

**DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES**

**PT BFI FINANCE INDONESIA TBK**



## DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES

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### PART ONE - INTRODUCTION

#### I. REGULATORY BASIS

- Financial Services Authority Regulation (POJK) Number 46 of 2024 concerning the Development and Strengthening of Finance Companies, Infrastructure Finance Companies, and Venture Capital Companies
- POJK Number 48 of 2024 concerning Good Corporate Governance for Finance Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Services Institutions
- POJK Number 35/POJK.05/2018 concerning Business Implementation of Finance Companies, as amended by POJK 7/POJK.05/2022 and POJK Number 46 of 2024
- POJK Number 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners
- Law Number 40 of 2007 concerning Limited Liability Companies
- Articles of Association of PT BFI Finance Indonesia Tbk (company)

#### II. PURPOSE

This guideline is a work guideline for the Board of Directors and the Board of Commissioners in carrying out their duties and responsibilities, which are part of the creation of a good Corporate Governance system (*Good Corporate Governance*).

#### III. DEFINITION

- Good Corporate Governance* : A governance that applies the following principles:
- a. Transparency ,
  - b. Accountability ,
  - c. Responsibility ,
  - d. Independence , and
  - e. Fairness
- Board of Commissioners : The Company's organ is in charge of conducting general and/or special supervision in accordance with the articles of association and providing advice to the Board of Directors.
- Independent Commissioner : Members of the Board of Commissioners who come from outside the Company and meet the requirements as Independent Commissioners.
- Management : The Company's organs are authorized and fully responsible for the management of the Company for the benefit of the Company, in accordance with the Company's intentions and objectives and represent the Company, both inside and outside the court in accordance with the provisions of the articles of association.



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- Independent Parties : Parties outside the Company who do not have a financial, management, shareholding and/or family relationship with the Board of Commissioners, the Board of Directors and/or controlling shareholders or other relationships that may affect its ability to act independently.
- Nomination and Remuneration Committee : A committee formed by and responsible to the Board of Commissioners in assisting in carrying out the functions and duties of the Board of Commissioners related to Nomination and Remuneration for members of the Board of Directors and members of the Board of Commissioners.
- Nomination : Proposal of a person to be appointed to the position as a member of the Board of Directors or a member of the Board of Commissioners.
- Remuneration : Remuneration determined and given to members of the Board of Directors and members of the Board of Commissioners because of the position and role given in accordance with the duties, responsibilities and authority of members of the Board of Directors and members of the Board of Commissioners.

### IV. BACKGROUND

The preparation of *the Board Manual* is a manifestation of PT BFI Finance Indonesia Tbk's (hereinafter referred to as the Company) in implementing all principles of *Good Corporate Governance* (GCG) consistently in the context of the Company's management to carry out its mission and achieve the vision that has been set.

The implementation of GCG within the Company is not only limited to fulfilling the applicable laws and regulations, but is able to realize the principles of GCG, namely transparency, accountability, accountability, independence and fairness, in the Company's activities consistently. The Company believes that the implementation of GCG within the Company will increase the confidence of shareholders and all other *stakeholders* in the supervision and management of business activities and increase the Company's value.

*This Board Manual* contains practical guidelines for the Board of Commissioners and the Board of Directors in the implementation of GCG in the Company.

### V. PURPOSE AND PURPOSE

The Board of Commissioners and the Board of Directors as part of the Company's organ always make themselves a good role *model* for all employees. The duties and functions of the Board of Commissioners and the Board of Directors are carried out in good faith, full of responsibility, and high dedication to the progress of the Company.



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*This Board Manual* contains a compilation of the principles of corporate law, applicable laws and regulations, and the provisions of the Company's Articles of Association that govern the work procedures of the Board of Commissioners and the Board of Directors. *The Board Manual* is the result of codification of various regulations that apply to the Company and best *practices* for the application of GCG principles.

The purpose of *the Board Manual* is to provide guidelines to the Board of Commissioners and the Board of Directors in implementing regulations related to the duties and functions of the Board of Commissioners and the Board of Directors.

Considering that *the Board Manual* is a compilation of corporate law principles, in its implementation it refers to the applicable laws and regulations. The detailed provisions contained in the Company's Articles of Association and various other legal provisions remain binding even though they are not specifically described in this *Board Manual*.



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### PART TWO – DIRECTORS

#### I. FUNCTIONS OF THE BOARD OF DIRECTORS

The Board of Directors is an organ of the Company that is fully responsible for the management of the Company for the interests and purposes of the Company and represents the Company, both in and out of court, in all matters and in all circumstances.

#### II. MEMBERSHIP OF THE BOARD OF DIRECTORS

- The members of the Board of Directors consist of at least 3 (three) people from the Board of Directors, 1 (one) of whom is appointed as President Director.
- At least 50% of the members of the Board of Directors are Indonesian citizens
- Every proposal for the appointment and/or replacement of members of the Board of Directors to the GMS must pay attention to the recommendations of the nomination and remuneration committee.
- The appointment, dismissal, and/or replacement of members of the Board of Directors prioritizes professional composition, independence, competency suitability, and attention to diversity, which is appropriately needed in the implementation of the duties and responsibilities of the Board of Directors.
- It is forbidden to appoint a Board of Directors who come from an active OJK employee/official or former OJK employee/official if the person concerned stops working from the OJK for less than 6 months

