TERMS OF REFERENCE

JOINT REMUNERATION AND NOMINATION COMMITTEE

Revision No: 8/2026

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

DELEUM BERHAD

Terms of Reference of the Joint Remuneration and Nomination Committee ("JRNC 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 JRNC 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 Assess the size and composition of the Board and Board Committees having regard to the mix of skills, experience, expertise, core competencies, commitment, contribution, performance and other qualities and criteria such as industry experience, leadership qualities, business and commercial acumen, independence and diversity in line with the Company's business, operational and governance needs.

1.2 Establish nomination and election process as well as recommend to the Board on the nomination of new Directors and re-appointment/re-election of Directors to the Board Committees.

1.3 Assess the effectiveness of the Board as a whole, the Board Committees and each individual Director.

1.4 Address business continuity of the Company and the Group by having in place a succession plan for the Board and Key Senior Management.

1.5 Recommend to the Board the remuneration package for Executive Directors, Group Chief Executive Officer ("GCEO") and Key Senior Management which will allow the Group to attract and retain the said individuals giving due regard to the financial situation and performance of the Group.

1.6 Assess on a yearly basis the individual performance, annual bonus payment rate and increment of each of the Executive Directors, GCEO and Key Senior Management personnel, and to make the appropriate recommendations to the Board.

1.7 Review and recommend the annual bonus payment rate and increment range to all employees of the Company and the Group.

1.8 Review and make necessary recommendation to the Board on the impact of any proposed organizational change which affect areas within the remit of the Committee's scope of responsibility.

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 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 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 or Senior Independent Director.

3.2 In the absence of the JRNC Chairman, the Committee members present shall elect a Chairman for the meeting from amongst the JRNC members present.

3.3 The Chairman of the Committee shall not be the Chairman of the Board.

3.4 The Chairman of the Committee shall:-

3.3.1 Lead the succession planning and appointment of Board members, including the future Chairman and Group CEO;

3.3.2 Lead the annual review of the Board's effectiveness, ensuring that the performance of each individual Director and Chairman of the Board is independently assessed; and

3.3.3 Lead on the discussion and made the necessary recommendation to the Board on the impact of organizational change.

MEMBERS

3.5 The Board shall appoint the Members, comprising exclusively of Non-Executive Directors, a majority of whom shall be Independent Directors. The Chairman of the Board shall not be a member of the Committee.

3.6 The composition of the Committee must not be less than three (3) Members.

3.7 Where the Members for any reason are reduced to less than three (3), the Board shall within six (6) months of the event, appoint such number of new Members as may be required to make up the minimum number of three (3) Members.

3.8 All Members shall hold office only for so long as they serve as Directors of the Company.

3.9 Members of the Committee may relinquish their membership in the Committee with prior written notice to the Secretary and may continue to serve as Directors of the Company.

3.10 No Alternate Director shall be appointed as a member of the Committee.

3.11 Each Member shall be expected to:

3.10.1 provide independent opinions to the fact-finding, analysis and decision-making process based on their experience and knowledge;

3.10.2 consider viewpoints from the other Members, make decisions and recommendations for the best interest of the Board collectively;

3.10.3 keep abreast of the latest corporate governance guidelines in relation to the Committee and the Board as a whole; and

3.10.4 continuously seek out best practices in terms of any processes utilized by the Committee, following which these should discussed with the rest of the Committee for possible adoption.

SECRETARY

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

3.12 In the absence of the Secretary, any other appropriate senior officer of the Company shall act as the Secretary of JRNC.

3.13 The Secretary or his/her representative or other appropriate senior officer shall be present to record proceedings of the Committee meetings.

3.14 The Secretary shall have the following responsibilities:

3.14.1 Ensure that all appointments of new Directors/re-election of Directors have been properly made and in compliance with the Company's Constitution, Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia Listing Requirements"). In carrying out this duty, the Company Secretary shall gather all necessary and relevant information from Directors prior to their appointments/re-appointment.

4.0 COMMITTEE MEETINGS

4.1 The Committee shall convene meetings as and when required, provided that the Committee shall meet at least once a year.

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 Members.

4.3 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.

4.4 No business shall be transacted at any meeting of the Committee unless a quorum is present. A quorum would be formed at the meeting when majority of the attending members are Independent Directors.

