



# JENTAYU SUSTAINABLES BERHAD

Registration No: 197501000834 (22146-T)  
(Incorporated in Malaysia)

## TERMS OF REFERENCE OF THE BOARD RISK COMMITTEE Version 2.1

Page 1 of 3

### 1.0. INTRODUCTION

This is the **Board Risk Committee (“the Committee”)** terms of reference for **Jentayu Sustainable Berhad and Group of Companies (“the Group”)**. The Committee is appointed by the Board of Directors of Jentayu Sustainable Berhad to oversee the risk management process and compliance within the Group.

The terms of reference govern the processes of the Committee and outline the procedures and guidelines concerning risk governance and compliance roles.

### 2.0. BOARD RISK COMMITTEE

2.1. The Board of Directors has the overall responsibility for risk management and compliance-oversight within the Group. As a committee of the Board, the Board Risk Committee is responsible to the Board for: -

2.1.1. leading the Group's strategic direction in the management of the Group's business risks;

2.1.2. oversee the establishment and implementation of enterprise risk management framework and embracing principles and best practices for matters concerning compliance with regulations; and

2.1.3. overseeing the effectiveness of the enterprise risk management framework in identifying and managing risks and internal control processes which include but are not limited to ensuring the adequacy of a complete risk management process solution system and infrastructure supporting a well-constructed integrated risk analysis.

### 3.0. COMPOSITION

3.1. The Committee shall comprise of at least three (3) members, two (2) of whom must be independent non-executive directors. The Board shall appoint an independent non-executive director from amongst these members as the Chairman of the Committee. If a member retires or resigns from his position as a Board member, that member ceases to be a member of the Committee. The Board may appoint a successor.

3.2. No alternate director is to be appointed as a member of the Committee.

3.3. Unless otherwise determined by the Board, the duration of appointments will be for a continuous term.

### 4.0. ACCESS TO INFORMATION

4.1. The Committee can seek information directly from the Group's employees or external parties and obtain external professional advice, including the Group's auditors and other professional advisers' assistance to enable it to discharge its duties as it considers appropriate.

## **5.0. DUTIES AND RESPONSIBILITIES**

- 5.1. To fulfil its responsibilities to the Board, the Committee shall undertake the following: -
- 5.1.1. to assist the Board in overseeing matters relating to the management of strategic, operational, financial, and compliance risks associated with the Group;
  - 5.1.2. to review and recommend risk management philosophy and strategy to the Board;
  - 5.1.3. to approve policies and procedures to effectively identify, measure, monitor, and control the Group's risk and compliance exposures, in line with the Board's approved risk management philosophy and strategy;
  - 5.1.4. to review and propose the setting of the risk appetite and levels of tolerance of the Group at the enterprise and strategic business units level;
  - 5.1.5. to ensure the Group adheres to the established policies and procedures in relation to risk management, compliance with applicable laws, regulations, and guidelines;
  - 5.1.6. to review and approve (with the advice from the Risk Management and Compliance Department) a new business venture, which may be fundamentally different from the Group's existing businesses;
  - 5.1.7. to review and approve authorisation limits in accordance with the policies and procedures approved by the Board;
  - 5.1.8. to review and approve products and/or services, including pricing;
  - 5.1.9. to recommend the appointment, dismissal, and remuneration as well as the performance appraisal of the Head of Risk Management and Compliance; and
  - 5.1.10. to endorse any changes in the resources required by the Risk Management and Compliance Department.

## **6.0. NOTICE**

- 6.1. Seven (7) days' notice specifying the meeting's place, date, and hour and the business to be discussed thereat shall be given to all the Committee members and any other person that may be required to attend.

## **7.0. MEETINGS, QUORUM, AND VOTING**

- 7.1. The Committee shall meet at least three (3) times a year and such additional meetings as the Chairman shall decide to fulfil its duties.
- 7.2. The Group CEO, Company Secretary, and Head of Risk Management and Compliance shall attend the Committee meetings as permanent invitees. Other Board members, Officers, Senior Executives, and other employees may also be invited to attend the Committee meetings by invitation as determined by the Chairman.
- 7.3. The Committee meetings may be conducted using telephone conference, video conference, or any other form of audio or audio-visual instantaneous communication and the participation in the meeting under this provision shall constitute presence in person of such meeting.
- 7.4. The quorum for each Committee meeting shall consist of two (2) members present, both of whom must be independent directors.
- 7.5. All decisions shall be determined by simple majority votes. If the number of votes for and against a proposal are equal, the Chairman of the Committee shall have a casting vote.

## **8.0. CIRCULAR RESOLUTIONS**

- 8.1. Any resolution in writing signed or approved via letter or electronic communication by all Committee members shall be effective for all purposes as a resolution passed at a meeting of the BRC duly convened, held, and constituted. Any such resolution may consist of several documents in the like form, each signed or approved by one (1) or more members of the Committee.

## **9.0. SECRETARY AND MINUTES**

- 9.1. The Company Secretary shall act as secretary of the Committee meeting. The secretary shall record the minutes of the Committee proceedings and circulate them to the members of the Committee.

## **10.0. REPORTING TO THE BOARD**

- 10.1. The Committee shall report to the Board following each meeting. The report will cover the matters as set out in the Committee's duties and responsibilities.

## **11.0. REVIEW OF THE TERMS OF REFERENCE**

- 11.1. The terms of reference shall be reviewed from time to time to reflect current best practices in corporate governance and risk management. Board's approval is required for any changes in the term of reference.

- 11.2. The Terms of Reference will be made accessible for reference at the Group's website at [www.jentayu-sustainables.com](http://www.jentayu-sustainables.com).

This Terms of Reference of the Board Risk Committee Version 2.1 (Ref: CG 09 - 02/2024) is endorsed by the Board of Jentayu Sustainables Berhad and effectively applied on 22 February 2024.