




# TERENGGANU INC

## TERENGGANU INC GROUP SPONSORSHIP AND DONATION POLICY

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	Document Ref. No.	TI(G)/GSC/0923/PO.SD(2.0)
	Version	2.0
	Original Date	17.12.2020
	Revision Date	25.09.2023

 <b>TERENGGANU INC</b>	Document name	Sponsorship and Donation Policy
	Document Ref. No.	TI(G)/GSC/1220/PO.SD(1.0)
<b>POLICY</b>	Original Date	17.12.2020
	Revision Date	25.09.2023

**DISCLAIMER NOTICE**

This policy is the sole property of Terengganu Incorporated Sdn Bhd ("Terengganu Inc") and has been prepared for the exclusive use of the management and employees of Terengganu Inc group of companies.


The policy is intended for internal circulation only and disclosure of any information to any third party or unauthorised personnel is considered as an offence.

**AMENDMENTS**

Amendments to the policy are subject to authority limits outlined in the Limit of Authority of Terengganu Inc.

CONFIDENTIAL

Approved and adopted by the Board of Directors of Terengganu Incorporated Sdn. Bhd. at the Board of Directors' Meeting held on 25 September 2023

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**AMENDMENT RECORD**

This page is used to record every amendment that had been made to this document. All amendments must be properly recorded. Group Strategic Communication ("GSC") Department of Terengganu Inc is responsible for handling this record.

No.	Page/Section No.	Revision No.	Effective Date	General Description	Approval Date
1.	Page: 11 Section: 3.3 and 3.4		25 September 2023	3.0 Implementation of Sponsorship and Donation Initiatives	25 September 2023


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**ABBREVIATION**

- GHOC : Group Head of Company
- GCEO : Group Chief Executive Officer
- CSR : Corporate Social Responsibility
- COBE : Code of Business Ethics
- BGRC : Board Governance and Risk Committee
- GSC : Group Strategic Communication
- LOA : Limits of Authority
- SDG : Sustainable Development Goals

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## 1.0 DEFINITIONS

- 1.1 The term "Terengganu Inc" means TERENGGANU INCORPORATED SDN. BHD. The expression "Terengganu Inc Group" is used for convenience where references are made to Terengganu Inc and subsidiaries and controlled companies of both direct and indirect interests. The companies in which Terengganu Inc has direct or indirect shareholding are distinct legal entities.
- 1.2 Unless otherwise stated, the following shall apply:
- "the Company" refers to Terengganu Incorporated Sdn. Bhd. or its respective companies;
  - "the Group" refers to Terengganu Incorporated Sdn. Bhd. and its Group of companies;
  - "the Board" refers to the Board of Directors of the company;
  - the "Management" refers to those persons who perform the task of managing a specific function of the Company (e.g. Chief Financial Officer, Heads of Department, etc).
- 1.3 The definition of Corporate Social Responsibility (CSR) is the strategic activities the company takes to encourage community well-being and development, education opportunities and positive impact on the environment through donations, sponsorships, and philanthropic activities.
- 1.4 The definition of 'sponsorship' is a contribution in money, in kind or in services to support an event, activity or organization in return for certain and specified benefits of a value to the Company. Sponsorship can be a marketing tool to achieve business objectives.
- 1.5 The definition of 'donation' is an unconditional gift or voluntary contribution of certain monetary value from the Company to organizations, individuals, societies or any parties which require cash or in-kind contribution from the Company. Donations in general are for charity purposes for people who are in need, disaster relief and for goodwill reasons.
- Donation also includes educational fee or scholarship programme(s) for students from an under-privileged background studying in Malaysia at the primary, secondary and tertiary level.
- 1.6 The definition of 'Sustainable Development Goals' or 'SDG' The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice.
- 1.7 The sponsorship and donation must be in line with the Corporate Social Responsibility Framework.

## 2.0 INTRODUCTION

### 2.1 PURPOSE

- The purpose of the Sponsorship and Donation Policy ("the Policy") is to establish the parameters and guidelines for Terengganu Incorporated Sdn. Bhd. ("Terengganu Inc") and its subsidiaries (collectively referred to as "the Group") with regards to sponsorship and donation. The development of this Policy is in line with Section 17A under the Malaysian Anti-Corruption Commission Act 2009.
- This Policy serves the following:
  - to facilitate the Group to conduct all its sponsorship and donation initiatives in a sustainable, accountable, and transparent manner through the integration of

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Economic, Environment and Social considerations.

