



METRO

Donation and Sponsoring Guideline

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1. Area of Application

This Guideline governs donation and sponsoring activities to external organisations and companies of:

- METRO AG
- METRO Cash & Carry
- Real
- Service companies of METRO
- HoReCa Digital
- MIS (METRO International Supply) only for donations to food bank organisations

2. Definitions

Donations are voluntary contributions that are made for a specific event with no compensation or consideration by the recipient of the contribution. Donations may be granted as a donation in cash or kind. If, within the scope of the donation, METRO or one of their affiliates is publicly mentioned as a contributor with their company logo on the event's website, this fact alone cannot be deemed as sponsoring.

Sponsoring means support that is granted in the form of cash or kind to persons, legal entities, AGs and organisations or events of a sporting, cultural, religious, scientific, social, environmental or similar socio-political realm, by which business related objectives of advertisement or public relations are pursued or support for similar commercial purpose. In respect of METRO this could for example mean acquiring new customers. All sponsoring measures must ensure that an appropriate and clearly outlined consideration from the recipient.

Principally, cash contributions in the form of donation or sponsoring¹ may be limited to a specific purpose. For example: In consideration for a sponsoring sum of 100,000 EUR, the recipient undertakes to spend EUR 50,000 in a store of a METRO sales brand.

Emergencies are circumstances in which donations are granted to institutions or organisations during severe crises, such as natural disasters, accidents or similar situations. The only objective is to alleviate the emergency and suffering of the victims effectively and immediately.

3. Strategic principles of METRO donation and sponsoring

3.1 METRO fields of activity

Generally, METRO donation and sponsoring activities may take place in a social, scientific, sporting or also artistic domain. In this respect, the emphasis shall be on regional and local organisations, clubs and events.

Furthermore, METRO is engaged in sponsoring "innovative" areas.

Irrespective of the above, METRO shall donate in unexpected, severe cases of emergency or cataclysms in order to immediately alleviate the victims' suffering.

As a matter of principal, political parties shall not be supported.

Moreover, the METRO sales lines define their respective individual key sponsoring areas autonomously and individually. For example, METRO Cash & Carry's main focus is on events with a proximity to their core business, such as the culinary competition *Bocuse d'Or* or promoting food bank organisations on an international level.

¹ so-called sponsoring value-in-kind

3.2 Donations to political parties or persons, organisations or institutions in proximity to political parties

METRO shall remain politically neutral and does not grant donations or other cash benefits to political parties, politicians or voters' associations.

3.3 Sponsoring political parties or government institutions

METRO does not sponsor political parties. However, within the scope of their external representation and lobbying, METRO does represent organisations and events that are close to political parties. These have to be approved by the METRO AG Management Board. Such approval must be obtained, for instance, in the event of sponsoring a political party's summer festival.

3.4 Donation and sponsoring within the scope of cooperation agreements

In the event that sponsoring intentions are integrated into cooperation agreements, such as e. g. a spring festival within an existing DEHOGA cooperation, these also have to go through the approval procedure prior to the conclusion of the agreement.

4. Implementation of donation and sponsoring measures

4.1 General prerequisites

4.1.1 Principle of legality

Donation and sponsoring measures must be permissible according to applicable local law.

4.1.2 Budget and Tax

The applicant must budget each donation and sponsoring activity appropriately (with the exception of emergency donations).

A tax optimised implementation of donation or sponsoring measures must be guaranteed. In case of doubt, this must be coordinated with the Corporate Tax department.

4.1.3 Cash-free transfers

All cash benefits within the scope of donation and sponsoring measures must be transferred to a bank account of rightful recipient.

4.2 Donation and sponsoring measures of METRO AG

4.2.1 Donation and sponsoring measures up to 30,000 EUR

METRO AG donation and sponsoring measures up to 30,000 EUR² per recipient or for a single purpose must be applied for to the Corporate Communications and Public Policy Department of METRO AG with a donation and sponsoring application form pursuant to **Annex 1**.

The respective METRO AG Global Director of a specific department shall be eligible to apply and sign.

The approval of an application is provided by the Global Director Corporate Communications and Public Policy and the compliance officer of METRO AG.

4.2.2 Donation and Sponsoring Measures over 30,000 EUR

METRO donation and sponsoring measures of over 30,000 EUR² per recipient or for a single purpose require a METRO AG Management Board resolution.

To this end, a donation and sponsoring application form pursuant to **Annex 1** and a Management Board proposal pursuant to **Annex 2** must be submitted to the Corporate Communications and Public Policy department of METRO AG.

The respective METRO AG Global Director of a specific department shall be eligible for application and signing.

The approval of an application is provided by the management board of METRO AG, the Global Director Corporate Communications and Public Policy and the Director Corporate Compliance of METRO AG.

² The following limits apply to the respective total amount of the activity, including multiple payments over a period of several financial years.

