

**THE BOARD OF
COMMISSIONERS AND THE
BOARD OF DIRECTORS MANUAL
PT BANK PERMATA TBK**

CONTENTS

I. INTRODUCTION

II. LEGAL BASIS/RELATED REGULATIONS

III. TECHNICAL TERMS

IV. BOARD OF COMMISSIONERS

A. BOARD OF COMMISSIONERS

1. Duties, Reporting, and Responsibility of the Board of Commissioners
2. Obligations of the Board of Commissioners
3. Appointment of Member of the Board of Commissioners
4. Composition of the Board of Commissioners
5. Term of Office of Member of the Board of Commissioners
6. Rights and Authorities of the Board of Commissioners
7. Performance Assessment of the Board of Commissioners Member
8. Remuneration of the Board of Commissioners Member
9. The Board of Commissioners Meetings
10. Working Time of Member of the Board of Commissioners
11. Values
12. Work Ethics

B. INDEPENDENT COMMISSIONERS

1. Independent Commissioners Criteria
2. Membership of Independent Commissioners
3. Authorities of Independent Commissioners
4. Nomination Process of Independent Commissioners

V. BOARD OF DIRECTORS

A. BOARD OF DIRECTORS

1. Duties, Reporting, and Responsibilities of the Board of Directors
2. Obligation of Member of the Board of Directors
3. Appointment of Member of the Board of Directors
4. Composition of Member of the Board of Directors
5. Term of Office of Member of the Board of Directors
6. Rights and Authorities of the Board of Directors
7. Performance Assessment of the Board of Directors Member
8. Remuneration of the Board of Directors Member
9. Board of Directors Meetings
10. Working Time of the Board of Directors Member
11. Breaches Report
12. Values
13. Work Ethics

B. COMPLIANCE DIRECTOR

1. Duties and Responsibilities of Compliance Director
2. Requirements for Compliance Director

VI. CONFLICT OF INTEREST

VII. INCREASING THE COMPETENCIES OF THE MEMBERS OF THE BOARD OF COMMISSIONERS AND THE MEMBERS OF THE BOARD OF DIRECTORS

VIII. LIST OF COMMITTEES

I. INTRODUCTION

The Board Manual consists of a compilation of corporate law principles, regulations, and the Articles of Associations to regulate working rules for the Board of Commissioners and the Board of Directors. The Board Manual represents the result of codification from various regulations going into effect for PermataBank (hereinafter referred to as “Bank” or “Company”) and best practices of Good Corporate Governance.

The objective of the Board Manual is to simplify the Board of Commissioners and the Board of Directors in comprehending related regulations to the administration of the Board of Commissioners and the Board of Directors. For such purpose, the development shall be conducted in accordance with the Bank/Company. The amendments shall be based on the prevailing regulations and will not violate the provisions of the Articles of Association and also pursuant to the agreement between the Board of Commissioners and the Board of Directors.

Considering the Board Manual represents the compilation from the corporation principle laws, therefore the implementation shall comply with prevailing laws and regulations. Various detailed rules as stated in the Articles of Association, Shareholder's instruction as determined in the General Meeting of Shareholders (GMS), and other regulations shall bind although it is not specifically elaborated in this Board Manual.

Good faith principle, full responsibility and fiduciary duties, inherent skill and care with the Board of Commissioners and the Board of Directors are basic principles which must be respected by the organ of the Company who conducts supervisory and manage the Company's business.

The Board Manual is made in two languages which are Bahasa Indonesia and English. In the event of any disputes or differences in perceptions or interpretation over the content of this Board Manual, the language to be valid shall be Bahasa Indonesia.

II. LEGAL BASIS/RELATED REGULATION

The legal basis of the Board of Commissioners and the Board of Directors Manual are:

LAW

1. Law Number 40 Year 2007 (Company Law).
2. Law Number 8 Year 1995 concerning Capital Market, as amended by Law No. 40 of 2023 concerning Development and Strengthening of the Financial Sector.
3. Law Number 10 Year 1998 concerning Amendment to Law Number 7 Year 1992 concerning Banking, as amended by Law No. 40 of 2023 concerning the Development and Strengthening of the Financial Sector.

OTORITAS JASA KEUANGAN (OJK) REGULATION:

4. POJK No. 33/POJK.04/2014 dated 8 December 2014 concerning the Board of Directors and the Board of Commissioners of Issuers or Public Companies.
5. POJK No. 21/POJK.04/2015 dated 16 November 2015 regarding the Implementation of the Corporate Governance Guideline of Public Company.
6. POJK No. 55/POJK.04/2015 dated 23 December 2015 concerning the Establishment and Working Guideline of the Audit Committee.
7. POJK No. 4/POJK.03/2016 dated 26 January 2016 concerning Commercial Banks Soundness Level.
8. POJK No. 5/POJK.03/2016 dated 26 January 2016 concerning Bank Business Plan.
9. POJK No. 18/POJK.03/2016 dated 16 March 2016 concerning Risk Management Implementation by Commercial Banks.
10. POJK No. 27/POJK.03/2016 dated 22 July 2016 regarding Fit and Proper of Main Party for Financial Service Companies and SE OJK No. 39/SEOJK.03/2016 concerning Fit and Proper Test for Bank Controlling Shareholder Candidate, Member of Board of Directors candidate, and Member of Board of Commissioners Candidate.
11. POJK No. 46/POJK.03/2017 dated 12 July 2017 concerning Compliance Function Implementation for Commercial Banks.
12. POJK No. 42/POJK.03/2017 dated 12 July 2017 concerning Obligation of Making and Implementing Credit

- or Financing Policy for Commercial Banks.
13. POJK No. 37/POJK.03/2017 dated 12 July 2017 concerning the Employing of Foreign Labor and Transfer Knowledge Program in the Banking Sector.
 14. POJK No. 51/POJK.03/2017 dated 18 July 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies.
 15. POJK No. 1/POJK.03/2019 dated 29 January 2019 concerning the Implementation of the Internal Audit Function in Commercial Banks.
 16. POJK No.37/POJK.03/2019 dated 19 December 2019 concerning Transparency and Publication of Bank Reports.
 17. POJK No. 12/POJK.03/2021 dated 30 July 2021 concerning Commercial Banks.
 18. POJK No. 11/POJK.03/2022 dated 6 July 2022 concerning the Implementation of Information Technology by Commercial Banks.
 19. POJK No. 8 of 2023 dated 14 June 2023 concerning the Implementation of Anti-Money Laundering Programs and Prevention of Funding for the Proliferation of Mass Destruction Weapons in the Financial Services Sector.
 20. POJK No. 12 of 2023 dated 12 July 2023 concerning Sharia Business Units.
 21. POJK No. 17 of 2023 dated 14 September 2023 concerning the Application of Governance for Commercial Banks.
 22. POJK No. 2 of 2024 dated 15 February 2024 regarding Implementation of Sharia Governance for Sharia Commercial Bank and Sharia Business Unit.

INDONESIA STOCK EXCHANGE REGULATION

23. Decision Letter of Board of Directors of PT Bursa Efek Indonesia Number Kep- 00101/BEI/12-2021 dated 21 December 2021 on Amendment to Regulation Number I-A concerning Shares Listing and Equity-Type Securities Other Than Stock Issued by Listed Companies.

OTHERS:

24. Articles of Association of PermataBank.
25. General Guidelines for Indonesian Corporate Governance (PUGKI) 2021.
26. Decree of the Board of Directors concerning the Establishment of the Committee.
27. 2023 ASEAN CG Scorecard.

III. TECHNICAL TERMS

The terminology used in this Board Manual shall have the definition as follows:

1. **PT Bank Permata Tbk** is the overall organ of the Company consisting of the General Meeting of Shareholders, the Board of Commissioners, and the Board of Directors (hereinafter referred to as Bank or Company).
2. **The General Meeting of Shareholders (GMS)**, is an organ of the Company that has the highest power and it holds all the authority which is not delivered to the Board of Directors or the Board of Commissioners.
3. **The Board of Commissioners** is an organ of the Company that is responsible for general and/or specific supervision and provides advice to the Board of Directors to conduct the Company's business.
4. **An Independent Commissioner** is a member of the Board of Commissioners who does not have financial, management, share ownership, and/or family relationships with members of the Board of Directors, other members of the Board of Commissioners, and/or controlling shareholders including the ultimate controlling shareholder, or relationships with the Company that could affect his/her abilities to act independently.
5. **Sharia Supervisory Board** is a party with duties and functions to supervise the Bank with Sharia Business Unit to comply with Sharia Principle.
6. **The Board of Directors** is an organ of the Company who is fully responsible for the management of the Company for the interest and objective of the Company and also shall be entitled to represent the Company inside and outside of the Court in accordance with the Company's Articles of Association.

7. **An Independent Party** is a party outside the Company who does not have financial, management, share ownership, and/or family relationships with members of the Board of Directors, members of the Board of Commissioners, and/or controlling shareholders, or relationships with the Company that could affect his/her ability to act independently.
8. **The Stock Exchange** is PT Bursa Efek Indonesia.
9. **The Executive Officer** is the Bank's officer who is directly responsible to the Members of the Board of Directors or has a significant influence over the policy and/or operation of the Bank.
10. **Fit and Proper Test** is a process result of the periodical or time-to-time evaluation of OJK. It is considered important for the integrity of controlling shareholders, and also the integrity and competency of Management and Executive Officers in managing the Bank's operational activities.
11. **Articles of Association** are the documents required from Company Law and they specify the rules of the internal Company's management.
12. **Good Corporate Governance in a Bank** is a structure, process, and mechanism in managing the Bank to achieve the implementation of the Bank's business activities which take into account the interests of all relevant stakeholders, create and optimize corporate value at the Bank in a sustainable manner, as well as the law, standards, ethical values, principles and best practice which at least include principles of transparency, accountability, responsibility, independence, and fairness.
13. **Family Relationships up to the Second Degree** are relationships both vertical and horizontal including:
 - a. biological/step/adoptive parents;
 - b. biological/step/adopted siblings and their husbands or wives;
 - c. biological/step/adopted children;
 - d. biological/step/adoptive grandfather or grandmother;
 - e. biological/step/adopted grandchildren;
 - f. biological/step/adopted siblings of parents and husband or wife;
 - g. husband or wife;
 - h. parent in law;
 - i. in law;
 - j. husband or wife of biological/step/adopted children;
 - k. husband or wife's grandfather or grandmother;
 - l. husband or wife of biological/step/adopted grandchildren; and/or
 - m. biological/step/adopted siblings of the husband or wife along with the husband or wife.

IV. BOARD OF COMMISSIONERS

A. BOARD OF COMMISSIONERS

1. DUTIES AND RESPONSIBILITY OF THE BOARD OF COMMISSIONERS

- In general, the Board of Commissioners is required to implement their duties and responsibilities independently among other things as follows:
 - a. Conduct supervisory duties for the interests of the Bank over the policies and the management by the Board of Directors, provide advice to the Board of Directors, and be responsible for such supervision, in accordance with the Bank's mission and objectives as stipulated in the statutory regulations, the Articles of Association, and the resolutions of the General Meeting of Shareholders (GMS).
 - b. The Board of Commissioners is obligated to carry out the duties, authority, and responsibilities in good faith and with the principle of prudence.
 - c. The Board of Commissioners accepts and implements the authority delegated and/or granted to the Board of Commissioners in accordance with the statutory regulations, the Articles of Association, and/or GMS decisions.
 - d. The Board of Commissioners can carry out other supervisory duties and authority.
 - e. To supervise the risk of the Company's business and the management's effort in conducting internal control.

- f. To provide advice and recommendations towards the proposal and the Company's strategic development plan proposed by the Board of Directors.
- g. To ensure the Board of Directors has considered the shareholder's interest.
- h. In performing the supervisory function, the Board of Commissioners must direct, monitor, and evaluate the implementation of the Company's strategic policies and approve the mission, vision, and corporate strategy formulated by the Board of Directors.
- i. The Board of Commissioners reviews, provides advice, and approves the Business Plan and long-term financial plans as well as short-term financial plans. The Board of Commissioners is also required to provide advice and monitor the Board of Directors regarding the management of the Bank's Business Plan as well as the long and short-term financial plans.
- j. In performing the supervisory function, the Board of Commissioner is prohibited from being involved in decision-making related to the Company's Operational activities, except:
 - 1) providing funds to related parties in accordance with the OJK Regulations regarding the maximum limit for granting credit and providing large funds for commercial banks; and
 - 2) other matters stipulated in the Bank's Articles of Association or statutory provisions.
 Decision-making on the Bank's operations by the Board of Commissioners as stipulated in letter (j) is part of supervisory duties by the Board of Commissioners, therefore such duty will not negate the Board of Directors' duties on managing the Bank.
- k. The Board of Commissioners oversees the effectiveness of the Bank's Good Governance policies and its implementation in every business activity within the organization levels and proposes any changes if necessary.
- l. The Board of Commissioners ensures that regular evaluations are carried out on the implementation of the Bank's Good Governance policies, both independently or using independent external consultants.
- m. To prepare and submit the supervisory report on the Company's management by the Board of Directors to obtain GMS's approval.
- n. The Board of Commissioners must supervise the Compliance Function implementation.
- o. The Board of Commissioners must actively supervise Compliance Function, by:
 - 1) Evaluating the Bank's Compliance Function at least 2 (two) times a year.
 - 2) Providing suggestions to improve the quality of the Bank's Compliance Function implementation.
- p. Based on the evaluation of Compliance Function implementation, the Board of Commissioners provides suggestions to improve the quality of Compliance Function to the President Director, with a copy to the Director in charge of Compliance Function.
- q. The Board of Commissioners must ensure that SKAI can conduct their duties independently. The Board of Commissioners must review the audit plan and audit implementation as well as follow up on audit results to assess the adequacy of internal control including sufficiency of the finance reporting process. These duties must be conducted by the Board of Commissioners considering that the Board of Commissioners is a representation of shareholders and the public.
- r. In the general control framework, the classification of responsibilities and supervisory authorities between the Board of Commissioners and the Board of Directors must be clearly stated in the Bank's Articles of Association or GMS Decision if the Bank hasn't stated those stipulations in its Articles of Association. The classification must be stipulated as follows:
 - 1) Final supervision responsibilities by the Board of Commissioners among others by evaluating SKAI's audit findings. Thus, the Board of Commissioners is authorized to ask the Board of Directors to follow up on SKAI's audit findings or SKAI's examination or recommendation.
 - 2) The Board of Directors' responsibilities are to create an internal control structure, to ensure implementation of the Bank's Internal Audit Function at every management level, and to follow up the Bank's Internal Audit findings in accordance with policies or advice given by the Board of Commissioners. Thus, the Board of Directors must report the above activities to the GMS.

