GUIDELINES

FOR

GOOD CORPORATE GOVERNANCE

OF

PT BFI FINANCE INDONESIA Tbk

CHAPTER I

PRELIMINARY

BACKGROUND

Good Corporate Governance (GCG) is an important factor in business management. PT BFI Finance Indonesia Tbk (Company) always implements GCG principles in each of its business activity as mandated in Financial Services Authority Regulation Number 30/POJK.05/2014 regarding Implementation of Good Corporate Governance for Financing Companies, and complies with Financial Services Authority (OJK) Regulation Number 21/POJK.04/2015 regarding Implementation of Corporate Governance Guidelines for Public Limited Liability Companies. The Company therefore drafted guidelines for GCG, which become a reference for Board of Directors, Board of Commissioners, Sharia Supervisory Board, and employees to carry out business activities.

GCG implementation is highly crucial for building public trust and international community, and it's also an absolute necessity for the growth and development of finance services industry. There are many different regulations regarding best practices due to differences in law order, structure of board of commissioners and board of directors, and business practices in each country.

GCG guidelines implemented in the Company function as a practical guide and goal for the entire components in all levels of the Company, which comprise the following subjects:

a. Determining strategic goals and a set of the Company's core values to be communicated and implemented by the whole organs of the Company;
b. Stipulating clear limitation of liability and accountability for organs of the Company;
c. Setting out guidelines for implementation of ethical standard, values, goals, strategy, and monitoring environment;
d. Providing guidelines for a strong internal control, including independent risk management function and compliance from business units, and with implementation of relevant check and balance mechanism;
e. Setting out guidelines for special monitoring over risks where possible conflict of interests exists, including in business relationship with affiliated parties, shareholders, Board of Directors, Board of Commissioners, and senior officials in company management.

On December 31, 2012 monitoring over non-bank financial industry including financing company was handed over from the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) to the Financial Services Authority (OJK). OJK has released Indonesia GCG roadmap in January 2014.

On November 19th, 2014 OJK issued OJK Regulation (POJK) Number 30/POJK.05/2014 regarding Good Corporate Governance for Financing Companies. In 2020, OJK Regulation Number 20/2014 was amended to OJK Regulation Number 29/2020 regarding Amendments of OJK Regulation Number

30/POJK.05/2014 on Good Corporate Governance for Financing Companies. According to the regulation, Good Corporate Governance is defined as a structure and process that are used and applied by organs of a company in order to improve the effort of achieving business goals and optimize company values for all stakeholders accountably and based on the prevailing laws and ethical principles.

GCG principles based on OJK Regulation Number 30/POJK.05/2014 are:

a. **Openness**, that is openness in gaining, disclosing, and providing relevant information about company, which is accessible for stakeholders and pursuant to laws in financing, as well as standard, principles and practices of healthy financing business.
b. **Accountability**, that is clarity regarding function and implementation of liability by organs of a company so that the company can work transparently, properly, effectively, and efficiently.
c. **Liability**, that is coherence between company management and laws in financing, as well as standard ethical values, principles, and practices of healthy financing business.
d. **Independence**, that is a condition in which a company is managed independently, professionally, and free from conflict of interests and influence or pressure from any party that is not pursuant to laws in financing and ethical values, standard, principles, and practices of healthy financing business.
e. **Equality and properness**, that is equality and fairness in fulfilling the rights of stakeholders resulted from agreement, laws and standard ethical values, also principles and practices of healthy financing business.

The Importance of Good Corporate Governance for Finance Company

According to the stipulation in Article 1 point 2 of OJK Regulation No. 47/POJK.05/2020 regarding Business Licensing and Institution of Financing Companies and Sharia Financing Companies, financing company is a business entity that performs activities of financing products and/or services.

As one of financial institutions, finance company is an important component in economy of a country. A finance company, pursuant to OJK Regulation Number 35/POJK.05/2018 regarding Business Operation of Finance Companies, can finance leasing, factoring, consumer financing and credit card, and provides important financial services, investment financing, multipurpose working capital, and/or other kinds of financing permitted by the Financial Services Authority. Additionally, a finance company can also provide operating lease and/or fee-based activities as long as it does not oppose to laws in financial services sector.

The importance of finance companies in the economy of a nation is reflected in the fact that financial services sector in general is a sector that is tightly regulated and has access to government network.

It is imperative for every finance company to implement operational strategy and develop accountability while implementing corporate strategy.

Furthermore, information transparency in subjects related to actual conditions, decision-making, and company's activities is an integral part of accountability, which enables market players to access enough information.

Current practice indicates that supervision over finance companies will not properly function without GCG. This makes the role of supervision over finance companies in Indonesia significant as it ensures that GCG is executed effectively in every finance company. Experiences in supervision over finance companies have highlighted the importance of responsibility, accountability, as well as check and balance mechanism in operating a finance company. In short, an effective GCG will simplify internal control work and special upkeep in a finance company. GCG can give substantial contribution to business collaboration between management and special upkeep in a finance company.

Purposes and Objectives

The aim of this GCG Guidelines is that the guidelines are to be used as a practical guidance and reference for all components in all levels of the Company in effort to implement GCG by performing the following measures:

a. Determining strategic goals and a set of company values to be communicated and implemented by the whole organs of the Company;
b. Stipulating clear limitation of liability and accountability for organs of the Company;
c. Setting out guidelines for implementation of ethical standard, values, goal, strategy, and monitoring environment;
d. Providing guidelines for a strong internal control, including internal and external audit functions, with independent risk management function and compliance by business units, and with implementation of proper check and balance mechanism;
e. Setting out guidelines for special monitoring over risks where possible conflict of interests exists, including in business relationship with affiliated parties, shareholders, Board of Directors, Board of Commissioners, and senior officials in company management.

All of the aforementioned are aimed at achieving the following subjects:

a. Optimizing company values for shareholders by improving transparency, independence and equality, accountability and responsibilities, and improved properness in order to help the Company in reaching better competition level both nationally and internationally, and by creating a conducive environment for stakeholders, specifically debtors, creditors, and/or other stakeholders;
b. Improving a more professional, open, and efficient organizational management, as well as strengthening all functions and improving the characteristic of not taking side in Board of

Commissioners, Board of Directors, and General Meeting of Shareholders (GMS) in effort to manage the Company professionally, effectively, and efficiently;

c. Encouraging shareholders as well as members of Board of Commissioners and Board of Directors in decision making and actions to implement high moral values and compliance with the prevailing laws, including awareness about the Company's social duties to stakeholders;
d. Improving compliance in organs of the Company (including Sharia Supervisory Board in Sharia Business Unit) and all of their subordinate levels in making decisions and taking actions based on high ethics, compliance with laws, and awareness about the Company's social responsibilities to stakeholders and environmental conservation;
e. Realizing a healthier, reliable, and competitive Company; and
f. Improving the Company's contribution in national economy.

Realization of Company's implementation of GCG at least covers the following subjects:

a. Implementation of duties and responsibilities of Board of Commissioners, Board of Directors, and Sharia Supervisory Board;
b. Completeness and implementation of duties of committees and work units carrying out the Company's internal control function;
c. Implementation of compliance, internal auditor, and external auditor functions;
d. Implementation of risk management, including internal control system;
e. Implementation of remuneration policy;
f. Management of conflict of interest;
g. Business plan; and
h. Transparency in the Company's financial and non-financial conditions.

CHAPTER II

CORPORATE VISION, MISSION AND CORE VALUES

CORPORATE VISION

Company vision is to become a trusted partner in financial solutions that contributes to the enhancement of people's standard of living.

CORPORATE MISSION

- To provide reliable and effective financial solutions to our customers.
- To deliver superior return-on-investment and sustain our reputation as a trusted public company.
- To provide an ecosystem that nurtures future leaders of the organization.
- To build long-term collaboration with business partners, based on mutual trust and benefit.
- To contribute positively to society.

CORPORATE CORE VALUES

Corporate core values are daily guidelines of performance for the entire members of Board of Commissioners, Board of Directors, and employees in effort to undertake all duties and responsibilities in achieving the objectives aforementioned in corporate vision and mission.

CORPORATE CORE VALUES:

1. **Grow and Improve Continuously (Vigorous and Continuous Self-Development)**

   Definition: All employees shall continue to improve themselves as a contribution to the Company. This value is realized in three major behaviors functioning as an orientation in operating the Company's business and organization, namely:

   - **Studious**
     We are continuously active in searching for knowledge in order to consistently step up our performance.
   - **Innovative**
     We focus on our continuous efforts to improve work processes.

- **Proactive**
  We grow into better persons and take on active roles in bringing the Company onward and upward.

2. **Respect and Care (Realize the Attitudes of Respecting Each Other and Caring)**

   Definition: All employees shall cultivate mutual respect and care to maintain a positive work environment. This value is realized in three major behaviors functioning as an orientation in operating the Company's business and organization, namely:

   - **Respectful**
     We show mutual respect to both internal and external customers.
   - **Positive Solutions**
     We provide positive solutions to answer the needs of internal and external customers.
   - **Caring**
     We take on active roles in improving quality of life in society.

3. **Excellent Service (Extra Service for Internal and External Customers)**

   Definition: All employees shall give the best service to ensure internal and external customer satisfaction. This value is realized in three major behaviors functioning as an orientation in operating the Company's business and organization, namely:

   - **Positive Attitude**
     We are always friendly and polite in providing our services.
   - **Responsive**
     We deliver fast, precise, responsive, and accurate responses.
   - **Professional**
     We ensure internal and external customer satisfaction which complies with the Company's service standards.

4. **Absolute Integrity (Absolute in Integrity)**

   Definition: All employees shall always keep their integrity in every action to maintain their professional reputation and the Company's. This value is realized in three major behaviors functioning as an orientation in operating the Company's business and organization, namely:

   - **Honest**
     Our actions are based upon honesty.
   - **Consistent**
     We ensure our words to match our actions.

- **Compliant**
  We act in accordance with the Company's regulations as well as the norms and ethics upheld by society.

