

Charter for the Board of Directors

Composition of the Board of Directors

Composition of the Board of Directors

- The total membership of the Board of Directors shall be at least 3 (three) persons.
 - All members of the Board of Directors must be domiciled in Indonesia.
 - The Board of Directors shall be led by a President Director.
 - The President Director must be independent of the controlling shareholder.
 - A member of the Board of Directors shall be appointed as a Director in charge of the Compliance function.
 - The membership of the Board of Directors must take into account diversity in terms of gender, age, education background, and expertise.
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Eligibility criteria/requirements for membership of the Board of Directors

Any member of the Board of Directors must fulfill the criteria/requirements as laid down in the Regulation of the Financial Services Authority/ Bank Indonesia on Fit and Proper Tests, namely:

- Having good character, morals, and integrity;
- Legally competent to perform a legal act;
- Within 5 (five) years prior to the appointment and during his/her term office:
 - never having been declared bankrupt;
 - never having been a member of the Board of Directors and/or the Board of Commissioners found responsible for causing a company to go bankrupt;
 - never having been convicted of a criminal offense that is detrimental to the state finances and/or that is related to the financial sector; and
 - never having been a member of the Board of Directors and/or the Board of Commissioners that during his/her office:
 - 1) once failed to hold the annual GMS;
 - 2) once had his/her accountability as a member of the Board of Directors and/or the Board of Commissioners rejected by the GMS or once failed to submit his/her accountability report as a member of the Board of Directors and/or the Board of Commissioners to the GMS; and
 - 3) once caused a company that has obtained a license, approval, or registration from the Financial Services Authority to neglect the obligation to file an annual report and/or financial statements with the Financial Services Authority;

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Eligibility criteria/requirements for membership of the Board of Directors, continuation

- Committed to complying with the prevailing laws and regulations;
- Having the knowledge and/or expertise in the relevant field as required by the Company;
- The criterion of integrity, which includes the following:
 - 1) Legally competent to perform a legal act; the expression ‘legally competent to perform a legal act’ has the meaning as assigned to it in the Indonesian Civil Code;
 - 2) Having good character and morals, at least demonstrated by his/her compliance with the prevailing law, including not having been convicted of a criminal offense within a certain period prior to being nominated. The expression “criminal offense” as mentioned above shall refer to the following:
 - i. a criminal offense in the financial sector, in respect of which the convicted person has fully served the sentence within the last 20 (twenty) years prior to being nominated;
 - ii. any criminal offense listed in the Indonesian Criminal Code (KUHP) and/or a similar Criminal Code in other jurisdictions, subject to imprisonment of 1 (one) year or more, which has been fully served by the convicted person within the last 10 (ten) years prior to being nominated; and/or
 - iii. any other criminal offense subject to imprisonment of 1 (one) year or more, such as corruption, money laundering, narcotics/psychotropics, smuggling, customs or excise violation, human trafficking, illicit firearms trafficking, terrorism, currency counterfeiting, taxation, forestry, environment, maritime, and fishery crimes, which has been fully served by the convicted person within the last 20 (twenty) years prior to being nominated;
 - 3) Committed to complying with the prevailing laws and regulations and supporting the policies of the Financial Services Authority;
 - 4) Committed to developing a healthy Bank;
 - 5) Not included as a person prohibited from becoming a Main Party, among others not being on the List of Failed Candidates (*Daftar Tidak Lulus*, DTL) of a Fit and Proper Test). According to the relevant regulation on Fit and Proper Tests, the expression ‘Main Party’ includes a Controlling Shareholder, a member of the Board of Directors, and a member of the Board of Commissioners;
 - 6) Committed to avoiding and/or repeating any act and/or action that may cause him/her to be prohibited from becoming a Main Party.
- The criterion of competence, which includes the following:
 - 1) having good knowledge in the banking sector relevant to his/her position. The expression ‘knowledge in the banking sector’ includes, among others, knowledge about relevant regulations and Bank operations including a good understanding of risk management;
 - 2) being informed of the duties and responsibilities of the Main Entity and having a good understanding of the primary business activities and the main risks of a Financial Services Institution in a financial conglomerate;

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Eligibility criteria/requirements for membership of the Board of Directors, continuation