#### III. REQUIREMENTS TO BECOME A MEMBER OF THE BOARD OF DIRECTORS

- a. Have good morals, morals, and integrity;
- b. Capable of performing legal acts;
- c. Within 5 (five) years prior to appointment and during the tenure:
  1. Never declared bankrupt;
  2. Have never been a member of the Board of Directors and/or a member of the Board of Commissioners who have been found guilty of causing a company to be declared bankrupt;
  3. Have never been convicted of committing a criminal act that harms the state's finances and/or related to the financial sector; and
  4. Have never been a member of the Board of Directors and/or a member of the Board of Commissioners who during their tenure:
    - i. Never held an annual GMS
    - ii. His responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners has never been accepted by the GMS or has never been accountable as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
    - iii. Has caused companies that have obtained permits, approvals, or registrations from the Financial Services Authority (OJK) not fulfilling their obligations to submit annual reports and/or financial statements to the OJK.
- d. Have a commitment to comply with laws and regulations; and
- e. Have knowledge and/or expertise in the field needed by the Issuer or Public Company.
- f. All members of the Board of Directors must be domiciled in the territory of the Republic of



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Indonesia

- g. Members of the Board of Directors with foreign nationality are required to have a residence permit and a work permit from an authorized agency.

### IV. CONCURRENT BOARD OF DIRECTORS

- Members of the Board of Directors are prohibited from holding concurrent positions:
  - a. as a DPS, a member of the Audit Committee, Risk Monitoring Committee, or Nomination and Remuneration Committee, in the same company;
  - b. as a member of the board of directors and/or executive officers of other companies and/or institutions;
  - c. as a member of the Board of Commissioners in more than 2 other companies and/or institutions;
  - d. in other positions that may cause a Conflict of Interest in the performance of duties as a member of the Board of Directors; and/or
  - e. in other positions in accordance with the provisions of laws and regulations.
  
- The above prohibition does not include dual positions in the case of members of the Board of Directors:
  - a. responsible for the supervision of the Company's participation in the subsidiary company, which carries out the functional duties of being a member of the board of commissioners in a subsidiary company controlled by the Company (must obtain the approval of the Board of Commissioners);
  - b. is an association administrator who carries out functional duties as a member of the board of commissioners there are subsidiaries controlled by the association
  - c. is an association administrator who carries out functional duties as a board of commissioners in the institution based on the appointment of the OJK; and/or
  - d. hold a position in a non-profit organization or institution (must be reported to the Board of Commissioners), as long as the position does not result in the person concerned neglecting the implementation of duties and authorities as a member of the Board of Directors, and making a statement to maintain integrity, avoid any form of Conflict of Interest, and avoid actions that may harm the Company and/or cause the Company to violate the principle of prudence.
  
- The obligation to fulfill the prohibition of dual positions The Board of Directors is effective from December 31, 2027, members of the Board of Directors who have held dual positions beyond the limit before the obligation to fulfill the prohibition of dual positions can continue to serve until the term of office of the concurrent position ends.

### V. DEPARTMENT ETHICS

#### A. Ethics Related to Exemplary

The Board of Directors encourages the creation of ethical behavior and upholds ethical standards in the Company. One way is to make herself a good role model for employees.

#### B. Ethics Related to Compliance with Laws and Regulations

The Board of Directors complies with the applicable laws and regulations, the Articles of Association, and Good Corporate Governance Guidelines as well as the Company's policies that have been set.



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### C. Ethics Relating to Enterprise Opportunities

The Board of Directors is prohibited from:

1. Taking the Company's business opportunities for its own benefit;
2. Using the Company's assets, the Company's information or its position as a Board of Directors for personal interests outside of the provisions of applicable laws and regulations and Company policies; and
3. Competing with the Company, namely using knowledge/information from within (*inside information*) to gain benefits for interests other than the interests of the Company.

### D. Ethics Related to Information Disclosure and Confidentiality

The Board of Directors discloses information in accordance with the provisions of applicable laws and regulations and always maintains the confidentiality of the information entrusted to it in accordance with the provisions of laws and regulations and/or the provisions of the Company. The Board of Directors is required to report to the OJK on the ownership and any change in ownership of the shares of the Public Company either directly or indirectly, and the report is reported within a period of no later than 5 (five) days from the occurrence of the ownership or change of ownership of the shares of the Public Company. In the event that OJK has provided an electronic Reporting System, the report will be reported within a period of no later than 3 (three) days from the occurrence of ownership or change of ownership of the shares of the Public Company.

### E. Ethics Related to Conflicts of Interest

Ethics related to conflicts of interest include, among others:

1. The Board of Directors always avoids conflicts of interest in accordance with applicable laws and regulations.
2. The Board of Directors shall not use the position for personal benefit or for the benefit of any person or other party that is contrary to the interests of the Company.
3. The Board of Directors is required to fill out the Special Register containing his and/or his family's share ownership in other companies, including if he does not have share ownership, and periodically updates (*updating*) *at the end of each year* and is obliged to notify the Company if there are any changes in data, in accordance with the applicable laws and regulations.
4. In the event of a conflict of interest, the relevant members of the Board of Directors may not be involved in the Company's decision-making process related to the case.
5. Guided not to use the position for personal interests or for the interests of other persons or parties that are contrary to the interests of the Company.
6. Avoid any activity that can affect his independence in carrying out his duties.
7. Disclose in the event of a conflict of interest, and the relevant members of the Board of Directors must not be involved in the Company's decision-making process related to such matters.
8. Comply with applicable laws and regulations, including by not engaging in *insider trading* for personal gain.