5. Trust and Team Spirit (Solid Teamwork and Trusting Each Other)

Definition: All employees shall have a spirit of cooperation and mutual trust to achieve mutual goals. This value is realized in three major behaviors functioning as an orientation in operating the Company's business and organization, namely:

- **Communicative**
  We always communicate well and trust each other in conducting our work.
- **Cooperative**
  We establish excellent cooperation with all parties.
- **Synergistic**
  We maintain the spirit of cooperation and support each other.

CHAPTER III

BASIC PRINCIPLES OF CORPORATE GOVERNANCE

Good Corporate Governance (GCG) is a set of principles that underlies a process and mechanism in company management based on laws and business ethics. Implementation of GCG in all of the Company's activities is highly important. Aside from functioning as a form of accountability and business risks management, implementation of GCG is also aimed as guideline for management and employees to maintain the Company's business sustainability in a long term and to add more values to all stakeholders. Specifically, one of the efforts to strengthen financing industry is by improving the quality of GCG implementation in finance companies.

The Company implements GCG principles by referring to them as the groundwork in managing its business based on laws and business ethics. GCG is implemented by the Company as a guideline and a form of accountability from management and employees to all stakeholders in order to maintain the Company's sustainability in a long term.

The Company also has its interest to improve the quality of GCG implementation as a form of contribution to strengthening financing industry in Indonesia. A good implementation of GCG will also support compliance with all prevailing regulations generally and specifically in financing industry, as well as support supervision by regulators and other authorities. Therefore, the Company is committed to implement GCG consistently amid various development in business field and challenges in financing industry.

Implementation of GCG in the Company is based on six basic principles:

1. **Openness**, mainly in providing clear, complete, accurate, and timely information;
2. **Accountability**, in defining the roles, responsibilities, rights and obligations of Board of Commissioners, Board of Directors, and shareholders;
3. **Liability**, is a commitment as professionals to comply with all legal stipulations and regulations, as well as to act and behave as a good company in general;
4. **Independence**, is a capability of all and each member of Board of Commissioners, Board of Directors, and employees in giving objective evaluation and free from conflict of interests and influence or pressure from any party.
5. **Properness**, is related to professionalism and policies in decision making, which ensures fair and equal treatment in order to protect the interests of all stakeholders.
6. **Integrity**, is a manifestation of honesty as the primary foundation of obligatory behaviors to ensure that decision-making process is free from conflict of interests and company interests are put above individual interests.

CHAPTER IV

CODE OF CONDUCT

Existence of Corporate Code of Conduct

The Company has Code of Conduct that regulates policies on values or norms, stated explicitly as a standard of behaviors that shall be obeyed by all employees. This Code of Conduct is implemented by continually complying with the prevailing laws and regulations, corporate vision and mission, core values, fifteen main behaviors, business practices in both internal and external environments of the Company, and GCG guidelines.

The Company upholds the trust given by shareholders, employees, customers, and other stakeholders by carrying out business activities professionally, prudently and with integrity. Business principles included in the Company's Code of Conduct determine behaviors that are in line with business ethics and behavioral ethics.

Contents of Code of Conduct

Corporate Code of Conduct comprises business ethics and behavioral ethics.

Business ethics elaborate about how the Company as a business entity wears attitudes, follows ethics, and acts in order to balance the Company's interests and the interests of all stakeholders in accordance with GCG principles and core values of healthy company by maintaining the Company's profitability.

Whereas behavioral ethics are a set of norms that reflects the attitude and commitment required to comply with stipulations regarding behavior determined by the Company in order to maintain reputation, confidentiality, and other important subjects that affect the Company's reputation.

Key Principles of Code of Conduct

a. Uphold integrity, honesty, and business ethics when undertaking duties.
b. Must obey and comply with the prevailing laws and regulations.
c. Must obey and comply with the Company's regulations and policies.
d. Avoid conflict of interests.
    i. Conflict of interest is a discrepancy between the Company's economic interests with individual economic interests of members of Board of Directors, members of Board of Commissioners, or other major shareholders that can inflict disadvantages to the Company.
    ii. A potential conflict of interests shall be reported to company management.

e. All employees must ensure that confidential information that they acknowledge due to their nature of work shall be kept secretive.
f. All employees are prohibited from receiving money, goods, tip, commission, or other facilities, whether directly or indirectly, from business partners or other parties that have the potentials of creating conflict of interests.
g. Every employee must ensure that the Company's assets are protected, maintained, and utilized accordingly for the Company's interests.
h. Every employee must respect the rights of each individual, among others by respecting differences in ethnicity, religion, race, and gender, not committing harassment, not intruding physically or psychologically, and not making other people feel oppressed.

Imposing Code of Conduct on Management and All Employees

Code of Conduct applies in all corporate activities, from headquarters to branch offices, and to all employees. All authorized elements within the Company are responsible to ensure that this Code of Conduct is completely conveyed to employees to be regarded strictly.

Implementation and Enforcement of Code of Conduct

In order to support the implementation of Code of Conduct, the Company necessitates the following subjects:

- Code of Conduct stipulated by the Company applies to all employees;
- Code of Conduct is socialized to and understood by all employees;
- Company management performs exemplary practices for staff regarding implementation of the code; and
- Incompliance with Code of Conduct will result in sanctions and disciplinary measures for employees.

The essence of this Code of Conduct is henceforth manifested into Code of Conduct Principles that applies in the Company, which covers the following points:

Corporate Responsibilities

In the Code of Conduct Principles, the Company acknowledges five corporate responsibilities, as follows:

1. **To Shareholders**
   The Company conducts its business with an aim to improve shareholders' values based on GCG principles. The Company intends to give optimum results and return on investment to shareholders, while still retaining adequate fund to support the Company's growth. The Company values good

relationships with shareholders and shall provide timely, regular, and reliable information about activities, financial condition, and business outcomes of the Company.

2. **To Customers**
   The Company is committed to attracting and retaining customers by providing value-added financial products and services that are cost-effective and beneficial for the customers. This includes the Customer Complaints Handling System.

3. **To Employees**
   The Company values its employees as an important resource and is committed to a dedicated human capital development. The Company shall recruit, employ, train, and promote employees based on their qualifications and capabilities. Furthermore, the Company is responsible for creating a healthy workplace and ensuring the safety of its employees.

4. **To All Stakeholders**
   The Company always fosters mutually beneficial relationships with creditors, business partners, and other stakeholders, and encourages implementing these principles in its daily activities.

5. **To Communities**
   As a member of community, the Company always conducts its business responsibly, by complying with the applicable laws and regulations where the Company operates, and by ensuring that the Company’s activities do not violate any human right. The company’s community participation, in the form of donation, training, and other social activities, is intended to improve the quality of life of the surrounding communities and to yield direct benefits for the people.

Business Integrity

The Company and its entire branch offices are required to prioritize honesty, integrity, and properness in all aspects of business and expect to live by similar values in business relationship with all parties with which the Company is doing business. All business transactions on behalf of the Company are documented accurately in accordance with standard operational procedures and comply with audit committee. Employees need to set aside personal interests when carrying out company business. This includes the Whistleblower System.

Utilization and Protection of the Company’s Asset

The Company ensures that each employee is responsible for proper use, protection, and preservation of the Company’s assets and resources. All assets and resources, as well as any opportunities that arise on the basis of one's job position, shall be used solely for the achievement of the Company's objectives and not for personal gain. Employees of the Company are prohibited from seeking profit for personal gain or others' through abuse of position.

Information Disclosure

The Company considers information on business strategies as its crucial assets, which shall be protected from theft, violation, abuse, and inappropriate exposure.

Insider Trading

The Company enforces strict regulations on all employees against insider-trading. This means that non-public information that may affect the Company's share price shall be considered as confidential until it is announced by an authorized management. Employees with sensitive information that may affect the Company's share price and related rights shall not engage in direct or indirect transactions of those shares and related rights. The Board of Commissioners, Board of Directors, and all employees are committed to continuously implementing the Company's Integrity Pact to the best of their abilities along with the implementation of strategic policies to achieve sustainable growth.

CHAPTER V

CORPORATE GOVERNANCE STRUCTURE

1. GENERAL MEETING OF SHAREHOLDERS

General Meeting of Shareholders (GMS) is an organ of the Company with authorities that are not given to Board of Commissioners or Board of Directors within limitations as stipulated in laws and/or articles of association.

GMS is a forum for shareholders to give influence in the Company's business management, as well as a forum for Board of Commissioners and Board of Directors to report and present liability regarding implementation of their duties and performance to the shareholders.

GMS consists of Annual GMS (AGMS) and Extraordinary GMS (EGMS), and the convening of them must be done according to the prevailing laws and the Company's article of association.

The Authorities of GMS

GMS has the following authorities:

1. To determine and implement fit and proper test required to appoint Board of Commissioners and Board of Directors;
2. To convey termination plan and receive a plea from any member of Board of Directors and Board of Commissioners who will be dismissed at any time;
3. To appoint and remove members of Board of Commissioners and Board of Directors;
4. To determine the number of members and composition of Board of Commissioners and Board of Directors in accordance with the prevailing laws and regulations;
5. To determine positions that can't be carried out concurrently by members of Board of Commissioners and Board of Directors;
6. To determine distribution of duties and authorities of members of Board of Directors;
7. To determine and implement payroll, benefits, and incentive systems for Board of Commissioners and Board of Directors;
8. To approve important transactions;
9. To choose external auditors from candidates appointed by Board of Commissioners based on proposal from Audit Committee;
10. To determine utilization of net profit, including the portion set aside for revenue reserve; and
11. To approve Annual Report and legitimize Financial Report that has been audited by External Auditors.

The Rights of Shareholders

Shareholders have the rights to propose meeting agenda in every GMS to be held by the Company; to propose the appointment of members of Board of Commissioners and/or Board of Directors, mainly for measures that require advance approval from shareholders based on the prevailing regulations; and to prepare announcement and notice about GMS, including meeting agenda to be discussed.

Explanation and information related to GMS include:

1. Information about agenda and all rights to be proposed by Board of Directors in the meeting, so that shareholders can fully participate in the meeting and use their voting right wisely. In the case that such information is unavailable when announcement/notice is received, then the information and those subjects shall be made available at the Company's office before the meeting date;
2. Explanation about other subjects related to GMS agenda can be given before and/or during GMS;
3. GMS resolutions shall be made transparently and fairly;
4. Copy of minutes for GMS shall be given to each shareholder if asked, and the minutes of meeting shall record positive vote (and negative ones) given for a transaction and (including the original minutes of meeting) shall be kept by Corporate Secretary.