4.3 Donation and Sponsoring Measures by METRO Cash & Carry

4.3.1 Donation and Sponsoring Measures up to 1,000 EUR

Store managers and division managers in the administration may enter into donation and sponsoring measures up to 1,000 EUR at their own accord. These measures must be recorded. Sponsoring amounts up to 1,000 EUR are subject to a simplified sponsoring agreement with the recipient pursuant to **Annex 6**. A copy of this agreement must be submitted to the local Communications Department and the responsible local Compliance Officer for informational purposes.

4.3.2 Donation and Sponsoring Measures over 1,000 EUR and up to 5,000 EUR

MCC country organisations' donation and sponsoring measures must be applied for with the application form in **Annex 3** to the local Communications Department. The Communications Department will inform the applicant as soon as permission has been granted. In the event of Sponsoring, an agreement must be concluded with the recipient, this must be coordinated with the legal department.

Eligibility for such applications in stores is with the store managers who coordinate with their regional managers; on an administrative level it is with the division managers.

The approval of an application is provided by the local communications department and the local Compliance Officer.

4.3.3 Donation and Sponsoring Measures of over 5,000 EUR up to 10,000 EUR

MCC country organisations' donation and sponsoring measures must be applied for to the local communications department with the application form in **Annex 3**. The communications department will inform the applicant as soon as permission has been granted.

In the event of Sponsoring, an agreement must be concluded with the recipient, this must be coordinated with the legal department.

Eligibility for such applications in stores is with the store managers who coordinate with their regional management; on an administrative level it is with the division managers.

The approval of an application is provided by a member of the Management Board, the local communications department and the local Compliance Officer.

4.3.4 Donation and Sponsoring Measures of over 10,000 EUR up to 50,000 EUR

MCC country organisations' donation and sponsoring measures must be submitted to the application form in **Annex 3** to the local communications department by using. The communications department will inform the applicant as soon as permission has been granted.

In the event of sponsoring, an agreement must be concluded with the recipient, this must be coordinated with the legal department. The store managers shall ensure the documentation of these processes in their stores.

Eligibility for such applications in stores is with the store managers who coordinate with their regional management; on an administrative level the division managers are eligible.

The approval of an application is provided by the chairman of the local Management Board, the respective Operating Partner, the local Communications Department and the local Compliance Officer.

4.3.5 Donation and Sponsoring Measures of over 50,000 EUR

MCC country organisations' donation and sponsoring measures of over 50,000 EUR per recipient or single purpose require a decision by the METRO AG Board.

To this end, a donation and sponsoring application form pursuant to **Annex 1** and a METRO AG Board Decision Proposal pursuant to **Annex 2** must be submitted to the Corporate Communications and Public Policy department of METRO AG.

Members of MCC Country Management Boards and the Operating Partner shall be eligible for application.

The approval of an application will be provided by the METRO AG Board, the Global Director Corporate Communications and Public Policy and the Director Corporate Compliance of METRO AG.

4.4 Donation and Sponsoring Measures of Real and METRO service companies

In general, stores are not authorised to execute any type of sponsoring, irrespective of the amount. The following provisions therefore only apply to the Holding company or to donations.

4.4.1 Donation and Sponsoring Measures up to 30,000 EUR

Real and service companies donation and sponsoring measures up to 30,000 EUR per recipient or single purpose have to be applied for with the donation and sponsoring application form pursuant to **Annex 3** to the local communications department.

The Management Board shall determine the eligible AGs. The approval of the application shall be provided by the Management Board by an ordinary resolution.

Moreover, the Management Board may decide on a simplified approval procedure pursuant to MCC provisions (Section 4.3) for donation and sponsoring of amounts up to 10,000 EUR.

4.4.2 Donation and Sponsoring Measures over 30,000 EUR

Real and METRO service companies donation and sponsoring measures of over 30,000 EUR per recipient or single purpose require a METRO AG Management Board resolution.

To this end, a donation and sponsoring application form pursuant to **Annex 1** and a Management Board proposal pursuant to **Annex 2** must be submitted to the Corporate Communications and Public Policy Department of METRO AG.

The local Management Board shall be eligible for application.

The approval of an application will be provided by the METRO AG Board, the Global Director Corporate Communications and Public Policy and the Director Corporate Compliance of METRO AG.

4.5 Donation and Sponsoring Measures by HoReCa Digital

4.5.1 Donation and Sponsoring Measures up to 30,000 EUR

HoReCa Digital donation and sponsoring measures up to 30,000 EUR must be applied for to the local communications department with the application form in **Annex 3**. The communications department will inform the applicant as soon as permission has been granted. In the event of Sponsoring, an agreement must be concluded with the recipient, this must be coordinated with the legal department.

The Management Board shall determine the eligible AGs. The approval of the application shall be provided by the Management Board by an ordinary resolution.

The approval of an application is provided by a member of the Management Board, the local communications department and the local Compliance Officer.

4.5.2 Donation and Sponsoring Measures over 30,000 EUR

HoReCa Digital donation and sponsoring measures of over 30,000 EUR per recipient or single purpose require a decision by the METRO AG Board.

To this end, a donation and sponsoring application form pursuant to **Annex 1** and a METRO AG Board Decision Proposal pursuant to **Annex 2** must be submitted to the Corporate Communications and Public Policy department of METRO AG. The Management Board shall be eligible for application.

