

SUMMARY OF TERMS OF REFERENCE THE BOARD RISK AND COMPLIANCE COMMITTEE ("BRCC")

PT XLSMART Telecom Sejahtera Tbk

Duly approved and adopted by the Board of Commissioners of
PT XLSMART Telecom Sejahtera Tbk at the Board of Commissioners Meeting held on
21 April 2025

Disclaimer:

This document provides a summary of the Board Risk and Compliance Committee's Terms of Reference and does not represent the complete document; therefore, it cannot be used as a legal document.

SUMMARY OF TERMS OF REFERENCE OF THE BOARD RISK AND COMPLIANCE COMMITTEE PT XLSMART Telecom Sejahtera Tbk

1. FUNCTION OF THE BOARD RISK AND COMPLIANCE COMMITTEE ("BRCC")

- 1.1 The primary functions of the BRCC are to assist PT XLSMART Telecom Sejahtera Tbk's (the "Company") Board of Commissioners (the "**BoC**") to fulfil its responsibilities with regard to risk management and compliance. The BRCC is tasked with ensuring the establishment of comprehensive processes for the identification, assessment, and monitoring of: (i) critical business risks in order to protect shareholders' investments and the Company's assets; (ii) cybersecurity risks and risks associated with data privacy; (iii) risks stemming from non-compliant practices and behaviors, particularly in relation to Anti-Bribery Anti-Corruption ("**ABAC**"); (iv) Environmental, Social, and Governance ("**ESG**") risks; and (v) Occupational Safety and Health risks ("**OSHA**"). The BRCC will ensure that the Company's risk register is kept current and advise the BoC on the strategic direction, tone from the top, as well as appropriate training and development exercises in all areas under its mandate.

2. COMPOSITION OF THE BRCC

- 2.1 The BRCC shall be composed of five (5) members.
- 2.2 The secretary of the BRCC will be the Company Secretary.

3. MEETING GUIDELINES OF THE BRCC

3.1 Quorum

In order to form a quorum, a minimum of three members must be present.

If the quorum is not met, the agenda shall be tabled at the next meeting of the BRCC or referred to the subsequent meeting of the BoC, whichever is more expedient.

3.2 Meetings

- 3.2.1 The BRCC shall meet at least four (4) times a year, with any additional meetings to be called at the discretion of the Chairman of the BRCC. The BRCC meetings shall be governed by terms that will be established by resolution of the BoC, unless otherwise expressly provided for in these Terms of Reference. The BRCC may establish procedures from time to time to govern its meetings, keeping of minutes and its administration.
- 3.2.2 The BRCC may request other Directors, members of BoC committees/ management, external advisers and consultants as applicable to participate in the BRCC meetings, as necessary, to carry out the BRCC's responsibilities, provided, however, that no such party shall be entitled to vote at such meetings or be counted as part of the quorum for any meeting of the BRCC unless he or she is a member of the BRCC.
- 3.2.3 A member of the BRCC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him. Where this causes a lack of quorum, the BRCC shall appoint on an ad-hoc basis, another candidate(s) who meets the membership criteria.

- 3.2.4 A member of BRCC may participate in a meeting of BRCC by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly.
- 3.2.5 The notice and agenda for each BRCC meeting shall be sent to all members of the BRCC and any other persons who may be required to attend.
- 3.2.6 The Chairman of the BRCC shall report to the BoC on any matter that should be brought to the BoC's attention and provide recommendations of the BRCC that require the BoC's approval at the BoC meeting.

3.3 BRCC Circular Resolution

- 3.3.1 A decision of the BRCC made by Circular Resolution shall be valid provided it is approved and signed by all Members.