In order to protect the rights of shareholders, all matters that potentially cause fundamental changes in the Company and the rights of shareholders shall be decided in GMS, namely:

- Amendment to articles of association;
- Distribution of responsibilities among members of boards;
- Dismissal or termination of the Company;
- Merger and acquisition;
- Capital reduction;
- Utilization of profit; and
- Change of composition in Board of Commissioners and Board of Directors, and other important matters.

Shareholders are highly expected to make resolutions directly on issues that critically affect corporate sustainability and shareholders' rights. This is an addition to stipulated subjects that are decided in GMS based on the prevailing laws.

GMS resolutions shall be made transparently and fair. Aside from that, shareholders shall be given prior information about the time, location, and meeting agenda; the time and location shall be determined in order to allow maximum participation from shareholders.

Information shall be given to shareholders so that they can adequately study the meeting agenda before GMS is held.

Shareholders can propose about subjects to be included in meeting agenda to Board of Directors; they can also ask questions and inquire explanation about meeting agenda. The Company ensures that opinion from shareholders can be conveyed adequately in GMS. Unless intending to disrupt GMS, or asking a question repeatedly, or asking impermissible questions, shareholders shall be given full capacity to ask questions adequately and get explanation before meeting agenda is decided.

Shareholders shall be enabled to take their voting right, directly or indirectly, in the possible simplest way. Implementation of voting right, directly or indirectly, has two implications: first is on implementation of someone's voting right, a shareholder can implement voting right by direct participation in GMS or indirectly by mandating the voting right to a representative.

Equitable Treatment for Shareholders

Shareholders shall be given fair voting rights accordingly with the type and number of shares they own, and shareholders shall have the same information about the Company.

1. Shareholders are entitled to be treated equitably so that they can:
   a. give their voting rights and receive dividends that are pari-passu with the number of shares owned by each of them.
   b. get complete, accurate, and timely data and information.
2. Shareholder can give one vote for each owned share, and there shall be no violation against this basic right;
3. Shareholders shall be protected from inequal actions by insider trading and self-dealing.

Share Ownership and Buying

a. Individuals and/or institutions can buy BFI Finance shares directly or from stock market.
b. Each management official or shareholder of an institution that has shares in the Company shall meet the requirements stipulated in regulations and laws, including laws on financing companies.
c. Individuals or foreign institutions, whether directly or indirectly, can only have maximum 85% of the Company's paid-up capital in general.
d. For shareholders with legal entity, the amount of direct investment to the Company is as the amount of shareholder's equity at maximum.

Limitations for Shareholders

- Shareholders are not allowed to intervene in the Company's operational management, both Board of Directors and Board of Commissioners must decline the intervention.

- Controlling shareholders can coordinate in implementing business strategy, corporate plan, and business plan.
- Supervision by controlling shareholders can only be conducted through GMS or coordination of policies, and by carrying out audit pursuant to the prevailing regulations.
- Controlling shareholders shall avoid conflict of interests.
- Controlling shareholders are prohibited from abusing share ownership domination or its control that can cause violation against corporate governance principles in the Company.
- Board of Directors and Board of Commissioners must refuse any inquiry about the Company's information from controlling shareholders that is not in line with equality and proper principles.
- Shareholders are prohibited from utilizing the Company for the interests of individuals, family, company or business group with the intention and ways that are against laws and appropriateness in banking and financial industries.

Responsibilities of Shareholders

Shareholders shall do their best efforts to use their voting rights. Controlling shareholders, besides using their voting rights, shall take responsibilities in accordance with their ownership due to their influence in the Company's management.

a. Controlling shareholders must fulfill requirements pursuant to the prevailing laws.
b. Controlling shareholders must have capital adequacy for finance company in ways that are stipulated by regulations and laws.
c. Shareholders, under the awareness that implementation of their voting rights affects the Company's management, shall do their best efforts to use their voting rights for interests of the Company. Shareholders are free to choose how to implement their voting rights. However, to get a healthy and transparent company, a shareholder shall do efforts to use all rights given to him/her, such as heeding thoroughly the implementation of company management and give his/her voting right.

Requirements for Controlling Shareholders

Controlling shareholders must qualify the integrity and financial reputation requirements and pass the fit and proper test.

The integrity requirements comprise:

a. Never committed any crime in financial services business and/or economic sector;
b. Never been sentenced for a crime based on court order within maximum the last 5 (five) years;
c. Never violated commitment agreed with supervisory institutions in financial services industry;

d. Never involved in any action that yields improper profit to shareholders, members of Board of Directors, members of Board of Commissioners, employees or other parties, that may bring disadvantages and reduce consumers' rights;
e. Never violated prudential principle in financial services industry;
f. Not listed in List of Unqualified Individuals (DTL) in banking sector;
g. Never conducted any action that is not in his/her authorities;
h. Never been declared incapable of taking his/her authorities; and
i. Never violated laws in non-bank financial industry.

The financial reputation requirements comprise:

a. Not having non-performing loan;
b. Never been declared bankruptcy and never been in position as a shareholder, member of Board of Directors, member of Board of Commissioners, or member of representative body who is declared guilty of causing bankruptcy to a company based on court ruling within the last 5 (five) years;
c. Never been involved in money laundering.

Obligations of Controlling Shareholders

a. Qualified in fit and proper test from OJK pursuant to the prevailing regulations;
b. Use their rights to choose members of Board of Commissioners and Board of Directors who have high integrity and are capable of managing and controlling the Company healthily;
c. Fulfill the Company's capital need pursuant to the prevailing regulations. Shareholders who fail to meet this requirement shall be willing to lose their rights and/or shares to parties who have the ability and/or give approval in the event of merger with other company.

2. BOARD OF COMMISSIONERS

Functions of Board of Commissioners

Board of Commissioners is an organ of the Company that functions to take on supervision in accordance with article of association and give advices to Board of Directors on company management. Board of Commissioners also has a duty to monitor the effectiveness of GCG practices implemented by the Company.

There are 2 (two) levels of Board of Commissioners' supervisory functions:

- **Performance Level**, that is Board of Commissioners' function to supervise by giving advices to Board of Directors and convey suggestions in GMS.
- **Conformance Level**, that is the next phase of supervisory activities aimed to ensure that stipulations in the prevailing laws and articles of association are fulfilled.

Membership of Board of Commissioners

Board of Commissioners consists of at least two members, with one of them is appointed as President Commissioner. Board of Commissioners includes Commissioners and Independent Commissioners. If Board of Commissioners consists of more than two members, the number of Independent Commissioners is minimum 30% (thirty percent) or one third of total number of members of Board of Commissioners.

Every suggestion to replace and/or nominate a member of Board of Commissioners in GMS shall considerate recommendations from Nomination and Remuneration Committee.

Every member of Board of Commissioners is obligated to undergo a fit and proper test pursuant to OJK Regulation regarding fit and proper test.

Former members of Board Directors or executive officials of the Company or other parties having relationship with the Company, which position can affect their ability to act independently, cannot become a Commissioner or an Independent Commissioners in the Company before taking a cooling-off period of six months.

Guidelines for Supervision by Board of Commissioners

- Board of Commissioners conducts supervision over the Company's management policies and give advices to Board of Directors with good intention, responsibly, and carefully.
- In conducting supervision, Board of Commissioners acts as a board and cannot act individually, but based on collective decision of all members of Board of Commissioners.
- In conducting supervision, Board of Commissioners is not allowed to act as executor of executive duties that are within Board of Directors' authorities, unless in a certain condition within a certain period of time based on articles of association or GMS resolution.
- Supervision is conducted over ex-post facto resolutions that have been taken and preventive resolutions to be taken.
- Supervision is conducted not only by receiving information from Board of Directors or GMS, but can also be done by taking other actions based on information from other accurate and reliable sources, and the actions are done collectively.
- Supervision is conducted not only to approve or disapprove actions that require Board of Commissioners' approval, but also by encompassing all of the Company's business and corporate aspects.
- To ensure that the Company's Annual Report contains information about identity of members of Board of Commissioners, main occupation, position as member in Board of Commissioners in other company, position as member of committee in the Company or other company, including meetings convened in one fiscal year(Board of Commissioners meetings or joint meetings with

Board of Directors), total honorarium received from the Company, and other information as regulated in the prevailing laws.
- To ensure that Board of Directors follows up auditor's findings and recommendation from the Company's internal audit work unit, external audit, result of OJK supervision, and/or result of supervision by other authority.

Professional Ethics for Board of Commissioners

- **Ethics in Exemplary Behaviors**
  - Board of Commissioners encourages implementation of ethical behaviors and upholds ethical standards in the Company, one of the ways is by making the board an exemplary figure for Board of Directors and employees.
  - Board of Commissioners is qualified for capability and integrity so that the implementation of supervisory and advisory functions over Board of Directors for the Company's interests can be conducted well.
  - Takes on duties responsibly, dedicatedly, upholds honesty as the highest value, that is honest in conveying opinions both verbally and written, and in portraying attitude and taking actions.
  - Tolerance in attitude and actions, polite in conveying opinions both verbally and written.
  - Respects GMS resolutions.
  - Has orientation to add values to the Company.
  - Continually improves knowledge and understanding about subjects related to supervision and appropriation of advices to Board of Directors on company management.
  - Takes a stance, conveys opinions, and takes actions as individual clearly and firmly for the interests of the Company. Taking a stance, conveying opinions, and taking actions, all are based on objectivity, professionalism, and independence for balanced interests of both the Company and stakeholders.
  - In performing duties and obligation, puts the interests of the Company in general above individual interests.

- **Ethics in Compliance with Laws**
  Board of Commissioners is obligated to comply with the prevailing laws, articles of association, guidelines for GCG, and the Company's stipulated policies.

- **Ethics in Company's Opportunities**
  During term of office, Board of Commissioners is not allowed to:
  a. Utilize the Company for the interests of individual, family, business group, and/or other parties that can bring disadvantages and reduce the Company's profit;
  b. Utilize the Company's assets, information, or position as member of Board of Commissioners for individual or other's interests that is against the prevailing laws and Company policies.

