



**TERMS OF REFERENCE
OF THE BOARD TENDER COMMITTEE**

1. Introduction

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.

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; and
- "BTC" or "the Committee" refers to the Board Tender Committee of TDM.

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"), and Heads of Departments.

The Terms of Reference aims to guide the 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

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.

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. Scope of Authority

- 6.1 The Board has authorised 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; and
 - 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 & 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:

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 Chairman of the Committee will report formally to the Board on the key aspects of its proceedings after each meeting. The Committee shall not be delegated with decision-making powers but shall report its recommendations to the Board for decision.
- 8.3 The Chairman of the Committee shall attend the Annual General Meeting and shall answer questions, through the Chairman of the Board, on the Committee's activities and responsibilities.
- 8.4 The Chairman of the Committee shall draw to the Board's attention any matter of major importance.

9 Meeting Administration

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 All or any of the members of the Committee may participate in a meeting either in person or by means of a teleconference, video conference or any other means of electronic communication, equipment, capable of recording and recognising the participation of the members and allows all persons participating in the meeting to communicate with one another. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 9.1.4 In addition to the members of the Committee, other Board of Directors, 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.
- 9.1.5 Any of the Committee members 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.
- 9.1.6 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.

- 9.1.7 In the absence of the Committee Chairman, the remaining members present shall elect one (1) of themselves to chair the meeting.
- 9.1.8 The Group Chief Executive Officer, Chief Financial Officer and the Head, Procurement or his representative shall attend the meetings to assist in the deliberations and resolution of matters raised.

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.
- 9.2.3 However, shorter notice may be issued due to the urgency of the matters that need deliberation by the Committee.

9.3 Minutes of Meeting

- 9.3.1 The discussions and conclusions of the Committee meetings shall be minuted, in a clear, accurate (reflecting 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.

9.4 Minimum Attendance

Each individual member of the Committee is required to attend at least 50% of the Committee meetings held in each financial year.

9.5 Decision making

- a) All decision shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the BTC shall have a second or casting vote.

- b) The Committee may also decide by way of the Committee's written resolutions. A resolution in writing signed or approved by majority of members who may at the time be present in Malaysia, which is sufficient to form a quorum shall be valid and effectual as if it has been passed at a meeting of the BTC duly called and constituted. All such resolutions shall be described as "Board Tender Committee Written Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by the Secretary in the Company's minutes book and submitted for confirmation at a meeting of the next Committee Meeting, following the receipt thereof by the Secretary.

Any such resolution may consist of several documents or counterparts in like form, each signed or approved by one (1) or more Members and may be accepted as sufficiently signed by a member if transmitted to the Company by facsimile or other forms of Electronic Communications purporting to include a signature or the written approval of the member.

- c) A BTC member is required to abstain from deliberations and voting in respect of any matter which may give rise to an actual or perceived conflict of interest situation.

10 The Committee's Performance

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 Continuing Education

All members of the Committee should undertake continuous professional development.

13 Revision of the Terms of Reference (“TOR”)

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 and Companies Act, 2016 or at least every three (3) years. This review shall be facilitated by GCEO, CFO, COO and Head of Departments.

Any revision or amendment to the TOR, as proposed by the BTC shall be presented to the Board for its approval.

Upon the Board’s approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised or amended.

Approved by the Board on 29 May 2023

APPENDIX 1

Approval to Award

Company	Procurement Method	Approving Authority of the Board of TDM Berhad with the recommendation by the BTC
TDM Berhad	Tendering	Above RM3,000,000
TDM Plantation Sdn Bhd	Tendering	Above RM5,000,000
PT Rafi Kamajaya Abadi	Tendering	Above RM3,000,000
Kumpulan Medic Iman Sdn Bhd Group of Companies	Tendering	Above RM5,000,000