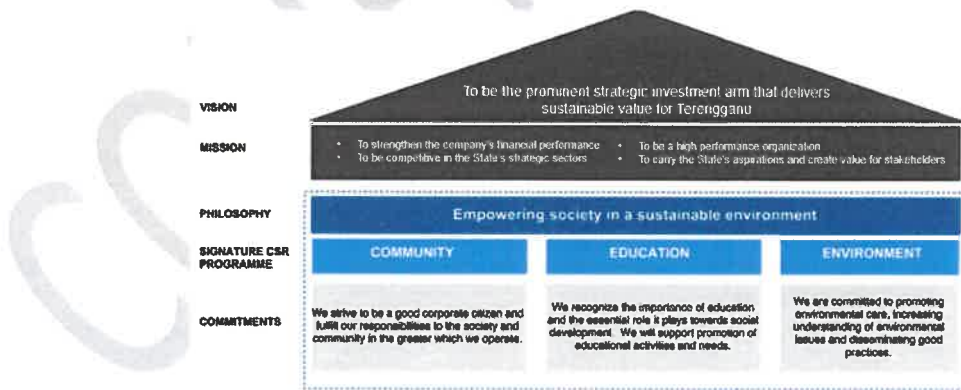
- ii. to ensure that the activities create long term values for all its stakeholders.
- iii. to execute the Group's strategy in a constructive manner to achieve business and operational excellence.

**2.2 FOCUS SPONSORSHIP AND DONATION AREAS**

a. The company strives to place all sponsorship and donation activities in line with the United Nation's Sustainable Development Goals (SDG) as follows:


NO	SPONSORSHIP AND DONATION AREA	SDG ITEM	DESCRIPTION
1	Community	3 (Good health and well-being for people)	Ensure healthy lives and promote well-being for all at all ages.
2	Education	4 (Quality education)	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
3	Environment	15 (Life on land)	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, and halt and reverse land degradation and halt biodiversity loss.

b. This Policy will continue to adhere and be aligned with the existing Terengganu Inc Corporate Social Responsibility Framework which encompasses the philosophy 'empowering society in a sustainable environment':



c. The goal of the framework is for the Group to ensure prosperity and sustainable holistic development of the State of Terengganu and its people.

d. The sponsorship and donation must be in line with the Corporate Social Responsibility Framework.

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### 3.0 IMPLEMENTATION OF SPONSORSHIP AND DONATION INITIATIVES

3.1 In accordance with Terengganu Inc Group's commitment to contribute to the community, education and environment, the Group's sponsorship and donation initiatives is divided into three (3) elements:

a. Corporate Social Responsibility (CSR)

CSR is the company's contribution to the society and environment through various planned activities to support the company's focus CSR areas.

b. Sponsorships, and Donations

i. Permissible Sponsorships and Donations

The company's sponsorship and donation initiative shall support:

- Requests is in line with the SDG; Community, Education and Environment.
- Activities, projects, or events that promote the business and enhance the business relationship, whereby return on investment (ROI) can be measured and positive business movement can be seen.
- Causes that promote group synergy among subsidiaries, the state government and agencies
- Causes that promote goodwill with the state government and agencies as well as regulatory bodies.

ii. Non-Permissible Sponsorships and Donations

- It is strictly prohibited for the Group to grant donations or contribute funds/assets to any political party, their affiliates, or politicians.
- However, good faith donations to government entities, agencies, associations, and/ or events beneficial to the people are allowed, subject to approval in accordance with the company's Limits of Authority (LOA) and compliance with applicable laws and regulations.