- s. The Board of Commissioners is required to supervise the Board of Directors' follow-up actions to audit findings or examinations and recommendations from the Bank's SKAI, external auditors, OJK supervision results, and/or supervision results from other authorities and institutions.
- t. The Board of Commissioners of the Bank is responsible for the completeness and accuracy of the contents of Published Reports. Published Reports are reports submitted by the Bank to the public and/or the OJK with the procedures for announcement and submission in accordance with the provisions stipulated by the OJK.
- u. The Board of Commissioners is responsible for maintaining and monitoring the Bank's Soundness Level as well as taking the necessary steps to maintain and/or improve the Bank's Soundness Level.
- v. The Board of Commissioners is responsible for approving the Sustainable Finance Action Plan (RAKB) prepared by the Board of Directors.
- w. The Board of Commissioners is responsible for approving the Corporate Plan including changes (if any) prepared by the Board of Directors.
- x. The Board of Commissioners is responsible for the development of the Sharia Business Unit owned by the Bank in accordance with applicable regulations.
- Duties and authorities of the Board of Commissioners related to credit or financing must at least consist of:
 - a. To approve annual credit or financing plans including credit or financing plans to the Bank's related parties and credit or financing to big debtors as stipulated in the Banks's Business Plan submitted to the OJK.
 - b. To supervise the implementation of a credit or financing plan.
 - c. To ask for an explanation and/or responsibilities from the Board of Directors and to ask for corrective action in providing credit or financing that deviates from the credit or financing plan that has been prepared.
 - d. To approve a Bank Credit or Financing Policy (KPB) that at least contains all Guidelines for Preparing Credit or Bank Financing Policies (PPKPB) aspect.
 - e. To request an explanation and/or responsibilities of the Board of Directors when there is a deviation in KPB implementation.
 - f. To request an explanation and/or responsibilities from the Board of Directors regarding the development and quality of credit or financing portfolio overall including credit or financing provided to the Bank's related party and big debtors, and other points as stipulated in the duties, authorities, and responsibilities of Board of Directors related to credit or financing.
 - g. The Board of Commissioners provides consultations on credit proposals in certain amounts submitted by related directorates that have received approval from the Credit Committee Meeting (BOC Consultation) in accordance with the Credit Committee's Terms of Reference (TOR).
- In relation to Anti Money Laundering (APU) and Counter Financing of Terrorism (PPT) implementation in the Financial Services Sector, active supervisory of the Board of Commissioners at least consists of:
 - a. ensure that the Bank has policies and procedures for implementing the APU, PPT, and Prevention of Funding for the Proliferation of Mass Destruction Weapons (PPPSPM) programs;
 - b. approve the policies and procedures for implementing the APU, PPT, and PPPSPM programs proposed by the Board of Directors;
 - c. evaluate the policies and procedures for implementing the APU, PPT, and PPPSPM programs;
 - d. supervising the implementation of the Board of Directors' responsibilities regarding the implementation of the APU, PPT and PPPSPM programs; and
 - e. ensure that there is a discussion regarding the implementation of the APU, PPT, and PPPSPM programs in the Board of Directors and Board of Commissioners meetings.

- Authorities and responsibilities related to Risk Management implementation to the Board of Commissioners at least:
 - a. To approve and evaluate the Risk Management policy.
 - b. To evaluate the Board of Directors' responsibilities on risk management policy implementation as stipulated in letter (a).
 - c. To evaluate and decide on the Board of Directors' proposal related to the transactions that required the Board of Commissioners' approval.
 - d. Regularly monitor the effectiveness of the Bank's Risk Management.
- Authorities and responsibilities related to Information Technology (IT) Implementation for the Board of Commissioners at least:
 - a. Evaluate, direct, and monitor Information Technology Strategic Plans and Bank policies related to the implementation of Information Technology.
 - b. Evaluating the Board of Directors' accountability for the implementation of risk management in the implementation of Information Technology.
 - c. Evaluate, direct, and monitor risk management policies in the IT field and the compatibility of such implementation with the characteristics, complexity, and risk profile of the Bank.
 - d. Provide directions for improvement in the implementation of risk management policies in the IT field.
 - e. Evaluate the planning and implementation of audits, ensure that audits are carried out with adequate frequency and scope, as well as monitor the follow-up of audit results related to the information system.
 - f. Evaluate the reliable and effective security management of IT to ensure the availability, confidentiality, and accuracy of information.
- Related to the internal audit function, the Board of Commissioners is responsible for:
 - a. Ensure that the Board of Directors prepares and maintains an adequate, effective, and efficient internal control system.
 - b. Review the effectiveness and efficiency of the internal control system based on information obtained from SKAI at least once in 1 (one) year.
 - c. Appoint an independent quality controller from an external party to review the performance of SKAI, taking into account the recommendations of the Audit Committee.

In relation to the function of the Internal Audit Work Unit in the Business Group; for the Bank that is the parent company, the Board of Commissioners is responsible for ensuring that the internal audit in the subsidiary company is carried out using audit standards of the Bank.

2. OBLIGATIONS OF THE BOARD OF COMMISSIONERS

- a. In carrying out supervisions, the Board of Commissioners directs, monitors, and evaluates the implementation of integrated governance, risk management, and compliance as well as the Bank's strategic policies, by the provisions of statutory regulations, the Articles of Association, and/or GMS decisions.
- b. The Board of Commissioners must have a work manual that binds each member of the Board of Commissioners. The manual must consist of:
 - 1) Duties, responsibilities, and authority of the Board of Commissioner;
 - 2) Regulation of the authority and decision procedures of the Board of Commissioners;
 - 3) Regulation of the work ethics of the Board of Commissioners;
 - 4) The Board of Commissioners' meetings arrangement;
 - 5) Prohibition against the Board of Commissioners;
 - 6) Evaluation of the Board of Commissioners' performance; and
 - 7) The working relationship pattern of the Board of Commissioners and the Board of Directors.
- c. To establish Committees to support the effectiveness of the implementation of its duties and responsibilities, at least the following:

- 1) Audit Committee;
- 2) Risk Monitoring Committee; and
- 3) Remuneration and Nomination Committee.

The Board of Commissioners may form other committees if necessary and in accordance with applicable regulations, adapted to the needs and/or complexity of the Bank and/or expanding the scope of implementation of the committee's duties, responsibilities, and authorities to support the implementation of the Board of Commissioners' supervisory duties and responsibilities.

The appointment and dismissal of members of the Board of Commissioners committees must be carried out by the Board of Directors based on the decision of the Board of Commissioners meeting.

- d. The Board of Commissioners is obliged to evaluate the committee's performance at least at the end of each financial year.
- e. The Board of Commissioners is obliged to safeguard all data and information related to the Bank submitted by the Board of Directors and in accordance with the provisions of applicable laws and regulations.
- f. In the Special Register, a member of the Board of Commissioners discloses his/her share ownership (including his/her family) in the Bank and other banks and companies domiciled both within the country and abroad. The Special Register is maintained by the Bank and should be updated from time to time.
- g. The member of the Board of Commissioners must disclose:
 - 1) ownership of 5% (five percent) of shares or more either in the Bank or in other banks and companies domiciled both within the country and abroad;
 - 2) financial and family relations with other members up to the second degree of the Board of Commissioners, other members of the Board of Directors, members of the Sharia Supervisory Board, and /or the controlling shareholder of the Bank.

in the report on the implementation of Good Corporate Governance as stipulated in the OJK Regulation.
- h. Members of the Board of Commissioners are prohibited from taking benefit from the Bank for personal, family, and other party's interests which may cause loss to or decrease the profit of the Bank.
- i. Members of the Board of Commissioners are prohibited from taking and/or receiving a personal benefit from the Bank except for remuneration and other facilities stipulated in the GMS.
- j. Members of the Board of Commissioners must provide their time sufficiently in performing their duties and responsibilities effectively.
- k. Members of the Board of Commissioners must have good faith and full responsibility in performing their duties and responsibilities for the Bank's interest and business.
- l. Members of the Board of Commissioners must disclose their remuneration and other facilities in the Good Corporate Governance Implementation Report as stipulated in the OJK Regulation.
- m. The Board of Commissioners must inform the OJK no later than 5 (five) business days upon the finding on:
 - 1) Violation of laws and regulations of financial, banking, and any matters related to the Bank's business activities.
 - 2) Condition or forecast on the condition which may endanger the Bank's business continuity.
- n. Members of the Board of Commissioners while serving are required to have integrity, competency, and a good reputation, as follows:
 - 1) Have integrity, including:
 - i. have good morals;
 - ii. commit to comply with the provisions of laws and regulations including Bank rules and regulations and support the policies of the OJK;
 - iii. commits to the development of the prudent Bank business activities;
 - iv. not currently undergoing the consequences of the final results of the main party's

- reassessment with the predicate of not passing and/or not being included in the list of not passing; and
- v. competent to carry out legal actions.
- 2) Have competencies, including:
 - i. have knowledge and/or competence (expertise) that can be used for the Bank's supervision, including related to management policies and the management as well as providing advice to the Board of Directors;
 - ii. Carry out supervision of the Bank and direct, monitor, and evaluate the implementation of the Bank's strategic policies in accordance with regulations, to develop a prudent Bank, implementing risk management and an effective and efficient internal control system as well as complying with applicable laws and regulations and standards;
 - iii. supervising the preparation of business strategies and implementation of business activities by the Board of Directors so that there is harmony in environmental, social, and governance aspects; and
 - iv. know about Indonesia, especially regarding the economy, culture, and Indonesian language, for members of the Board of Commissioners who are foreign workers in accordance with the OJK Regulations regarding the use of foreign workers and knowledge transfer programs in the banking sectors.
 - 3) Have a good reputation, including:
 - i. do not have bad credit and/or financing;
 - ii. never declared bankruptcy;
 - iii. never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
 - iv. never been convicted of committing a criminal act that is detrimental to state finances and/or related to the financial sector;
 - v. holding annual GMS;
 - vi. his/her responsibility as a member of the Board of Directors and/or member of the Board of Commissioners has always been accepted by the GMS or always provides their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners to the GMS;
 - vii. never causes a company that obtains a license, approval, or registration from the OJK failed to fulfill its obligation to submit an annual report and/or financial report to the OJK, and/or the annual report and/or financial report is not approved and/or ratified by the GMS;
 - viii. supervise and support the implementation of sound Bank's management; and
 - ix. maintain the Bank's reputation.
 - o. Members of the Board of Commissioners are prohibited from holding concurrent positions:
 - 1) As a member of the board of directors, member of the board of commissioners, member of the sharia supervisory board, or executive officer in a financial institution or financial company, whether bank or non-bank;
 - 2) As a member of the board of directors, member of the board of commissioners, member of the sharia supervisory board, or executive officer in more than 1 (one) non-financial institution or company, whether domiciled inside or outside the country;
 - 3) In the area of functional duties in bank financial institutions and/or non-bank financial institutions located at home or abroad;
 - 4) In other positions that may create a conflict of interest in carrying out their duties as a member of the Board of Commissioners; and/or
 - 5) In other positions in accordance with statutory provisions.
 - p. Independent Commissioners are prohibited from holding concurrent positions as public officials.
 - q. Excluding concurrent positions in the case of:
 - i) Member of the Board of Commissioners serves as the member of the board of directors,

- member of the board of commissioners, or executive officers who carry out supervisory functions in 1 (one) non-bank subsidiary company controlled by the Bank;
- ii) Non-Independent Commissioner carries out the functional duties of the Bank's shareholders in the form of legal entities at the Bank and/or Bank business groups; and/or
- iii) Members of the Board of Commissioners hold positions in non-profit organizations or institutions, as long as it does not result in the person concerned neglecting the implementation of their duties and responsibilities as members of the Board of Commissioners.
- r. A member of the Board of Commissioners can hold concurrent positions as a member of a committee maximum of 5 (five) committees in the Issuer or Public Company where he/she also holds the position as a member of the Board of Directors or a member of the Board of Commissioners.
- s. The chairman of a committee of the Board of Commissioners is prohibited from holding concurrent positions as committee chairman on more than 1 (one) other committee (a maximum of 2 (two) committees) at the Bank.

3. APPOINTMENT OF MEMBER OF THE BOARD OF COMMISSIONERS

- a. To be a member of the Board of Commissioners, he/she is required to comply with the rules as stipulated in prevailing laws and regulations by prioritizing professional composition, independence, suitability of competencies, and paying proper attention to the diversity required in the implementation of the duties and responsibilities of the Board of Commissioners. Requirements for prospective members of the Board of Commissioners, among others, requirements of integrity, financial reputation, and competencies:
 - 1) Fulfillment of integrity requirements to members of the Board of Commissioners candidates.

