

COMMITTEES UNDER THE BOARD OF DIRECTORS

In order to assist the Board of Directors in effectively implementing its duties and responsibilities, the Board of Directors has supporting committees tasked with providing suggestions and recommendations as a reference in making decisions regarding the implementation of the Board of Directors' duties and responsibilities.

The committees under the Board of Directors are as follows:

1. Risk Management Committee
2. Assets & Liabilities Committee
3. Human Resources Committee
4. Information Technology Steering Committee
5. Integrated Risk Management Committee
6. Sustainability Committee
7. Real Estate Committee

Committee Work Guidelines and Rules

Each committee under the Board of Directors has a charter that binds and offers guidance to its members. The Committees' charters govern, among other matters, membership, duties and responsibilities, meeting convention and reporting. The committees' charters are always updated in accordance with Danamon's developments and regulatory changes.

1. RISK MANAGEMENT COMMITTEE

Structure and Membership

Chairperson	: President Director
Alternate Chairperson	: Refer to BOD circular resolution concerning duties and authorities of BOD Members
Permanent Members	: Board of Directors
Permanent Invitees	: Executive Officers – Board of Management <ol style="list-style-type: none">a. Chief Operations Officerb. Chief Human Capitalc. Chief Internal Auditord. Chief Information Officere. Chief Strategy Officer
Secretary	: Credit & Enterprise Risk Management Head

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 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.
- e. 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.
- f. Ensure that the Bank maintains sufficient provisions and reserves to protect against the realisation 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;
 - Country Risk & Transfer 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.
- k. Supervision on risk management implementation related to country risk and transfer risk carried out by the Bank including the implementation of evaluation and testing (stress testing).

2. ASSETS & LIABILITIES COMMITTEE (ALCO)

Structure and Membership

- Chairperson : President Director
- Alternative Chairperson : Chief Financial Officer (CFO)
- Members : Vice President Director(s) and Director(s) and/or appointed member(s) of the following division / business unit:
- Consumer and Branch Network
 - SME
 - Enterprise Banking and FI
 - Risk Management
 - Treasury & Capital Market
 - Transaction Banking

Roles and Responsibilities

- a. To establish committee coverage, meeting procedures, working process and sets sub committees to support ALCO.

- b. To determine policies and guidelines for liquidity risk, interest rate risk and capital management for BDI and its subsidiaries that reflect adequate liquidity and capital, stable and diversified funding profile, with compliance to all regulatory requirements.
- c. To determine issuance of securities or instrument in the framework of providing the Bank with adequate liquidity, capital and diversified funding structure.
- d. To evaluate market condition and its likely impact on the Bank's liquidity condition, NII, and capital, and to approve best course of action.
- e. To review and determine the Balance Sheet structure to improve the bank profitability.
- f. To review funding composition and to approve any change in funding strategy and alternatives including new institutional / structural funding.
- g. To 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

3. Human Resources Committee

Structure and Membership

Chairman accredited member	:	President Director
Alternate Chairman / Secretary accredited member	:	Chief Human Capital
Member	:	<ul style="list-style-type: none"> • Vice President Director • Vice President Director • Risk Management Director

Duties and Responsibilities

- a. Provide strategic direction as well as to determine key policies in Human Capital area and the changes, including (but not limited to) the below areas:
 - Human Capital Strategy
 - General Policies for employment
 - Compensation and Benefits Policies
 - Performance Management, including promotion
 - Talent Management and Succession Planning
 - Organisation and Grading Structure

- Training and Employee Development
 - Corporate Culture, Values and Employee Engagement
 - Industrial and Employee Relations development
 - Policy alignment with subsidiary companies
 - Manpower Planning
 - Organization Health and Safety
 - Staff issue related to Code of Ethic, discipline through Disciplinary Committee report or others Committee.
- b. Perform other duties and responsibilities that may from time to time assigned by the Board of Directors.
- c. HC Committee can establish sub-committee to perform the scope and responsibility of HC Committee.
- d. Oversight of all disciplinary matters, including but not limited to violation of rules & regulations, misconduct, gross negligence, fraud, etc.

4. IT STEERING COMMITTEE

Structure and Membership

Chairperson : Finance Director

Members :

- Chief Information Technology & Operations Officer
- Vice President Directors
- Risk Management Director
- Global Alliance Strategy Director
- Chief Digital Officer

Other invitations depend on the relevance of each area.

