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1. INTRODUCTION

- 1.1. This Board Tender Committee's Terms of Reference ("TOR") sets out the requirements of the Board of Directors of TDM Berhad for the establishment of a Board Tender Committee, and the delegation of responsibilities to such committee, as at the date hereof.
- 1.2. Unless otherwise stated, in this Terms of Reference, the following applies:
 - "TDM" or "the Company" refers to TDM Berhad;
 - "Group" refers to TDM Berhad Group of Companies;
 - "the Board" refers to the Board of Directors of the Company;
 - "BTC" or "the Committee" refers to the Board Tender Committee of TDM.
- 1.3. Unless otherwise stated, in this Terms of Reference, "Top Management" refers to the Group Chief Executive Director("GCEO") and his direct reports which include Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), Head Of Departments, i.e. Human Resource & Administration, Legal & Secretarial, Accounts & Planning, Internal Audit, Information Technology, and Corporate Communication.
- 1.4. The Terms of Reference aims to guide TDM's BTC with respect to its delegated responsibilities to assist the Board in fulfilling the Board's statutory and fiduciary responsibilities in relation to the review of significant procurements.

2. PURPOSE

- 2.1. The purpose of the Committee is to review, monitor and approve matters related to procurements of the Group, in line with TDM's prevailing Delegated Authority Limits ("DAL") and Group Procurement Policies and Procedures.
- 2.2. The Committee shall facilitate the Main Board's statutory and fiduciary responsibility relating to the functions and duties of the Committee.

3. COMPOSITION

- 3.1. The Committee shall be appointed by the Board of Directors amongst the Directors of the Company which fulfils the following requirements:-
 - 3.1.1 the Committee must be composed of no fewer than three (3) members; and
 - 3.1.2 all of the members shall be non-executive directors.

- 3.2. Chairman of the Committee shall be elected by the Board.
- 3.3. No alternate director shall be appointed as a member of the Committee.
- 3.4. In the event of any vacancy in the Committee resulting in the non-compliance of the Listing Requirement of the Exchange pertaining to composition of tender committee, the Board of Directors shall within three months of that event fill the vacancy.
- 3.5. The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.
- 3.6. In order to form a quorum for the Committee meeting, at least two (2) members shall be present at the meeting.

4. CHAIRMAN OF THE COMMITTEE

- 4.1. The Chairman of the Committee shall provide leadership and steer the Committee through its decision making process.
- 4.2. The Chairman shall ensure that sufficient time is dedicated to discussion of pertinent matters at each meeting and a consensus is reached for the decisions made at the meeting. Dissenting views are to be recorded in the meeting minutes.
- 4.3. The Chairman shall invite Management and/ or external parties (e.g. consultants/professionals) as required, to provide clarification/ detailed explanations on issues that fall within the scope of functions and responsibility of the Committee.
- 4.4. The Chairman shall report the decision taken by the committee to all Board Members.

5. SECRETARY OF THE COMMITTEE

- 5.1. The TDM Company Secretary shall be the Secretary of the Committee.
- 5.2. The Secretary of the Committee shall be present to record proceedings of the Committee meeting.
- 5.3. The Secretary of the Committee shall have the following responsibilities:
 - 5.3.1. Ensuring meetings are arranged and held accordingly;
 - 5.3.2. Assisting the Chairman of the Committee in planning and drafting the Committee's activities for the financial year;

- 5.3.3. Drawing up meeting agenda in consultation with the Chairman of the Committee, and circulate the agenda, together with the relevant papers, at least seven (7) days prior to each of the Committee meeting;
- 5.3.4. Ensuring structured communication (i.e. formal and prompt reporting) between the Board and the Committee;
- 5.3.5. Ensuring proceedings of meetings are minuted and endorsed by the Chairman of the Committee before disseminating them to all Board members; and
- 5.3.6. Ensuring the Committee's decision presented to the Board are supported by explanatory papers, including report of the Committee or minutes that explains the rationale of the Committee's decision.

6. AUTHORITY

- 6.1. The Board has authorized the Committee, within the scope of its duties and responsibilities set out in this Terms of Reference to:
 - 6.1.1. Perform the activities required to discharge its responsibilities within its terms of reference and make relevant decision and report to the Board;
 - 6.1.2. Endorse procurements set out in the DAL and Group Procurement Policies and Procedures;
 - 6.1.3. Acquire the resources from internal and external professionals, as it deems necessary, to assist the Committee in the proper discharge of its roles and responsibilities, at the expense of the Company and in accordance with the DAL of the company.
- 6.2. The Committee shall be assisted by the GCEO, CFO and Procurement Unit to drive good procurement initiatives across the TDM Group.

7. RESPONSIBILITIES AND DUTIES

- 7.1. The main responsibility of the Board Tender Committee shall be to assist the Board in reviewing and approving significant matters related to procurements of the Group.
- 7.2. The scope and functions of the Board Tender Committee are set out below:
 - 7.2.1 Review Group Procurement Policies and Procedures, including its Framework to adopt best and transparent practices in procurement and any changes to the Framework and development of new policies.
 - 7.2.2 Review and recommend DAL relating to procurement.

