



COMMITTEES UNDER THE BOARD OF DIRECTORS

In order to support the effectiveness of the execution of its duties and responsibilities, the Board of Directors has committees that are responsible for assisting the Board of Directors to provide suggestion and recommendations that can be used as a reference in decision making related to the implementation of the duties and responsibilities of the Board of Directors.

The following are committees under the Board of Directors:

- Risk Management Committee
- Human Resources Committee
- Assets & Liabilities Committee
- IT Steering Committee
- Integrated Risk Management Committee
- Sustainability Committee
- Real Estate Committee

RISK MANAGEMENT COMMITTEE

Committee Structure and Membership

Chairman	: President Director
Permanent Members	: Board of Directors
Permanent Invitees	: Board of Management and Executive Officers
Secretary	: Credit & Enterprise Risk Management Head

The alternate to the Chairman will follow the prevailing BOD circular resolution concerning duties and authorities of BOD Members

Roles and Responsibilities

Risk Management Committee is responsible for evaluating and giving recommendation to President Director and the Board of Directors on matters related to:

- a. Assist the BOD in fulfilling its responsibility related to Risk Management.
- b. Development of Risk Management strategies, policies and frameworks, including the establishment of Risk Appetite parameter and thresholds, Key Risk Indicators and Risk Tolerance limits to help establish boundaries within which the Banks' management may operate towards achieving their business objectives.
- c. Development of contingency plans to anticipate various risks that may emerge from time to time and enable the Bank to continue to operate even under stressed conditions.
- d. Ensure that all business and operational activities are in-line with the prevailing regulations, risk policies and procedures, with approval and oversight over exceptions, deviations and violations that may have occurred.
- e. Ensure Good Corporate Governance in the implementation of Risk Management, with appropriate frameworks for the timely identification, measurement and escalation of risks, and approval of exposure to Related Parties as well as deviations of business policies and/or decisions.
- f. Ensure that the Bank maintains sufficient provisions and reserves to protect against the realization of potential inherent Risks, as well as ensure that the Bank has sufficient disaster recovery procedures for business continuity.

g. Review of the various existing and emerging Risks faced by the Bank, including:

- Credit Risk;
- Market and Liquidity Risk;
- Operational Risk and Fraud;
- Reputational Risk;
- Information Security and Information Technology Risk;
- Legal and Litigation Risk;
- Compliance Risk, including financial crime Risk;
- Strategic Risk; and
- Other major Risk issues periodically.

h. Implementation of Risk Management process and remedial actions in line with external and internal changes that may affect capital adequacy ratio and their respective Risks profiles.

i. Assess the Bank's Risk organization and infrastructure to ensure that risk management processes, systems and tools are in line with the organization's development and business plan.

j. Oversee and evaluate sub-committees under Risk Management Committee.

HUMAN RESOURCES COMMITTEE

Structure and Membership of Committee

Chairman : President Director

Alternative Chairman, Secretary : Human Capital Director

Members :

- Vice President Director For Enterprise Banking
- Vice President Director For Consumer
- Risk Management Director

Duties and Responsibilities of the Committee

- Provide strategic direction and develop general policies in the field of Human Resources including amendments, in the following areas:
 - Human Resources Strategy
 - General Policy on Employment
 - Employee compensation and benefit
 - Performance Assessment Management, including promotion
 - Talent Management and Succession Planning
 - Organizational structure and rank level
 - Employee Training and Development
 - Corporate culture and values and Employee Engagement
 - Development of employee and industrial relations
 - Policy alignment with subsidiaries
 - Manpower planning
 - Organizational Health and Safety
 - Staff issue related to Code of Ethic, discipline through Disciplinary Committee report or others Committee.
- Carry out other duties and responsibilities that may be granted by the Board of Directors to the HC Committee, from time to time.
- The Human Capital Committee may establish sub-Committees to undertake the scope of duties and responsibilities of the HC Committee.

