

TERMS OF REFERENCE OF BOARD TENDER COMMITTEE

1. COMPOSITION

- 1.1 The Board Tender Committee ("**BTC**" or "the Committee") shall be formed by the Board of Directors of the Company ("**Board**") and the BTC members shall be appointed by the Board from amongst the Board members.
- 1.2 The functions and authority of the BTC extends to Pos Malaysia Berhad ("**Pos Malaysia**" or "**the Company**") and all its subsidiaries as well as joint venture and associate companies where management responsibility is vested on Pos Malaysia or subsidiaries of Pos Malaysia (collectively referred to as the "**Group**").
- 1.3 The members of the BTC shall be appointed by the Board and shall consist of not less than three (3) members, a majority of whom shall be Independent Non-Executive Directors.
- 1.4 The Chairman of the Committee shall be an Independent Non-Executive Director.
- 1.5 If the membership for any reason falls below three (3) members, the Board shall, within three (3) months of that event, appoint such number of new members as may be required to fulfil the minimum requirement.
- 1.6 The appointment of a BTC member terminates when the member ceases to be a director, or as determined by the Board.
- 1.7 The BTC shall be dissolved upon recommendation and decision of the Board.

2. OBJECTIVES

- 2.1 The primary objectives of the BTC of Pos Malaysia are as follows:-
- (a) Examine and where appropriate, approve award of contracts for supply of goods, works or services within the limits as authorised in the Limits of Authority (“**LOA**”).
 - (b) Review selection for the appointment of successful tenderer for both closed and open tender applications.
 - (c) Examine and where appropriate, authorise the variation of tender procedures for the tender committee.

3. AUTHORITY

- 3.1 The BTC has the authority to carry out the functions as stated in its Terms of Reference and report to the Board with recommendations.
- 3.2 The approval limits of the BTC, as set out in the LOA of the Company are as follows:-
- (a) Approve the acquisition of fixed assets, including renovation (other than land and building) for amount of more than RM10.0 million up to RM20.0 million per transaction;
 - (b) Approve variation order Contract and Purchases – OPEX and CAPEX, per contract cumulative amount more than RM2.0 million up to RM4.0 million of any contract value; and
 - (c) Approve general and administrative expenses/other operating expenses of:-
 - budgeted amount more than RM20.0 million up to RM40.0 million per transaction; and
 - non-budgeted/exceed budget cumulative amount more than RM10.0 million up to RM20.0 million.

- 3.3 The recommendation by the BTC prior to the approval of the Board, as set out in the LOA of the Company are as follows:-
- (a) The acquisition of fixed assets, including renovation (other than land and building) for amount more than RM20.0 million per transaction;
 - (b) General and administrative expenses/other operating expenses of:-
 - budgeted amount more than RM40.0 million per transaction; and
 - non-budgeted/exceed budget cumulative amount more than RM20.0 million per transaction
 - (c) The setting of credit limit of more than RM20.0 million per customer.
- 3.4 The consultation by the BTC prior to the approval of the Board, as set out in the LOA of the Company are as follows:-
- (a) Variation order Contract and Purchases – OPEX and CAPEX, per contract cumulative amount of more than RM4.0 million of any contract value.
- 3.5 In the event the authority limits of the BTC under the Company's LOA are amended, modified or varied by the Board from time to time, such amendments, modifications or variations shall be deemed to be inserted herein whereupon this Terms of Reference shall be read and be construed subject to and in accordance with the said approved amendments, modifications or variations.

- 3.6 The BTC wherever necessary and reasonable for the performance of its duties, shall in accordance with the same procedures adopted by the Board:-
- (a) Have full and unrestricted access to any employee and information pertaining to the Group;
 - (b) Have full support of the Group Procurement Department and any other units/departments within the Group as it may deem necessary; and
 - (c) Be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if it considers necessary at the Company's expense.

