

**MALAKOFF CORPORATION BERHAD**  
**(“MCB” or “the Company”)**

**TERMS OF REFERENCE OF BOARD PROCUREMENT COMMITTEE**

**1. Establishment**

The Board Procurement Committee (“BPC”) is established to act as a Committee of the Board of Directors (“the Board”) to be responsible for the procurement of more than RM10 million and up to RM50 million for the MCB Group. The authority, functions, roles and responsibilities of the Committee shall be extended to MCB and its subsidiary companies (“the Group”).

**2. Objective**

The formation of the BPC will ensure that due attention is given by a committee comprising board members of the Company to review and approve the procurements to be undertaken by the management for the MCB Group. With the formation of the BPC, it will enable the Board to focus on critical businesses and strategic matters as well as strengthening the Board’s roles to formulate the policies and steer the direction of the company.

**3. Composition**

3.1 The members of the Committee shall be appointed by the Board from amongst its members and shall consist of not less than three (3) members. All members must be non-executive directors who shall be nominated by the Board Nomination Committee of the Company and approved by the Board.

No alternate director of the Board can be appointed as a member of the Committee.

3.2 Where the members of BPC for any reasons are reduced below three (3), the Board shall within three (3) months of the event, appoint new member(s) as may be required to make up the minimum number of the BPC.

- 3.3 All members shall deem fit to hold the office for as long as they serve as the Director of the Company. The eligibility to serve as committee member shall automatically cease once they no longer serve as the Director of the Company.
- 3.4 In the absence of the Chairman of the BPC, the members may appoint a new chairman among the members.

#### **4. Meetings**

- 4.1 The BPC shall convene meetings as and when required to deliberate the procurement award recommendations to meet the business needs.
- 4.2 The Company Secretary of MCB or any nominated Corporate Secretarial personnel shall act as the secretary of the BPC meeting.
- 4.3 The Chairman of the BPC and the Secretary on requisite of a member or procurement officer shall at any time summon a meeting of BPC by giving at least seven (7) working days' notice.
- 4.4 Notice and papers of the BPC meeting must be served/circulated at least seven (7) working days before meeting. The notice and agenda of each meeting shall be sent to all members of the Committee and any other persons that may be required to attend. Minutes of each meeting shall be kept and distributed to each member of the Committee.
- 4.5 Quorum for each BPC meeting shall be two (2). No business shall be transacted at any meetings unless a quorum is present.
- 4.6 The Chairman of the BPC shall chair the BPC meeting and in his absence, the members present shall elect one of their members to be the chairman of the meeting.
- 4.7 All matters or businesses arising at the BPC meeting shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the BPC. In case of equality of votes, the Chairman of meeting shall have a second or casting vote.

- 4.8 In appropriate circumstances, the BPC may deal with matters by way of Committee's circular resolution. A resolution in writing, signed or approved by letter or other electronic means by all the members, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.
- 4.9 The BPC may invite other directors, employees or professional advisors to attend the meeting where their presence is considered necessary.
- 4.10 All decisions of the BPC shall be recorded and notified to the Board.

## **5. Authority**

The financial authority of the BPC shall be those as set out in the Company's Limit of Authority ("LOA") after taking into consideration the recommendations and justifications made by the Management Procurement Committee of the Company.

## **6. Functions, Roles and Responsibilities**

In fulfilling its objectives, the Committee shall undertake the following functions, roles and responsibilities:-

- (i) To review, evaluate and approve or disapprove procurements of the MCB Group for the amount more than RM10 million and up to RM50 million, upon the recommendation by the Management Procurement Committee. As for the procurements above RM50 million, it would still be under the purview of the Board and would require its approval; and
- (ii) To assist the Board in regulating the compliance with the Group's Procurement Policy and Procedures.

## **7. Revision of the Terms of Reference**

- (i) Any revision or amendment to the Terms of Reference shall be presented to the Board for its approval; and

- (ii) Upon the Board's approval, the said revision or amendment shall form part of the Terms of Reference of the BPC and that the Terms of Reference shall be considered duly revised or amended.

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