



## RISK MONITORING COMMITTEE CHARTER

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PT BFI Finance Indonesia Tbk, hereinafter referred to as the Company, in order to comply with the provisions as stated in **the Financial Services Authority Regulation Number 48 of 2024** concerning Good Corporate Governance for Finance Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Services Institutions, it is necessary to make amendments to the Risk Monitoring Committee Charter which was previously determined based on the decision of the Board of Commissioners.

The Risk Monitoring Committee Charter (hereinafter referred to as the Charter) is prepared as a guideline so that the Risk Monitoring Committee can carry out its duties and responsibilities consistently, transparently and independently and in accordance with the applicable provisions based on the provisions of the Financial Services Authority mentioned above.

This charter consists of several parts with the following explanation:

### 1. Membership of the Risk Monitoring Committee

- a. Members of the Risk Monitoring Committee are appointed and dismissed by the Board of Commissioners.
- b. The Risk Monitoring Committee is accountable to the Board of Commissioners.
- c. The Risk Monitoring Committee shall consist of at least the following:
  - 1 (one) Independent Commissioner who is the chairman.
  - 1 (one) Independent Party with expertise in the field of Finance and/or risk management (evidenced by at least possession of a certificate of competency to support the implementation of the functions and responsibilities of the committee and/or possession of a risk management certificate) who is a member.
- d. In the context (if) the Company has a Sharia Business Unit (UUS), the Sharia Supervisory Board (DPS) can be a member of the Risk Monitoring Committee.
- e. Members of the Board of Directors are prohibited from being members of the Risk Monitoring Committee.
- f. The Chairman of the Risk Monitoring Committee can only concurrently serve as the chairman of the Committee at most in 1 (one) other committee.
- g. Must have high integrity, ability, knowledge, experience in accordance with their field of work, and be able to communicate well.
- h. Have sufficient knowledge to read and understand financial statements.
- i. It is mandatory to understand risk management, the company's business, especially those related to services or business activities of the company, and laws and regulations in the field of Financing and other related laws and regulations.
- j. Willing to continuously improve competencies through education and training.
- k. Not a person who works or has the authority and responsibility to plan, lead, control or supervise the Company's activities within the last 6 (six) months ("*cooling-off*") except for the Independent Commissioner. The party who has a relationship with the Company that can affect the ability of the person concerned to act independently is the party who has a contractual relationship with the Company, so that the waiting period begins from the end of the contractual relationship. What is meant by "waiting period" or *cooling off* is the grace period between the effective expiration of the position of the relevant person as a member of the Board of Directors or Executive Officer or other relationship with the Company, and the time of the effective appointment of the relevant person as an Independent Party member of the committee.
- l. Do not have shares either directly or indirectly in the Company.
- m. In the event that a member of the Risk Monitoring Committee obtains the Company's shares either directly or indirectly as a result of a legal event, the shares must be transferred to another party within a period of 6 (six) months after the acquisition of the shares.
- n. It does not have an affiliation with members of the Board of Commissioners, members of the Board of Directors, or major shareholders of the Company.
- o. It does not have a business relationship either directly or indirectly related to the Company's business activities.

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### **2. Duties and Responsibilities of the Risk Monitoring Committee**

The Risk Monitoring Committee acts independently in carrying out its duties and responsibilities. The Risk Monitoring Committee is tasked with providing an opinion and assisting the Board of Commissioners in identifying matters that require the attention of the Board of Commissioners, and carrying out other duties related to the duties of the Board of Commissioners, or as required by the Board of Commissioners. In carrying out its functions, the Risk Monitoring Committee has the following duties and responsibilities:

- a. Conduct a review of the company's compliance with laws and regulations related to the company's activities, especially those related to the field of risk management.
- b. Conduct a review of Risk management implementation activities carried out by the Board of Directors, in collaboration with the company's Risk Management Committee.
- c. Reviewing and providing advice to the Board of Commissioners related to potential conflicts of interest of the company.
- d. Maintain the confidentiality of documents, data and company information.
- e. Provide an independent professional opinion to the Board of Commissioners on reports or matters submitted by the Board of Directors to the Board of Commissioners and identify matters that require the attention of the Board of Commissioners, which include, among others:
  - To make an annual activity plan approved by the Board of Commissioners.
  - Evaluate the suitability between the Company's risk management policy and its implementation.
  - Monitor and evaluate the Company's risk management planning and implementation to provide recommendations to the Board of Commissioners.
  - Report to the Board of Commissioners on various risks faced by the Company and the implementation of risk management by the Board of Directors.
  - Evaluate the accountability of the implementation of the risk management policy of the Board of Directors at least quarterly.
  - Organizing and giving authority to conduct investigations within the scope of their duties.
  - Cooperate with outside consultants, accountants or other external parties who provide advice to the Committee or provide briefings in connection with the investigation, seeking relevant information from the staff and cooperating parties on the basis of the Committee's request.
  - Other duties, other than those mentioned above are given by the Board of Commissioners to the Committee in accordance with its functions and duties from time to time according to its needs.
- f. It is mandatory to carry out an evaluation of the suitability between the risk management policy and the implementation of the Company's policies as well as monitoring and evaluating the implementation of the duties of the Risk Management Committee and the risk management work unit.

