

Member of the Board of Directors and Officers to

Division Head # 071

Branch Manager and Officers to

Division Head # 071

December 29, 2011

BOARD OF COMMISSIONERS CODE OF CONDUCT

Referring to Bank Indonesia Regulation No. 8/4/PBI/2006 dated, January 30, 2006 concerning Good Corporate Governance for Commercial Banks and Bank Indonesia Regulation No. 8/14/PBI/2006 dated October 05, 2006, concerning Amendment to Bank Indonesia Regulation No. 8/4/PBI/2006 dated January 30, 2006 concerning Implementation of Good Corporate Governance for Commercial Bank, in which one of the Articles, especially in Article 13 provides that the Board of Directors shall have the Guidelines and Code of Conduct binding upon every member of the Board of Directors, as well as the Circular of Bank Indonesia No. 9/12/DPNP dated May 30, 2007 concerning Implementation of Good Corporate Governance for Commercial Banks.

In connection with the foregoing, these Work Guidelines and Code of Conduct of the Board of Commissioners is governed as follows:



## **I. Definition of Good Corporate Governance**

Good Corporate Governance is a Bank's governance implementing the principles of transparency, accountability, responsibility, independence, and fairness.

## **II. Members of Board of Commissioners**

1. The number of members of the Board of Commissioners shall be at least three (3) people and at most equals to the number of members of the Board of Directors.
2. A minimum of one (1) member of the Board of Commissioners must be domiciled in Indonesia.
3. Board of Commissioners shall be led by the President Commissioner.
4. Board of Commissioners shall be composed of Commissioner and Independent Commissioner.
5. At least 50% of the number of members of the Board of Commissioners shall be Independent Commissioner.
6. Former member of the Board of Directors or Executive Officers of the Bank or related parties to the Bank, which could affect ability thereof to act independently cannot be an Independent Commissioner.



at the Bank concerned, before undergoing a waiting period (cooling off) for 1 (one) year, except the former Directors or Executive Officers performing a supervisory function.

**III. Requirements and Code of Conduct of Board of Commissioners' Members**

1. Every proposed replacement and/ or appointment of members of the Board of Commissioners to the General Meeting of Shareholders should consider the recommendation of the Remuneration and Nomination Committee.
2. In case of the members of the Remuneration and Nomination Committee have conflict of interest with the recommended proposal, then in the proposal must be disclosed.
3. Shall satisfy the requirements to have passed Fit and Proper Test pursuant to the provision of Bank Indonesia.
4. Members of Board of Commissioners may only hold concurrent positions as member of Board of Commissioners, Board of Directors or Executive Officer at one (1) institution/company which is non-financial institution, or concurrent positions as



members of the Board of Commissioners, Board of Directors, Executive Officers who carry out supervisory functions in one (1) non-Bank subsidiary company controlled by the Bank.

5. Not considered to hold concurrent positions if:
  - a. Non-independent member of the Board of Commissioners carries out the functional duties of the Bank shareholders' legal entity in the business group thereof; and/or
  - b. Member of Board of Commissioners shall hold positions at organizations or non-profit institutions to the extent that the person concerned will not overlook the duties and responsibilities as a member of the Board of Commissioners.
6. The majority of members of the Board of Commissioners shall be prohibited from having a family relationship to the second degree with fellow members of the Board of Commissioners and/or members of the Board of Directors.
7. Member of the Board of Commissioners shall disclose shareholdings up to 5% or more, both on the relevant bank and on other banks and companies, which is



located inside and outside the country in the implementation report of Good Corporate Governance.

8. Member of the Board of Commissioners shall disclose financial relationships and family relationships with other members of the Board of Commissioners, members of the Board of Directors and/or the controlling shareholder of the Bank in the implementation report of Good Corporate Governance.
9. Member of the Board of Commissioners shall be prohibited from utilizing the Bank for personal, family, and/or other parties' interests that may have adverse affect or reduce the profit of the Bank.
10. Member of the Board of Commissioners shall be prohibited from taking and/or receiving personal gain from the Bank, in addition to Remuneration and other facilities as specified under General Meeting of Shareholders.
11. Member of the Board of Commissioners shall disclose Remuneration and other facilities received on the implementation report of Good Corporate Governance in accordance with the Regulation of Bank Indonesia.



