



**MOBILE TELECOMMUNICATIONS LIMITED**

**SPONSORSHIP & SOCIAL INVESTMENT POLICY**

**DOCUMENTATION No: CAFF/POL/533**

**Date: 5 December 2011**

**MOBILE TELECOMMUNICATIONS LIMITED (MTC)**

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## APPROVAL

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## AMENDMENTS

DATE	DESCRIPTION
28 Oct 2009	Document created, draft - pending BOD Approval (Dec 2009)
3 Nov 2011	Various changes, draft pending Board Approval (5 Dec 2011)
24 Nov 2011	Revise content with work group
5 Dec 2011	Approved by Board of Directors

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## 1. FOREWORD

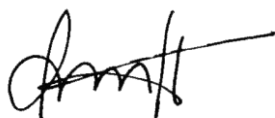
Mobile Telecommunications Limited is Namibia's leading mobile services provider and one of the key players in the national economy.

A clear and consistent corporate identity is crucial for us to compete in the increasingly competitive local market, but equally important is the way in which MTC portrays its image through its brand. Our brand is the means by which we distinguish ourselves from our competitors. It also represents the primary relationship we have with our clients and is the glue, which binds our people.

We want the MTC Brand to be Namibia's leading brand as regards the commitment to the country and the communities in which we do business as well as in every sector, as synonymous with integrity, trust and excellent customer service. MTC's reputation is not based simply on the products and services we offer our customers, but also in a large measure on how we portray ourselves by supporting the communities in which we operate.

Through our philanthropy and sponsorships we signal our involvement, interest and commitment to be identified with the various communities in our country. Since we become associated with the values of the causes and activities we support, we must exercise care in their selection, and ensure that they work to enhance MTC's reputation.

All our employees are best placed to make judgement about their own communities and to that end everyone is encouraged to propose initiatives for donations and sponsorships. However, with the recent revitalisation of the MTC brand, consideration of the MTC Brand perspective is required. Responsibility rests with all managers to ensure that the guidelines, which follow, are judiciously applied. This will enable us to create and convey a clear and consistent message about MTC in each and every community.



**Miguel Gereldes**  
**Managing Director**

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## 2. SCOPE & INTRODUCTION

This document elaborates on MTC's policy with regard to Sponsorships and Social Investments.

Donation and sponsorship decisions require a strategic approach, since they play a major role in establishing and reinforcing our reputation and image. These guidelines cover broad criteria against which all new donation, sponsorship and social investments shall be considered.

## 3. RESPONSIBILITY

### 3.1 EXCO

- Authorises Sponsorship and social investment activities

### 3.2 Managing Director

- Provides resources to maintain compliance

### 3.3 Management

- Ensure that this procedure is implemented

### 3.4 All personnel

- Report all legal non-compliance to their Head of Department or the Management Representative

## 4. POLICY GUIDELINES

### 4.1 General

- .1 MTC shall not align itself with any event that is either directly or indirectly associated with any product that could be damaging to its image, such as, tobacco, drugs or violence or any other issue that is considered damaging.
- .2 MTC shall concentrate on selected initiatives with greater impact and national representation and effectiveness.
- .3 MTC shall support those initiatives that will develop the greater community within Namibia on a sustained basis.
- .4 Where possible, MTC will only identify itself with initiatives where MTC is the SOLE sponsor and shall only consider co-sponsorship with a company that is of good reputation and has no connection with competition directly or indirectly.
- .5 MTC will ensure geographical representation across Namibia and not only be concentrated in Windhoek.
- .6 MTC shall focus on maximizing exposure nationwide.
- .7 MTC shall ensure that the event selected will have a positive impact on the subscriber as well as potential subscriber base, thereby justifying expenditure incurred.
- .8 MTC shall not sponsor any family members, personal friends or favourite/ pet projects of any MTC employee/ director.
- .9 The sponsorship and social investment budget and breakdown of activities will be presented to the BOD on an annual basis during the Budget Process

### 4.2 Exceptions/ Areas to avoid

MTC has not and will not, where possible, support the following (or similar) initiatives:

- .1 Political, partisan or sectarian associations
- .2 Direct support for individuals
- .3 Churches and religious bodies of any denomination
- .4 Individual Schools

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## 5. DEFINITIONS

The two categories hereunder described have different functions and they complement another in enhancing MTC's reputation.

