CHAPTER 1  INTRODUCTION

a. Background
In every activity, Bank shall be based on various provisions relating to the implementation of Good Corporate Governance (GCG) as well as in improving and enhancing the quality of GCG, the Company prepares more comprehensive Corporate Governance Manual to provide a comprehensive description of the governance structure, management system and The Company's internal control system, and also to provide accountability or clarity of roles and responsibilities at each level of the organization.

b. Purpose
Governance policy as the manual of implementation of Good Corporate Governance in the Company as well as complementary to Good Corporate Governance manual issued by the Regulator.

c. Socialization and Distribution
Socialization of implementation of Good Corporate Governance is conducted through internal communication channel after such policy is effective for all work units and employees.

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1. Law No. 10 of 1998 on Amendment to Law No. 7 of 1992 on Banking.
2. Law No 15 of 2001 on Trademark
4. Circular of Bank Indonesia No. 15/15/DPNP on implementation of Good Corporate Governance for Commercial bank.
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9. POJK No. 33/POJK.04/2014 on Directors and Board of Commissioners of Issuer or Public Company.
10. POJK No. 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuer or Public Company.
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GOOD CORPORATE GOVERNANCE (GCG) PRINCIPLES

In line with the development of the banking industry which in turn is followed by more complex banking business development resulting in the increase of banking business risks. Therefore GCG in the banking industry has turned out to be very important and fundamental aspect especially when encountering a variety of challenges and risks to which the banking industry is exposed. The implementation of Good Corporate Governance in BTPN (the Company) refers to Bank Indonesia Regulation PBI No. 8/14/PBI/2006 concerning amendments to Bank Indonesia Regulation PBI No. 8/4/PBI/2006 concerning the implementation of Good Corporate Governance for Commercial Bank, Corporate Governance Manual of the Financial Services Authority (OJK) and other prevailing laws.

GENERAL PRINCIPLES

General principles employed by the Company in implementation of GCG are Transparency, Accountability, Responsibility, Independency and Fairness with their implementations as follows:

1. Transparency

In order to maintain its objectivity in performing its business, the Company has to make available material and relevant information which are easily accessible and comprehensible by all stakeholders. The Company has to take the initiative to disclose not only matters as stipulated by the laws, but also important information for the purpose of decision making by the Shareholders, customer and other stakeholders.

2. Accountability
The Company must be able to account for its performance transparently and fairness. Therefore the Company shall be managed properly, measurably and in line with the Company's interest by still taking into consideration the interests of the Shareholders and other stakeholders. Accountability is a pre condition in order to achieve sustainable performance.

3. Responsibility
The Company has to comply with the laws and perform its responsibilities toward the society and environment in order to maintain long term business sustainability and get recognition as a good corporate citizenship.

4. Independency
In order to facilitate the implementation of GCG principles, the company must be managed independently, so that each organ of the company does not dominate one another and cannot be intervened by other parties.

5. Fairness and Equality
In performing its activities, the company shall always consider the interests of the Shareholders and other stakeholders in line with the principles of fairness and equality treatment.

A. INTERNAL COMPANY DOCUMENTS

1. ARTICLE OF ASSOCIATION
It is a guideline for the Company in running its business activities. It consists of the purposes and objectives as well as the business activities of the Company. The Article of
Association and amendments thereof are decided by General Meeting of Shareholders (GMS). The structure of Article of Association is as follows

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2. POLICY HIERARCHY

In order to apply the principles of good corporate governance in the Company it requires a well arrangement of structure and policy hierarchy to ensure consistent implementation of the policy/ regulations applicable in the Company. The policy hierarchy is as follows:

1. Corporate Governance Manual

It is the main policy of all policies of the Company regarding policies on credits, operations, human resources and other policies as guidelines in the management of the Company's operations. Corporate Governance Manual is the fundamental principles and basic guidelines for all the existing provisions in the Company. Corporate Governance Manual is adapted to the Articles of Association of the Company, OJK regulations and other prevailing law and regulation.

2. Risk management Policy

Risk management policy is a policy containing main framework and minimum guideline to follow by all businesses, including subsidiaries and their supporting functions in risk management. This risk management policy is adapted to Corporate Governance Manual, OJK regulations and other prevailing law and regulation.

3. Policy

It is the policy that governs activities or functions of banking bankwide and set up in the head office, namely and not limited to Credit policy, Operational policy, Market and liquidity policy, IT policy, Human Capital policy. These policies refer to Corporate Governance Manual, Risk
management policy, OJK regulations and other prevailing law and regulation.

4. **Product Program**

It is the document used as a medium to manage credit products, funding products and Bank services and to propose:

a. New products or activities  
b. Improvements of former products/activities  
c. Continuation of former products/activities

The document should include at least the goal, competitor analysis, product features, operational processes, market share, business strategy, sales and marketing strategy, coverage area, expected performance and profit of product, restriction/limit to manage the quality of the product, terms and conditions, evaluation on risks and mitigation of products, complaints handling, fraud handling, etc. Product program is issued by the business unit or the Directorate of Human Capital and must obtain approval pursuant to the Product Program Guidelines as well as refer to the prevailing policy.

5. **Procedure (Standard Operational Procedures/ SOP)**

Is a guideline which regulates in detail a process and explains the stages of a structured and systematic activity that must be performed, including: who, what, where, when to perform and its control mechanism. This arrangement must firmly implement the function of four eyes principle, adequate internal control function as well as refer to the Policy and/or Product Program.
The SOP review must be done annually and the entire operational processes as outlined in a document other than SOP are to be included into a revised SOP.


These refer to:

a. Stages/how to/application that details to how input/fill in data on every screen and field, or
b. More detailed guidance of a procedure for both the operator and supervisor user, or
c. A setting of a standard parameter in the system, or
d. A brief guide that is used as a aid tool to explain to the customers regarding products and services.
e. This document should refer to the Policy and related SOP.

3. CODE OF CONDUCT

Code of conduct functions as a basic guideline for members of the Board of Commissioners, the Board of Directors, Independent Parties and all employees in attitude and behaviour. The moral principles set in Code of conduct are the primary element of the Company's cultures including:

**Speak Your Mind**

It is a channel of reporting and delivery of aspirations that is safe and confidential guaranteed thus employees may disclose their problems related to misconduct and/or fraud as well as aspirations and/or improvement ideas.

**Code of conduct**

1. COMPLIANCE & RISK MANAGEMENT
Employees have the obligation to comply with the internal regulation of the Company, Regulations of Bank Indonesia/the Financial Services Authority, and other prevailing laws and regulations. Employees must also realize and manage risks in their area of responsibility (risk awareness).

2. CONFLICT OF INTEREST
All employees must avoid conflict of interest between their own interests and the Company's interests.

3. CREATING CONDUCIVE WORK ENVIRONMENT

3.1 Fair Treatment to All Employees
The Company commits to give equal opportunity to all employees in their career and in self development as well as to implement fair performance appraisal system.

3.2 Anti Discrimination and Harassment
The Company has zero tolerance to all kinds of discrimination and harassment actions based on the difference of race, religion, skin complexion, sex, age, position or capability in any kind. All kinds of threats and violences oro discrimination at work place shall be subject to strict sanctions pursuant to the prevailing provisions.

3.3 Security at Work Place
The Company takes priority and safety at work place which must be supported by all employees by maintaining health, safety and security to avoid risks at work place.
3.4 Use of Company's Facilities
The Company provides sufficient work equipment and facilities may only be used by employees to facilitate works in the office.

3.5 Activities Outside of Company
Employees in their capacity as individual may participate as a member of an organization/association outside the Company and as a citizen employees are also at liberty in exercising political rights but are not allowed to be active organizing member of a political party.

3.6 Use of Social Media
The Company has an internal guidance pertaining parameter and clearness to regulate the do's and dont's in social media including but not limited to Employees are not allowed to use logo/symbol or other corporate identity in personal social media, Employee are not allowed to give support/protest/claim on behalf of the Company unless they have an authority from the Company and should protect asset and information of the Company.

4. MANAGEMENT & PROTECTION OF INFORMATION
Employees are responsible to keep confidentiality of information pursuant to the prevailing provisions because all information belonging to the Company is the proprietary right (the Company's ownership right which cannot be owned by any other party without authorization). Employees are not allowed to disclose company and customer information
to the third party in any condition unless having approval and agreement from the authority person and/or to be permitted by prevailing laws and regulations.

5. CUSTOMERS AND STAKEHOLDERS RELATIONSHIPS

5.1 Customer Relation
The Company commits to give excellent service to customers regardless the amount of funds or loan, race, religion, skin complexion, sex and age. The Company deliver latest information and easy for access to customers regarding its products and services.

5.2 Anti Money Laundry
The Company fully commits to implement a provision related to Anti Money Laundry and Counter the Financing of Terrorism (AML and CFT) including implementation of know-your-customer principle.

5.3 Partner Relation
Relation between the Company and its partners based on moderate (arm's length), efficient and fair (fair practice) agreement. Partners must comply with the prevailing regulations including but not limited to labor regulation, regulation related to occupational health and safety as well as environment.

5.4 Regulator Relation
The Company consistently implements GCG principles in doing business. The compliance with the prevailing regulation is a part of commitment including the obligation of reporting being done in transparent, accurate, comprehensive and timely manners.
5.5 Bribe and Corruption
The Company has zero tolerance against all kinds of bribery (including to or from customers, partners, government officials, employees) and corruption. Such offence shall be subject to criminal as well as civil sanctions pursuant to the prevailing regulations.

5.6 Gratification
Employees are prohibited to give and/or receive gifts including entertainment incentive to or from customers, partners or government officials which may potentially affect business decisions.

Code of conduct Enforcement

1. ROLES AND RESPONSIBILITIES
It regulates the roles and responsibilities of Employees and superior officers in the implementation of Code of Conduct.

2. VIOLATION OF CODE OF CONDUCT
Any irregularity, abuse, neglect, and/or breach of the Code of Conduct may be subject to both civil and criminal sanctions pursuant to the prevailing procedures and provisions, which at certain levels may result in termination of employment with or without prior warning.

Code of conduct Upholding Efforts
In line with efforts to implement good corporate governance, as well as developing appropriate behaviors in compliance with the ethical standards of the Company, the Company establishes Induction Program for new executives and employees related to
the Code of Conduct as well as e-Refreshment of the Code of Conduct to all employees on a regular basis and do socialization of the Code of Conduct per subject through Portal to provide an understanding for employees. The Company provides strict sanctions for any violation of the Code.

B. CORPORATE STRATEGY

1. VISION, MISSION and VALUES

Vision  : To be the best mass market* bank, change the lives of millions of Indonesians

Mission  : Together we create opportunities of growth and greater significance

*) referring to low income earners and micro and small business segments.

Values

Our Values drive how we conduct our business and indeed shape our brand personality

- Trustworthy
  - Think, speak and act according to conscience;
• Be a lifelong learner and be the best in your field

• Caring
  o Focus on stakeholders’ needs and always seek first to understand
  o Fully fulfill stakeholders’ needs in a sincere manner

• Synergy
  o Celebrate differences as common strengths to achieve the best results

• Passion for Excellence
  o Begin each day with goals and end the day with achievements and lessons
  o Work wholeheartedly and never give up
  o Focus on what we can do
  o Go the extra miles
  o Be grateful

2. BANK BUSINESS PLAN (RBB)

In order to achieve the Company's Vision, the Board of Directors establishes strategy direction and RBB which at least consists of triennial RBB and annual RBB. Then the RBB is proposed to the Board of Commissioners for approval prior to implementation.

In preparing the business plan, the Company must consider external and internal factors that directly or indirectly affect the continuity of the RBB and taking into account the principles of prudence and sound banking. The external factors include the political economy and social development of the technology in question while internal
factors include the financial condition, management and other infrastructure capabilities.

The RBB is proposed to OJK at the latest in the end of November, and its revision may be proposed at the latest in the end of June of the financial year. The financial projection in RBB is 3 years.

The budgetary targets presented in the RBB is part of the budgeting process in bottom-up and top-down manners which is done internally and the final result is approved by the Board of Directors. The main factors of consideration in the preparation of RBB is the macro-economic conditions with reference to the guidelines given by the regulator, the level of competition in each segment and competition in the industry done using the SWOT analysis method.

SOP related to budgeting and business plan is the SOP of Business Planning and Budgeting prepared in the CFO Directorate.

3. CORPORATE STRATEGY & PLANNING PROCESS
Strategy and Corporate Planning process is carried out with the involvement of the Board of Directors and senior executives to develop strategy and action plans for the next 5-10 years taking into account the key strategic opportunities and risks for that period. The results of this process is in the form of the Long Term Work Plan (Corporate Strategy) must obtain approval from the Board of Commissioners. If necessary, the Company may engage third
parties (such as management consultants) in this process to get more focused and sharp analysis.

Corporate Strategy serves as a reference in the planning process for preparing the annual Business Plan. Corporate Strategy is reviewed periodically to assess the relevance to current conditions by considering the present key strategic opportunities and risks.

4. RISK APPETITE
Risk appetite in formulation of Corporate Strategy is set by the Board of Directors and approved by the Board of Commissioners by combining business development and risk management taking into account inputs from the Risk Management unit.

Risk appetite is formulated taking into account internal as well as external factors and then inputted into the Risk management policy approved by the Board of Commissioners.

Formulation of risk appetite in developing new products and services is done by each owner of said new products and services by seeking inputs from Risk Management on risk identification of each said products/services. Said new products and services to be included in the RBB must obtain approval from the Board of Directors.

D. CORPORATE GOVERNANCE STRUCTURE
1. GENERAL MEETING OF SHAREHOLDERS (GMS)

1.1 Shareholders
a. Rights and Responsibilities of Shareholder

Rights of Shareholder

1) A shareholder has the rights to attend GMS in person as well as represented upon a Power of Attorney, give responses to GMS agenda and participate in decision making in proportion to the number of shares he owns.

2) A shareholder has the right to obtain information that is accurate, sufficient and timely with respect to the Company as far as it concerns GMS agenda and does not contradict to the interest of the Company, so that he can make a right decision in GMS.

3) A shareholder has the rights to receive net profit in form of dividend and in other forms in proportion to the number of shares he owns.

4) One or more shareholders who jointly represent at least 10% (ten percents) of all shares issued by the Company may propose GMS agenda in written to the Board of Directors and in good faith and taking into account the interest of the Company at the latest by 7 (seven) days before invitation to GMS.

5) A shareholder has to obtain clarification should his proposed agenda is rejected by the Board of Directors and such clarification must be disclosed during GMS.

6) Every shareholder has the rights to ask the Company to buy his share at reasonable price, if the shareholder does not approve the Company adverse action in the form of amendments of the Article of Association; transfer or guarantee of the Company's assets with a value of more than 50% of the Company's net assets; or a merger, consolidation, acquisition or separation thereof.
Responsibilities of Shareholder

1) Every shareholder shall submit and comply with the Article of Association of the Company as well as the prevailing laws and regulations.

2) The controlling shareholders must consider the interest of minority shareholders and other shareholders in accordance with the prevailing laws and regulations.

3) Minority shareholders are responsible for exercising their rights in accordance with the prevailing laws and regulations and Article of Association of the Company.

4) A shareholder must:
   i) Separate the assets of the Company from his personal assets.
   ii) If a shareholder or his representative holds a position as a member of the Board of Directors or the Board of Commissioners the Company, be able to separate his function as the member of the Board of Directors or of the Board of Commissioners from his function as a shareholder.

5) To disclose the list of relevant parties if the shareholder acts as the controlling shareholder at the Company.

6) Every party or shareholder who owns 5% (five percents) or more of shares must report to OJK of his ownership and amendment to ownership of shares based on the prevailing provisions.

7) The Company's shares owned by the controlling Shareholder must not be to other parties mortgaged or pledged.
b. List of Shareholders

The Board of Directors of the Company must make and keep a list of shareholders in the Company's domicile to be able to be seen by the shareholders. The list of shareholders consists of:

i) Monthly list of shareholders

ii) The list of shareholders regarding the implementation of corporate actions and based on the predetermined recording date.

iii) Special list which contains the description of the shares of the members of the Board of Directors and the Board of Commissioners.

c. Protection of Shareholders

Protection of the minority shareholders shall refer to the provisions provided for in the Law No. 40 of 2007 concerning the Public Limited Company (“UUPT”) in particular:

- The authority of a shareholder in filing a claim against the Company if he suffers losses as a result of the resolutions of GMS, The Board of Directors and/or the Board of Commissioners (Vide Article 61 [1] of UUPT).

- The authority of a shareholder in requesting the Company to repurchase his shares if he does not agree to the actions of the Company in the form of amendments to Article of Association, the transfer or the encumbrance of the Company's assets having a nominal value of more than 50 % and merger,
consolidation, acquisition or separation (Vide Article 62 of UUPT).

- The authority of 1 (one) or more shareholders who jointly represent 1/10 (one tenth) or more of the total shares with legal voting right for holding a GMS (Vide Article 79 paragraph [2] of UUPT).

- The authority to represent the Company in filing a claim against members of The Board of Directors who causes loss to the Company (Vide Article 114 paragraph [6] of UUPT).

- The authority of a shareholder to audit the Company, on the basis of an allegation of an unlawful act done by the Company, the Board of Directors or the Board of Commissioners. (Vide Article 138 paragraph [3] of UUPT).

- The authority of a shareholder to file for liquidation of the Company (Vide Article 144 paragraph [1] of UUPT).

1.2 General Meeting of Shareholders

General Meeting of Shareholders shall consist of:

1. **Annual General Meeting of Shareholders (Annual GMS)**

Annual GMS must be held at the latest within 6 (six) months after the financial year ends. The agenda of GMS are as follows:

i) Approval of annual report, including pengesahan financial report

ii) Use of profit

iii) Appointing members of the Board of Commissioners and the Board of Directors
iv) Setting remuneration of the Board of Commissioners and the Board of Directors
v) Appointing Public accountant
vi) Other Agenda properly proposed, taking into account the provisions in the Article of Association

2. Extraordinary General Meeting of Shareholders (EGMS)
EGMS may be held at any time subject to the need, to discuss and decide the agenda of the meeting, taking into account laws and regulations as well as the Article of Association. The agenda of EGMS are as follows:

i) Amendments of Article of Association

ii) Approval the Company's actions such as: Capital Increase with Preemptive Rights (right Issue), stock split, etc.

iii) Approval of certain transactions having a conflict of interest and such transactions are not excluded based on the prevailing laws and regulations in the capital market business.

iv) Other Agenda properly proposed, taking into account the provisions in the Article of Association.

a. Meeting Mechanism

i. Plan for GMS
The Company must first send a notification to OJK at the latest 5 (five) working days prior to announcement of GMS, excluding the date of announcement of GMS.

ii. Announcement of GMS
The Company must make announcement of GMS to shareholders at the latest 14 (fourteen) days prior to invitation to GMS, excluding the date of announcement and date of invitation.
Announcement of GMS as referred to above shall at least include:

a. Provision regarding which shareholder is entitled to attend GMS;
b. Provision regarding which shareholder is entitled to propose agenda of meeting;
c. Date of GMS; and
d. Date of invitation of GMS.

iii. Invitation to GMS

The Company must send an invitation to shareholders at the latest 21 (twenty) days prior to GMS, excluding the date of invitation and date of GMS. Invitation to GMS as referred to above shall at least include the following information:

a. Date of GMS;
b. Time of GMS;
c. Venue of GMS;
d. Provision regarding which shareholder is entitled to attend GMS;
e. Agenda of meeting including the description of every agenda of the meeting; and
f. Information that states the materials related to the agenda are available for shareholders as from the date of invitation to GMS until GMS takes place.

iv. Results of GMS

In every GMS, a minute of GMS must be made and signed by chairman of meeting and at least 1 person of shareholders appointed from and by GMS participants. Such signature is not mandatory if said minute is made by a notary deed.
Quorum Provisions
GMS may be held if it is attended or represented by more than \( \frac{1}{2} \) (one half) of the total share with voting right, unless the law and/or Article of Association determines a larger number for quorum. Details of quorum provision shall refer to Article of Association of the Company and the prevailing laws.

b. Meeting Agenda
Agenda setting mechanism can be done through:

i) Proposed by the Board of Directors

ii) Proposed by the Board of Commissioners

iii) Proposed by the shareholders, provided that:
   a) It is proposed in written to the Board of Directors by one or more shareholders who jointly represent at least 10% (ten percents) of all shares issued by the Company.
   b) It is received at least 7 (seven) days before the invitation to relevant meeting to issue
   c) According to the opinion of the Board of Directors, such proposition is directly related to the Company's business, is made in good faith and does not contravene with the Article of Association and other laws and regulations.
   d) Proposition of meeting agenda is agenda that requires the resolution of GMS.

c. Mechanism of Decision of Making in GMS
i) a shareholder with the voting right who attends to GMS but does not cast a vote (abstain) shall be
considered to cast a vote equal to the majority shareholders who do.

ii) Amicable deliberation shall be achieved if shareholders with voting rights who attends to GMS are all in favor of the resolution of GMS.

iii) Majority vote casting shall be achieved if there are shareholders with the voting right in GMS are not in favor of the resolution of GMS but outnumbered with the number who are in favor of the resolution of GMS. The abstain vote shall be considered agree vote.

