



TERMS OF REFERENCE

**BOARD RISK AND INVESTMENT
COMMITTEE**

Revision No: 06/2025

Date: 21 August 2025

**APPROVED BY THE BOARD OF DIRECTORS OF DELEUM BERHAD
ON 21 AUGUST 2025**

DELEUM BERHAD

Terms of Reference of the Board Risk and Investment Committee (“BRIC or Committee”)

INTRODUCTION

The Committee’s Terms of Reference (“TOR”) sets out the requirements of the Board of Directors of Deleum Berhad (“the Company” or “DB”) towards the establishment of a Board Risk and Investment Committee and the delegation of responsibilities to such a Committee.

1.0 OBJECTIVES OF THE COMMITTEE

The objectives of the Committee are to assist the Board of the Directors of the Company (“the Board”) in fulfilling its roles and responsibilities in regard to the following and/or any other roles as may be assigned by the Board from time to time:

- 1.1 Overseeing the development, implementation and continuous improvement of the risk management framework, including business continuity management, policies, procedures and strategies, to ensure the effective identification, evaluation, mitigation and monitoring of risks across the Company’s business operations, including risks associated with growth and investment opportunities, and to ensure the adequacy and effectiveness of the overall framework in supporting sound risk governance.
- 1.2 Overseeing the Company’s governance and compliance matters including issues related to corruption, fraud, malpractices, and unethical conduct through the formulation and promotion of a strong culture of good governance, integrity, and ethics within the Company, and ensuring adherence to applicable laws, regulations, and contractual obligations.
- 1.3 Assisting the Board in overseeing whistleblowing management by ensuring appropriate and confidential channels are available for reporting legitimate concerns, and that such concerns are independently and objectively investigated and addressed.
- 1.4 Overseeing the formulation and implementation of the sustainability strategy, initiatives and performance, including matters related to climate change and other material sustainability matters and issues, to ensure alignment with regulatory obligations and stakeholder interest.
- 1.5 Assess investment opportunities to ensure alignment with the Company’s strategy, risk appetite, and governance requirement.

2.0 AUTHORITY OF THE COMMITTEE

- 2.1 In general, the Committee shall not have the delegated powers from the Board to implement its recommendations but should be obliged to report recommendations back to the Board for consideration and implementation.
- 2.2 In carrying out its duties and responsibilities, the Committee shall have the following authorities:
 - 2.2.1 acquire the resources which are required to perform the activities required to discharge its responsibilities and make the relevant recommendations to the Board;
 - 2.2.2 full, free and unrestricted access to any information, records, properties and personnel of the Deleum Group;
 - 2.2.3 to obtain independent professional advice and expertise necessary for the performance of its duties; and
 - 2.2.4 all Members shall have access to the advice and services of the Company Secretary.

3.0 COMPOSITION OF THE COMMITTEE

CHAIRMAN

- 3.1 The Committee or the Board shall elect a Chairman of the Committee from among the Members of the Committee who is an Independent Director.
- 3.2 In the absence of the Chairman, the Committee members present shall elect a Chairman for the meeting from amongst the Committee members present.

MEMBERS

- 3.3 The Board shall appoint the Members of the Committee which shall comprise at least three (3) directors of whom majority shall be Independent Directors.
- 3.4 Where the Members for any reason are reduced to less than three (3), the Board shall upon the recommendation of the Joint Remuneration and Nomination Committee ("JRNC"), appoint such number of Directors within six (6) months of the event to fill up such vacancies.
- 3.5 All Members shall hold office only for so long as they serve as Directors of the Company, or as determined by the Board.
- 3.6 No Alternate Director shall be appointed as a member of the Committee.

- 3.7 Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary but, may continue to serve as Directors of the Company.
- 3.8 The terms of office and performance of the Committee and each of its Members shall be reviewed by the JRNC and the Board annually to determine whether the Committee members have carried out their duties in accordance with the TOR.

SECRETARY

- 3.9 The Secretary of the Committee shall be the Company Secretary.
- 3.10 In the absence of the Secretary, any other appropriate senior officer of the Company shall act as the Secretary of the Committee.
- 3.11 The Secretary or his/her representative or other appropriate senior officer shall be present to record proceedings of the Committee meetings.

4.0 COMMITTEE MEETINGS

- 4.1 The Committee shall convene meetings regularly as and when required provided that the Committee shall meet at least four (4) times a year. Additional meetings may be called at any time at the discretion of the Chairman of the Committee.
- 4.2 The Chairman of the Committee, or the Secretary on the requisition of any member, shall at any time summon a meeting of the Committee by giving three (3) days' notice, or shorter notice, due to extenuating circumstances, prior to the meeting. Consent from all members of the Committee shall be obtained for any meetings of the Committee called shorter than this notice period.
- 4.3 The quorum for each meeting shall be at least two members with majority of the attending members being Independent Directors. No business shall be transacted at any meeting of the Committee unless a quorum is present.
- 4.4 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Members may determine. If at such adjourned meeting a quorum is not present within fifteen (15) minutes from the time appointed for holding the meeting, the meeting shall be dissolved.
- 4.5 The Chairman of the Committee shall chair the Committee meetings. In the absence of the Chairman, the Members present shall elect a Chairman for the meeting from among the Members present, who shall be an Independent Director.

