

REVISED TERMS OF REFERENCE - BOARD PROCUREMENT COMMITTEE (BPC) OF MALAYSIA AIRPORTS HOLDINGS BERHAD (MAHB)

This Terms of Reference shall apply to Malaysia Airports Holdings Berhad (the Company or MAHB) and its Group of Companies¹ (“MAHB Group”)

1.0 OBJECTIVES

- 1.1 To ensure a more transparent, efficient and faster decision making process in respect of procurement matters.
- 1.2 To provide a platform for deliberation of all procurement proposals and obtain further information and clarifications from the Management before deliberating and approving the proposed procurement² or before escalating the proposals to the MAHB Board for approval, as the case may be³.
- 1.3 To ensure that all procurement policies and procedures⁴ are fully adhered to before making any approvals or recommendations.
- 1.4 To consider, approve and/or recommend all procurement proposals and any modification thereof in accordance with the approved limits of authority.
- 1.5 To ensure that the best interests of MAHB Group are met and protected at all times.
- 1.6 To appraise the relevancy and criticality of the procurement proposal vis-à-vis the needs of the Company and Group.

2.0 AUTHORITY

- 2.1 The BPC shall have access to all information pertaining to the Company to enable it to discharge its duties effectively.
- 2.2 The BPC is authorized to obtain, at the Company’s expense, external legal or other professional advice on any matters within its terms of reference.

¹ Includes all subsidiaries of MAHB

² See paragraph 5.2

³ See paragraph 5.4

⁴ As set out in the Procurement Policies, Procedures & Guidelines and any circulars thereof, as may be amended from time to time

- 2.3 The BPC may request other directors, members of Management, counsels, consultants as applicable to participate in the BPC meetings, as necessary, in order to assist the BPC in carrying out its duties and responsibilities.
- 2.4 For the avoidance of doubt, all the powers of authorities herein as stated or specifically authorised within the ambit of the Terms of Reference, should not be usurped, delegated and arrogated in any manner, by/to any person, body or authority whatsoever.
- 2.5 The decisions at BPC level shall be on a unanimous basis. All decision made by the BPC to be complied with and implemented.
- 2.6 The BPC may escalate any matters whatsoever to the MAHB Board, for deliberation, information and approval purposes, thereof.

3.0 MEMBERSHIP

- 3.1 The membership or composition of the BPC shall comprise both independent non-executive directors and non-independent non-executive directors to be appointed by the Board of Directors.
- 3.2 The members of the BPC shall be appointed by the Board of Directors of MAHB from among its members and:
 - (i) shall comprise no fewer than three members including the Chairman of BPC.
 - (ii) Chairman of BPC must be an Independent Director.

If for any reason the membership falls below three members, the Board of Directors shall within one month of the event, appoint such number of new member or members as may be required to fulfil the minimum requirement.

4.0 SECRETARIAT AND INVITEES TO THE BPC

- 4.1 The Company Secretary shall act as the Secretary to BPC. The Company Secretarial Division is responsible to prepare the minutes of meeting and administrative matters of BPC meeting. In the absence of the Company Secretary, the staff of the Company Secretarial Division attending BPC meeting shall be a qualified / licensed secretary.

- 4.2 The Procurement & Contract Division (PCD) shall be responsible for compiling all proposal papers and evaluation reports for tabling to BPC and for ensuring that all matters decided by BPC are followed through and/or carried out by the respective business unit and reported back to BPC.
- 4.3 The Group Chief Executive Officer (GCEO), Chief Financial Officer (CFO) and General Manager PCD shall be invited as permanent invitees in all the BPC meetings but shall have no voting rights. Relevant budget owners may be invited to present to BPC their respective procurement proposal.

5.0 FUNCTIONS

- 5.1 To review and recommend any changes to the Procurement Policies, Procedures & Guidelines to the Board of Directors e.g. Procurement Financial Limit of Authority, Tender Procedure, Tender Evaluation Criteria.
- 5.2 To approve on procurement plan/mode on direct appointment, appointment of consultant and selective tendering method for procurement value above RM10 million to RM200 million.
- 5.3 To recommend to the Board of Directors on award of tender above RM200 million.
- 5.4 To approve procurement exercises for value above RM10 million to RM200 million.
- 5.5 To approve the proposed earnings from rental space, commercial activities for value above RM10 million to RM50 million per contract and its related issues such as reduction and discounts of rental rates arising out of business transactions of MAHB group and its subsidiary companies. For value above RM50 million, to recommend to MAHB Board of Directors.
- 5.6 To deliberate and approve Variation Order(s) [VO(s)] (for contract above RM10 million to RM200 million) with value(s) up to 10% of the original contract sum applicable on individual and cumulative basis. Any VO exceeding 10% and/or causes the total cumulative to exceed 10% shall be referred to MAHB Board of Directors for approval.
- 5.7 To approve extension of time (EOT) for projects approved by BPC.

- 5.8 To approve direct appointment of wholly owned and majority owned subsidiary companies for a value above RM10 million and up to RM200 million. For proposal with a value of above RM200 million, BPC will recommend to MAHB Board of Directors for approval.
- 5.9 To approve the appointment of consultants for the amount of Professional Fees of value above RM3 million and up to RM10 million. For Professional Fees of value more than RM10 million, BPC to recommend to MAHB Board of Directors for approval.

6.0 MEETING DOCUMENTS & MINUTES OF MEETING

- 6.1 All documents to be tabled to the BPC meeting must be confirmed by the Company Secretarial Division that such documents meet the standard requirements for submission of documents for BPC meeting.
- 6.2 Documents to be tabled to the BPC must be submitted at least 5 working days before the date of meeting for distribution to BPC members.
- 6.3 Draft minutes are to be distributed by the Company Secretary within 7 working days after the meeting.
- 6.4 Any issues within the terms of reference of the BPC may be referred to the BPC for guidance and decision.

7.0 QUORUM & PROCEEDINGS OF MEETINGS

- 7.1 The required quorum for the BPC meeting shall not be less than 3 members (including the Chairman).
- 7.2 The Meeting can only be convened with the presence of the BPC Chairman. However, in the event that the Chairman is unable to attend, the members present shall choose one of their members, to act as Chairman of the said meeting and he/she shall be counted as the requisite quorum for the meeting.
- 7.3 A member may participate in the meeting by means of telephone conferencing, video conferencing or any communication equipment and he/she shall be deemed to be present in person and counted in a quorum of the meeting.

8.0 CIRCULAR RESOLUTION

- 8.1 In the event a meeting could not be convened, approval may be sought by way of a Circular Resolution (CR) upon approval by the Chairman of BPC. The BPC CR shall be valid and effective as if it had been passed by a meeting of BPC duly convened. The BPC CR must be signed or approved unanimously by all members.
- 8.2 Any such BPC CR may consist of several documents in like form each signed by one or more of the BPC members either in electronic form or written document and shall be valid and effective as if it had been passed at BPC meeting duly convened.

9.0 REPORTING

- 9.1 The confirmed minutes of the meeting of the BPC will be provided and tabled at the next MAHB Board of Directors' Meeting for information and/or further deliberation.