- **Ethics in Openness and Information Confidentiality**

  Board of Commissioners delivers information based on stipulations in the prevailing laws and always keeps the secrecy of the Company's confidential information entrusted to the board pursuant to the prevailing laws and Company policies.

- **Ethics in Conflict of Interests**
  Conflict of interests is defined as a certain condition where the interests of members of Board of Commissioners are contrary to the interests of the Company to attain profit, improve value, achieve vision, and implement mission and directions from GMS, which will eventually bring disadvantages to the Company. Therefore, a member of Board of Commissioners shall always:
  a. Avoid conflict of interests;
  b. Fulfill the Special List containing his or her share ownership and/or family's in other company, including if not having any ownership in the Company, make updates regularly every end of year, and must inform the Company if there is any change in the data, based on the prevailing laws;
  c. Live by the principle of never committing abuse of position for private or other party's interests that are against the interests of the Company;
  d. Avoid every activity that can affect independence while conducting duties;
  e. Disclose in the event of conflict of interests, and member of Board of Commissioners who discloses is not allowed to involve in decision-making process in the Company for relevant subject;
  f. Ignore requests from any party under any circumstance, in the form of direct requests from certain parties for donation proposal, including those for goods and services procurement in the Company;
  g. Comply with the prevailing laws, including not to involve in insider trading to gain individual profit.

- **Ethics in Individual Profit**
  Board of Commissioners is prohibited to take individual profit from company activities, except salary and facilities received as members of Board of Commissioners, which are determined by shareholders.

- **Business Ethics and Anti-Corruption**
  a. Members of Board of Commissioners shall not receive, directly or indirectly, something valuable from other party to influence or as a reward for what have been done.
  b. All rewards, gifts, and donation received by members of Board of Commissioners shall be reported to Board of Commissioners.
  c. Members of Board of Commissioners are not allowed to give gifts and other kinds of reward to certain parties that can influence decision-making process.

Duties and Authorities of Board of Commissioners

Generally, Board of Commissioners is responsible for the following matters:

1. To evaluate and approve business strategy in general, annual budget, risk management policy, and Board of Directors' other measures that require approval from Board of Commissioners as regulated in the Company's article of association;
2. To ensure that decisions and capital spending are made by considering long-term strategic goals;
3. in taking on its duties, Board of Commissioners are prohibited from involving in the making of operational decisions, except in approval for credit proposal where credit exposure exceeds Board of Directors' credit-approval authority;
4. To ensure that the Company maintains financial integrity and acts in accordance with business plan that has been approved by Board of Commissioners and GMS resolutions; and
5. To ensure that Good Corporate Governance is implemented based on guidelines and code of conduct in all aspects of corporate activities, business relationship, and in all levels of corporate hierarchy.

Detailed distribution of duties and responsibilities between Commissioners and Independent Commissioners is as follow:

1. President Commissioner:
    a. To study extensively and thoroughly the implementation of Good Corporate Governance;
    b. To review problems in macro economics and finance;
    c. To communicate with controlling shareholders about subjects involving shareholders;
    d. To preside Board of Commissioners meeting and joint meeting with Board of Directors.

2. Independent Commissioners:
    a. to supervise and give advices on implementation of Good Corporate Governance;
    b. to review and give recommendations about every proposal from Board of Directors that needs approval from Board of Commissioners and Chairman of Audit Committee;
    c. to give advices on legal matters;
    d. to give advices on compliance with laws;
    e. to maintain good relationship with regulators.

3. Commissioners:
    a. to conduct supervision over corporate governance policies;
    b. to give advices to Board of Directors with good intention, responsibly, and carefully;
    c. to conduct supervision over decisions that have been made and to be made by Board of Directors.

Rights of Board of Commissioners

Generally, Board of Commissioners has the following rights:

1. To have access to company information timely, completely, and transparently;
2. To get explanation from Board of Directors and/or members of Board of Directors about all questions asked by members of Board of Commissioners;
3. To remove members of Board of Directors temporarily based on article of association;
4. To form Audit Committee and other committees (if necessary) by considering the Company's needs and ability;
5. To be able to use experts in conducting duties for a certain period of time with expenses chargeable to the Company, if necessary.
6. To participate in Board of Directors meetings and convey opinion about discussed subjects;
7. every member of Board of Commissioners is entitled to receive honorarium and benefits/facilities, including retirement benefits, with type and scale that are stipulated in GMS pursuant to the prevailing laws; and
8. To get the Company's facilities based on GMS resolutions, with appropriation that is adjusted to the Company's financial condition, fit and proper principle, and not contrary to the prevailing laws.

Board of Commissioners Meetings

Board of Commissioners is obligated to convene meetings at least 1 time in 2 months, which can be held if participated by the majority or 2/3 (two third) of all members of Board of Commissioners.

a. **Policies for Board of Commissioners Meetings**

Board of Commissioners holds joint meetings periodically with Board of Directors. If needed, a Board of Commissioners meeting can be held after a joint meeting, if one member of Board of Commissioners considers it necessary and conveys it in written request from one or more members of Board of Directors, or if asked by one or more shareholders who altogether own 1/10 (one tenth) of all shares released by the Company with legitimate voting right.

Resolutions of Board of Commissioners meetings are based on deliberation to achieve consensus. In the event that consensual resolution is not achieved, resolutions shall be adopted through voting under the condition that more than ½ (a half) of the number of members of Board of Commissioners attend the meetings. Any member of Board of Commissioners who has conflicts with the resolutions is not allowed to give his/her voting right during decision-making process.

Board of Commissioners can also make resolutions that are legitimate and binding without convening official Board of Commissioners meetings, under the condition that all members of Board of Commissioners have given written approval on the proposal and signed the document. Such resolutions have the same legal strength with legitimate resolutions adopted through official Board of Commissioners meetings.

b. **Taking Minutes of Meeting**

1. Minutes of meeting are written for every Board of Commissioners meeting, containing subjects discussed, including disapprovals/dissenting opinions from members of Board of Commissioners (if any) and all matters that are decided.
2. Minutes of meeting are signed by a meeting leader and all participating members of Board of Commissioners.
3. Minutes of meeting describe the process of the meetings. This is important to review decision-making process and at the same time functions as a legal document and legitimate proof to determine accountability of meeting resolutions.
4. Therefore, minutes of meeting shall include:
   - Location, date, and time of meeting;
   - Meeting agenda;
   - List of attendees signed by each meeting participants;
   - Meeting duration;
   - Various opinions during meeting;
   - Decision-making process;
   - Achieved resolutions; and
   - Statement of objection against a meeting resolution in the event that solid consensual resolution is not reached.
5. Minutes of meeting include a letter of authorization entrusted specially by any member of Board of Commissioners who does not attend the meeting to other member of Board of Commissioners.

c. **Procedures for Taking Minutes of Board of Commissioners Meeting**

- The official appointed by President Commissioner and/or meeting leader is responsible to write, administer, and distribute minutes of meeting.
- Minutes of Board of Commissioners meeting describe meeting dynamics, namely discussed subjects (including different opinions/including dissenting opinions from members of Board of Commissioners, if any) and subjects that are decided.
- In the event that the meeting is not participated by the official appointed by President Commissioner, minutes of meeting are documented by a member of Board of Commissioners appointed by attendees.
- Every member of Board of Commissioners is entitled to receive minutes of meeting, regardless of his/her attendance.
- If objection and/or suggestion for revision is not received within a period of time, then it is concluded that there is no objection against and/or revision for minutes of meeting.

- Minutes of meeting that have been revised and signed by all attending members of Board of Commissioners are delivered to all members of Board of Commissioners. Deed of minutes of meeting is given to Board of Directors for safe-keeping and storing, while Board of Commissioners keeps the copy.

Performance Evaluation of Board of Commissioners

A. General Policies

Performance of members of Board of Commissioners is evaluated by Board of Commissioners meetings. Individual evaluation for members of Board of Commissioners is conducted at least through self-assessment and reported in Board of Commissioners meetings.

Generally, performance evaluation of Board of Commissioners is based on obligatory duties mentioned in the prevailing laws, articles of association, and mandate from shareholders. Formal evaluation criteria are informed openly to members of Board of Commissioners since date of appointment.

Result of performance evaluation of Board of Commissioners in general and individually per member functions as an integral part of compensation and incentive scheme for members of Board of Commissioners.

Result of performance evaluation for each individual member of Board of Commissioners is one of the considerations for Board of Commissioners to propose dismissal and/or reappointment relevant member. The evaluation result is a means for assessing and improving the effectiveness of implementation of Board of Commissioners' duties and responsibilities.

B. Criteria for Performance Evaluation of Board of Commissioners

Criteria for performance evaluation of members of Board of Commissioners are proposed by Nomination and Remuneration Committee in Board of Commissioners meetings, whereas result of individual performance evaluation of every member of Board of Commissioners is conveyed in Board of Commissioners meetings, which contains at least the following subjects:

1. level of attendance in Board of Commissioners meetings, coordination meetings, and meeting with existing committees;
2. contribution to the Company's supervision process;
3. involvement in certain assignments;
4. commitment in promoting the Company's interests;
5. compliance with the prevailing laws, articles of association, GMS stipulations, and corporate policies.

Supporting Organs of Board of Commissioners

A. Board of Commissioners Committees

In conducting supervisory duties and advisory function, Board of Commissioners can form Audit Committee and other committees in accordance with development in the prevailing laws and/or as needed by the Company. The committees have duties related to Board of Commissioners' supervisory function, among others, but not limited to, internal control system aspect, nomination and remuneration function for Board of Directors and Board of Commissioners, implementation of risk management and Good Corporate Governance principles pursuant to the prevailing laws. Further explanation about duties, responsibilities, and coverage of committees formed by Board of Commissioners is written into charter in each committee and become an integral part of this Board Manual.

Formation of committees in Board of Commissioners level is legitimized by Board of Commissioners Decree. Formation of additional committee can be done in accordance with necessity and the number of members of Board of Commissioners, and is legitimized with Board of Commissioners Decree.

