TERMS OF REFERENCE

AUDIT COMMITTEE

Revision No: 6/2026

Date: 30 September 2026

APPROVED BY THE BOARD OF DIRECTORS OF DELEUM BERHAD ON 30 SEPTEMBER 2026

DELEUM BERHAD

Terms of Reference of the Audit Committee ("AC 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 AC 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 in complying with specified accounting standards and the necessary disclosure as required by Bursa Malaysia Securities Berhad ("Bursa Securities"), relevant accounting standards bodies, and any other laws and regulations as amended from time to time;

1.2 in presenting a balanced and understandable assessment of the Company's positions and prospects;

1.3 in establishing a formal and transparent arrangement for maintaining an appropriate relationship with the Company's auditors. It is to be the Board's principal agent in assuring the independence of the Company's external auditors;

1.4 in fulfilling its oversight responsibilities for the financial reporting process, maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets, as well as audit process; and

1.5 in undertaking such additional duties as may be appropriate and necessary to assist the Board from time to time.

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 its 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 The Committee is authorised by the Board to investigate any matter within the TOR. It shall have the authority to seek any information it requires from any employee of the Deleum Group and all employees are directed to cooperate with any request made by the Committee.

2.2.2 The Committee shall have full, free and unrestricted access to any information pertaining to the Company and the Deleum Group.

2.2.3 The Committee shall have direct communication channels with the external and internal auditors.

2.2.4 The Committee shall have resources required to perform its duties and may obtain, at the expense of the Company, advice from external legal or other independent professional advisor(s).

3.0 COMPOSITION AND SIZE 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 The Chairman of the Committee shall not be the Chairman of the Board.

MEMBERS

3.3 The Board shall appoint the Members of the Committee which shall comprise the following:

3.3.1 a minimum of three (3) Members;

3.3.2 all the Members must be Non-Executive Directors with a majority of the Members being Independent Directors in line with the Main Market Listing Requirements of Bursa Securities. However, for best practice, where practicable, the membership should comprise of all Independent Directors as determined by the Board;

3.3.3 all Members should be financially literate and are able to understand matters under the purview of the Committee including the financial reporting process;

3.3.4 at least one (1) Member of the Committee must be a member of the Malaysian Institute of Accountants ("MIA") or if he is not a member of MIA, a person who fulfils the requirements as stated in paragraph 15.09(1)(c)(ii) & (iii) of the Bursa Securities Listing Requirements; and

3.3.5 no alternate director shall be appointed as a Member of the Committee.

3.4 The Members should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

3.5 All Members of the Committee shall hold office only for so long as they serve as Directors of the Company, or as determined by the Board.

3.6 In the event of any vacancy resulting in non-compliance of the minimum of three (3) Members, the Board shall upon the recommendation of the Joint Remuneration and Nomination Committee ("JRNC"), appoint such number of Directors within three (3) months of the event to fill up such vacancies.

3.7 A former partner of the external audit firm of the Company must observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee. In this regard, a former audit partner includes all former partners of audit firm and/or affiliate firm, including those providing advisory services, tax consulting etc.

3.8 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.

3.9 The term 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

3.10 The Secretary of the Committee shall be the Company Secretary.

3.11 In the absence of the Secretary, any other appropriate senior officer shall act as the Secretary of the Committee.

3.12 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 meet at least four (4) times in a year although additional meetings may be called at any time with due notice of issues to be discussed, at the discretion of the Chairman of the Committee.

4.2 The Head of Finance Division, Head of Internal Audit and a representative of the external and internal auditors shall normally be invited to attend Committee meetings. Other Board members or employees of the Company or

professional advisors may attend meetings upon the invitation of the Committee. The Committee shall meet at least twice a year with the external auditors and once a year with the internal auditors without the presence of the executive Board members and employees of the Company, and whenever deemed necessary.

4.3 The Chairman of the Committee, or the Secretary on the requisition of any Member, shall at any time summon a meeting of the Members 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.

4.4 The quorum of meetings of the Committee shall consist of a majority of Independent Non-Executive Directors and shall not be less than two (2) Members including the Chairman.

4.5 No business shall be transacted at any meeting of the Committee unless a quorum is present.

4.6 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.

4.7 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.

4.8 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.

4.9 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.

4.10 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.

4.11 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 open for the inspection of the Board, external auditor, internal auditor, management and other persons deemed appropriate by the Company Secretary.

4.12 The Chairman of the Committee shall update the Board on the relevant matters discussed by the Committee after each meeting.

4.13 Appropriate officers of the Company or professional advisors may be invited to attend the meetings where the Committee considers their presence necessary.