- 3) having experience in the banking sector and/or the financial sector, among others experience in operations, marketing, accounting, audit, funding, credit, money markets, capital markets, law or otherwise experience in the supervision of Financial Services Institutions;
 - 4) having the ability to implement strategic management to develop a healthy Bank;
 - 5) having at least 5 (five) years' experience in the operations division and a position at least as a Bank Executive Officer;
- The criterion of financial reputation, which includes the following:
 - 1) not having any bad credit and/or bad financing; and
 - 2) never having been declared bankrupt or never having been a shareholder, a non-shareholder Controlling Party of an Insurance Company, a member of the Board of Directors, or a member of the Board of Commissioners found responsible for a company's bankruptcy within the last 5 (five) years prior to being nominated.

Term of Office of the Board of Directors

The term of office of the members of the Board of Directors shall be subject to the following provisions:

- The term of office of the members of the Board of Directors shall commence on the date stipulated by the GMS appointing such members of the Board of Directors and shall terminate at the close of the 5th (fifth) Annual GMS after the GMS appointing such members of the Board of Directors. If at the time of their appointment by the GMS, the prospective members of the Board of Directors have not passed the Fit and Proper Test, the term of office of the prospective members of the Board of Directors shall be effective as of the date determined by the GMS provided that such members of the Board of Directors have passed the Fit and Proper Test.
- Any member of the Board of Directors whose term of office has expired may be reappointed.
- The GMS is entitled to remove any member of the Board of Directors at any time before the expiry of his/her term of office.
- Any member of the Board of Directors is entitled to resign from his/her office by complying with the provisions of the Company's Articles of Association. If a member of the Board of Directors wishes to resign, such member of the Board of Directors must tender his/her resignation to the Company.
- The term of office of a member of the Board of Directors shall automatically terminate, if he/she:
 - resigns in accordance with the provisions of the Company's Articles of Association (including resignation due to his/her implication in a financial crime);
 - is deceased;
 - is dismissed under the resolution of the GMS;
 - is declared bankrupt or placed in receivership under a Court order;
 - ceases to be in compliance with the prevailing laws and regulations.

Further procedures for the appointment, replacement, dismissal, amendment, or resignation of a member of the Company's Board of Directors are set out in the Company's Articles of Association.

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Appointment of the Board of Directors

The members of the Board of Directors shall be appointed by the GMS. Any proposal submitted to the GMS for the appointment and/or replacement of a member of the Board of Directors must take into account the recommendation from the Remuneration and Nomination Committee. If any member of the Remuneration and Nomination Committee has a conflict of interest with the proposal in respect of which the recommendation shall be given, then such conflict of interest must be disclosed in the proposal.

Each member of the Board of Directors must meet the requirement of passing the Fit and Proper Test in accordance with the applicable provisions on Fit and Proper Tests.

Dual Capacity of Member of the Board of Directors

- No member of the Board of Directors may have dual capacity by concurrently serving as a member of the Board of Commissioners, a member of the Board of Directors, or an Executive Officer in another bank, company, and/or institution.
- The prohibition of dual capacity as described in the foregoing paragraph shall not apply to a member of the Board of Directors charged with the supervision of participation in the Company's subsidiary or performing a functional duty as a member of the Board of Commissioners in a non-bank subsidiary controlled by the Company, provided that such dual capacity does not cause the relevant Director to neglect his/her duties and responsibilities as a member of the Company's Board of Directors.

In the event of any other provisions of law on dual capacity that turn out to be inconsistent with or contrary to the provisions of the Regulation of the Financial Services Authority and/or Bank Indonesia, the stricter provisions shall prevail.

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Obligations, Duties, Responsibilities, and Authorities of the Board of Directors

The duties, responsibilities, and authorities of the Board of Directors, among others, include the following:

