPLIANCE-RELEVANT ASPECTS OF EVENTS

9.1 INVITING THIRD PARTIES TO EVENTS

The invitation to an event constitutes the granting of a benefit in terms of Policy on the Accepting and Granting of Benefits (Benefits Policy), which is also to be consulted.

9.2 REGULATIONS FOR INVITING EMPLOYEES TO EVENTS

9.2.1 Invitations to Employees

Inviting / allocating tickets to employees within the Company is allowed only in case that this is necessary for performance of the work and/or is in interest of the company. This also applies to invitations to employees of other companies within the Group. Exemptions may be granted if an informal written confirmation is provided from the respective supervisor of the relevant cost centre owner. The Event Initiator is required to obtain and document this permission.

9.2.2 Invitations to Partners / Companions of Employees

Inviting / allocating tickets to companions and/or partners of employees or for any other private use is not allowed. Exceptions require permission in the form of an informal written confirmation by the respective supervisor of the relevant cost centre owner. The Event Initiator is required to obtain and document this permission.

10 TAXATION OF MONETARY BENEFITS

Croatian tax-relevant data and documents are to be taken into account prior to event.

11 REVIEW OF THIS GROUP POLICY

After two years at the latest, the provisions of the Policy will be reviewed with regard to the need for modification and adjustment by organizational unit responsible for compliance, organizational unit responsible for corporate communications and organizational unit responsible for marketing.