In the event that those committees are no longer relevant with the Company's condition or not needed anymore, the committees can be dismissed. The committees that can be formed by Board of Commissioners are:

a. Audit Committee

Audit Committee has a duty to give opinions and assist Board of Commissioners in identifying issues that necessarily require attention from Board of Commissioners, and to carry out other duties related with Board of Commissioners' duties, or any tasks needed by Board of Commissioners.

Audit Committee comprises of at least 3 members: 1 individual from Independent Commissioner and 2 individuals from parties outside the Company. Audit Committee is presided by Independent Commissioner, who is responsible to Board of Commissioners.

Independent Commissioner must qualify the following requirements:

i. Not an individual who works or has authorities and responsibilities to plan, lead, control, or supervise the Company within the last six months;
ii. Does not own shares both directly and indirectly in the Company;
iii. Does not have affiliation with the Company, members of Board of Commissioners, members of Board of Directors, or major shareholders; and
iv. Does not have direct or indirect association related to the Company's business activities.

In carrying out its function, Audit Committee has the following duties and responsibilities:

a. To conduct a study of financial information released by the company to public and/or other authorities; among others, financial report, projection, and other reports related to the Company's financial information;
b. To conduct a study of the Company's compliance with laws on business activities, particularly those related to accounting and finance;
c. To provide independent opinions in case of disagreement between company management and public accountant about public accountant's service;
d. To give recommendations to Board of Commissioners regarding designation of public accountant based on independence, coverage of work, and service fee;
e. To conduct a study of auditing implementation by internal auditor and to oversee follow-up measures by the Board of Directors regarding internal auditor's findings;
f. To conduct a study of risk management implementation by Board of Directors by cooperating with the Company's Risk Management Committee;
g. To study complaints related to accounting process and the Company's financial reporting;
h. To study and give suggestions to Board of Commissioners on the Company's potentials conflict of interests; and
i. To keep the Company's document, data, and information in secrecy.

In carrying out its duties, Audit Committee has the following authorities:

a. To access the Company's documents, data, as well as information on employees, funds, assets, and resources that are necessarily required.
b. To communicate directly with employees, including Board of Directors and the party carrying out internal audit function, Risk Management Committee, and public accountant about matters related to Audit Committee's duties and responsibilities.
c. To involve necessary independent party outside members of Audit Committee to help with required duties implementation.
d. To perform other authorities mandated by Board of Commissioners.
e. Not allowed to receive gifts and other forms of gratification that can influence decision-making process.

b. Risk Monitoring Committee

Risk Management Committee is formed by Board of Commissioners based on Board of Commissioners meetings. Risk Management Committee is responsible to review major risks, which are contained in corporate risk register, and ensure that all risks are identified and evaluated in advance.

Risk Monitoring Committee at least consists of 1 person as Independent Commissioner and 1 person from outside the Company who has the expertise in finance and/or risk management, and is responsible to the Board of Commissioners.

In forming the committee, Board of Commissioners considers some criteria referring to Risk Monitoring Committee's duties and responsibilities. The criteria are as follows:

1. Has high integrity and capable of being independent in company management;
2. Understands business, products, and services, as well as risk management technicality;
3. Has sufficient knowledge about macroeconomics and its effects on industry;
4. Has no family relationship with members of Board of Commissioners and Board of Directors; and
5. Chairman of Risk Monitoring Committee is an independent member of Board of Commissioners.

After those criteria are fulfilled, selection and appointment of Risk Monitoring Committee is based on a decision-making process as follows:

1. Board of Directors or Chairman of Risk Monitoring Committee can promote candidates from outside Board of Commissioners to be nominated as members of Risk Monitoring Committee.
2. Nomination and Remuneration Committee will verify qualification and competence of member candidates of Risk Monitoring Committee. After evaluation, Nomination and Remuneration Committee shall approve appointment of members of Risk Monitoring Committee, then Risk Monitoring Committee shall ask Board of Commissioners to issue letter of appointment for member candidates of Risk Monitoring Committee who have been approved.

c. Nomination and Remuneration Committee

Nomination and Remuneration Committee is formed by Board of Commissioners and aimed at supporting Board of Commissioners based on the Company's corporate governance practices. The committee's main function is to ensure a clear and proper process to regulate the appointment of new members in Board of Directors, Board of Commissioners, and/or committees; to conduct performance evaluation of members of Board of Directors and Board of Commissioners; and to give recommendations to Board of Commissioners in subjects related to nomination and remuneration function.

Nomination and Remuneration Committee at least consists of 3 members, 1 person as Independent Commissioner functioning as chairman, 1 Commissioner, and 1 official whose job title is 1 level below a Director who is in charge of human resources management.

Nomination and Remuneration Committee conducts review of annual performance evaluation of Board of Directors. The evaluation focuses on four main subjects, namely: financial achievement, effectiveness of Good Corporate Governance implementation, implementation of risk management and accomplishment of stipulated targets, and review of the Company's vision and mission. For Board of Commissioners, its performance evaluation weighs on implementation of duties mandated by shareholders to supervise the Company's actions as well as to ensure the effectiveness of committees and compliance with regulations and business ethics.

Nomination and Remuneration Committee's duties and responsibilities are divided into two main subjects, namely nomination and remuneration.

Duties and responsibilities related to nomination function comprises:

- To give recommendations to Board of Commissioners about developing criteria for nomination, stipulation of system and process for nomination, and/or replacement of members of Board of Commissioners, Board of Directors, and committees;
- To evaluate required competence and give recommendations to Board of Commissioners about nomination of members of Board of Commissioners, Board of Directors, and committees that will be proposed to General Meeting of Shareholders; and
- To give recommendations to Board of Commissioners about independent parties to be nominated as members of committee.

Duties and responsibilities related to remuneration function comprises:

a. To give recommendations to Board of Commissioners regarding remuneration policy that applies for Board of Commissioners and Board of Directors. The remuneration policy relates to performance evaluation; and
b. To review remuneration and incentive package for members of Board of Commissioners and Board of Directors, which will be proposed to GMS for approval, or Board of Commissioners meeting in the event that GMS delegates Board of Commissioners meeting to determine the remuneration and incentive package.

Work Relationship between Board of Commissioners and Board of Directors

Building a good work relationship between Board of Commissioners and Board of Directors is one of highly significant matters so that each organ of the Company can perform according to its function effectively and efficiently. Therefore, the Company in maintaining good work relationship between Board of Commissioners and Board of Directors applies the following principles:

a. Board of Commissioners respects Board of Directors' function and roles in managing the Company as regulated in laws and articles of association.
b. Board of Directors respects Board of Commissioners' function and roles to conduct supervision and give advice regarding policies on company management.
c. Each work relationship between Board of Commissioners and Board of Directors is a formal relationship in its nature, which is always based on a basic mechanism or liable correspondence.
d. Each informal work relationship can be conducted by each member of Board of Commissioners and Board of Directors, but cannot be used as a formal policy before going through a liable mechanism or correspondence.
e. Board of Commissioners is entitled to get access to the Company's information timely, accurately, and completely.
f. In order to get further information about a certain subject, Board of Commissioners can ask for explanation from officials under Board of Directors by conducting prior coordination with Board of Directors, therefore a balanced work relationship between Board of Commissioners and Board of Directors aiming at applying one-gate policy for corporate communication can be achieved.
g. Board of Directors is responsible to ensure that information about the Company is given to Board of Commissioners timely, accurately, consistently, and completely.
h. Each work relationship between Board of Commissioners and Board of Directors is an institutional relationship. It means that Board of Commissioners and Board of Directors are collective positions that generally represent each of the board members, therefore work relationship between a member of Board of Commissioners and a member of Board of Directors shall be known by other members of Board of Commissioners and Board of Directors.

3. BOARD OF DIRECTORS

I. FUNCTION OF BOARD OF DIRECTORS

Board of Directors is the Company's organ that is fully responsible in company management to achieve the interests and objectives of the Company and to represent the Company either inside and outside court, in all matters and events.

II. MEMBERSHIP FOR BOARD OF DIRECTORS

Board of Directors comprises of at least 2 members, with 1 of them is appointed as President Director.

III. QUALIFICATIONS FOR MEMBER OF BOARD OF DIRECTORS

a. Has good attitudes, moral, and integrity;
b. Proficient in performing legal actions;

c. Within five years prior to appointment and during term of office:
   1. Never been declared bankruptcy;
   2. Never been convicted as a guilty member of Board of Directors and/or Board of Commissioners who lead a company to bankruptcy;
   3. Never been sentenced for a crime that bring disadvantages to national finance and/or related to financial sector; and
   4. Never become a member of Board of Directors and/or Board of Commissioners, who, during term of office:
      i. Ever failed in convening annual GMS;
      ii. Ever experienced rejection from GMS regarding his/her liability as a member of Board of Directors and/or Board of Commissioners, or failed in presenting liability as a member of Board of Directors and/or Board of Commissioners to GMS; and
      iii. Ever experienced causing a company that already has license, consent, or registered in OJK to fail in fulfilling obligation to submit annual report and/or financial report to OJK.

d. Committed to comply with laws; and
e. Has knowledge and/or skills in the fields required by issuer or public listed company.