1. The Board of Directors shall be fully responsible for the management of the Company in the best interests of the Company to achieve the aims and objectives of the Company. The primary duties of the Board of Directors are as follows:
 - a. directing and managing the Company in accordance with the aims and objectives of the Company;
 - b. controlling, maintaining, and managing the Company's assets in the best interests of the Company;
 - c. creating an internal control structure, ensure the proper implementation of the Company's internal audit function in all levels of management as well as following up the findings of the Company's Internal Audit Division in accordance with the Board of Commissioners' policies or directions;
2. All members of the Board of Directors shall, in good faith and with full responsibility, perform their duties with due observance of the prevailing laws and regulations.
3. The Board of Directors shall represent the Company both within and outside the Court concerning all matters and occurrences, and cause the Company to enter into binding arrangements with other parties, and other parties with the Company, and take all actions relating to both the management and the ownership of the Company; provided, however, that with regard to the following actions, the Board of Directors shall obtain prior written approval from the Board of Commissioners:
 - a. lending money or providing credit facilities or any other banking facilities that have similar nature or that results in lending:
 - 1) to a related party as stipulated in the regulations of Bank Indonesia concerning the Legal Lending Limit for Commercial Banks;
 - 2) in a certain amount exceeding the amount stipulated by the Board of Commissioners from time to time;
 - b. providing guarantees in favor of another party (*penanggungan utang*):
 - 1) to secure the payment obligations of a related party to another party as described in the regulations of Bank Indonesia or the Financial Services Authority concerning the Legal Lending Limit for Commercial Banks;
 - 2) to secure the obligations of another party in an amount exceeding the amount stipulated by the Board of Commissioners from time to time;
 - c. purchasing, or otherwise acquiring real property, except for other activities generally conducted by the Company to the extent not contrary to the prevailing laws and regulations, including among others, any measures for the purposes of restructuring or credit rescue, such as purchasing collateral in an amount exceeding the limit stipulated by the Board of Commissioners from time to time, whether in part or in whole, by auction or by other means, if a debtor defaults on its obligations to the Company, provided that the collateral so acquired must be realized upon as soon as practicable;

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Obligations, Duties, Responsibilities, and Authorities of the Board of Directors, continuation

- d. establishing a new company, conducting, canceling, reducing, or increasing capital participation, except for:
 - 1) an increase in capital participation that comes from a company's dividends; or
 - 2) any capital participation for the purpose of a credit rescue: with due observance of the prevailing laws and regulations;
- e. borrowing money other than by raising funds from the public in the forms of deposits such as current accounts (*giro*), time deposits, certificates of deposit (*sertifikat deposito*), savings and/or other deposits of similar nature, in the amount as determined by the Board of Commissioners from time to time;
- f. transferring or waiving the Company's claims that have been written off, whether in part or in whole, in the amount as determined by the Board of Commissioners from time to time;
- g. selling or transferring, or disposing of or creating security interests on the Company's assets in an amount exceeding a certain amount as determined by the Board of Commissioners from time to time but in any event less than or equal to 1/2 (one half) of the Company's net assets as evident in the Company's balance sheet, whether in 1 (one) transaction or several independent or related transactions in 1 (one) financial year;
- h. performing certain strategic legal acts or transactions that may have material adverse effects on the business continuity of the Company, the types of which shall be determined by the Board of Commissioners from time to time;

The Board of Commissioners may grant approval for the above actions of the Board of Directors to perform 1 (one) particular act or more than 1 (one) act, and such approval may from time to time be reviewed, in any event without prejudice to the prevailing laws and regulations.

- 4. In order to take any of the following actions:
 - a. transferring, disposing of, and/or creating security interests on more than 1/2 (one half) of the Company's net assets or all of the Company's assets, whether in 1 (one) transaction or several independent or related transactions in 1 (one) financial year; or
 - b. filing an application for bankruptcy or suspension of payment obligations (*Penundaan Kewajiban Pembayaran Utang*) with the competent authorities;

the Board of Directors must obtain prior approval from the GMS attended by the shareholders of the Company or their legal proxies representing at least 3/4 (three quarters) of the total outstanding shares of the Company with valid voting rights, and the proposal must be approved by more than 3/4 (three quarters) of the total votes validly cast in the relevant meeting;