3.2 The GSC is responsible for managing the sponsorships and donations budget and expenditures, and shall ensure:

- All requests must obtain the necessary approval prior to execution and monetary disbursement
- Consistency in the distribution of the sponsorships and donations contributions, and that they are in accordance with the provisions made in the company's annual budget
- All activities under this Policy is accurately documented and recorded in the books

3.3 Centralization

For centralization purposes, CSR, sponsorship, and donations, and all activities within the Group shall be subject to the following:



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Limit	Action	Branding
Request for CSR, sponsorship, or donation above RM100,000.00 and up to RM200,000.00 follows the Limits of Authority (LOA): <ul style="list-style-type: none"> <li>a) Above RM100,000.00 and up to RM200,000.00 to be approved by the Group Head of Company (GHOC)</li> <li>b) RM20,000.00 and above (up to RM100,000.00) to be approved by the Head of Company (HOC) and notified to GSC</li> </ul>	<ul style="list-style-type: none"> <li>• The subsidiaries are to submit the proposed CSR initiative or request for sponsorship or donation to Terengganu Inc for evaluation in accordance with this Policy.</li> <li>• Terengganu Inc will return the approved request to the respective company for their execution.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Management Committee will decide on the branding of the initiative either as:               <ul style="list-style-type: none"> <li>▪ Terengganu Inc (using Terengganu Inc's logo), or</li> <li>▪ Respective company's logo</li> </ul> </li> </ul>

3.4 All sponsorships and donations above RM100,000.00 and up to RM200,000.00 must be approved by the Group Head of Company (GHOC) as per LOA.

#### 4.0 DUE DILIGENCE


4.1 The GSC, before making a commitment to a CSR activity, sponsorship or donation requested by external stakeholders, must first conduct proper due diligence to ensure that the requests are legitimate and that any red flags raised are resolved prior to committing to the activity or funds.

4.2 CSR activities, sponsorships, and donations committed to by the Group should meet the following criteria:

- e. The funds must be approved by the MC or BOD or relevant approving authority
- f. There is no risk that will undervalue the Group
- g. The proposed recipient is a legitimate organization to guarantee proper administration of the funds
- h. The proposed recipient/ organization does not have any affiliations with a Public Official
- e. Not to be used as a means to cover up an undue payment or bribery

#### 5.0 AUTHORITY LIMIT

5.1 If the request meets all requirements and it is reasonably ascertained to be legitimate in nature, GSC to prepare a memorandum or the 'Sponsorship/ Donation Form' seeking Management's approval in accordance to the authority matrix in the company's LOA.

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## **6.0 ADMINISTRATION OF THE POLICY**

- 6.1 The Terengganu Inc GSC is the owner of the Policy and is responsible to ensure that the Policy is reviewed and updated to be kept relevant.
- 6.2 GSC is to ensure that the Policy is disseminated and made accessible to all Directors and the Group.

## **7.0 MONITORING AND REPORTING**

- 7.1 GSC will provide regular progress report to the GHOC/ GCEO and this report will indicate:
  - a. Achievement of year-to-date in terms of coverage compared to the target, plans to overcome shortfalls, if any.
  - b. Actual year-to-date spending compared to the budget and reason(s) for variances

## **8.0 AMENDMENTS**

- 8.1 This Policy shall be reviewed on a biennial basis; or as and when required or when major changes occur and may be amended by the BOD as often as it may be deemed necessary.
- 8.2 The completion and revision of this Policy shall require the approval of Terengganu Inc's Board of Directors.

## **9.0 EFFECTIVE DATE**

- 9.1 This policy shall take effect immediately.

## **10.0 REFERENCES**

- 10.1 This policy shall be read together with other existing policies of Terengganu Inc which include but are not limited to:
  - Code of Business Ethics
  - Anti-Corruption Handbook
  - Limits of Authority
  - No Gift Policy
  - Whistle Blowing Policy



Terengganu Incorporated Sdn Bhd  
200601005493(725242P)

BOARD OF DIRECTORS MEETING NO. 3/2023 (64)  
25 SEPTEMBER 2023

[PAPER FOR APPROVAL]

**TITLE: REVISION OF GROUP STRATEGIC COMMUNICATION'S SPONSORSHIP AND DONATION POLICY**

**1. OBJECTIVE**

To obtain consideration and approval from the Board of Directors regarding the revision of Group Strategic Communication's Sponsorship and Donation Policy.