Candidate must fulfill integrity requirements as stipulated in Article 4 and Article 5 of POJK of Fit and Proper Test:

 - i. Related to the integrity requirement of the capability to conduct legal action, the definition of capable to conduct legal action shall refer to Civil Law.
 - ii. Related to the integrity requirement of commitment to comply with regulations, the candidate who has been restricted to be the main Party, must commit not to do and/or repeat the action and/or activity which may cause the person to be included as a person restricted to become the main Party.
 - iii. Related to integrity requirement which is not included as a person restricted to becoming Main Party among others not listed in the Failed List (DTL).
 - iv. Have good morals, among others demonstrated with compliance behavior, include never being punished for certain criminal acts in the past 20 years before being nominated.
 - v. Commit to comply with regulations and to support OJK policies.
 - vi. Have the commitment to the Bank's soundness development.
 - vii. Not included as a party restricted as main Party.
 - 2) Financial reputation for the candidate member of the Board of Commissioners.

For the candidate member of the Board of Commissioners to fulfill the requirements as stipulated in Article 4 and Article 6 of POJK of Fit and Proper Test, include:

- i. Do not have bad credit and/or financing;
- ii. Never been declared bankrupt and/or have never been a shareholder, insurance company controller who is not a shareholder, member of the Board of Directors, or member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.
- 3) Competency requirements for the candidate of a member of the Board of Commissioners.

For the candidate of a member of the Board of Commissioners, to fulfill the requirements as

stipulated in Article 4 and Article 8 of POJK of Fit and Proper Test, include:

Candidate of a member of the Board of Commissioners must have:

- i. Adequate knowledge in the banking sector that is relevant to the position; and/or
- ii. Experience in banking and/or finance.

Have knowledge in the banking sector including for prospective members of the Board of Commissioners of Conventional Commercial Banks (BUK), knowledge of BUK regulations and operations including an understanding of risk management.

Have experience in the banking and/or financial sector including, among other things, experience in the fields of operations, marketing, accounting, auditing, funding, credit, money markets, capital markets, law, or experience in the field of supervision of financial services institutions.

- 4) In the event that there is a conflict of interest or potential conflict of interest of a candidate member of the Board of Commissioners related to the Bank in relation to his/her candidacy, the relevant candidate shall disclose the conflict of interest in the fit and proper test process carried out by the OJK.

If based on OJK's assessment there is a conflict of interest or potential conflict of interest of an Independent Commissioner or non-Independent Commissioner candidate related to the Bank, OJK has the authority to determine the necessary supervisory actions.

- 5) In addition to fulfilling the requirements of integrity, financial reputation, and competencies as mentioned above, the candidate of a member of the Board of Commissioners must also fulfill the requirements of the management of the Bank and provisions related to the capital market as regulated in the prevailing regulations, among others:

- i. Never been a member of the Board of Directors or the Board of Commissioners who is responsible for the bankruptcy of another Company within 5 years before their nomination.
- ii. Never been convicted due to criminal action in the finance area or causing a loss to the states within 5 (five) years before their nomination.
- iii. Never been a member of the Board of Directors and/or member of the Board of Commissioners who during his/her tenure:
 - Failed to conduct an annual GMS.
 - His/her accountability as a member of the Board of Directors and/or a member of the Board of Commissioners was rejected by the GMS or failed to provide his/her accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS.
- iv. Has caused a company that obtained a license, approval, or registration from OJK not fulfilling its obligations to submit an annual report and/or financial statement to OJK.
- v. It is prohibited from having family relationships up to the second degree with other members of the Board of Commissioners, Board of Directors, and/or Sharia Supervisory Board.
- vi. Obtain OJK's approval (pass the Fit and Proper Test). The member of the Board of Commissioners who has not obtained approval from OJK could not make any legally binding decision and impact to Bank's financial condition.
- vii. Appointed by GMS which considers the recommendation from the Remuneration and Nomination Committee.
- viii. Former member of the Board of Directors or Executive Officer or parties closely related to Banks, which may impact his/her ability to act independently can only, be Independent Commissioner of the Bank after completing a cooling off period of 1 (one) year.

As regulated in the provision relating to the capital market, candidate members of the Board of Commissioners are required to make a Statement Letter containing compliance with the following requirements:

- 1) Have good morals, morals, and integrity;

- 2) Capable of carrying out legal actions;
- 3) Within 5 (five) years before appointment and during office:
 - i. Never declare bankruptcy;
 - ii. Never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
 - iii. Never been convicted of committing a criminal act that is detrimental to state finances and/or related to the financial sector.
- 4) Never been a member of the Board of Directors and/or member of the Board of Commissioners during his tenure:
 - i. Never held an annual GMS;
 - ii. His/her accountability as a member of the Board of Directors and/or member of the Board of Commissioners has never been accepted by GMS or he/she has never provided his accountability as a member of the Board of Commissioners to the GMS;
 - iii. Has ever caused a Company that obtained a permit, approval, or registration from the OJK failed to fulfill its obligation to submit an annual report and/or financial report to the OJK.
- 5) Commit to comply with statutory regulations; and
- 6) Have knowledge and/or expertise in the field required by the Bank.

Prospective members of the Board of Commissioners who hold concurrent positions are required to make a statement to:

- 1) Maintain integrity;
- 2) Avoid all forms of conflict of interest; and
- 3) Avoid actions that could harm the Bank and/or cause the Bank to violate the precautionary principle while serving as a member of the Board of Commissioners.

b. Procedure for Nominating Member of the Board of Commissioners:

- 1) Every proposal to appoint, dismiss, or replace members of the Board of Commissioners to the GMS must take into account the recommendations of the Bank's Remuneration and Nomination Committee.

The Company's Remuneration and Nomination Committee is required to submit the recommendations of appointment, dismissal, or replacement of a member of the Board of Commissioners to the Board of Commissioners of the Company for further submission by the Board of Commissioners of the Company to the GMS.

The Company's Remuneration and Nomination Committee will also ask if any of the Board of Commissioners members has any inquiries on the assessment carried out by the Remuneration and Nomination Committee and may hold a meeting with the Board of Commissioners (if required) to discuss this assessment.

- 2) Members of the Bank's Remuneration and Nomination Committee who have a conflict of interest with the recommended candidate for members of the Board of Commissioners are required to disclose it in the recommended proposal.
- 3) The Remuneration and Nomination Committee selects candidates for members of the Board Commissioners from external to the Bank.
- 4) The Remuneration and Nomination Committee provides recommendations regarding prospective members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
- 5) Members of the Board of Commissioners whose term of office has ended may be reappointed by decision of the GMS.

4. COMPOSITION OF THE BOARD OF COMMISSIONERS

- a. The number of Board of Commissioners members shall be a minimum of 3 (three) persons and not exceed the number of the Board of Directors members, whereas a minimum of 50%

(fifty percent) of the number of the Board of Commissioners members shall be Independent Commissioners.

- b. 50% or more of the members of the Board of Commissioners should be Indonesian Citizens.
- c. One of the members of the Board of Commissioners is appointed as a President Commissioner and if deemed necessary, another member of the Board of Commissioners can be appointed as a Vice President Commissioner and one or more can be appointed as a Commissioner.
- d. Minimum 1 (one) member of the Board of Commissioners must be domiciled in Indonesia.
- e. Determination of a number of the Board of Commissioners members considers the condition of the Bank.
- f. Determination of the composition of the Board of Commissioners members considers the variety, knowledge, and experiences required.

5. TERM OF OFFICE OF MEMBER OF THE BOARD OF COMMISSIONERS

- a. A member of the Board of Commissioners is appointed and terminated by the GMS in accordance with the provisions in the articles of association regarding GMS quorum, voting rights, and resolution.
- b. The appointment of a member of the Board of Commissioners by the GMS is from the closing date of the GMS until the closing date of the third Annual GMS after the date of their appointment. Based on applicable provisions, the term of office of the members of the Board of Commissioner is a maximum of 5 (five) years or until the closing of the annual GMS at the end of 1 (one) term of office in question.
- c. The GMS shall be entitled to terminate or replace a member of the Board of Commissioners from time to time before the end of the term of office including if the member of the Board of Commissioners does not fulfill the requirements as a member of the Board of Commissioners as regulated in the OJK regulations and/or statutory regulations by stating the reasons after the relevant member of the Board of Commissioners has been given the opportunity to defend him/herself at the GMS.
- d. Dismissal or replacement of a member of the Board of Commissioners before the term of office of a member of the Board of Commissioners must prioritize the main interests of the Bank and pay attention to at least:
 - 1) members of the Board of Commissioners are deemed unable to carry out their duties and responsibilities in the management and implementation of sound Bank strategies;
 - 2) dismissal or replacement of members of the Board of Commissioners is not based on the subjective assessment of shareholders, but is based on an objective assessment regarding the management of the Bank;
 - 3) the dismissal or replacement of members of the Board of Commissioners has been conducted through applicable planning and mechanisms, which at least refer to the remuneration and nomination committee assessment and has been tabled at the GMS;
 - 4) dismissal or replacement of members of the Board of Commissioners does not cause the Bank's organization and business activities problems;
 - 5) the implementation of the dismissal or replacement of a member of the Board of Commissioners prioritizes good communication from various related parties; and
 - 6) carried out by prioritizing the implementation of Good Governance in the Bank and prudential aspects.
- e. Regarding the dismissal or replacement of the Independent Commissioner before the term of office, must obtain prior approval from the OJK before being decided at the GMS. In giving its approval, OJK assesses the feasibility to dismiss or replace the Independent Commissioner. The Bank submits a request regarding the dismissal or replacement of the Independent Commissioner before the term of office no later than 1 (one) month before the GMS plan which contains the agenda to the OJK by attaching:
 - 1) Reasons or considerations for dismissal or replacement of Independent Commissioners; and
 - 2) Banks can include profiles of potential replacements who are deemed to meet the

requirements for a fit and proper test.

In the event that the OJK considers that the plan to dismiss or replace the Independent Commissioner is not feasible then:

- 1) Plans to dismiss or replace Independent Commissioners will not be approved by OJK; and
 - 2) Banks are prohibited from having the dismissal or replacement of Independent Commissioners as an agenda at the GMS.
- f. Members of the Board of Commissioners are required to resign from the Bank if they are involved in financial crimes and are proven guilty.
 - g. The official position as a member of the Board of Commissioners shall automatically be terminated if such member of the Board of Commissioners:
 - 1) Resigns; or
 - 2) Deceased; or
 - 3) Terminated or replaced by a resolution of the GMS; or
 - 4) No longer meets the requirements of the prevailing regulations including if the concerned person is declared bankrupt or placed under custody by virtue of a court ruling.
 - h. A member of the Board of Commissioners may resign from his/her position before the end of the term of office by submitting a written notice to the Bank concerning his/her intention at the latest 90 (ninety) days before the date of his/her resignation or earlier date approved by the GMS.
 - i. In the event that the resignation of a member of the Board of Commissioners causes the number of members of the Board of Commissioners to be less than the composition of less than 3 (three) people as intended in number 4 letter (a) above, the resignation is valid if it has been determined by the GMS and has been appointed the new member of the Board of Commissioners.
 - j. A member of the Board of Commissioners who has submitted a written notice concerning his/her resignation is prohibited from making any decision that legally binds and affects the Bank's financial condition, including is not authorized to attend the Board of Commissioners Meetings and/or other meetings.
 - k. Bank must hold a GMS to resolve the resignation requested by the relevant member of the Board of Commissioners before the lapse of 90 (ninety) days period after the receipt of the resignation letter.
 - l. Any resigned member of the Board of Commissioners as mentioned in letter (h) can be held accountable for his/her performance of duties from his/her appointment until the date of resignation, in an Extraordinary GMS to resolve such resignation or in the next Annual GMS.
 - m. In accordance with letters (c), (e), (f), and (g) as mentioned above, the Bank must provide information disclosure to the public and notify the OJK referring to OJK regulations.
 - n. OJK has the authority to take corrective action and evaluate actions regarding the appointment, dismissal, replacement, and/or resignation of members of the Board of Commissioners submitted by OJK through written orders in accordance with OJK Regulations regarding written orders.

6. RIGHT AND AUTHORITY OF THE BOARD OF COMMISSIONERS

The Board of Commissioners has the authority as follows:

- a. Members of the Board of Commissioners, either jointly or separately during the office hours of the Bank, shall be entitled to enter the building and or premise or other places being used or controlled by the Bank and shall be entitled to examine all bookkeeping, other evidential documents, to examine and verify the cash condition and others, to know of all actions carried out by the Board of Directors.
- b. Ask for an explanation from the Board of Directors and every member of the Board of Directors on all matters concerning the Bank if needed by the Board of Commissioners to carry out their duties.
- c. The Board of Commissioners shall be entitled at any time to suspend one or more members of the Board of Directors if they act contrary to the articles of association, cause adverse effect upon the Company, neglect their duties, and or violate the laws.

Such suspension must be notified in writing to the relevant person together the reason therefor.

At the latest within 90 (ninety) days of such suspension, the Board of Commissioners must call a GMS to resolve whether the relevant member of the Board of Directors shall be either permanently dismissed or reinstated to his/her original position, whilst the suspended member of the Board of Directors should be given the opportunity to attend the GMS to defend him/herself.

In the event that a decision is made on the subsequent dismissal of a member of the Board of Directors, referring to the provisions regarding dismissal before the term of office of the Board of Directors as regulated in number V.5 concerning the Term of Office of the Board of Directors.

- d. Each member of the Board of Commissioners is entitled to receive honorarium and other allowance which amount is specified by GMS subject to recommendation from the Remuneration and Nomination Committee.
- e. To receive facilities and benefits from the Bank in accordance with the financial condition of the Bank, proper and fairness principles, and also comply with the laws and regulations.
- f. The Board of Commissioner can hold a GMS or ask the Board of Directors to hold a GMS under certain conditions and referring to the Bank's Articles of Association and applicable regulations.

7. BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

- a. Performance Assessment of members of the Board of Commissioners is executed by Shareholders.
- b. The Board of Commissioners conducts an annual formal evaluation objectively to determine the effectiveness of the Board, its committees, and each commissioner.

8. REMUNERATION FOR MEMBERS OF THE BOARD OF COMMISSIONERS

- a. Remuneration for members of the Board of Commissioners is compensation given by the Company for the effort during a specified period.
- b. Determination of remuneration and other facilities for members of the Board of Commissioners must be determined by GMS.
- c. The formulation of the remuneration system for the Board of Commissioners must be constituted by principles as follows:
 - 1) In accordance with taxes and employee regulation.
 - 2) Transparency, internal balances, and competitiveness with other companies.

9. THE BOARD OF COMMISSIONERS MEETING

- a. The Board of Commissioners' meeting must be held periodically at least 1 (one) time within 2 (two) months or maybe convened any time if deemed necessary by 2 (two) members of the Board of Commissioners or upon the written request from the Board of Directors or upon the written request of one or more shareholders who (jointly) owns at least 10% (ten percent) of the total shares having valid voting rights issued by the Company.
- b. The Board of Commissioners must convene a joint meeting with the Board of Directors at least 1 (one) in 4 (four) months.
- c. The Board of Commissioners must convene a joint meeting with the Sharia Supervisory Board at least 1 (one) in 4 (four) months.
- d. The Board of Commissioners meeting must be physically attended by all members of the Board of Commissioners no less than 2 times a year.

All members of the Board of Commissioners shall strive to physically attend meetings to evaluate/stipulate strategic policy and evaluate the realization of the Bank's business plan.

If the Non-Independent Commissioner is unavailable to attend the Board of Commissioners meeting physically, he/she may use video teleconference technology.

- e. The Board of Commissioners must schedule the meeting for the next financial year before the current financial year elapsed.
- f. Notice of the Meeting of the Board of Commissioners and/or joint meeting of the Board of Directors

shall be carried out by the President Commissioner or by another 1 (one) member of the Board of Commissioners if the President Commissioner is unavailable.

Notice of the Meeting of the Board of Commissioners shall be delivered by means of a registered mail or delivered directly against a proper receipt, or via telegram or telex, facsimile or electronic mail that is immediately confirmed in writing, such summons of which must be delivered to the members of the Board of Commissioners no later than 5 (five) days before the said Meeting is convened or within a shorter period in the event of an emergency namely no later than three (3) days before the Meeting of the Board of Commissioners. The said emergency circumstance shall be stipulated by 2 (two) members of the Board of Commissioners.

Notice of Meeting and materials for the joint meeting of the Board of Commissioners and Board of Directors must be delivered directly to each member of the Board of Commissioners and the Board of Directors with proper receipt, or by registered mail or courier services, or through facsimile or electronic mail, which shall be confirmed by a registered mail, at the latest 5 (five) days before the meeting or such shorter period in the case of unscheduled and/or urgent situation, ie., at the latest 3 (three) days before the meeting, excluding the date of Meeting of the joint Board of Commissioners and the Board of Directors meeting. Such an urgent situation shall be determined by 2 (two) members of the Board of Commissioners.

Notice of Meeting and materials for the joint meeting of the Board of Commissioners and the Sharia Supervisory Board must be delivered directly to each member of the Board of Commissioners and the Sharia Supervisory Board with proper receipt, or by registered mail or courier services, or through facsimile or electronic mail, which shall be confirmed by a registered mail, at the latest 5 (five) days before the meeting or such shorter period in the case of unscheduled and/or urgent situation, ie., at the latest 3 (three) days before the meeting, excluding the date of the joint Board of Commissioners and the Sharia Supervisory Board meeting. Such an urgent situation shall be determined by 2 (two) members of the Board of Commissioners.

- g. Notice for the Meeting of the Board of Commissioners must state the agenda, date, time, and venue of the Meeting of the Board of Commissioners.
- h. The Board of Commissioners meetings are attended by members of the Board of Commissioners. The Board of Commissioners may invite other members of the Board of Commissioners in accordance with the agenda discussed at the Meeting and applicable regulations. In this case, Invitees are meeting participants other than the Board of Commissioners who are invited by the Board of Commissioners, which may consist of:
 - 1) The Board of Directors;
 - 2) Chief;
 - 3) Head of Division according to the agenda to be discussed;
 - 4) Head of Internal Audit with regard to the independence in accordance with prevailing regulations; and/or
 - 5) Other invitations which can be invited at any time in accordance with the agenda of the Board of Commissioners Meeting and the needs of the Board of Commissioners Meeting
- i. The Meeting of the Board of Commissioners shall be convened at the place of domicile of the Bank or at the place where the Bank conducts its main business activities. In the event all members of the Board of Commissioners are present or represented in the said Meeting, the said prior summon shall not be required and the Meeting of the Board of Commissioners may also be convened at any place and shall be entitled to pass a valid and binding decision.
- j. The Meeting of the Board of Commissioners shall be chaired by the President Commissioner, in the event the President Commissioner is absent or unavailable, such absence of which does not need to be evidenced to any third party, then the Meeting shall be chaired by a Vice President Commissioner. In the event the Vice President Commissioner is absent or unavailable, such absence of which does not need to be evidenced to any third party, then the Meeting shall be chaired by a member of the Board of Commissioners appointed from and among the members of the Board of Commissioners present in the said Meeting.
- k. A member of the Board of Commissioners may be represented in the Meeting of the Board of Commissioners only by another member of the Board of Commissioners by virtue of a power of attorney.

- l. The meeting of the Board of Commissioners shall be valid and entitled to pass a binding resolution if more than 2/3 (two per three) of the total number of members of the Board of Commissioners are present or represented in such Meeting.
- m. Board of Commissioners meeting decisions must be resolved by unanimous consent principle. In the event a consensus cannot be reached by means of deliberation, the decision shall then be adopted based on the approving votes of more than 2/3 (two per three) of the numbers of the members of the Board of Commissioners. All decisions of the Board of Commissioners as referred to above are binding on all members of the Board of Commissioners.
- n. Every member of the Board of Commissioners who is present shall be entitled to cast 1 (one) vote and 1 (one) additional vote for every other member of the Board of Commissioners he/she is representing.
- o. Each member of the Board of Commissioners who personally by any means whatsoever, either directly or indirectly, holds an interest in a certain transaction, contract, or proposed contract, in which the Company is one of the parties, must declare the nature of the said interest in the relevant meeting of the Board of Commissioners and shall not be entitled to participate in the voting pertaining to matters relating to the said transaction or contract or proposed contract unless the Meeting of the Board of Commissioners determines otherwise.
- p. Voting concerning individuals shall be conducted by unsigned folded ballots, whilst voting concerning other matters shall be done verbally, unless the chairperson of the meeting determines otherwise, without any objection from those present at the meeting.
- q. Blank votes and invalid votes shall be deemed to have been invalidly cast and nonexistent and shall not be taken into account in determining the number of votes cast.
- r. The result of the Board of Commissioners meeting must be documented in the minutes of the meeting by a person who is present in the meeting and appointed by the Chairman of the meeting and must be signed by all the members of the Board of Commissioners who are present.

Minutes of joint Board of Commissioners and Board of Directors meetings must be made in writing, signed by all the attending members of the Board of Directors and members of the Sharia Supervisory Board, and delivered to all members of the Board of Directors and Sharia Supervisory Board.

The Minutes of the meeting should serve as valid evidence to all members of the Board of Commissioners and third parties in relation to the resolutions adopted and all events that occurred during the relevant meeting.

- s. Pursuant to rational consideration and prudential principle, members of the Board of Commissioners attending the Board of Commissioners meeting are entitled to convey different opinions to another member of the Board of Commissioners which must be written in the Minutes of the Board of Commissioners meetings, include its reason.
- t. Members of the Board of Commissioners can participate in the Board of Commissioners meetings via video teleconference or other electronic media, the use of which can enable all members of the Board of Commissioners present at the meeting to hear and see each other directly and participate in the meeting and the participation of the members of the Board of Commissioners concerned in this way must be considered to be the direct presence of the member of the Board of Commissioners at the Board of Commissioners meeting, provided that the decisions taken at the Board of Commissioners meeting are made in writing and signed by all members of the Board of Commissioners present.

Members of the Board of Commissioners and Board of Directors may participate in the joint meeting of the Board of Directors and the Board of Commissioners through video teleconference or other electronic media through which all members of the Board of Commissioners and Board of Directors present at the joint meeting can mutually hear and see directly and participate at the meeting, and the participation of the relevant member the Board of Commissioners and the Board of Directors must be made in writing and signed by all members of the Board of Commissioners and Board of Directors present in the meeting.

Members of the Board of Commissioners and the Sharia Supervisory Board may participate in the joint meeting of the Board of Commissioners and the Sharia Supervisory Board through video teleconference or other electronic media through which all members of the Board of

Commissioners and Sharia Supervisory Board present at the joint meeting can mutually hear and see directly and participate at the meeting, and the participation of the relevant member the Board of Commissioners and the Sharia Supervisory Board must be made in writing and signed by all members of the Board of Commissioners and the Sharia Supervisory Board present in the meeting.

The use of video teleconference technology as mentioned above is subject to the provision point 9 (d).

In the event the minutes of the Board of Commissioners meeting, a joint meeting of the Board of Commissioners and Board of Directors, and/or a joint meeting of the Board of Commissioners and Sharia Supervisory Board are prepared by a Notary, the signatures shall not be required.

- u. The Board of Commissioners may also adopt a valid decision without convening a Meeting of the Board of Commissioners, providing that all members of the Board of Commissioners have been notified in writing concerning the said proposal and all members of the Board of Commissioners have given their approval on such proposal and has signed the said approval. The resolutions adopted shall be deemed equal to the resolutions legally adopted in a Meeting of the Board of Commissioners.

10. WORKING TIME MEMBERS OF THE BOARD OF COMMISSIONERS

- a. Working time is the time specified by the Bank to members of the Board of Commissioners to attend the workplace and perform the duty/obligation.
- b. The Board of Commissioners is obligated to provide time to carry out duties and responsibilities optimally in accordance with work guidelines and regulations.
- c. Members of the Board of Commissioners are required to visit the Bank at least once every semester.
- d. During the COVID-19 pandemic situation (or other special situations), members of the Board of Commissioners can implement the remote work mechanism.

11. VALUES

The Board of Commissioners will always support the Bank's value as follows:

- 1) Integrity: we work by prioritizing honesty, in accordance with the Company's code of ethics.
- 2) Partnership: we understand each other and build strong relationships based on mutual respect internally and externally.
- 3) Responsiveness: we are responsive to the needs of internal and external parties, and fulfill them with the best efforts and promptly.
- 4) Innovation: we continuously think out of the box to improve the way we work, making it simpler, better, and faster.
- 5) Caring: we are attentive and respect our customers, colleagues, communities, investors, and regulators.
- 6) Excellence: we deliver excellent performance to customers and drive excellent performance in our day-to-day job.

12. WORK ETHICS

In the implementation of the duties and function, members of the Board of Commissioners have to work with good Ethics, including work Ethics, behavior Ethics, and occupation Ethics, as described in the Code of Ethics for the Board of Commissioners, the Board of Directors, and Organ Supporting.

B. INDEPENDENT COMMISSIONERS

1. INDEPENDENT COMMISSIONERS CRITERIA

- a. Independent Commissioners shall be members of the Board of Commissioners without any financial, management, share ownership, and/or family relationships with other members of the Board of Commissioners, the Board of Directors and /or controlling shareholder, or any other relationships that may affect his/her ability to act independently.

The other criterion is that Independent Commissioners are members of the board of commissioners who:

- 1) Is not a person who works or has the authority or responsibility to plan, lead, control, or supervise the Bank's activities within the last 6 (six) months, unless for re-appointment as Bank's Independent Commissioner for the next period.
- 2) Do not have shares directly or indirectly in such Bank.
- 3) Do not have an affiliate relationship with the Bank, members of the Board of Commissioners, members of the Board of Directors, or main shareholders of the Bank.
- 4) Do not have direct or indirect business relationships related to the Bank's business.

The above requirements must be fulfilled during his/her tenure.

In addition, candidates of Independent Commissioners must also fulfill the below criteria as follows:

- 1) Must have:
 - i. Adequate and relevant knowledge in the banking sector with the position as Independent Commissioner; and
 - ii. Experiences in banking and/or financial sector.
- b. Former member of the Bank's Board of Directors or Bank's Executive Officer or parties closely related to Banks who may affect his/her capability to act independently can only be Independent Commissioner to the Bank after completing a cooling off period of at least 1 (one) year.
- c. Exceptions to the waiting period (cooling off) as referred to in letter (b) for:
 - 1) Former President Director at the Bank,
 - 2) Former member of the Board of Directors who supervised the supervisory function or Executive Officer who carried out the supervisory function at the Bank, at least 6 (six) months before becoming an Independent Commissioner at the Bank.
- d. Non-Independent Commissioners may become Independent Commissioners at the Bank after fulfilling the requirements as Independent Commissioners.
- e. Non-Independent Commissioners who shall be appointed as Independent Commissioners must complete a cooling off of at least 1 (one) year and the transition from a Non-Independent Commissioner to be Independent Commissioner is subject to the OJK approval through a fit and proper test in accordance with OJK Regulations regarding fit and proper test for financial services institutions.
- f. Independent Commissioner who has served for 2 (two) consecutive terms may be reappointed in the following period as Independent Commissioner with consideration of:
 - 1) Independent Commissioner performance assessment result;
 - 2) The assessment from the Board of Commissioners meeting stated that the Independent Commissioner can still act independently;
 - 3) The assessment from the Head of the Internal Audit and the Executive Officer in charge of the human resources function which states that the Independent Commissioner can still act independently; and
 - 4) Independent Commissioner's statement at the GMS regarding his/her independence.