4. DUTIES AND RESPONSIBILITIES OF THE BRCC

- 4.1 In carrying out its responsibilities, the BRCC's policies and procedures remain flexible to changes in circumstances and conditions that are in compliance with legal and regulatory requirements. The following are the primary duties and responsibilities of the BRCC respectively:

4.1.1 Risk and Compliance

- BRCC's duties and responsibilities include areas of Enterprise Risk Management (including Business Continuity and Crisis Management), Cybersecurity, Privacy, Ethics & Integrity Compliance, ESG, OSHA, and Regulatory Compliance which include but not limited to requirements imposed by capital market authority, central bank (e.g. e-money, forex controls, AMLA, etc), Local Authorities (e.g. site permits, health and safety), and domestic trade (e.g. anti-profiteering and commercial dealings of our dealers/distributors).
- To ensure the Company and all its subsidiaries (the "Group") adopts sound and effective policies, procedures and practices for all its Risk and Compliance functions and ensure adequate testing to improve its resilience and preparedness for any eventualities.
- To review and recommend the risk management and compliance methodologies, policies (including framework) and risk tolerance levels for the approval of the appropriate authority in accordance with the Company's Limits of Authority policy.
- To review and assess the adequacy of the governing policies, framework and structure in place for managing risks and compliance as well as the extent to which these are operating effectively.
- To ensure adequate infrastructure, resources and systems are in place for effective risk and compliance management. This includes ensuring that the staff responsible for implementing risk and compliance management systems perform their responsibilities independently of the risk-taking activities.
- To review the management's periodic reports on risk and compliance management activities, exposure and mitigating/remedial actions.
- To ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment.

4.1.2 Other Responsibilities

- To ensure ongoing awareness programs, communication, training and education on risk and compliance management.
- To provide advice to the BoC on risk and compliance strategies and coordinate the activities of various standing board committees for risk oversight.
- To promote a healthy risk and compliance culture and behaviors that ensure the effectiveness of the risk and compliance management processes (e.g. discourage excessive risk-taking, bribery and corruption due to misaligned key performance indicators and remuneration schemes).
- To consider other matters relating to risk and compliance management, including relevant legislature applicable in all operating areas of the Company as referred to by the BoC or by BRCC by its own accord.

5. POWERS AND AUTHORITY OF THE BRCC

5.1 In carrying out its duties and responsibilities, the BRCC shall have the following powers and authority, in accordance with the procedures to be determined by the BoC and at the cost to the Company:

- i) Have the resources which are required to perform its duties.
- ii) Have full, free and unrestricted access to any information, records, properties and personnel of the Company and of any other companies within the Group.
- iii) With the approval of the Board of Commissioners of the Company, to appoint external legal counsel or other advisers and approve the terms and conditions of the appointment and obtain independent professional or other advice and services and to invite outsiders with relevant experience to attend the BRCC's meetings (if required) and to brief the BRCC thereof if the BRCC considers this as necessary.

For the avoidance of doubt, the appointment of external legal counsel or other advisers approved by the Board of Commissioners must observe the requirements and threshold stipulated under the Supervisory Guidelines on Management Policies of the BoC of the Company.

- iv) Have access to the advice and services of the Company Secretary.

6. REVIEW & EVALUATION PROCEDURES OF THE BRCC

6.1 The BRCC shall at least annually perform a review and an evaluation of its performance to ensure that it meets its responsibilities as outlined in these Terms of Reference. The review shall specifically include consideration of the following:

- i) Frequency and timeliness of the BRCC meetings.
- ii) Adequacy and quality of information and materials provided to the BRCC.
- iii) Effectiveness of the BRCC in carrying out the duties as set out in these Terms of Reference.
- iv) Contributions of each individual BRCC member.

- v) Appropriateness and adequacy of these Terms of Reference. The BRCC shall recommend to the BoC such changes to these Terms of Reference in such manner as the BRCC deems appropriate, including the addition of further detail as regards the manner in which it conducts its duties and responsibilities, including the role of secretary and further details as to the role of members and the BRCC Chairman (in each case if and to the extent required).

Jakarta, 21 April 2025

Board of Commissioners
PT XLSMART Telecom Sejahtera Tbk