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**Obligations,
Duties,
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5. If:
 - a. a member of the Board of Directors cannot represent the Company due to a conflict of interest, the Company must be represented by another member of the Board of Directors (without prejudice to the provisions of the Company's Articles of Association);
 - b. If all members of the Board of Directors have a conflict of interest with the Company in respect of a transaction, the Company shall be represented by the Board of Commissioners, which will act for and on behalf of the Company with respect to such transaction;
 - c. The provisions of points 5.a. and 5.b. above shall not in any way prejudice the provisions concerning "Transactions with a Conflict of Interest" as referred to in the Company's Articles of Association;
6. Without prejudice to any other provisions of the Company's Articles of Association:
 - a. the President Director and a member of the Board of Directors shall be entitled and authorized to act for and on behalf of the Board of Directors and represent the Company;
 - b. If the President Director for any reason is not or has not been appointed or is unavailable or absent (in respect of which no evidence needs to be given to any third parties), then the Deputy President Director together with a member of the Board of Directors shall be entitled and authorized to act for and on behalf of the Board of Directors and represent the Company;
 - c. If the President Director and the Deputy President Director for any reason are not or have not been appointed or are unavailable or absent (in respect of which no evidence needs to be given to any third parties), then any 2 (two) Directors shall be entitled and authorized to act for and on behalf of the Board of Directors and represent the Company;
7. Without prejudice to the Board of Directors' responsibility, the Board of Directors may for certain acts appoint one or more persons as its proxy(ies) with the powers and provisions as stipulated by the Board of Directors in a special power of attorney.
8. In relation to the primary duties of the Board of Directors as described above:
 - o the Board of Directors shall, among others:
 - 1) conduct the Company's business and ensure that the Company's business activities are duly conducted in accordance with the Company's objectives and line of business;
 - 2) prepare the Company's business development program, the Company's business plan and annual budget including other plans pertaining to the conduct of the Company's business and submit them to the Board of Commissioners;

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Obligations, Duties, Responsibilities, and Authorities of the Board of Directors, continuation

- 3) keep and maintain the Company's books and records and administration according to the common practice generally applicable to a company;
 - 4) establish an accounting system based on internal control principles, especially the separation of the management, recordation, safekeeping, and supervision functions;
 - 5) provide accountability reports and any information about the Company's condition and operations such as a report on the Company's activities, including its financial statements, whether annually or otherwise, in the manner and at the time as stipulated in the Company's Articles of Association upon request by the Board of Commissioners;
 - 6) prepare the Company's organizational structure together with the job descriptions;
 - 7) perform any other obligations as stipulated in the Company's Articles of Association or as directed by the Board of Commissioner's Meeting or the GMS.
- o The Board of Directors shall have, among others, the following rights and authorities:
- 1) establishing policies in directing and managing the Company;
 - 2) establishing regulations with regard to the Company's personnel affairs as well as determining the salary, retirement or old age security pension, and other income for the Company's employees, subject to the prevailing laws and regulations and/or resolutions of the GMS (if any);
 - 3) appointing and dismissing any of the Company's employees in accordance with the Company's employment policy;
 - 4) granting powers to one or more members of the Board of Directors or one or more employees of the Company, whether on their own or together with another person or entity, to represent the Company within and outside the Court;
 - 5) taking any other actions in relation to both management and ownership, in accordance with the provisions that shall be further stipulated by the Board of Commissioners with due observance of the prevailing laws and regulations.
9. Below are other responsibilities of the Board of Directors:
- a. implementing the GCG principles in all business activities of the Company at all levels of the organization;
 - b. Developing an internal control framework to identify, measure, monitor, and control all the risks faced by the Company;
 - c. following up on the audit findings and recommendations from the Company's Internal Audit Division, External Auditor, and the supervisory outcomes of Bank Indonesia, the Financial Services Authority, and/or other authorities;
 - d. establishing an independent Internal Audit Division to implement an effective internal audit function on operational work units in accordance with the applicable regulations;