ASSETS & LIABILITIES COMMITTEE (ALCO)

Structure and Membership of ALCO

Chairman	: President Director
Alternative Chairman	: Chief Financial Officer
Members	: Vice President Director(s) and Director(s) and/or appointed member(s) of the following division / business unit: <ul style="list-style-type: none">• Consumer and Branch Network• SME• Enterprise Banking and FI• Risk Management• Treasury & Capital Market• Transaction Banking

Duties and Responsibilities of ALCO

- a. Establish committee coverage, meeting procedures, working process and sets sub committees to support ALCO.
- b. Determine policies and guidelines for liquidity risk, interest rate risk and capital management for Bank Danamon and its subsidiaries that reflect adequate liquidity and capital, stable and diversified funding profile, with compliance to all regulatory requirements.
- c. Determine issuance of securities or instrument in the framework of providing the Bank with adequate liquidity, capital, and diversified funding structure.
- d. Evaluate market condition and its likely impact on the Bank's liquidity condition, NII, and capital, and to approve best course of action.
- e. Review and determine the Balance Sheet structure to improve the bank profitability.
- f. Review funding composition and to approve any change in funding strategy and alternatives including new institutional / structural funding.
- g. Review the following topics on monthly basis:
 - Economic Overview and Market Outlook
 - Recent movements in key components of Balance Sheet, Yield/COF and NIM
 - Funds Transfer Pricing (FTP)
 - Funding and Lending products pricing

- Market & Liquidity Risk profile on the Balance Sheet, AFS Portfolio and Trading book
 - Contingency Funding Plan (CFP) monitoring
 - Capital Management
 - and other ALCO related issues
- h. On a periodic basis, review and approve the followings:
- Market & Liquidity Risk limit framework for Balance Sheet, AFS Portfolio and Derivative for funding. The framework should be presented to BOC for endorsement.
 - Liquidity and Interest Rate Risk stress test assumptions
 - Core balance calculation for interest rate risk, liquidity risk and FTP calculation
 - FTP policies and methodology
 - Contingency Funding Plan (CFP) Policy
 - Rasio Intermediasi Makroprudensial (RIM) target

IT STEERING COMMITTEE

Structure and Membership of the Committee

Chairman : Finance Director

Members :

- Chief Information Officer
- Vice President Director
- Risk Management Director
- Global Alliance Strategy Director
- Digital Head

Duties and Responsibilities

- Periodically review and recommend Bank's IT strategic plan, and ensure alignment of IT projects with the strategic plan.
- Review and recommend IT projects that are aligned with Bank's strategy and proposed as part of IT project prioritization with Capex investment equal to or greater than USD 500 thousand, or total cost ownership (TCO) equal to or greater than USD 2 million over 5 years, or its equivalent IDR.
- Review post implementation of strategic projects & benefit realization after implementation in terms of cost and benefit. Project that approved through ITSC meeting with investment amount equal to or greater than USD 500 thousand or total cost ownership (TCO) equal to or greater than USD 2 million over 5 years and had been implemented project will be tracked by Financial Planning (FP) and result will be presented by respective user/LoB in ITSC meeting.
- Ensure the allocation of adequate and proper IT resources. If required to engage a third party to assist in project implementation, ITSC should ensure that policies and procedures are in place according to bank internal policy and involve Procurement in relation to third party engagement and IT from the beginning if this related with technology to be implemented and/or used for the bank.
- Review recommendations from other sub/ working committees for matters related to Information Technology.
- Provide recommendations for solving IT related issues that can't be resolved by the working unit of IT users and providers in an effective, efficient, and timely manner.
- Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the BoD.
- Prepare committee's activities report every year.



INTEGRATED RISK MANAGEMENT COMMITTEE

Structure and Membership of the Committee

Chairman : Risk Management Director

Alternative Chairman : Compliance Director

Permanent Members :

- Bank Danamon's Director in charge of Credit for SME, Consumer and Mass Market.
- Appointed Director from PT Adira Dinamika Multi Finance, Tbk.
- Appointed Director from MUFG Bank, Ltd. Jakarta Branch.
- Appointed Division Heads in Risk Management Directorate

Permanent Invitee : Bank Danamon's Chief Internal Auditor

Secretary : Credit and Enterprise Risk Management Division Bank Danamon

Roles and Responsibilities

integrated Risk Management Committee is responsible to evaluate and provide recommendation to the Board of Directors of the Main Entity on matters related to:

