

**TERMS OF REFERENCE OF THE TENDER AND PROJECTS COMMITTEE (FORMERLY KNOWN AS THE EXECUTIVE COMMITTEE)**

**1.0 PURPOSE**

1.1 The Tender and Projects Committee (“TPC”) is a committee established by the Board of S P Setia Berhad (“the Company”). The primary purpose of the TPC is to assist the Board in the implementation of significant operational matters for the Company and its subsidiaries (“the Group”).

**2.0 COMPOSITION**

2.1 The TPC shall comprise at least three (3) members as follows:

- (1) Independent Non-Executive Director;
- (2) Independent Non-Executive Director; and
- (3) President / Chief Executive Officer.

2.2 The role of Independent Non-Executive Directors is to provide check and balance to management decision making process.

2.3 Chairman of the TPC shall be appointed by the Board.

**3.0 REPORTING RESPONSIBILITIES**

3.1 The TPC will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on the Group’s operational matters in accordance with the Discretionary Authority Limits and matters as it may think fit.

**4.0 ATTENDANCE AT MEETINGS**

4.1 The TPC may request members of management to participate in its meetings, as it may deem fit.

4.2 The Company Secretary shall be the secretary of the TPC or failing which, a representative from the Group Secretariat Department of the Company.

**5.0 FREQUENCY OF MEETINGS**

5.1 The TPC to convene its meeting at least once a month and convene additional meetings as and when necessary. Notice of meetings shall be circulated to the members 5 working days in advance.

5.2 Upon the request of any member of TPC, the Chairman of TPC shall convene a special meeting to consider such other matters.

5.3 Decision of the TPC shall be by way of unanimous approval from all TPC members present at the meeting.

## **6.0 QUORUM**

6.1 The quorum for the TPC meetings shall be three (3) TPC members, including the Chairman.

## **7.0 AUTHORITY**

7.1 The TPC shall have the following authority as empowered by the Board:

- (i) Have the resources required to perform its duties.
- (ii) Have full and unrestricted access to any information, records, properties and personnel within the Group.
- (iii) Be able to obtain independent professional advisers or other advisers.

7.2 To engage outsiders with relevant experience and expertise if necessary.

## **8.0 DUTIES**

8.1 The TPC is responsible for approving the following under its purview:

- (1) Award of contracts of RM1.5 million and above but below RM200 million issued by the Group.
- (2)
  - (a) Overall project budget for each project under Setia Precast Sdn Bhd of RM1.5 million and above but below RM200 million;
  - (b) Award of subcontracts of RM1.5 million and above but below RM200 million under Setia Precast Sdn Bhd and Setia Wood Industries Sdn Bhd; and
  - (c) Award of sub-contracts not included in the overall approved project budget under Setia Precast Sdn Bhd of not exceeding RM200 million.
- (3) Purchase Orders of RM1.5 million and above but below RM200 million issued by S P Setia-Wood Industries Sdn Bhd.
- (4) Normal variation work order and variation order for upgrading of material, different nature of work, additional work beyond scope of work in original contract, for amount of RM1.5 million and above but below RM25 million issued by the Group. If the variation is for omission of work, approval from Chief Executive Officer or Chief Operating Officer, where applicable, shall be obtained for any amount.
- (5) Donation/sponsorship of RM100,000 and above but below RM500,000 to be disbursed by the Group.
- (6) Proposal for write-off of trade and other receivables/bad debts/raw materials of RM100,000 and above but below RM500,000 owing to the Group.
- (7) Appointment of service providers for professional or consultancy services for corporate related matters where fees are RM500,000 and above.

8.2 The TPC is to receive report on the following matters:

- (1) List of contracts of RM1.5 million and above awarded by Joint Venture companies.
- (2) List of sub-contracts below RM1.5 million awarded by Setia Precast Sdn Bhd and Setia Wood Industries Sdn Bhd.
- (3) List of Purchase Orders below RM1.5 million approved by the Management of S P Setia-Wood Industries Sdn Bhd.
- (4) Litigation involving amount of RM5 million and above.
- (5) Construction progress of the Group's key projects and those identified from time to time by the TPC.
- (6) Report on the Group's sales tracked against yearly budget.

## **9. OTHERS**

- 9.1 The confirmed minutes of the meetings of TPC shall be tabled at the Board Meeting of the Company.
- 9.2 The Chairman of the TPC shall report to the Board after each meeting.
- 9.3 A resolution in writing signed by all the TPC members shall be valid and effectual as if it had been passed at a meeting of the TPC duly called and constituted. The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, telex, cable, telegram or other forms of electronic communications.