



**BANK PEMBANGUNAN MALAYSIA BERHAD**  
**Registration No.: 197301003074 (16562-K)**

**GROUP BOARD TENDER COMMITTEE**

**TERMS OF REFERENCE**

1. Objective

The Group Board Tender Committee ("Group BTC" or "the Committee") is established by the Board of Directors' ("Board") of Bank Pembangunan Malaysia Berhad ("BPMB") to provide oversight, governance, and approval on significant procurement and tender matters across the BPMB Group, ensuring that all procurement activities are conducted in a transparent, competitive, cost-effective, and accountable manner.

The Group BTC is to support the Board of BPMB, Small Medium Enterprise Development Bank Malaysia Berhad ("SME Bank"), and Export-Import Bank of Malaysia Berhad ("EXIM Bank") [collectively called as Development Financial Institutions ("DFIs")] to provide the necessary oversight over the DFIs' procurement process in line with the Approving Authorities and Authority Limits ("AA") and the Procurement Policy of the Group to ensure the highest ethical standards, compliance to legal and regulatory requirements, and strong governance of the procurement activities, while safeguarding the interest of the Group and supporting value-for-money outcome.

This is to achieve alignment with BPMB Group's established practices and in compliance with applicable legal and ethical standards, in relation to procurement and tender-related matters for both Information Technology ("IT") and Non-IT procurements.

The responsibility of the Committee covers the following entities within the Group:

- (a) BPMB;
- (b) SME Bank;
- (c) EXIM Bank; and
- (d) Any other operating entities which do not have their own Board Tender Committee as deemed appropriate.

In relation to subsidiaries, approval from their Board is required prior to final approval obtained from the BPMB Board (where applicable).

All policies, Guidelines and Procedures revisions recommended by the Group BTC and approved by the BPMB Board shall be cascaded to the Boards of subsidiaries for formal adoption and implementation.

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| 2. Composition          | 2.1 | Group BTC shall consist of not less than three (3) members, comprising Directors from the Board of BPMB, SME Bank, and EXIM Bank.   |
|                         | 2.2 | All members of Group BTC shall be Non-Executive Directors, of whom the majority are Independent Non-Executive Directors.<br><br>The Chairman of the Board of BPMB, SME Bank and EXIM Bank shall not be a member of the Group BTC.   |
|                         | 2.3 | The appointment of the Chairman and members of the Group BTC shall be approved by the BPMB Board.<br><br>All members of the Group BTC, including the Chairman, shall hold office so long as they remain as Directors of BPMB, SME Bank, and EXIM Bank.  |
|                         | 2.4 | The members of the Group BTC may relinquish their membership with prior written notice to the Company Secretary and may continue to serve as Directors of BPMB, SME Bank, and EXIM Bank.  |
|                         | 2.5 | The members of the Group BTC shall possess sound judgement, objectivity, skill, relevant management experience, integrity, and industry knowledge. The members of the Group BTC are required to make a declaration of interest in the event that they have interests in proposals, which are being considered by the Group BTC, including where such interest arises through close family members and related parties, in line with various statutory requirements on the disclosure of Directors' interests.<br><br>In all situations where the members of Group BTC are deemed as interested, such an interested member would recuse himself/herself from all proceedings and deliberations of Group BTC pertaining to the matters of conflict. The declaration of interest and abstention from the deliberation and voting would be recorded in the minutes of the meeting of the Group BTC. |
| 3. Chairman             | 3.1 | The Chairman of the Group BTC must be an Independent Non-Executive Director. In his/her absence, the members present at the meeting may elect any of its members to be the Chairman of the said meeting.  |
| 4. Invitee/<br>Observer | 4.1 | Group BTC may invite the Group CEO, other Directors, and/or Senior Management of BPMB Group to attend the Group BTC meeting as 'Invitee' to participate in the meeting during the presentation and deliberation.  |
|                         | 4.2 | Group BTC may invite to its meeting such other persons as it deems appropriate, in order to carry out its responsibilities.   |
| 5. Secretary            | 5.1 | The Company Secretary or any other personnel authorised by the Group BTC shall prepare the minutes of all Group BTC meetings, including the names of those present and in attendance.   |