4.5 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.

4.6 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 at least three (3) working days, or shorter notice, due to extenuating circumstances, prior to the meeting. Consent from all members of the JRNC shall be obtained for any meetings of JRNC called shorter than this notice period.

4.7 The Secretary shall promptly prepare the written minutes of the meeting and distribute it to each Member. The minutes of the meeting shall be confirmed and signed by the Chairman of the Committee.

4.8 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.

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

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

4.11 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 shall 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 JRNC Chairman) shall be valid and effectual if it is approved and signed by **MAJORITY** members of the JRNC as if it had been passed at a meeting of the JRNC. All such resolution(s) shall be described as "*WRITTEN RESOLUTION OF THE JOINT REMUNERATION AND NOMINATION 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 JRNC 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 JRNC 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 Composition of the Board, Board Committees, and Key Senior Management in the Group

6.1.1 To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Board Committees including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently.

6.1.2 Assists the Board in undertaking an annual assessment of the independence of the Independent Directors based on criteria for assessment of independence.

6.1.3 To annually review the term of office and performance of the Board Committees and their members annually to determine whether the Board Committees and their members have carried out their duties in accordance with the Board Committees' respective terms of reference.

6.1.4 Develop and review criteria used in the appointment/recruitment of Board members, Board Committee members, Key Senior Management of the Company and recommend to the Board for approval.

6.1.5 Recommend to the Board the criteria for identifying a Senior Independent Non-Executive Director.

6.2 Nomination and election/ Appointment/ Re-appointment/ Re-election process

6.2.1 In general, selection process for appointment of Board members should involve the identification of candidate for directorship, evaluation and deliberation of suitability of candidate by the Committee and recommendation to the Board.

6.2.2 Recommend to the Board for its approval, candidates for the Board, Senior Independent Non-Executive Director, Board Committees including the Chairman and all directorships of the subsidiaries and/or the Company's / Group's representative(s) on the board of associate(s)/joint venture company(ies).

6.2.3 To identify, consider, review, evaluate and recommend to the Board any new Board appointment, whether of executive or non-executive position, to fill board vacancies as and when arises. The JRNC shall recommend to

the Board with regard to the candidate for directorship, based on the following:

a) skills, knowledge, expertise and experience;

b) education background, qualifications and professionalism;

c) competency;

d) integrity and objectivity;

e) in the case of candidates for the position of independent non-executive directors, the candidates' ability to discharge such responsibilities/function as expected from an independent non-executive director;

f) diversity targets in the boardroom to include diversity in gender, ethnicity and age;

g) level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group; and

h) ability to work together with other members of the Board for the best interest of the Company.

6.2.4 The Committee will seek professional advice from independent search firms as and when it considers necessary to identify a short-list of suitable candidates and a list of nominations for candidates proposed by the Directors, Key Senior Management or shareholders for consideration. The Company should disclose in its annual report how candidates for Non-Executive Director positions were sourced including whether such candidates were recommended by the existing Board members, management or major shareholders. If the selection of candidates was solely based on recommendations made by the existing board members, management or major shareholders, the Committee should explain why other sources were not used.

6.2.5 The ultimate decision on the appointment of directors to the Board is the responsibility of the Board after due consideration of the recommendations of the JRNC.

6.2.6 In respect of employment contracts, the duties of Committee members are set out as below:-

a) Review and recommend to the Board the appointment of any Executive Directors, GCEO and Key Senior Management;

b) review and recommend the extension of contracts of GCEO, Executive Directors and Key Senior Management; and

c) review and recommend to the Board any matters relating to continuation, extension, suspension or termination of GCEO, the Executive Directors and Key Senior Management.

6.2.7 All the candidates are interviewed by at least two (2) members of the Committee whose evaluations will be circulated to all the members of the Committee. A target appointment date is then fixed.

6.2.8 Assess the fit and proper criteria for the re-election or re-appointment of Directors and provide justification for the re-election or re-appointment before recommending to the Board. Assessment of fitness and properness of each individual Director should take into consideration the following factors:-

a) compatibility within the overall composition of the Board to match the profile and activities of the Company;

b) willingness to act or continue to act as a Director of the Company after being made aware of his/her responsibilities as a Director;

c) is or willing to be familiar with the Company's business activities and its operating environment; and

d) has the ability to attend board meetings, either physically or virtually, based on the form of participation required of the Director.