### 5.1 Sponsorship

- .1 Through Sponsorships, MTC aligns itself with a sporting, education or cultural initiative to achieve maximum exposure and return on investment for the organisation and for the MTC brand.
- .2 A Sponsorship constitutes a clear trade-off between the funding for the initiative and return on exposure for MTC
- .3 The selling of MTC's products, services and brand is actively exploited.

### 5.2 Social Investment

- .1 Social Investments into community activities are of charitable or philanthropic nature and involve little or no promotional or marketing opportunities or benefits other than the display of the MTC Brand.
- .2 This is a medium whereby MTC 'gives back to the community' without a requirement for significant return in kind or otherwise.
- .3 Although philanthropic/ charitable in design, Social Investments are critical in positioning the organisation as socially responsible corporate citizen in the heart and minds of Namibians.
- .4 Social Investments indirectly "sell" the MTC brand as one that understands and bridges the gap in community needs and being a national partner for development

## 6. SPONSORSHIPS

- 6.1.1 All sponsorship activities must fulfil business and marketing objectives and provide a measurable return for expenditure.
- 6.1.2 A sponsorship includes the acquisition of certain rights by one party from another for the purpose of promoting the acquirer and/or its products. Because the purchase of rights is deemed to be the acquisition of a service, sponsorship is subject to VAT.
- 6.1.3 All Sponsorships will be budgeted for and will be presented to the Board of Directors for approval

### 6.2 Criteria

Sponsorships shall:

- .1 enhance brand awareness
- .2 highlight products and services to relevant target audiences
- .3 provide opportunities for corporate hospitality or other marketing exploitation
- .4 enhance MTC's reputation
- .5 motivate staff

### 6.3 Selection

Sponsorships are evaluated against the following:

- .1 whether the activity complements our brand values
- .2 the appropriateness of the target audience/s
- .3 the availability of sole sponsorship rights, or exclusivity within the telecommunications services sector
- .4 the availability of naming rights
- .5 the potential for benefits packages to include branding or signage, publicity, displays, advertising and access to databases
- .6 opportunities available to strengthen customer relations and build business relationships
- .7 opportunities to add value or benefits to customer and staff (e.g. through complimentary or discounted tickets)
- .8 the availability of research material or evaluation of the effectiveness of the sponsorship
- .9 the risk of controversy and/or the possibility of negative publicity

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## 7. SOCIAL INVESTMENT

7.1.1 MTC relies on the communities in which it operates for its customers, staff and profits and provides support to them through charitable giving and non-commercial investments.

7.1.2 Community activities are often termed as bestowal of a gift to help a charity or a worthy cause.

### 7.2 Criteria

Social Investment activities should:

- .1 bring a lasting benefit to the community
- .2 communicate and reinforce MTC's commitment to the community
- .3 enhance MTC's reputation as a public-spirited organisation
- .4 motivate staff through opportunities for direct involvement where possible

### 7.3 Selection

Social Investment activities are evaluated against the following:

- .1 the public reputation of the recipients of support (the organisation should have a positive public image)
- .2 the potential for the support to secure public awareness
- .3 qualifications against MTC's Brand Values
- .4 allow for a long term involvement

## 8. PRINCIPAL AREAS FOR SUPPORT

### 8.1 ICT for Health, Development and Education

- .1 MTC's core business is providing connectivity to various communities and market segments.
- .2 MTC endeavours to use its core strengths in ICT for social good in the areas of health, development and education.

### 8.2 Sport

- .1 Sport sponsorship is highly appealing: a follower's loyalty to a chosen sport can be used to communicate brand or product messages effectively and to drive sales through linked promotional activity.
- .2 MTC focusses on those sports codes which enjoy a high profile within target market segments and afford MTC the greatest opportunities for commercial exploitation.

### 8.3 Trade Show

- .1 Trade shows and exhibitions are specialist market places that allow exhibitors to promote their products and services, reach new customers and generate new sales as well as giving visitors the opportunity to find out about the products and services on display.
- .2 Sponsorship of Trade Shows improve the standard of the trade shows and by so doing create affinity with the leadership of the respective local and regional authorities for long term sustainability of the business.

### 8.4 Arts and Culture

- .1 MTC sponsor cultural events that give recognition to the MTC brand and the support of its customers.
- .2 Niche cultural events are to be avoided and popular culture supported.

### 8.5 In-kind Support

- .1 Community activities can include support in-kind: in terms of staff secondments and or staff volunteering, professional expertise or use of company buildings and facilities (audio/visual equipment etc.) as well as the use of cellphones and airtime.
- .2 In-kind and Honouree airtime donations will be included in the annual Sponsorship and social Investment budget

### 8.6 Broadcasting

- .1 Involves the attachment of the MTC brand to programming initiatives which can be run across a variety of broadcast media including TV, radio and cinema and is part of MTC's mainstream marketing and branding activities.