IV. PROFESSIONAL ETHICS

a. **Ethics in Exemplary Behaviors**
Board of Directors encourages implementation of ethical behaviors and respect of ethical standards in the Company. One of the efforts is by being a good exemplar for employees.

b. **Ethics in Compliance with Laws**
Board of Directors complies with the prevailing laws, articles of association, guidelines for Goof Corporate Governance, and the Company’s stipulated policies.

c. **Ethics in Business Opportunities**
Board of Directors is not allowed to:
   a. Take the Company’s business opportunity for individual interests;
   b. Utilize the Company’s assets, information, or position as member of Board of Directors for individual interests other than stipulations in the prevailing laws and Company policies.
   c. Compete with the Company, that is using insider information to get profits for the interests other than the interests of the Company.

d. **Ethics in Openness and Information Confidentiality**
Board of Directors delivers information based on stipulations in the prevailing laws and always keeps the secrecy of the Company's confidential information entrusted to the board in accordance with the prevailing laws and/or Company policies.

e. **Ethics in Conflict of Interests**
Ethics on conflict of interests comprises:
1. Board of Directors always avoids conflict of interests pursuant to the prevailing laws.
2. Board of Directors shall not commit abuse of position for private, other people's, or other party's interests that are against the interests of the Company.
3. Board of Directors is obligated to fulfill Special List containing his or her share ownership and/or families' in other company, including if not having any ownership, make updates regularly every end of year, and must inform the Company if there is any change in the data, based on the prevailing laws.
4. If a conflict of interests occurs, members of Board of Directors involving in the conflict shall not interfere with decision-making process in the Company related to the case.
5. Living by the principle of not committing abuse of position for private, other people's, or other party's interests that are against the interests of the Company.
6. Avoiding every activity that can affect independence while carrying out duties.
7. Disclosing in the event of conflict of interests, and the relevant member of Board of Commissioners is not allowed to involve in decision-making process in the Company related to the case.
8. Complying with the prevailing laws, including not involving in insider trading to gain individual profit.

f. **Ethics in Individual Profit**
Board of Directors is prohibited from taking individual profit from Company activities other than salary, benefits, and facilities received as members of Board of Directors.

g. **Business Ethics and Anti-Corruption**
Members of Board of Directors shall not receive, either directly or indirectly, something valuable from customers to influence or as reward for what have been done and other actions.

V. DUTIES AND OBLIGATIONSOF BOARD OF DIRECTORS

1. Duties and Responsibilities of Board of Directors

Board of Directors' main duties and responsibilities are to maintain the Company's assets and to give proper return of investment to shareholders, as well as to consider about other stakeholders' interests. The responsibilities comprise subjects as follows:

a. To develop vision, mission, and core values, as well as the Company's strategic plan that is consolidated into business budget;
b. To develop a strong organizational structure, to clearly define the functions of each work unit, and to manage human resources effectively;
c. To form a system for internal control mechanism and risk management that ensures the implementation of internal audit function in all management levels and is consistent with policies and agreed procedures; and
d. To manage the interests of the Company's stakeholders.

2. On Subjects Related to Business Ethics and Anti-Corruption

a. Members of Board of Directors shall not receive, directly or indirectly, something valuable from other party to influence or as reward for what have been done.
b. Board of Directors is obligated to sign Integrity Pact for transactional actions that need approval from Board of Commissioners and/or GMS.
c. To report to the Company about share ownership of relevant members of Board of Directors and/or their family in the Company and other companies and have it documented furthermore in a special list.

3. On Subjects Related to Internal Control and Internal Audit

a. Board of Directors is obligated to stipulate policies on effective Internal Control System to secure investment, business activities, and the Company's assets.
b. To evaluate the implementation of risk management based on stipulated criteria.
c. To conduct controlling activities, that is measures taken in a controlling process over Company's activities in each level and unit within the Company's organizational structure. The activities comprise, among others, authority, authorization, verification, reconciliation, performance evaluation, distribution of duties, and security of the Company's assets.
d. To carry out information and communication system, that is a process of presenting report on operational and financial activities, as well as compliance with the prevailing stipulations and regulations.
e. To conduct monitoring, that is a process of evaluating the quality of internal control system, including internal audit function in each level and unit in the Company, so that it can be done optimally, under the condition that any delinquency is reported to Board of Directors while copy of the report is sent to Board of Commissioners.
f. To set the Standard Operating Procedure (SOP) for each point mentioned above in accordance with the Company's need.
g. Board of Directors is obligated to build Internal Control System so that it can direct and guide its staff in implementing their duties in order to achieve organizational goals and targets that have been determined, able to prevent delinquencies, financial leak and

excessive organizational expenses, and even able to detect and prevent acts of corruption and collusion.

h. In order to ensure effective internal control system, President Director is structurally assisted by all structural officials to the level of Head of Department/Unit.
i. To define Internal Audit Charter, which is a further elaboration of Internal Audit unit's duties and function based on Board of Directors Decree.
j. To support the development ofa disciplined and structured environment for internal control in the Company, which comprises:
   1. Integrity, ethical values, and employee competencies;
   2. Philosophy and management style;
   3. Methods used by management to perform authorities and take responsibilities;
   4. Organization and development of human resources; and
   5. Attention and direction from Board of Directors.

4. On Subjects Related to Openness and Information Confidentiality

a. Board of Directors is obligated to disclose important information in Annual Report and Financial Report to other party timely, accurately, clearly, and objectively pursuant to the prevailing laws.
b. To ensure that information about the Company accessed by Board of Commissioners is timely, measurable, and complete.
c. To disclose about how far Good Corporate Governance principles have been implemented.
d. To convey about meetings convened in one fiscal year (internal meetings and joint meeting with Board of Commissioners).
e. Confidential information received during term of office as members of Board of Directors shall be kept secretive pursuant to the prevailing laws.
f. In the subject of keeping the secrecy of the Company's information, Board of Directors is expected to prioritize the Company's interests above individual or group's interests.

5. On Subjects Related to Strategy and Work Plan

a. Board of Directors formulates the Company's vision, mission, goals, strategy, and culture.
b. To make efforts and ensure that the Company's business and activities are implemented in accordance with purpose and objectives as well as business activities.
c. To formulate in time the Company's development plan, annual work plan, including other plans related to implementation of business and corporate activities, and convey them to Board of Commissioners to get legitimation.
d. To formulate long-term plan, which is a strategic plan containing the Company's targets and goals to be achieved.

e. To make efforts in achieving long-term targets written in long-term plan.
f. To make efforts to achieve short-term targets written in annual work plan.

6. On Subjects Related to Risk Management

Board of Directors is obligated to develop risk management and implement it consistently. The developed risk management system comprises of phases as follows:

a. Risk Identification, that is a process to assess relevant and potential risks.
b. Risk Measurement, that is a process to measure the scale of impact and probability of risk identification results.
c. Risk Profile Formulation, that is a process to describe the scale of impact and probability of each risk based on risk identification results.
d. Risk Handling, that is a process to determine viable efforts to handle potential risks.
e. Risk Monitoring, that is a process to conduct monitoring over various factors that presumably lead to emerging risks.
f. Risk Evaluation, that is a process of study on adequacy of the whole risk management activities conducted in the Company.
g. Reporting and Disclosing, that is a process to report risk management system conducted by the Company and its disclosing to related parties based on the prevailing stipulations.

7. On Subjects Related to Relationship with Stakeholders

a. To ensure the fulfillment of stakeholders' rights imposed by the prevailing laws and/or agreements between the Company and employees, service users, suppliers, and other stakeholders.
b. To ensure that the Company performs its social responsibility.

8. On Subjects Related to Other Duties and Obligations

To do other obligations pursuant to stipulations regulated in articles of association and laws.

VI. AUTHORITIES OF BOARD OF DIRECTORS

Board of Directors has the authorities to carry out the Company's business and operational activities as follows:

1. to conduct business development;
2. to represent the Company inside and outside court;
3. to regulate stipulations about employment, including appointment, mutation, succession and dismissal, salary, post-employment benefits, retirement plan, and other kinds of income based on the prevailing laws.
4. to appoint and dismiss Corporate Secretary; and

5. to determine strategic and operational decisions that contain risks and uncertainties.

VII. RIGHTS OF BOARD OF DIRECTORS

1. Each member of Board of Directors has the right to resign from his/her position and give a resignation letter to the Company minimum 30 days prior to the date of resignation.
2. Each member of Board of Directors has the right to defense in GMS if GMS dismisses a member of Board of Directors at anytime.
3. Board of Directors has the right to appoint a person or more as a representative or his/her agent to conduct certain legal actions by giving special authority regulated in letter of authorization.
4. Board of Directors has the right to represent the Company inside and outside court for all matters and events, and to take all measures and actions, either related to management or ownership, and to bound the Company with other party and vice versa other party with the Company, with limitations regulated in the Company's articles of association.
5. Each member of Board of Directors has the right to receive salary and/or remuneration, which scale is stipulated by GMS and this authority can be delegated to Board of Commissioners.

VIII. BOARD OF DIRECTORS MEETINGS

- Board of Directors is obligated to hold Board of Directors meetings periodically at least once every month.
- Board of Directors is obligated to hold Board of Directors meetings with Board of Commissioners periodically at least 1 time in 4 months.

1. Policies

Board of Directors regularly holds joint meetings with Board of Commissioners to discuss about implementation of decisions made in previous meeting, risk management, financial performance, and other subjects that will possibly affect the Company's financial and operational performance.

2. Mechanism for Attendance and Legitimacy of Meeting

1. Board of Directors meetings is led by President Director. In the event that President Director fails to attend the meeting due to any reason, which does not necessarily need to be confirmed to other party, Board of Directors meeting will be led by a member of Board of Directors chosen by and is among the attending members of Board of Directors.
2. A member of Board of Directors can be represented in Board of Directors meeting only by another member of Board of Directors based on letter of authorization.
3. In the event that a principal does not give special authorization, then the authorization is absolute.

4. Board of Directors meeting is legitimate and entitled to make binding decision if more than ½ (a half) of the number of members of Board of Directors attend or are represented in the meeting.
5. Board of Directors meeting is attended by members of Directors, unless when it is necessarily need to be attended by officials of a lower level under Board of Directors or other officials assigned by President Director.

3. The Process of Discussion and Decision-Making

1. All Board of Directors decisions are based on good intention, rational consideration and have gone through in-depth investigation regarding various relevant subjects, sufficient information and free from conflict of interests, and made independently by each director.
2. Resolution of Board of Directors meeting is reached through deliberation to achieve consensus. In the event that consensual resolution cannot be reached, resolution must be based on majority voting with more than ½ (a half) of the number of valid votes given in the meeting.
3. In order to maintain independence and objectivity, any member of Board of Directors who has conflict of interests in a transaction, contract, or proposed contract in which the Company is one of the parties, is obligated to disclose the matter and not participate in voting to achieve decision. This fact shall be noted in minutes of meeting.
4. Each attending member of Board of Directors has the right to cast 1 (one) vote and 1 (one) additional vote for each member of Board of Directors that he/she represents.
5. Blank vote and invalid vote are considered uncast and will not be included in the calculation of total number of valid votes.
6. Board of Directors can also make legitimate decisions without holding Board of Directors meetings, under the condition that all members of Board of Directors give their consent in written statement and sign it. The decision is taken by means of teleconference, video conference, or other kinds of electronic media that enable all members of Board of Directors to see and hear each other directly and participate. Decisions taken in such way has the same strength with decisions taken legitimately in Board of Directors meetings.
7. Decisions related to strategic aspects must be made through Board of Directors meeting mechanism. The strategic aspects include, among others, all Board of Directors' actions that must get approval from shareholders after having written recommendation from Board of Commissioners, and all Board of Directors' actions that must get written approval from Board of Commissioners.
8. Any member of Board of Directors who does not attend or give authorization to other member of Board of Directors is considered giving consent to all decisions taken in Board of Directors meetings.

