

TERMS OF REFERENCE OF THE TENDER AND PROJECTS 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 its oversight function relating to the approval for award of contracts, monitoring of projects progress of the Company and its subsidiaries (“the Group”) as well as to review the Group’s operational health, safety and environment performance and culture.

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 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 recommending or approving, as the case may be, the following under its purview in accordance with the limits set in the Discretionary Authority Limits:

- (1) Award of contracts procured by the Group.
- (2) Purchase Orders issued by Setia-Wood Industries Sdn Bhd.
- (3) Variation orders issued by the Group.

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

- (1) List of contracts awarded by Joint Venture companies in accordance with the limits set in the Discretionary Authority Limits.
- (2) List of Purchase Orders approved by the Management of Setia-Wood Industries Sdn Bhd in accordance with the limits set in the Discretionary Authority Limits.
- (3) Construction progress of the Group's key projects and those identified from time to time by the TPC, including but not limited to any exposure to Liquidated Ascertained Damages, management of defects or other issues that may arise in the course of construction to post delivery of vacant possession.
- (4) Report on the Group's sales tracked against yearly budget.
- (5) Leasing and performance report of the Group's Investment Properties and those identified from time to time by the TPC.
- (6) Report on the safety performance of the Group, including all fatalities and serious incidents to monitor key indicators and learnings from incidents and to review the overall adequacy and effectiveness of the Group's health and safety strategy, management system and compliance with legal and regulatory requirements.

9.0 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.