4. FUNCTIONS AND DUTIES

- 4.1 The BTC shall :-

A. Tender related matters

- (i) Determine its own procedures.
- (ii) Appoint sub-committees for technical and commercial evaluations, if necessary.
- (iii) Approve qualified tenderers or any tender & quotation subject to requirements as, in its opinion, it is most advantageous of the Company, although such tender may not be the lowest received, provided that if a tender other than the lowest be accepted, the reasons for accepting such tender, shall be recorded in the minutes.
- (iv) Not be bound to accept any tender or quotation and when it considers it advisable, may call fresh tenders or quotations.

- (v) Has the right to refuse the release of any details of any tenderer, tender or quotation where confidentiality is a condition of the tender or, where it is deemed not to be in the Company's interests.
- (vi) Review and approve the Company's procurement policies and procedures including general evaluation criteria, anti-corruption policy and codes of conduct and thereafter recommend the said procurement policies and procedures to the Board for approval.
- (vii) Oversee and monitor the overall implementation of the Company's Procurement Policy Guidelines and review the efficiency and effectiveness of the Company's procurement processes.

B. Related Party Transaction/Recurrent Related Party Transaction

Review any related party transaction/recurrent related party transaction to be undertaken by the Company or the Group which involves tender evaluation to ensure appropriate tender evaluation is conducted by the Management before submitting to the Board Audit Committee.

5. MEETINGS AND PROCEDURES

- 5.1 The Committee should meet regularly, with due notices of issues to be discussed and should record its conclusions in discharging its duties and responsibilities.
- 5.2 Attendance of a meeting may be by being present in person or by participating via video-conferencing or tele-conferencing.
- 5.3 Upon the request of any member of the BTC, the Chairman of the BTC shall convene a special meeting of the BTC to consider any matter brought up by the Member.

- 5.4 The required quorum for any meeting of the Committee shall be at least two (2) of whom should be Independent Non-Executive Directors, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and hear each other.
- 5.5 The Chairman of the BTC shall be the Chairman of any BTC meeting. In the absence of the Chairman, the members present shall elect a chairman for the meeting from amongst the members present.
- 5.6 The meetings of the BTC shall be governed by the provisions contained in the Constitution of Pos Malaysia for regulating the meetings and proceedings of the Directors unless otherwise provided for in this Terms of Reference.
- 5.7 Any matter to be voted upon shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the Chairman of the BTC meeting shall have a casting vote.
- 5.8 The BTC may request other Directors, members of Management, counsels and consultants as applicable to participate in the meetings, as and when necessary.
- 5.9 A Committee member shall disclose/declare any conflict of interest situation and shall abstain from voting on the resolution which may give rise to an actual or perceived conflict of interest situation.
- 5.10 The Secretary of the BTC shall be the Company Secretary of the Company or any other person as the Committee may decide.
- 5.11 Unless a meeting is called on a short notice basis, the agenda and meeting papers for each meeting shall be circulated at least five (5) calendar days before each meeting to the BTC members and all those who are required to attend the meeting. Written materials including information requested by the BTC from Management shall be received together with the agenda for the meetings.

- 5.12 Minutes of the BTC meetings shall be tabled at the meeting of the Board. When presenting any recommendation to the Board, the BTC will provide such background and supporting information as may be necessary for the Board to make an informed decision.
- 5.13 The BTC shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the BTC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. The minutes of the BTC meeting shall be made available to all Board members.
- 5.14 The BTC, through its Chairman, shall report matters that are deliberated at the BTC meeting(s) and make the necessary recommendations (if necessary) to the Board for the Board's deliberation and decision.
- 5.15 The Chairman of the BTC shall be available to answer any questions regarding the BTC, at the general meetings of the Company.

6. CIRCULAR RESOLUTION

A resolution in writing signed by all members shall be valid and effectual as if it had been passed at a meeting of the BTC. All such resolutions shall be described as "Board Tender Committee Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in the like forms, each signed by one (1) or more members. The expressions "in writing" or "signed" include approvals by legible confirmed transmissions by facsimile or other forms of electronic communications.

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