The statement of the Independent Commissioner's independence must be disclosed in the governance implementation report and the Bank's annual report.

2. MEMBERSHIP OF INDEPENDENT COMMISSIONERS

Total Independent Commissioners should be at least 50 % (fifty percent) of the total members of the Board of Commissioners in the Company.

3. AUTHORITIES OF INDEPENDENT COMMISSIONERS

- a. Apart from the authority as Commissioner, the Independent Commissioner has other authority, including chairing the Audit Committee and/or Risk Monitoring Committee and/or Remuneration and Nomination Committee.
- b. The Committee Chair can only hold the same position as the Committee Chair on a maximum of 1 (one) other Committee.

4. NOMINATION PROCESS OF INDEPENDENT COMMISSIONERS

- a. The Company in which the member of the Board Commissioners qualifies as an Independent Commissioner, then the GMS could appoint such member of the Board of Commissioners to be an Independent Commissioner.
- b. In the event the Company does not have a member of the Board of Commissioners with the qualification as Independent Commissioner or in the event the Company intends to replace/ add a member of the Independent Commissioner, then the appointment of an Independent Commissioner must be declared in GMS and the result of such GMS.
- c. In the nomination of Independent Commissioners, it is necessary to take notice of minority shareholders' opinions, such as the right of minority shareholders to recommend the candidate of Independent Commissioners as protection to minority shareholders and the other stakeholder's interest in accordance with the prevailing regulations and Bank's Articles of Association.
- d. The candidate of the Independent Commissioner nominated to the GMS must be conducted by taking consideration of the Remuneration and Nomination Committee which is established by the Board of Commissioners to ensure transparency and independence.

V. BOARD OF DIRECTORS

A. BOARD OF DIRECTORS

1. DUTIES, REPORTING, AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- a. The duties of the Board of Directors are divided into several parts, as follows:
 - 1) In general, the main duties of the Board of Directors are:
 - i. To run the Bank and be responsible for managing the Bank for the Bank's interest in accordance with the Bank's objective and purpose as stipulated in regulation, the Articles of Association, and the AGMS decision.
 - ii. In conducting the duties and responsibility of managing the Bank as mentioned in number (1), the Board of Directors must convene annual GMS and other GMS as stipulated in the regulations and Articles of Association.
 - iii. Each member of the Board of Directors must conduct his/her duties, authority, and responsibility as mentioned in number (1) with good faith, full of responsibility, and prudent.
 - iv. To manage the Bank in accordance with his/her responsibilities, based on prevailing regulations, Articles of Association, and Good Corporate Governance (GCG) principles.
 - v. To conceptualize the Company's vision, mission, values, and strategic plan both in the corporate plan and business plan.
 - vi. The Board of Directors is required to implement the Business Plan effectively and the Board of Directors must communicate the Business Plan to:
 - the Bank's shareholders;
 - all organizational levels in the Bank.
 - vii. To carry out the Board of Directors' meeting periodically and in adequate time.

- viii. To determine complete organization structures with details of job responsibilities in each division.
 - ix. To control resources owned by the Bank effectively and efficiently.
 - x. To create and maintain the shareholders register list and list of shares ownership of members of the Board of Directors and Board of Commissioners including their families in the Bank and other companies.
 - xi. To construct an internal control and risk management system, to ensure the Bank's internal audit at any hierarchy, and to follow up the Bank's internal audit findings in accordance with the policy or guidance given by the Board of Commissioners.
 - xii. To consider the Company's stakeholders' proper interest.
 - xiii. To support the effectiveness of duties and responsibility implementation as mentioned in number (1) the Board of Directors can form a committee(s). The Board of Directors' committees are responsible to the Board of Directors.
 - xiv. In regards to the committee(s) as mentioned above, the Board of Directors must evaluate the committee's performance at each end of the financial year.
 - xv. The Board of Directors shall encourage and realize the implementation of the Compliance Culture at all levels of the organization and business activities of the Bank.
 - xvi. The Board of Directors shall ensure the implementation of the Bank's Compliance Function.
 - xvii. The Board of Directors of the Bank is responsible for the completeness and accuracy of the contents of Published Reports. Published Reports are reports submitted by the Bank to the public and/or the OJK with the procedures for announcement and submission in accordance with the provisions stipulated by the OJK.
 - xviii. Take necessary steps to maintain and/or improve the Bank's Soundness Level.
 - xix. The Board of Directors is required to prepare and approve the Sustainable Finance Action Plan (RAKB).
 - xx. The Board of Directors is responsible for the development of the Sharia Business Unit owned by the Bank in accordance with the provisions concerning Sharia business units.
 - xxi. The Director in charge of the Bank's Sharia Business Unit must have competence and commitment in developing the Bank's Sharia Business Unit.
 - xxii. The Board of Directors is obliged to be accountable for the implementation of its duties to shareholders through the GMS.
 - xxiii. The Board of Directors is responsible for maintaining and monitoring the Bank's Soundness Level and taking necessary steps to maintain and take necessary steps to maintain and/or improve the Bank's Soundness Level.
- 2) The duties and authorities and responsibilities of the Board of Directors relating to credit or financing shall at least include:
- i. Prepare or be responsible for the preparation of credit or financing plans as outlined in the Bank Business Plan which is submitted to the OJK and ensure that its implementation is in accordance with the plan.
 - ii. Prepare or be responsible for the preparation of the Bank Credit Policy (KPB) which contains all aspects listed in the PPKPB and at least includes input submitted by the Credit Policy Committee or Financing Policy Committee (KKP), in accordance with applicable regulations.
 - iii. Ensure that the KPB has been implemented and implemented consequently and consistently.
 - iv. Responsible for implementing corrective steps based on evaluation results and suggestions submitted by the KKP, in accordance with applicable regulations.
 - v. Ensure the implementation of corrective steps for various irregularities in credit or financing discovered by SKAI.
 - vi. Ensure the Bank's compliance with the provisions of laws and regulations and other regulations in the field of credit or financing.

- vii. Determine the members of the KKP and Credit Committee or Financing Committee (KK).
 - viii. Report regularly and in writing to the Board of Commissioners along with corrective steps that have been, are being, and will be taken that at least affect:
 - Development and quality of the overall credit or financing portfolio.
 - Development and quality of Credit or Financing provided to parties related to the Bank and certain large debtors.
 - Credit or financing under special supervision and problematic credit or financing.
 - Deviations in the implementation of the KPB.
 - Important findings in credit or financing reported by SKAI.
 - Implementation of credit or financing plans as stated in the Bank Business Plan submitted to the OJK.
 - Deviations or violations of provisions in the field of credit or financing.
- 3) The duties and responsibilities referred to Risk Management for the Board of Directors shall be at least the following:
- i. To arrange written and comprehensive Risk Management policy and strategy.
 - ii. Responsible for implementation of the Risk Management policy and overall Risk exposures taken by the Bank.
 - iii. To evaluate and decide about any transaction requiring approval from the Board of Directors.
 - iv. To develop a Risk Management culture at all levels of the organization.
 - v. To ensure the improvement of competency of human resources with regard to Risk Management.
 - vi. To ensure that the Risk Management function operates independently.
 - vii. To conduct regular reviews to ensure:
 - Accuracy of Risk assessment methodology.
 - Adequacy of implementation of the management information system.
 - Appropriateness of Risk policy, procedures, and establishment of limits.

To exercise the duties and responsibilities mentioned above, the Board of Directors shall possess an adequate understanding of the Risk inherent in all functional activities of the Bank and shall possess the ability to make necessary decisions according to the Risk profile of the Bank.
- 4) In relation to the implementation of the Anti-Money Laundering and Counter Financing of Terrorism in the Financial Services Sector, the Board of Directors active supervision shall at least include:
- i. Propose written policies and procedures regarding the implementation of Anti-Money Laundering, Prevention of Terrorism Financing, and Prevention of Funding for the Proliferation of Mass Destruction Weapons (APU, PPT, and PPPSPM) programs to the Board of Commissioners.
 - ii. Ensure that the implementation of the APU, PPT, and PPPSPM programs is carried out in accordance with established written policies and procedures.
 - iii. Form a special work unit and/or appointed officials responsible for implementing the APU, PPT, and PPPSPM programs.
 - iv. Supervise the compliance of work units in implementing the APU, PPT, and PPPSPM programs.
 - v. Ensure that written policies and procedures regarding the implementation of APU, PPT, and PPPSPM programs are in line with changes and developments in products, services, and technology in the financial services sector and are in accordance with developments in TPPU, TPPT, and/or PPSPM modes.
 - vi. Ensure that officials and/or employees, especially employees from related work units and new employees, have followed training related to the implementation of the APU, PPT,

- and PPPSPM programs 1 (one) time in 1 (one) year.
- vii. Ensure that there is a discussion regarding the implementation of the APU, PPT, and PPPSPM programs at Board of Directors meetings.
- 5) Authorities and responsibilities related to Information Technology (IT) implementation to the Board of Directors at least:
- i. Establish Information Technology Strategic Plans.
 - ii. Establish policies, standards, and procedures related to the implementation and usage of adequate Information Technology and communicate it effectively, both to the working units as well as users of Information Technology.
 - iii. Evaluate strategic objectives, direct Bank executive officers, and monitor all IT implementation activities to ensure:
 - Implementation of IT governance in accordance with the needs and characteristics of the Bank.
 - Overall effectiveness and efficiency of IT implementation to provide optimal benefits for the Bank.
 - Implementation of risk management processes in IT operations is carried out effectively.
- 6) Availability of adequate resources related to IT implementation to support the Bank's business effectively and efficiently. Support and involvement of stakeholders in implementing IT governance. In carrying out the internal audit function, the Board of Directors is responsible for:
- i. Develop an internal control framework to identify, measure, monitor, and control all risks faced by the Bank.
 - ii. Ensure that SKAI obtains information related to developments, initiatives, projects, products, and operational changes as well as identified and anticipated risks.
 - iii. Ensure that appropriate corrective actions have been taken in a short time on all findings and recommendations of SKAI.
 - iv. Ensure that the head of SKAI has the necessary resources and budget to carry out the duties and functions in accordance with the annual audit plan.
 - v. In relation to the function of the Internal Audit Work Unit in the Business Group; for the Bank that is the parent company, the President Director is responsible for ensuring that the internal audit in the subsidiary company is carried out using audit standards of the Bank.
- 7) With regard to the Sharia Business Unit (UUS):
- i. The UUS Director is fully responsible for the implementation of UUS management based on prudential principles and Sharia principles.
 - ii. The UUS Director is required to follow up on recommendations from the supervision results of the Sharia Supervisory Board.
- b. Board of Directors Responsibilities
- 1) The Board of Directors shall be fully responsible for the management of the Bank for the sake of its business.
 - 2) To produce an Annual Report consisting of among others financial statements, the Company's activities, and Good Corporate Government (GCG) implementation.
 - 3) The Annual Report has to be approved by Annual GMS, while the Financial Statement has to be authorized by Annual GMS.
 - 4) Responsibility of the Board of Directors to GMS represents the accountability of managing the Company in terms of the implementation of Good Corporate Governance principles.
- c. GMS determines the remuneration and other facilities of the Board of Directors. Such GMS' authority may be delegated to the Board of Commissioners.

2. OBLIGATION OF MEMBER OF THE BOARD OF DIRECTORS

- a. Each member of the Board of Directors must carry out their duties in good faith and full

- responsibility which complies with the prevailing laws and regulations.
- b. While serving, members of the Board of Directors are required to:
- 1) Have integrity, as follows:
 - i. have good morals and characters;
 - ii. have a commitment to comply with the regulations including Bank rules and regulations as well as support the policies of the OJK;
 - iii. have a commitment to develop prudent Bank's business.
 - iv. not currently under the consequences of the main party's reassessment final results with the predicate of not passing and/or not being included in the list of not passing; and
 - v. competent to carry out legal actions.

 - 2) Have competency, as follows:
 - i. have adequate knowledge and/or competence (expertise) in the fields required in Bank management and relevant to the position;
 - ii. carry out strategic management in the context of developing a prudent Bank, among others:
 - carry out a leadership role in achieving sustainable value creation through the following efforts:
 - ii.1) competitive and visionary as demonstrated by having a long-term performance commitment;
 - ii.2) have an ethical and responsible attitude in carrying out the Bank's business activities, operations, and services;
 - ii.3) contribute to society and the environment; and
 - ii.4) have the ability to adapt, survive, and grow.
 - manage and implement the Bank's strategic plans (long-term, medium-term, and short-term) with the utilization of innovative and the latest information technology effectively, competitively, and prioritizing the prudence principle.
 - carry out and lead the implementation of risk management and internal control systems effectively and efficiently in line with the Bank's vision, mission, and strategy and comply with applicable laws and regulations;
 - support and implement the development of the Bank's human resources quality;
 - ensure accountability and integrity of the financial and reporting system, including sustainable financial reports, in a timely and accurate manner in accordance with applicable regulations and standards; and
 - ensure support for the authority and supporting organs of the Sharia supervisory board to carry out its duties effectively.
 - iii. have knowledge about Indonesia, especially regarding the economy, culture, and Indonesian language, for members of the Board of Directors who are foreign workers in accordance with the OJK Regulations regarding the use of foreign workers and knowledge transfer programs in the banking sector.