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- e. establishing a Risk Management Work Unit, a Risk Management Committee, and a Compliance Work Unit;
 - f. submitting an Annual Business Plan, which also includes the Company's Annual Budget, to the Board of Commissioners to obtain the Board of Commissioners' approval, before the start of the subsequent financial year, with due observance of the prevailing laws and regulations and the applicable regulations in the Capital Markets sector;
 - g. submitting the Company's Financial Statements to the Public Accountant to have them audited;
 - h. disclosing to the employees the Company's strategic policies in the field of employment, including, among others, various employment policies issued through Decision Letters and Circulars that can be accessed by all employees as well as through the book of Collective Bargaining Agreements (CBA), the Company's website, as well as policies on the Recruitment System, Promotion System, Remuneration System. Such disclosure must be made through the facilities known or easily accessible to the Employees;
 - i. providing accurate and relevant data and information in a timely manner to the Board of Commissioners;
 - j. appointing the members of the Supporting Committees for the Board of Directors under resolutions of the Board of Directors' meeting;
 - k. organizing the Annual GMS and/or Other/Extraordinary GMS according to the needs of the Company and with due observance of the applicable regulations;
 - l. providing an accountability report on its duty of managing the Company during the whole of the past year to the GMS no later than 6 (six) months after the close of the Company's financial year;
 - m. filing reports on information transparency with the Bapepam-LK, the Indonesia Stock Exchange, and other competent authorities in accordance with the prevailing laws and regulations;
10. If deemed necessary, the Board of Directors may form Supporting Committees for the Board of Directors/Executives to assist them in carrying out their duties and responsibilities;
 11. The Board of Directors must have a Charter and Terms of Reference, which shall bind all members of the Board of Directors;
 12. In order to ensure the proper implementation of the Integrated Corporate Governance in the Financial Conglomerate, the Board of Directors shall do at least the following;
 - o developing an Integrated Corporate Governance Manual;
 - o directing, monitoring, and evaluating the implementation of the Integrated Corporate Governance Manual; and
 - o following up on the directions or advice from the Board of Commissioners in order to improve the Integrated Corporate Governance Manual;
 13. In carrying out its obligations, duties, responsibilities, and authorities, the Board of Directors must comply with the Company's Articles of Association, the Charter and Terms of Reference for the Company's Board of Directors, and the prevailing laws and regulations.

Charter for the Board of Directors, Continuation

Restrictions Applicable to the Board of Directors

All members of the Board of Directors are prohibited from the following:

1. Taking advantage of the Company for their own personal benefit, or for the benefit of their family, and/or other parties in a way that may harm or jeopardize the interests of the Company;
2. Enjoying and/or gaining personal benefits from the Company other than the remuneration and other facilities as stipulated by the GMS;
3. Becoming a member of the Company's Audit Committee and/or Risk Oversight Committee and/or Remuneration and Nomination Committee and/or Integrated Corporate Governance Committee;
4. Engaging the services of a personal advisor and/or a professional consultant except for the following:
 - a. The project is of special nature;
 - b. The engagement of such services is based on an express contract, at least setting out the scope of work, responsibilities, period of work, and fee;
 - c. The consultant is an independent party, qualified to carry out the project that has a special nature as referred to in item a above.
5. Representing the Company if:
 - a. there is a dispute in court between the Company and the relevant member of the Board of Directors; or
 - b. the relevant member of the Board of Directors has a conflict of interest with the Company.
6. Granting general powers to another party, leading to the transfer or delegation of the Board of Directors' duties and functions. For the purpose of this provision, the expression 'granting general powers' means the grant of general powers to one or more employees or other persons, leading to the transfer of the Board of Directors' duties, authorities, and responsibilities in their entirety and without limitation of scope and time;
7. The members of the Board of Directors, whether individually or collectively, may not own shares in another company, whether at home or overseas, more than 25% (twenty-five percent) of its paid-up capital.
8. The majority of the members of the Board of Directors are prohibited from having a family relationship up to the second degree with other members of the Board of Directors and/or the members of the Board of Commissioners;
9. Taking benefit from any knowledge or information to which the market/public has no privileged access; in other words, the Board of Directors is prohibited from committing insider trading and abusive self-dealing;
10. Taking any actions that may cause losses to the Company or decrease the Company's profit in the event of any conflict of interest, and in such event they must disclose it in the decision.

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Transparency by the Board of Directors

To implement the Transparency Principle, a member of the Board of Directors must:

- Disclose, among others:
 - his/her share ownership both in the Company and in other companies including any shareholding of 5% (five percent) or more of the paid-up capital, including information on the type and number of shares, whether in the Company or in other banks, in non-bank financial institutions or in other companies, whether at home or overseas, in the Good Corporate Governance Implementation Report as stipulated in the Regulation of the Financial Services Authority;
 - the share ownership of his/her family members (spouse and children) both in the Company or in other companies, whether at home or overseas;
 - any financial relationship and/or family relationship with any other member of the Board of Directors, any member of the Board of Commissioners and/or any controlling shareholder of the Company;
 - his/her position in another company.

in the Good Corporate Governance Implementation Report as stipulated in the Regulation of the Financial Services Authority.

