

ASEAN CORPORATE GOVERNANCE SCORECARD

Level 2

Appendix

Level 2

Level 2 - Bonus Items		
(B)A.	Rights of shareholders	
(B)A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.	
(B)A.1.1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	<p>In AGMS convened on 20 May 2022, the Company implemented secure electronic proxy. The details of rules, e-proxy procedure and resolutions of the meeting are available in the Company's website 28 days prior to the AGMS.</p> <p>https://www.permatabank.com/en/tentang-kami/hubungan-investor#!/General-Meeting-of-Shareholders</p>
(B)B.	Equitable treatment of shareholders	
(B)B.1	Notice of AGM	
(B)B.1.1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<p>For the AGMS convened on 20 May 2022, its Notice included with detailed agenda and explanatory of each agenda was published through the Bank's website and IDX's website 28 days prior to the date of AGMS.</p> <p>The Notice for AGMS released on 21 April 2022.</p> <p>https://www.permatabank.com/en/tentang-kami/hubungan-investor#!/General-Meeting-of-Shareholders</p> <p>https://www.permatabank.com/sites/default/files/documents/pdf/AGMS%20Invitation_BNLI.pdf</p>
(B)C.	Roles of Stakeholders	
(B)C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected	
(B)C.1.1	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	<p>The Company has adopted GRI (Global Reporting Initiatives) 2016.</p> <p>The GRI Index can be seen on the 2021 Sustainability Report page 139-143.</p> <p>https://www.permatabank.com/sites/default/files/documents/pdf/Hires_PermataBank%20SR_2021.pdf</p>
(B)D.	Disclosure and transparency	
(B)D.1	Quality of Annual Report	

(B)D.1.1 Are the audited annual financial report /statement released within 60 days from the financial year end? -

(B)D.1.2 Does the company disclose details of remuneration of the CEO? -

(B)E. Responsibilities of the Board

(B)E.1 Board Competencies and Diversity

(B)E.1.1 Does the company have at least one female independent director/commissioner? -

(B)E.1.2 Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?

The Company currently has 1 (one) female Commissioner, namely Niramarn Laisathit and has 4 (four) female Directors, namely Meliza M. Rusli, Dhien Tjahajani, Lea Setianti Kusumawijaya, and Djumariah Tenteram.

In 2021 Annual Report, Diversity in the Composition of the Board of Commissioners and the Board of Directors section, page 653-655.

https://www.permatabank.com/sites/default/files/documents/pdf/AR2021_PB_26042022_hires_0.pdf

(B)E.2 Board Structure

(B)E.2.1 Is the Nominating Committee comprise entirely of independent directors/commissioners?

(B)E.2.2 Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?

In 2021 Annual Report, Remuneration and Nomination Committee section, page 717-727.

https://www.permatabank.com/sites/default/files/documents/pdf/AR2021_PB_26042022_hires_0.pdf

The Company has policy related to Directors Succession Plan, which consists of steps of Directors Succession Plan. Stages of Directors' Succession Plan:

- a. *Every year, based on the results of the Talent Review at the Board of Directors level, HR Director together with President Director provide presentation to the Remuneration and Nomination Committee (REMCO) about talents identified as candidates for Directors.*
- b. *The criteria determined by the Bank in selecting the candidates for Directors are the selected HIPO (High Performance) and Critical Resources (CR) groups that have been well tested, based on their performance and potential*
- c. *REMCO can disagree with the proposed candidates for Directors if such talents are not in accordance with the needs of the Bank, based on competence or leadership.*
- d. *REMCO can provide development suggestions for each proposed candidate.*
- e. *HR Director and related Director (Director In Charge) are responsible for fulfill the gaps of each candidate for Directors.*
- f. *Every 6 months, HR Director provides an evaluation report on the development and fulfillment gap in both the competence and leadership of each candidate of Directors for REMCO.*
- g. *REMCO will consider candidates from internal bank before searching from external bank.*
- h. *In the case of a successor candidate of Directors cannot develop as expected, then HR Director can propose other candidates and report to REMCO.*