4.14 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 RESOLUTION(S)

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 AC 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 AUDIT 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 **External Audit**

(a) nominates, reviews and recommends to the Board on the appointment, re-appointment or removal of external auditor, and their audit fees;

(b) assesses the suitability, objectivity and independence of the external auditor, taking into consideration, among others, competency, resources, track record and fees;

(c) reviews with the external auditor, their audit plan, the nature and scope of the audit before the audit commences, and reports the same to the Board;

(d) reviews the nature, extent and scope of non-audit services to ensure that they are not likely to create conflicts of interest, so as to maintain objectivity and independence of external auditors;

(e) ensures co-ordination when more than one audit firm is involved in the audit;

(f) reviews with the external auditor his audit report and reports the same to the Board;

(g) obtains written assurance from the external auditor confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional & regulatory requirements;

(h) reviews with external auditor their evaluation of the effectiveness of system of internal controls and reports the same to the Board;

(i) reviews the assistance given by the employees of the Deleum Group to the external auditor and reports the same to the Board;

(j) reviews whether there is reason, supported by grounds, to believe that the external auditor is not suitable for reappointment and reports the same to the Board;

(k) discusses problems and reservations, if any, arising from the interim and final audits and any matter which the external auditor wishes to discuss in the absence of management, where necessary;

(l) discusses and reviews the external auditor's management letter and management's response thereto;

(m) reviews any letter of resignation from the external auditor and reports the same to the Board;

(n) reviews with the external auditor the statement made by the Board with regard to the state of internal control of the Deleum Group, and reports the results thereof to the Board.

6.2 **Internal Audit Function**

(a) reviews and reports the same to the Board on the adequacy of the scope of their ongoing audit activities, resources and competency of the internal audit function and that it has the necessary authority to carry out its work;

(b) reviews and reports the same to the Board on the internal audit plan, processes, the results of the internal audit assessment, processes or investigation undertaken;

(c) where necessary, ensures that appropriate action is taken on the recommendations of the internal audit function;

(d) reviews any appraisal or assessment of the performance of members of the internal audit function;

(e) approves any appointment or termination of senior staff members of the internal audit function;

(f) considers the resignations of internal audit staff members and provides the resigning staff member an opportunity to submit his reasons for resigning;

(g) ensures the effectiveness and independence of the internal audit function and that the internal audit function reports directly to the Committee; and

(h) discusses and reviews the major findings of internal audit investigations and management's response.

6.3 **Financial Results and Annual Reporting**

Prior to the approval of the Board, reviews the quarterly and year-end financial statements, including announcements, and reports the same to the Board, focusing particularly on:

(a) any changes in or implementation of major accounting policies and practices;

(b) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed;

(c) significant adjustments arising from the audit;

(d) the going concern assumptions; and

(e) compliance with accounting standards and other legal requirements.

6.4 **Related Party Transactions**

(a) To review and report to the Board any related party transactions and conflict of interest situation that arose, persist or may arise within Deleum Group including any transaction, procedure or course of conduct that raises questions of management's integrity and the measures taken to resolve, eliminate, or mitigate such conflicts. In this regard, the review of conflict of interest shall include that of Directors and *Key Senior Management of Deleum Group.

**Note: "Key Senior Management" refers to the positions designated as Key Senior Management as defined in the Terms of Reference of the Joint Remuneration and Nomination Committee.*

(b) To ensure that the Deleum Group has adequate procedures and processes to identify, and where relevant, monitor and track related party transactions in a timely manner, and to review these procedures and processes on annual basis.

(c) To review the terms of the related party transactions to ensure that the transactions are fair, reasonable and on normal commercial terms are not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders, and in the best interest of the Deleum Group.

6.5 **Other Matters:**

(a) verifies the allocation of shares under the long-term incentive plan or share options schemes to the selected eligible employees to ensure compliance with the allocation criteria established pursuant to the by-laws governing the relevant share scheme;

(b) performs any other work that it is required or empowered to do by statutory legislation or guidelines as prepared by the relevant Government authorities;

(c) reports to the Board of Directors if there is any breach of the Bursa Securities Listing Requirements and recommends corrective measures;

(d) promptly reports to Bursa Securities where a matter reported by the Committee to the Board has not been satisfactorily resolved resulting in a breach of Bursa Securities Listing Requirements; and

(e) considers other issues as defined by the Board.

7.0 DISCLOSURE

7.1 The Committee is required to prepare an Audit Committee Report at the end of each financial year to be included and published in the Annual Report of the Company for the Board's approval. The said report shall include the following:

7.1.1 The composition of the Committee, including the name, designation (indicating the Chairman) and directorship of the Members (indicating whether Directors are independent or otherwise);

7.1.2 The number of Committee meetings held during the financial year and details of attendance of each Member;

7.1.3 A summary of the activities carried out by the Committee in the discharge of its functions and duties for that financial year of the Company;

7.1.4 A summary of the activities carried out by the Internal Audit function; and

7.1.5 A summary of any conflict of interest or potential conflict of interest situation reviewed by the Committee, and the measures taken to resolve, eliminate, or mitigate such conflicts.

7.2 The Committee shall assist the Board in making the following additional statements in the Company's Annual Report:

7.2.1 A statement explaining the Board's responsibility for preparing the annual audited accounts; and

7.2.2 A statement about the state of internal control of the Deleum Group.

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 the 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 or 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.