- Report to the Company his/her ownership and any change in his/her ownership of the Company's shares no later than 3 (three) business days after acquiring or changing his/her ownership of the Company's shares.
- Report to the Company the ownership or any change in the ownership of the shares held by such member of the Board of Directors or his/her family members (spouse and children) in other companies, whether at home or overseas, on a periodic basis or after acquiring or changing his/her ownership of the Company's shares.
- Report to the Financial Services Authority (formerly called 'Capital Market and Financial Institution Supervisory Agency') and the Indonesia Stock Exchange his/her ownership and any change in the ownership of the Company's shares no later than:
 - 10 (ten) days of the date of the transaction date if such member of the Board of Directors files the report on his/her own; or
 - 5 (five) days of the transaction date if the report is filed by the Company's Corporate Secretary under a power of attorney party.

Such report must at least contain the following:

- a. Name, residence, and nationality;
- b. Name of shares of the Public Limited Company;
- c. Total number of shares and percentage of shareholding before and after the transaction;
- d. Total number of shares purchased or sold;
- e. Purchase and sale price per share;
- f. Transaction date;
- g. Purpose of transaction.
- h. Status of share ownership (direct or indirect); and
- i. if the shares are indirectly owned, information about the shareholder recorded on the Company's register of shareholders must be disclosed in favor of the beneficial owner.

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Transparency by the Board of Directors, continuation

- Disclose any financial relationship and family relationship with any other member of the Board of Directors, any member of the Board of Commissioners and/or any controlling shareholder of the Company in the Report on the Implementation of Good Corporate Governance as stipulated in the Regulation of the Financial Services Authority;
 - Disclose any remuneration and other facilities received by such member of the Board of Directors in the Good Corporate Governance Implementation Report with due observance of the Regulation of the Financial Services Authority on the implementation of Good Corporate Governance in the payment of Remuneration for Commercial Banks.
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Orientation Program for the Board of Directors

The orientation program for new members of the Board of Directors aims to provide the relevant members of the Board of Directors with certain information and understanding of the Company within a short period of time to ensure that they will be able to perform their duties well.

The orientation program shall be organized by the Corporate Secretary and assisted by several Head Office Work Units (*Unit Kerja Kantor Pusat*, UKKP) /relevant Divisions and/or Work Units, as described in PAKAR – Orientation for New Members of the Company’s Board of Directors & Board of Commissioners.

Training Program for the Board of Directors

The training program for the Board of Directors is necessary to allow the Board of Directors to keep up with the latest development on banking, finance, economy, and other matters so that it will be prepared for anticipating problems as well as maintaining and promoting the Company’s continuity and growth. The members of the Board of Directors must participate in the training program at least 1 (one) time in a year to support them in carrying out their duties and responsibilities, and they may participate in training programs or seminars held either at home or overseas with the approval of the President Director.

Work Ethics and Working Hours of the Board of Directors

Work Ethics for the Board of Directors

All members of the Board of Directors must comply with the Company’s Code of Ethics.

Working Hours of the Board of Directors

The Board of Directors must provide ample time to perform its duties and responsibilities optimally according to the Company’s business days.

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Board of Directors' Meeting

Below is the general policy on the Board of Directors' Meeting:

1. Meeting Mechanism

The Board of Directors' Meeting may be held:

- a. physically at the Company's place of domicile or at other places as may be determined by the Board of Directors; or
- b. electronically through teleconferencing, videoconferencing, or other similar electronic media that allow all participants of the Board of Directors' meeting to see and listen to one another directly and participate in the meeting.

2. Meeting Frequency

- a. The Board of Directors' meeting shall be held regularly at least 1 (one) time in a month or at least 12 (twelve) times in a year.
- b. The Board of Directors shall hold a joint meeting with the Board of Commissioners on a regular basis at least 1 (one) time in 4 (four) months.
- c. The Board of Directors' meeting may be held at any time if deemed necessary.
- d. The Board of Directors' meeting may be attended either physically or through a teleconferencing technology or other electronic media.
- e. Every member of the Board of Directors must attend at least 75% (seventy-five percent) of the Meetings held in 1 (one) year.