### **3. Authority of the Risk Monitoring Committee**

In carrying out its duties, the Risk Monitoring Committee has the following authority:

- a. Access the company's documents, data and information about the company's employees, funds, assets and resources.
- b. Communicate directly with employees, including the Board of Directors and those who carry out internal audit functions, the Risk Monitoring Committee and the Public Accountant regarding the duties and responsibilities of the Risk Monitoring Committee.
- c. Involve independent parties outside of the Risk Monitoring Committee members as necessary to assist in the execution of the necessary tasks.
- d. Exercise other authority given by the Board of Commissioners.

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### **4. Procedures and Procedures of the Risk Monitoring Committee**

For the implementation of the duties of the Risk Monitoring Committee, the following work procedures and procedures are determined:

- a. In connection with the Company's internal control system, the Risk Monitoring Committee holds periodic meetings to discuss the planning of activities and the scope of internal audits for the coming period, as well as evaluate the results of the audits that have been conducted.
- b. In connection with the assessment of Risks related to the Company's business Risks, the Risk Monitoring Committee conducts discussions with the Risk Monitoring Committee and/or Risk Management Committee on the Risk management that has been carried out by the Company's Risk management.
- c. The Risk Monitoring Committee provides annual accountability to the Board of Commissioners for its performance in advance of the Report of the Board of Commissioners on the duties and responsibilities of the Board of Commissioners which will be contained in the Company's Annual Report, in line with which the Risk Monitoring Committee will be evaluated by the Board of Commissioners every year.
- d. The Risk Monitoring Committee collaborates with the Corporate Secretary for the implementation of the administration of the Risk Monitoring Committee documentation and the implementation of the Risk Monitoring Committee meetings.

### **5. Policy for Holding Risk Monitoring Committee Meetings**

- a. The Risk Monitoring Committee holds regular meetings at least once in 3 (three) months.
- b. The Risk Monitoring Committee Meeting can only be held if it is attended by more than 1/2 (one-half) of the number of members.
- c. The decision of the Risk Monitoring Committee meeting was taken based on deliberation for consensus.
- d. Each meeting of the Risk Monitoring Committee is outlined in the minutes of the meeting, including if there are *dissenting opinions*, which are signed by all members of the Risk Monitoring Committee present and submitted to the Board of Commissioners. Meeting Materials and Minutes must be sent to/can be stored at the Corporate Secretary.
- e. Members of the Board of Commissioners may appoint a third party to attend the Risk Management Committee Meeting as a reviewer who does not have the right to vote on the decision-making in the Committee Meeting.

### **6. Risk Monitoring Committee Activity Reporting System**

- a. The Risk Monitoring Committee is obliged to make periodic reports to the Board of Commissioners and/or on each assignment given.
- b. The Risk Monitoring Committee is obliged to make an annual report on the implementation of the activities of the Risk Monitoring Committee disclosed in the Company's Annual Report.

### **7. Provisions Regarding the Handling of Complaints or Reporting in Relation to Alleged Violations Related to Financial Reporting**

- a. Based on the Board of Commissioners' Letter of Assignment, the Risk Monitoring Committee can conduct a review and examination of actions that are detrimental to the company, including alleged violations related to Financial Reporting, as well as other duties in accordance with the needs of the Board of Commissioners.
- b. With the approval of the Board of Commissioners, for the implementation of the investigation task, the Risk Monitoring Committee may appoint a third party in the implementation of fact-finding review and examination. All costs incurred on the appointment of such third parties are borne by the Company.



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**8. Term of Duty of the Risk Monitoring Committee**

The term of office of the members of the Risk Monitoring Committee shall not exceed the term of office of the Board of Commissioners as stipulated in the Articles of Association and may be re-elected only for 1 (one) subsequent period.

**9. Risk Monitoring Committee Charter Review Period**

This Charter will be reviewed and, if necessary, updated no later than 1 (one) time within a period of 5 (five) years to ensure that it remains relevant and in accordance with the development of Laws and Regulations and the needs of the Company.