4. Minutes of Meeting

1. Minutes of meeting are made for each Board of Directors meeting and must also contain dissenting opinions against what is decided in the Board of Directors meeting (if any).
2. Minutes of meeting describe meeting dynamics, that is discussed subjects (including statement of disapproval from members of Board of Directors, if any) and subjects that are decided. This is important for reviewing the decision-making process and at the same time functions a legal document to determine accountability of meeting resolutions. Therefore, minutes of meeting shall include:
   a. Location, date, and time of meeting;
   b. Meeting agenda;
   c. List of attendees;
   d. Meeting duration;
   e. Various opinions during meeting;
   f. Decision-making process; and
   g. Achieved resolutions.
3. Minutes of meeting can be written and documented by Corporate Secretary, this task also includes safe-keeping and distributing it to meeting attendees.
4. Each member of Board of Directors has the right to receive a copy of minutes of meeting, regardless of his/her attendance in Board of Directors meetings.
5. Copy of minutes of meeting shall be delivered to all members of Board of Directors at the latest 7 (seven) days after the meeting.
6. Within the period of 14 days since the delivery date of minutes of meeting, each member of Board of Directors who attends or is represented in Board of Directors meetings must convey to the meeting leader about his/her approval or disapproval and/or suggestion for revision, if any, regarding what is contained in minutes of meeting.
7. If disapproval and/or suggestion for revision is not received within the time period, it is concluded that there is no disapproval nor suggestion for revision regarding the minutes of meeting.
8. After minutes of meeting is revised (if there is any revision) and signed by all attending members of Board of Directors, it is then submitted to all members of Directors at the latest seven days after revision is signed.
9. Original minutes of meeting is stored and kept by Corporate Secretary.
10. Original letter of authorization is stored by Corporate Secretary, while copy of letter of authorization is given to Board of Commissioners for storing and safe-keeping.

IX. PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

1. General Policies

Performance of Board of Directors and members of Board of Directors shall be evaluated by Board of Commissioners. Generally, performance evaluation of Board of Directors is based on obligatory duties mentioned in the prevailing laws and articles of association.

Result of performance evaluation of Board of Directors in general and individually per member shall be an integral part of compensation and incentive scheme for members of Board of Directors.

Result of performance evaluation for each individual member of Board of Commissioners functions as one of considerations, especially for shareholders, to dismiss and/or reappoint relevant member. The performance evaluation result is a means for assessing and improving the effectiveness of Board of Directors.

2. Criteria for Performance Evaluation of Board of Directors

Criteria for performance evaluation of Board of Directors are written into Key Performance Indicator (KPI). Criteria for performance of Board of Directors, both collegially and individually, which are based on recommendation from Nomination and Remuneration Committee (if formed) or other committee that has nomination and remuneration function, are proposed by Board of Commissioners to shareholders for approval. KPI for Board of Directors at least comprises:

1. level of attendance in Board of Directors meetings and joint meetings with Board of Commissioners;
2. contribution to the Company’s business activities;
3. involvement in certain assignments;
4. commitment in promoting the Company’s interests;
5. compliance with the prevailing laws and corporate policies;
6. achievement of targets written into annual work plan and management contract; and
7. achievement of performance pursuant to stipulated individual targets.

D. SHARIA SUPERVISORY BOARD

Sharia Supervisory Board (SSB) is an organ of the Company that has duties and functions in managing Sharia business unit’s activities so that they are in line with Sharia principles.

Number, Composition, Criteria, and Independence of SSB

SSB comprises of at least 1 (one) Sharia expert who is appointed by GMS with recommendation from National Sharia Board of Indonesian Ulema Council.

Duties and Responsibilities of SSB

SSB takes on its duties and functions as:

a. Advisor and counselor to Board of Directors, head of the Company's Sharia business unit, and head of Sharia branch office regarding subjects related to Sharia principles;
b. Supervisor of the Company's Sharia business unit so that it is managed in accordance with Sharia principles;
c. Representative of the Company's Sharia business unit in National Sharia Board of Indonesian Ulema Council.
d. Mediator between the Company and National Sharia Board of Indonesian Ulema Council in communicating proposals and suggestions on developing Sharia business unit's products and services that require study and fatwa from National Sharia Board.

In carrying out its function, SSB is obligated to:

a. Comply with fatwa from National Sharia Board;
b. Make report about business development and Sharia business unit development to regulator with a copy of report for National Sharia Board of Indonesian Ulema Council; and
c. Have good intention, prudence, and full responsibility to perform duties for the interest of the Company and in line with the Company's purposes and objectives by complying to the prevailing laws.

Qualifications and Criteria for Members of SSB

Each member of SSB is obligated to pass fit and proper test organized by Financial Services Authority (OJK).

Members of SSB must fulfill the following criteria:

a. Capable to act with good intention, honesty, and professionalism;
b. Capable to act for the interests of the Company, Sharia business unit, and/or other stakeholders;
c. Prioritize the interests of the Company, Sharia business unit, and/or other stakeholders above private interests;
d. Capable to take decisions based on independent and objective assessment for the interests of the Company, Sharia business unit, and/or other stakeholders; and

e. Capable to avoid abuse of authority in order to get improper private benefits or cause disadvantages to the Company and Sharia business unit.

SSB Meetings

a. SSB shall hold periodic meeting at least 6 times in 1 year.
b. Meeting results shall be written in minutes of meeting and well documented.
c. Dissenting opinions during meeting shall be written clearly in minutes of meeting, along with the reasons.
d. Members of SSB, both meeting attendees and absentees, are entitled to receive copy of minutes of meeting.
e. Number of convened meetings and number of attendances shall be written in Good Corporate Governance implementation report.

Concurrent Job Position in SSB

- SSB members are prohibited from having concurrent job position as member of Board of Directors or Board of Commissioners in the Company.
- SSB members are prohibited from having concurrent job position as member of Board of Directors, Board of Commissioners, or SSB in more than 4 four other Sharia financial institutions.

Prohibitions for Members of SSB

a. Conducting a transaction that contains conflict of interests with the Company's and Sharia business unit's activities;
b. Committing abuse of position in SSB and Sharia business unit for the interests of individual, family, and/or other party that brings disadvantages or reduces the Company's and Sharia business unit's profit; and
c. Taking and/or receiving private benefits from the Company and Sharia business unit.

Sharia Principles

a. In the event that SSB considers there is relevant Board of Directors' policy or act that is not in line with Sharia principles, SSB is obligated to ask for explanation from members of Directors about such policy or improper act.
b. In the event that Board of Directors rejects SSB' evaluation results on subject aforementioned in letter (a), SSB is obligated to report completely and comprehensively to OJK with a copy of report for Board of Directors at the latest seven work days since SSB receives explanation from members of Board of Directors.

c. In the event that Board of Directors accepts SSB' evaluation results on subject aforementioned in letter (a), SSB shall ask Board of Directors to amend the policy or act by relevant member of Board of Directors so that it is in line with Sharia principles.
d. In the event that a member of Board of Directors does not make any effort to amend the policy or act on subject aforementioned in letter (c), SSB is obligated to report immediately, completely, and comprehensively to OJK with a copy of report for Board of Directors at the latest seven work days since relevant member of Board of Directors is acknowledged of not making necessary efforts.

5. COMPLIANCE FUNCTION

Compliance function is a series of preventive (ex-ante) acts or steps to ensure that business activities conducted by the Company are in line with the prevailing regulations and laws.

Duties and Responsibilities

Duties and responsibilities of compliance function are as follows:

a. To realize the implementation of Compliance Culture in all levels of organization and business activities;
b. To manage existing compliance risks;
c. To ensure that policies, stipulations, systems, procedures, and business activities are in line with the prevailing regulations and laws; and
d. To ensure compliance with commitments made to regulator.

Director of Compliance

1. The Company is obligated to have a member of Board of Directors who manages the compliance function.
2. Member of Board of Directors who is in charge of compliance function must not work concurrently as member or Board of Directors who is in charge of financing function, marketing function, except President Director.

Compliance Task Force

1. The Company is obligated to have Compliance task force that performs compliance function;
2. Compliance task force assists Board of Directors in ensuring compliance with laws and regulations in financing business and capital market and other laws;
3. Compliance task force is responsible to member of Board of Directors who is in charge of compliance function.

6. INTERNAL AUDIT

Internal audit function is an independent function in all of the Company's activities and interests. The Company is obligated to form Internal Audit Unit that is independent and responsible to carry out internal audit function. The Company must implement internal audit function effectively. Internal Audit Unit is led by Head of Internal Audit Unit who is appointed and dismissed by President Director with approval form Board of Commissioners. Head of Internal Audit Unit is responsible directly to President Director and must develop functional relationship with Board of Commissioners and Audit Committee.

Duties and Responsibilities of Internal Audit

Internal Audit's duties and responsibilities at least comprise the following tasks:

a. To formulate and implement annual internal audit plan;
b. To test and evaluate implementation of internal control and risk management system;
c. To examine and evaluate the efficiency and effectiveness in finance, accounting, operation, human resources, marketing, information technology, and other activities;
d. To give suggestions for improvement and objective information about activities that are examined in all levels of management;
e. To make report about audit results and submit it to President Director;
f. To monitor, analyze, and report follow-ups of suggested improvement;
g. To formulate programs in order to evaluate the quality of internal audit activities;
h. To conduct special examination if necessary.