2. THE BOARD OF COMMISSIONERS

The Board of commissioners is an organ of the Company which has functions and is collectively responsible (every member of the Board of Commissioners cannot act individually but instead should be based on the resolution of the Board of Commissioners) for conducting supervision and providing advice to the Board of Directors and ensure the Company implement GCG in its business activities, but the Board of Commissioners is prohibited to be involved in the Company operational activities.

The position of each member of The Board of commissioners is equal. The Board of Commissioners is led by the President Commissioner as first among equal who coordinates the activities of the Board of Commissioners and ensure every member of the Board of Commissioners may express his opinion based on sufficient information.

2.1 Organization
a. Qualification

1) meet the qualifications as set in the provisional regulations, including in this respect the provisions of OJK on assessment of fit and proper test.

2) Have the capability and knowledge in banking or finance industry, and preferably have experience at least in one of the following fields such as macro economy, banking, law, accounting or audit.

3) Have a good reputation and integrity.

4) Allocate sufficient time and efforts to act upon the duties and responsibilities.

5) Does not hold a position in any other company, unless allowed pursuant to the prevailing rules and regulations.

b. Composition

The Board of Commissioners is organized taking into account the effective and efficient decision making process. The composition of the Board of Commissioners should at least meet the following conditions:

1) Number of members of the Board of Commissioners at least 3 (three) persons and at most equal to the number of members of the Board of Directors.

2) At least 1 (one) member of the Board of Commissioners must domicile in Indonesia.

3) The Board of Commissioners is led by the President Commissioner.

4) In electing the President Commissioner, an Independent Commissioner must be prioritized.
5) The Board of commissioners should at least consist of members with the capacity in the fields of macro economy, banking, law, accounting and audit.

6) The Board of Commissioners must perform its duties and responsibilities independently. To ensure the independency of the Board of Commissioners, at least 50% (fifty percents) of the members of the Board of commissioners is Independent Commissioners.

c. Independent Commissioner

1) An Independent Commissioner must have the following qualifications:
   - Not a person who works or has the authority and responsibility in planning, leading, control or monitor the Company's activities in the last 6 (six) months, except for reappointment as an Independent commissioner for the next period
   - Does not have shares of the Company directly or indirectly
   - Does not have affiliated relation with the Company, members of the Board of Commissioners, members of the Board of Directors or main shareholders of the Company
   - Does not have direct or indirect business relations with the business activities of the Company

2) An Independent Commissioner who has held the position for 2 (two) terms of office may be
reappointed for the next period provided that he declares independent to GMS.

d. Nomination members of the Board of Commissioners

1) Selection of a candidate for the Board of commissioners shall not be based on discrimination of ethnic group, race, religion, nationality, gender.

2) Selection shall be based on the individual qualification and the need of organization such as inter alia related to the composition of Independent Commissioner and variety of background of expertise and experience.

3) The selection process shall be done by the Remuneration and Nomination Committee through evaluation on the fulfillment of the qualification and interview process.

4) Candidate recommended by the Remuneration and Nomination Committee shall be proposed to the Board of Commissioners for approval and then submitted to the Financial Services Authority for Fit and Proper Test.

5) Upon obtaining approval from the Financial Services Authority, the candidate for members of the Board of commissioners shall be nominated for approval by GMS.

6) The chart of process of appointment of a member of the Board of commissioners is as follows:
**e. Appointment and Replacement**

1) The proposal of appointment and/or replacement of members of the Board of Commissioners to the General Meeting of Shareholders must take notice of the recommendation of the Remuneration and Nomination Committee.

2) In the event that a member of the Remuneration and Nomination Committee has conflict of interest with the recommended proposition, said recommended proposition must be disclosed.

3) A member of the Board of Commissioners must pass the Fit and Proper Test in accordance with the provisions of the Financial Services Authority concerning Fit and Proper Test.
4) The position of a member of the Board of commissioners shall naturally come to an end, if the member of the Board of Commissioners:
   a. resign; or
   b. deceased; or
   c. discharged based on GMS; or
   d. No longer meet the qualification of the prevailing laws.

5) A member of the Board of Commissioners is entitled to resign from his position by way of written notification to Company. The Company must hold a GMS to decide on the request for resignation of the member of the Board of Commissioners at the latest 90 days upon receipt of the request for resignation.

6) The Company must conduct a disclosure of information to the public and report to the Financial Services Authority at the latest 2 working days upon:
   a. Receipt of the request for resignation of the Director
   b. Issuance of result of GMS

**f. Orientation**

1) The President Commissioner must ensure the new members of the Board of Commissioners get necessary information related to the Company to able to perform their duties and responsibilities.

2) The Corporate secretary shall provide the necessary information.
g. Term of office

Members of the Board of Commissioners are appointed for a 3 years term, and may be reappointed.

2.2 Duties, Authorizations and Responsibilities

a. Duties and responsibilities

The Board of Commissioners has the following duties and responsibilities:

a. Ensure the implementation of Good Corporate Governance in every business of the Company at all levels or stages of the organization.
b. Conduct supervision to the Directors' performance of duties and responsibilities, as well as provide advice to the Board of Directors.
c. Direct, monitor and evaluate the implementation of strategic policies of the Company.
d. Provides sufficient time to perform their duties and responsibilities optimally.
e. Ensure that the Board of Directors has followed up findings of audit and recommendations from the internal audit unit of the Company, external auditor, result of supervision of the Financial Services Authority and/or result of supervision of other authorized institutions.

b. Duty of care

The Board of Commissioners is responsible for performing its duties and responsibilities in good faith and based on the prudence as well as professional principles. In this respect The Board of Commissioners must:
- Always act honestly and in good faith
- Always apply the prudence principle in decision making
- Not cause the Company breach any prevailing rules
- Attend and be actively involved in the Board of Commissioners meetings
- Ensure the implementation of efficient and effective internal controlling system

c. Duty of loyalty

The Board of Commissioners in its decision making must only be for the interest of The Company, in this respect must prioritize the Company's interests over the personal or group interests. In this respect, The Board of Commissioners is prohibited to:
- make a transaction directly or indirectly with the Company, without first disclose the relevance and without approval from the Board of Commissioners and or GMS
- take benefit from the Company including but not limited to use the assets and facilities of the Company for the personal, family and/or other parties' interests which may cause adverse effect to the Company or reduce the profit of the Company
- Disclose non-public information to a third party
- Take and/or get personal benefit from the Company other than Remuneration and other facilities determined by GMS
- Use internal information for personal benefit
d. Conflict of Interest
- Conflict of interest is a circumstance in which a conflict takes place between the business interest of the Company and the business interest of individual shareholders, members of The Board of Commissioners and The Board of Directors as well as employees of the Company.
- In the event of conflict of interest, a member of The Board of Commissioners is prohibited to take any action which may cause adverse effect to the Company or reduce the profit of the Company and must disclose such conflict of interest in every decision he/she makes.
- The disclosure of conflict of interest in the minutes of meeting should at least include the name of parties who have the conflict of interest, the subject matter that causes the conflict of interest and the considerations of the decision making.

e. Decision Making Process
The Board of Commissioners makes decisions through mechanism of the Board of Commissioners meeting or the Board of Commissioners Circular.

The Board of Commissioners Meeting
1) The Board of Commissioners meeting is held on a regular basis at least 1 (one) time in 2 (two) months per year and must be attended by all members of the Board of Commissioners physically at least 2 (two) times in a year;
2) The Board of Commissioners must hold the meeting with the Board of Directors on a regular basis at least 1 (one) time in 4 (four) months.

3) The decision of the Board of Commissioners meeting must be made in an amicable manner.

4) If the decision cannot be made in an amicable manner then it must be made by voting based on the affirmative votes for over $\frac{1}{2}$ (one half) of the total votes casted in the meeting.

5) The results of the meeting are made note in the minutes of meeting including if any dissenting opinions and documented by the Corporate Secretary.

6) Procedure for the Board of Commissioners Meeting shall be further regulated in the Guideline of the Board of Commissioners.

**BOC Circular**

1) A mechanism of decision making by the Board of Commissioners conducted without going through the BOC meeting.

2) Decisions will be considered valid provided that all members of the Board of Commissioners grant approval to the written proposals by signing the circular.

**f. Access to Information for members of the Board of Commissioners**

1) Members of the Board of Commissioners are entitled at any time for information regarding the Company necessary to perform their duties and functions as the Board of Commissioners.
2) Request for information proposed by the relevant Commissioner to the relevant Director with a copy to the President Commissioner and Corporate secretary.

3) The Board of Commissioners is entitled to appoint a third party to provide services required by the Board of Commissioners in performing their duties and responsibilities.

4) Request to appoint a third party proposed by the Board of Commissioners to President Director. President Director shall further make an appointment pursuant to the prevailing mechanism of the Company.

2.3 Monitoring and Reporting

1. Monitoring Report of Bank’s Business Plan (RBB)
   It is the report submitted by the Board of Commissioners to the Financial Services Authority per semester on the Commissioners' assessments on the implementation of Company's Business plan in the form of assessment on the quantitative and qualitative aspects of the realization of Business plan of the Company.

RBB Monitoring Report falls due in the end of August of the current year for the period of semester I and in February of the following year for the period of semester II.

2. Monitoring Report of The Board of Commissioners
   Report submitted by the Board of Commissioners in the Annual report Company related to the performance of
the Company, implementation of GCG, internal controlling system and application of risk management.

2.4 Evaluation and Succession Planning

- The Board of Commissioners must conduct a review on the monitoring performance during the financial year and performance evaluation of the Board of commissioners is reported to the shareholders in the General Meeting of Shareholders stated in the Annual report.

- As a part of performance evaluation, The Board of Commissioners must ensure proper composition and qualification of the Board of Commissioners as provided for in this Policy as well as consider inputs from the Board of Directors regarding the effectiveness of the function of the Board of Commissioners.

2.5 Remuneration of The Board of Commissioners

A. Remuneration of the Board of commissioners is determined taking into account:

1. External competitiveness, that is comparison to market / peer group.

   The definition of peer group is companies considered as competitors, set by the Remuneration and Nomination Committee taking into account the following items: Company Vision reflecting the long term direction of the Company, complexity of the Company reflected from the innovation of the products, technologies and services as well as the
vast and far extent of service as well as significant number of labor.

2. Internal Equity, that is equality to the scope of work.
   The Company classifies the Commissioner based on scope of work.

3. Performance Company, measured based on the achievement of Business plan of the Company (RBB).

4. Individual performance, measured based on the result of annual performance appraisal.

B. Components of Remuneration of the Board of Commissioners shall cover:
   1. Fixed compensation in forms of basic salary or monthly honorarium;
   2. regular benefits, cash or non-cash;

C. Bonus performance shall be closely subject to the Company's performance as well as individual performance for a year.

D. For the Board of Commissioners, fixed compensation is a component with higher percentage compared to variable compensation in the total cash compensation of the Board of Commissioners. This proportion is set taking into account that the performance of the Board of Commissioners cannot be viewed individually.
E. Company shall appoint an independent consultant with good reputation to conduct benchmark on remuneration of the Board of Commissioners against peer group in the banking industry in Indonesia.

F. Remuneration of each member of the Board of Commissioners is set based on the above provisions provided that those should be within the range of Remuneration of the competitor banks pursuant to the report of benchmark result.

Procedure of Setting of Remuneration for the Board of Commissioners

1. Remuneration Committee recommends the Board of Commissioners to appoint an independent consultant to conduct benchmark of Remuneration of the Board of Directors and the Board of commissioners to several banks in Indonesia considered as bank competitors/ peer group.

2. Remuneration Committee conducts study on the report of benchmark result from the appointed consultant which includes:
   a. Basic salary range
   b. Performance bonus range
   c. Benefit, facilities, and incentives schemes

3. At least once a year the President Director gives report to the Committee on both the collegial as well as individual performances of the Board of Directors based on each responsibility and target achievement.

4. Based on the performance result as explained in item 3 above, as well as report on benchmark result based on item 2 above, the Committee makes
suggestions/recommendations on Remuneration for every Director and Commissioner to be then forwarded to the Board of Commissioners.

5. The Board of commissioners makes decisions on Remuneration for every Director and Commissioner.

6. GMS Approval on the total of Remuneration for the Board of directors and the Board of Commissioners.

2.6 Transparency Aspect of the Board of Commissioners

A member of the Board of commissioners must disclose:

a. Ownership of shares reaching 5% (five percents) or more, either in the relevant Company or in other companies, domiciled both in the country as well as overseas;

b. Financial relations and relative relations with any members of the Board of commissioners, other members of the Board of directors and/or shareholders Company controller, in the report of Good Corporate Governance implementation.

2.7 Education and Training

In order to improve the competence and to support the implementation of duties and responsibilities of the Board of Commissioners, refreshment Program is conducted periodically consisting of:

1. Regular Update that it update on new related regulations.

2. Macro Update that is update on macro economy conditions or other relevant issues.

3. Development that is trainings for each member of the Board of Commissioners.

4. Other Refreshment Programs as compulsory the current regulations.
2.8 Committee OF The Board of Commissioners Level
a. Audit committee

1. Membership
   i. All members of the Audit Committee are independent, the Committee shall at least consist of 3 (three) persons, comprising an Independent commissioner and 2 (two) Independent parties who come from external of the Company.
   ii. Committee must establish an Audit Committee Charter approved by the Board of Commissioners. The Audit Committee Charter is to be reviewed once a year.
   iii. Members of the Committee are appointed by the Board of Directors based on the resolution of the Board of Commissioners meeting.
   iv. The Independent Party who becomes a member of the Committee must meet the requirements and qualification as provided for in the Audit Committee Charter.

2. Duties and responsibilities
   i. Make annual activities plan to be approved by the Board of Commissioners.
   ii. Conduct review on the financial information to be issued by the issuers or public companies to public and/or the authorities inter alia financial report, projection, and other reports related to financial information of issuers or public companies;
   iii. Conduct review on the compliance to the laws and regulations in relation with the Company's business activities;
iv. Provide independent opinions in the event of dissenting opinion between the management and the accountants for the service provided;

v. Provide recommendation to the Board of Commissioners on the appointment of the accountant based on the independence, scope of work and fees;

vi. Conduct review on the implementation of audit by the internal auditor and supervise the follow up by the Board of Directors on the findings of the internal auditor;

vii. Review complaints related to processes of accounting and financial reporting of the Company;

viii. Review and provide suggestions to the Board of Commissioners related to potential conflict of interest of the Company;

ix. Maintain confidentiality of documents, data and information of the Company.

3. Monitoring and Reporting

i. The Committee is responsible to the Board of Commissioners for the implementation of its tasks and on a regular basis at least once in 3 months or upon request by the Board of Commissioners for reporting its works to the Board of Commissioners.

ii. Committee prepares reports of Audit Committee contained in the Annual report, inter alia includes performance of the Committee, violation done by the Company against the prevailing laws and regulations (if any), errors in preparing financial report, internal controlling and independence of public accountant (if any).
b. Risk Monitoring Committee

1. Membership
   i. The Committee shall at least consist of 3 (three) persons comprising an Independent Commissioner and 2 (two) Independent parties who come from external of the Company.
   ii. The Committee must establish a Risk Monitoring Committee Charter approved by the Board of Commissioners. The Charter is to be reviewed once a year.
   iii. Members of the Committee are appointed by the Board of Directors based on the resolution of the Board of Commissioners meeting.
   iv. The Independent Party who becomes a member of the Committee must meet the requirements and qualification as provided for in the Charter.
   v. The majority members of the Committee shall comprise Independent Commissioners and Independent parties.

2. Duties and responsibilities
   i. Make plans of Committee's annual activities to be submitted to the Board of Commissioners for approval.
   ii. Provide professional and independent advice to the Board of Commissioners on the reports or issues related to risk management submitted by the Board of Directors to the Board of Commissioners as well as identify matters that need attention of the Board of Commissioners.
iii. Conduct evaluation on risk appetite and limit to be approved by the Board of Commissioners.

iv. Analyze the effectiveness of function of risk management work unit and Risk Management Committee.

v. Conduct evaluation on the compatibility between risk management policy of the Company and its implementation.

vi. Conduct monitoring and evaluation of implementation of duties of Risk management Committee and Risk management work unit to provide recommendations to the Board of Commissioners.

vii. Evaluate Company's risk management policy at least once a year.

viii. Conduct evaluation on the accountability of implementation of Risk Management policy the Board of Directors at least once in three months.

3. Monitoring and Reporting

The Committee is responsible to the Board of Commissioners for the implementation of its tasks and on a regular basis at least once in 3 months or upon request by the Board of Commissioners for reporting its works including and not limited to reports on the risks for the Company to deal with and the implementation of risk management by the Board of Directors to the Board of Commissioners.

The Committee is responsible to the Board of Commissioners for the implementation of its tasks and on a regular basis at least once in 3 months or upon
request by the Board of Commissioners for reporting its works to the Board of Commissioners

c. The Remuneration and Nomination Committee

1. Membership
   i. The Committee shall at least consist of 3 (three) persons comprising:
      a. 1 (one) head and also a member who is an Independent Commissioner
      b. Other members coming from:
         1. Members of the Board of Commissioners
         2. External Party, or
         3. Person with managerial/Executive position under the Board of Directors in the field of Human Capital.
   ii. The Committee must establish a Remuneration and Nomination Committee Charter to be approved by the Board of Commissioners. The Charter is to be reviewed once a year.
   iii. Members of the Committee are appointed by the Board of Directors based on the resolution of the Board of Commissioners meeting.

2. Duties and responsibilities

   Related to remuneration policy:
   i. Conduct evaluation on the structure, policy and amount of Remuneration ;
   ii. Assist the Board of Commissioners in conducting performance appraisal in compatibility between Remuneration received by each member of the
Board of Directors and/or member of the Board of Commissioners

iii. provide recommendation to the Board of Commissioners on:
    a. Structure, policy and amount of Remuneration for the Board of Commissioners and the Board of Directors to be submitted in the General Meeting of Shareholders;
    b. Structure, policy and amount of Remuneration for Executive officers and all employees to be submitted to the Board of Directors;

Related to nomination policy:

i. Prepare and provide recommendations to the Board of Commissioners on:
    a. Composition of position of members of the Board of Directors and/or members of the Board of Commissioners
    b. Policy and criteria necessary in nomination process,
    c. Policy performance evaluation for members of the Board of Directors and/or members of the Board of Commissioners

ii. Propose a qualified candidate for members of the Board of Commissioners and/or the Board of Directors to the Board of Commissioners to be forwarded to GMS;

iii. Propose an Independent Party for members of Audit Committee and Risk Monitoring Committee to the Board of Commissioners;

iv. Assist the Board of Commissioners in conducting performance appraisal of members of the Board of
Directors and/or members of the Board of Commissioners based on the prepared benchmark as evaluation materials;
v. Provide recommendations to the Board of Commissioners on development of capacity of members of the Board of Directors and/or members of the Board of Commissioners.

