

BOARD DECISION COMMISSIONERS

PT BANK SYARIAH INDONESIA Tbk

NUMBER: KEP.KOM/001/2021

ABOUT

RULES OF PROCEDURE FOR THE BOARD OF COMMISSIONERS

PT BANK SYARIAH INDONESIA Tbk

Considering	<ol style="list-style-type: none">1. That in order to create work order, transparency and accountability in the implementation of the duties of the Board of Commissioners, it is deemed necessary to establish provisions on the Code of Conduct of the Board of Commissioners; and2. That in connection with the foregoing, adjustments to the provisions of the Code of Conduct of the Board of Commissioners need to be stipulated in a Decree of the Board of Commissioners of PT Bank Syariah Indonesia, Tbk.
Remember	<ol style="list-style-type: none">1. Law Number 21 of 2008 dated July 16, 2008 on Islamic Banking;2. Law Number 40 of 2007 concerning Limited Liability Companies;3. Bank Indonesia Regulation Number 11/3/PBI/2009 dated January 29, 2009 concerning Islamic Commercial Banks;4. Bank Indonesia Regulation Number 11/33/PBI/2009 dated December 7, 2009 regarding the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units; and5. Articles of Association of PT Bank Syariah Indonesia, Tbk. in accordance with Notarial Deed No.104 dated December 16, 2020, made before Jose Dima Satria, S.H., M.Kn. and its amendments.
Take Note	The Charter of the Board of Commissioners of PT Bank Mandiri (Persero) Tbk, the Charter of the Board of Commissioners of PT Bank Rakyat Indonesia, Tbk, and the Charter of the Board of Commissioners of PT Bank BNI Syariah.
Establish	TERMS OF CONDUCT OF THE COMMISSIONERS OF PT BANK SYARIAH INDONESIA, Tbk.

Chapter I

GENERAL CONDITIONS

Article 1

In this provision what is meant by:

1. Bank means PT BANK SYARIAH INDONESIA Tbk.
2. Articles of Association shall mean the Deed of Amendment to the Articles of Association of the Bank pursuant to Notarial Deed No.104 dated December 16, 2020, made before Jose Dima Satria, S.H., M.Kn. and its amendments.
3. Board of Commissioners means the Board of Commissioners of the Bank as referred to in Bank Indonesia Regulation No.11/33/PBI/2009 dated December 7, 2009 concerning the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
4. Independent Commissioner is a member of the Board of Commissioners as referred to in Bank Indonesia Regulation No.11/33/PBI/2009 dated December 7, 2009 regarding the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
5. Audit Committee shall be the Committee established pursuant to Bank Indonesia Regulation No.11/33/PBI/2009 dated December 7, 2009 regarding the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
6. Risk Monitoring Committee established pursuant to Bank Indonesia Regulation No.11/33/PBI/2009 dated December 7, 2009 on the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
7. Remuneration and Nomination Committee is a Committee established pursuant to Bank Indonesia Regulation No.11/33/PBI/2009 dated December 7, 2009 on the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
8. GMS is the General Meeting of Shareholders as referred to in Law No.40 of 2007 concerning Limited Liability Companies.
9. Work units are Divisions, Regional Offices, Branch Offices and other office units including overseas offices.

Chapter II

STRUCTURE, DUTIES, OBLIGATIONS, RIGHTS AND AUTHORITIES BOARD OF COMMISSIONERS

Article 2

Board of Commissioners Structure

1. The number of members of the Board of Commissioners shall be at least 3 (three) persons and at most the same as the number of Directors.
2. At least 1 (one) member of the Board of Commissioners must reside in Indonesia.
3. The Board of Commissioners is led by the President Commissioner.
4. At least 50% {fifty percent} of the members of the Board of Commissioners shall be Independent Commissioners.
5. The Board of Commissioners consisting of more than 1 (one) member shall constitute a panel and each member of the Board of Commissioners shall not act individually, but based on the decision of the Board of Commissioners.
6. The majority of the Board of Commissioners is prohibited from having a family relationship up to the second degree with fellow members of the Board of Commissioners