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### **F. Ethics Relating to Personal Gain**

The Board of Directors is prohibited from taking personal benefits from the Company's activities, other than the salary, allowances and other facilities he receives as a member of the Company's Board of Directors.

### **G. Business Ethics and Anti-Corruption**

Members of the Board of Directors are prohibited from accepting, either directly or indirectly, anything of value and value from the customer in order to influence or in return for what he has done and other actions.

## **VI. DUTIES AND OBLIGATIONS OF THE BOARD OF DIRECTORS**

### **A. Duties and Responsibilities of the Board of Directors**

Each member of the Board of Directors is fully obliged in carrying out their respective duties and responsibilities by complying with applicable laws and regulations as well as the Company's Articles of Association. The primary duties and responsibilities of the Board of Directors are to safeguard the Company's assets and provide an appropriate return on the investments of shareholders, also while taking into account the interests of other stakeholders. These responsibilities include, among others, the following:

1. Develop the Company's vision, mission and core values as well as the Company's strategic plan consolidated in the business budget;
2. Build a strong organizational structure and clearly define the functions of each work unit and manage human resources effectively;
3. Establish a system for internal control and risk management mechanisms that ensure the implementation of internal audit functions across the management ranks, consistent with approved policies and procedures; and
4. Managing the interests of the Company's stakeholders.
5. Making decisions in accordance with the guidelines and work rules are binding and are the responsibility of all members of the Board of Directors
6. Responsible for compliance with the implementation of the provisions of laws and regulations, including:
  - Consumer and Community Protection.
  - Improving Financial Literacy and Inclusion in the Financial Services Sector for Consumers and the Community.

### **B. Prohibition on the Board of Directors**

- a. Receiving, either directly or indirectly, something valuable and valuable from other parties who influence or in return for what they have done.
- b. Utilizing his position in the Company where the member of the Board of Directors serves for the benefit of his or her personal, family, and/or other parties that may harm or reduce the profits of the Company where the member of the Board of Directors serves;
- c. Taking and/or receiving personal benefits from the Company in which the members of the Board of Directors serve in addition to the remuneration and facilities stipulated by the resolution of the GMS;
- d. Fulfilling shareholder requests related to the Company's operational activities in which members of the Board of Directors serve other than those that have been determined based on the resolution of the GMS; and



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- e. Giving general power of attorney to other parties resulting in the transfer of duties and functions of the Board of Directors
- f. Use an individual advisor and/or professional services unless:
  - 1. for projects of a special nature;
  - 2. based on a clear employment contract;
  - 3. carried out by an Independent Party that has certain technical knowledge with adequate skill qualification standards to work on a special project as referred to in point 1;
  - 4. carried out by a party that does not occupy a structural position in the Company; and
  - 5. carried out by parties who do not have the authority to make operational decisions of the Company.
- g. Use individual advisors and/or professional services as experts or consultants except for the use of individual advisors and/or professional services with the following conditions:
  - 1. For projects that are special;
  - 2. Based on a clear employment contract
  - 3. To be carried out by an Independent Party who has certain technical knowledge with adequate standards of expertise to work on projects of a special nature as intended for projects of a special nature
  - 4. Carried out by parties who do not occupy structural positions in the Company
  - 5. Implemented by a party that does not have the authority to make the Company's operational decisions
- h. Offering or providing something, either directly or indirectly to other parties, to influence decision-making related to the Company's business activities, in violation of the provisions of laws and regulations
- i. Receiving something for his/her personal interests, family, and/or other parties in violation of the provisions of laws and regulations, either directly or indirectly, from anyone, which may affect decision-making related to the Company's business activities.

### **C. Related to Business Ethics and Anti-Corruption**

- 1. The Board of Directors is required to sign an Integrity Pact for transactional actions that require the approval of the Board of Commissioners, and/or the GMS.
- 2. Report to the Company regarding the shares owned by the relevant members of the Board of Directors and/or their families in the Company and other companies to be subsequently recorded in a special list.

### **D. Related to Internal Control System and Internal Audit**

- 1. The Board of Directors is obliged to establish policies on an effective Internal Control System to secure the Company's investments, business activities and assets.
- 2. Evaluate the implementation of risk management according to the set criteria.
- 3. Carrying out control activities, which are actions carried out in a process of controlling the Company's activities at each level and unit in the Company's organizational structure, including regarding authority, authorization, verification, reconciliation, assessment of work performance, division of duties and security of the Company's



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assets.

4. Implementing an information and communication system, which is a process of presenting reports on operational, financial, and compliance with the provisions and regulations applicable to the Company.
5. Carrying out *monitoring* is the process of assessing the quality of the internal control system including the internal audit function at each level and unit of the Company, so that it can be carried out optimally, provided that irregularities that occur are reported to the Board of Directors and a copy of it is submitted to the Board of Commissioners.
6. Make SOPs (*Standard Operating Procedures*) for each of the above items, adjusted to the needs of the Company.
7. It is mandatory to prepare/build an Internal Control System so that it is able to direct and guide subordinates in the implementation of their duties to achieve the goals and objectives of the organization that have been set, as well as being able to prevent irregularities, leakage and waste of organizational finances, and even be able to detect and prevent the occurrence of corruption and collusion.
8. To ensure an effective internal control system, the President Director is structurally assisted by all Structural Officials up to the level of Heads of Departments/Units.
9. Establish the Internal Audit Unit Charter which is a further elaboration of the duties and functions of the Internal Audit Unit in accordance with the Resolution of the Board of Directors.
10. Encourage the creation of a disciplined and structured internal control environment within the Company, consisting of:
  - a. integrity, ethical values and employee competence;
  - b. management philosophy and style;
  - c. the way in which management carries out authority and responsibility;
  - d. organization and development of human resources; and
  - e. attention and direction carried out by the Board of Directors.
11. Follow up on audit findings or audits and recommendations of the Company's internal audit work unit, external auditors, results of OJK Supervision, and/or results of supervision of other authorities and institutions.