3. Notice of Meeting

- a. The notice of the Board of Directors' Meeting shall be provided by the Board of Directors' Bureau by email to all members of the Board of Directors at least 5 (five) business days prior to the date of the meeting (D-5).
- b. No notice of meeting shall be necessary for a Board of Directors' meeting that has been previously scheduled according to the provisions of letter a item 4 of this article or otherwise according to the resolution of the previous Board of Directors' meeting.
- c. For a Board of Directors' meeting that is held outside the schedule as described in the provisions of letter a item 4 of this article, a notice of meeting must be provided no later than 1 (one) day prior to the date of the Board of Directors' meeting, or within a shorter period in the event of an emergency.
- d. If all members of the Board of Directors are present or represented, such prior notice of meeting shall not be required, and the Board of Directors' Meeting may be held at any place or by any mechanism and may adopt valid and binding resolutions.
- e. The notice of meeting must contain the agenda (date, time, venue, and topics) as well as the materials for the meeting in accordance with the provisions of item 4 of this policy on the Board of Directors' Meeting.
- f. The members of the Board of Directors shall give confirmation of their attendance to the Board of Directors' Bureau.

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Board of Directors' Meeting, continuation

4. Meeting Schedule and Materials
 - a. The Board of Directors shall set the schedule for the Board of Directors' Meeting as well as the joint meeting between the Board of Directors and the Board of Commissioners for the following year before the end of the financial year and upload it to the Company's website.
 - b. For a scheduled meeting, the materials for the meeting shall be provided to the participants no later than 5 (five) business days before the meeting date (D-5).
 - c. For a meeting that is held outside the scheduled time, the materials for the meeting shall be provided to the participants no later than the start of the meeting.
5. Attendance Quorum

The Board of Directors' Meeting shall be valid and entitled to adopt binding resolutions if more than ½ (one half) of all members of the Board of Directors are present or represented in the meeting.
6. Meeting Resolutions
 - a. All strategic policies and resolutions must be adopted in the Board of Directors' meeting, subject to the supervision by the Board of Commissioners according to its duties and responsibilities.
 - b. The Board of Directors' meeting shall adopt resolutions by prioritizing deliberation for a consensus.
 - c. In the Board of Directors' meeting, each member of the Board of Directors is entitled to cast 1 (one) vote and 1 (one) additional vote for another member of the Board of Directors he/she legally represents in the meeting.
 - d. If such consensus cannot be reached, the resolutions shall be adopted by voting on the affirmative votes of more than ½ (one half) of the total valid votes cast in the relevant meeting.
 - e. Any member of the Board of Directors that is prevented from attending a Board of Directors' Meeting may give his/her opinion in writing, with his/her signature affixed thereto, to the President Director or any other member of the Board of Directors that will chair the Board of Directors' Meeting about whether or not he/she approves the matters to be decided in the meeting and the opinion so provided shall be deemed as a vote validly cast in the Board of Directors' Meeting.
 - f. Voting on a person shall be carried out by secret ballot without signature, whereas voting on other matters shall be carried out orally, unless the chairperson of the meeting stipulates otherwise without any objection from the majority of those present at the meeting.
 - g. The Board of Directors may also adopt valid resolutions without holding the Board of Directors' Meeting, provided that all members of the Board of Directors have been notified in writing and give their approval for the proposals and sign such approval. Any resolutions adopted in such manner shall have the same force and effect as those validly adopted in the Board of Directors' Meeting.
 - h. All resolutions adopted by the Board of Directors shall be binding on and shall become the responsibility of all members of the Board of Directors.

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Board of Directors' Meeting, continuation

