



# **SIME DARBY PROPERTY BERHAD**

## **BOARD TENDER COMMITTEE TERMS OF REFERENCE**

**( Updated as at 28 February 2023 )**

## 1. PURPOSE

- 1.1 The Board Tender Committee (“BTC”) is established to provide a platform for Sime Darby Property Berhad (“Sime Property”) Board of Directors (“the Board”) via its BTC to discuss and where appropriate:
- 1.1.1 Authorise the flotation of tenders
  - 1.1.2 Review tender proposals
  - 1.1.3 Approve tender awards within its authority or recommend for the Board’s approval, tenders exceeding its authority.

## 2. COMPOSITION AND APPOINTMENT

- 2.1 The BTC members shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors. No alternate Director shall be appointed as a member of the BTC.
- 2.2 The BTC members shall have a mixture of expertise and experience, including sufficient understanding of the industries in which Sime Property Group of Companies (“Group”) operates.
- 2.3 The BTC Members may relinquish their membership in the BTC with prior written notice to the Secretary. In the event of any vacancies arising in the BTC resulting in the number of members of the BTC falling below three (3), the vacancy shall be filled as soon as possible.
- 2.4 The composition of the BTC shall be reviewed every three (3) years.
- 2.5 Reappointment of BTC members shall be subject to a review of the term of office and performance of the BTC and each of its members by the Board to determine whether the BTC and its members have carried out their duties in accordance with their terms of reference.

### 3. AUTHORITY

- 3.1 The BTC has the authority to review procurement proposals and interact with Management for further information and clarification before deliberating and authorising the flotation of tenders.
- 3.2 The authority of the BTC to review, deliberate, approve and award tenders are outlined as follows:
- 3.2.1 The BTC has full authority to review, deliberate, approve and award tenders that are within the threshold of the BTC (i.e. above RM50 million up to RM300 million) as set out in the Group Policies and Authorities (“GPA”) and the Group Procurement Policies and Authorities (“GPPA”).
- 3.2.2 The BTC shall review tenders and provide recommendations to the Board for approval of tenders exceeding the threshold of the BTC as set out in the GPA and GPPA.
- 3.3 The BTC has the authority to review, verify and request additional information which is relevant to the offer being discussed. The BTC shall challenge recommendations made by Management where necessary in order to ensure tender awards are based on merit. Qualitative factors and competitive pricing shall be considered where practical and feasible.
- 3.4 The BTC has the authority to reject any proposed offer if it is found that the GPA and GPPA have not been adhered to or if the tender process has not been complied with.
- 3.5 The BTC has the authority to approve the nullification of any tenders which have been called or offered if the said tenders are not relevant or no longer required.

#### 4. FUNCTIONS AND DUTIES

The functions and duties of the BTC shall include, but are not limited to:

- 4.1 Ensuring transparency and efficiency in the decision making process for tenders.
- 4.2 Reviewing and recommending the procurement policies and procedures as set out in the GPA and GPPA.
- 4.3 Ensuring that procurement policies and procedures in relation to tenders as set out in the GPA and GPPA are adhered to before making any approvals or recommendations.
- 4.4 Considering, approving and/or recommending all tender proposals based on the approved limits of authority delegated to it by the Board, and ensuring that the best interests of the Group are met and protected at all times.
- 4.5 Ensuring the feasibility study for the project is prepared by Management prior to tender invitation.
- 4.6 Reviewing and ensuring that the tender evaluation criteria are comprehensive and allow for maximum competition amongst the vendors.
- 4.7 Ensuring that a robust Bumiputera Vendor Development Programme is in place and that the objectives of the programme are achieved through the monitoring of the performance and track records of the companies under this programme.
- 4.8 Reviewing the adequacy of the Tender Evaluation Report which incorporates both the technical and commercial evaluation based on established criteria.
- 4.9 Deliberating the Tender Evaluation Report and authorising actions as appropriate:

- 4.9.1 Authorising price re-negotiation benchmarking against the lowest bidder or market rate.
- 4.9.2 Awarding to the vendor other than the one recommended and supported with reason(s).
- 4.9.3 Approving specification change and authorising Management to proceed with new tender or to resubmit quotation on changes only or to renegotiate.
- 4.9.4 Keeping in view or cancelling the tender with supporting reason(s)/justification(s).
- 4.10 Participating in the negotiation and/or site visits if such actions will assist in the decision making.
- 4.11 For tenders above the threshold of the BTC, the BTC shall, upon reviewing and deliberating the Tender Evaluation Report, recommend appropriate actions to the Board for its approval.

## **5. MEETINGS**

### **5.1 Frequency**

- 5.1.1 The BTC shall meet as and when the need arises for deliberation of tenders.
- 5.1.2 Senior General Manager, Cost & Control of Sime Property shall attend meetings of the BTC as a permanent invitee unless otherwise decided by the Chairman. The Group Chief Financial Officer, Chief Executive Officer, Property Development and Chief Operating Officer(s) of Sime Property shall normally be invited to attend the meetings.
- 5.1.3 Other members of the Board may attend the meetings upon the invitation of the BTC. Head of Business Units and/or Head of Departments may be invited to the meetings when necessary.

## **5.2 Notice and Agenda**

- 5.2.1 The notice of the BTC meetings shall be circulated at least five (5) days before each meeting.
- 5.2.2 The agenda for each meeting, including relevant documents and information requested by the BTC shall be circulated before each meeting to the BTC members and all those who are required to attend the meeting.
- 5.2.3 The BTC meeting agendas shall be the responsibility of the Chairman with input from the BTC members.
- 5.2.4 The Chairman may also invite other members of Management and other persons to participate in this process, if necessary.

## **5.3 Quorum**

- 5.3.1 The quorum for a meeting of the BTC shall be three (3) members. In the absence of the Chairman, the members present shall elect a Chairman from amongst them to chair the meeting.
- 5.3.2 In the event there are personal interests or conflict of interest situations in respect of tender proposals deliberated, the member concerned must declare his/her interests as required under the GPA and/or Policy and Guidelines in relation to Conflict of Interest and abstain from deliberating and/or deciding on the said proposal during the BTC meeting.

## **5.4 Voting**

All resolutions of the BTC shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the BTC shall have a second or casting vote.

**5.5 Meeting Minutes**

- 5.5.1 The minutes of the meeting shall be action oriented, and record the deliberations and decisions of the BTC. Minutes shall include compiled Board instructions as Matters Arising for discussion at each BTC meeting to ensure proper follow through.
- 5.5.2 Minutes shall be distributed to BTC members within ten (10) working days and shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.
- 5.5.3 Copies of minutes of each meeting shall be distributed to all members of the Board.
- 5.5.4 The BTC, through its Chairman, shall update the Board on the activities undertaken by the BTC at each Board meeting.
- 5.5.5 Relevant members of Management and the tender working team shall be provided with the minutes and Matters Arising for follow up on key actions required.

**5.6 Meeting Mode**

A meeting of the BTC shall normally be conducted face-to-face to enable effective discussion; however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the BTC.

**5.7 Secretary**

The Secretary to the BTC shall be the Secretary of the Board or a person recommended by the Secretary and approved by the Board.