6. Authority
- 6.1 Group BTC shall have the authority to cover any matter within its Terms of Reference ("TOR"), internal policies, and any other regulatory requirements.
- 6.2 Group BTC shall have full authority to seek/obtain information from any employee of BPMB Group and to commission any investigations, reports or surveys, which it deems necessary in facilitating Group BTC to fulfil its duties and obligations.
- During the discharge of its duties, Group BTC shall have access to the advice and services of the Company Secretary(ies).
- 6.3 Group BTC may request, at BPMB Group's expense (where applicable), any external or independent professional advice or expertise with regard to the Group BTC matters, if necessary.
- 6.4 Group BTC is encouraged to have an independent session with the Group BTC Committee, without the presence of the Management, before or after the Group BTC meeting.
- 6.5 Group BTC shall be able to convene meetings with Management, and if appropriate, the Secretary, whenever deemed necessary.
- 6.6 The Chairman's report of the Group BTC shall be presented to the Board of BPMB and/or its subsidiaries (where related to them) on the deliberations, key matters considered, and the Committee's recommendations arising from each meeting, through the presentation of the said report. The report shall highlight significant issues discussed and decisions made within the Committee's authority.
- 6.7 Where an agenda item gives rise to ambiguity or requires comprehensive deliberation and holistic consideration beyond the remit of the Group BTC, the Chairman of the Group BTC shall have the discretion to escalate the matter to the BPMB Board for collective deliberation and informed decision.
7. Roles & Responsibilities
- Primary duties and responsibilities of Group BTC are as follows:-
- 7.1 To oversee that the tender process is carried out in accordance with the BPMB Procurement Policy and Procedure.
- 7.2 To review and ensure that the tender evaluation criteria requirement is comprehensive and allows maximum competition amongst vendors.
- 7.3 The recommendation to award the tender will be based on merit, always allowing for qualitative considerations and competitive pricing where practical and feasible.
- 7.4 To review the adequacy of the tender evaluation report, which incorporates both technical and financial evaluation.

7.5 To approve any recommendations for appointment of vendor/consultant/supplier (s) within the limit above RM3 million up to RM10 million, and in compliance with the established Procurement Policy and Procedures. The approval includes but not limited to contract renewals, variation orders, direct and competitive bid.

7.6 To assess and recommend any appointment of vendor/consultant/supplier (s) for value above RM10 million to the Board of BPMB and/or its subsidiaries (where applicable) for approval.

However, for any amount exceeding RM300 million, prior approval from the Minister of Finance Incorporated ("MOF Inc.") shall be obtained upon approval from the Board(s) respectively.

The assessment should be based on predefined criteria, such as cost, quality, capability, experience, and compliance with the tender specifications.

7.7 To encourage Bumiputera empowerment, the proposed procurement shall entail award points that demonstrate a commitment to Bumiputera development. This could involve subcontracting with Bumiputera vendors or other initiatives that contribute to the economic participation of the Bumiputera community.

7.8 To authorise the cancellation or termination of tender processes within its threshold of approval where justified, and to consider and determine the appropriate course of action in instances where an insufficient number of bids or proposals have been received, in accordance with BPMB Procurement Policy and Procedures.

7.9 To provide a transparent and auditable process where decisions can be justified, ensuring that the final decision is well-documented.

7.10 To assess the risk, justification, and benchmarking provided for the recommendation to appoint vendor/consultant/supplier(s) involving direct sourcing within its threshold of approval, and if justifiable, to approve the appointment.

7.11 To provide guidance and act as an approving authority for contractual-related matters in consultation with Legal, which includes, but not limited to, approving the recommendation for:

- (i) Contract or award cancellation and re-award to another vendor/consultant/supplier(s) or re-tender based on justification provided.
- (ii) amendment to the approved or executed scope (addition or omission), including variation orders.
- (iii) remedy action for contract or vendor/consultant/supplier(s) performance management.

- 7.12 To authorise negotiation in accordance with the BPMB Procurement Policy and Procedure for amounts of above RM3 million up to RM10 million. For amounts exceeding RM10 million, Group BTC's recommendation shall be obtained prior to approval by the Board of BPMB and/or its subsidiaries (where applicable).
- 7.13 To assess and select the most suitable proposals with the best value for the BPMB Group.
- 7.14 To identify and mitigate any risks associated with the bids, including financial, legal, and operational risks.
- 7.15 To ensure that procurement policy and procedure are established, updated, and approved by the Board of BPMB and thereafter cascaded to the Board of subsidiaries for formal adoption and implementation.
- 7.16 To review and recommend the BPMB Procurement Policy and any amendments thereto to the Board of BPMB and thereafter cascaded to the Board of subsidiaries for adoption and implementation, and where deemed appropriate, to recommend any major deviations from the Policy to the Board of BPMB and thereafter to the Board of subsidiaries for adoption following a robust assessment of the associated risks.
- 7.17 To present status reports on the implementation of projects funded by development allocations channelled by the Government to the Board of BPMB prior to submission to the Ministry of Finance Incorporated and the relevant supervising Ministry.
- 7.18 To review and assess the performance of third-party (ies) on an annual basis based on third-party(ies) assessment performance reports presented by Strategic Procurement.
- 7.19 To review the quarterly procurement awards report for oversight purposes, ensuring adherence to Procurement Policy and Procedures and effective monitoring of procurement activities prior to submission to the BOD for information.
- 7.20 To note the minutes of the Group Management Tender Committee's meeting and its written circular resolution.
- 7.21 To uphold the principles of integrity, regulatory compliance, and alignment with BPMB's policies and procedures, as well as Procurement Core Principles, in the interpretation and application of procurement guidelines; and to refer any ambiguity or inconsistency in the Procurement policy and guidelines to the Head of Strategic Procurement for clarification.
- 7.22 To undertake such other duties as instructed by the Board of BPMB and/or its subsidiaries (where applicable).