Article 3

Duties of the Board of Commissioners

1. The Board of Commissioners is responsible for:
 - a. To supervise the implementation of the duties and responsibilities of the Board of Directors and to provide advice to the Board of Directors, including regarding work plans, the development of the Bank, the implementation of the provisions of the Articles of Association and the resolutions of the GMS and/or Extraordinary GMS and the prevailing laws and regulations;
 - b. To carry out duties, authorities and responsibilities in accordance with the provisions of the Articles of Association and resolutions of the GMS and/or Extraordinary GMS in an effective and efficient manner and to maintain effective communication between the Board of Commissioners and the Board of Directors, External Auditor and Bank Supervisory Authority;
 - c. Safeguarding the interests of the Bank by taking into account the interests of the Shareholders and being responsible to the GMS;
 - d. Examine and review the annual report prepared by the Board of Directors and
b. sign the annual report;
 - a. Provide opinions and suggestions on the annual Work Plan and Budget proposed by the Board of Directors and ratify them in accordance with applicable regulations;
 - b. Monitor the development of the Bank's activities;
 - c. Provide opinions and suggestions to the shareholders on issues deemed important for the management of the Bank;
 - d. Report immediately to the GMS if there are symptoms of a decline in the Bank's performance accompanied by suggestions regarding the corrective steps that must be taken.
2. In order for the supervisory function and advisory function as referred to in point 1, letter a to be carried out effectively, the Board of Commissioners shall also:
 - a. Providing opinions and advice to management on the determination of the Bank's vision, mission, culture and values;
 - b. To review and provide opinions on the business strategy implemented by the Bank;
 - c. Conducting assessments, providing opinions and advice on the human resource management system. In carrying out this task, the Board of Commissioners is assisted by the Remuneration and Nomination Committee;
 - d. To assess, provide opinions and advice on the risk control system. In carrying out this task, the Board of Commissioners is assisted by the Risk Monitoring Committee and the Audit Committee.
 - e. To assess, provide opinions and advice on the Draft Business Plan and its translation into the Bank's Annual Work Plan and Budget;
 - f. To approve draft strategic business decisions or policies that comply with legislation, Articles of Association and GMS resolutions and prudential banking practices including a commitment to avoid any form of conflict of interest,
 - g. Assessing the reports of internal and external auditors and providing advice to management on matters that need to be followed up. In carrying out its duties, the Board of Commissioners is assisted by the Audit Committee and the Risk Monitoring Committee;
 - h. Conduct periodic supervision and provide advice to management on the implementation of good corporate governance. In carrying out this task, the Board of Commissioners is assisted by the Risk Monitoring Committee;

- i. Conduct periodic supervision over the implementation of the RKAP and provide opinions and approvals on changes to the RKAP in accordance with applicable regulations;
 - j. Submit supervisory reports to the authority and shareholders;
 - k. Supervise the quality of bank services to customers and provide necessary advice to management;
 - l. Assessing, providing opinions and advice on the implementation of risk management, including risk management including matters related to fraud control.
 - m. Developing the work program of the Board of Commissioners, which includes the program of the Committees supporting the Board of Commissioners.
3. Each Commissioner shall observe the duties, responsibilities and limitations, including but not limited to the following:
- a. Law No. 40 of 2007 on Limited Liability Companies, Article 108 paragraph 4, which states that the Board of Commissioners consisting of more than 1 (one) member shall constitute a panel and each member of the Board of Commissioners shall not act individually, but based on the decision of the Board of Commissioners.
 - b. Law Number 21 of 2008 dated July 16, 2008 on Sharia Banking.

Article 4

Obligations of the Board of Commissioners

In connection with the duties of the Board of Commissioners as referred to in Article 3 of this Decree, the Board of Commissioners shall;

1. To ratify and supervise the implementation of the Bank's Annual Work Plan and Budget;
2. Follow up on the results of supervision and recommendations given in the event of a deviation from the prevailing laws, articles of association and Prudential banking practices;
3. Follow the development of the Bank's activities, and in the event that the Bank shows symptoms of deterioration, immediately hold a GMS to report to the Shareholders with advice on the corrective steps to be taken;
4. Provide opinions and advice to the GMS on any issues deemed important for the management of the Bank;
5. Perform other supervisory duties as determined by the GMS and laws and regulations;
6. Fostering an anti-fraud culture and awareness at all levels of the Bank's organization.

Article 5

Rights and Authorities of the Board of Commissioners

1. The Board of Commissioners is authorized to give written approval to the decisions of the Board of Directors for the following actions:
 - a. Buying, selling, leasing or otherwise obtaining or releasing rights to immovable property, including buildings and land rights and companies that exceed a certain amount determined by the Board of Commissioners;
 - b. Borrowing or lending money on behalf of the Company in excess of the limitation on the value of rupiah from time to time set by the Board of Commissioners, provided that taking money from a loan account or debt that has been established shall not be considered a loan for the purpose of this provision;

- c. Mortgaging, pledging or otherwise insuring the Company's assets beyond the limitation of rupiah value from time to time determined by the Board of Commissioners;
 - d. Binding the Company as guarantor (bong or avalist) which exceeds the limitation of rupiah value which from time to time determined by the Board of Commissioners;
 - e. Listing the Company's shares in the Capital Market;
 - f. No longer collect, transfer or release the right to collect on bad debts that have been written off, provided that from time to time the GMS determines the amount of write-offs that can be used, both for write-offs of bad debts that have been written off and write-offs of the difference between the principal value and the value of the collection or release of rights on bad debts that have been written off.
2. The Board of Commissioners at any time during office hours shall have the right to enter buildings and yards or other places used or controlled by the Bank and shall have the right to examine all books, letters, and other evidences, to check and match the state of cash and others and shall have the right to know all actions taken by the Board of Directors.
 3. Actions in the case referred to in paragraph (2), must be carried out in the capacity as the Board of Commissioners and must be reported in the Board of Commissioners meeting regarding these actions.
 4. If deemed necessary, the Board of Commissioners shall have the right to request the assistance of experts in carrying out its duties for a limited period of time at the expense of the Bank.
 5. Each Commissioner has the right to request an explanation of all matters from the Board of Directors and from all levels under him/her and the Board of Directors is obliged to provide an explanation.
 6. Each Commissioner has the right to attend meetings organized by the Board of Directors or its subordinate units without participating in decisions.
 7. The Board of Commissioners by majority vote at any time shall have the right to temporarily suspend one or more members of the Board of Directors, if they are proven to have acted in any way.

