



JAG BERHAD

[Registration No. 199701023733 (439230-A)]
(Incorporated in Malaysia)

**TERMS OF REFERENCE OF
SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE**

(Adopted with effect from 21 November 2024)

Definition:-

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| "ACE LR" | : Bursa Malaysia Securities Berhad's ACE Market Listing Requirements including any relevant practice and/or guidance notes, directives, guidelines issued pursuant thereto and any amendment, modification, supplemental to the listing requirements that may be made from time to time. |
| "Board" or "Directors" | : The directors for the time being of the Company or such number of them as have authority to act for the Company. |
| "Bursa Securities" | : Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)] for so long as the shares of the Company are listed and quoted on the Bursa Malaysia Securities Berhad and/or such other stock exchange in respect of which the shares of the Company may be listed or quoted. |
| "SRMC" or "Committee" | : The Sustainability and Risk Management Committee, a Board Committee established by the Board. |
| "JAG" or "Company" | : JAG Berhad and by whatever name from time to time called. |
| "Group" | : The Company and its subsidiaries. |
| "MCCG" | : Malaysian Code on Corporate Governance and as amended from time to time. |
| "Secretary(ies)" | : Any person or persons jointly appointed to perform the duties of a secretary of the Company including any person(s) appointed temporarily and any representative of the secretary. |

1. Background

1.1 This Terms of Reference ("**TOR**") has been developed in line with guidance of the MCCG which recommend the board of directors to ensure the integration of sustainability considerations in corporate strategy, governance and decision-making, as sustainability and its underlying environmental, social as well as governance (ESG) issues become increasingly material to the ability of companies to create durable and sustainable value and maintain confidence of their stakeholders



1.2 The principal objective of the Risk Management Committee is to assist the Board of Directors in their responsibilities in reviewing and recommending the risk management policies and strategies for the Company. In addition, the Risk Management Committee shall assist the Board to fulfil its corporate governance, risk management, and statutory responsibilities in order to manage the overall risk exposure.

1.3 On 1 April 2024, the Board has formally established its oversight on sustainability governance (covering environmental, social and governance ("ESG") matters) by enhancing the oversight function of the Risk Management Committee to "Sustainability and Risk Management Committee ("SRMC")".

2. Objectives

2.1 The principal objectives of the SRMC are to assist the Board of Directors in discharging its statutory duties and responsibilities relating to sustainability governance oversight and risk management oversight.

3. Composition and Appointment

- (a) The Committee shall be appointed from amongst the Board and shall comprise no fewer than two (2) members, which a majority of whom shall be Independent Non-Executive Directors.
- (b) If a member of the SRMC ceases to be a member with the result that the number of members is reduced below two (2), the Board shall, within three (3) months of that event, appoint such number of new member(s) as may be required to make up the minimum number of two (2) members.
- (c) Members of SRMC shall have sufficient understanding of the Group's business and keep abreast with the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.
- (d) No alternate director shall be appointed as a member of the SRMC.
- (e) No Chairman of the Board shall be appointed as a member of the SRMC.
- (f) The Chairperson/Chairman of the Sustainability Management Team ("SMT") and Risk Management Working Group ("SMWG"), or any designated representatives, are always invited to attend all SRMC meetings as representatives of both the SMT and SMWG.

4. Chairman

- (a) The members of the SRMC shall elect a Chairman from amongst their number, of whom shall be a non-executive director.



- (b) In the absence of the Chairman of the SRMC, the other members of the SRMC shall amongst themselves elect a Chairman who must be an Independent Director to chair the meeting.

5. Retirement and Resignation

If any member of the SRMC retires, re-designates, resigns, dies, or for any reason ceases to be a member or Chairman resulting in non-compliance with *Clauses 3(a), 3(b) and 4(a)* above, the Board and the members of the SRMC shall within three (3) months of the event appoint/elect such new member(s) or Chairman as may be required to fill the vacancy.

6. Term of Office

The term of office and performance of the SRMC would be reviewed by the Board regularly.

7. Secretaries

The Company Secretaries shall be the Secretaries of the SRMC and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

8. Meetings

- 8.1 The SRMC shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.
- 8.2 Notice of SRMC meetings shall be given to all the SRMC members unless the SRMC waives such requirement.
- 8.3 The SRMC members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.
- 8.4 The Chairman of the SRMC shall engage on a continuous basis with the Chairman of the Board, senior management, such as the Executive Director(s) and the Financial Controller, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company.
- 8.5 The Lead of Risk Management Team and Sustainability Management Team shall normally attend SRMC meetings. Other Board members and employees may attend meetings upon the invitation of the SRMC.
- 8.7 Questions arising at any meeting of the SRMC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the SRMC shall have a second or casting vote.