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## 9. PROCEDURES

### 9.1 General

- .1 The Corporate Affairs division will operate as a clearinghouse for enquiries on all sponsorships and social investment requests.
- .2 The Manager: Sponsorships & Promotions is responsible for the coordination and administration of the process in allocating sponsorship funds based on approved budget.
- .3 All sponsorships are reviewed by the Manager: Sponsorships & Promotions and recommendations are forwarded to EXCO on a fortnightly basis for authorisation.

### 9.2 Responsibility of the Corporate Affairs Division

The Corporate Affairs division shall:

- .1 Put forward proposals accompanied by the necessary motivations in the preparation of the sponsorship budget to the Sponsorships and Promotions Manager during the annual budgetary process;
- .2 Communicate final proposals to the Executive Committee of MTC as well as to all members;
- .3 Compare actual results with budget and investigate variances at year end;
- .4 Continuously assess the planning process for any improvements.
- .5 Receive and review the bi-annual monitoring and evaluation report for action.

### 9.3 Sponsorship Administration

- .1 All requests for sponsorships, donations or events must be in writing and directed to the Manager: Sponsorships & Promotions.
- .2 Expected response to a sponsorship request should be within two (2) weeks.
- .3 The Manager: Sponsorships & Promotions will filter through the requests, declining, where necessary, keeping the set Selection Criteria in mind.
- .4 Where requests for promotional material and small sums of money of less than N\$5,000.00 are made, the Manager: Sponsorships & Promotions may compile an ad hoc round robin via e-mail to Exco for input and voting, after which the Manager: Sponsorships & Promotions may approve the sponsorship.
- .5 Requests above N\$5,000.00 marked for further attention must be discussed and forwarded to the Executive Committee of MTC for a final decision.
- .6 All Sponsorship commitments of 12 months or more will be presented to the MTC Board of Directors for consideration and final approval.
- .7 The Manager: Sponsorships & Promotions, assisted by the Events Coordinator and the Corporate Affairs Assistants (s), replies to all declined requests.
- .8 Upon agreement to sponsor an organisation or an event, a legally binding contract/agreement, indicating rights, privileges and responsibilities will be entered into, which will be reviewed on an annual basis to track conformity to MTC's expectations.
- .9 All Sponsorships and Social Investments must be confirmed to the recipient in writing.



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## **9.4 Recommendation to EXCO**

9.4.1 The recommendation to EXCO must be in the following format:

- .1 Nature of the request
- .2 Proof that the institution has a track record of at least 3 years (where applicable)
- .3 Audited financial results of at least three (3) years (where applicable)
- .4 Exposure to be gained by MTC
- .5 Clear definition of target market(s)
- .6 Promotional material required
- .7 Supporting advertising required
- .8 Publicity & PR campaign
- .9 Detailed Budget
- .10 Recommendation

9.4.2 Detailed attention is given to each request, analysing the recommendation as prepared by the Manager: Sponsorships & Promotions.

9.4.3 The required reference code for sponsorships granted must be obtained from the MTC Finance department.

9.4.4 Other than the possible exposure generated by a sponsorship, an MTC representative(s) must be present and easily identifiable by the public to create further presence for the company. Where necessary a point of presence (like a counter or tent) with brochures, competitions and giveaways should also be available.

9.4.5 The Manager: Sponsorships & Promotions must compile a feedback report on exposure received and any other related information after every event held and forward to the Head of Corporate Affairs for discussion at EXCO.

9.4.6 The Manager: Sponsorships & Promotions must compile a monthly report detailing all the requests received and the subsequent actions taken.

## **9.5 Supporting staff**

- .1 The Manager: Sponsorships & Promotions is assisted by the Communications Practitioner, the Events Coordinator and the Corporate Affairs Assistant (s) with administrative functions, particularly in his/her absence.
- .2 Staff in the Corporate Affairs Department shall be available to render administrative and logistical support to the committee as and when required.

