

TERMS OF REFERENCE OF THE AUDIT & SUSTAINABILITY COMMITTEE

The Board of Directors of JS Investments Limited (JSIL) has established an Audit & Sustainability Committee, consisting of three non-executive directors, with an independent director serving as the Chairperson. The committee meets at least once per quarter during the financial year to fulfill its oversight responsibilities.

1. Purpose

The **Audit & Sustainability Committee** is responsible for assisting the Board in overseeing:

- The financial reporting process, audit functions, and internal control systems to ensure transparency and compliance with regulatory requirements.
- The company's **Environmental, Social, and Governance (ESG) strategy**, sustainability risks, and opportunities to align with best practices and create long-term corporate value.

2. Roles and Responsibilities

A. Financial Oversight & Audit Responsibilities

The committee shall:

- a) Recommend to the Board the appointment, removal, and audit fees of external auditors, ensuring due consideration is given to their independence and performance.
- b) Review and approve quarterly, half-yearly, and annual financial statements before submission to the Board, focusing on:
 - Major judgmental areas and significant audit adjustments.
 - The going concern assumption and changes in accounting policies.
 - Compliance with accounting standards and regulatory requirements.
 - Significant related party transactions.
- c) Review audit reports, preliminary announcements of results, and management letters issued by external auditors, ensuring timely responses from management.
- d) Facilitate coordination between internal and external auditors and review the scope and effectiveness of internal audits.
- e) Ensure internal controls, financial reporting mechanisms, and risk management frameworks are adequate and effective.
- f) Oversee investigations into fraudulent activities, corruption, or abuse of power and review management's corrective actions.
- g) Monitor compliance with relevant statutory requirements and identify significant violations.
- h) Provide a mechanism for staff to report financial improprieties confidentially and ensure proper remedial action.

B. Sustainability & ESG Responsibilities

The committee shall:

- a) Oversee the development and execution of sustainability strategies, policies, and targets, ensuring alignment with global best practices and regulatory requirements.
- b) Ensure compliance with SECP's ESG Disclosure Guidelines and other sustainability reporting frameworks such as GRI, SASB, and TCFD.
- c) Promote Diversity, Equity, and Inclusion (DE&I) by encouraging gender equality and participation of women at all levels. Establish measurable KPIs to track progress.
- d) Monitor and assess principal and emerging sustainability risks, including climate-related risks, and evaluate their financial and operational impact.
- e) Oversee the integration of ESG principles into core operations.
- f) Ensure transparency in sustainability reporting and consider external assurance or third-party audits when required.
- g) Engage with stakeholders, including investors and regulators, on sustainability matters.

3. Structure and Composition

- a) The committee shall consist of at least three members, including at least one female director.
- b) Members shall be appointed by the Board, with at least one member having expertise in audit, finance, sustainability, or corporate governance.
- c) The committee may invite external experts and advisors as needed.

4. Reporting & Accountability

- a) The committee shall submit an annual report to the Board detailing financial oversight, audit outcomes, ESG initiatives, risk assessments, and DE&I progress.
- b) The Directors' Report shall include disclosures on sustainability risks, mitigation strategies, and ESG compliance.
- c) The committee shall periodically review its terms of reference and recommend improvements in line with evolving regulations.

5. Meeting Frequency

- a) The committee shall meet at least once per quarter and as required to fulfill its mandate effectively.
- b) Meetings may focus on specific areas such as financial reporting, climate strategy, or regulatory updates.
- c) Meeting minutes shall be documented and presented to the Board for review.

6. Review and Amendments

- a) The Board shall periodically review the committee's effectiveness and update its mandate in line with regulatory developments.
- b) The committee may propose amendments to these Terms of Reference for Board approval.