Members :

- BDI Director and Subsidiary
- BDI Business Head and Subsidiary
- BDI Head Support Function and Subsidiary
- President Director

Secretary: BPR, PPM, Control & Compliance Head

Duties and Responsibilities

- a. Periodically review, formulate, and recommend Bank's IT strategic plan, IT policies, standards, and procedures, and ensure alignment of IT projects with the strategic plan by monitoring IT performance and improvement of the performance.
- b. 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.
- c. 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.

- d. 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.
- e. Review recommendations from other sub/ working committees for matters related to Information Technology.
- f. 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.
- g. Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the BoD.
- h. Prepare committee's activities report every year as an evaluation report on the committee's work performance.
- i. ITSC Secretary is responsible to coordinate the ITSC review, as well as manage documentations, meeting materials and meeting schedule of the committee.

5. INTEGRATED RISK MANAGEMENT COMMITTEE

Structure and Membership

Chairperson : Risk Management Director of PT Bank Danamon Indonesia Tbk.

Alternate Chairperson : Refer to PT Bank Danamon Indonesia Tbk BOD circular resolution concerning duties and authorities of BOD members.

Permanent Member :

- Compliance Director of PT Bank Danamon Indonesia Tbk.
- SME Credit Director of PT Bank Danamon Indonesia Tbk.
- Appointed Director from PT Adira Dinamika Multi Finance Tbk.
- Appointed Director from MUFG Bank Ltd. Jakarta Branch.
- Appointed Director from PT Home Credit Indonesia.
- Credit & Enterprise Risk Management Division Head of PT Bank Danamon Indonesia Tbk.
- Operational Risk Management, Fraud & QA Division Head of PT Bank Danamon Indonesia Tbk.
- Market & Liquidity Risk Management Division Head of PT Bank Danamon Indonesia Tbk.

Permanent Invitee : Chief Internal Auditor of PT Bank Danamon Indonesia Tbk.

Secretary : Credit and Enterprise Risk Management Division of PT Bank Danamon Indonesia Tbk.

Authority, Roles and responsibilities

Integrated Risk Management Committee has the authority, roles and responsibility 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 Conglomerate based on data/ information being shared by Financial Conglomerate members.
- d. Escalation of all risk related matters that require the attention of the Directors of the Main Entity or entities within the Financial Conglomerate.
- e. Assessment of key risks in the entities and across entities within Financial Conglomerate including the formulation of strategies to deal with existing and emerging risk issues.
- f. Review and approve semi-annual integrated risk profile report.
- g. Preparation of the integrated capital management policy and strategy within Financial Conglomerate including review of the integrated capital report.
- h. Knowledge sharing/lessons learned between entities in the Financial Conglomerate thus it can improve the implementation of integrated risk management to be more effective.

6. SUSTAINABILITY COMMITTEE

Structure and Membership

Chairman : President Director

Members :

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

Duties and Responsibilities

- a. Review and approve the priority issues, action programs and targets related to Sustainability.
- 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. Conduct review on Sustainability Policy and its amendment also provide suggestions regarding its implementation to the Board of Directors.
- e. Approve the credit-related sustainability framework & guidelines and monitor their implementation.
- f. 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.

7. REAL ESTATE MANAGEMENT

Committee Structure and Membership

Chairman : President Director

Members :

- Vice President Director
- Director of Syaria, CREM. SME Credit & SF
- Director of Finance
- Director of Legal, Litigation and Compliance

Duties and Responsibilities

The KRE Committee has the following duties and responsibilities:

- a. Responsible for planning and supervising Bank Danamon Real Estate Development.
- b. Periodically review, recommend and decide on the Bank's Real Estate strategic direction and plans, and ensuring that Real Estate projects are in line with its strategic plans.
- c. Review, recommend and decide on Real Estate policies on purchasing and selling assets, development projects, asset optimization and leasing processes.
- d. Review the development of all Real Estate projects that are consistent with the Bank's strategy or that have a Capex investment value of more than USD1 Million or its equivalence in Rupiah.
- e. Review policies, recommend and decide on operational activities for office and branch buildings related to Occupational Health and Safety.
- f. Periodically review policies and evaluate the implementation of office and branch design standards.
- g. Periodically review Real Estate Risk Management which includes:
 - Ongoing important/strategic projects.
 - Work safety and security issues.
 - Real Estate audit findings and follow-up for improvements.
 - Licensing and legal status issues related to Real Estate.
- h. Review recommendations from other sub/working committees for matters related to Real Estate.
- i. Carry out other duties and responsibilities that may be assigned by the Board of Directors to the Committee from time to time.
- j. Provide recommendations for resolving problems related to Real Estate/Property that cannot be resolved by the Real Estate user and operator work unit effectively, efficiently and on time.
- k. Prepare annual committee activity reports.