**2. BACKGROUND**

2.1 The Sponsorship and Donation Policy under Group Strategic Communication (GSC) was introduced on 17 December 2020.

2.2 GSC proposes to amend the Sponsorship and Donation Policy as part of the update on the overall policy, aligned with the Company's Limits Of Authority (LOA).

2.3 The proposed changes in the Sponsorship and Donation Policy is on item 3.0 - Implementation of Sponsorship and Donation Initiatives aim to improve transparency, streamline processes, and ensure ethical practices.

- i) Variances are found in the LOA and Policy on the amount and authority level required for approval.
- ii) Misunderstanding may occur if revisions are not made on the current policy.

**3. PROPOSAL**

3.1 GSC seeks the recommendation from the Board of Directors for approval on the revision of Sponsorship and Donation Policy for Group Strategic Communication that has been deliberated during BGRC meeting on 24 September 2023.

3.2 Revisions will be made in the policy under item 3.0 – Implementation of Sponsorship and Donation (Attachment 1) include the Limits of Authority (LOA) document which state the following under item 8.10;

- i) Above RM100,000.00 and up to RM200,000.00 to be approved by the Group Head of Company (GHOC)
- ii) RM20,000.00 and above (up to RM100,000.00) to be approved by the Head of Company (HOC) and notified to GSC

3.3 Revisions will be made in the policy under item 3.4;

All sponsorships and donations above RM100,000.00 and up to RM200,000.00 must be approved by the Group Head of Company (GHOC) as per LOA.

**4. RECOMMENDATION AND APPROVAL SOUGHT**

The Board of Directors is hereby requested to consider and if deemed fit to approve the revision of GSC's Sponsorship and Donation Policy.

**PREPARED BY:**

**REVIEWED BY:**

**MAISARAH BINTI AZINUDDIN**  
Senior Associate,  
Group Strategic Communication  
Date: 25/09/2023

**SURIDAH BT SUPIAN**  
Head,  
Group Strategic Communication  
Date: 25/09/2023





TERENGGANU INC

ENDORSED FOR BOARD'S APPROVAL BY

**BURHANUDDIN HILMI BIN MOHAMED @ HARUN**

President & Executive Director

Date: 25/09/2023

Ref. No.	TI/BOD/3-2023 (	) /GSC
Date	25 SEPTEMBER 2022	



**ATTACHMENT 1**

**SPONSORSHIP AND DONATION POLICY REVISION**

**3.3 Centralization**

**BEFORE REVISION:**

LIMIT	ACTION
Request for CSR, sponsorship, or donation above RM100,000.00	<ul style="list-style-type: none"> <li>▪ The subsidiaries is to submit the proposed CSR initiative or request for sponsorship or donation to Terengganu Inc for evaluation in accordance to this Policy.</li> <li>▪ <del>Terengganu Inc will then recommend the Management Committee for their consideration and approval.</del></li> <li>▪ Terengganu Inc will return the approved request to the respective company for their execution</li> </ul>

**AFTER REVISION:**


LIMIT	ACTION
<p>Request for CSR, sponsorship, or donation above RM100,000.00 and up to RM200,000.00 follows the Limits of Authority (LOA):</p> <ul style="list-style-type: none"> <li>a) Above RM100,000.00 and up to RM200,000.00 to be approved by the Group Head of Company (GHOC)</li> <li>b) RM20,000.00 and above (up to RM100,000.00) to be approved by the Head of Company (HOC) and notified to GSC</li> </ul>	<ul style="list-style-type: none"> <li>▪ The subsidiaries are to submit the proposed CSR initiative or request for sponsorship or donation to Terengganu Inc for evaluation in accordance with this Policy.</li> <li>▪ Terengganu Inc will return the approved request to the respective company for their execution.</li> </ul>

**3.4**

BEFORE REVISION	AFTER REVISION
<p>3.4 All sponsorships and donations <del>below</del> RM100,000.00 must be approved by the Group Head of Company (GHOC) <del>or Management Committee (MC) or Board of Directors</del> as per LOA.</p>	<p>3.4 All sponsorships and donations <del>below</del> <del>RM100,000.00</del> <del>and up to RM200,000.00</del> must be approved by the Group Head of Company (GHOC) as per LOA.</p>





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