### **E. Related to Information Disclosure and Confidentiality**

1. The Board of Directors is obliged to disclose important information in the Annual Report and Financial Statements to other parties, in accordance with applicable laws and regulations in a timely, accurate, clear and objective manner.
2. Ensure that information about the Company can be obtained by the Board of Commissioners in a timely, measurable and complete manner.
3. Reveal the extent of implementation of the principles of Good Corporate Governance.
4. Deliver meetings held in one financial year (internal meetings or joint meetings with the Board of Commissioners).
5. Confidential information obtained while serving as a Member of the Company's Board of Directors must remain confidential in accordance with applicable laws and regulations.
6. In terms of maintaining the confidentiality of the Company's information, the Board of Directors is required to prioritize the interests of the Company over the interests of individuals or groups.



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### **F. Related to Strategies and Work Plans**

1. The Board of Directors prepares the Company's vision, mission, objectives, strategy and culture.
2. Strive and ensure the implementation of the Company's business and activities in accordance with the purpose and objectives as well as business activities.
3. Prepare in a timely manner the Company's development plan, Annual Work Plan, including other plans related to the implementation of the Company's business and activities and submit them to the Board of Commissioners for approval.
4. Prepare a draft Long-Term Plan which is a strategic plan that contains the Company's goals and objectives to be achieved.
5. Strive to achieve the long-term goals listed in the Long-Term Plan.
6. Strive to achieve the short-term goals listed in the Annual Work Plan.

### **G. Related to Risk Management**

The Board of Directors is obliged to develop a risk management system and implement it consistently. The risk management system developed consists of the following stages:

1. Risk Identification, which is a process to recognize relevant and potential types of risks.
2. Risk Measurement, which is a process to measure the magnitude and probability of the results of risk identification.
3. Preparation of a Risk Profile, which is a process to describe the magnitude of impact and probability of each type of risk, based on the results of risk measurement.
4. Risk Handling, which is the process of determining efforts that can be made to handle potential risks.
5. Risk Monitoring, which is a process to monitor various factors that are suspected of leading to the emergence of risks.
6. Risk evaluation, which is the process of assessing the adequacy of the overall risk management activities carried out within the Company.
7. Reporting and Disclosure, which is the process to report the risk management system implemented by the Company and its disclosure to relevant parties in accordance with applicable regulations.

### **H. Related Relations with Stakeholders**

1. Ensure the guaranteed rights of *stakeholders* arising based on applicable laws and regulations and/or agreements made by the Company with employees, service users, suppliers and other *stakeholders*.
2. Ensure the Company performs its social responsibility.

### **I. Related to Other Duties and Obligations**

Carry out other obligations in accordance with the provisions stipulated in the Articles of Association and laws and regulations.



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### VII. AUTHORITY OF DIRECTORS

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

1. Carry out business development;
2. Representing the Company in and out of court, in accordance with the provisions of laws and regulations, articles of association, and resolutions of the GMS;
3. Regulating provisions on personnel including appointment, mutation, succession and dismissal, determination of salary, post-employment benefits and old-age guarantees, as well as other income based on applicable laws and regulations;
4. Appoint and dismiss a Corporate Secretary; and
5. Establish strategic and operational decisions that contain risks and uncertainties.

### V. RIGHTS OF DIRECTORS

1. Each member of the Board of Directors has the right to resign from his position by notifying the Company in writing of his intention no later than 30 days before the date of his resignation.
2. Each member of the Board of Directors has the right to make a defense at the General Meeting of Shareholders if the General Meeting of Shareholders dismisses a member of the Board of Directors at any time.
3. The Board of Directors has the right to appoint one or more people as its representatives or proxies to perform certain legal acts by granting special powers of attorney as stipulated in the power of attorney.
4. The Board of Directors has the right to represent the Company in and out of Court in all matters and in all circumstances and to perform all actions and deeds, both regarding management and ownership, as well as binding the Company with other parties and other parties with the Company, with the restrictions stipulated in the Company's Articles of Association.
5. Members of the Board of Directors are entitled to salary and/or allowances the amount determined by the General Meeting of Shareholders and such authority may be delegated to the Board of Commissioners.

### VI. BOARD MEETING

- The Board of Directors is required to hold periodic meetings of the Board of Directors at least 1 time every month.
- Each member of the Board of Directors is required to attend at least 50% of the number of meetings of the Board of Directors within a period of 1 year.

#### A. Board of Directors Meeting Policy

On a regular basis, the Board of Directors holds joint meetings with the Board of Commissioners to discuss the implementation of decisions made at previous meetings, risk management, financial performance and other matters that may have an impact on the Company's financial performance and operational activities.