Authorities of Internal Audit

Internal Audit Unit has the authorities to:

a. Access all relevant information about the Company in relation to its duties and function;
b. Communicate directly with Board of Directors, Board of Commissioners, and/or Audit Committee;
c. Hold meetings periodically and incidentally with Board of Directors, Board of Commissioners, and/or Audit Committee;
d. Coordinate its activities with external auditor.

Internal Audit Charter

Internal Audit Unit is obligated to have Internal Audit Charter, which is stipulated by Board of Directors after approval from Board of Commissioners.

Internal Audit Charter comprises:

a. Structure and position of Internal Audit Unit;
b. Internal Audit Unit's duties and responsibilities;
c. Internal Audit Unit's authorities;
d. Internal Audit Unit's code of conduct referring to code of conduct that normally applies;

e. Qualifications for auditors in Internal Audit Unit;
f. Internal Audit Unit's liability.
g. Prohibition in concurrent duties and position of auditor andexecutorwho is in charge in Internal Audit Unit.

7. EXTERNAL AUDITOR

1. External Auditor is appointed by GMS from external auditor candidates recommended by Board of Commissioners based on suggestion from Audit Committee.
2. The appointed Public Accountant and Public Accounting Firm have to be registered in OJK.
3. Nomination of external auditor as aforementioned in point (1) must include:
   a. Reasons for nomination and the amount of honorarium or proposed service fee for the external auditor.
   b. External auditor's capability to be influence-free from Board of Directors, Board of Commissioners, Sharia Supervisory Board, and other parties that have interests in the Company, and his/her willingness to give information related to audit results to OJK.
   c. Delivery of audit services is provided by Public Accountant Office and must consider stipulations from OJK.

8. FUNCTIONS OF CORPORATE SECRETARY

1. Corporate Secretary is an individual ora person in charge of work unit that carries out corporate secretary function.
2. Corporate Secretary is appointed and dismissed based on Board of Directors decree and responsible to Board of Directors.
3. Corporate Secretary position can be performed concurrently by a member of Board of Directors.
4. Corporate Secretary is prohibited from having concurrent job position whatsoever in other public listed company.
5. Information conveyed by Corporate Secretary to public is official information from the Company.
6. Corporate Secretary is obligated to improve knowledge and participate in education and/or training at least in legal and accounting fields and secretarial practices.

Qualifications for Corporate Secretary

A corporate Secretary must fulfill the following requirements:

1. Proficient in performing legal acts;
2. Has knowledge and understanding in law, finance, and corporate governance;
3. Understands the Company's business activities;
4. Communicates fluently; and
5. Domiciled in Indonesia.

Professional Ethics for Corporate Secretary

Work ethics for Corporate Secretary and employees in work unit that carries out corporate secretarial function at least comprise:

1. Maintaining the secrecy of confidential document, data, and information, except in matters related to fulfilling obligations as demanded by laws.
2. Not taking private benefits, either directly or indirectly, which can bring disadvantages to the Company.

Duties and Responsibilities

Corporate Secretary's duties and responsibilities are as follows:

1. To remain updated with capital market issues, especially about prevailing laws in capital market and socialize them to Board of Commissioners, Board of Directors, and stakeholders;
2. To provide input for Board of Directors and Board of Commissioners to comply with stipulations and laws in capital market;
3. To assist Board of Directors and Board of Commissioners in implementing corporate governance, which covers:
    a. Information openness to public, including availability of information on company website;
    b. Timely report submission to OJK, Indonesian Stock Exchange (BEI), and other regulator institutions;
    c. Convening and documenting GMS, including preparing for the convening process (report of GMS plan, announcement, summoning, and distribution of GMS results), preparing for GMS materials (including the Company's Annual Report), and implementation of GMS;
    d. Convening and documenting Board of Directors and/or Board of Commissioners meetings; and
    e. Implementing introductory program for new members of Board of Directors and/or Board of Commissioners as well as other committees under Board of Commissioners;
    f. Provide services for public regarding any information about the Company's condition.

CHAPTER VI
MECHANISM FOR IMPLEMENTING CORPORATE GOVERNANCE

A. IMPLEMENTATION OF RISK MANAGEMENT AND INTERNAL CONTROL

1. The Company is obligated to implement risk management by identifying, evaluating, and monitoring risks effectively.
2. Risk management shall be made in line with goals, business policies, business scale and complexity, and the Company's capabilities.
3. Implementation of risk management shall be in line with risk management policies stipulated in Internal Memorandum, Standard Operating Procedure (SOP), and other policies.

Board of Directors is obligated to implement an effective and efficient internal control to provide enough confidence that the Company's business activities are carried out according to targets and business strategy, as well as articles of association, other internal regulations in the Company, and also laws.

Internal control in the Company must cover at least the following subjects:

a. Internal control environment that is disciplined and structured;
b. Business risk management and study, that is a process to identify, analyze, evaluate, and manage business risks;
c. Control activities, that is measures conducted in a control process over the Company's activities in each level and unit within the Company's organizational structure. The activities comprise, among others, authorities, authorization, verification, reconciliation, performance appraisal, distribution of duties, and security of the Company's assets.
d. Information and communication system, that is a process of presenting report on operational and financial activities, as well as compliance with the prevailing laws in the fields of financing, capital market, and other relevant regulations.
e. Monitoring procedures, that is the process of evaluating the quality of internal control system, including internal audit function in each level and unit in the Company's organizational structure, so that it can be done optimally;
f. Mechanism for reporting to Board of Directors, with a copy of report for Audit Committee, in the event of quality delinquency in internal control system, including internal audit function in each level and unit in the Company's organizational structure.

B. REMUNERATION

The Company is obligated to implement remuneration for members of Board of Directors, Board of Commissioners, Sharia Supervisory Board, and employees, which shall encourage behaviors based on prudential principles that is in line with the Company's long-term interests and fair treatment to debtors, creditors, and/or other stakeholders. Remuneration policy at least must include the following subjects:

a. Financial performance and fulfillment of company obligations as regulated in the prevailing laws;
b. Individual work achievements;
c. Properness with the Company and/or job position of equal level (peer group);
d. Considerations regarding the Company's targets and long-term strategy.

Remuneration for Board of Commissioners and Board of Directors

1. Stipulation about remuneration for Board of Commissioners and Board of Directors is recommended by Remuneration Committee.
2. Formulation of structure, policy, and scale of remuneration for Board of Commissioners and Board of Directors by Remuneration Committee must consider at least the following subjects:
    a. Remuneration that applies in the industry in accordance with similar business activities and the Company's business scale in the industry;
    b. Duties, responsibilities, and authorities of members of Board of Directors and/or members of Board of Commissioners in relation to goals and work performance;
    c. Performance targets or work achievements of each members of Board of Directors and/or members of Board of Commissioners;
    d. Considerations regarding the Company's targets and long-term strategy;
    e. Balance between fixed remuneration and variable remuneration.
3. Structure, policy, and scale of remuneration for Board of Directors and Board of Commissioners shall be evaluated periodically.

TRANSPARENCY AND INFORMATION OPENNESS

The Company is obligated to implement transparency and information openness as one of important pillars in implementing Good Corporate Governance. Transparency and information openness are conducted through provision of qualitative and quantitative information that is timely, accurate, relevant, and sufficient. Transparency and information openness can simplify information users to assess financial condition, work performance, risk profile and risk management implementation, the Company's business activities, and other related information.

TRANSPARENCY OF FINANCIAL AND NON-FINANCIAL CONDITIONS

The Company is obligated to disclose financial and non-financial conditions to stakeholders. Disclose of information about financial condition is conducted among other through publication of periodic report, which at least contains financial report, financial performance, and other information presented in Indonesian currency (Rupiah). Disclose of non-financial information comprises company management and ownership, business development, business group, management strategies and policies, management report, and other information materials.

TRANSPARENCY OF PRODUCT INFORMATION AND USE OF CONSUMER DATA

1. Consumers
   Regarding benefits and risks attached to products. The Company is obligated to provide or convey information about products and/or services accurately, honestly, clearly, and not misleadingly, which is written into documents or other medium that can be used as evidences in Bahasa Indonesia. Information that is conveyed must be of the most recent and accessible by consumers.

2. Consumer Information
   The Company is prohibited by any means to give data and/or information about consumers to third party, unless consumers have given written consent; and/or obligated by laws. In the event that the Company obtains data and/or private information of someone and/or a group of people from other party and will use the data and/or information to conduct activities, then it is obligated to have written statement that the party who provides data and/or information has gained written consent.

CORPORATE WEBSITE

The Company is obligated to have corporate website to provide access for shareholders and other stakeholders about the Company's actual and recent information. Corporate website must contain information that is public, actual, and most recent in Bahasa Indonesia and English. Information provided in corporate website shall be true, not misleading, clear, and trustworthy.

CORPORATE BUSINESS PLAN

The Company is obligated to formulate strategic plan in the form of business plan. Business plan is the Company's plan for business activities to be conducted in short term (1 year), including plan to improve business performance and strategy to realize the plan by keep heeding to prudential principles and risk management implementation. In the event that the Company has business activities based on Sharia principles, business plan must comprise business plan for Sharia business activities. The Company is obligated to formulate annual business plan and submit it to OJK as imposed by laws.

CHAPTER VII

SELF-ASSESSMENT AND CORPORATE GOVERNANCE REPORT

Self-Assessment

The Company is obligated to conduct periodic self-assessment on implementation of corporate governance at least 1 (one) time annually or pursuant to regulations and laws.

Self-assessment is conducted by formulating adequacy analysis and effectiveness of implementation of GCG principles pursuant to OJK stipulations. Assessment is written into paperwork pursuant to guidelines of assessment in an integrated way and/or based on guidelines of assessment issued by OJK.

GCG Implementation Report

1. The Company is obligated to write corporate governance report every end of fiscal year;
2. Corporate governance report at least contains:
    a. Transparency of corporate governance implementation, which at least comprises disclose of all aspects in implementing corporate governance principles pursuant to OJK stipulations;
    b. Action plan, which comprises necessary corrective actions, resolution time, and challenges to resolutions if there is inadequacy in implementation of corporate governance.
    c. Anti-Fraud Strategy; and
    d. Including Sharia Business Unit
3. Corporate governance report shall be submitted to OJK at the latest on April 30 of the following year.