

THE RISK MONITORING COMMITTEE CHARTER

CS-00004-L3 Administrative Detail Policy	
Policy Owner	Corporate Secretary Function
Policy Custodian	<ul style="list-style-type: none">• Corporate Secretary Function• Enterprise Risk & Policy Management Division
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SUMMARY OF REVISIONS

Version	Revision Date	Name/Dept	Remarks
1.0	3 November 2006	-	BOC Approval on 3 November 2006
2.0	3 August 2012	Corporate Secretary Function	<ul style="list-style-type: none"> - Review of the Risk Monitoring Committee Charter - Approved by the BOC on 3 August 2012
3.0	5 November 2014	Corporate Secretary Function	<ul style="list-style-type: none"> - Review of the Risk Monitoring Committee Charter: <ul style="list-style-type: none"> a. Add chapter : Background, Purpose, Regulation Background, Values and Work Ethics, Working Time, Disclosure and Reporting and Effective Date and Next Review Date. b. Change chapter title "Name" become "Definition". c. Change chapter title "Function" and added authorities become "Duties, Responsibilities and Authorities". d. Put similar chapter contents from "Written or Circulating Resolutions" chapter and "Minutes" chapter into one "Meeting" chapter and "Reservations" chapter into "Duties, Responsibilities and Authorities" chapter. - Approved by the BOC on 5 November 2014
4.0.	30 October 2015	Corporate Secretary Function	<ul style="list-style-type: none"> 1. Review the Risk Monitoring Committee Charter based on the Financial Services Authority's Regulation No. 18/POJK.03/2014 concerning Implementation of the Integrated Governance for the Financial Conglomerate and the Financial Services Authority's Regulation No. 17/POJK.03/2014

				<p>concerning Implementation of the Integrated Risk Management for the Financial Conglomerate, with added provision Re. Financial Conglomerate which are consist of duties and responsibilities of the Risk Monitoring Committee to give recommendation to the Board of Commissioners of Main Entity in order to ensure the implementation of integrated risk management is based on characteristic and complexity of the financial conglomerate.</p> <ol style="list-style-type: none"> 2. Added 3 new definitions in point Definition and added point Purpose, and Legal Background with regulations and decree related to the financial conglomerate to clarify the content of this Charter. 3. Added 2 new point: Closing and Related Policy. 4. Approved by the Board of Commissioners on October 30, 2015.
4.1.	27 September 2017	Corporate Function	Secretary	<p>Updating the Charter with the following details:</p> <ol style="list-style-type: none"> 1. Chapter Regulation Background: Convert Bank Indonesia and Bapepam Regulation to Financial Service Authority Regulation and Bank Indonesia Circular Letter to Financial Service Authority Circular Letter. 2. Re-arrange the Related Policies from Chapter 12 to Chapter 4. 3. Chapter 5: Re-write definition regarding Executive Officer in accordance with FSA Regulation. 4. Chapter 6: Membership, re-write the arrangement in Point 6.6 and 6.8. 5. Chapter 7: Duties, Responsibilities and Authority: add liquidity risk type in Point 7.10 6. Chapter 10: Meeting: adding the arrangement of decision making

			<p>in Point 10.6.</p> <p>7. Chapter 11: Financial Conglomerate: add the RMC duties and responsibilities concerning the integrated capital management in Point 11.2.</p> <p>8. Chapter 14: Update the Next Review date to be in accordance with PSAS.</p>
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1.0. BACKGROUND

- 1.1. In accordance with regulation of Bank Indonesia and other banking authorities, Board of Commissioners ("BOC") is required to establish among others Risk Monitoring Committee in order to support the implementation of their duties and responsibilities effectiveness. In the context of the implementation of the duties and responsibilities, Risk Monitoring Committee shall have an internal policy which includes work guideline and procedure which should be known and binds every member of the Committee.
- 1.2. In order to implement integrated governance and integrated risk management based on the Financial Services Authority's Regulation No. 17/POJK.03/2014 and Regulation of the Financial Services Authority No. 18/POJK.03/2014, PT Bank OCBC NISP Tbk. has been appointed as the Main Entity in the financial conglomerate of OCBC in Indonesia (hereinafter referred to as "the Main Entities"), together with PT OCBC Securities Indonesia and PT Great Eastern Life Indonesia as its sister company, as stated in the Appointment Letter from CBC Overseas Investments Pte. Ltd. the Bank dated March 10, 2015 regarding the Appointment of PT. Bank OCBC NISP Tbk. (OCBC NISP) as Main Entity.
- 1.3. With Regard to the appointment of PT Bank OCBC NISP as Main Entity as stated in point 1.2 as stated above and In order to implement comprehensive and effective integrated risk management by PT Bank OCBC NISP Tbk. as Main Entity, the Board of Commissioners give duties and responsibilities to the Risk Monitoring Committee to give recommendation to the Board of Commissioners of Main Entity in order to ensure the implementation of integrated risk management is based on characteristic and complexity of the financial conglomerate.