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### **B. Mechanism of Attendance and Validity of the Board of Directors Meeting**

1. The Board of Directors meeting is chaired by the President Director. In the event that the President Director is unable to attend or is unable to attend for any reason, which does not need to be proven to other parties, the Meeting of the Board of Directors shall be presided over by a member of the Board of Directors who is elected by and from among the members of the Board of Directors present.
2. A member of the Board of Directors may be represented in a Meeting of the Board of Directors only by one other member of the Board of Directors by a power of attorney.
3. In the event that the power of attorney does not grant special power, then the granting of power of attorney is absolute.
4. The Meeting of the Board of Directors is valid and has the right to make a binding decision if more than 1/2 (one-half) part of the total number of members of the Board of Directors is present or represented at the Meeting.
5. The meeting of the Board of Directors shall be attended by members of the Board of Directors, unless otherwise required it may also be attended by an officer at one level below the Board of Directors or other officials assigned by the President Director.
6. Meetings can be conducted face-to-face by utilizing information technology
7. Must be in accordance with the mechanism stated in the Company's articles of association and the provisions of laws and regulations.

### **C. Discussion and Decision Making Process of the Board of Directors Meeting**

1. All decisions of the Board of Directors are based on good faith, rational consideration and have gone through an in-depth investigation into various relevant matters, sufficient information and free from conflicts of interest and made independently by each Director.
2. The decision of the Board of Directors Meeting is based on deliberation for consensus. In the event that a decision based on deliberation for consensus is not reached, the decision is taken by voting based on a vote of approval of more than 1/2 (one half) part of the number of valid votes cast in the meeting.
3. In order to maintain independence and objectivity, any member of the Board of Directors who has a conflict of interest in a proposed transaction, contract or contract, to which the Company is a party, is required to disclose the matter and not participate in the voting for decision-making. This fact must be recorded in the minutes of the meeting.
4. Each Member of the Board of Directors who is present has the right to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Directors represented by him.
5. Blank votes and invalid votes are considered non-existent and are not counted in determining the number of votes cast.
6. The Board of Directors may also make a lawful decision without holding a Board of Directors' Meeting, provided that all members of the Board of Directors give their written consent and sign the agreement. The decision is taken by means of teleconference, video conference, or other electronic media means that allow all members of the Board of Directors to see and hear each other directly and participate, where this has the same power as the decision legally taken at the Board of Directors Meeting.
7. Decisions regarding strategic aspects must be made through the mechanism of the Board of Directors' Meeting. These strategic aspects include all actions of the Board of Directors that are required to obtain the approval of the Shareholders after obtaining a written



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recommendation from the Board of Commissioners, as well as all actions of the Board of Directors that are required to obtain written approval from the Board of Commissioners.

8. Members of the Board of Directors who are not present or do not give power of attorney to other members of the Board of Directors are deemed to agree to all decisions taken in the Board of Directors Meeting.

### D. Minutes of the Board of Directors Meeting

1. The minutes of the Board of Directors Meeting are made for each Board Meeting and in the minutes of the meeting must also include a *dissenting opinion* from what was decided in the Board of Directors Meeting (if any).
2. The minutes of the meeting describe the dynamics of the meeting, which contains the matters discussed (including statements of disagreement by the members of the Board of Directors, if any) and the matters decided. It is important to be able to see the decision-making process and at the same time can be a legal document to determine accountability from the results of a meeting decision. For this reason, the Meeting Minutes include:
  - a. The place, date and time of the meeting was held;
  - b. The agenda discussed;
  - c. Attendance list;
  - d. The duration of the meeting time;
  - e. Various opinions contained in the meeting;
  - f. Decision-making process; and
  - g. The decision taken.
3. Minutes of the Board of Directors Meeting can be created and documented by the Corporate Secretary, including keeping and distributing to meeting participants.
4. Each member of the Board of Directors is entitled to receive a copy of the minutes of the Meeting of Directors, regardless of whether the member of the Board of Directors concerned is present or absent from the Meeting of the Board of Directors.
5. A copy of the Minutes of the Board of Directors Meeting must be submitted to all Directors no later than 7 (seven) days after the Meeting is held.
6. Within a period of 14 (fourteen) days from the date of submission of the Minutes of the Meeting, each member of the Board of Directors who is present and/or represented at the relevant Board of Directors Meeting is obliged to submit his/her approval or objection and/or his/her proposal for improvement, if any, on what is stated in the Minutes of the Meeting of Directors to the chairman of the Board of Directors.
7. If objections and/or suggestions for improvements to the Minutes of the Meeting are not received within that period, then it can be concluded that there are indeed no objections and/or improvements to the Minutes of the Meeting of the Board of Directors concerned.
8. The revised Meeting Minutes (if any) and signed by all members of the Board of Directors attending the Meeting, shall be submitted to all Boards of Directors no later than 7 (seven) days after the revised Meeting Minutes are signed.
9. The original Minutes of the Meeting of Directors are kept and maintained by the Corporate Secretary.
10. The original Power of Attorney is kept by the Corporate Secretary and a copy of it is submitted to the Board of Commissioners for storage and maintenance.



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11. The number of meetings of the Board of Directors that have been held and the number of attendance of each member of the Board of Directors must be contained in the report on the implementation of Good Governance

### VII. PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

#### A. General Policy on Evaluation of the Performance of the Board of Directors

The performance of the Board of Directors and members of the Board of Directors will be evaluated by the Board of Commissioners. In general, the performance of the Board of Directors is determined based on the duties and obligations listed in the applicable laws and regulations and the Company's Articles of Association.

The results of the evaluation of the overall performance of the Board of Directors and the performance of each individual member of the Board of Directors will be an integral part of the compensation scheme and the provision of incentives for members of the Board of Directors.

The results of the performance evaluation of each member of the Board of Directors individually are one of the basis for consideration, especially for the Shareholders, for the dismissal and/or reappointment of the relevant members of the Board of Directors. The results of the performance evaluation are a means of assessment and improvement of the effectiveness of the Board of Directors.