8. Quorum
- 8.1 The quorum for the Group BTC meeting shall be at least 51% of the total number of Members, of which a majority must be represented by Independent Directors.
- 8.2 A member of the Group BTC shall be deemed to have attended a meeting either by his/her physical presence or via other modes of telecommunication, including but not limited to video teleconferencing or telephone, subject to the consent of the Chairman of the meeting.
- 8.3 A duly convened meeting of the Group BTC at which a quorum is present shall be fit to exercise all/ any of the authorities, powers, and discretions vested in or exercisable by the members.
- 8.4 A member interested in a contract or a proposed contract or arrangement shall be counted for the purpose of determining a quorum. However, he/she must abstain from participating in discussions and decisions on matters directly involving him/her.
- 8.5 Decisions relating to the Group BTC's recommendation shall be consensus, always adhering to the quorum for the meeting. Notwithstanding the above, the Chairman shall call for a vote of the members if the circumstances warrant it, where the decision shall be carried out based on the majority. In case of an equality of votes, the Chairman shall have a second or final casting vote. No Member will abstain from voting unless he or she has declared a conflict of interest.
9. Frequency
- 9.1 The meeting shall be convened as and when required or as and when requested by the Chairman.
10. Attendance
- 10.1 All members are required to attend at least 75% of the Group BTC meetings held in each financial year. Attendance shall be validated only through registration via the designated QR code or any approved attendance-recording mechanism.
- 10.2 Members who are unable to attend shall notify the Chairman, together with written justification(s), via other modes of telecommunication.
- 10.3 Any member who fails to attend three (3) consecutive Group BTC meetings and is in non-compliance with clause 10.1 above, the member will be referred to the BPMB Board for necessary action.
11. Notice of Meeting & Meeting Papers
- 11.1 Meetings shall be notified by the meeting Secretary or any other personnel authorised by the Group BTC at the request of the Chairman.
- 11.2 Unless otherwise agreed, a notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be submitted no later than five (5) days prior to the meeting.
- 11.3 All meeting papers shall be provided to the Group BTC Members not less than three (3) days prior to the date of the meeting. However, papers that are deemed urgent and/or confidential may still be submitted to the Secretary after the expiry of the deadline for paper submission to be tabled at the Group BTC, subject to the approval by the Chairman of the Group BTC.

- 11.4 After the conclusion of the Group BTC meeting, a summary decision of the meeting shall form part of the presentations and proposal papers to the relevant Board meetings.
12. Confidentiality and Document Handling
- 12.1 All Group BTC material is strictly confidential and provided solely for the Group BTC discussion.
- 12.2 To ensure confidentiality is protected, highly sensitive papers can be distributed on the day of the meeting or during the meeting.
- 12.3 Appropriate measures may be taken, in the interest of confidentiality and good governance, to safeguard the Group BTC materials upon the conclusion of a meeting.
- 12.4 The Company Secretary shall act as the custodian of all confidential documents and meeting recordings of the Group BTC.
- Any recording of the Group BTC meetings shall be strictly for the purpose of assisting the Secretary in the preparation of the minutes.
- 12.5 The retraction of confidential documents may only be requested by the Chairman of the Group BTC.
- 12.6 Breach of confidentiality obligation by any member, Company Secretary or any responsible person shall be subject to review by the Group BTC and BPMB Board.
13. Minutes of Meeting
- 13.1 The Secretary shall minute the proceedings and resolutions of the meeting. The minutes must record the decisions of the Group BTC, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must also indicate whether any member abstained from voting or excused himself from deliberating on a particular matter.
- 13.2 The Secretary shall ascertain, at the beginning of the meeting, the existence of any conflict of interest and minute them accordingly.
- 13.3 Draft minutes of each Group BTC meeting shall be circulated to the Group BTC members prior to the tabling of the said minutes for confirmation five (5) days before the subsequent Group BTC meeting.
- 13.4 Minutes of the Group BTC Meetings shall be approved by the members and signed or digitally signed by the Chairman of the meeting.
- 13.5 Minutes of meetings of the Group BTC, which have been confirmed and signed/digitally signed, shall be submitted to the BPMB Board for notification.

14. Others                      14.1    The TOR shall be reviewed once every two (2) years or as and when required.

The review/ amendment/ modification of the TOR shall be tabled at the Group BTC for recommendation and approved at the BPMB Board.

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