- 7.2.3 Review the efficiency and effectiveness of Group's procurement initiatives;
- 7.2.4 Review and recommend to the Board any procurement not covered in or vary from the Group Procurement Policies and Procedures or vary from any standard contract term for subsequent Board approval;
- 7.2.5 Review and approve tender award as reflected in the DAL.
- 7.2.6 Undertake any other necessary duties, as mutually agreed by the Board Tender Committee and the Board or any other authority, which are empowered by law or regulated by any Government in which TDM operates in.

NOTE :

- (1) Where transactions are with related parties reference shall be made to TDM's Related Party Transactions and Recurrent Related Party Transactions Policy and Procedures.

8. REPORTING

- 8.1. The Committee has specific duties to fulfil, particularly, to oversee the procurement activities of the Group.
- 8.2. The Committee shall submit a report on the Committee's resolutions at the next immediate Board meeting. The report shall include meeting minutes and decision of Committee.
- 8.3. Copies of signed minutes of each meeting of the Committee shall be circulated to all Board members together with the report prepared by the Committee.
- 8.4. The Chairman of the Committee shall draw to the Board's attention any matter of major importance.

9. MEETINGS ADMINSTRATIONS

- 9.1. Frequency and attendance
 - 9.1.1. The Committee meetings shall be conducted upon request by Management on a need basis depending on the expediency required for any related procurement process.
 - 9.1.2. The Committee meeting shall normally be conducted in a face-to-face manner to enable effective discussion. Resolutions of the members of the Committee at a meeting or adjourned meeting of the Committee shall be adopted by a majority of votes of all members present.
 - 9.1.3. In addition to the members of the Committee, other Directors of the Board, other executives of the Group, and/or any party which the Committee deems necessary may attend the Committee meetings upon invitation of the Committee. Participation of invitees may not be required for the full duration of the Committee meeting.
 - 9.1.4. Any of the Committee member or invited participant with conflicting interest shall abstain from the said discussion and shall not be physically present during the discussion. The member of the Committee and/ or invited participant, including Independent Advisors, shall abstain and excuse himself/herself from the Committee meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her. The conflicted members shall not be included in the voting process.

9.1.5. The Chairman of the Committee shall exercise the right to request those who are in attendance to leave the room if matters discussed are confidential or the deliberation may be impaired due to the presence of individuals concerned.

9.2. Notice and agenda

9.2.1. Proper notice shall be issued for any Committee meeting and the Chairman shall ensure that proper agenda is prepared for the Committee meeting.

9.2.2. The agenda and relevant papers for the Committee meeting must be circulated at least seven (7) days prior to each of the Committee meeting.

9.3. Minutes of the meeting

9.3.1. The discussions and conclusions of the Committee meetings shall be minuted, in a clear, accurate (reflect the deliberations and decisions), consistent, complete and timely manner.

9.3.2. The minutes shall be entered into the minutes Register kept by TDM Company Secretary together with the attendance sheet.

9.3.3. Keeping of the minutes shall comply with the requirements of the relevant law and regulations, e.g. Companies Act, 2016 and Income Tax Act, 1967.

9.3.4. Reproduction of any part of the minutes shall only be performed through/by TDM Company Secretary.

10. THE COMMITTEE'S PERFORMANCE

10.1. On an annual basis, the Board shall evaluate the Committee's performance and extent to which the Committee has met the requirements of its Terms of Reference. This performance assessment shall constitute a part of the annual Board Effectiveness Assessment, pertaining to the assessment of Board Committees.

11. THE COMMITTEE'S ETHICS AND PROCEDURES

11.1. All members of the Committee shall safeguard all internal communications and treat them as strictly private and confidential, and for the use of the Committee members only.

- 11.2. The Committee shall work diligently amongst the members of the Board in performing its assessments and adhere to all relevant laws and regulations as well as the prescriptions rendered in the Directors' Code of Ethics and Conduct and the Directors 'Code of Business Practice.
- 11.3. All members of the Committee shall maintain their independence and shall not be involved in the investment process, namely due diligence, and negotiations with buyers/sellers. In the event a site visit by the Committee as a whole is necessary for its decision making, the Committee shall escalate its request to the Board for approval.

12. REVIEW OF COMMITTEE TERMS OF REFERENCE

- 12.1. The Committee Terms of References and work plans shall be reviewed periodically, as and when required especially when there are changes to Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code of Governance 2017 and Companies Act, 2016 or at least every three (3) years. This review shall be facilitated by GCEO, CFO, COO and Head of Departments.
- 12.2. All amendments to the Terms of References of the Committee must be approved by the TDM Board.

APPENDIX 1

Approval to Award

Company	Procurement Method	Approving Authority Board Tender Committee
TDM Berhad	Tendering	Above RM3,000,000
TDM Plantation Sdn Bhd	Tendering	Above RM3,000,000
PT Rafi Kamajaya Abadi	Tendering	Above RM3,000,000
Kumpulan Medic Iman Group of Companies	Tendering	Above RM3,000,000