#### B. Criteria for Evaluating the Performance of the Board of Directors

The criteria for evaluating the performance of the Board of Directors are outlined in the *Key Performance Indicator* (KPI). The performance criteria of the Board of Directors collegial or individually based on the proposal of the Nomination and Remuneration Committee (if formed) or other committees having nomination and remuneration functions are submitted by the Board of Commissioners to the Shareholders for approval. The KPIs of the Board of Directors at least include, among others:

1. Attendance at the Board of Directors Meeting and joint meeting with the Board of Commissioners;
2. Contribution to the Company's business activities;
3. Involvement in specific assignments;
4. Commitment to advancing the interests of the Company;
5. Compliance with applicable laws and regulations and the Company's policies;
6. Achievement of the Company's targets as stated in the Annual Work Plan and Management Contract; and
7. Performance achievement according to individual targets that have been set.

### VIII. SUPPORTING ORGANS OF THE BOARD OF DIRECTORS

#### A. COMPANY SECRETARY

The duties and responsibilities of the Corporate Secretary are as follows:

- Following the development of the Capital Market, especially the applicable regulations in the field of the Capital Market;
- Providing services to the public for every information needed by investors related to the Company's condition;



## DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES

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- Provide input to the Board of Directors to comply with the provisions of laws and regulations related to the Company; and
- As a liaison or *contact person* between the Company and the OJK and the community. The Authority, Duties and Responsibilities and Obligations of the Corporate Secretary will be determined by the Decree of the Board of Directors.

### B. UNIT AUDIT INTERNAL

The duties and responsibilities of the Internal Audit Unit include:

- Prepare and implement the annual Internal Audit plan;
- Testing and evaluating the implementation of internal controls and risk management systems in accordance with the Company's policies;
- Conducting an audit and assessment of efficiency and effectiveness in the fields of finance, accounting, operations, human resources, marketing, information technology and other activities;
- Provide suggestions for improvement and objective information on the activities examined at all levels of management;
- Prepare a report on the results of the audit and submit the report to the President Director and the Board of Commissioners;
- Monitor, analyze and report on the implementation of suggested improvement follow-ups;
- Cooperate with the Audit Committee;
- Develop a program to evaluate the quality of Internal Audit activities carried out;
- Conduct special inspections/audits if required; and
- Compile rankings/scoring of audit results per branch office to assess the level of compliance of each branch office with applicable regulations, policies and other provisions.
- Implementing fraud control and anti-fraud strategies.

### C. COMPLIANCE

A series of ex-ante (preventive) actions or measures to ensure that business activities carried out by the Company are in accordance with the applicable provisions and laws and regulations.

The duties and responsibilities of the compliance function include the following actions:

- a. Realizing the implementation of a Culture of Compliance at all levels of organizations and business activities;
- b. Managing compliance risks faced;
- c. Ensure that policies, provisions, systems and procedures as well as business activities are in accordance with the provisions and applicable laws and regulations; and
- d. Ensure compliance with commitments made to regulators.

The Company must have a member of the Board of Directors who oversees the compliance function and cannot be concurrently appointed by a member of the Board of Directors who is in charge of the financing function, and the marketing function, except for the President Director.



## **DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES**

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The company is required to have a Compliance Work Unit that performs compliance functions that are tasked and responsible, including:

- a. Responsible to the members of the Board of Directors who are subordinate to the compliance function
- b. Responsible for assisting the Board of Directors in ensuring compliance with laws and regulations in the field of financing and capital market business as well as other laws and regulations.
- c. Coordinating with DPS regarding the implementation of compliance functions with Sharia Principles

### **D. SHARIA BUSINESS ACTIVITIES PRODUCT AND DEVELOPMENT COMMITTEE**

The Committee is chaired by the Head of the Sharia Business Unit and is obliged to hold a meeting at least 1 (one) time in 6 (six) months. The duties and responsibilities of the Sharia Product and Development Committee include:

- Conducting studies and analysis of the development of new products or business activities to be carried out or marketed;
- Evaluate and improve each product or business activity;
- Providing recommendations, suggestions, and inputs as well as evaluation of marketing aspects and fulfillment of sharia principles and risk mitigation; and
- Formulate and propose monthly and annual performance achievements for business activities based on Sharia Principles.

The implementation of committee duties is part of a good governance report for the Finance Company.

### **E. RISK MANAGEMENT COMMITTEE**

The Risk Management Committee shall consist at least of the members of the Board of Directors under the Risk Management function, half of the number of members of the Board of Directors and related executive officers.

The duties and responsibilities of the Risk Management Committee include:

- Review the strategies and guidelines for the implementation of Risk Management, including the level of risk appetite and risk tolerance, the Risk Management framework and contingency plans to anticipate the occurrence of abnormal conditions.
- Making adjustments to the implementation of Risk Management based on the results of the evaluation of the implementation of Risk Management, among others, improving the Risk Management process periodically or incidentally as a result of a change in the Company's external and internal conditions that affect the Company's risk profile.
- Review the design and implementation of policies related to risks.
- Conduct the process of determining matters related to business decisions that deviate from normal procedures, such as the distribution of financing, taking positions or risk exposures that exceed the set limits.



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### F. INFORMATION TECHNOLOGY STEERING COMMITTEE

The Information Technology Steering Committee consists of at least a Director who is in charge of the Information Technology (IT) work unit, a Director or an official in charge of the risk management function, the highest official in charge of the organizing work unit, and the highest official in charge of the Information Technology user work unit.