Committee must ensure that Remuneration policy shall at least correspond to:
- Financial performance and compliance to reserve as provided for in the prevailing laws.
- Individual work achievements.
- Fairness with peer group within and outside of the Company.
- targets and long term strategy of the Company.

3. Monitoring and Reporting
The Committee is responsible to the Board of Commissioners for the implementation of its tasks and on a regular basis or upon request by the Board of Commissioners for reporting its works to the Board of Commissioners.

3. THE BOARD OF DIRECTORS
The Board of Directors is fully responsible to manage the Company for the interest of the Company, in accordance with the purposes and objectives of the Company. The Board of Directors is fully authorized to represent the Company, before and outside the Court in accordance with the provisions in the Article of Association.
Distribution of tasks and authorities of management between the members of the Board of Directors shall be based on resolution of GMS or in the case of not resoluted in GMS, based on decision of the Board of Directors.

The members of the Board of Directors have a collegial responsibility namely responsibility in the implementation of management of the Company in entirety where a decision of a member of the Board of Directors bind the other members of the Board of Directors, and an individual responsibility namely direct responsibility of the tasks and authority he specifically has.

The position of each member of The Board of Directors is equal. The Board of Directors is led by the President Directors as first among equal who coordinates the activities of the Board of Directors and ensure the implementation of effective distribution of tasks among members of the Board of Directors.

3.1 Organization
   a. Qualification
      i. Meet the qualification as provided in the laws and regulations including the provisions of the Financial Services Authority concerning Fit and Proper Test
      ii. Has the ability and knowledge in the field of banking and preferably has experience in at least one of the fields such as finance, economy, human
resources, banking, law, technology, accounting or audit.

iii. Has a good reputation and integrity as well as qualified to do a legal act.

iv. Does not have employment and position in another company, except allowed pursuant to the prevailing provisions.

b. Composition

i. The number of members of the Board of Directors shall at least consist of 3 (three) members of Directors, namely a President Director, one or more Vice President Directors and one or more Directors with at least 1 Independent Director (pursuant to Decision of PT Bursa Efek Indonesia No. Kep.00001/BEI/01-2014).

ii. All members of the Board of Directors shall domicile in Indonesia.

iii. The Board of Directors is led by the President Director.

iv. President Director and Director who is in charge of the Compliance work unit must meet the criteria of an Independent Director.

v. All members of The Board of Directors must have the capacity in banking in general and specifically in the fields of finance, economy, human resources, banking, law, technology, accounting or audit.

vi. An Independent Director is a director who has no relations in terms of financial, management, no ownership and / or kinship (up to 2 degrees) with fellow members of the Board of Commissioners, members of the Board of Directors, and or
Controlling Shareholders or other relationship which could naturally affect his ability to act independently.

c. Nomination members of Directors

1) Selection of a candidate for the Board of Directors shall not be based on discrimination of ethnic group, race, religion, nationality, gender.
2) Selection shall be based on the individual qualification and the need of organization such as inter alia related to the composition of Independent Director and variety of background of expertise and experience.
3) The selection process shall be done by the Remuneration and Nomination Committee through evaluation on the fulfillment of the qualification and interview process.
4) Candidate recommended by the Remuneration and Nomination Committee shall be proposed to the Board of Commissioners for approval and then submitted to the Financial Services Authority for Fit and Proper Test.
5) Upon obtaining approval from the Financial Services Authority, the candidate for members of the Board of commissioners shall be nominated for approval by GMS.
d. Appointment and Replacement

i. The proposal of appointment and/or replacement of members of the Board of Directors to the General Meeting of Shareholders must take notice of the recommendation of the Remuneration and Nomination Committee.

ii. In the event that a member of the Remuneration and Nomination Committee has conflict of interest with the recommended proposition, said recommended proposition must be disclosed.

iii. A member of the Board of Directors must pass the Fit and Proper Test in accordance with the provisions of the Financial Services Authority concerning Fit and Proper Test.
iv. The position of a member of the Board of Directors shall naturally come to an end, if the member of the Board of Directors:
1) resign; or
2) deceased; or
3) discharged based on GMS; or
4) no longer meet the qualification of the prevailing laws.

v. A member of the Board of Directors is entitled to resign from his position be way of written notification to Company. The Company must hold a GMS to decide on the request for resignation of the member of the Board of Directors at the latest 90 days upon receipt of the request for resignation.

vi. The Company must conduct a disclosure of information to the public and report to the Financial Services Authority at the latest 2 working days upon:
a. Receipt of the request for resignation of the Director
b. Issuance of result of GMS

e. Orientation
The President Director must ensure the new members of the Board of Directors get necessary information related to the Company to able to perform its duties and responsibilities.

f. Term of office
Members of the Board of Directors are appointed for a 3 years term, and may be reappointed for another 1 term.
3.2 Duties, Authorizations and Responsibilities

a. Duties and responsibilities

The Board of Directors has the following duties and responsibilities:

i. Conduct management of the Company pursuant to the authority and responsibility as provided for in Article of Association and the prevailing rules and regulations by implementing GCG principles in every activity in all levels or stages of the organization;

ii. Follow up every and all audit findings and recommendations from Internal audit Work unit, external auditors, results of monitoring of the Financial Services Authority and/or results of monitoring of other Authorities;

iii. to ensure proper implementation of GCG principles, BOC must form an Internal Audit work unit, Risk management work unit and Risk management Committee as well as Compliance work unit;

iv. Ensure supply of data as well as information that is accurate, relevant and punctuate to the Board of Commissioners.

v. Ensure transparency of material information related to business condition of the Company;

b. Duty of care

The Board of Directors is responsible for performing its duties and responsibilities in good faith and based on the prudence as well as professional
principles. In this respect The Board of Directors must:
- Always act honestly and in good faith
- Always apply the prudence principle in decision making
- Not cause the Company breach any prevailing rules
- Attend and be actively involved in the Board of Directors meetings
- Ensure the implementation of efficient and effective internal controlling system

c. Duty of loyalty
The Board of Directors in its decision making must only be for the interest of The Company, in this respect must prioritize the Company's interests over the personal or group interests. In this respect, The Board of Directors is prohibited to:
- make a transaction directly or indirectly with the Company, without first disclose the relevance and without approval from the Board of Commissioners and or GMS
- take benefit from the Company including but not limited to use the assets and facilities of the Company for the personal, family and/or other parties' interests which may cause adverse effect to the Company or reduce the profit of the Company
- Disclose non-public information to a third party
- Take and/or get personal benefit from the Company other than Remuneration and other facilities determined by GMS
- Use internal information for personal interest
d. Conflict of Interest

- Conflict of interest is a circumstance in which a conflict takes place between the business interest of the Company and the business interest of individual shareholders, members of The Board of Commissioners and The Board of Directors as well as employees of the Company.

- In the event of conflict of interest, a member of The Board of Commissioners is prohibited to take any action which may cause adverse effect to the Company or reduce the profit of the Company and must disclose such conflict of interest in every decision he/she makes.

- The disclosure of conflict of interest in the minutes of meeting should at least include the name of parties who have the conflict of interest, the subject matter that causes the conflict of interest and the considerations of the decision making.

- A member of the Board of Directors is not authorized to represent BTPN when:
  - A dispute takes place in the court between the Company and the relevant member of the Board of Directors
  - The relevant member of the Board of Directors has conflict of interest with the Company

- In the case that such a condition above occurs the parties authorized to represent the Company are as follows:
  - Another member of the Board of Directors who does not have conflict of interest with the Company;
The Board of Commissioners if all members of the Board of Directors have conflict of interest with the Company; or

Other parties appointed by GMS if all members of the Board of Directors and the Board of Commissioners have conflict of interest with the Company.

e. Decision Making

The Board of Directors may make decisions through the mechanism of the Board of Directors meeting or the Board of Directors circular.

The Board of Directors Meeting

i. The Board of Directors Meeting is held in regular basis, at least 1 (one) time in 1 (one) month and most of them are attended by all members of the Board of Directors in person.

ii. Members of the Board of Directors must attend meetings without being represented at least 75% of total number of meeting.

iii. The Board of Directors must hold the Board of Directors meeting with the Board of Commissioners on a regular basis at least 1 (one) time in 4 (four) months.

iv. Resolution of the Board of Directors meeting must be made based on amicable deliberation.

v. If the resolution cannot be made based on the amicable deliberation it then must be made by vote casting based on vote in favor for over ½ (one half) of the number of vote cast in the meeting.
vi. The resolution of the meeting is made note in the minutes of meeting including any possible dissenting opinions and documented by the Corporate Secretary.

vii. Procedure for the Board of Directors Meeting shall be further regulated in the Guideline of the Board of Directors.

BOD Circular

i. A mechanism of decision making by the Board of Directors conducted without going through the BOD meeting.

ii. Decisions will be considered valid provided that all members of the Board of Directors grant approval to the written proposals by signing the circular.

iii. Decisions of the circular shall have equal legal binding to decisions validly made in the Board of Commissioners meeting.

3.3 Performance Evaluation of the Board of Directors

a. The Board of Directors must conduct review on their performance during the financial year and report it to shareholders, at least once a year.

b. As a part of performance evaluation, the Board of Directors must ensure proper composition and qualification of the Board of Directors as provided for in this policy.

c. Performance evaluation of the Board of Directors shall be reported to shareholders in GMS and stated in the Annual report.
d. Evaluation on performance of members of the Board of Directors shall be done by the Remuneration and Nomination Committee based on input from the President Director.

e. The Result of performance evaluation of members of the Board of Directors shall be the basis in setting of Remuneration and nomination of the relevant members of The Board of Directors.

3.4 Remuneration of The Board of Directors

A. Remuneration of the Board of Directors is set by taking into account:

1. External competitiveness, that is comparison to market / peer group.

   The definition of peer group is companies considered as competitors, set by the Remuneration and Nomination Committee taking into account the following items: Company Vision reflecting the long term direction of the Company, complexity of the Company reflected from the innovation of the products, technologies and services as well as the vast and far extent of service as well as significant number of labor.

2. Internal Equity, that is equality with the scope of work.

   The Company classifies the Director based on scope of work.

3. Performance Company, measured based on the achievement of Business plan of the Company (RBB).
4. Individual performance, assessed based on the results of annual performance appraisal.

B. Components of Remuneration of the Board of Directors shall cover:
1. Fixed compensation in forms of basic salary or monthly honorarium;
2. regular benefits, cash or non-cash;

C. Bonus performance shall be closely subject to the Company's performance as well as individual performance for a year.

D. Variable compensation for the Board of Directors is set as a component with higher percentage in cash compensation of the Board of directors in total.

E. The Company shall appoint an independent consultant with good reputation to conduct benchmark of Remuneration of the Board of Directors to a peer group in banking industry in Indonesia.

F. Remuneration of each member of the Board of Directors is set based on the above provisions provided that it should be within the range of Remuneration of bank competitors based on the report on benchmark result.

Procedure of Setting of Remuneration for the Board of Commissioners
1. Remuneration Committee recommends the Board of Commissioners to appoint an independent consultant to conduct benchmark of Remuneration of the Board of Directors to several banks in Indonesia considered as bank competitors/peer group.

2. Remuneration Committee conducts study on the report of benchmark result from the appointed consultant which includes:
   d. Basic salary range
   e. Performance bonus range
   f. Benefit, facilities, and incentives schemes

3. At least once a year the President Director gives report to the Committee on both the collegial as well as individual performances of the Board of Directors based on each responsibility and target achievement.

4. Based on the performance result as explained in item 3 above, as well as report on benchmark result based on item 2 above, the Committee makes suggestions/recommendations on Remuneration for every Director and Commissioner to be then forwarded to the Board of Commissioners.

5. The Board of commissioners makes decisions on Remuneration for every Director and Commissioner.

6. GMS Approval on the total of Remuneration for the Board of directors and the Board of Commissioners.

3.5 Transparency Aspect of the Board of Directors

Members of The Board of directors must disclose:
   a. Ownership of shares reaching 5% (five percents) or more, either in the relevant Company or in other
companies, domiciled both in the country as well as overseas;
b. Financial relations and relative relations with any members of the Board of commissioners, other members of the Board of directors and/or shareholders Company controller, in the report of Good Corporate Governance implementation.

3.6 Education and Training

In order to improve the competence and to support the implementation of duties and responsibilities of the Board of Directors, members of the Board of Directors shall participate in a special Induction Program for the new members of the Board of Directors and the refreshment Program consists of:

1. Regular Update that is update on new relevant regulation.
2. Macro Update that is update on macro economy condition or other relevant issues.
3. Development that is training for each member of the Board of Directors.
4. Other Refreshment Programs compulsory by the current regulations.

3.7 Director Level Committees

a. Risk management Committee
   1. Membership
      - The Committee shall at least consist of a Director who handles Risk management (as the chief committee) and Directors who handle Business,
Finance, Compliance, Human Capital, Operations and Technology Information, as well as executive officer in the field of Risk management.

- Membership of the Committee is ex officio (subject to the position) the Committee must establish a Risk management Committee Charter, and to be reviewed once a year.

2. Duties and responsibilities

i. Prepare policy and framework of risk management as well as risk limit, including updating, correcting, and or improvement thereof.

ii. Conduct evaluation on the compatibility between risk management policy and its implementation.

iii. Conduct evaluation and provide recommendation upon transactions or activities, which require consent and approval of the Board of Directors.

b. Asset and Liability Committee

1. Membership

- The Committee shall at least consist of a Director who handles treasury (as the head of committee) and comprising Directors who handles Business, Finance, Risk management as well as executive officers who handle Risk management and Treasury

- Membership of the Committee is ex officio (subject to the position)

- The Committee must establish an Asset and Liability Committee Charter, and to be reviewed once a year
2. Duties and responsibilities

i. Develop, assess and establish assets and liabilities management (ALMA) strategy, guideline and policy.

ii. Monitor on a regular basis liquidation position of the Company through development of primary and secondary reserves.

iii. Monitor on a regular basis development and strategy of third party fund as well as credit.

iv. Review development and projection of overall economy situation to direct the predetermined policy.

v. Set signs/limits and clues of management as well as risk control that has impact on the Liquidity Risk (Liquidity Management), Market Risk such as Interest Rate Risk (Interest Rate Management) and Portfolio Risk (Earning & Investment Management).

vi. Conduct evaluation and set pricing of Credit Interest Rate, Fund Interest Rate and Funds Transfer Price (FTP) or Account Interest Rate between Offices to optimize the returns of investment, minimize fund costs, and maintain balance structure of the Company pursuant to ALMA strategy of the Company.

vii. Conduct evaluation on the position of interest rate risk of the Company and ALMA strategy to ensure that the result of risk taking position of the Company has been consistent with the goal of interest rate risk management.

viii. Review the performance and position of assets and financial liabilities of the Company to review the
impact of the previous decision of the Committee prior to the goal of the Company.

ix. Review deviation between the actual result and projection of budget and Business plan of the Company.

x. Forward information to the Board of Directors on every development of relevant rules and regulations which may affect ALMA strategy and policy.

c. Information Technology Steering Committee

1. Membership

- The Committee shall at least consist of a Director who handles Information Technology (as the chief committee) and member Directors who handle Business, Finance, and Operations as well as executive officer in the fields of Risk management, Operations and Information Technology.

- Membership of the Committee is ex officio (subject to the position) the the Committee must establish an Information Technology Steering Committee Charter, and it is to be reviewed once a year.

2. Duties and responsibilities

i. Information Technology strategic plan which is in line with the strategic plan of the business activities of the Company.

ii. Formulation of primary IT policy and procedure such as IT protection policy and risk management related to use of IT in the Company;
iii. Compatibility between approved IT projects and IP Strategy plan;

iv. Compatibility between implementation of IT projects and the approved project charter in the service level agreement;

v. Compatibility between IT and management information system needs that support the management of business activities of Company;

vi. Effectiveness of steps to minimize risk in the Company's investment in IT sector and that such investment gives contribution to the accomplishment of the business goals of the Company;

vii. Conduct evaluation on the performance and use of Information Technology to ensure that the use of Information Technology can support and meet the business need of the Company;

viii. IT related problem solving efforts, that cannot be done by user work unit and organizing work unit;

ix. Conduct evaluation on the availability and sufficiency of human resources related to operation, maintenance and support on the use of IT;

x. Provide input on the processes related to IT risks.

d. Human Capital Committee

1. Membership

- The Committee shall at least consist of Director who handles Human Capital (as the chief committee)
and member President Director, Director who handle finance as well as executive officer in the field of Human Capital.

Membership of the Committee is ex officio (subject to the position) the Committee must establish an Asset and Liability Committee Charter, and to be reviewed once a year.

2. Duties and responsibilities

i. Evaluate policies, strategies and targets in the field of Human Capital and further recommend the Board of Directors to be set. The policy refers to strategic policies.

ii. Evaluate the implementation of Human Capital Remuneration program and then recommend the Board of Directors for approval.

iii. Approve the deviation of prevailing Human Capital related rules/policies of the Company which exceed the authority of head of division and/or Director who handles Human Capital.

iv. Give recommendation to the Board of Directors on the appointment of and nomination of members of the Board of Directors / the Board of Commissioners in the subsidiary Companies (including members of Sharia Supervisory Board in the subsidiary companies running Sharia businesses).
4 STRUCTURE OF ORGANIZATION & MANAGEMENT

4.1 BUSINESS UNIT

a. BTPN Purna Bakti

Empower millions of pensioners to achieve a more meaningful life as a tribute to the dedication that has been given, to achieve a healthy, prosperous and meaningful.

Overview

BTPN Purna Bakti provides pension credit that is credit provided to pensioner/veterans (including widows/ers of pensioner/veterans) managed by Pension Fund Management Institution in cooperation with the Company in payment of pension benefit and/or deduction of pension rights either through relevant Pension Fund Management Institution or the third party appointed by Pension Fund Management Institution.

With the slogan "Do Good, Do Well", the Company continues to innovate. With five decades of experience serving, the Company understands how great the desire of the pensioners to stay healthy physically and mentally, stay active in social life, be a role model for the next generation, do entrepreneurship, as well as continue to provide benefits for families, the surrounding and society.

Four Components of BTPN Purna Bakti
1. Perspective and attitude of BTPN Purna Bakti employees to their customers
   Our customers are people who have devoted and contributed to the Country.
2. Office facilities dedicated to pensioners
   Comfortable rooms special for senior customers
3. Program Daya for BTPN Purna Bakti customers
4. Community Center to accommodate customers aspirations in doing positive activities

**Purna Bakti Community**
BTPN Purna Bakti also makes innovation, by changing the lobby of the office to be a community center, where our customers can conveniently socialize with friends, where program Daya take place. The pensioners can also obtain information and service regarding Taspen and Asabri.

To stay active in social life the pensioners can do community activities there as well. BTPN provides office facilities to do various activities such as meeting, sports and arts activities.

**Main Functions**

**SALES & SERVICE DISTRIBUTION**

**Duties and responsibilities of Sales Distribution**
Manage, coordinate and monitor Regional Sales Heads and Regional Sales Supports on the efforts of productivity, optimalization of new business opportunities, networking development as well as maintain good relations with customers and business partners to achieve the business objectives.
Duties and responsibilities of Service Distribution
Manage, coordinate and monitor Regional Service Heads and Regional Service Support on the optimalization of new business opportunities, development of networking as well as maintain good relations with customer and business partners to achieve the business objectives.

Duties and responsibilities of Business Sales Manager
Manage, coordinate and monitor Sales Marketing Supervisors (SMS) in the operations of marketing of pension credits in the scope of branch, increase of productivity, optimalization of new business opportunities, and development of networking as well as maintain good relations with customer and business partners to achieve the business objectives.

Duties and responsibilities of Business Service Manager
Manage, coordinate and monitor Service Branch Managers in the implementation of service strategies for pension credit process as well as operational activities to achieve the business objectives.