- 4.6 Meetings may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication and the participation in the meeting pursuant to this provision shall constitute presence in person at such meeting.
- 4.7 The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the Committee. The agenda shall be sent to all Members of the Committee and any other persons who may be required to attend the meeting.
- 4.8 The Secretary shall promptly prepare the written minutes of the meeting and distribute to each Member. The minutes of the meeting shall be confirmed and signed by the Chairman of the Committee.
- 4.9 The minutes of each meeting shall be entered into the minutes' book kept at the registered office of the Company under the custody of the Company Secretary. The minutes book shall be opened for the inspection of the Board, external auditor, internal auditor, management and other persons deemed appropriate by the Company Secretary.
- 4.10 The Chairman of the Committee shall update the Board on the relevant matters discussed by the Committee after each meeting.
- 4.11 Appropriate officers of the Company or professional advisers may be invited to attend the meetings where the Committee considers their presence necessary.
- 4.12 All recommendations and findings of the Committee shall be submitted to the Board for approval. Upon such approval, the Secretary shall distribute to each Member a copy of the Board's approval.

5.0 CIRCULAR RESOLUTIONS

- 5.1 The Committee may deal with matters by way of circular resolutions in the absence of convening a formal meeting.
- 5.2 A circular resolution in writing (if only deemed necessary by the Chairman) shall be valid and effectual if it is approved and signed by MAJORITY members of the Committee as if it had been passed at a meeting of the Committee. All such resolution(s) shall be described as "*WRITTEN RESOLUTION OF THE BOARD RISK AND INVESTMENT COMMITTEE*".
- 5.3 Any discussions including any concerns raised and the rationale for the decisions so made in the resolution(s), shall be tabled at the Committee meeting taking place immediately after the passing of the resolution(s), for a formal record keeping of the same.
- 5.4 Any such resolution(s) may consist of several documents in like form, each signed by one or more Committee Members.

6.0 DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The following are the main duties and responsibilities of the Committee collectively, which are not exhaustive and can be augmented, if necessary, with the Board's approval:-

- 6.1 To review the Group risk appetite and key risks, and to establish and monitor the effectiveness of the risk management framework, systems, plans, processes and controls for identifying, evaluating, monitoring and reporting of risks which includes new and emerging risks. Risk appetite is defined as the level and type of risk a company is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders.
- 6.2 To oversee that the Management team has identified and assessed the risks that the Group faces and had established a risk management infrastructure that is capable of addressing those risks.
- 6.3 To review the risk assessment report for projects which are deemed significant and to meet the criteria set under the Project Risk Management Guideline and thereafter update /advise the Board on the outcome of the assessment.
- 6.4 To review and assess prospective investment opportunities, as well as divestments, presented by Management, taking into account of factors such as strategic rationale, return on investment, resource requirements of those prospects, the adequacy of the due diligence undertaken by Management, and the identified risks associated with it together with any proposed mitigating actions / control measures in addressing said risks.
- 6.5 To ensure that continuous risk assessment and monitoring of key risk indicators and exposures are performed by Management and that adequate risk mitigation processes, action plans and controls formulated and implemented by Management are functioning effectively.
- 6.6 In carrying out its oversight responsibilities, each Committee member shall be entitled to rely on the integrity and expertise of those persons providing information to the Committee and on the accuracy and completeness of such information, to the best of their knowledge.
- 6.7 To make the necessary recommendations to the Board on risk management and internal control, where appropriate.
- 6.8 To update the Board on the activities of the Committee at its quarterly meetings.
- 6.9 The Committee may meet in joint sessions with the Audit Committee of the Board from time to time to discuss areas of common interest and significant matters including, but not limited to, major investment portfolio issues, frauds, major regulatory enforcement actions, major litigation or whistleblower matters, cybersecurity and systemic technology issues.

- 6.10 To oversee and recommend the Business Continuity Management Framework, policies and best practices of the Group based on internationally recognized standards and relevant regulations;
- 6.11 To oversee the Group-wide development and implementation of sound and effective business continuity.
- 6.12 To review and recommend the Group's compliance (integrity & ethics) related framework, policy and procedure based on internationally recognized standards and relevant regulations.
- 6.13 To review and recommend the whistleblowing policy and investigation procedures for implementation by the Group.
- 6.14 To oversee management of complaint via whistleblowing reporting channels, investigation process and outcome; and overall compliance (integrity & ethics) process and practices within the Group.
- 6.15 To conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from external legal expertise or other advisory parties, as necessary, to perform its duties and responsibilities.
- 6.16 To provide oversight and guidance on the establishment, implementation and performance of the Group's sustainability including the climate change related matters, strategies, priorities, goals, targets, initiatives, practices, and propagation of awareness, and recommend to the Board for approval.
- 6.17 To evaluate overall sustainability risks and opportunities, including climate change related risks and opportunities.
- 6.18 To review sustainability, risk and compliance related disclosure statements in Annual Report, website or any public documents and recommend to the Board for approval.

7.0 DISCLOSURE

- 7.1 The Committee shall assist the Board in making certain disclosures concerning the activities of the Committee pursuant to Bursa Malaysia Main Market Listing Requirements.
- 7.2 Membership of the Committee should appear in Deleum Berhad's Annual Report.
- 7.3 The number of Committee meetings held in a year and the details of attendance of each individual Member in respect of meetings held should be disclosed annually in Deleum Berhad's Annual Report.

8.0 REVISION OF THE TERMS OF REFERENCE

- 8.1 The Terms of Reference shall be reviewed at least once in every three years or when deemed necessary and updated or revised to ensure compliance with current laws, regulations and guidelines.
- 8.2 Any revision or amendment to this Terms of Reference, as proposed by the Committee or any third party, shall first be presented to Board for its approval.
- 8.3 Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference and this Terms of Reference shall be considered duly revised and amended.

9.0 DISCREPANCIES

In the event of any discrepancies between the Terms of Reference and other relevant Acts, Guidelines, Circulars or other documents issued by relevant regulators ("collectively Regulators' Documents"), the Regulators' Documents shall prevail.

10.0 PUBLICATION OF TERMS OF REFERENCE

The Terms of Reference of the Committee shall be made available on the Company's website.