The duties and responsibilities of the Information Technology Steering Committee include providing recommendations related to:

- IT development plan that is in line with the Company's strategic plan for business activities.
- Formulation of IT policies and procedures.
- Conformity of the approved IT project with the IT development plan.
- Compatibility of the implementation of the IT project with the approved IT project.
- IT suitability with the needs of the management information system and the needs of LKKNB's business activities.
- The effectiveness of risk mitigation on the Company's investment in the IT sector so that the Company's investment in the IT sector contributes to the achievement of the Company's business objectives.
- Monitoring of IT performance and efforts to improve IT performance.
- Efforts to resolve various IT-related problems that cannot be solved by user work units and IT administrators effectively, efficiently, and on time.
- Adequacy and allocation of IT resources owned by the Company



## DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES

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### PART THREE - BOARD OF COMMISSIONERS

#### I. FUNCTIONS OF THE BOARD OF COMMISSIONERS

The Board of Commissioners is one of the organs of the Company that functions to supervise in accordance with the Articles of Association and provide advice to the Board of Directors in carrying out the management of the Company. The Board of Commissioners also has the task of monitoring the effectiveness of GCG practices implemented by the Company.

There are 2 (two) levels of Supervisory functions of the Board of Commissioners:

1. Performance Level, which is the function of the Board of Commissioners to supervise by providing advice to the Board of Directors and submitting proposals in the GMS.
2. Level *Conformance*, which is in the form of the implementation of supervision activities at the next stage to ensure the fulfillment of the provisions in the applicable laws and regulations and Articles of Association.

#### II. MEMBERSHIP OF THE BOARD OF COMMISSIONERS

- The members of the Board of Commissioners consist of at least 3 (three) people, one of whom is appointed as President Commissioner.
- The Board of Commissioners consists of Commissioners and Independent Commissioners. If the members of the Board of Commissioners are more than 2 (two) people, the number of Independent Commissioners is at least 30% or one-third of the total number of members of the Board of Commissioners.
- Any proposal to replace and/or nominate a member of the Board of Commissioners in the GMS takes into account the recommendations of the Nomination and Remuneration Committee.
- Each member of the Board of Commissioners is required to conduct an assessment of ability and propriety in accordance with the POJK regarding the assessment of ability and propriety.
- Former members of the Board of Directors or executive officers of the Company or parties with ties to the Company, which may affect their ability to act independently, cannot become Commissioners or Independent Commissioners of the Company, before undergoing a cooling off period for the last 6 months.
- At least 50% of the members of the Board of Commissioners are Indonesian citizens
- At least 50% of the members of the Board of Commissioners must be domiciled in the territory of the Republic of Indonesia.
- Members of the Board of Commissioners of foreign nationality who are domiciled in the territory of the Republic of Indonesia are required to have a residence permit and a work permit from an authorized agency.
- The appointment, dismissal, and/or replacement of members of the Board of Commissioners prioritizes professional composition, independence, suitability of competencies, and attention to diversity, which is appropriately needed in the implementation of the duties and responsibilities of the Board of Commissioners.
- It is prohibited to appoint members of the Board of Commissioners who are from active OJK employees/officials or former OJK employees/officials if the person concerned stops working from the OJK for less than 6 months



## **DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES**

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- As of December 31, 2026, the number of members of the Board of Commissioners is at most equal to the number of members of the Board of Directors.

### **III. MEMBERSHIP OF THE INDEPENDENT BOARD OF COMMISSIONERS**

- Do not have an affiliation with shareholders, members of the Board of Directors, members of the Board of Commissioners others, and/or DPS in the same Company;
- Have never been a member of the Board of Directors, members of the Board of Commissioners, DPS, and/or Executive Officers of the same Company or any other company that has an affiliation relationship with the Company within the last 6 (six) months;
- Understand the provisions of laws and regulations in the field of Financing and other relevant laws and regulations;
- Have a good knowledge of the financial condition of the Company where the Independent Commissioner serves;
- Have Indonesian citizenship; and
- Domiciled in Indonesia.

### **IV. CONCURRENT POSITION OF THE BOARD OF COMMISSIONERS**

- Members of the Board of Commissioners are prohibited from holding concurrent positions:
  - a. as a member of the board of directors and/or executive officers of other companies and/or institutions if they have served as members of the Board of Commissioners of 2 other companies and/or institutions
  - b. as a member of the board of directors and/or executive officers of more than 1 company and/or other institution if he has served as a member of the Board of Commissioners of 1 other company and/or institution;
  - c. as a member of the Board of Commissioners in more than 2 other companies and/or institutions;
  - d. in other positions that may cause a Conflict of Interest in the performance of duties as a member of the Board of Commissioners; and/or
  - e. in other positions in accordance with the provisions of laws and regulations.
- The above prohibition does not include dual positions in the following cases:
  - a. a non-independent member of the Board of Commissioners carrying out the functional duties of the Company's shareholders in the form of a legal entity becoming a member of the board of commissioners of a subsidiary company in its business group;
  - b. members of the Board of Commissioners are the administrators of the association who carry out functional duties as members of the board of commissioners in subsidiaries controlled by the association;
  - c. members of the Board of Commissioners are the administrators of the association who carry out the functional duties of being the board of commissioners in the Institution based on the appointment of the OJK; and/or
  - d. members of the Board of Commissioners hold positions in non-profit organizations or institutions,  
as long as the position does not result in the person concerned neglecting the exercise



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## DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES

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of his duties and authority as a member of the Board of Commissioners, and making a statement to maintain integrity, avoid any form of Conflict of Interest, and avoid actions that may harm the Company and/or cause the Company to violate the principle of prudence.

