

JBF INDUSTRIES LIMITED
RISK MANAGEMENT POLICY

Introduction

JBF Industries Limited (the Company) recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives.

It improves decision-making, defines opportunities and mitigates material events that may impact shareholder value.

Definitions

This policy defines the following key terms;

Risk is defined as the chance of a future event or situation happening that will have an impact upon company's objective favourably or unfavourably.

It is measured in terms of consequence and likelihood.

Risk Management encompasses risk assessment plus the evaluation of risks against established tolerances, their treatment and monitoring.

Methodology

The Company has adopted a framework that incorporates a system of risk oversight, risk management and internal control designed to identify, assess, monitor and manage risks.

A well-defined, integrated framework promotes awareness of risks and an understanding of the company's risk tolerances. The Risk Management Framework enables a systematic approach to risk identification, leverage of any opportunities and provides treatment strategies to manage, transfer and avoid risks.

Scope

This policy applies to all employees, whether full time, part time or casual at any level of seniority within the business. The policy also applies to contractors and consultants working on behalf of the Company.

Risk Management Policy and Risk Management Framework is developed to include the following key areas:

- Accounting Systems & Standard
- Legal and Statutory Compliances
- Marketing / Customer Service
- Human Resources
- Finance and Forex Transactions
- Business Processes and Systems
- Corporate Governance and Compliance
- Taxation
- Operation, Procurement and Production
- Project Implementation
- Information and Technology

Responsibilities

The Board is ultimately responsible for identifying and assessing the nature and extent of internal and external risks that may impact the working of the Company in achieving its strategic objectives. The Board is responsible for determining the company's risk appetite, overseeing the development and implementation of the Risk Management Framework and maintaining an adequate monitoring and reporting mechanism.

Management is responsible for ensuring that risks are identified, analysed, evaluated and mitigated. Management must develop a sustainable control environment to manage significant risks and champion the implementation of risk management processes within their business operations.

Management monitor and report on material risks identified through the internal audit process.

The Internal Audit program must be aligned to the company's risk profile and is responsible for providing independent assurance in relation to the effectiveness of processes to manage particular areas of risk.

Reporting

A report of the review of the risks involved will be provided by the Internal Auditors to the Risk Management Committee and Audit Committee . The Risk Management Committee then analyses the risks and the concerned areas. The suggestions for the mitigations will be given by the

management team which again will be reviewed by the Risk Management Committee and Audit Committee. The review report will be given to the Board of Directors.

The Chief Executive Officer and the Chief Financial Officer provide a declaration to the Board that, in their opinion, the financial records of JBF have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.

The declaration will state that the opinion of the Chief Executive Officer and the Chief Financial Officer has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Policy Review

The Board is responsible for reviewing and approving the Risk Management Policy and Risk Management Framework at least annually to ensure their effectiveness and continued application and relevance to the Company business.