2.0 PURPOSE

The Risk Monitoring Committee Charter is intended to:

- 2.1 Provide scope on duty, responsibility and authority of the Risk Monitoring Committee.
- 2.2 Apply the regulations related with Good Corporate Governance as determined by the regulator which have not been covered in the Bank's Article of Association.
- 2.3 Give duties and responsibilities to the Risk Monitoring Committee to provide recommendation to the Board of Commissioners and the Board of Commissioners of Main Entity.

3.0 REGULATION BACKGROUND

Regulation background of the Risk Monitoring Committee Charter :

- 3.1 Law No 7 of 1992 concerning Banking Law as amended by Law No. 10 of 1998 concerning the Amendment to Law No 7 of 1992 concerning Banking Law.
- 3.2 Law No. 8 of 1995 concerning Capital Market.
- 3.3 Law No. 40 of 2007 dated 16 August 2007 concerning Limited Liability Company.
- 3.4 Law No. 21 of 2011 concerning the Financial Services Authority.
- 3.5 Law No. 21 Of 2008 concerning Sharia Banking
- 3.6 Bank Indonesia Regulation No. 11/1/PBI/2009 concerning Commercial Banks.

- 3.7 Bank Indonesia Regulation No. 13/27/PBI/2011 dated 28 December 2011 concerning Amendment to Bank Indonesia Regulation No. 11/1/PBI/2009 concerning Commercial Banks.
- 3.8 Bank Indonesia Regulation No. 11/33/PBI/2009 dated 7 December 2009 concerning Implementation of Good Corporate Governance for Sharia Bank and Sharia Business Unit.
- 3.9 The Financial Services Authority's Regulation No. 17/POJK.03/2014 concerning Implementation of the Integrated Risk Management for the Financial Conglomerate.
- 3.10 The Financial Services Authority's Regulation No. 18/POJK.03/2014 concerning Implementation of the Integrated Governance for the Financial Conglomerate.
- 3.11 The Financial Services Authority's Regulation No. 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuer or Public Company.
- 3.12. The Financial Services Authority's Regulation No.26/POJK.03/2015 dated 4 December 2015 concerning the concerning the Minimum Integrated Capital Provision for Financial Conglomeration.
- 3.13 The Financial Services Authority's Regulation No. 18/POJK.03/2016 dated 22 March 2016 regarding Risk Management for Commercial Banks.
- 3.14. The Financial Services Authority's Regulation No. 29/POJK.04/2016 dated 29 July 2016 regarding Annual Report of Issuers and Public Companies.
- 3.15 The Financial Services Authority's Regulation No. 55/POJK.03/2016 dated 9 December 2016 concerning Implementation of Good Corporate Governance for Commercial Banks.
- 3.16 The Financial Services Authority's Regulation No. 65/POJK.03/2016 ated 28 December 2016 concerning Implementation of Risk Management for Sharia Bank and Sharia Business Unit.
- 3.17 Bank Indonesia Circular Letter No.12/13/DPbS dated 30 April 2010 concerning Implementation of Good Corporate Governance for Sharia Banks and Sharia Business Unit.
- 3.18 Bank Indonesia Circular Letter No. 14/4/DPNP dated 25 January 2012 concerning Commercial Banks.
- 3.19 The Financial Service Authority Circular Letter No. 14/SEOJK.03/2015 dated 25 May 2015 concerning the Implementation of the Integrated Risk Management for the Financial Conglomerates.
- 3.20 The Financial Services Authority Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 concerning Implementation of Integrated Governance for the Financial Conglomerate.
- 3.21 The Financial Service Authority Circular Letter No. 34/SEOJK.03/2016 dated 1 September 2016 concerning Implementation of Risk Management for Commercial Bank.
- 3.22 The Financial Service Authority Circular Letter No. 13/SEOJK.03/2017 dated 17 March 2017 concerning Implementation of Corporate Governance for Commercial Banks.

4.0 RELATED POLICIES

- 4.1. Articles of Association of PT Bank OCBC NISP Tbk. including its amendment.
- 4.2. The Appointment Letter from CBC Overseas Investments Pte. Ltd. the Bank dated March 10, 2015 regarding the Appointment of PT. Bank OCBC NISP Tbk. (OCBC

- NISP) as Main Entity.
- 4.3. Integrated Governance Policy, Policy code: FCP-00001-L2.
 - 4.4. Integrated Risk Management Policy, Policy Code: FCP-RM-00001-L3.
 - 4.5. Integrated Capital Management Policy, Policy Code: FCP-RM-00003-L4.