SERVICE & DISTRIBUTION

Duties and responsibilities of Credit Acceptance
Manage, coordinate and monitor Credit Acceptances in customer service activities of distribution, approval and decision on loan proposals within their authorization limit, as well as handle customer complaints to achieve the business objectives.

HO – BUSINESS DEVELOPMENT

Duties and responsibilities of Business Development
Manage, coordinate and monitor Product & Payment Development, Credit & Bancassurance, Network & Service, and Sales Management in developing strategy, system, infrastructure and implementation of Key Initiatives to achieve the business objectives.

**Duties and responsibilities of Credit & Bancassurance Product Management**

Manage, coordinate and monitor Credit & Bancassurance Product Managements in product analysis as well as reports required to achieve the business objectives.

**Duties and responsibilities of Network & Service Management**

- Manage, coordinate and monitor Network Management in footprint management and branch standardization to achieve the business objectives.
- Manage, coordinate and monitor Service Management in formulation of strategy, implementation, monitoring and evaluation of implementation Service program in regional level to achieve the business objectives.

**Duties and responsibilities of Sales Management**

Manage, coordinate and monitor Sales Competency Heads and Regional Sales Support Heads in developing and increasing sales capacity and capability of all sales force to achieve the business objectives.

**Duties and responsibilities of Sales Support & Training**

Conduct implementation on sales capability from all sales forces to achieve the business objectives.
Duties and responsibilities of Regional Sales Support
Manage, coordinate and monitor Regional Sales Supports in conducting implementation and evaluation on sales model, sales organization, sales process management, and key initiative pursuant to the prevailing SOP to achieve the business objectives.

HO – BUSINESS INTELLIGENCE UNIT

Duties and responsibilities of Business Intelligence Unit
Manage, coordinate and monitor Business Intelligence Unit in developing skills in business intelligence, manage and analyze data of customers, potential customers and competitors, as well as give strategic, updated and accurate recommendations in decision making and strategy setting to achieve the business objectives.

HO – INSTITUTIONAL RELATIONSHIP MANAGEMENT (IRM)

Duties and responsibilities of Institutional Relationship Manager
Manage, coordinate and monitor Institutional Relationship Manager in managing and controlling all effective activities of Relationship Management between internal BTPN with partners to achieve the business objectives.

Duties and responsibilities of IRM 1-3
Manage, coordinate and monitor Institutional Relationship Support in managing and controlling all effective activities of Relationship Management between internal BTPN with partners to achieve the business objectives.
Duties and responsibilities of IRM Support 1-3
Conduct implementation of all effective activities of relationship management between internal BTPN with partners to achieve the business objectives.

HO – PROCESS & PERFORMANCE MANAGEMENT

Duties and responsibilities of Process & Performance Management
Manage, coordinate and monitor Process Management Head, Performance Management Head, Marketing & Communication Head, and Customer Information to achieve the objectives.

Duties and responsibilities of Performance Management
Manage, coordinate and monitor Performance Management in implementation of compatibility of Key Performance Indicator and business strategy, as well as measurement and reporting of business performance that is precise and accurate to achieve the business objectives.

Duties and responsibilities of Process Management
Manage, coordinate and monitor Process Management in increasing performance process to achieve business objectives.

Duties and responsibilities of Marketing & Communication
Plan, develop, manage and control activities of Marketing & Communication Management, build and develop effective media internal communication in national level as well as conduct coordination on the implementation of marketing events with both internal and external parties to increase the brand image of the pension business product in accordance with the prevailing provision and promotion budget.
**Duties and responsibilities of Customer Information**

Conduct implementation in developing the comprehensive Customer Information Management system, management of data of potential and existing customers, and distribution of data to achieve the business objectives.

**b. BTPN MITRA USAHA RAKYAT**

Empowering millions of micro-entrepreneurs to achieve sustainable business growth through financial support and capacity-building capabilities

**Overview**

Bank Tabungan Pensiunan Nasional Mitra Usaha Rakyat (BTPN MUR) is the credit business that serves micro-small entrepreneurs who need loans ranging from Rp 25 million to Rp 1 billion. In line with the company philosophy "Do Good Do Well", BTPN MUR not only provides financial support / loans (capital / capability to grow) for micro-small businessmen, but also provides the development of entrepreneurial skills (capacity to grow) through Daya program to help micro-small entrepreneurs increase optimal growth opportunities, improve the welfare of the family and the surrounding community. MUR Bank offers loans with a fast process, simple requirements and affordable payment schemes. Currently, there are about 600 branches of BTPN MUR serving 250,000 micro-small entrepreneurs throughout Indonesia.

Bank BTPN MUR is led by the Business Director of UMK, with 4 distribution units handling branch offices throughout Indonesia.
and in cooperation in synergy with units of head office, namely Business Planning, Business Risk & Control, Product & Sales Management, and Branch Operation & Network Management.

**Main Functions**

1. **Business Planning**
   Responsible for business planning through financial planning, performance management through monitoring tools in financial aspect and ensure the alignment of the entire component of organization in implementing various strategic activities to facilitate the short term and long term goals. The scope of Business Planning unit covers Performance Management, Planning & Development and Business Alignment.

2. **Business Risk and Control**
   Responsible for ensuring the achievement of sustainable performance by maintaining credit quality, manage risk by introducing prevention culture and risk management, ensuring risk mitigation, perform the recovery of portfolio quality as well as ensuring business alignment with provisions as well as internal and external rules. The scope of Business Risk and Control unit covers Credit Policy, Credit Approval Management, Collection & Recovery, Special Handling Management, Quality Assurance and Risk & MIS Analytics.

3. **Product And Sales Management**
   Responsible for ensuring the sustainable growth of business through development of products and services for SME customers, developing competence and managing sales
productivity and develop sales programs as well as both internal communication and communication with customers. In addition to realize the company philosophy “Do Good Do Well” this unit is also responsible for ensuring development and implementation of Daya programs for SME customers. The scope of Product and Sales Management unit covers Product Management, Sales Management, Sales Development & DAYA and Marketing Program & Communication.

4. **Branch Operation and Network Management**

   Responsible for ensuring the quality of transaction and service to customers by designing and developing effective and efficient operational process, ensuring standardization in every branch office, acting as compliance agent, providing solution for operational problems of the branch offices and management of office network to support business efforts in achieving quality and sustainable performance. The scope of Branch Operation and Network Management unit covers Branch Improvement Management and Branch Service Management.

5. **Distribution Unit**

   Responsible for business achievement of every area of Distribution – UMK by conducting supervision and management of Regional Business Leader (RBL), Area Business Leader (ABL) and Branch Manager (BM) under this unit. Task implementation in every Area, Regional and Distribution is supported by Business Support Sales and Business Support Service teams. Currently there are 4 units of Distribution covering Sumatera, Java 1, Java 2 and Eastern Indonesia.
c. BTPN SINAYA

Providing an opportunity to generate significant positive impact through the opportunity to take part in activities empowering millions of mass market segment in Indonesia.

Overview
BTPN Sinaya, is Funding division of the Company focusing on collection of third Party fund (DPK) from Individuals as well as Institution. Currently BTPN Sinaya has 46 branch offices and 44 Sinaya centers throughout Indonesia which are expected to reach all available potential funds.

BTPN Sinaya offers safety, comfort, personal excellent service and optimum returns from its featured products. All collected funds are entirely distributed in form of loan and empowerment for pensioners, small micro entrepreneurs and productive underprivileged people. Customers of BTPN Sinaya not only get financial facilitates to develop themselves, but also participate in empowering other people, making life more meaningful.

BTPN Sinaya is led by the Director responsible for funding business, and supported by 2 main work units namely Retail Funding Business (RFB) and Wholesale Funding Business (WFB).

RFB provides services of saving, deposit, Bancassurance and current account for middle segment individuals.
WFB focuses on dealing with and providing services customers from corporate, Public Sector, Pension fund, as well as high-networth individual, with the funds managed from every customer at nominal of over Rp 2 billions.

Main Functions

To give bankwide support to Sinaya Funding Business, the head office has main work units responsible for supporting this Business. These work units are Distribution Management, Business Performance Management, Business Quality Management, Product Management & Operation Excellence as well as Marketing Communication.

Distribution Head is responsible in preparing strategy to achieve sales target and maintain excellent service quality by developing strategy of office network including utilizing all resources as well as building supporting working condition by providing motivation and building good teamwork, as well as developing potential of employees under his coordination.

Regional Business Leader (RBL) is responsible in preparing and implementing strategy to achieve financial and non financial targets by optimizing all human resources therefore having good teamwork, motivation and performance. He is also responsible for ensuring standard service excellence to be implemented in all branch offices, and ensuring operational risk factor to be well controlled in accordance with the Company's standard.

Area Business leader (ABL) is responsible for ensuring strategy of financial target achievement prepared with Regional Business
Leader (RBL) having been implemented in all branch offices of his area. He is also responsible for staff supply and development, as well as coordinating with Area Service Leader to implement standard service excellence in all branch offices and ensuring operational risk factor can be well controlled in accordance with the Company's standard.

Area Service Leader (ASL) is responsible for ensuring the available end-to-end service standard has been well implemented in all branch offices, especially for supporting financial and non financial targets of RFB. He is also responsible for ensuring implementation of operational policy and procedure as well as risk management in all branch offices has been effectively implemented in accordance with the strategy and risk appetite determined by the Company.

d. BTPN MITRA BISNIS

Overview
BTPN Mitra Bisnis assists customers in SME segment with productive economy businesses with minimum annual sales value of Rp 2.5 billions. The financial and solution services provided include capital financing and investment with loan limit per debtor of Rp 1 to 50 billions. Currently the financial solution offered are products of Pinjaman Rekening Koran (PRK), Pinjaman Berjangka (PB) and Pinjaman Angsuran Berjangka (PAB) provided for individual as well as corporate customers in a conventional payment scheme, supply chain as well as Bank Perkreditan Rakyat (BPR). Gradually BTPN Mitra Bisnis will complete its financial services and solution with cash management, trade finance, Asset
Based Finance (ABF), etc in accordance with the market need and the availability of the system and infrastructure.

BTPN Mitra Bisnis is lead by Head of Mitra Usaha Business who is responsible directly to Director who is in charge of credit business.

Organization in BTPN Mitra Bisnis, includes head office, Regional and Area offices where the organization structure in Regional and Area offices in general can be classified into 3 pillars namely Business, Credit and Service.

Main Functions

BUSINESS

Regional Business Leader (RBL) is in charge of Area Business Leader (ABL), where every area can have 4 – 6 Relationship Managers (RM) and 1 – 2 RM Supports. The duties and responsibilities of the Business team are to gain sustainable business growth in terms of volume, number of customers as well as profit in accordance with the predetermined target by not overlooking the quality of the earned portfolio.

CREDIT

Regional Credit Manager (RCM) is in charge of Regional Credit Reviewer (RCR) and Area Credit Manager (ACM). The duties and responsibilities of Credit team are to assist the growth of business by providing in depth analysis to get sustainable and healthy portfolio.

SERVICE
Regional Service Manager (RSM) is in charge of Area Service Manager (ASM), where every ASM is in charge of Customer Services (CS) also functioning as Tellers dealing with customer transactions in Area offices, Legal & Documentation staff who helps in credit process, become document custodian and implement function of credit administration, as well as Appraiser staff who do assessment on collateral of the applicant debtor for credit. In general the duties and responsibilities of Service team are to help growth of business by supporting transaction operation in branch offices and also relevant credit transaction as well as to become the party that runs one of relevant UVP BTPN Mitra Bisnis in maintaining customer relation.

Structure of BTPN Mitra Bisnis at the head office consists of:

1. **Sales Distribution**
   Prepare strategy of business achievement for i-SME BTPN, conduct monitoring of business growth, financial performance including NPL, lead Business teams in Regional as well as Area scopes. BTPN Mitra Bisnis has 8 Regionals throughout Indonesia with Regional offices in Jakarta, Medan, Palembang (currently remotely controlled from Medan), Bandung, Semarang, Surabaya, Balikpapan and Makassar.

2. **Business Development**
   Develop and run strategy of businesses / products related to Unique Value Proposition (UVP) in SME sector, with the hope for drawing new customers and maintain loyalty of existing customers. Business Development also conducts mass acquisition to support growth of business by running special product / program such as BPR and supply chain.

3. **Business Planning & Alignment**
Prepare business planning, from financial planning to strategic business initiatives, for short and long terms. Develop facilities and infrastructures to support the achievement of targets business through development of Management Monitoring Tools. Business Planning & Alignment also implement alignment function through internal communication within BTPN Mitra Bisnis, delivered in effective, efficient communication as well as focusing on the right targets.

4. Credit Risk

Credit Risk consists of Policy & Procedure, Credit Approval, Credit Analytics, Internal Control and Remedial. Policy & Procedure is responsible for preparing the available policy and procedure in BTPN Mitra Bisnis as well as reviewing and giving feedback related to policy and procedure of the Company that concerns BTPN Mitra Bisnis.

Credit Approval leads Credit team in Regional as well as Area scopes. Tim Credit Approval team is responsible for reviewing and providing decision on the application for credit filed by debtor. In this respect Credit Approval team is responsible for ensuring that portfolio BTPN Mitra Bisnis grows healthily.

Credit Analytics is responsible as data manager and processor and caretaker related to initiative of IT projects in BTPN Mitra Bisnis. Included in the responsibility of Credit Analytics is to conduct analysis and calibration on decision making tools on credit established in BTPN Mitra Bisnis.

Internal Control consists of Quality Assurance, Early Warning and Portfolio Analysis. Quality Assurance will also be
available in Regional scope. Internal Control team is responsible for monitoring business portfolio and development subject to the business model, early detecting potential decline of portfolio, ensuring that every process available in BTPN Mitra Bisnis has met the policy and procedure as well as developing the available business and providing input based on the current finding for process of improvement in the future.

**Remedial** consists of Soft Collection, Rehabilitation and Recovery. Rehabilitation and Recovery team will be available in Regional scope. Remedial team will deal with debtor with late payment (days past due = DPD) > 0. Handling in each team in Remedial Unit is determined based on duration of DPD. Remedial team will make efforts to improve debtor payment schedule or push down Company's loss as low as possible when the debtor falls into Non Performing Loan (NPL) category.

5. **Business Services**

Business Service consists of Transactional & Services and Project Management & Branch Development.

**Transactional & Services** is responsible for preparing platform of banking transactional by developing the concept of excellent service, developing transaction functions in branch office and also developing supporting transaction functions in branch office.

**Project Management & Branch Development** is responsible in preparing infrastructure, setting up branch office, process of alignment with another unit in BTPN related to operational function and other office management activities.
4.2 SUPPORTING UNIT

a. FINANCE

Finance Unit is under Finance Director. Finance Director has the following responsibilities:

- Lead and direct policy and strategy in the field of finance and strategy, capital including short term, mid term and long term financial targets comprehensively.
- Direct and coordinate preparation of Business plan of the Company as well as corporate actions.

Main Functions

CORPORATE PERFORMANCE

• Coordinate preparation of management financial report including analysis and explanation on actual performance, provide recommendation related to important issues to Finance Director as well as supervise management of system information management (data warehouse) so financial performance Company (company) can be well monitored.
• Supervise preparation of financial performance forecasting and projection to ensure bankwide, right and accurate implementation of annual budget plan.

FINANCIAL CONTROL & PLANNING

Plan, develop and control policy, accounting procedure, report to regulator, account and taxation functions as well as budgeting in all business units, operational and support function to ensure financial control and planning functions work timely and pursuant to the prevailing provisions.
CORPORATE STRATEGY
Facilitate process of preparation of Business plan of the Company and its reporting to OJK as well as process of strategic review, conduct market analysis and research necessary for management of the Company, and prepare information of Company's performance to external stakeholders.

b. INFORMATION TECHNOLOGY
Information Technology Work unit is under Information Technology Director. Information Technology Director has the following responsibilities:
- Leads and coordinates policy and strategy in the field of technology and information.
- Coordinates effective and efficient Information Technology development and planning supporting business units.

Main Functions

IT Planning
a) Responsible for strategic planning from IT of the Company
b) Responsible for availability of IT architecture set by the Company
c) Responsible for coordination of IT risk management
d) Responsible for management of IT security for the Company

IT Business Alliance Pension, E-channel, BUS & Treasury
a) Responsible for enablement and support for IT services towards Pension Business, WoW and Treasury
b) Understand the entire process of the relevant businesses and the integration thereof into the required IT services
c) Become Relationship Manager of BTPN Syariah for services provided by the Company to BTPN Syariah
**IT Business Alliance Finance, Corporate Function, MUR & i-SME**

a) Responsible for enablement and support for IT services towards Directorate of Finance, Human Capital, Corporate Function, Mitra Usaha Rakyat and i-SME Bisnis

b) Understand the entire process of the relevant businesses and users and the integration thereof into the required IT services

**IT Business Alliance Operations & Retail Banking**

a) Responsible for enablement and support for IT services towards Directorate Operation and Retail Banking business

b) Understand the entire process of the relevant businesses and users and the integration thereof into the required IT services

**IT Business Solutions**

a) Responsible for technical as well as functional solutions required by all IT solutions for the stakeholders

b) Ensure compliance with the standard set by IT

c) Ensure integration of the solution built upon the set infrastructure design

d) Responsible for the quality of solution & infrastructure built for the stakeholders

**IT Solutions Development**

a) Responsible for creation and development of application required by all IT solution IT for the stakeholders

b) Ensure compliance with the standard set by IT

c) Responsible the quality of solution built for the stakeholders
IT Services Operation
a) Responsible for all operation of IT services
b) Responsible for compliance with the Service Level set by IT
c) Responsible for all infrastructures of the Company, covering Data Center, Disaster Recovery and communication network of the Company

IT PMO & Vendor Management
a) Responsible for IT enablement function through management of IT project portfolio & program
b) Ensure compliance with standard of Project Management set by IT
c) Responsible for management of budget for operation & investment prepared by IT
d) Responsible for management of good relation with third parties that support the entire IT service

IT Service Delivery
a) Responsible for availabiality of IT service for the stakeholders
b) Ensure IT support towards all users of IT service in the Company
c) Ensure compliance with the set service level
d) Responsible for settlement of any incidents and problems occurred within all IT service

INFORMATION TECHNOLOGY MANAGEMENT
In order to improve the efficiency of operational activities and the quality of service of the Company to its customers, the Company is required to develop a business strategy, among others, by utilizing the advancement of Information Technology.
The competence of the Company in managing IT would determine success in generating information that is comprehensive, accurate, updated, complete, secure, consistent, timely and relevant. Thus the resulted information can support the process of decision making and operational business of the Company.

**Roles and Responsibilities of Management**

They include duties and responsibilities of the Board of Commissioners, the Board of Directors and Committee IT Steering Committee as well as the highest rank official in charge of IT pursuant to the prevailing provisions.

**Information Technology Strategic Plan**

Information Technology Strategic Plan is a document that describes IT vision and mission IT of the Company, strategy to support said vision and mission and main principles that serve as references in IT utilization to meet the business needs and support long term strategic plan of the Company.

Before preparing IT Strategic Plan the Company should perform analysis on matters relating among other Corporate Plan related data, IT standards and regulations and applicable banking industry, technology trends, and the assessment of the current IT environment.

In the preparation of IT Strategic Plan the Company should pay attention to the following:

a. compatibility between direction and strategic plan of the Company in overall;

b. compatibility between direction and strategy and activity of each business unit, market condition and demographical structure as well as customer segmentation;
c. management understanding of role of IT in supporting current as well as future business activities of the Company;

d. management understanding on the relation between IT resources currently used and to be used and strategy and work plan of the work unit as IT user;

e. consideration of direct and indirect benefit in comparison with the costs to be incurred for use of technology;

f. need for new investment in the field of technology.

Information Technology Organization

1. Functions of IT Risk management

Company needs to have a function of implementation of risk management of use of IT in the organization involving parties who have risk and oversee risk as well as do the test and verification.

