

CHARTER OF RISK MONITORING COMMITTEE
PT BANK SYARIAH INDONESIA Tbk.
No. 04/KEP-KOM/001/2024

1. Purpose of the Committee Formation

The Risk Monitoring Committee is established by and accountable to the Board of Commissioners of PT Bank Syariah Indonesia (Persero) Tbk. (hereinafter referred to as "BSI" or "the Bank") with the purpose of assisting in the execution of the Board of Commissioners' supervisory duties, specifically in the area of risk management.

2. Basis for Committee Formation

The formation of the Risk Monitoring Committee is based on applicable laws and regulations as well as best practices applicable to banking institutions in Indonesia.

3. Duties, Responsibilities, and Authorities of the Committee

The Risk Monitoring Committee acts independently in carrying out its duties and responsibilities.

3.1. Duties and Responsibilities

3.1.1. The duties and responsibilities of the Risk Monitoring Committee include:

- 1) Monitoring and evaluating at least:
 - a) The alignment between risk management policies and their implementation.
 - b) The execution of the work plan and tasks of the Risk Management Committee and Risk Management Unit.
 - c) The adequacy of the processes for identifying, measuring, monitoring, controlling, and managing risk information systems.
 - d) The Bank's compliance with the Articles of Association, regulations from the Banking and Capital Market Supervisory Authority, and other relevant regulations related to risk management.
- 2) Monitoring and reviewing at least:
 - a) Risk Profile Reports.
 - b) Risk-Based Health Reports of the Bank.
 - c) Other reports related to the management of ten types of risk: Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Legal Risk, Compliance Risk, Reputation Risk, Strategic Risk, Return Risk, and Investment Risk.
 - d) The Bank's Financing Policy and other policies required by the Regulator to be submitted to the Board of Commissioners by the Board of Directors.
- 3) Providing recommendations to the Board of Commissioners on at least:
 - a) Matters that can support the enhancement of risk management effectiveness at the Bank.
 - b) The alignment between the Bank's risk management policies and their implementation to ensure that risks are managed adequately.

- c) The execution of the work plan and tasks of the Risk Management Committee and Risk Management Unit.
 - 4) Holding regular meetings with related work units to discuss matters within its supervisory scope.
 - 5) Reporting the results of monitoring and review periodically and providing input on matters that need the Board of Commissioners' attention.
 - 6) Preparing the Guidelines and Working Rules of the Risk Monitoring Committee and conducting a review at least once every three years.
- 3.1.2 The Chairperson of the Risk Monitoring Committee is responsible for coordinating all the Committee's activities to fulfill its objectives as per its formation
- 3.1.3 The Chairperson and members of the Risk Monitoring Committee are responsible for:
- 1) Determining the annual work plan.
 - 2) Preparing the Committee's activity reports and addressing matters that need the Board of Commissioners' attention.
 - 3) Appointing a non-commissioner or other third party as the committee secretary to assist with the committee's activities, including related meetings and preparation of meeting minutes.
 - 4) Attending meetings.
 - 5) Actively participating and contributing in each Committee meeting

3.2. Authority

- 3.2.1. Communicating with the Heads of Work Units and other Bank parties to obtain information, clarifications, and request necessary documents and reports.
- 3.2.2. Accessing records or information about employees, funds, assets, and other corporate resources related to the performance of its duties.
- 3.2.3. Obtaining Risk Profile Reports, Bank Health Reports, Risk Appetite Statements, and other reports related to the implementation of the Bank's risk management.
- 3.2.4. Receiving input and/or suggestions from external parties related to its duties.
- 3.2.5. Exercising other authorities granted by the Board of Commissioners.

3.3. Working relations

In performing its authority, duties, and responsibilities, the Risk Monitoring Committee:

- 3.3.1. Works and coordinates with the Risk Management Committee and Risk Management Unit in monitoring the implementation of risk management policies.
- 3.3.2. May request external assistance for special audits with the approval and/or through the Board of Commissioners.
- 3.3.3. Coordinates with other committees under the Board of Commissioners and the Sharia Supervisory Board.
- 3.3.4. May conduct work visits to perform its duties and responsibilities.

4. Structure and Membership of the Committee

- 4.1.** The Risk Monitoring Committee is established based on a decision from the Board of Commissioners and is under the Board of Commissioners, directly accountable to it.
- 4.2.** Members of the Risk Monitoring Committee are appointed and dismissed by the Board of Commissioners based on the Board of Commissioners' meeting resolutions.
- 4.3.** Membership provisions for the Risk Monitoring Committee are as follows:
 - 4.3.1.** The Risk Monitoring Committee must consist of at least three (3) members, including Independent Commissioners and Independent Non-Commissioner Parties.
 - 4.3.2.** The committee membership must include at least one (1) Independent Commissioner as Chair and member, one (1) Independent Non-Commissioner Party with expertise in finance/Islamic banking, and one (1) Independent Non-Commissioner Party with expertise in risk management.
 - 4.3.3.** The expertise of Independent Parties as mentioned in item 4.3.2 must be evidenced by holding a risk management certification as applicable to Directors and having competence certificates supporting the committee's functions and responsibilities.
 - 4.3.4.** Members of the Board of Directors are prohibited from being members of the Risk Monitoring Committee
 - 4.3.5.** Independent Commissioners and Independent Non-Commissioner Parties in the Risk Monitoring Committee must constitute at least 51% (fifty-one percent) of the total committee members.
 - 4.3.6.** The Chair of the Risk Monitoring Committee may only concurrently hold the position of chair in a maximum of one (1) other committee.
- 4.4.** Membership Requirements
 - 4.4.1.** General Requirements
 - 1) Possess good integrity, ethics, and morals.
 - 2) Have no personal interests/relationships that may cause a conflict of interest with the Company.
 - 4.4.2.** Competency Requirements
 - 1) Have adequate expertise, abilities, knowledge, and experience relevant to their duties and responsibilities.
 - 2) Have sufficient knowledge to read and understand financial statements and reports related to monitoring the implementation of banking risk management policies.
 - 3) Able to cooperate, communicate effectively, and be willing to allocate sufficient time to perform their duties.
 - 4) Have adequate knowledge of BSI's Articles of Association, banking laws, capital market regulations, state-owned enterprises (BUMN) regulations, and other relevant regulations.
 - 5) Willing to continually improve competencies through education and training.
 - 4.4.3.** Independence Requirements
 - 1) Have no business relationships with the Bank, directly or indirectly.