- a) Preparation of the integrated risk management policy, framework and guideline and periodic improvement based on evaluation of the implementation.
- b) Evaluation of the effectiveness of implementation of the integrated Risk Management policy framework and guideline.
- c) identification of issues that may impact financial, compliance/ regulatory, legal and reputation risks for the Financial Conglomeration based on data/ information being shared by Financial Conglomeration members.
- d) Escalation of all risk related matters that require the attention of the Directors of the Main Entity or entities within the Financial Conglomeration.
- e) Assessment of key risks in the entities and across entities within Financial Conglomeration including the formulation of strategies to deal with existing and emerging risk issues.
- f) Semi-annual integrated risk profile report.
- g) Preparation of the integrated capital management policy and strategy within Financial Conglomeration including review of the integrated capital report.



- h) Knowledge sharing/lessons learned between entities in the Financial Conglomeration so that it can improve the implementation of integrated risk management to be more effective.



SUSTAINABILITY COMMITTEE

Structure and Membership of the Committee

Chairman : President Director

Permanent Members :

- Vice President Director
- Sharia & Sustainability Finance Director
- Compliance Director
- Global Alliance Strategy Director
- Finance Director
- Human Capital Director
- Enterprise Banking & Financial Institution Director

Permanent Invitees:

- Risk Management Director
- Chief Strategy Officer
- SME Business Head
- Consumer Business Head
- Sustainability Team

Secretary:

- Credit & Enterprise Risk Management Head

The alternate to the Chairman of the Committee will follow the prevailing BOD circular resolution concerning duties and responsibilities of BOD members.

Duties and Responsibilities

Sustainability Committee assist the Board of Directors in fulfilling its responsibility on the implementation of Sustainable Finance in the Bank, as follows:

- a. Review and approve the priority issues, action programs and targets related to Sustainability initiatives.
- b. Conduct review on the development of Sustainable Finance Action Plan (SFAP) and Sustainability Report.

- c. Monitor Bank's performance development related to Sustainability, especially the implementation of SFAP to ensure the implementation is in line with the action program and its achievement according to the target.
- d. To ensure sufficiency of sustainability policies, ensure the quality of policies implementation including compliance to the regulatory requirement.
- e. Monitor the implementation of Sustainable Finance training and awareness programs in order to create a culture where Management and Employees always consider sustainable finance aspects in carrying out business and operational activities.

REAL ESTATE STEERING COMMITTEE

Structure and Membership of the Committee

Chairman : Chief Executive Officer (CEO)

Members :

- Sharia, CREM and Micro Banking Director
- Chief Financial Officer
- Global Alliance Strategy Director
- Legal, Litigation and Compliance Director
- Vice President Director

Duties and Responsibilities

- a. Responsible in development planning and monitoring of Bank Danamon's Real Estate.
- b. Periodically to review, recommend and decide Bank's Real Estate strategic plan, and ensure alignment of real Estate projects with the strategic plan.
- c. Review, recommend and decide Real Estate policy of Asset Purchase and Selling, Development Project, Asset Optimizing and Lease Management.
- d. Review all Real Estate projects align with Bank's strategy or with Capex investment more than USD 1 million or its equivalent in IDR.
- e. Review policy, recommendation and decide the operation activities of office building and branches related to HSE (Health and Safety Environment).
- f. Review policy and evaluate regularly design guidelines of offices and branches.
- g. Regular review on Real Estate Risk Management covering the following topics:
 - Critical/strategic ongoing projects.
 - Health & Safety Environment (HSE) issues.
 - Real Estate Audit finding and corrective actions.
 - Legal and permit issues related to Real Estate
- h. Review recommendations from other sub/working committees for matters related to Real Estate.
- i. Perform other duties and responsibilities that may from time to time assigned by the Board of Directors.
- j. Provide recommendations for solving Real Estate related issues that can't be resolved by the working unit of property users and providers in an effective, efficient and timely manner.
- k. Prepare REC's Activities Report every year.