Company needs to have a policy on identification, measurement and monitoring of risks of every activities/ business regularly done by Risk management Work unit in cooperation with IT provider work unit and IT user work unit.

2. Organization structure of IT Work Unit

The Company needs to have organization structure that meets the need of IT provisions and uses, and at least should pay attention to the following:

a. organization structure that specifically draw the command line, reporting, responsibility (and if necessary, replacing persons) for every current IT function;

b. the presence of principles of duties and responsibilities segregation to avoid a person gets different responsibility for different functions in such a way so his mistake cannot be easily detected. For example, a separation of staff
responsible for dealing with administration of security of information (security administrator) and staff responsible for development and for IT operational activities;
c. organization structure that does not give opportunity to anyone to independently make and or hide his mistakes or irregularities in performing the duties as well as can deactivate the security system facilities;
d. personnel placement taking into account the competence (knowledge and expertise) of the person and the suitable position (title/duty);
e. distribution of responsibility and setting of target is well formulated among risk management functions and functional units of IT provider.

c. OPERATION
The Operation Work unit is under the responsibility of the Operation Director. The Operation Unit is responsible for processing and monitoring transaction operations of the Company. The Operation Director has the following duties:
- Lead and direct policy and strategy in the field of operation.
- Lead development and innovation in the field of operation to support more effective and efficient business process.

Main Functions

Operations Development
Design and develop operational process both in branch offices and head office, as well as coordinates the preparation of supporting infrastructures including applications/systems, documents, tools, and others as well as socialize SOP/Operational Policy to all branch offices.
**Operations Performance Monitoring**

Design measurement of performance indicator in every operation unit, conduct measurement and evaluate quality of implementation of operational process as well as conduct monitoring budget Opex.

**Operations Distribution**

Provide transaction processing services in branch offices.

**General Affairs & Premises**

Manage office building as well as related facilities, and office securities.

**Procurement & Fixed Asset Management**

Provide procurement services for the Company, management of physical assets of the Company, as well as management of third parties (vendor) providing services for the Company.

**Centralized Operations**

Provide operational transaction processing services centered to the branch and external party, Call Center service, as well as provide Company reporting.

**d. HUMAN CAPITAL**

Human Capital unit is under the Human Capital Director with the following duties:

- Coordinates and directs policy and strategy in the field of human capital including policy on recruitment, promotion, mutation and training.
- Create harmonious industrial relation as well as deliver strategic Company's policy in the field of human capital to employees.

In managing Human resources (HR) the Company divides into four processes called People Process, namely:

1. **Quick and accurate labor supply subject to Company need**
   Labor is the most important element in an organization to exercise the work plan and achieve business goals. Therefore the first process to be done is quick and accurate labor supply through need management planning or Man Power Planning.

   Human Capital Unit is responsible to provide potential employees quickly and accurately subject to the need for personnel in accordance with Man Power Planning. Head of work unit make selection on those candidates to be chosen in accordance with need in the work unit.

2. **Build and maintain high performance work culture**
   One of the first principles to be the basis of development of organization is to develop high performance work culture for employees. The steps of process are planning and designing effective organization structure, fulfillment of complete job description, clear work target setting for every employee, management performance process, rewarding based on meritocracy principle to support high performance culture, critical skill training to improve employees competence the in the individual need and work demand, and setting discipline management for employees pursuant to individual performance.
Human Capital unit is responsible to provide rules, work process, guideline and supporting infrastructure on the plan and design of effective organization structure yang effective, complete job description together with clear work target, rewards based on meritocracy principle, trainings subject to the need, to be executed by heads of each work unit.

3. Talent Management in Key Leadership
To maintain leadership the Company establishes and develops concept of management and development skills of employees particularly for key and important positions in the Company. The process starts from identification of basic skill/expertise in every employee based on his performance and potential, prepare and execute development plan of that basic skill/expertise pursuant to the classification at the level required to fill in the key position, and prepare plan for succession of leadership in the Company.

Human Capital unit is responsible to make aid tools to identify key positions together with skill/expertise necessary for the positions, prepare list of potential employees to fill the positions as well as plan and implement development activities for said potential employees to be ready when need to fill in said positions. Each head of work unit is responsible to choose the potential employees in his work unit and give those employees the opportunity to take the self development activities.

4. Build and develop engagement
Company realizes that achievement of high performance can only be done by the team with strong work engagement. Every employee needs to always build maintain and develop the level
of trust and believe in the work unit. The presence of understanding and belief that every work has mutual engagement which in turn will manifest in high level of work engagement in the Company in overall. Harmonious industrial relation needs also to be maintained through compliance to the prevailing laws and regulations. Work engagement based on mutual trust and believe to deliver the best performance will result in the improvement of employee performance.

Unit Human Capital is responsible to provide rules, work process, guideline and supporting infrastructure on how to develop engagement in a work team, give description on condition of engagement in a work team, and improve engagement from one condition to better condition. Head of work unit is responsible to do improvement engagement activities based on the description (survey).

**Main Functions**

**HC Strategic Development & Projects** has a role to be center of specialization in management of human capital and responsible to provide policy, procedure and infrastructure as well as management of change in establishing effective organization, acquisition of senior talents in the market of banking industry, management of performance employees, management of rewards for employees, management of education and development employees, management of talent, management of employee engagement and management of industrial relation.

**HC Services** has a role to be provider for transactional employment service with the responsibility in salary and benefit payment, management of employee's database, keeping of employee
records, employee's loan, employment information system, as well as center of communication and information for employee's service. In addition HC Operation is also responsible to do mass recruitment process (Mass Recruitment).

**HC Business Partner** has a role to exercise general function of human capital for a certain directorate or department, focusing on the responsibility in implementation of management of performance, management of talent and career, management of employee engagement and management of people risk.

e. **CORPORATE SECRETARY**

Effective communication between the Company and stakeholders is extremely crucial in implementation of GCG and that falls under the responsibility of Corporate Secretary.

In accordance with Rule of the Financial Services Authority No. 35/POJK.04/2014 regarding Corporate Secretary of Issuer or Public Company, every Issuer or Public Company must establish Corporate Secretary. Corporate Secretary functions can be done by an individual or work unit led by a caretaker. In the event that Corporate Secretary position is held by an executive officer, the Board of Directors is responsible for information delivered by the Corporate Secretary.

1. **Functions of Corporate Secretary**

Corporate secretary functions to build strategic relation with stakeholders such as Government institutions, mass media, Investors, public, management and employees of the Company, as well as other institutions with the interest in the Company based on high trust and integrity to improve the Company's
image. In addition, corporate secretary also has a role in developing a tool to implement GCG principles in the Company with a purpose to develop Company's positive image as Public Company and optimize investment values of Shareholders.

2. Qualification of Corporate Secretary
   a. Understand laws and regulations in the field of capital market, banking law and Banking
   b. Understand the Company's business
   c. Has a good personal characteristics such as detail-oriented, flexible and creative
   d. Has organization skill
   e. Has good communication skill and responsible
   f. Has analytical skill and can give inputs to the Board of Directors as well as inform management of any necessary information as early as possible
   g. Take Corporate Secretary trainings particularly in the field of law, capital market as well as secretarial practices.

3. Duties and responsibilities of Corporate Secretary
   1. As a liaison or contact person between Company and regulators
   2. Ensure Company's compliance to every and all provisions in capital market
   3. To be main caretaker for smooth communication between shareholders and the Company.
   4. Assist the Board of Directors and the Board of Commissioners in terms of:
      a. Agenda setting for every BOD and/or BOC meeting
b. Notification or delivery of invitation to members of the Board of directors and/or the Board of Commissioners for every BOD and/or BOC meeting
c. Prepare materials for meetings
d. Prepare minutes of BOD and/or BOC meetings
e. Ensure the meetings of the Board of Directors and/or The Board of Commissioners as well as Committee meetings are in accordance with the current procedure.
f. Ensure induction training for newly elected members of the Board of Directors and or the Board of Commissioners, with the following materials:
   i. Distribution of task and authorization of the Board of Directors and/or the Board of Commissioners
   ii. Organization structure of the Company
   iii. Related Company 's documents
   iv. The result of General Meeting of Shareholders having certain implications
   v. Supply of information necessary by the Board of Directors to perform the duties and responsibilities.
5. Ensure the availability of system of filing and availability of document of the Company, including minutes of BOD meetings, BOC meetings, committee meetings and GMS.
6. Ensure availability of list of shareholders in accordance with prevailing provisions.
7. Ensure that the Company has done disclosure of information necessary for public to be aware of in transparent and punctuate manners.
8. Give input on GCG implementation in the Company in form of self assessment on a regular basis, at least once a year.

CORPORATE SECRETARIAT
Corporate Secretariat is a division under Directorate Legal, Compliance and Corporate Secretary and led by Head of Corporate Secretariat. Corporate Secretariat in BTPN functions to assist Corporate Secretary function in terms of liaison between the Company and the capital market authority, Shareholders, and public as well as be responsible to maintain balanced, consistent, and transparent communication regarding Good Corporate Governance, material transaction and latest corporate action in a timely manner as well as as coordinator related to GCG implementation.

In relation with the implementation of Good Corporate Governance, the Corporate Secretariat has a vast responsibility or role both in terms of administrative role and strategic role which in general is described as follow:

1. Arrange the need of meetings of the Board of Directors, the Board of Commissioners and BOC level Committee including coordinate, prepare and distribute materials of meetings;
2. Attend to meetings of the Board of Directors, the Board of commissioners and BOC level Committee to make notes, as well as follow up decision of the meeting to relevant unit;
3. Keep and manage documents (Corporate Record) related to Company's documents (correspondence as well as filing);
4. Monitor compliance to prevailing rule and laws such as those of Bursa Efek Indonesia, OJK Kustodian Sentral Efek Indonesia, and other relevant institutions;
5. Submit Disclosure of information to Regulator, Shareholders and public in accordance with prevailing provisions;
6. Submit regular and incidental reports in compliance to the Company's capacity as public company
7. Coordinate GMS and EGMS;
8. Build and maintain good relation with the capital market institution;

9. Conduct Self Assessment on the implementation Good Corporate Governance in accordance with provisions of the financial services authority;

10. Control numbering in external correspondence for Company's documents.

**Main Functions**

In performing primary functions the Corporate Secretariat unit consists of:

**a. Secretariat of the Board of Directors and the Board of Commissioners**

- Make arrangement of BOD meeting namely preparation, agenda setting, and follow up of BoD decisions
- Make arrangement of meetings of the Board of Commissioner (BoC), Audit committee, and risk monitoring Committee
- Responsible for administration of approval of circulars, decisions, and black out memos as well as data collection regarding relevant party as well as controlling shareholders.

**b. Corporate Administration**

- Conduct filing of company's documents such as Perjanjian Kerjasama (PKS), deeds, reports to regulator, correspondences, and important memos in application of Corporate Filling Library (Cofilib) as well as its hardcopy
- Conduct follow ups and monitor all documents that must be kept
• Monitor and review regularly on procedures in Corporate Secretariat division

c. Corporate Action & Stakeholders Management
• Responsible for routine and incidental reporting to the Financial Services Authority and BEI in Company's capacity as a public company
• Coordinate General Meeting of Shareholders (GMS), Extraordinary General Meeting of Shareholders (EGMS), as well as public expose
• Assist implementation of corporate actions such as stock split, right issue, and bond issuance
• Participate in forums or socializations held by the Financial Services Authority or BEI
• Ensure disclosure of information has been done

d. Good Corporate Governance
• Preparation of reports on GCG implementation, Annual report, and Report GCG Self Assessment as a part of Report of Risk Based Bank Rating (RBBR)
• Conduct updating of GCG Policy
• Responsible for implementation of code of conduct test for employees
• Conduct self assessment on directors level committee, namely between charter and its implementation

f. LEGAL

Legal Unit is under Directorate of Legal, Compliance and Corporate Secretary.
Unit Legal consists of:
1. The legal business
2. Litigation

Main Functions

1. THE LEGAL BUSINESS

Basically the main function of the legal business section to give review, opinion/clarification, and draft documents of a transaction to be done by the Company, based on current laws and regulations, government regulations, local government regulations and other related provisions.

To perform its primary function, the legal business gives active support to Business in achieving continual strategic goals taking into account legal risks as well as compliance to every development of prevailing provisions.

To facilitate coordination, the legal business provides access of group email namely #legalhelpdesk, thus if the business needs legal assistance related to daily transactions a request for assistance may be sent through the email, and everyone in the legal business shall actively give feedback subject to the business need.

Review: Every standard written document to be used in a transaction, prior review is suggested by the legal business. In conducting review, the legal business will pay attention to the need of the business by not overlooking the legal risks on the transaction and try the best to minimize potential legal risks which may occur in the future.
Opinion/clarification: in making daily transactions, the legal business will provide opinions/clarifications to Business, where opinions/clarifications shall pay attention to potential legal risks, and based on the prevailing Rules. The opinions/clarifications are not absolut, thus may serve as reference by the Business in making transactions.

Drafting: in daily transactions Business needs written documents as supporting document of the transaction to be made, the legal business will draft the letter pursuant to the need of Business, taking into account the terms and conditions necessary by Business and accommodate provisions of the prevailing Rules.

Project: in a project to be done by the Company, The legal business functions as a party who coordinates with third party namely Notary, Legal Attorney, and other authorized legal officials related to said project.

2. LITIGATION

A unit that has the scope to deal with legal issues and that already involve law enforcement officers, so that the potential legal risks can be anticipated and managed properly (minimize legal risk), so expect the business units and operations remain focused on running the business process banking. It is a unit with scope to handle legal problems involving legal enforcement apparatus, to ensure legal risks potential can be anticipated and well managed (minimize legal risk), with a hope that business and operation units can focus on running banking businesses.
Handling of legal problems is the action done by Litigation unit to find best solution and/or with a purpose to minimize legal risks for Company (minimize legal risk).

In this respect the definition of legal problem is a conduct or incident that becomes a legal dispute with Company, for example:

a. Claim from employees and/or Third party to Company, or the other way around;
b. Criminal action done by Third party and/or Employees Company to Company;
c. Litigation Process (penal, criminal, Industrial relation) involving legal enforcements (Police, Prosecutors, Courts).

Litigation is led by Head, is responsible directly to Compliance Director.

As a Supporting Unit, Litigation helps dealing with legal problems based on appointment by the Board of Directors or upon request from Unit Head/Regional/Branch offices (hereinafter referred to as “APPLICANT”). While the technical procedure of handling of legal problems is done by Internal Lawyers (Litigation employees) and/or by External Lawyer.

g. FRAUD MANAGEMENT UNIT (FMU)

It is a unit responsible to give support on the implementation of Anti Fraud Strategy Policy established by the units to be done effectively & efficiently.

The scope of the FMU Includes receiving complaints through channels that have been provided by the Company, such as media
for Whistle Blowing System (Speak Your Mind), Control, Internal Audit, HC / KYE, PUK, and so forth, to follow up from the handling of complaints, decision making is done by Fraud Committee, the imposition of sanctions and reporting to BOD-BOC, as well as the Financial Services Authority in accordance with the predetermined limit potential losses.

h. CORPORATE COMMUNICATION

Corporate Communications is a unit under Directorate Legal, Compliance and Corporate Secretary with its main function in managing Company's reputation.

The main duties and responsibilities of Corporate Communications are managing Company's reputation, by developing and conducting effective and quality communication activities in accordance with strategy, vision, mission and values of the Company, to internal and external parties to support the activities of the Company.

Information delivered by Corporate Communications refers only to general and unclassified internal information (employees of BTPN) (not including correspondence / memorandum between Work units) and external information (to public via mass media or other communication media), but not including information delivered to shareholders, regulator & government, as well as Company's customers.

Related to its primary function to manage the Company's reputation, Corporate Communications is responsible for and has a role to be the main gate in delivery of internal and external information. Therefore Corporate Communications also performs
general and particular monitoring functions (control & monitoring) of all activities communication of the Company done by every business unit and supporting unit.

**Main Functions**

In performing its primary functions Corporate Communications unit consists of:

1. **External Communications**

   It is a unit with primary function to deliver external information. In performing its primary function, External Communications coordinates with business units and supporting units to make sure that external information delivered are comprehensive and effective in increasing Company's reputation.

   In general the communication activities done by External Communications are as follows:

   1) **Message Development**: formulate and develop external information in accordance with External Communication Strategy and Company Strategy.

   2) **Message Amplifier**: communication activities to distribute external information via mass media or other external communication media. External communication Activities inter alia: Press Conference, Media Briefing, Media Partnership, Media Visit, Exclusive Interview, Story Pitch, Stakeholders E-newsletter, Kitchen Tour, senior media/stakeholder FGD.

   Message Amplifier is also done through preparation and distribution of publication materials namely: Publication
of Financial report & Lending Rate (SBDK), Annual report, Company's Profile, letters for Customers/partners.

3) Issue Precaution: activities communication to mitigate external issues, done by ways of: Building Spoke Person Capability, Complaint Customer Handling, Media Monitoring, Media Partnership, Media Visit, Media Workshop, Media Informal Activity, Media/Stakeholders Luncheon, delivery of food in Media anniversary, Ramadhan, Lebaran, Christmas and New Year.


5) Evaluation: activities to measure effectiveness of external communication having been done, and become input for next external communication strategy.

Related to primary functions regarding supervision of external information, every unit performing activities of delivery of information to external party through mass media, must coordinated with External Communications unit.

2. Internal Communications & Event Management

It is the unit with primary functions as follows:

1) Deliver internal information, consisting of:

- **Top Down**: information from management to all employees or certain groups, namely corporate information, information for culture building and employment information

- **Bottom Up**: information from employees to management. In this respect Internal Communications provides media
communication for employees to accommodate aspiration, ideas, concerns, inputs, etc.

2) Managing media communication internal, consisting of Face to face communications, Digital Communications, and Print Communications

3) hold and coordinate corporate events

In performing its primary function, Internal Communications coordinate with business and supporting units, to ensure comprehensive and effective delivery of internal information and successful corporate events in supporting to Company's operations.

In general the communication activities done by unit Internal Communications & Event Management are as follows:

1) **Message Development:** formulate and develop internal information in accordance with Internal Communication Strategy and Company Strategy.

2) **Message Amplifier:** communication activities to distribute internal information through internal communication media.
  
  Internal communication Media consists of:

  - Face to face communications : direct delivery of internal information by Directors, Senior Management as well as Internal Communication unit between other BOD Visit (Director visit), Branch Visit (visit to branch offices), Around the Office, Gathering, Briefing, Internal Event, Annual Workshop
  
  - Digital Communications : delivery of information through digital media namely: Portal, Email, SMS, Social Media, Video, PC Wallpaper
- Printing Communications: delivery of information through print media namely: Magazines, Booklet, Poster, Flyers, Brochures

3) Issue Precaution: communication activities to mitigate internal issues, by collecting feedbacks, aspirations, and briefing in certain situation and condition.

4) Crisis Reputation Management: communication activities at the time of crisis, which are done referring to Crisis communication management manual.

5) Evaluation: activities to measure effectiveness of internal communication having been done, and serve as input for next internal communication strategy.

3. Corporate Brand Management

It is a unit with primary function in managing the Company's Brand. In performing its primary function, Corporate Brand Management coordinates with business unit to ensure comprehensive and effective management of Company's brand in improving Company's reputation.

In general the communication activities done by unit Corporate Brand Management are as follows:

1) Develop strategy Brand Activation. Implementation of strategy is done by External Communications, Internal Communications, and business units.

2) Implement system of visual Brand in the materials for both internal and external communication, in forms of print, electronic, as well as video.
3) Conduct supervision, monitoring including provide recommendation on brand application in materials for communication developed by business and supporting units so that the Company's brand application is in accordance with communication strategy and brand manual.

4) Make planning and development of new brand in accordance with need corporate, business and supporting units.

5) Does socialization to relevant units if there is new brand or revision to brand strategy and brand manual.