6.3 Succession Planning

6.3.1 Review, oversee, and make recommendation to the Board on the succession planning for the Board, Board Committee members, Board Committee Chairman, GCEO, and Key Senior Management.

6.3.2 Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace.

6.3.3 Give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed by the Board in future.

6.3.4 Make recommendations to the Board concerning the re-appointment of any non-executive director at the conclusion of his or her specified term of office, and re-election of any director under the provisions of retirement by rotation in the Company's Constitution.

6.3.5 Make recommendations to the Board concerning the continuation (or not) in service of any Independent Director who has served consecutively or cumulatively more than 9 years.

6.4 Induction and Training Programmes

6.4.1 Recommend suitable orientation/induction, educational and training programmes to continuously train and equip the existing and new Directors and to ensure a statement is made in the Annual Report by the Board containing a brief description on the type of training attended by Directors during the financial year.

6.5 Review the Remuneration Framework

6.5.1 Review and recommend to the Board on the following parameters of the framework:

a) review the remuneration framework which relates to Directors, GCEO and Key Senior Management of the Company.

b) to assist in formulating the framework(s), procedures, guidelines and set criteria for remuneration packages for the Executive Directors, Non-Executive Directors, GCEO and Key Senior Management of the Company.

c) assist the Board in developing and administrating a fair and transparent procedure for setting framework on remuneration of Executive Directors, Non-Executive Directors, GCEO and Key Senior Management of the Company. The remuneration packages are determined on the basis of the Directors', GCEO and Key Senior Management's merit, qualification and competence, having regard to the company's operating results, individual performance and comparable market information. JRNC should ensure that a strong link is maintained between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of Directors, GCEO and Key Senior Management.

d) review the level of remuneration as it should be aligned with the business strategy and long-term objectives of the Company and complexity of the Company's activities, reflect the experience and level of responsibilities undertaken by the Executive Directors, Non-Executive Directors, GCEO and Key Senior Management of the Company.

e) review and approve performance measures for incentive plans recommended by Management, drawing from external advice, if necessary.

6.5.2 Ensures that Directors, GCEO and Key Senior Management abstain from the deliberations and voting on decisions in respect of their remuneration package.

6.6 **Remuneration packages of the Executive Directors, GCEO and Key Senior Management of the Company**

6.6.1 **Executive Directors' Remuneration**

- Review and recommend to the Board the remuneration of Executive Directors of the Company where the individuals concerned shall abstain from discussion of their own remuneration.

6.6.2 **GCEO and Key Senior Management's Remuneration**

- Determine and recommend to the Board the appropriate remuneration of Group CEO and Senior Management of the Company, taking into consideration payment and employment conditions within the industry and comparable companies to retain the best candidates and incentives to motivate staff.

6.7 **Communicate with shareholders on Directors' remuneration**

6.7.1 The remuneration of individual Directors of the Company shall be disclosed on a named basis in the Annual Report.

6.7.2 The Chairman of the Committee or in his absence, another member of the Committee shall attend the Annual General Meeting of the Company and be prepared to respond to questions at the meeting on the Committee's work and responsibilities.

6.7.3 Review and recommend to the Board and thereafter the shareholders at the Annual General Meeting, the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of a director or former director of the Company.

6.8 **Other duties**

6.8.1 Makes the necessary recommendations as specified under the objectives of the Committee.

6.8.2 To consider and examine such other matters as the JRNC considers appropriate

6.8.3 To consider all other related matters as may be requested by the Board from time to time.

6.9 In discharging its duties, the Committee shall at all times be mindful of the provisions of the Malaysian Code on Corporate Governance and all applicable laws, regulations and guidelines.

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 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 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 TOR 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 TOR

The TOR of the JRNC shall be made available on the Company's website.

Definitions:

"Key Senior Management" refers to the Group Chief Executive Officer, Group Chief Operating Officer, Group Chief Financial Officer, Chief Executive Officer of business segments, Chief Executive Officer of subsidiaries, Head of Group Corporate Services, and Head of Group Human Resources.