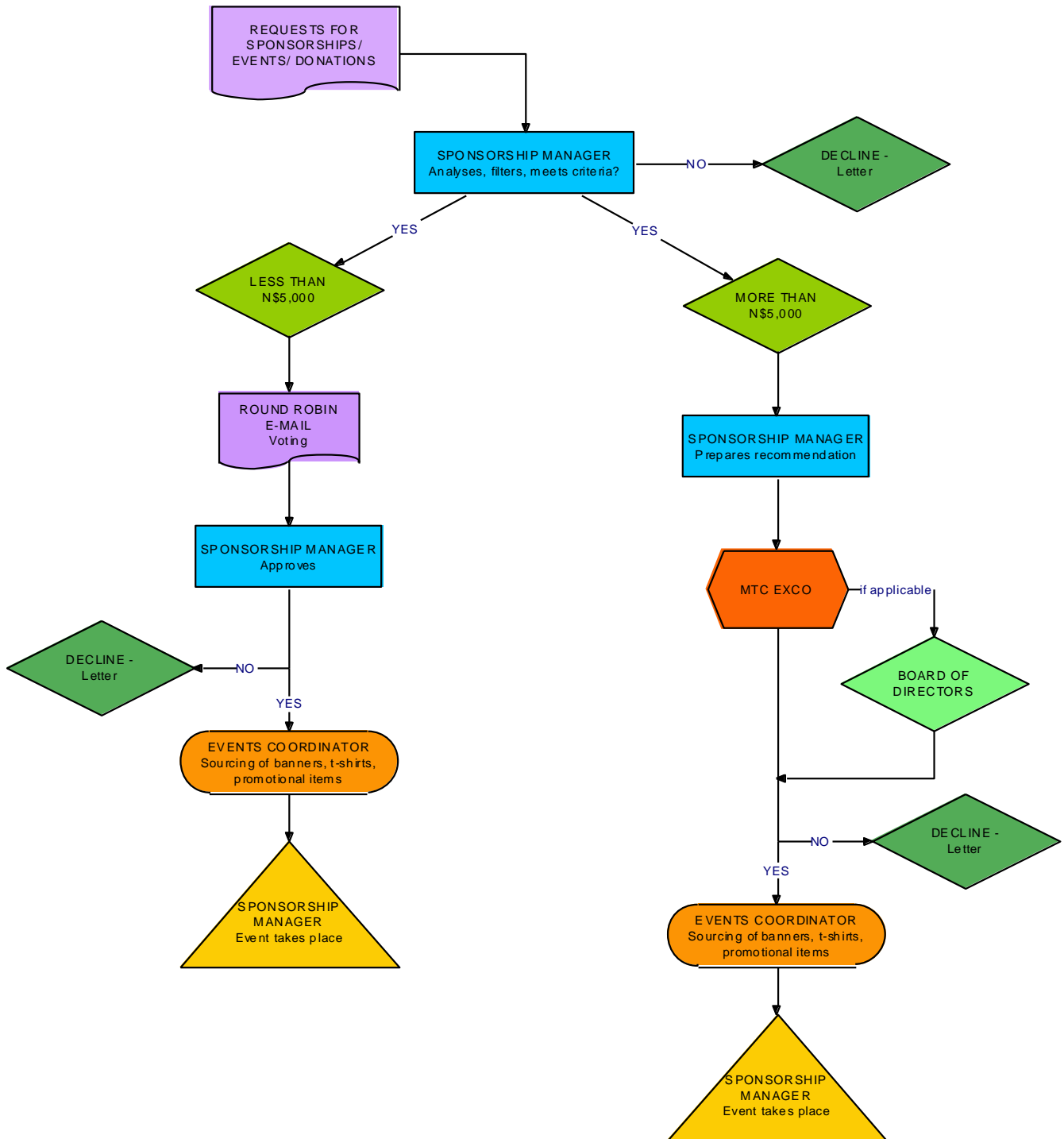
## **9.6 Branding**

- .1 The MTC brand is the only corporate signature or brand that should be used in all community activity and commercial sponsorship. No other corporate signature, secondary or other MTC Company symbols or other logo is permitted, and artwork must conform to MTC Corporate Identity guidelines.

## **9.7 Monitoring and Evaluation**

- .1 The effectiveness of sponsorship programmes, are evaluated on a 6 monthly basis.
- .2 Quantitative measurements include increases in brand awareness, bottom-line benefits (e.g. increased sales/opportunities), effectiveness of targeting sponsorship audience and value of media/other exposure gained
- .3 Qualitative measurement include changes in perception, effectiveness of communication and cultural attitudes to sponsorship.

10. PROCESS FLOW



11. RECORDS

.1 All records pertaining to Sponsorships are addressed and kept with Corporate Affairs division.

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