5.0 DEFINITION

- 5.1. Risk Monitoring Committee hereinafter referred as Committee is a Committee established by and responsible to the BOC in assisting to carry out the functions and duties of the BOC in relation to monitoring risk management implementation.
- 5.2. Independent Party is an external party of the Bank without any financial, management, share ownership and/or family relationship with the BOC, The Board of Directors (“BOD”) and/or Controlling Shareholders or other relationships with the Bank that may affect his/her ability to act independently.
- 5.3. Executive Officers are officers who are directly responsible to the Board of Directors or have significant influence on the Bank's policies and/or operations, including division heads, regional heads, branch manager, head of functional office in which her/his position is at least equivalent to branch manager, head of risk management working unit, head of compliance working unit, and head of internal audit working unit and / or other equivalent officers.
- 5.4. Financial Services Institution is the institution which is carrying out activities in the sectors of banking, capital market, insurance, pension funds, financial institutions, and other financial institutions as intended in the law concerning the Financial Services Authority.
- 5.5. Financial Conglomerate is the Financial Services Institutions that are in one group because of relationship of ownership and/or control.
- 5.6. Main Entity is the parent of the financial services institution of the financial conglomerate or financial services institution designated by the controlling shareholders of the financial conglomerate.

6.0 MEMBERSHIP

- 6.1. The committee members must consist of at least 3 (three) members :
 - a. 1 (one) Independent Commissioner;
 - b. 1 (one) Independent Party who has expertise in economics, finance and/or banking with work experience of at least 5 (five) years;
 - c. 1 (one) Independent Party who has expertise in risk management and/or experience of at least 2 (two) years in risk management field.
- 6.2. The Committee is chaired by Independent Commissioner.
- 6.3. The members of the Committee including the chairman of the committee shall be appointed and dismissed by the BOD based on the decision of the BOC meeting.
- 6.4. Chairman of the Committee can only serve concurrently as Chairman of maximum another committee.
- 6.5. Committee members who are Independent Commissioners and Independent Parties must represent at least 51% (fifty one percent) of total membership of the Committee.

- 6.6 Members of the Committee shall not be from the Board of Directors members of the same Bank of other bank.
- 6.7 Former member of BOD or Executive Officer of the Bank or any person defined as related party to the Bank who could affect his/her ability to act independently, shall complete a cooling off period of 6 (six) months before being nominated as an Independent Party of the Committee.
- 6.8 Provisions referred in Point 6.7 above do not apply to former Directors or Executive Officers who performed supervisory function at the minimum of six (6) months.
- 6.9 Members of Committee shall have good integrity, proven by not being included in the Disqualified List of Bank Indonesia and list of bad debts, supported by personal statement.
- 6.10 Nominations for appointment and/or re-appointment of the Committee members shall be recommended by the Remuneration and Nomination Committee.
- 6.11 Each member of the Committee shall serve until the next 3rd Annual General Meeting of Shareholders from the date of his/her appointment or re-appointment. The chairman and other members whose office term has expired referred in point 5.10 are eligible for reappointment.

7.0 DUTIES, RESPONSIBILITIES AND AUTHORITIES

The committee is in charge of and responsible for providing recommendations to BOC in overseeing the risk management policies and implementation of the business including but not limited to following matters:

- 7.1 monitor and evaluate suitability of the risk management policies with the implementation of risk management policies
- 7.2. monitor and evaluate the performance of Bank's Risk Management Committee and Risk Management Working Unit;
- 7.3. review the overall risk management philosophy to ensure that it is in line with the overall corporate strategy as set by BOD and approved by the BOC.
- 7.4. review Bank's Risk Appetite Statement;
- 7.5 review major policies for effective risk management;
- 7.6 initiate any review and action as appropriate for prudent risk management;
- 7.7 review risk management systems and risk capital allocation methodology;
- 7.8 review the scope, effectiveness and objectivity of Risk Management;
- 7.9 review reports to monitor and control risk exposures;
- 7.10 responsible for the oversight of the credit, operational, market, liquidity and other category of risk as may be delegated by the BOC as deemed necessary by the Committee.
- 7.11. carry out other duties and responsibilities given by BOC from time to time;
- 7.12. the authority delegated to the Committee is independent of and without prejudice to the powers granted or at any time specifically delegated to specified officers or any other committee of BOC.

8.0 VALUES AND WORK ETHICS

- 8.1. Committee acts independently in carrying out its duties and responsibilities.