- 2) Do not hold shares in BSI, either directly or indirectly.
- 3) Have no affiliations with BSI, Commissioners, Directors, or major shareholders of BSI.
- 4) Committee members who are not Commissioners must not concurrently serve as:
 - a) Members of the Board of Commissioners/Board of Supervisors at other state-owned enterprises/companies;
 - b) Secretaries/Staff of the Board of Commissioners/Board of Supervisors at other state-owned enterprises/companies;
 - c) Members of other committees at BSI;
 - d) Members of committees at other state-owned enterprises/companies.
- 5) Former Directors or Executives of BSI, or those with relationships affecting their ability to act independently, are prohibited from being Independent Non-Commissioner Parties on the Bank's committee before undergoing a cooling-off period of at least six (6) months.
- 6) The cooling-off period of six (6) months does not apply to former Directors overseeing supervisory functions or Executives performing supervisory functions at BSI.

4.4.4. Confidentiality

- 1) Risk Monitoring Committee members must continuously maintain confidentiality of all BSI documents and/or information, as well as everything related to BSI and the Committee's duties, except when requested by Regulators or Law Enforcement Authorities. The classification of document and/or information confidentiality follows internal provisions and applicable laws and regulations.
- 2) The obligation to maintain confidentiality of all BSI documents and/or information, and everything related to BSI and the Committee's duties, continues even after the member's term as a Risk Monitoring Committee member or as a Commissioner ends.

4.5. Term of Office and Compensation

- 4.5.1. The term of office for Risk Monitoring Committee members who are Commissioners should not exceed their term as stipulated in the Articles of Association and may be reappointed for one (1) additional term.
- 4.5.2. The term of office for Risk Monitoring Committee members from Independent Non-Commissioner Parties is up to three (3) years and may be extended once for an additional two (2) years, without diminishing the Board of Commissioners' right to dismiss at any time.
- 4.5.3. If a Commissioner who is the Chair of the Risk Monitoring Committee resigns before their term as a Commissioner ends, the Chair will be replaced by another Independent Commissioner.
- 4.5.4. The term as a Risk Monitoring Committee member ends when the term as a Board of Commissioner member ends.
- 4.5.5. Independent Non-Commissioner Party members of the Risk Monitoring Committee are compensated with at least a monthly honorarium set by the Board of Commissioners, holiday allowances, and health insurance, adhering to applicable legal provisions.

5. Committee Meetings, Quorum, and Decision-Making

- 5.1.** The Risk Monitoring Committee holds meetings regularly at least once a month.
- 5.2.** A Risk Monitoring Committee meeting can only take place if attended by at least 51% (fifty-one percent) of the committee members, including one (1) Independent Commissioner and one (1) Independent Non-Commissioner Party.
- 5.3.** Decisions at Risk Monitoring Committee meetings are made based on consensus.
- 5.4.** If consensus is not reached as described in item 5.3, decisions are made based on a majority vote.
- 5.5.** Meetings are chaired by the Chair of the Risk Monitoring Committee or an appointed member if the Chair is unavailable.
- 5.6.** Each Risk Monitoring Committee meeting is recorded in meeting minutes, including any dissenting opinions, signed by all present members, and submitted to the Board of Commissioners.
- 5.7.** Meetings can be conducted either face-to-face or virtually via teleconference or other media that allows all participants to see and/or hear each other directly and participate in the meeting.

6. Reports and Recommendations

- 6.1.** The Risk Monitoring Committee reports to the Board of Commissioners on every assignment given and/or on issues identified requiring the Board's attention.
- 6.2.** The Risk Monitoring Committee prepares an Annual Report of its activities to be disclosed in the Company's Annual Report.

7. Performance Evaluation Mechanism

The performance of the Risk Monitoring Committee is evaluated by the Board of Commissioners at least annually.

8. Final Provisions

- 8.1.** These Guidelines and Working Rules (Charter) of the Risk Monitoring Committee are subject to applicable laws and regulations.
- 8.2.** These Guidelines and Working Rules (Charter) of the Risk Monitoring Committee are effective from the date of establishment and may be reviewed as necessary based on approval and/or request by the Board of Commissioners. Any errors identified later will be corrected.

Jakarta, July 1, 2024
PT. Bank Syariah Indonesia Tbk.
Risk Monitoring Committee

Chairman