



Company Registration No. 201701025110 (1239276-V)  
(Incorporated in Malaysia)  
("the Company")

## **TERMS OF REFERENCE OF PROCUREMENT COMMITTEE**

### **1. Purpose**

- 1.1 To ensure that all procurement activities within the Institute of Corporate Directors Malaysia ("ICDM" or the "Company") are conducted in high standards of professionalism, transparent, fair, and ethical manner, in line with the Procurement Policy ("Policy") of the Company.
- 1.2 To provide a platform for deliberation and approval of procurement proposals and obtain further information and clarifications from the Management before escalating the proposals to the Board of Directors ("Board") of ICDM for approval, in accordance with the parameters as set out in item 1.1.3 of the Policy.

### **2. Composition**

- 2.1 The Committee shall be appointed by the Board from amongst themselves and shall comprise at least three (3) members, all of whom shall be Non-Executive Directors.
- 2.2 The members of the Committee shall elect a chairman of the Committee ("Chairman") among themselves. The Chairman of the Committee shall not be the Chairman of the Board.
- 2.3 The appointment of a Committee member shall terminate when the member ceases to be a Director.
- 2.4 If for any reason the membership falls below the minimum of three (3) members, the Board shall within one (1) month of the event, appoint such number of new member or members as may be required to fulfil the minimum requirement.

### **3. Responsibilities**

- 3.1 To review and recommend any changes to the procurement strategies, policies, and procedures to the Board.
- 3.2 To review and approve the procurement plan/mode on direct sourcing, appointment of consultant / vendor and tendering method for procurement above RM200,000.
- 3.3 To recommend to the Board any procurement or award of tender above RM200,000.

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3.4 To deliberate and approve Variation Order(s) ("VO") (for contract above RM200,000) 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 the Board for approval.

**4. Quorum and Proceedings of the Meetings**

4.1 The quorum for the Committee meeting shall be at least two (2) members, one of whom must be Chairman of the Committee. In the absence of the Chairman, the Chairman may nominate one of the members to chair the meeting.

4.2 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.

4.3 Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the other members of the Board.

4.4 Each member of the Committee shall be entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the Committee.

4.5 In the event of an equality of votes, the Chairman of the Committee shall not be entitled to a second or casting vote. Such matter will be escalated to the Board for decision. In addition, any dissenting opinion of the members of the Committee should be reported to the Board.

4.6 A member of the Committee shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

4.7 The Committee has the full discretion to invite such other persons or officers of the Company to its meeting, as it deems necessary.

**5. Communication to the Board**

5.1 The Committee shall cause the minutes of each meeting to be tabled to the Board for notation.

5.2 The Chairman of the Committee shall report to the Board regarding all relevant matters and appropriate recommendations, in a written report for noting or approval by the Board.

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**6. Circular Resolution**

- 6.1 Any resolution in writing signed by All members of the Committee for the time being shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held.
- 6.2 All such resolutions shall be described as "Procurement Committee's 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.
- 6.3 Any such resolution may be contained in a single document or may consist of several documents in the like form, each signed by one (1) or more members.
- 6.4 The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, email or other forms of electronic communications.

**7. Secretary**

- 7.1 The Company Secretaries of the Company shall be the Secretary of the Committee.
- 7.2 The Company Secretary shall be responsible for preparation of the agenda in consultation with the Chairman, and distribution to all the members the papers to be deliberated at the meeting.

**8. Review and Amendments**

- 8.1 The Terms of Reference shall be reviewed periodically once in every (3) years or as required by the Board. Any amendments shall be approved by the Board.

Approved and adopted by the Board of Directors on 28 August 2024.