

POLICY: SPONSORSHIPS & DONATIONS

Policy Number: FGV/GCC/I/SDP/15/002

Revision:

0.0

Effective Date: 18th FEBRUARY 2015

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1.0 PURPOSE

This document provides the policies for sponsorships and donations participation by FGV Group of Companies that portray the appropriate branding and reputation of FGV through streamlining such participation.

2.0 SCOPE

These policies are applicable throughout FGV Group of Companies including FGV's overseas companies.

3.0 DEFINITION / ABBREVIATIONS

3.1 SPONSORSHIP

A sponsorship is an undertaking by FGV to pledge certain monetary value to support efforts by external parties that would give favourable ROI.

3.2 DONATION

A donation is an unconditional gift or voluntary contribution of certain monetary value from FGV to organisations, individuals, societies or any parties which require cash or in kind contribution from FGV. The donation initiatives could originate within FGV or based on requests received from external parties.

3.3 ROI - Return on Investment

ROI for sponsorships comes in the form of branding (publicity, speakers slot, delegation passes, exhibition space and advertising).

3.4 CSR - Corporate Social Responsibility

CSR aims to embrace responsibility for FGV's actions and to encourage a positive impact on the environment and community through donations and philanthropic initiatives.

3.5 PO - Project Owner

PO is the company that submits the sponsorship and donation requests. PO is also the budget holder for the requests.

4.0 RESPONSIBILITY

4.1 Project Owner (PO)

- A) As internal requestor, PO shall initiate the request and abide to proper approval procedure.
- B) PO shall manage and monitor the process according to DAL 3.0.
- C) PO shall submit a quarterly report to GCCD for record keeping.



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4.2 Group Corporate Communications Division (GCCD)

- A) GCCD shall provide input and consultation to PO.
- B) GCCD's input is necessary before request is considered for approval.

5.0 POLICY

5.1 Authority limit for sponsorship and donation

- A) Authority limit is referred in Section 5 in the DAL 3.0.
- B) All approved requests must be submitted to GCCD for record keeping.

5.2 Sponsorship evaluation

Sponsorship proposals shall be evaluated against six general criteria. These criteria have been developed to ensure that FGV Group establishes sponsorship relationships that will mutually benefit FGV and the receiving organisation.

Proposals are evaluated for:

- A) Tangible benefits.
- B) Opportunity to create long-term value.
- C) Ability to reach targeted audiences and build relationships.
- D) Potential for long-term, sustainable partnership or relationship.

5.3 Sponsorship and donation priorities

- 5.3.1 Any sponsorship with a tax exemption/ relief incentive will be prioritised during the evaluation process to meet FGV's objective in cost-saving initiative.
- 5.3.2 The sponsorship shall not conflict with the Company's objectives and mission as well as its position as an agri-business company. The profile of potential recipients must not be contradictory to the values and objectives of the Company

5.3.3 Sponsorship

- A) Agri-business industry, associations, councils, clients and partners
- B) Events organised by the media, the Government of Malaysia, FELDA and FELDA's Non-Government Officials (NGO)



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5.3.4 Donation

- A) Contribution to hard core poor communities Provision of comfortable living conditions (building / repair houses, subsiding education for children, providing for basic necessities for a healthy living and learning environment).
- B) Education Educational fee or scholarship programme(s) for students from underprivileged backgrounds at the local university and other tertiary educational institutions or primary or secondary schools that need extra fund for the school.
- C) Requests for Islamic-related activities (e.g. building and repairing mosques and suraus, Islamic forums, purchasing copies of Al-Quran) shall be forwarded to Musollah.
- D) Requests for medical aid and assistance (dialysis machines, medical equipment and expenses, victims of natural disasters, lifesaving surgeries) shall be forwarded to Yayasan Felda.

5.4 Source of funds

The funds for the sponsorships and donations shall be derived from:

- A) Each PO's approved financial year budget.
- B) Ad-hoc requests which are not from any approved budget for the financial year shall adhere to Section 5.2.2 of DAL 3.0.