- 8.2. Committee members shall have good integrity, character and morals as well as comply with the code of conduct of the Bank.
- 8.3. Committee members shall maintain the confidentiality of all documents, data and information of the Bank.
- 8.4. Committee members shall be objective, honest and transparent in performing their duties and responsibilities.
- 8.5. Committee members are prohibited from taking personal gain, either directly or indirectly from the Bank other than a legitimate income which may cause loss to the Bank.
- 8.6. In the event of a conflict of interest between the Bank and members of the Committee, the members of Committee are prohibited from taking actions that may cause a loss to the Bank or reduce the profit of the Bank and shall disclose the conflicts of interest in each decision. Disclosure of conflicts of interest shall be recorded in the minutes of meetings which at least include the name of the party who has conflicts of interest, the main problem and decision making consideration.

9.0 WORKING TIME

Committee members must provide sufficient time to carry out their duties and responsibilities optimally based on Bank's business days.

10.0 MEETING

- 10.1 The Committee may meet at any time but no less than 4 (four) times a year.
- 10.2 Meetings can only be held if attended by at least 51% (fifty one percent) of the total number of members including an Independent Commissioner and an Independent Party.
- 10.3 The Committee has the rights to invite any party with relevant experience and expertise at Committee meetings if it is necessary.
- 10.4 The meeting is chaired by the Chairman of the Committee. In case of the Chairman of the Committee is absent, the members present at the meeting shall elect a chairman of the meeting.
- 10.5 The Committee may regulate its own meeting procedures and in particular the calling of meeting, the notice to be given of such meeting, voting and proceedings, the production and custody of the minutes as well as inspection of such minutes.
- 10.6. Decision of the meeting shall be made based on consensus principle. In the event that consensus principle does not happen, decision-making is done by a majority vote, with the principle of one (1) person one (1) vote.
- 10.7 Differences of opinions (dissenting opinions) which occur in the meetings shall be clearly stated in the minutes of the meeting and the reason for these differences.
- 10.8 Any resolution in writing, signed or assented to by a majority of committee shall be as effective as a resolution duly passed at a meeting of the Committee and may consist of several documents in the like form, each signed by one or more of the members of the committee. The expressions "in writing" and "signed" include approval by e-mail or

facsimile by any such member of the Committee.

- 10.9 The results of the Committee meetings shall be stated in the minutes of meetings and shall be well documented.
- 10.10 Decision of the meeting shall be made based on consensus principle. In the event that consensus principle does not happen, decision-making is done by a majority vote, with the principle of one (1) person one (1) vote.

11.0 FINANCIAL CONGLOMERATE

In relation with the appointment of PT Bank OCBC NISP as Main Entity in the Financial Conglomerate therefore the Risk Monitoring Committee are responsible to give recommendation to the Board of Commissioners of Main Entity in order to implement the authority and responsibility of the Board of Commissioners of Main Entity in :

- 11.1 The implementation of integrated risk management, which include:
- a. directing and approving integrated risk management, including strategy and risk framework which is stipulated based on the risk appetite and risk tolerance;
 - b. evaluating the integrated risk management policy at least once in a year or at any time, in the event of changes in the factors affecting activities significantly;
 - c. evaluating and giving direction of improvement of the implementation of integrated risk management policy by the Board of Directors of Main Entity on a regular basis. Evaluation is done through an evaluation of accountability of the Board of Directors of Main Entity.
 - d. giving recommendation on effectivity of the integrated risk management implementation.
- 11.2 The implementation of Integrated Capital Management according to the characteristics and complexities of financial conglomeration business, at least include:
- a. directing, approving and evaluating integrated capital management policies, and strategies.
 - b. evaluating the implementation of integrated capital management policies and strategies by the Board of Directors of the Main Entity.

12.0 DISCLOSURE AND REPORTING

Committee performance shall be disclosed in the Bank's Annual Report and website at least include:

- 12.1 Structure, membership, expertise and independency of the Committee members.
- 12.2 Committee duties and responsibilities.
- 12.3 The meetings frequency and attendance level of the Committee members.
- 12.4 A brief description of the implementation of the Committee's activities in the financial year.

13.0 OTHERS

- 13.1 This Committee Charter are binding for every member of the Committee.
- 13.2 In the event of ambiguity of the provisions of this Charter with the provisions stipulated in the Articles of Association, Banking Authority and/or regulations, then the provisions of Articles of Association, Banking Authority and/or regulations shall prevail.

14.0 EFFECTIVE DATE AND NEXT REVIEW DATE

- 14.1 This Risk Monitoring Committee Charter shall take effect upon concurrence by the BOC.
- 14.2 This Risk Monitoring Committee Charter will be reviewed periodically at the latest every 3 (three) years or conduct updates if deemed necessary with regards to provisions of the prevailing laws and regulations.