

TANCO HOLDINGS BERHAD

Company No.: 195801000190 (3326-K)

TERMS OF REFERENCE OF AUDIT COMMITTEE

Composition of Audit Committee

1. The Audit Committee (“Committee”) shall be appointed by the Board of Directors (“Board”) from amongst the Directors and shall compose of not fewer than three (3) members. All the Committee members must be Non-Executive Directors, with a majority of them, being Independent Directors.
2. The Committee shall include at least one (1) Director who is a member of the Malaysian Institute of Accountants or alternatively, a person who must have at least three (3) years’ working experience and must have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967 or must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967 or a person who fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (“Bursa Securities”).
3. No alternate Director shall be appointed as a member of the Committee.
4. The members of the Committee shall elect a Chairman from among themselves and that person so elected need to be an Independent Non-Executive Director who is not the Chairman of the Board.
5. Any former key audit partner of the Company and the Group shall observe a cooling-off period of at least three (3) years before being appointed as a member of the Committee.
6. In the event that a member of the Committee resigns, dies or for any other reason ceases to be a member or as determined by the Board with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members.

Term /Tenure

The term of office and performance of the Committee and each of its members shall be reviewed by the Nomination Committee annually. However, the membership of the Committee shall terminate when a member ceases to be a Director.

Authority

The Committee is authorised by the Board to investigate any activity of the Company and the Group within its Terms of Reference, and shall be given the resources and full access to information, which it needs to do.

The Committee is also authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Roles and Responsibilities

The roles and responsibilities of the Committee should include the following:--

(a) In respect of the external audit:-

- (i) To consider the appointment of the external auditors, the audit fee and any matters relating to their resignation or dismissal;
- (ii) To review policy and procedures to assess the performance, suitability, objectivity and independence of the external auditors in accordance with the external auditors' policy;
- (iii) To review the nature and scope of the audit and their audit plan;
- (iv) To assess the cooperation given by the Company to the external auditors;
- (v) To review and recommend the quarterly and annual results of the Company and the Group, prior to the approval of the Board, including, amongst others, the following:-
 - any changes in accounting policies and practices;
 - significant and unusual events;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements; and
 - any other relevant reports
- (vi) To review and adopt the external auditors' evaluation of the Group's system of internal controls;
- (vii) To discuss issues relating to the audit matters and any matter the auditors may wish to discuss with or without the presence of management;
- (viii) To discuss and review the external auditors' management letter and management's response; and
- (ix) To review and set the appropriate level or ratio of provision the non-audit services fee as compared to the audit fees to ensure the independence of the external auditors.

(b) In respect of the internal audit:-

- (i) To review the adequacy of the scope, functions and resources of the internal audit functions;
- (ii) To review the internal audit plan and the findings and its remedies;
- (iii) To review and assess the performance of the Head of Internal Audit and the internal audit function; and
- (iv) To review any appointment and to note any termination of internal auditor.

- (c) To endorse the appointment of Chief Financial Officer (“CFO”)/Head of Finance/ Group Financial Controller, and to review and assess their performance;
- (d) To review and recommend to the Board any related party transactions of the Company or the Group for shareholders’ approval, where applicable, to ensure that such transactions are conducted at arm’s length and on normal commercial terms;
- (e) To address Conflict of Interest (“COI”) that arose, persist or may arise within the Company or Group;
- (f) To note the policy, procedures and governance of the Board Committees;
- (g) To review and recommend to the Board the contents of the Company’s annual report, including, amongst others, the following:
 - (i) Audit Committee Report;
 - (ii) Sustainability Statement;
 - (iii) Statement on Risk Management and Internal Controls;
 - (iv) Corporate Governance Overview Statement;
 - (v) Corporate Governance Report;
 - (vi) Nomination Committee Statement;
 - (vii) Statement on the Board’s responsibility for the preparation of the annual audited financial statements; and
 - (viii) Other reports/disclosures forming the contents of annual report stipulated in Part A of Appendix 9C of the Listing Requirements.

Meetings

The Senior Management of the Group, including CFO/Head of Finance/Group Financial Controller (by attendance), representative(s) of the internal and/or external auditors shall attend meetings upon the invitation of the Committee. Other Board members and employees may attend meetings upon the invitation of the Committee.

The Company Secretary shall be the Secretary of the Committee. The Secretary shall be responsible for keeping the minutes of the meetings of the Committee and circulating them to Committee members.

Quorum

The quorum for the Committee Meetings shall be a majority of the members or a minimum of two (2) members . In the absence of the Chairman of the Committee, the members present shall elect one (1) of their members to chair the meeting. Circular resolutions shall be deemed valid if approved by majority of members.

Frequency of Meetings

The Committee shall meet not less than four (4) times a year.

Review of the Terms of Reference

The members of the Committee will assess, review and update the Terms of Reference at least once a year, which shall fall in the fourth quarter of the financial year, or as and when there are changes to the regulatory requirements.

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

Approval

This Terms of Reference was revised and approved by the Board of Directors on 15 October 2025.