7. A member of the Board of Directors can only be represented in the Board of Directors' Meeting by another member of the Board of Directors under a Special Power of Attorney made for the purpose of the relevant meeting provided that it does not impair the voting right in connection with:
 - a. the attendance quorum and
 - b. the quorum for adopting resolutions under the power granted so that his/her voting right will be taken into account in the meeting quorum.
8. Minutes of Meeting
 - The outcomes of the Board of Directors' meeting must be recorded in the Minutes of Meeting, which shall be signed by all members of the Board of Directors present and circulated to all members of the Board of Directors.
 - The outcomes of the joint meeting between the Board of Directors and the Board of Commissioners must be recorded in the minutes of meeting, which shall be signed by all members of the Board of Directors and all members of the Board of Commissioners present and circulated to all members of the Board of Directors and all members of the Board of Commissioners.
 - Any dissenting opinion, as well as the reasons therefor, must be expressly set out in the Minutes of Meeting.
 - The Minutes of Meeting must also contain information on the attendance of each member of the Board of Directors, i.e., whether they attend the meeting physically or by using a teleconference technology/any other electronic equipment.
 - If the meeting is conducted using a teleconference technology, the meeting must be recorded, and the minutes thereof shall also be made and signed by all of the meeting participants. The minutes of meeting must also specify the reasons for holding the meeting by using the teleconference technology.
 - The minutes of the Board of Directors' meeting must be properly documented according to the applicable laws and regulations.

Accountability and Liability

Below are the provisions concerning the Board of Directors' Accountability and Liability:

- Accountability
 - The Board of Directors must prepare an Annual Report.
 - The Board of Directors must cause the Company's Financial Statements to be audited by a Public Accountant.
 - The Board of Directors must ensure that the relevant work unit has prepared the Publication Reports, whether Monthly, Quarterly, Annually, or otherwise, and submitted the same to Bank Indonesia and/or the Financial Services Authority.
 - The Board of Directors must ensure that the relevant work unit has prepared the Annual Report on the Integrated Corporate Governance Implementation and submitted the same to the Financial Services Authority.
- Liability
 - A member of the Board of Directors shall be personally liable for any losses incurred by the Company if such losses are caused by his/her fault or negligence in performing his/her duties.
 - A member of the Board of Directors shall not be liable for any losses incurred by the Company if he/she can convincingly prove that:

Charter for the Board of Directors, Continuation

Accountability and Liability, continuation

- 1) such losses are not caused by his/her fault or negligence;
 - 2) such member of the Board of Directors has conducted the management of the Company in good faith, with full responsibility and due care in the best interests of the Company and with observance of the aims and objectives of the Company;
 - 3) such member of the Board of Directors has no conflict of interest, whether direct or indirect, in taking the actions relating to his/her duties of management that resulted in the losses; and
 - 4) such member of the Board of Directors has taken the necessary measures to prevent the loss or to prevent the loss from continuing.
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Remuneration

- **Primary Policy on Remuneration**
Below is the main policy on the remuneration for members of the Board of Directors:
 - Remuneration for members of the Board of Directors constitutes the compensation given by the Company in consideration of the implementation of their obligations, duties, and responsibilities in the interests of the Company during a particular period.
 - The remuneration package shall be formulated in a compensation system proposed by the Remuneration and Nomination Committee to the Board of Commissioners, which shall further submit it to the GMS.
 - The members of the Board of Directors must disclose the remuneration and other facilities they receive in the good corporate governance implementation report and/or the annual report as stipulated by the applicable laws and regulations.
 - The remuneration for the members of the Board of Directors shall be determined by the GMS, and the GMS may delegate such authority to another organ of the Company and/or another party to determine the amount of salary and/or benefits to be paid to the members of the Board of Directors with due regard for the recommendation from the Remuneration and Nomination Committee.
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Credit Facilities for the Board of Directors

1. Any member of the Board of Directors is entitled to obtain a credit facility from the Company.
 2. Any credit facility for the members of the Board of Directors must be provided on an arm's length basis and must be analyzed according to the credit provisions and procedures generally applicable at the Company.
 3. Further provisions concerning the extension of credit facilities to the Board of Directors are laid down in the Company's Credit Policy.
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Continued to the next page

Charter for the Board of Directors, Continuation

Self-Assessment by the Board of Directors

Below are the provisions concerning self-assessment by the Board of Directors.

- The Board of Directors must conduct a peer or individual self-assessment at least 1 (one) time in 1 (one) year.
 - The yardstick/criteria for assessment to be used in the peer or individual self-assessment by the Board of Directors are described in the Bank's Business Plan, which has been approved by the Board of Commissioners.
 - The results of the Board of Directors' individual or peer self-assessment (including the President Director) shall be evaluated by the Board of Commissioners through a meeting based on the recommendation from the Remuneration and Nomination Committee.
 - A summary of the self-assessment results shall be disclosed in the Company's Annual Report.
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