4. **Digital Media**

It is a unit with primary function of making and managing digital communication channel.

In general activities done by Digital Media unit are as follow:

1) Develop Digital Media Project Model from concept to implementation.

2) Develop and manage website & intranet (PortalKita).

3) Conduct supervision, correction and addition of information in the website and intranet.

4) Make activation of PortalKita program to increase frequency of visit of Company's employees.

5) Make program activation on Company's website to increase frequency of public visit.

6) Develop program for e-newsletter.

7) Develop program for other digital communication media when necessary.

8) Facilitate communication activities through digital media done by Corporate Communications work unit, business and supporting units such as email blast, sms blast, pc
wallpaper, e-flyers, e-brochures, e-survey, video blast, etc.

9) Make effective of SMS Blast program.

5. **PDCA & Administration**

It is the unit which is responsible for administering and designing, implementing and controlling the Plan-Do-Check-Action cycle within the Corporate Communications.

In general administering activities done are as follows:

1) Do business correspondence, payment voucher, internal approval note and memorandum issued by and/or addressed to units under Corporate Communications.

2) Monitor administration, personnel issues (overtime, leave), management of stationary, management of subscription of newspapers & magazines, use of operational transportation) for Corporate Communications staff.

3) Management and distribution of merchandises and collaterals.

4) Coordinate internal unit meetings.

5) Management of sponsorship.

In general activities in exercising Plan-Do-Check-Action cycle are as follows:

1) Coordinate implementation of communication budget planning for Corporate Communications Division.

2) Monitor achievement of work target of each unit in Corporate Communications division.
3) Monitor implementation of communication activities and compatibility predetermined budget planning (budget custody).

4) Monitor and develop report communication activities done by all work units in Corporate Communications division.

5) As a quality assurance unit of Corporate Communications division by monitoring implementation of communication activities in accordance with prevailing procedure and provisions.

6) As a document controller to ensure control of internal documents (General work guideline, SOP and Work Instructions of Corporate Communications) as well as external documents (memorandum, Director Decision, operational policy from other units, as well as other Rules) are properly handled and ensure every work function in Corporate Communications division get /have access to updated revision.

7) As a document controller to ensure filing control (work result and report) in all work functions Corporate Communications division can be properly controlled (filed, storage is clearly identified, kept per classification) for easy searching.

4.3 INTERNAL CONTROL SYSTEM AND ASSURANCE

a. FRAMEWORK OF INTERNAL CONTROLLING SYSTEM

Framework of internal controlling of the Company refers to concept of three lines of defense where:

1. 1st line of defense
It is in the function of head of work unit and internal control (QA) at each operational work unit.

2. **2\textsuperscript{nd} line of defense**
   It is in the function of Risk management Work unit and Compliance Division conducting the monitoring of risk exposure.

3. **3\textsuperscript{rd} line of defense**
   It is in the function of internal audit Work unit.

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**b. RISK MANAGEMENT**
In an effort to improve good corporate governance and risk management in the banking industry, the Company must implement effective risk management as stipulated in the Regulation of the Financial Services Authority on the Application of Risk Management for Commercial Banks.
The purpose of risk management is to maintain financial performance, reputation of the Company and ensure the effective use of capital in support activities of the Company and to achieve the vision and the mission of the Company. The implementation of the Company's risk management shall be done both individually and on a consolidated basis with its subsidiaries.

The Company's risk management is implemented through policies, procedures, transaction limits and authority, risk tolerance as well as risk management tools. The Company shall develop the risk management on an ongoing basis in accordance with the increasing growth and complexity of business, strategy and information management system.

In practice the implementation of risk management is done by the Risk Management unit that is independent from the Risk Taking Unit and it is responsible to the President Director or the Director in charge of Risk Management.

Main Functions

The main duties and responsibilities each function in the risk management unit is as follows:

Operational Risk Management

- Define and implement framework and operational risk management practices.
- Define and implement main activities of operational risk management namely identification, measurement, monitoring and control.
• Ensure sufficiency of policy, procedure and the mechanism of control for managing operational risk inherent through process of review of main policy and procedure.
• Define and coordinate implementation of framework of internal control / Quality Assurance
• Provide regular as well as adhoc reports related to operational risk for both internal and external parties (for example BI/OJK, Auditors, Bapepam/Investors).
• Define and implement Business Continuity Management (BCM) in all activities of the Company.
• Give support on development of risk management culture through operational risk management trainings for all levels of organization.

Market and Liquidity Risk Management
• Define and implement framework and market and liquidity Risk management.
• Define and implement main activities of market and liquidity risk management namely identification, measurement, monitoring and control of market and liquidity risk.
• Ensure sufficiency of policy, procedure and the mechanism of control for managing market and liquidity risk.
• Provide regular as well as adhoc reports related to market and liquidity risk for internal and external parties.
• monitor liquidity and mark to market on daily position of trading bond/AFS.
• Conduct review on strategy and composition of funding, liquidity of fund placement, product and treasury activities, as well as analysis on sensitivity and stress testing.

Portfolio Management & Policy
• Define and implement Framework and credit Risk management practices.
• Define and implement main process of credit risk management namely identification, measurement, monitoring and control.
• Responsible for preparing Risk management Policy and credit Policy.
• Conduct review on the Product Program and policy from other divisions related to credit.
• Conduct monitoring on document in accordance with hierarchy Company policy
• Conduct monitoring on bank wide credit portfolio
• Prepare and send risk profile, Report on the Company's health level and ICAAP to the Financial Services Authority pursuant to the predetermined individual and consolidate schedules.
• prepare and consolidate Reports of Risk management Committee.
• Provide support on development of risk management culture.

**c. FRAMEWORK OF RISK MANAGEMENT**

In improving good corporate governance and risk management in Banking industry, the Company must apply effective risk management as provided for in Rule of Bank Indonesia No 11/ 25 /PBI/2009 regarding Amendments to Rule of Bank Indonesia No 5/8/PBI/2003 regarding implementation of Risk management for General Bank.

The purpose of risk management is to maintain financial performance, reputation of the Company and ensure the effective use of capital in supporting the Company's activities as well as achieve the Company's vision and mission. Implementation of the Company's risk management is done individually and consolidatedly with subsidiary companies.
1. **Active Supervision of the Board of Commissioners and the Board of Directors**
   Active monitoring of the Board of Commissioners and the Board of Directors is done in preparation and implementation of risk management policy and strategy in accordance with Company's level of risk appetite and risk tolerance.

2. **Sufficiency of policy, procedure and limit setting**
   Policy, procedure and limit setting support maintenance of risk exposure and are consistent with the vision, mission and strategy of the Company as well as in line with the external regulations, law and regulator.
3. Sufficiency of process of identification, measurement, monitoring and control of risk as well as Risk management information system

Identification of inherent risk is done in every product and business activity to find the possibility of risk and its impact.

Risk Measurement is done as evaluation materials of results of implementation of risk management, measurement exposure of risk is done based on established parameter of risk and adjusted with the complexity of product and activity of the Company.

Monitoring and control are done on risk exposure and limit as well as reporting on a regular basis to Risk management Committee and Risk monitoring Committee. Risk management Information system must be able to accomodate strategy of risk mitigation, accurate, informative on financial condition, performance and exposure, consistent and available in timely manner as well as having audit track.

4. Comprehensive internal controlling system

Risk controlling done to product and activity of the Company refers to three lines of defense principle namely Risk taking unit/Quality Assurance as the first control line, Risk Management as the second control line and SKAI as the last control line.

Consolidated monitoring of risk management is done limitedly to subsidiary companies in the field of finance in accordance with Rule and Circular of Bank Indonesia regarding implementation of risk management for bank that conduct control of subsidiary
companies. In the case that Bank has a subsidiary company in the field of insurance; it is done through separate assessment and delivery of report of implementation of risk management in insurance company.

BTPN as the holding entity must implement consolidation risk management pursuant to the provisions of the Financial Services Authority. The implementation of consolidation risk management includes consolidated report of calculation of minimum capital adequacy (KPMM) and consolidated maximum limit of loan (BMPK), the Company also prepares consolidated report of Risk Profile. Company's health level (Risk-Based Bank Rating) and consolidated Internal Capital Adequacy Assessment Process (ICAAP).

**Risk management Organization**

1. **Risk Monitoring Committee**
   Chaired by Independent commissioner and consists of Commissioners and Independent party with expertise in risk management and or finance. Risk Monitoring Committee functions to monitor and evaluate implementation of tasks of Risk Management Committee and Risk Management Work unit, as well as evaluate responsibility of the Board of Directors on the implementation of Policy Risk management.

2. **Risk management Committee**
   It mostly consists of members of the Board of Directors and Executive officer for Risk management with Compliance Director and Risk Management Head as permanent members. Risk management Committee functions to assist the Board of Directors in preparing policy and framework of risk management as well as conduct evaluation on risk management policy and its
implementation to ensure sufficiency of framework, methodology and risk management information system.

3. Risk management Work unit
Chairied by Risk Management Head and is an independent unit to operational work unit (risk taking unit) and to work unit which implementing internal controlling function. Risk management Work unit functions to assist the Board of Directors in monitoring position/exposure of risk in overall, preparing and submitting report on Company's risk profile to The Board of Directors and Commissioners as well as to Banking authorities (BI and OJK).

4. Operational Work unit (risk taking unit)
The operational work unit must inform risk exposure attached to the relevant work unit to Risk management Work unit on a regular basis.

d. COMPLIANCE

To Ensure effective implementation of the Compliance function Company, active supervision by the Board of Commissioners, Including coordination the Sharia Supervisory Board on the implementation of the Compliance function on Sharia Principles, with consideration the Company still has Sharia Business Unit. However, if in the future UUS has spin off into a Sharia Bank, obligation to be in coordination with the Sharia Supervisory Board will adhere to the Bank's Compliance function Sharia.

The Board of Directors of the Company is responsible to ensure the implementation of Compliance function of the Company.
Among the members of the Board of Directors a Director responsible for Compliance function (hereinafter referred to as “Compliance Director”) has been appointed. Director responsible for Compliance function must be independent and must not be responsible for functions that may cause conflict of interest such as business and operational, treasury, finance and accounting functions.

In order that the Compliance function can be implemented adequately Compliance work unit makes alignment with the Legal unit to ensure the scope of Company's compliance to external provisions. With the exception to other external rules other than OJK provisions on Banking namely Law and Government Regulation which will be under responsibility of the Legal unit.

In order to support the implementation of Compliance function Compliance work unit is established to be responsible directly to Compliance Director and chaired by Head of Compliance work unit.

Compliance functions include:

a. Implement Compliance Culture at all levels of organization and business activities of the Company
b. Managing Compliance risk to be handled by the Company
c. Ensure Policy, Provisions, System and Procedure as well as business activities done by the Company meet provisions the financial services authority (OJK) and the prevailing laws and regulations, including Sharia principles for BUS and UUS
d. Ensure Company's compliance to commitment made by the Company to the financial services authority and or the financial services authority other authorized monitoring authorities.
Compliance work unit must be independent in which its official and staff in compliance work unit is prohibited to be posted in a position to deal with conflict of interest in implementing the Compliance function.

The duties and responsibilities of the Compliance work unit include:

a. Take measures in supporting the presence of Compliance Culture in all business activities of the Company
b. Control identification, measurement, monitoring and control to Compliance Risk
c. Assess and evaluate effectiveness, sufficiency of and compatibility between, policy, provisions, system and procedure of the Company
d. Conduct review and/or recommend updating and improving of Policy, provisions, system as well as procedure of the Company
e. Take measures to ensure that policy, provisions, system and procedure, as well as business activities of Company have been in accordance with provisions of the Financial Services Authority or the prevailing rules
f. Conduct other tasks related to Compliance functions

Main Functions

As a form of integration of Compliance to subsidiary company, Company will conduct consolidation of Company compliance risk with subsidiary company compliance risk. Therefore during the implementation of Compliance function the Company will continually coordinate with subsidiary company. Compliance Organization consists of:

As a form of integration Compliance with the subsidiary company, Company will consolidate the Company with a compliance risk
compliance risk subsidiary company. So that in practice the Compliance function Company will be in coordination with Compliance function in the subsidiary company on an ongoing basis. Compliance Organization is composed of:

1. **Senior Compliance**
   
   Monitor and evaluate Compliance Management in the business unit, through advice to ensure the current internal rules and provisions are in line with the prevailing regulation, as an implementation of prudence principle.

2. **Senior Compliance AML**
   
   Conduct supervision, evaluation, monitoring of the compliance management in the banking information system on a regular basis and reporting as well as follow up on inquiries of banking authorities and correspondent banks to ensure policy and procedure of Anti Money Laundry and Combating Financing of Terrorism Program have been integrated into the system.

3. **Senior Compliance Policy Development & Training**
   
   Conduct coordination, evaluation, monitoring of implementation of operational policy – procedure and compliance on a regular basis and provision of recommendation upon need of training compliance to ensure the policy and Procedure of Anti Money Laundry and Combating Financing of Terrorism Program as well as policy and Procedure of Compliance have been implemented in all relevant branch offices / units.

4. **Senior Compliance Reporting & Regulatory Relationship**
   
   Monitor obligation of delivery of report, correspondence with BI, follow up on audit of BI and prepare report on
compliance to internal and external parties as well as act as Liaison with BI to ensure that the Company has fulfilled the obligation of reporting to the Financial Services Authority and other related institutions pursuant to the prevailing provisions.

**e. FRAMEWORK OF COMPLIANCE AND IMPLEMENTATION OF COMPLIANCE CULTURE**

As a part of internal control function of the Company, Compliance function is responsible to do a series of ex-ante (preventive) actions or measures, where in order to ensure that the Company conducts proper Compliance risk management by implementing Framework of Compliance being the reference of implementation of Compliance function.

The framework of Compliance includes the following:

a. Compliance Risk Identification

Compliance Risk Identification is done through identification of all business activities of the Company with compliance risk potentials inter alia by conducting compliance review on all drafts of Policy, Procedure, Product Program, as well as inputs of business unit on transactions requiring approval of the Board of Directors / Commissioners.

b. Compliance Risk Testing

Based on Compliance Risk identification above, Compliance work unit will conduct Compliance test on the drafts Policy, Procedure, Product Program as well as inputs of business unit
on transactions requiring approval of the Board of Directors / Commissioners.

c. Compliance Risk Monitoring
Compliance monitoring process is done through review on the existing Policies and Product Programs launched by units related to newly issued external provisions, as well as monitoring on the compliance of prudence parameters such as KPMM (Kewajiban Penyediaan Modal Minimum), GWM (Giro Wajib Minimum), BMPK (Batas Maksimum Pemberian Kredit), as well as CKPN (Cadangan Kerugian Penurunan Nilai).

In addition, compliance monitoring is also done to the obligation to submit report to external parties including compliance of follow-up on Commitment to Bank Indonesia as well as the Financial Services Authority).

d. Measurement of Compliance Risk
Method of measurement of compliance risk is used to measure Compliance Risk profiles of the Company to find out the effectiveness of implementation of risk management.

The results of measurement of Compliance risk level shall then be reported on a regular basis to the Board of Directors and the Board of Commissioners by Risk management Committee as well as Risk Monitoring Committee as a part of overall review of risk profile of the Company.

**COMPLIANCE CULTURE**

Compliance Culture is the values, behaviors and actions which support the creation of the compliance to the provisions of the
Financial Services Authority and the prevailing laws and regulations. In order to create and accelerate the Compliance Culture in all levels of organization, the Compliance work unit has established a Compliance Culture strategy which includes:

1. Awareness program
   Compliance Awareness is done through Training and Socialization programs. Compliance training program organized through the introduction of the banking provisions called Induction program which target new employees as well as through refreshing programs on a regular basis called Refreshment program. Refreshment program targets existing employees.

   The Socialization Compliance program conducted through direct meetings, electronic and print media as well as Workshop, Majalah Citra, Portal Kita, Email Blast, or Desktop Wallpaper.

2. Governance
   To ensure compliance to governance structure of internal provisions, Compliance Unit conducts Compliance Test on the draft Policy, Procedure and Product Program which will be issued by the business units or other related units.

   Compliance test delivered to business units and other relevant units is one of the mechanisms used by the compliance work unit to build and promote a culture of compliance, especially towards the fulfillment of the external and internal conditions in the preparation of the Policy, Procedure, Product Program and the proposed business of the transaction who must obtain the approval of the Board of Directors / Commissioners.
3. Assessment
To ensure the implementation of compliance as well as to obtain feedback on risk management compliance in business units and support units in the head office and in the branch offices, Assessment program is established that includes the implementation of APU and PPT programs as well as the level of compliance to the Company's external provisions.

Effectiveness of the implementation of compliance in branch offices and head office will be performed by QA and Audit Unit. Where, Compliance work unit will perform coordination with QA and Audit Unit through the establishment of coverage of aspects of provisions of APU & PPT and Compliance in order to be accommodated in the QA and SKAI inspection papers.

**f. INTERNAL AUDIT**

Internal Audit is an independent unit with the main task of supervision and consultation through evaluation on risk management, the effectiveness of the system of internal control, and governance in all aspects of the Company. Internal Audit through supervision and consultation function is a strategic partner that maintains and oversees activities of the Company to achieve organization goals that have been established.

In conducting internal audit activities, the implementation of audit shall refer to the Standard of Implementation of Internal Audit Function of the Company (SPFAIB) which has been included to the approved Company's Internal Audit Charter and Audit Plan.
Internal Audit is responsible to the President Director and in terms of function to the Board of Commissioners through the Audit Committee. Internal Audit on a regular basis submit summary of its audit activities to the President Director and the Board of Commissioners through the Audit Committee, with a copy to the Compliance Director.

Head of Internal Audit is appointed and dismissed by the President Director upon approval by The Board of Commissioners. Every appointment, replacement or dismissal of Head of IA must be reported to BPPM, Bapepam LK and OJK or other institutions pursuant to the prevailing provisions accompanied with reasons of the appointment, replacement or dismissal.

The implementation of audit is done based on the risk based approach, both in annual planning and in audit implementation by taking into account key initiatives of the Company, implementation of risk management, internal control, as well as current governance.

**Main Functions**

Internal Audit Organization in general consists of:

a. **Auditor (Function audit)**

Planning and conducting audit to assess the effectiveness and sufficiency of internal control system, risk management, governance, taking into account of aspects of organization/human resources, process, as well as infrastructures of a unit/branch.

b. **Audit Planning & Support**

Assisting Internal Audit team in improving the audit quality through establishment of audit methodology and quality
assurance, drafting annual Audit plan, budget planning & control of use of budgets.

**g. FRAMEWORK OF INTERNAL AUDIT**

1. The Board of Directors is responsible to ensure formal establishment of internal audit work unit (SKAI) with clear authorization to warrant the independency of its functions.
2. SKAI is directly responsible to the President Director and submit reports of his performances to President Director and The Board of Commissioners with a copy to Audit committee and Compliance Director.
3. As a guideline, SKAI must have internal audit charter as well as prepare internal audit manual.
4. The position of Head of SKAI in the organization should be set in such a way so that it is able to express the views and thoughts without influence or pressure from management or other parties related to the Company.
5. The Board of Directors must ensure that SKAI has the liberty to determine the methods, means, techniques and approaches of audit to be done.
6. Appointment and dismissal of Head of SKAI is done by the President Director upon approval by The Board of Commissioners.

**Checking and Correcting Errors**

1. To ensure improvement of sustainable controlling of internal control, the Board of Directors is responsible to ensure every finding of Internal Audit, External Audit,
the Supervisory Authority, and other authorized parties to follow up.

2. The board of Directors is responsible to ensure the presence of a working relationship and good coordination between functions of Risk management Work unit, Internal Audit work unit and Compliance work unit, so each of these work units provide appropriate inputs based on their responsibilities in order to improve sustainable internal control system.

4.4 DAYA

Daya is a mass market empowerment program that is sustainable and measurable focusing on three pillars i.e. Health and Wellness, Entrepreneurial Capacity Building and Community Empowerment.