 - 3) Have a good reputation, as follows:
 - i. do not have bad credit and/or financing;
 - ii. never been declared bankrupt;
 - iii. never been a member of the Board of Directors and/or a member of the Board of Commissioners who was guilty of causing a company to be declared bankrupt;
 - iv. never been convicted of committing a criminal act that is detrimental to state finances and/or related to the financial sector;
 - v. holding annual GMS;
 - vi. their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners are always accepted by the GMS or always provide their

- accountabilities as members of the Board of Directors and/or members of the Board of Commissioners to the GMS;
- vii. never caused a company with license, approval, or registration from the OJK to fail to submit an annual report and/or financial report to the OJK, and/or the annual report and/or financial report did not approve and/or ratify by the GMS;
 - viii. support the implementation of the Bank's sound management; and
 - ix. maintain the Bank's reputation.
- c. The Board of Directors is obliged to implement integrated Good Governance at the Bank, risk management, and compliance which is adapted to the latest banking ecosystem and supported by digitalization and technological innovation.
 - d. The Board of Directors is obliged to follow up on audit or inspection findings and recommendations from the Bank's internal audit work unit, external auditors, OJK supervision results, and/or supervision results from other authorities and institutions.
 - e. In implementing Good Corporate Governance principles, the Board of Directors must at least form:
 - 1) Internal Audit Working Unit.
 - 2) Risk Management Working Unit and Risk Management Committee; and
 - 3) Compliance Working Unit.
 - f. The Board of Directors is required to form committees consisting of at least:
 - 1) Risk Management Committee;
 - 2) Credit or Financing Policy Committee;
 - 3) Credit or Financing Committee; and
 - 4) Information Technology Steering Committee.
 - g. The Board of Directors is obliged to evaluate the committee's performance at least at the end of each financial year.
 - h. The Board of Directors must be responsible for the implementation of their duties to shareholders through the GMS.
 - i. In managing data and information related to the Bank, the Board of Directors is obliged to:
 - 1) Have and provide accurate, relevant, and timely data and information, including to the Board of Commissioners; and
 - 2) Manage the data and information in accordance with the Bank's Good Governance and statutory provisions.
 - j. The Board of Directors is obliged to disclose the Bank's strategic internal policies regarding personnel sectors to the Bank's employees.
 - k. The Board of Directors is prohibited from having a personal advisor and/or professional service as a consultant unless they meet some requirements as follows:
 - 1) for special projects;
 - 2) based on a clear working contract;
 - 3) carried out by an Independent Party who has certain technical knowledge with adequate skill qualification standards to work on special projects as referred to in number (1).
 - 4) carried out by parties who do not hold structural positions at the Bank; and
 - 5) carried out by parties who do not have the authority to make the Bank's operational decisions.
 - l. The Board of Directors must provide accurate, relevant, and timely data and information to the Board of Commissioners.
 - m. The Board of Directors and the Board of Commissioners must own a working manual that binds each member of the Board of Directors and Board of Commissioners.
 - n. The Board of Directors work guidelines and manual must include:
 - 1) Organization of the Bank and delegation of the Board of Directors' duties;
 - 2) Duties, responsibilities, and authorities of the Board of Directors;

- 3) Regulation of authorities and decision procedures for the Board of Directors;
 - 4) Regulation of the work ethics of the Board of Directors;
 - 5) Arrangements for the Board of Directors meetings;
 - 6) Prohibition on the Board of Directors;
 - 7) Evaluation of the performance of the Board of Directors; and
 - 8) Working relationship between the Board of Directors and the Board of Commissioners.
- o. In the Special Register, a member of the Board of Directors discloses his/her share ownership (including his/her family), either in the Bank or in other banks and companies domiciled both within the country and abroad. The Special Register is maintained by the Bank and should be updated from time to time.
- p. Members of the Board of Directors must disclose:
- 1) Ownership of 5% (five percent) of shares or more either in the Bank or in other banks and/or companies domiciled both within the country and abroad.
 - 2) financial and family relations up to second degree with other members of the Board of Commissioners, members of the Board of Directors, and /or the controlling shareholder of the Bank.
 - 3) family relationship up to the second degree with other members of the Board of Directors, members of the Board of Commissioners, members of the Sharia Supervisory Board, and/or controlling shareholders of the Bank.
- in the report on the implementation of Good Corporate Governance as stipulated in OJK Regulations.
- q. Obligations and prohibitions for the Board of Directors regarding share ownership in the Bank or other companies:
- 1) members of the Board of Directors, individually or collectively, are prohibited from owning shares in another company amounting to 25% (twenty-five percent) or more from the paid-up capital of the said company.
 - 2) Shares ownership of members of the Board of Directors individually or jointly in connection with bonuses and/or *tantiem* in the form of shares which results in share ownership of 25% (twenty-five percent) or more is excluded from number (1) above.
 - 3) Shares ownership of the President Director or Compliance Director originating from the provision of bonuses, *tantiem*, share ownership programs for management, and/or share ownership programs for employees in the company which is a controlling shareholder and/or the ultimate controller of the Bank, shall not be taken into account of the independency assessment towards the controlling shareholder, as long as:
 - i. The share ownership is part of the controlling shareholder and/or ultimate controller of the Bank policy and is not an initiative of the President Director or Compliance Director;
 - ii. The share ownership is not intended for trading; and
 - iii. The person concerned submits a statement letter stating to act independently while serving as the president director or director in charge of the compliance function even if such person has shares of the controlling shareholder and/or ultimate controller of the Bank.
- r. Members of the Board of Directors are prohibited from taking benefit from the Bank for personal, family, and/or other parties' interests which may cause loss or decrease the profit of the Bank.
- s. Members of the Board of Directors are prohibited from taking and /or receiving a personal benefit from the Bank other than remuneration and other facilities as determined in the GMS.
- t. Members of the Board of Directors must disclose the remuneration and facilities in the Good Corporate Governance implementation report as stipulated in the OJK Regulation regarding the implementation of governance in providing remuneration for commercial banks and the OJK Regulation regarding the implementation of governance in providing remuneration for sharia commercial banks and sharia business units.

- u. Members of the Board of Directors are prohibited from holding concurrent positions:
 - 1) As a member of the Board of Commissioners, the Board of Directors, Sharia Supervisory Board, or Executive Officer at the bank, other company and/or institution;
 - 2) In the area of functional duties at a bank and/or non-bank financial institutions domestic or overseas;
 - 3) In other positions that may create a conflict of interest in carrying out their duties as a member of the Board of Directors; and/or
 - 4) In other positions by statutory provisions.
- v. Excluding from the concurrent positions if the members of the Board of Directors:
 - 1) responsible for the supervision of the Bank's investments in subsidiary companies, carrying out functional duties as a member of the Board of Commissioners in non-bank subsidiary companies controlled by the Bank;
 - 2) responsible for supervising pension funds or carrying out duties as a supervisory board for pension funds owned by the Bank;
 - 3) Carry out duties as a substitute director; and/or
 - 4) occupy a position in a non-profit organization or institution, as long as it does not cause the person concerned to neglect their duties and responsibilities as a member of the Board of Directors.

Members of the Board of Directors who have concurrent positions as referred in number (1) and (2) above must obtain approval from the Board of Commissioners' meeting and members of the Board of Directors who have concurrent positions as referred in number (4) above must report it to the Board of Commissioners' meeting.
- w. Regarding the concurrent positions as a committee member as follows:
 - 1) A member of the Board of Directors can only hold concurrent positions as a committee member on a maximum of 5 (five) committees in the Bank where the member also serves as a member of the Board of Directors.
 - 2) A member of the Board of Directors is prohibited from being a member of the Remuneration and Nomination Committee, Audit Committee, and Risk Monitoring Committee.

3. APPOINTMENT OF MEMBERS OF THE BOARD OF DIRECTORS

- a. To become a member of the Board of Directors, a person must comply with prevailing stipulations by prioritizing its composition professionally, independently, competency, and diversity as required for the duties and responsibilities of the Board of Directors as follows:
 - 1) Fulfillment of integrity requirements for candidate members of the Board of Directors.

Candidates must fulfill the integrity requirements as regulated in Article 4 and Article 5 POJK Fit and Proper Test:

 - i. Regarding the integrity requirements in the form of being competent to carry out legal acts, the definition of being competent to carry out legal acts refers to the Civil Code.
 - ii. In relation to the integrity requirements in the form of committing to comply with statutory regulations, candidates who have been prohibited from becoming a Main Party must commit not to commit and/or repeat actions and/or actions that cause the person concerned to be included as a party prohibited from becoming Main Party.
 - iii. Related to the integrity requirements in the form of not being included as a party that is prohibited from becoming a Main Party, among other things, candidates are not listed in the DTL.
 - iv. Good character and morals, among other things, are demonstrated by complying with applicable regulations, including never having been convicted of committing certain criminal acts within the last 20 (twenty) years before being nominated.
 - v. Have a commitment to comply with laws and regulations and support OJK policies.
 - vi. Have a commitment to healthy LJK / Bank development.
 - vii. Not included as a party that is prohibited from becoming a Main Party.
 - 2) Fulfillment of Financial reputation requirements for prospective members of the Board of Directors. Prospective members of the Board of Directors must meet the financial reputation

requirements as regulated in Article 4 and Article 6 POJK Fit and Proper Test, including:

- i. Do not have bad credit and/or financing.
 - ii. Never been declared bankrupt and/or have never been a shareholder, insurance company controller who is not a shareholder, member of the Board of Directors, or member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt within the last 5 (five) years before being nominated.
- 3) Fulfillment of competency requirements for prospective members of the Board of Directors. Prospective members of the Board of Directors must meet the competency requirements as regulated in Article 4 and Article 8 POJK Fit and Proper Test, which includes prospective members of the Board of Directors:
- i. Knowledge in the banking sector that is adequate and relevant to the position. What is meant by knowledge in the banking sector, among others:
 - For prospective members of the BUK Board of Directors, knowledge of BUK regulations and operations includes an understanding of risk management.
 - For prospective members of the BUK Board of Directors who are also responsible for UUS, knowledge in the banking sector includes knowledge of Sharia banking regulations and operations including an understanding of risk management.
 - ii. Experience and expertise in banking and/or finance. What is meant by experience and expertise in banking and/or finance includes, among other things, experience, and expertise in the fields of operations, marketing, accounting, auditing, funding, credit, money markets, capital markets, law or experience and expertise in the field of supervision of financial services institutions.
 - iii. Ability to carry out strategic management in the context of healthy Bank development. What is meant by the ability to carry out strategic management includes, among other things, having the ability to anticipate economic, financial, and banking developments, interpret the Bank's vision and mission, and analyze the banking industry situation.

In addition to meeting the requirements for integrity, financial reputation, and competency as mentioned above, prospective members of the Board of Directors must also fulfill the requirements for management or management of the Bank and provisions related to the capital market as stipulated in the applicable laws and regulations, including:

- 1) Never been a member of the Board of Directors or Board of Commissioners who was found guilty of causing a company to be declared bankrupt within 5 (five) years before his appointment.
- 2) Never been convicted of committing a criminal offense in the financial sector/that was detrimental to state finances within 5 (five) years before his appointment.
- 3) Never been a member of the Board of Directors and/or member of the Board of Commissioners during his/her tenure:
 - i. Never held an annual GMS.
 - ii. His accountability as a member of the Board of Directors and/or member of the Board of Commissioners has never been accepted by the GMS or he has never provided his accountability as a member of the Board of Directors and/or member of the Board of Commissioners to the GMS.
 - iii. Has ever caused a company that obtained a permit, approval, or registration from the OJK to fail to fulfill its obligation to submit an annual report and/or financial report to the OJK.
- 4) The majority of members of the Board of Directors must have at least 5 (five) years of operational experience as Bank Executive Officers.
- 5) Obtain approval from the OJK/ (passed the Fit and Proper Test). Members of the Board of Directors who have not obtained approval from the OJK cannot make decisions that are legally binding and affect the Bank's financial condition.
- 6) Members of the Board of Directors are prohibited from holding concurrent positions as members of the Board of Commissioners, Directors, or Executive Officers at banks, companies, and/or other institutions.
- 7) Do not include concurrent positions as referred to in number (7) if the Directors who are responsible for supervising investments in Bank subsidiary companies, carry out functional duties as members of the Board of Commissioners in non-Bank subsidiary companies controlled by the Bank, as long as the concurrent position does not result in the person concerned ignoring the implementation of duties and responsibilities as a member of the

Bank's Board of Directors.

- 8) Members of the Board of Directors, either individually or jointly, are prohibited from owning shares of 25% (twenty-five percent) or more of the paid-up capital in other companies except in the case of share ownership of members of the Board of Directors individually or jointly in connection with the receipt of bonuses and/or bonuses in the form of shares of 25% or more.
- 9) The majority of members of the Board of Directors are prohibited from having family relationships up to the second degree with fellow members of the Board of Directors, members of the Board of Commissioners, and/or members of the Sharia Supervisory Board. What is meant by the majority is more than 50%.
- 10) Each member of the Board of Directors has a professional and ethical work attitude to increase the Bank's value to shareholders and stakeholders.
- 11) Have high motivation in working as a team to produce extraordinary performance (strive for excellence).
- 12) Members of the Board of Directors are prohibited from granting general power of attorney to other parties which results in the transfer of the duties and functions of the Board of Directors.
- 13) Directors' decisions taken in accordance with the work guidelines and regulations are binding and the responsibility of all members of the Board of Directors.