The approval of an application will be provided by the METRO AG Board, the Global Director Corporate Communications and Public Policy and the Director Corporate Compliance of METRO AG.

4.6 Food Donations

The stores of METRO sales brands, METRO AG, METRO Sourcing International Limited and METRO International Supply (MIS) may make food donations to **private** food banks at their own discretion and without any additional approval prerequisites (irrespective of the amount). This applies not only for private food banks, but also for organisations and companies aimed to reduce global food waste.

Food donations to **government** food bank organisations require a one-off approval pursuant to **Annex 1** by the Global Director Corporate Communications and Public Policy and the Director Corporate Compliance of METRO AG.

4.7 Non-Food Donations

The stores of METRO sales brands, METRO AG, METRO Sourcing International Limited and METRO International Supply (MIS) may make donations in kind to **private** food banks or similar organisations without any further approval requirements at their own responsibility (irrespective of the amount).

Non-food donations to **government** food bank organisations require a one-off approval pursuant to **Annex 1** by the Global Director Corporate Communications and Public Policy and the Director Corporate Compliance of METRO AG.

The following shall apply for subsections 4.6. and 4.7.: In order to secure the tax deductibility the Management Board of the respective METRO sales brand company shall keep a detailed list of such donations in kind, by noting the recipient, the content of the donation, the date on which the donation was handed over and the single points of contact at the recipient. This list shall be handed to the METRO AG Corporate Tax Department together with the company's annual accounts.

4.8 Emergency Donations

4.8.1 Donations up to 150,000 EUR

METRO AG and all METRO sales brands are entitled to make donations to recognised international or national private charitable organisations without any further approval requirements. Donations up to 150,000 EUR per emergency only require a documented decision by the respective Management Board. The responsible Compliance Officer and the Global Director of METRO AG Corporate Communications and Public Policy Department must be informed at least one working day before the donation is made.

The Management Board of the respective METRO company shall coordinate the emergency donation, unless the Global Director of the METRO AG Corporate Communications and Public Policy Department decides to make a donation in the name of METRO and / or more than one sales brand in the event of a specific emergency.

4.8.2 Donations over 150,000 EUR

Donations higher than or equivalent to 150,000 EUR per emergency event shall be subject to the prior approval of the METRO AG Management Board. Applications shall be made by the Management Board of the respective METRO company to the Corporate Communications and Public Policy Department with **Annex 1** and **Annex 2**.

The Management Board of the respective METRO company shall coordinate the emergency donation, unless the METRO AG Management Board department decides to make a donation in the name of METRO and / or more than one sales brand in the event of a specific emergency.

4.9 Duty of documentation

4.9.1 Invoicing and proof of disposition

The following shall apply to invoicing and proof of disposition:

- After making a donation (amounts of 200 EUR and upwards), the applicant shall obtain a donation receipt from the legal recipient and forward this to the responsible tax department without delay.
- Contributions within the scope of sponsoring measures may only be paid subject to appropriate tax compliant invoicing by the legal recipient as contractually agreed.
- The appropriate implementation of donation and sponsoring measures must be documented in a suitable format and comprehensible manner.

4.9.2 Contractual form for sponsoring measures

In order to carry out the Sponsoring activity a sponsoring agreement must be concluded with the recipient (template see **Annex 4**).

4.9.3 Contract Management

All donation measures and sponsoring agreements, related internal approval procedures and all correspondence must be documented appropriately.

Countries that do not have access to the METRO AG Contract Management System have to record these immediately after signing. Copies of the sponsoring agreements that are subject to approval by the METRO AG Management Board have to be forwarded to the METRO AG Corporate Communications and Public Policy division immediately after signing. Payments may not be effected unless the corresponding agreement has been recorded in the Contract Management system or forwarded to the Corporate Communications and Public Policy department.

4.9.4 Accounting

All Donation and Sponsoring measures must be booked appropriately pursuant to **Annex 6**.

5. Document History

Serial no.	Changes by	Date	§§	Description of the Changes
1	First Edition	31 December 2009		First edition
2	METRO AG – Division Corporate Communications	2 April 2013		Revision of the guideline
3	METRO AG – Division Corporate Communications	17 February 2016		Version 3.0 with adapted approval limits, application forms and consideration of the new MCC Operating Models
4	METRO AG – Division Corporate	11 May 2016		Adjustment in the “Area of Application”

	Communications			
5	METRO AG – Division Corporate Communications and Public Policy	9 May 2017		Adjustment Donation and Sponsoring measures by METRO Cash & Carry (consideration W&FS Board and changed limits under 4.3.4 and 4.3.5)
6	METRO – Division Corporate Communications and Public Policy	August 2017		Adjustment Donation and Sponsoring after Demerger METRO

6. Annexes

Annex 1: Donation and Sponsoring application

Annex 2: METRO AG Management Board Decision Proposal

Annex 3: Donation and Sponsoring Application (local)

Annex 4: Template Sponsoring Agreement

Annex 5: Simplified Donations and Sponsoring Provisions for C&C stores

Annex 6: Accounting Provisions