#### IV. Business Hours and Arrangement of Meeting

1. Business hours for members of the Board of Commissioners are not binding, at least one (1) member of the Board of Commissioners is present to the bank every day.
2. Board of Commissioners shall provide sufficient time to carry out the duties and responsibilities optimally.
3. Meetings of the Board of Commissioners shall be convened at least four (4) times a year.
4. Meetings of the Board of Commissioners and Directors shall be convened at least four (4) times a year.
5. Meetings of the Board of Commissioners shall be physically attended by all members of the Board of Commissioners at least two (2) times a year.
6. Adoption of Meeting resolution for Board of Commissioners shall be based on deliberation for consensus. In case of no deliberation for consensus is achieved, adoption of resolution shall be based on the majority vote.
7. All resolutions of the Board of Commissioners are binding to all members of the Board of Commissioners.



8. Results of the meeting shall be included in the Minutes of the Meeting and documented properly.
9. Dissent of opinion (when occurs) in a Meeting of the Board of Commissioners shall be clearly stated in the minutes of the meeting along with reasons for such dissent.

**V. Duties and Responsibilities of the Board of Commissioners**

1. Board of Commissioners shall ensure the implementation of Good Corporate Governance in all business operations of the Bank at all levels of organization.
2. Board of Commissioners shall carry out the supervision of the implementation of duties and responsibilities of the Board of Directors and provide advice to the Board of Directors, among others by holding regular meetings with the Board of Directors held at least four (4) times a year.
3. In conducting supervision, the Board shall direct, monitor and evaluate the implementation of the Bank's strategic policy.



4. In conducting supervision, the Board of Commissioners shall be prohibited from being involved in resolution-adoption of Bank operations except:
  - a. Provision of funds to related parties in accordance with the provision of Bank Indonesia concerning Maximum Limit for Commercial Bank Loans; and
  - b. Other matters specified in the Articles of Association of the Bank or applicable legislation.
5. Resolution-adoption by the Board of Commissioners as referred numbers 4a and 4.b shall be part of the duties of supervision by the Board of Commissioners, so as not negating the responsibility of the Board of Directors on the implementation of the management of the Bank.
6. Shall submit a memorandum to the Board of Directors regarding the results of Commissioners Meeting on matters of concern from the Board of Commissioners.
7. Board of Commissioners shall ensure that the Board of Directors has followed up on audit findings and recommendations of the internal audit unit of Bank, external auditors, a call of Board of Commissioners





to the Board of Directors, the results of supervision by Bank Indonesia and/or other authorities.

8. Shall request the Board of Directors to draft Corporate Plan for 3 (three) years, including a study on the mission, vision, as well as the Bank's Business plan.
9. Shall monitor and review/evaluation of the performance of the Board of Directors in realizing the Bank's Business Plan each semester, along with supporting data on the review/evaluation.
10. Board Commissioners shall give Bank Indonesia notice within seven (7) days after the discovery of:
  - a. Violation of legislation in finance and banking.
  - b. Situation or estimated situation that may jeopardize the survival of the Bank's business.
11. In order to support the effective implementation of duties and responsibilities, the Board of Commissioners shall establish at least:
  - a. Audit Committee;
  - b. Risk Monitoring Committee;
  - c. Remuneration and Nomination Committee.



12. Appointment of member of the committee as referred to in point 11 shall be held by the Board of Directors based on the resolution of the Board of Commissioners.

13. Board of Commissioners shall ensure that the established committee as contemplated in point 11 performs their duties effectively.

In witness where, these Work Guidelines and Code of Conduct of Board of Commissioners is made and shall come into effect on January 2, 2012 and will be reviewed periodically to be conformed to the developments/ amendment of applicable regulations.

With the enactment of this Management Circular, then the Management Circular No. 049 Dated February 15, 2007 concerning: Work Guidelines and Code of Conduct of the Board of Commissioners shall be declared no longer valid.

Wikan Aryono S                      Hendrik Atmaja  
President Director                  Director

Ir. Rachmat M.S., MBA              Daniel Budi Dharma                      R.M. Sjariffudin  
President Commissioner      Vice President Commissioner      Commissioner

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I, **FATCHUROZAK**, a Sworn and Authorized Translator  
by the virtue of Jakarta Capital Territory Governor's Decree No. **1690/2007**, practicing in Jakarta,  
do solemnly and sincerely declare that the foregoing document is a true and faithful translation  
from Indonesian into English of the original version.

Jakarta, December 26, 2015