As regulated in provision related to the capital market, a member of the Board of Directors is required to make a Statement Letter of compliance to the below requirements:

- 1) Have good ethics, morals, and integrity.
 - 2) Capable of doing legal action.
 - 3) Within 5 (five) years before his/her appointment and during his/her tenure:
 - i. have never been declared bankrupt.
 - ii. never been become a member of the Board of Directors and/or Board of Commissioners convicted guilty of causing some company declared bankrupt.
 - iii. never been convicted due to criminal action that caused loss to state financial and/or related to the financial sector.
 - iv. never been become a member of the Board of Directors and/or Board of Commissioners who during his/her tenure:
 - Failed to conduct an annual GMS.
 - His/her accountability as a member of the Board of Directors and/or a member of the Board of Commissioners was rejected by the GMS or failed to provide his/her accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS.
 - Has caused a company that obtained a license, approval, or registration from OJK not fulfilling its obligations to submit an annual report and/or financial statement to OJK.
 - 4) Commit to comply with Regulations.
 - 5) Have the knowledge and/or expertise in the fields needed by the Bank.
- b. Nomination Procedures Member of Board of Directors:
- 1) Candidates for members of the Board of Directors can come from internal or external banks.
 - 2) Every proposal for appointment, replacement, or dismissal of members of the Board of Directors to the GMS must take into account the recommendations of the Remuneration and Nomination Committee.

The Company's Remuneration and Nomination Committee is required to submit the recommendations of appointment, dismissal, or replacement of a member of the Board of Directors to the Board of Commissioners of the Company for further submission by the Board of Commissioners of the Company to the GMS.

The Company's Remuneration and Nomination Committee will also ask if any of the Board of Commissioners members has any inquiries on the assessment carried out by the Remuneration and Nomination Committee and may hold a meeting with the Board of Commissioners (if required) to discuss this assessment.

4. COMPOSITION OF MEMBER OF THE BOARD OF DIRECTORS

- a. The number of Board of Directors members shall be no less than 3 (three) persons with the composition as follows:
 - 1) One President Director.
 - 2) One or more Vice President Directors (if appointed).
 - 3) One or more Directors.
- b. The President Director is required from a party that is independent of the controlling shareholder.
- c. In the composition of the Bank's Board of Directors, one member of the Bank's Board of Directors must be a Director in charge of the Sharia Business Unit. The Director in charge of the Sharia Business Unit can concurrently carry out other Bank's duties.
- d. In the event that it is not stipulated in the GMS decision or the Bank's Articles of Association, the Board of Directors through a Board of Directors decision determines:
 - 1) the Bank's organizational structure including the division of duties of members of the Board of Directors;
 - 2) substitute director mechanism; and
 - 3) mechanism if the substitute director is unable to carry out his/her duties.

What is meant by a substitute director (acting on the duties of a member of the Board of Directors or Acting Director) is a member of the Board of Directors appointed to concurrently carry out the duties of another member of the Board of Directors who is unable to carry out his/her duties (including, among other things, permanent absence (resignation, dismissal, or death) or temporary absence (leave, official duty, illness, or other reasons)), to maintain the smooth running of the duties and functions of the Board of Directors.

Those who can become substitute Directors are members of the Board of Directors who are currently serving, except in compliance with statutory provisions.

The Director's duties fulfilled by the substitute Director must be valid for a maximum of 6 (six) months. If necessary, the substitute Director's assignment can be extended subject to certain considerations from the Bank and obtaining approval from the OJK.

- e. Majority of members of the Board of Directors should be Indonesian Citizens.
- f. All members of the Board of Directors must be domiciled in Indonesia.
- g. Determination of the number of Board of Directors members considers the condition of PermataBank and the effectiveness of decision-making.
- h. Determination of the composition of Board of Directors members considers the variety of expertise, knowledge, and experience required.
- i. The Compliance Director and Human Resources Director must be Indonesian citizens.

5. TERM OF OFFICE OF MEMBER OF THE BOARD OF DIRECTORS

- a. The members of the Board of Directors shall be appointed by the GMS, with the term of office from the closing date of the GMS until the closing date of the third Annual GMS after their appointment date. Based on prevailing provisions, a term of office for a member of the Board of Directors is a maximum of 5 (five) years or until the closing of the annual GMS at the end of the 1 (one) term of office.
- b. The members of the Board of Directors whose term of office has ended may be re-appointed.
- c. The GMS may dismiss or replace members of the Board of Directors at any time, including if the members of the Board of Directors do not fulfill the requirements as a member of the Board of Directors as regulated in the OJK regulations and/or statutory regulations by stating its reasons after the relevant member of the Board of Directors has been given the opportunity to attend the GMS to defend themselves.
- d. Dismissal or replacement of members of the Board of Directors must prioritize the main interests of the Bank. Dismissal or replacement of a member of the Board of Directors before the term of office must take into account at least:
 - 1) members of the Board of Directors are deemed unable to carry out their duties and

- responsibilities in managing and implementing the Bank's sound strategies;
 - 2) the dismissal or replacement of members of the Board of Directors is not based on the subjective assessment of shareholders, but is based on an objective assessment regarding the management of the Bank;
 - 3) the dismissal or replacement of members of the Board of Directors has gone through applicable planning and mechanisms, which at least the assessment of the remuneration and nomination committee and has been tabled at the GMS;
 - 4) dismissal or replacement of members of the Board of Directors does not cause problems in the organization and business activities of the Bank;
 - 5) the implementation of the dismissal or replacement of members of the Board of Directors prioritizes good communication from various related parties; and
 - 6) carried out by prioritizing the implementation of Good Governance in the Bank and prudential aspects.
- e. Regarding the dismissal or replacement of the President Director and/or Compliance Director before their term of office, it must obtain prior approval from the OJK before being decided at the GMS.
 - f. The term of office of a member of the Board of Directors shall automatically be terminated if such member of the Board of Directors:
 - 1) Resigns.
 - 2) Deceased.
 - 3) Dismissed by a resolution of the GMS.
 - 4) No longer meets the requirements of the prevailing regulations including if the concerned person is declared bankrupt or placed under custody by virtue of a court ruling.
 - g. Members of the Board of Directors may resign from their positions before their term of office through written notification to the Bank.
 - h. Members of the Board of Directors are required to resign from the Bank if they are involved in financial crimes and are proven guilty.
 - i. In the event that members of the Board of Directors resign resulting in the number of members of the Board of Directors being less than 3 (three) people as referred to in Number 4 letter (a) above, the resignation is valid if it has been determined by the GMS and a new member of the Board of Directors has been appointed.
 - j. Bank must hold a GMS to resolve his/her resignation as mentioned above before the lapse of 90 (ninety) days after the Bank received such resignation letter.
 - k. Members of the Board of Directors can be temporarily dismissed by the Board of Commissioners by mentioning their reason, in accordance with stipulations of the OJK regulations.
 - l. In relation to letters (a), (c), (g), and (h) as mentioned above, the Bank must provide the information disclosure to the public and notifies it to the OJK by stipulations in OJK regulation.

6. RIGHTS AND AUTHORITIES OF THE BOARD OF DIRECTORS

- a. Each member of the Board of Directors has the right to accept honorarium and other allowance, the amount and type of which shall be determined by GMS by taking consideration from the Remuneration and Nomination Committee and the regulations. Such GMS' authority can be delegated to the Board of Commissioners.
- b. The Board of Directors has the authority to represent the Bank in accordance with the provisions of laws and regulations, the Articles of Association, and GMS decisions.
- c. Receiving facilities from the Bank in accordance with the financial condition of the Bank, proper and fairness principles, and also does not conflict with the prevailing regulations.
- d. Establishing committees to assist the duties and responsibilities of the Board of Directors, in accordance with prevailing laws and regulations.
- e. Representing and binding the Bank with other parties also undertaking all actions concerning management and/or ownership.

- f. Appointing one or more as a representative or the authorized party by releasing a Power of Attorney for specific actions.
- g. Managing human resources of the Bank including appointment and termination of the employees, salary, pension benefit, and other income for employees in accordance with the prevailing laws and regulations and/or GMS decision.

7. PERFORMANCE ASSESSMENT OF MEMBER OF THE BOARD OF DIRECTORS

Performance assessment of members of the Board of Directors is conducted by the Remuneration and Nomination Committee periodically.

8. REMUNERATION OF MEMBER OF BOARD OF DIRECTORS

- a. Remuneration for members of the Board of Directors is compensation given by the Bank for their endeavor during a specified period.
- b. Remuneration and other facilities for members of the Board of Directors are determined by the GMS. Such GMS' authority may be delegated to the Board of Commissioners.
- c. Remuneration has to be formulated in the compensation system proposed by the Remuneration and Nomination Committee consisting of Independent Commissioners, Commissioners, and Executive Officers supervised by human resources. This committee holds the responsibility to the Board of Commissioners. The recommendation from the Remuneration and Nomination Committee shall be submitted to GMS to get the formulation of a remuneration system that is constituted by the principles:
 - 1) In accordance with prevailing tax and employee regulations.
 - 2) Transparency, internal equilibrium, and competitiveness with other companies.

9. THE BOARD OF DIRECTORS MEETINGS

- a. The Meeting of the Board of Directors must be held periodically at least once in a month, or at any time whenever deemed necessary by one or more members of the Board of Directors or upon written request of the Board of Commissioners or more than 1 (one) shareholders who jointly represent at least 1/10 (one-tenth) of the total shares with lawful voting right.
- b. The Board of Directors must convene a joint meeting with the Board of Commissioners periodically at least once in 4 (four) months.
- c. The Board of Directors must convene a joint meeting with the Sharia Supervisory Board at least once in 4 (four) months.
- d. The Board of Directors must schedule the next meeting of the Board of Directors for the next financial year before the current financial year elapsed.
- e. The notice for the meeting of the Board of Directors must be made by the President Director and in the absence of the President Director, by 1(one) other member of the Board of Directors.
- f. A notice and the materials for the meeting of the Board of Directors must be made in writing and sent directly to the members of the Board of Directors with proper receipt, or through facsimile or electronic mail (in the case of facsimile or electronic mail, must be reconfirmed by a written letter sent by hand-delivery or registered mail as soon as possible), at the latest 5 (five) days before the meeting, excluding the date of meeting. In the event the Board of Directors meeting is held unscheduled or urgent, the notice and the materials for the meeting submitted to the Board of Directors meeting participants no later than 3 (three) days before the meeting, excluding the date of the meeting.
- g. Notice of meeting of the Board of Directors must specify the agenda, date, time, and place of meeting of the Board of Directors.
- h. A meeting of the Board of Directors can be held at the Bank's domicile or the place where the Bank conducts its main business activities. If all members of the Board of Directors are present or represented, such prior notice shall not be required and the meeting of the Board of Directors can be held anywhere and shall be entitled to adopt lawful and binding resolutions.
- i. The Meeting of the Board of Directors must be chaired by the President Director and in the event

the President Director is unavailable or absent due to any reason whatsoever, such absence of which does not need to be evidenced to the third parties, the meeting shall then be chaired by a Vice President Director, and in the event no Vice President Director is present, such absence of which does not need to be evidenced to the third parties, the meeting shall be chaired by another member of the Board of Directors who are present and appointed for such purpose by the relevant meeting of the Board of Directors.

- j. Board of Directors meetings are attended by members of the Board of Directors and invitees. In this case, invitees are meeting participants other than the Board of Directors who are invited by the Board of Directors, which may consist of:
 - 1) The Board of Commissioners;
 - 2) Chief;
 - 3) Head of Division according to the agenda to be discussed;
 - 4) Head of Internal Audit while still paying attention to independence in accordance with applicable regulations; and/or
 - 5) Other invitees who can be invited at any time in accordance with the discussion of the Board of Directors Meeting agenda and the needs of the Board of Directors Meeting.
- k. A member of the Board of Directors may only be represented in the meeting of the Board of Directors by another member of the Board of Directors by virtue of a power of attorney.
- l. The Meeting of the Board of Directors shall be valid and entitled to adopt a valid and binding resolution if more than 2/3 (two per three) of the total number of members of the Board of Directors.
- m. Every policy and strategic decision must be decided through the Board of Directors meeting with due observance of the duties and responsibilities of the Board of Directors.
- n. The resolution of the Meeting of the Board of Directors must be adopted based on the deliberation to reach a consensus. In the event no resolution can be reached using deliberation to reach a consensus, then the resolution shall be adopted using voting based on the approving votes of more than 2/3 (two per three) of the total votes validly cast in the said meeting.
- o. Every member of the Board of Directors who is present at the meeting shall be entitled to cast 1 (one) vote and an additional one (1) vote for each other member of the Board of Directors who he/she is validly representing.
 Each member of the Board of Directors who personally by any means whatsoever, either directly or indirectly holds an interest in a certain transaction, contract, or proposed contract, in which the Company is one of the parties, must declare the nature of the said interest in the relevant meeting of the Board of Directors and shall not be entitled to participate in the voting pertaining to matters relating to the said transaction or contract or proposed contract unless the Meeting of the Board of Directors determines otherwise.
- p. Votes pertaining to a person shall be carried out by means of a closed unsigned ballot, whereas votes pertaining to other matters shall be carried out verbally unless the Chairman of the Meeting determines otherwise without any objection based on the majority votes of those who are present.
- q. Blank votes and invalid votes shall be deemed to have been invalidly cast and nonexistent and shall not be taken into account in determining the number of votes cast. The minutes of meeting of the Board of Directors must be prepared by a person who is present in the Meeting and appointed by the Chairman of the meeting and must also be signed by the Chairman of the meeting and all members of the Board of Directors who is present and further, it is distributed to all members of the Board of Directors.
 The dissenting opinion in the Board of Directors meeting must be stated in the minutes of the meeting, including the reasons for the dissenting opinion.
 Minutes of the meeting shall be deemed as valid proof for all members of the Board of Directors and third parties concerning the decision and all activities in the meeting.
 If the minutes of the meeting of the Board of Directors are drawn up by the Notary, such signatures shall not be required.
- r. Members of the Board of Directors may participate in a Board of Directors meeting through a video conference or a similar communication system that provides facilities that enable all parties to listen and see one another, and the parties attending this conference shall be deemed to be

present at the meeting, provided that the resolutions adopted at such meeting are prepared in writing and signed by all members of the Board of Directors who are present the said meeting.