9. Quorum

The quorum for the SRMC meeting shall be the majority of members present whom must be Independent Directors.

10. Minutes

10.1 Minutes of each meeting shall be kept at the registered office and distributed to each member of the SRMC and also to the other members of the Board. The SRMC Chairman shall report on the proceeding of each meeting to the Board.

10.2 The minutes of the SRMC meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

10.3 The SRMC members may inspect the minutes of the SRMC at the Registered Office or such other place as may be determined by the SRMC.

11. Circular Resolution

A resolution in writing signed by a majority of the SRMC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the Audit Committee duly called and constituted. Any such resolution may consist of several documents in like form each signed by one (1) or more SRMC members. Any such document may be accepted as sufficiently signed by an SRMC member if transmitted to the Company by electronic mail, telex, telegram, cable, facsimile or other electrical or digital written message to include a signature of an SRMC member.

12. Reporting

The SRMC shall report to the Board of Directors, either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The SRMC shall report to the Board of Directors on any specific matters referred to it by the Board for investigation and report.

13. Authority

The SRMC shall, in accordance with a procedure to be determined by the Board of Directors and at the cost and expense of the Company, where necessary and reasonable for the performance of its duties:-

13.1 have explicit authority to investigate any matter or activity within its terms of reference. All employees shall be directed to co-operate as requested by members of the SRMC.

- 13.2 have the resources which are required to perform its duties.
- 13.3 have full and unlimited/ unrestricted access to all information and documents/ resources which are required to perform its duties, as well as to the Internal and External Auditors and Senior Management of the Company and Group.
- 13.4 have direct communication channels with the Internal Auditors, External Auditors and/or person(s) carrying out the internal audit function or activity.
- 13.5 be able to obtain independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary
- 13.6 be able to request for site visits, reconnaissance trips, inspection of premises of the Group, to be facilitated by the senior management and/or local management and at the full expense of the Company/ Group.
- 13.7 be able to identify and address its professional development needs concerning sustainability governance and risk management, as part of the training needs of the Directors, and at the full expense of the Company.

14. Duties and Responsibilities

The duties and responsibilities of the SRMC are as follows:-

(a) Risk Management Oversight

- (i) Reviewing existing controls that may reduce the key risk factors of the Company.
- (ii) Reviewing and recommending risk management strategies, policies and risk tolerance for the Board's approval.
- (iii) Reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively.
- (iv) Ensuring adequate infrastructure, resources and systems are in place for an effective risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the Group's risk taking activities.
- (v) Reviewing the management's periodic reports on risk exposure, risk portfolio composition and risk management activities vide the reporting of Risk Management Team.
- (vi) Reviewing of the Statement of Risk Management and Internal Control on an annual basis prior to recommending the same to the Board of Directors for inclusion in the Annual Report.

(b) Sustainability Governance Oversight

- (i) To provide guidance and oversight of the Group's ESG framework and strategy including targets, policies and practices which are aligned with the Group's commitment towards sustainability practices.
 - (ii) To oversee and monitor the execution of the ESG framework and strategy, and the Group's progress on its long-term sustainability and climate goals and targets.
 - (iii) To ensure infrastructure, resources and systems are in place and adequate for implementation or achievement of sustainability strategy or goals.
 - (iv) To receive and review a yearly report or as and when required on ESG matters, including the progress of implementation and performance of the ESG framework and strategy.
 - (v) To review the Company's Sustainability Statement/Report as well as other disclosure concerning sustainability, for inclusion in the Company's Annual Report and recommend the Statement/Report for approval of the Board.
- (c) To consider and examine such other matters as the SRMC considers appropriate; and
- (d) To consider other matters as defined by the Board.

15. Review of TOR

This TOR shall be assessed, reviewed and updated where necessary. It should also be reviewed and updated when there are changes to the direction or strategies of the Group that may affect the SRMC's role. All amendments to the TOR, as recommended by the SRMC, must be approved by the Board.

History

| Year | Date of Approval | Remark |
|------|------------------|---|
| 2024 | 21 November 2024 | Creation of TOR of SRMC |
| 2025 | 22 April 2025 | Update the terms on composition of SRMC |

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