3 Daya Pillars

Health and Wellness
In order to encourage a positive healthy attitude, through Health and Wellness program, Daya implements customer guidance to improve the health and wellness through the following:

- Information on Health and Wellness
- Interactive Dialogues
- Health Services

Those three services are meant for promotive and preventive purposes.

**Entrepreneurial Capacity Building**

With the understanding of the importance of building and developing businesses for millions of mass markets in Indonesia, in addition to providing access to capital for micro and small entrepreneurs, Daya also provides guidance to customers to improve their capacity in managing and developing their businesses.

Activities in relation with Entrepreneurial Capacity Building are as follows:

- Information Centre for Entrepreneurial Capacity Building
- Business Skill Trainings
- New Business Opportunities

**Community Empowerment**

Improved quality of life for low-income segments of the community also attracts the attention of the Company. By encouraging economic growth and a healthy lifestyle family, Power seeks to provide access to build a better life for the mass market communities.
Activities in relation with Community Empowerment are as follows:

- Sustainable business skill trainings
- Access to marketing
- Health and Wellness

**Program Daya di BTPN Purnabakti**

**Daya Sehat Sejahtera**

1. **Interactive Dialogues**
   
   Interactive dialogue sessions on health and healthy lifestyle are routinely guided by the doctors of the Association of General Practitioners Indonesia (PDUI)

2. **Health Services**
   
   Free health services for customers including consultation and health check

3. **Health Workers**
   
   The program that opens the opportunity for all customers the Bank to be fully engaged in improving the health of self, family, and the environment by joining the Health Worker program

**Daya Tumbuh Usaha**

1. **Trainings on Entrepreneurship**
   
   Daya Tumbuh Usaha Purnabakti provides a combination of information and empowerment of entrepreneurs in order to gain further business success in retirement through training - a comprehensive training

**Daya Tumbuh Komunitas**
1. Business Community Guidance
This time BTPN will guide 75 communities in running and developing their businesses.

2. Piloting Menu Komunitas
Daya Tumbuh Komunitas is currently doing piloting program of menu community in 8 branches of BTPN Purna Bakti. This communication menu is a list of health, religious and entrepreneurial activities.

Daya Programs di BTPN Mitra Usaha Rakyat

Health and Wellness
1. Health and Wellness Information
In Mitra Usaha Rakyat, useful information about health and psychology in the form of tips and guidelines are published in Warta TUmbuh, internal magazine published in every 3 months and Business Information Center published every month.

Entrepreneurial Capacity Building
1. Entrepreneurial Trainings
To optimize the capacity of customers in running and developing a business, Daya provides practical business skills training through training curriculum consisting of several topics of training modules provided by certified facilitators.

2. Buy and Sell Information
Free promotion media for customers to promote their business products or search for product information. In addition, there is also information in the form of a business guide tips and share success stories that can provide inspiration to develop business.
3. New Business Opportunities

Daya in collaboration with several partners in creating business packages in Micro Business Franchise businesses so that customers may gain new business opportunities in affordable and varied investment.

Daya Tumbuh Komunitas

1. Assessment of Micro Entrepreneur Group

Currently Daya is still in assessment process with the micro entrepreneur's community at Mitra Usaha Rakyat

Daya Tumbuh Usaha

Entrepreneurship Training

To optimize the capacity of customers in running and developing their businesses, Daya provides practical trainings on entrepreneurship through training curriculums containing several topics tutored by certified facilitators.

Community Development

Business Community Development

Daya manages to establish two communities being supervised and given training according to the business field of each community for better welfare.

5. DELEGATING THE AUTHORITY (DELEGATION PROCESS) OF THE BOARD OF DIRECTORS

In performing their duties and responsibilities, the Board of Directors and members of The Board of directors may delegate the authority through the mechanism of grant of authority and determination of authority in policy of the Company.
a. Policy of grant of authority is done taking into account at least the following:
   i. The Board of Directors is not allowed to sign a general Power of Attorney.
   ii. Power may be granted to employees and other third parties. Special powers for matters related to activities or transactions to be done.
   iii. Power may only be granted based on written document and documented according to policy of the Company.
   iv. The Board of Directors must ensure there is a policy of grant of authority that also covers the policy of monitoring the power granted.

b. Delegation of authority through the mechanism of establishment of delegation of authority in the Company's policy must at least pay attention to the following:
   i. Delegation of authority may only be done through written policy confirming the scope of granted authority and process of monitoring of grant of the authority.
   ii. The granted authority is attached to the position (ex officio) unless otherwise determined specifically in the policy.

6 OBLIGATION AND REPORT OF MANAGEMENT

1. External Report

Financial Services Authority -Banking Regulation and Monitoring Work Unit
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>General Bank Monthly Report (LBU) - Consolidation</td>
<td>General Bank Monthly Report (LBU) -Consolidation</td>
</tr>
<tr>
<td>Monthly and Quarterly Publication Report (CFS) - LKPBU</td>
<td>Monthly and Quarterly Publication Report to be included in BI website (CFS version).</td>
</tr>
<tr>
<td>Bank &amp; Consolidation Publication Report (Newspaper)</td>
<td>Quarterly publication report published in at least 1 national newspaper, for bank and consolidation.</td>
</tr>
<tr>
<td>Holding Company Publication Report (Newspaper)</td>
<td>Publication Report per semester for holding company in the field of finance.</td>
</tr>
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<td>-----------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>

**A. Deposit Insurer**

<table>
<thead>
<tr>
<th>Customer deposit Data Report</th>
<th>Monthly report containing tiering of customers deposit data based on nominal per position at month end.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counter Rate Data Report</td>
<td>Monthly report containing counter rate interest rate data applied by the Company.</td>
</tr>
<tr>
<td>Effective Interest Rate Data Report</td>
<td>Monthly report containing tiering customers deposit data based on effective interest rate applied to customers.</td>
</tr>
<tr>
<td>Insuring premium calculation report</td>
<td>Semester report containing calculation of premium to be paid to LPS.</td>
</tr>
</tbody>
</table>

**B. Financial Services Authority**
<table>
<thead>
<tr>
<th>Monthly Financial report</th>
<th>Quarterly Financial report to be submitted to OJK based on Rule Bapepam VIII.G.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>financial report analysis</td>
<td>Analysis for quarterly financial report with amendments for over 20% compared in the previous quarter.</td>
</tr>
<tr>
<td>report of foreign currency debt</td>
<td>The monthly report of foreign currency debt position and the number of payments per year</td>
</tr>
</tbody>
</table>

**C. Taxation**

| Annual Tax Report | Company's annual tax report submitted in March of the following year |

**2. Report to Holding Company**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Other financial Data</td>
<td>Other quarterly Financial data such as key account policy summary, position of shareholders, information on employees liabilities and</td>
</tr>
</tbody>
</table>
1. Effective Organizational Structure

Formation of the Company's organizational structure must be in proportion to the vision, mission and values of the Company which are flexible and changeable subject to the targets to accomplish and the strategy to perform and include the span of control as well as authority. The Company sets the job description as a reference and clarity of tasks, responsibilities and obligations for employees as well as a description of the main tasks and functions of the work units of a current organizational structure. It establishes a staffing classification in a grade system determined based on certain criteria and continues to do reanalysis in accordance with the development of the Company and the general conditions that are present in other similar companies. It gives appreciation to employees through the promotion for the purpose of career development, reward for performance, and in recognition of performance, competence, experience and qualifications of said employees.
Organization Development Section is responsible for setting up organizational guidelines, which are for the construction of an organizational structure, job description setting as well as job grading. The guidelines are customized to the needs of the Company in general and of the work units in particular, in which for said customization HC Business Partner section is responsible for providing inputs to HC Organization Development. HC Business Partner together with the Line Manager is then responsible for the implementation of these guidelines.

2. Recruitment

The Company accepts and puts in its employees without discrimination of races, ethnicities and religions with the best qualifications such as honesty, integrity, loyalty and competence and proportioned to the scope of work. Acceptance and placement of employees is based on the needs of the Company through Man Power planning the internal and external sources. Placing an employee is based at the Company's business needs, job requirements and capabilities / competencies of employees as well as other requirements. As for the work that is not directly related to the core business and the work done by the system supporting the fulfillment of outsourcing.

HC Mass Resourcing and HC Executive Talent Acquisition Sections are responsible for providing prospective employees who meet the administrative and attitude requirements necessary for work units, in accordance with the Man Power Planning of each Work Unit. Heads of Work Units then carry out technical selection subject to the needs of its businesses.
3. Performance Management

Employee performance appraisal is a means for the Company to see and measure the work performed by employees in relation to targets and objectives previously set in accordance with the business direction and business development of the Company. Performance appraisal process is conducted by applying the objective, transparent, measurable and analyzable principles through the Key Performance Indicator (KPI) and the Performance Appraisal (PA).

HC Performance Management Section is responsible for providing the rules, work processes, guidelines and supporting infrastructures so that the performance management cycle can be carried out by the Head of Work Unit according to the prevailing principles of the Company.

4. Rewards Management

In line with the concept that employees are a part of assets of the Company the development of remuneration system should serve as an enabler in order to attract and retain talents. In determining the remuneration the Company adopts the principle of meritocracy, which implements the method and system that supports the achievement of high performance taking into account external competitiveness, internal equity, as well as the capability of the Company from time to time.

Principle and structure:
1. Remuneration system of the Company is built with the aim of creating a positive work culture where the performance
becomes benchmark for compensation of every individual in the Company.

2. In line with the concept of resource development in the Company where employees are asset of the Company, the Remuneration system should also be able to become an enabler in order to attract and retain talents.

3. Based on internal equity, namely equality and related scope of work and external competitiveness namely the benchmark with peer group in the industry. Criteria and variables for the benchmarks are determined by HC Committee.

4. To ensure credibility of the benchmark process, at least 1 time a year, Company conducts benchmarking against peer group in the industry which is conducted by an independent consultant with a good reputation.

5. Structure of the Remuneration can either be fixed or not fixed and given in the form of cash and non-cash in the form of incentives and other types of common types of benefits provided in the banking industry.

6. In order to ensure credibility of assessment of scope of work, the Company appoints the independent consultant to assess the scope of the work for all and every kind of jobs in the Company.

7. The Board of Directors must ensure that the Remuneration policy and strategy imposed on the Company are communicated to the Board of Commissioners and Employees.

8. The Board of directors must ensure the designation impartial performance between the overall achievement of business targets, the relevant performance targets and implementation of the values of Company by every and all employees in the Company. It is to ensure a positive correlation between the performance appraisal system
imposed and the applied Remuneration system as well as long-term business targets to be achieved by the Company.

HC Rewards section is responsible to make sure that the aforementioned principles and the structures of Rewards Management are implemented as planned.

5. Learning Development

The facilities of training to employees is a commitment of the Company to the simultaneous development of capabilities and skills to improve employees contribution in proportion to the expertise, knowledge, behaviors, skills and qualifications necessary to perform the duties of the Company.

HC Learning Institute section is responsible for providing the supporting rules, work processes, guidelines and infrastructures to support the training for employees to be implemented as planned.

6. Talent Management

The Company pays attention to individual career development of employees and maintains continuity of leadership on an ongoing basis through a comprehensive Talent Management by taking into account the results of the performance and potential of employees and the talent development plans.

HC Strategic Development Section is responsible for providing the supporting rules, work processes, guidelines and infrastructures to develop individual career of employees and maintain the continuity of leadership in all levels of the organization.
7. **Employee Engagement Development**

In order to create a pleasant workplace for its employees, the Company tries to sustainably develop employee engagement with their jobs, employers and unit teams. For that purpose the Company takes the following initiatives in an ongoing cycle:

a. **Engagement Education**

HC Employee Relations and HC Learning Institute sections are responsible for providing learning facilities for Work Unit Heads and employees. While the Work Unit Heads are responsible for ensuring that every people manager in the work unit understand and is able to practice the employee engagement concept.

The company provides continual education facilities for employers and employees to comprehend the benefits of employee engagement and know how to become more engaged in the work.

HC Employee Relations and HC Learning Institute are responsible for providing learning facilities for Work Unit Heads and employees. While the Head of Unit responsible for ensuring that every people manager in the work unit is able to understand and practice the concept of employee engagement.

b. **Engagement Survey**

Engagement survey is intended to allow the team to have a picture of the condition of engagement of its employees. The survey is conducted on annual basis with emphasis on confidentiality so that employees can give the real picture. This survey is not intended as an assessment tool of employees, superiors and his team.
HC Employee Relations is responsible for providing the infrastructures for the survey that can be used by all employees.

c. Action Plan Setup Based on Survey Results

After the survey has been conducted, each work unit should do a follow up on the results of the survey, for the purpose of improvement of engagement condition in its respective working environments. The Action Plan is made by agreement of all members of the work team, so that all team members have the commitment to its implementation.

HC Business Partner is responsible for delivering the results of the survey and guide the Work Unit to implement the Action Plan in each Work Unit. Heads of Work Units are responsible for providing the Action Plan in each work unit.

d. Execution of Action Plan

All members of the work team must participate and execute the plan previously set up. Supervisor shall encourage all members of his team to be involved in any of this corrective action. Failure in involving all parties may result in no change in the condition of engagement in the work team. Head of Unit is responsible for implementing the Action Plan which has been made together with the members of his team.

8. Industrial Relation

In order to have a harmonious industrial relation between the Company and employees, the Company is committed to comply with the prevailing norms and rules regarding employment in the practice of industrial relation including:

a. Acknowledgement of Labor Union Presence
The Company puts the union as an independent organization as well as a partner in creating a harmonious relationship between the employees and the Company. The relationship with the union is based on mutual trust that both parties have common interests and goals. The Company establishes communication and regular contact with the union, to support the development of the organization and activities of the union.

HC Employee Relations Section is responsible so that communication and relationship with labor unions are maintained mutually beneficial for both the Company and the Union.

b. Collective Labor Agreement (PKB)

PKB is a part of the efforts to create a harmonious relationship between the Company and the employees who are generally represented by the union. Through PKB, the Company and the union establish agreements related to the welfare of employees.

PKB is the result of negotiations between the Company and the union. During negotiation, the Company appointed representatives of the leaders in the organization of the Company based on the principle of representation.

HC Employee Relations Section is responsible to make sure that PKB take place in accordance with the employment provisional rules and that the parties implement the results of the agreements.
c. Discipline in Work

Company shall prepare rules originated from both externally and internally, which in general regulate customary discipline as well as regulate how to conduct a work.

HC Strategic Development is responsible to provide internal rules related to organization, employment and laborship. The heads in each Directorate is responsible to provide technical rules for the implementation purposes.

Company prepares rules both from external and internal rules, which regulate in general about the work and daily discipline that govern how to do a job.

HC Strategic Development is responsible for providing internal rules relating to the organization, employment and staffing. A head in each Directorate is responsible for providing technical rules in the implementation of employment.

Head of Unit is responsible to familiarize and understand these rules and to ensure that every employee understand them. In the event of a breach of the rules, Head of Unit is responsible for providing guidance so that such a mistake or breach would not be repeated, including giving punishment as provided for by the Company if such a mistake or breach is subject to sanction as a correction action.

Head of Work Units is also responsible for providing guidance in the form of continuous direction to employees to ensure that they are able to give their well performance at least in accordance with the agreed work targets. In the event that the guidance does not result in better performance, then the Head
of Unit can give punishment to the employees in accordance with the prevailing rules.

d. Bipartite Cooperation Organization (LKS Bipartit)

Company forms a Bipartite Cooperation Organization whose members include Company representatives, union member representative employees and union non-member representative employees. These institutions meet periodically to discuss the implementation of the employment-related policies and to submit proposals to the company for the purpose of creating a harmonious relationship.

HC Employee Relations Section is responsible to ensure this organization is in operation in accordance with the prevailing employment rules.

e. Employees Complaints

The Company is committed that every employee must get proportional attention to deliver his best performance. Therefore the Company should deal and follow up any complaints related to employee working conditions.

Responsibility for follow-up complaints of employees is the duty of the employer the employee concerned, and subsequent superiors in terms of complaints cannot be resolved by direct supervisor.

The employees' superior officer shall be responsible to follow up their employments' complaints or the more superior office should this superior officer fail to do this.
F. ESCALATION PROCESS

Whistle blowing system

Company has had a means for employees and third parties who wish to complain or express their aspirations, constructive ideas, related to misconduct, fraud, malpractice and illegal or unethical behavior. In this case the Whistle Blowing System in the internal of the Company is known as the Speak Your Mind (SYM).

SYM is very important as a form of the Company's compliance to the current laws and regulations and in order to implement the Good Corporate Governance (GCG), avoid violations that could lead to fraud and help the Company to minimize the risk of financial loss and reputation.

HOW & MEDIA FOR SUBMISSION OF COMPLAINT OF SPEAK YOUR MIND (SYM)

Company very much expects active participation of employees and third parties to complain or express their aspirations, constructive ideas, related to misconduct, fraud, malpractice and illegal or unethical behavior.

Therefore, in submitting a complaint through the SYM media, we do not need to wait for 100% sure of the alleged action, but once we have found a suspicion that is genuine information that fraud or illegal activity has or is happening, we are expected to immediately report it for follow up. The Company shall keep our identity confidential, we even are allowed not to include the real identity (remain anonymous).
And BTPN has provided various convenient media for complaints:

1. Hotline Speak Yourmind : 021 - 30026278,
2. Email:  Speak.Yourmind@btpn.com,
3. SMS Speak Your Mind :
   BTPN(spasi)SYM#Nama#NamaKCP#F/NF#No.HP#problem
   Sent to 9123
4. Letter addressed to Fraud Management Unit at:
   Bank BTPN - Menara Cyber 2 Lantai 25 JL HR Rasuna Said Blok X-5 No 13,
   Kuningan, Jakarta 12950.

All incoming complaints will be managed by Speak Your Mind with the following procedures:

- Complaint will be forwarded directly to Unit Head (an official directly under Director) who is responsible for the matter being complaint via SYM.
- The Unit Head (the official directly under Director) must provide response at the latest in 5 working days.
- In absence of response for over 5 working days SYM will send reminder to follow up.
- If despite of two reminders no response is available, SYM will forward the complaint up to the relevant director.
- In the event of alleged or indicated fraud, SYM will recommend for an investigation by the relevant unit.
- If the investigation proves the fraud the case will be handled by FMU (Fraud Management Unit) together with the Fraud Committee.
G. TRANSPARENCY AND DISCLOSURE OF INFORMATION

1. Transparency and Disclosure of information

The principle of transparency is a general guideline that requires the Issuer, Public Companies, and Other Parties are subject to the Capital Market Law to inform the public in a timely manner all material information about its business or effects that can influence the decisions of investors to the Securities and or price of the Securities. The information conveyed to the public must be clear and fairly there sufficient, accurate and timely.

Corporate secretary has an important role in assisting the Board of Directors to convey information disclosure both in terms of finance, management, and matters relating to business activities in a timely manner to shareholders, the authority of the Corporate Secretary of related to disclosure of information includes:
1. Ensure that the disclosure of the Company is in accordance with the applicable procedures
2. Ensure the Company's archives are in a safe place
3. Ensure unrestricted access to the shareholders to obtain information related to the Company
4. Ensure compliance copies of documents provided to the Company's Shareholders

2. Corporate Actions

To consistently improve the growth and development of business and in accordance with the strategic plan, the Company's corporate action with the aim of raising long-term
funding to support the funds raised from the public either through the issuance of equity securities or debt securities issuance. So with the Company's corporate action is expected to be able to run the intermediation function more optimally.

Corporate actions carried out by the Company through the issuance of equity securities may include, but are not limited to:
1. The additional capital through the issuance of Rights issue (ER)
2. Capital Increases Without Pre-emption right (PMTHMETD)
3. Stock Split
4. Issuance of Employee Stock Option Plan (ESOP) / Management Stock Option Plan (MSOP)
5. Distribution of bonus and dividends of shares

The procedure of implementation of corporate actions shall refer to the prevailing provisions.