Members of the Board of Directors and the Board of Commissioners may participate in the joint Board of Directors and Board of Commissioners' meeting through a video conference or a similar communication system that provides facilities that enable all parties to listen and see one another, and the parties attending this conference shall be deemed to be present at the meeting, provided that the resolutions adopted at such meeting are prepared in writing and signed by all members of the Board of Directors and the Board of Commissioners who are present the said meeting.

Members of the Board of Directors and the Sharia Supervisory Board may participate in the joint Board of Directors and Sharia Supervisory Board meeting through a video conference or a similar communication system that provides facilities that enable all parties to listen and see one another, and the parties attending this conference shall be deemed to be present at the meeting, provided that the resolutions adopted at such meeting are prepared in writing and signed by all members of the Board of Directors and the Sharia Supervisory Board who are present the said meeting.

If the minutes of the meeting of the Board of Directors, the joint meeting of the Board of Directors and the Board of Commissioners, the joint meeting of the Board of Directors, and the Sharia Supervisory Board are drawn up by the Notary, such signatures shall not be required.

- s. The minutes of meetings of the joint meeting of the Board of Directors and Board of Commissioners shall be made in writing and signed by all members of the Board of Directors and Board of Commissioners present and then the minutes of the meeting shall be submitted to all members of the Board of Directors and Board of Commissioners. In the event that a member of the Board of Directors and/or Board of Commissioners does not sign the results of the meeting, the concerned shall specify the reasons in writing in a separate letter attached to the minutes of the meeting.
- t. The minutes of meetings of the joint meeting of the Board of Directors and Sharia Supervisory Board shall be made in writing and signed by all members of the Board of Directors and Sharia Supervisory Board present and then the minutes of the meeting shall be submitted to all members of the Board of Directors and Sharia Supervisory Board. In the event that a member of the Board of Directors and/or Sharia Supervisory Board does not sign the results of the meeting, the concerned shall specify the reasons in writing in a separate letter attached to the minutes of the meeting.
- u. The Board of Directors may also adopt a valid and binding resolution without convening a meeting of the Board of Directors, provided that all members of the Board of Directors have been notified in writing of the said proposal, and all members of the Board of Directors have granted their approval on the proposal submitted in writing and signed the said approval.
Such resolutions shall be deemed equal to the resolutions legally adopted in a Meeting of the Board of Directors.

10. WORKING TIME OF MEMBERS OF THE BOARD OF DIRECTORS

- a. Working time is the time specified by the Bank to members of the Board of Directors to attend the workplace and perform the duty/obligation.
- b. Working time members of the Board of Directors in the Bank are 5 (five) working days a week.
- c. During the COVID-19 pandemic situation (or other special situations), members of the Board of Directors can implement the remote work mechanism.

11. BREACHES REPORT

- a. Each employee must inform the management of any suspected, violation plan or potential violation which may breach any laws & regulations.

- b. The Board of Directors will manage the report concerning deviation and violation of business ethics, rules and regulations, Articles of Association, Internal Policy and Procedures, agreement/contract, the Company's confidentiality, transactions with conflict of interest, and also other deviation and violation materially /significantly, as long as the report pursuant to fact and relevant with Bank's business.
- c. The Bank shall give protection to any party who provides information of deviation and violation as mentioned above.
- d. In the event of a conflict of interest, members of the Board of Directors, members of the Board of Commissioners, and Executive Officers are prohibited from taking actions that may cause loss or reduce the Bank's profits and shall disclose any conflict of interest in any decision.

12. VALUES

The Board of Directors will always support the Bank's value as follows:

- 1) Integrity: We uphold honesty as the Company's ethical code and prudent principle.
- 2) Partnership: We understand each other and build strong relationships based on mutual respect internally and externally.
- 3) Responsiveness: We are responsive to the needs of internal and external parties, and fulfill them with the best effort and timely manner.
- 4) Innovation: We continuously think out of the box to improve the way we work, making it simpler, better, and faster.
- 5) Caring: We are attentive and respect our customers, colleagues, communities, investors, and regulators.
- 6) Excellence: We deliver service excellence to our customers and drive optimal performance in our day-to-day job.

13. WORK ETHICS

In the implementation of the duties and function, member of the Board of Directors has to work on a good Ethics basis, including work Ethics, behavior Ethics, and occupation Ethics, as described in the Code of Ethics for the Board of Commissioners, the Board of Directors and Organ Supporting.

B. COMPLIANCE DIRECTOR

1. DUTIES AND RESPONSIBILITIES OF COMPLIANCE DIRECTOR

- a. Formulate strategies to encourage compliance culture.
- b. Propose compliance policy or compliance principles that will be determined by the Board of Directors.
- c. To determine compliance systems and procedures that will be used to establish the Company's internal rules and guidelines.
- d. To ensure that all policies, rules, systems, and procedures, as well as business activities conducted by the Company, comply with OJK and other prevailing regulations, including Sharia principles for the Sharia Business Unit.
- e. To minimize the Company's compliance risk.
- f. To take precautions so that policies and decisions of the BOD do not deviate from OJK and other prevailing regulations.
- g. To perform other duties related to the compliance function.
- h. Required to report the implementation of duties and responsibilities to the President Director with a copy to the Board of Commissioners, at least quarterly.
- i. Required to submit a report on the main points of implementation of the Compliance Director's duties to the OJK at the end of every month of June and December no later than one month after the reporting month, with a copy to the Board of Commissioners and President Director.
- j. The Director in charge of the Compliance Function shall submit a report to the OJK on the

implementation of his/her duties, including:

- 1) Compliance work plan contained in the Bank Business Plan; The compliance work compliance report contains at least the following:
 - i. Internal guidance evaluation plan.
 - ii. An activity plans to encourage and/or maintain a Compliance Culture, including a socialization plan of the provisions.
- 2) Compliance report; the compliance report contains at least the following:
 - i. The implementation of the Compliance Function.
 - ii. Compliance Risk that faced.
 - iii. Potential Compliance Risks expected to be faced in the future.
 - iv. Compliance Risk mitigation that has been implemented.

Compliance reports are presented comparatively in 2 (two) report periods.
- k. He/she is required to provide a special report concerning the policy and/or decision of The Board of Directors which in the opinion of the Compliance Director is not in accordance with OJK regulation and/or other prevailing laws and regulations shall be delivered to OJK no later than 7 (seven) days after the policy and/or decision has been adopted. Special reports of the director in charge of the Compliance Function regarding the policies and/or decisions of the Board of Directors that deviate from the provisions of OJK and/or the provisions of laws and regulations shall at least include:
 - 1) The name of the Board of Directors and their respective duties.
 - 2) The date of policy or activity conducted.
 - 3) Deviation of activities that have been implemented.
 - 4) The provisions of OJK and/or the provisions of regulation being violated.
 - 5) Short-term and medium-term impacts either financially, disruption to business continuity, or decrease the reputation of the Bank.
- l. In the case of a director who in charge of the Compliance Function is temporarily unable to perform his/her duties for more than 7 (seven) consecutive working days, the implementation of the duties shall be temporarily replaced by another director until the director in charge of the Compliance Function return. What is meant by "temporary absence" includes leave, sickness, and/or business trip.
- m. In the event that the director in charge of the Compliance Function is absent, resigns, or ends of term of office, the Bank shall appoint a successor of a director in charge of the Compliance Function, no later than 6 (six) months after the director in charge of the Compliance Function is absent, resigned or end of term of office.
- n. During the process of the replacement of the director in charge of the Compliance Function as referred to in letter n above, the Bank shall appoint or assign one of the directors to temporarily perform the duties of the director in charge of the Compliance Function.
- o. The Director performing temporary duties as a director in charge of the Compliance Function, whether temporarily or permanently absent, resign, or end of the term of office, shall comply with the provisions concerning the dual positions and the prohibition of functioning in accordance with the provisions of the prevailing OJK Regulation.
- p. The director in charge of the Compliance Function and compliance working unit in Sharia bank and/or commercial banks that have Sharia business units shall coordinate with the Sharia Supervisory Board related to the implementation of the Compliance Function on Sharia Principles.
- q. The temporary replacement of the director in charge of the Compliance Function as referred to in letters m and o shall be reported to OJK.
- r. Candidate of director in charge of the Compliance Function shall have adequate integrity and knowledge of the provisions of OJK regulation and the provisions of laws and regulations.

2. REQUIREMENTS FOR COMPLIANCE DIRECTOR

- a. The Bank is required to assign one director to hold the position of Compliance Director. The

appointment and termination of the Compliance Director shall be carried out by the Board of Commissioners and President Director with prior approval from OJK.

- b. Notwithstanding the requirements as a director, the Compliance Director must also fulfill the below requirements:
 - 1) Independent. The term "independence requirement" means no financial relationship, management relationship, ownership relationship, and/or family relationship up to the second degree with members of the Board of Directors, members of the Board of Commissioners, members of the Sharia Supervisory Board and or controlling shareholder or relationship with the Bank that may affect the ability to act independently as referred to in the provisions of OJK Regulation regarding the implementation of governance for commercial banks and the provisions of regulations regarding the implementation of good corporate governance for sharia banks and sharia business units.
 - 2) Does not hold the other position as the President Director/Vice President Director.
 - 3) Does not lead the functions: business and operational; risk management that conducts the decision-making of the Bank's business; treasury; finance and accounting; logistics; information technology; internal audit.
- c. In the event that the members of the Board of Directors only consist of 1 (one) Director, the duties and responsibilities of the director in charge of the compliance function are carried out by the head of the Bank's compliance work unit for a maximum of 6 (six) months.

VI. CONFLICT OF INTEREST

- a. Members of the Board of Directors, members of the Board of Commissioners, members of bank committees, members of the Sharia Supervisory Board, executive officers, and bank employees must avoid all forms of conflicts of interest in carrying out their duties in managing and supervising the Bank.
- b. In the event of a conflict of interest, members of the Board of Directors, members of the Board of Commissioners, members of the Bank committees, members of the Sharia Supervisory Board, executive officers, and the Bank employees are required to disclose conflicts of interest in every decision that which have a conflict of interest potential.
- c. Apart from disclosing conflicts of interest as referred to in letter (b), members of the Board of Directors, members of the Board of Commissioners, members of bank committees, members of the Sharia Supervisory Board, executive officers, and bank employees are prohibited from taking actions that have the potential to harm the bank or reduce bank profits.

VII. INCREASING THE COMPETENCE OF MEMBERS OF THE BOARD OF COMMISSIONERS

- a. Newly appointed members of the Board of Commissioners and members of the Board of Directors receive a formal and adequate induction program as well as all information relevant to their roles and responsibilities.
- b. Members of the Board of Commissioners and members of the Board of Directors regularly receive relevant, adequate, and sustainable training and knowledge development programs.
- c. Members of the Board of Commissioners and members of the Board of Directors regularly receive accurate, timely, and clear information regarding the latest developments in relevant laws, regulations, and standards, other applicable obligations, risk factors, and the corporate business environment.

VIII. LIST OF COMMITTEES

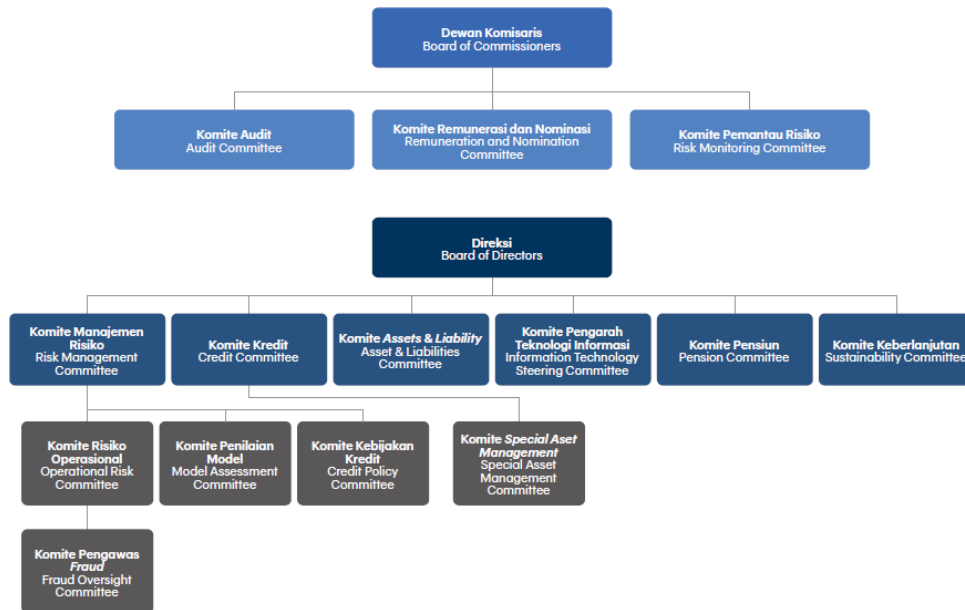
A. COMMITTEES UNDER THE BOARD OF COMMISSIONERS

- 1) Audit Committee
- 2) Risk Monitoring Committee
- 3) Remuneration and Nomination Committee

B. COMMITTEES UNDER THE BOARD OF DIRECTORS

- 1) Risk Management Committee, with sub committees as follows:
 - i. Operational Risk Committee, with sub committee:
 - a. Fraud Oversight Committee
 - ii. Model Assessment Committee

- iii. Credit Policy Committee
- 2) Credit Committee, with sub committee:
 - i. Special Asset Management
- 3) Information Technology Steering Committee
- 4) Asset Liability Committee
- 5) Pension Committee
- 6) Sustainability Committee



The committees structure may change from time to time, according to developments at the Bank.