(B)E.3 Board Appointments and Re-Election

- (B)E.3.1 Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?
- In 2021 Annual Report, External Consultants section, page 688 which mentioned as follows:
In addition, the Bank uses the service of external consultant Egon Zehnder, to search for external candidates for members of the Board of Commissioners and talents required by the Bank.
- https://www.permatabank.com/sites/default/files/documents/pdf/AR2021_PB_26042022_hires_0.pdf

(B)E.4 Board Structure & Composition

- (B)E.4.1 Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?
- Based on membership composition of BOC, there are four independent commissioners (from total eight members).
- <https://www.permatabank.com/en/tentang-kami/struktur-manajemen>

(B)E.5 Risk Oversight

- (B)E.5.1 Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?
- In 2021 Annual Report, Information Technology Governance section, page 558-560. As additional, in 2021 Annual Report, The Board of Directors' Meeting Agenda section (page 669) and Joint Board of Commissioners and Board of Directors' Meeting Agenda section (page 676 and 679), there are agenda regarding Technology & Operations update.
- https://www.permatabank.com/sites/default/files/documents/pdf/AR2021_PB_26042022_hires_0.pdf

(B)E.6 Board Performance

- (B)E.6.1 Does the company have a separate board level Risk Committee?
- In 2021 Annual Report, Risk Management Committee (RMC) section, page 742-752.
- https://www.permatabank.com/sites/default/files/documents/pdf/AR2021_PB_26042022_hires_0.pdf

Level 2 – Penalty

(P)A. Rights of shareholders

(P)A.1 Basic shareholder rights

- (P). A.1.1 Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?

(P)A.2 Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.

(P).A.2.1 Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?

(P).A.3 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.

(P)A.3.1 Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?

(P)A.3.2 Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM? Based on the resolution of AGMS convened on 20 May 2022.

https://www.permatabank.com/sites/default/files/documents/pdf/Summary%20of%20AGMS%20Resolution_Bank%20Permata.pdf

(P)A.4 Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.

Did the company fail to disclose the existence of:

(P)A.4.1 Shareholders agreement?

(P)A.4.2 Voting cap?

(P)A.4.3 Multiple voting rights? -

(P)A.5 Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.

(P)A.5.1 Is a pyramid ownership structure and/ or cross holding structure apparent?

(P)B Equitable treatment of shareholders

(P)B.1 Insider trading and abusive self-dealing should be prohibited.

(P)B.1.1 Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?

(P)B.2 Protecting minority shareholders from abusive action

(P)B.2.1 Has there been any cases of non compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?

(P)B.2.2 Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies?

(P)C Role of stakeholders

(P)C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.

(P)C.1.1 Have there been any violations of any laws pertaining to labour/employment/ consumer/insolvency/ commercial/competition or environmental issues?

(P)C.2 Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.

(P)C.2.1 Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?

The Company has not faced any sanctions by regulators for failure to make announcements within the requisite time period for material events. Based on the 2021 Annual Report, Administrative Sanction section, page 838.

https://www.permatabank.com/sites/default/files/documents/pdf/AR2021_PB_26042022_hires_0.pdf

(P)D Disclosure and transparency

(P)D.1 Sanctions from regulator on financial reports

(P)D.1.1 Did the company receive a "qualified opinion" in its external audit report?

(P)D.1.2 Did the company receive an "adverse opinion" in its external audit report?

(P)D.1.3 Did the company receive a "disclaimer opinion" in its external audit report?

(P)D.1.4 Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?

(P)E Responsibilities of the Board

(P)E.1 Compliance with listing rules, regulations and applicable laws

(P)E.1.1 Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?

The Company has complied with any listing rules. Based on the 2021 Annual Report, Administrative Sanction section, page 838. https://www.permatabank.com/sites/default/files/documents/pdf/AR2021_PB_26042022_hires_0.pdf

(P)E.1.2 Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?

(P)E.2 Board structure

(P)E.2.1 Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years each (which ever is higher) in the same capacity?
The five years term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011

(P)E.2.2 Did the company fail to identify who are the independent director(s) / commissioner(s)?

(P)E.2.3 Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?

(P)E.3 External Audit

(P)E.3.1 Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?

(P)E.4 Board structure and composition

(P)E.4.1 Has the chairman been the company CEO in the last three years?

(P)E.4.2 Do independent non-executive directors/commissioners receive options, performance shares or bonuses?