**Transaction or information involving insider (Insider Trading)**

What are meant by Insider are the Controlling Shareholders, the Board of Commissioners, the Board of Directors, Executive Officers and Employees of the Company. Insider Trading is information obtained by an insider relating to the Company and disclosed to other parties and used in buy and sell transactions of shares of the Company.

An insider of the Issuer or Public Company who has insider information is prohibited from buying or selling of securities: a. relevant Issuer or Public Company; or
b. Other companies that conduct transactions with the Issuer or the relevant Public Company

An Insider is prohibited to:

a. Influence other parties to buy/sell relevant securities; or
b. Tip insider information to any other parties that can be allegedly used to buy or sell the securities.

In accordance with the Capital Market Law, every party must not by any means make statement or remarks that is materially incorrect or misleading so as to affect the price of securities in Indonesia Stock Exchange if at the time such statement is made:

1. The relevant party is aware or should be aware that such statement or remark is materially incorrect or misleading; or
2. The relevant party is not cautious enough in determining the material truth of the statement of remark.

Every party who violates the provision, based on the Capital Market Law shall be subject to imprisonment at most 10 (ten) years and fine at most Rp15.000.000.000,- (fifteen billions rupiah).

3. Material Transaction and Transaction of Relevant Parties

**Material Transaction**

As one of the efforts to provide protection for shareholders, Bapepam-LK (currently the Financial Services Authority) has issued Rule No. IX.E.2 regarding Material Transaction and Amendment of Main Business Activities.
In accordance with Rule No. IX.E.2 Bapepam-LK (currently the Financial Services Authority) regarding Material Transaction and Amendment of Main Business Activities, the definition of material transaction shall include every:

1. Inclusion
2. Purchase, Sales, Transfer, Exchange of assets or business segments
3. Rental of assets
4. Loan of funds
5. Guarantee of assets
6. Provide company warranty with value of 20% or more of the company equity, done in one time or in a series of transaction for a certain purpose or activity.

Material Transaction is divided into:

1. With value of 20%-50% of Equity
   a. Not obliged to seek approval of shareholders in General Meeting of Shareholders
   b. Obliged to perform procedure of disclosure of information of material transaction to public and the Financial Services Authority
   c. Obliged to report after transaction is done
2. With value of over 50% of Equity
   a. obliged to seek approval of shareholders in General Meeting of Shareholders
   b. Obliged to report after transaction is done
3. Exception of material transaction
   Obliged to disclose information after transaction is done

**Transaction of Relevant Parties**
In accordance with the Rule of Bank Indonesia no. 7/31/PBI/2005 a related party shall refer to an individual or
company/institution with control relation with Company, directly and indirectly, through relation of ownership, management, and or finance.

Relevant party shall include:

a. individual or company/ institution who is controller of the Company;
b. Company/institution where Company acts as controller;
c. Another individual or company/ institution acting as controller of the company;
d. Company where:
   i. individual and or company/ institution acting as controller
   ii. individual and or company/ institution acting as controller
e. The Board of Commissioners, the Board of Directors and Executive Officer of the Company;
f. Parties who have family ties to the second degree, both horizontally and vertically:
   i. Individual who is controller of the Company
   ii. From the Board of Commissioners, the Board of Directors and Executive Officer of the Company
g. The Board of Commissioners, the Board of Directors and or Executive Officer of the Company
h. Company/institution where The Board of Commissioners, the Board of Directors and or Executive Officer are:
   i. The Board of Commissioners, the Board of Directors and or Executive Officer of the Company
   ii. The Board of Commissioners, the Board of Directors and or Executive Officer of the Company/institution
i. Company/institution where:
i. The Board of Commissioners, the Board of Directors and or Executive Officer of the Company as controller

ii. The Board of Commissioners, the Board of Directors and or Executive Officer as controller

What the Company should pay attention in relation with relevant parties are as follows:

1. The Company is prohibited to make Fund Provisions to relevant parties in contrary to the prevailing general procedure of fund supply.

2. The Company is prohibited to make Fund Provisions to relevant parties without approval the Board of Commissioners

3. buying low-quality assets from related parties

4. if the quality of make Fund Provisions to relevant parties decline, doubtful or in trouble the Company must take measures for improvement inter alia by way of:
   a. credit settlement at the latest within 60 (sixty) days since the decline of quality of fund provisions; and or
   b. credit restructuring since the decline of quality of fund provisions.

In accordance with Rule No. IX.E.1 Bapepam-LK (currently the Financial Services Authority) regarding Affiliation Transaction and Conflict of Interest, the obligation of the Company related to affiliated transaction is divided into 3 (depending on the type of affiliated transaction being done) namely:

a. necessary to conduct disclosure of information and necessary to report it to the Financial Services Authority (OJK)

b. not necessary to conduct disclosure of information but necessary to report it to the Financial Services Authority

c. not necessary to conduct disclosure of information and not necessary to report it to the Financial Services Authority
H. CUSTOMER PROTECTION

1. General Principles

In conducting business activities which include product launching and any other services they should be done in compliance with the principles of customer protection namely:

• Transparency
• Fair treatment
• Reliability
• Confidentiality and security of customer data/information
• Simple fast and affordable complaint handling and settlement of customer disputes.

The Company takes priority of customer protection by implementing the principles of transparency, confidentiality and protection of customer data/information and fast complaint handling, as well as free complaint handling process.

Code of conduct of Service:

As guidance for the officials and officers of the Company in giving services to customers, the Company establishes Code of Conduct of Services in every business unit which covers:

1. Protection of customer data
2. Warranty of accuracy of data and information
3. Avoid conflict of interest and gratification
4. Provide full and true information on the risk, costs and other necessary issues
5. Responsible marketing
6. Complaint Handling
2. Structure

Consumer Complaint Resolution Unit (UPPK) as a unit of work that is designated by the Company to handle and resolve customer complaints are filed under the Directorate of Operations. This unit has been equipped with the Standard Operation Procedures (SOP) of Customer Complaint Resolution, which contains procedures for handling and reporting of customer complaints.

3. Customer Hotline Service Mechanism

The Company has established a good customer hotline service mechanism started with making available of four contact channels namely BTPN Call Center 500300, more than 1000 branch offices spread throughout Indonesia, email info@btpn.com, and PO BOX 8080. Each complaint submitted by consumers through the contact channel will not be charged a fee in the complaint handling process.

a. The complaint will be recorded by the PIC contact channel and delivered to the Consumer Complaint Resolution Unit (UPPK). Referring to the prevailing provisions verbal complaint will be completed in two (2) working days, whereas a complaint submitted in writing will be completed within 20 (twenty) working days. In the event that the Company has not been able to resolve consumer complaints in accordance with the period / SLA which has been determined by the regulator, the Company will deliver a notice of extension of time to the consumer complaints resolution as the principles of transparency.
b. To ensure that consumer complaints are resolved, UPPK will monitor the handling of consumer complaints. In the submission of the report consumer complaints, the Company always maintains confidentiality of the data/information consumers. PIC contact channel will submit a report to the UPPK consumer complaints on a monthly basis. Furthermore, UPPK will submit consolidated reports of consumer complaints each PIC contact channel to the regulator.

Company still continues to make efforts for overall improvement based on consumer complaints received and also enhance the infrastructure and consumer complaints resolution process, as the Company's commitment to continuously improve customer satisfaction.

4. Internal controlling System – Customer Protection

I. MANAGEMENT AND PROTECTION INFORMATION

1. General Principles
a. All information belonged to company is the proprietary right (company's ownership right that cannot be owned by another party without authorization).
b. Protection of information has the purpose that the managed information has elements of confidentiality, integrity and availability that is effective and efficient taking into account compliance to the prevailing provisions.
c. All employees and outsourced labors are responsible to keep information confidential pursuant to the prevailing provisions. Employees and outsourced labors are not entitled and allowed to disseminate information to third parties in any condition, unless obtaining approval and agreement from relevant parties, and/or allowed pursuant to the prevailing provisions.
d. Manufacture, recordal and/or reporting of information are done pursuant to the prevailing provisions taking into account completeness, accuracy, confidentiality and accountable to avoid misleads to information users.

2. Management of Information

Management of information in BTPN includes:

a. Classification of information
b. Standardization of format and Codefication
c. Quality of information
d. Formation of information
e. Possession of information
f. Keeping of information
g. Delivery of information
h. Utility of information
i. Conversion, migration and transfer
j. Filing and retention and information
3. Protection of Information

The purpose of protection of information is to maintain confidentiality, integrity and availability of information, including:

a. Safety of human resources related Information
b. Physical safety
c. Operation and Communication safety
d. Information system access safety

The provisions in management and safety of information shall be further regulated in the Policy of Management of and Safety of Information and Code of conduct of BTPN.

J. INTELLECTUAL PROPERTY RIGHT

1. General Principles

General principles in intellectual property rights (IPR) are as follows:

1. Economic Principle, that is to give benefits to Trademark owners
2. Principle of Justice, that is to provide protection for owners
3. Cultural Principle, that is to improve the living standard, civilization and dignity of humans to provide benefits to the society, people and country
4. Social Principle, that is to provide protection based on the balance of interests between individuals and society

4. IP Laws particularly Law on Trademark No. 15 of 2001 ("Trademark Law") and/or other relevant regulations;
The basic concept of grant of Trademark right is that Trademark is an IP object, as a proprietary right Trademark is a result of human intellectual abilities through creativity and initiative, the process of which requires vast amount of energy, thought, time and cost, resulting the work earning a value. The economic value adhered to the Trademark rights leads to the property concept, with this concept IPR provides legal protection upon the Trademark right, and the owner of the right needs to enforce his/her existence against anyone who uses trademark protected products without authorization.

5. Trademark Protection

Trademark is an intellectual property, and is beneficial to introduce a product of goods and/or service (Product) of a company; Trademark has a very significant role for its owner. This is due to its function to differentiate one product having criteria in goods classification with another being produced by a different company.

A registered Trademark has legal protection; Trademark Law grants an exclusive right to a Trademark owner company to prevent any other parties to sell a product that is identical or similar to the Trademark of said company by using the same Trademark or a Trademark which may confuse the consumers.

Every Trademark registered at the Directorate General of Intellectual Property Right under the Ministry of Law and Human Rights of Indonesia (“IPR Office”) shall obtain
legal protection, evidenced by the issuance of Trademark certificate for the registered Trademark.

A registered Trademark pursuant to the Trademark Law shall obtain legal protection for a period of 10 years from the filing date as quoted in the Trademark Certificate.

A registered Trademark is an evidence for its owner entitled for the registered Trademark, it is a rejection medium to any party who intends to file for registration a Trademark similar in entirety or in principle, and prevent any other parties to use the same Trademark in bad faith.

6. Guideline for management in using Trademark
A company can differentiate itself and its products against those owned by its competitors, among other ways by having a trademark for the Company's products.

Trademark has an important role in creating an image and in marketing strategy of a company, giving a contribution to the image and reputation of the product of a company in the view of customers. Image and reputation of the company to create trust is the basis to gain loyal customers and making better the reputation of the company.

In line with the development of banking business in Indonesia, accompanied by higher competition, the Company should pay attention to the use of the Trademark of its service product to customers and / or society. It is very
crucial for the Company to prevent the use of its trademark by any others, given that the efforts to build a reputation of the Trademark have taken considerable costs and long periods of time. This is to keep customers' trust and the reputation of a product and/or service provided by the Company.

Therefore, the legal business sets a procedure for searching and filing for Trademark registration in the Company management, that can be appreciated by every the business unit in the Company.

2. Intellectual Property Right Consultant, Searching, and Registration
   a. IP Consultant

An IP Consultant is a person who has an expertise in the field of IPR and specifically provides services in IP filing and prosecution and registered as a consultant.

An IP Consultant holds a responsibility to maintain his good image and prestige of his/her profession because he/she receives power to conduct searching and filing for Trademark registration. As a recipient of the power, IP Consultant has the function of providing service in IP consultancy, represent and/or assist the interest of Trademark owners to file and handle Trademark applications at IP Office.

In conducting his function, IP Consultant has the competence with independent, objective, and professional attitudes.
b. Trademark Searching
To introduce a product of a company, Trademark has a significant role for its owner, in addition to be able to build customer loyalty; Trademark can be a marketing strategy in a form of product development to customers or potential customers.

Prior to filing for Trademark registration one should first conduct a search on the Trademark to be filed at the IPR Office.

Trademark to be used is intended for checking whether said Trademark has or has not been registered by another party. This may reduce the potential loss due to rejection to Trademark application for registration. It may also minimize potential civil as well as criminal lawsuit in the future by the party that has a Trademark which has similarities with said registered Trademark.

c. Trademark Registration
Trademark Certificate is a valid evidence of a registered Trademark.

Functions of a registered Trademark are as follows:
1. Evidence for the authorized owner of the registered Trademark;
2. Basis of rejection to a Trademark similar in entirety or similar in principle filed by other person(s) of the similar goods/services;
3. Basis of inhibition to any other persons from using Trademark similar in entirety or similar in principle in the similar goods/services.
The purposes of Trademark registration are to serve as a signature to public which will differentiate a product of a person or persons jointly or a legal entity with that of another person or another legal entity, to show the origin of the goods and / or services produced, as a medium and / or promotional tool that promotes goods and / or services simply by mentioning the trademark, and lastly as a guarantee of the quality of the goods.

For a registered Trademark, the Trademark owner obtains legal certainty as well as legal protection of the rights upon the Trademark. Registration is done in IP office, and it must meet the requirements as set out in the Trademark Law.

**Duties of The legal business**

1. Appointment of IP Consultant
   
   IP Consultant designation is made by the business unit, based on the application of the business unit to the legal business to provide a quotation of IP Consultant. The legal business of at least provide two (2) quotation of IP Consultant to be considered by the business units.

   After the business unit designates an IP Consultant, The legal business will examine the documents of the IP Consultant, and ask for arrangement fee for Trademark searching.
IP Consultant selected by the business unit will undergo review of documents by the legal business, in accordance with the Trademark procedure.

2. Processes of Trademark Searching and Registration

The legal business shall coordinate with IP Consultant team with respect to the prosecution of filing for Trademark registration, in order to minimize the potential administrative barriers concerning the documentation, as it is the duty of the legal business together with the business unit to anticipate this.

Prior to filing for Trademark registration, Trademark searching will first be done by IP Consultant. Trademark searching will be done upon payment by the business unit pursuant to the fee arrangement received by IP Consultant. Remittance by the business unit will be delivered by the legal business to IP Consultant.

Trademark searching results will be sent via email by IP Consultant, and subsequently forwarded by the legal business to the business unit, to proceed to the registration phase. After the search results are clear or said Trademark is not yet owned by any party, the next phase is the filing of Trademark registration. IP Consultant will file the application for Trademark registration upon receipt of payment pursuant to the fee arrangement for said filing, and proof of payment has been submitted by the business unit via the legal business.
At this filing phase, the legal business shall prepare for an affidavit, a power of attorney, corporate documents and the business unit shall prepare 24 pieces of Trademark etiquettes (labels) to be filed. When all of the requirements are available, the legal business will submit them to the IP Consultant, and in the next working day IP Consultant will file for registration to the IP office, filing receipt will be sent to the legal business, and the legal business will forward it to the relevant the business unit.

3. Monitoring and Keeping of Trademark Certificate
Trademark Certificate will be issued in approximately 2 (two) years, during which time The legal business will coordinate with IP Consultant, both related to substantive examination by the IP office or the fulfillment of any additional documents required by the IP office.

Upon issuance of the Trademark certificate, it will be delivered by IP Consultant to the legal business, and the legal business will forward it to the business unit. For the expired Trademark rights, the Business unit can coordinate with the Legal Business to file the renewal of said Trademark rights, pursuant to the terms and conditions in accordance with the Trademark Procedure.

K. RELATION WITH STAKEHOLDERS
1. General Principles
   - Maintaining relation with the Stakeholders is done in line with the good corporate governance principles.
• Maintaining relation with the Stakeholders must be based on values and Code of Conduct of the Company.

• Maintaining relation with the Stakeholders is done to support the realization of Vision and Mission, Target, and smooth operation of the Company.

• Maintaining relation with the Stakeholders in corporate context is done by a caretaker appointed by management.

• Maintaining relation with the Stakeholders in area/regional level is done by Regional Governance Head (RGH) or Branch Governance Head (BGH) appointed by management.

• The Stakeholder whom relation to be maintained is determined and prioritized by management through stakeholder mapping.

• Information of the Company to be delivered should be information of public, non-confidential, non-discrimination, and not in favor of a particular agency or group.

• Communication with the stakeholders in a critical situation should refer to the Crisis Communication Management Manual of the Company.

2. Structure

• RGH is responsible directly to Compliance Director

• Designation of RGH is done by the Board of Directors

• BGH is responsible to RGH

• Designation of BGH is done by each RGH upon approval by the relevant Regional Business Head and Compliance Director
When carrying out their tasks, RGH and BGH coordinate with Corporate Communications.

3. Duties and Responsibilities of Regional Government Head (RGH)

A. Related to Management of Company's Business Activities

   a. RGH is responsible for managing the business unit under his responsibility and report to the relevant superior.
   b. RGH is responsible for preparing visit schedules and agenda of the Board of Directors to areas, in coordination with Corporate Communications Division.
   c. RGH is responsible for setting up meetings on a regular basis for the purpose of communication and sharing of information between senior employees from various business units including subsidiaries within the areas.

B. Related to Governance

   a. RGH is the highest ranked official of the Company in his/her region who is responsible for matters concerning corporate governance.
   b. RGH is the top representative of the Company in dealing with the authorities, governments as well as public sector in the area.
   c. RGH is the representative of the Company in handling the media, in coordination with Corporate Communications Division.
   d. RGH has the duty to protect the business as well as the reputation of the Company in the area.
   e. RGH is responsible for proactively stimulating solidity, teamwork and familiarity between the available employees, functions and business units.
f. RGH is to make sure that all staffs from various business units to obtain training programs and various materials in relevant with Vision, Mission and Values of the Company, as well as the Code of Conduct of the Company.

4. Duties and Responsibilities of Branch Government Head (BGH)

A. Related to Management of Company's Business Activities

a. BGH is responsible for running a branch office or a group of branch offices, reporting to the relevant Regional Business Head.

b. BGH is responsible for coordinating visits and agenda of visits of The Board of Directors in coordination with RGH and Corporate Communications Division.

c. BGH is responsible for informing on a regular basis the Company's performance and other information concerning the Company, by referring to materials prepared by Corporate Communications Division to all employees in the relevant branch/city.

B. Related to Governance

a. BGH is the highest ranked official of the Company in his/her area of assignment with respect to implementation of corporate governance.

b. BGH is the senior representative of the Company in the community in the assigned region and/or area and branch.

c. BGH has the duty to protect the business as well as the reputation of the Company in the assigned area.

d. BGH is responsible for proactively stimulating solidity, teamwork and familiarity between the available functions and business units in the relevant branch(es).
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e. BGH is to ensure that the Vision, Mission and Values of the Company, as well as the Code of Conduct are understood and complied.

L. ENVIRONMENTAL RESPONSIBILITY AND OCCUPATIONAL HEALTH AND SAFETY PRACTICES

1. Environmental Responsibility

BTPN ensures that the loans are not used for activities that give a negative impact on the environment. This commitment is expressed in the Company's credit policies and guidelines that prohibit loan for activities that negatively impact the environment. In addition, awareness of environmental protection for employees is promoted through BTPN internal communication media, while for the customers is done through Sahabat Daya program.

BTPN's loan portfolio consists of small-scale loans with lower risk of environmental damage. Loans for pensioners are also classified as loans with low risk of environmental damage, given that some loans are used for consumption.

2. Occupational Health and Safety

Company prioritizes the health and safety of environment in order that employees are avoided from the risk of workplace accidents and occupational diseases, thus creating a safe and conducive working environment.

For that purpose Company provides health facilities to take care the health of employees and continuously ascertain its environment is safe from the risk of workplace accidents.