- The obligation to fulfill the prohibition of dual positions of the Board of Commissioners is effective from December 31, 2027, members of the Board of Commissioners who have held dual positions beyond the limit before the obligation to fulfill the prohibition of dual positions is enforced, can continue to serve until the term of office of the concurrent position ends.

### V. GENERAL GUIDELINES FOR THE SUPERVISION OF THE BOARD OF COMMISSIONERS

1. The Board of Commissioners supervises the Company's management policies and advises the Board of Directors in good faith, responsibility and prudence.
2. In carrying out supervision, the Board of Commissioners acts as a board and cannot act independently but based on the collective decision of all members of the Board of Commissioners.
3. In carrying out supervision, the Board of Commissioners is not allowed to be the executor of executive duties that are the authority of the Board of Directors except in certain circumstances for a certain period of time based on the articles of association or resolutions of the GMS
4. Supervision is carried out on decisions that have been taken (*ex-post facto*) and/or decisions to be taken (*preventive basis*).
5. Supervision is carried out not only by receiving information from the Board of Directors or GMS, but can also be done by taking other actions according to information from other sources that are accurate and accountable, where these actions are carried out collectively.
6. Supervision is carried out not only approving or disapproving actions that require the approval of the Board of Commissioners, but supervision is carried out by covering all business and corporate aspects of the Company.
7. Ensure that the Company's Annual Report contains information regarding the identity of the members of the Board of Commissioners, their main jobs, the position of members of the Board of Commissioners in other companies, the positions of members of the Board of Commissioners as members of the Committee in other companies or companies including meetings held in one financial year (meetings of the Board of Commissioners or joint meetings with the Board of Directors), as well as the total honorarium received from the Company and other information as regulated in the applicable laws and regulations.



## **DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES**

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8. Ensure that the Board of Directors has followed up on audit findings and recommendations from the Company's internal audit work unit, external audits, OJK supervision results and/or the results of supervision of other authorities.
9. To carry out duties, authorities, and responsibilities in good faith and with the principle of prudence;
10. Supervise the management policy and the running of management in general carried out by the Board of Directors for the benefit of the Company and in accordance with the Company's intentions and objectives;
11. Prepare a report on the activities of the Board of Commissioners which is part of the report on the implementation of Good Governance;
12. Direct, monitor, and evaluate the effectiveness of the implementation of Good Governance, risk management, compliance, and internal audits;
13. Giving approval in the case of DPS requires the assistance of committee members whose organizational structure is under the Board of Commissioners; and
14. Ensure effective, precise, and fast decision-making and be able to act independently in carrying out tasks.
15. Report to the OJK no later than 10 working days from the discovery of a violation of the provisions of laws and regulations in the financial sector and related companies and/or circumstances or estimated circumstances that may endanger the Company's business continuity.
16. Have guidelines and work procedures that are binding for each member of the Board of Commissioners

### **VI. PROHIBITION OF THE BOARD OF COMMISSIONERS**

1. Utilizing his position in the Company where the member of the Board of Commissioners serves for the benefit of his or her personal, family, and/or other parties that may harm or reduce the profits of the Company where the member of the Board of Commissioners serves;
2. Taking and/or receiving personal benefits from the Company in which the members of the Board of Commissioners sit, in addition to the remuneration and facilities determined by the resolution of the GMS; and
3. Interfere in the Company's operational activities which are the responsibility of the Board of Directors.

### **VII. ETHICS OF THE DEPARTMENT OF THE BOARD OF COMMISSIONERS**

#### **A. Ethics Related to Exemplary**

1. The Board of Commissioners encourages the creation of ethical behavior and upholds ethical standards in the Company, one of the ways is by making itself a good example for the Company's Board of Directors and employees.
2. The Board of Commissioners meets the requirements of ability and integrity so that the implementation of supervisory functions and providing advice to the Board of Directors for the benefit of the Company can be carried out properly.
3. Carrying out duties with trust, high dedication, upholding honesty as the highest value, namely being honest in expressing one's opinions, both verbally and in writing, as well as in attitudes and actions.
4. Tolerance in attitudes and actions, politeness in expressing opinions, both verbally and



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in writing.

5. Respect the decision of the GMS.
6. Have an orientation to provide added value to the Company.
7. Continuously improve his knowledge and understanding of issues related to supervision and providing advice to the Board of Directors in the management of the Company.
8. Taking a stance, expressing opinions, and taking actions as a person, clearly and firmly for the interests of the Company. Taking attitudes, opinions and actions based on the elements of objectivity, professionalism and independence for the benefit of the Company that is balanced with the interests of *stakeholders*.
9. In carrying out its duties and obligations, it puts the interests of the Company as a whole, above personal interests.

### **B. Ethics Related to Compliance with Laws and Regulations**

The Board of Commissioners is required to comply with applicable laws and regulations, the Articles of Association, and GCG Guidelines as well as the Company's policies that have been set.

### **C. Ethics Relating to Enterprise Opportunities**

During his tenure, the Board of Commissioners is not allowed to:

1. Utilize the Company for the benefit of himself, his family, his business group and/or other parties that may harm or reduce the Company's profits;
2. Using the Company's assets, information or his position as a Member of the Board of Commissioners for personal or other personal interests, which is contrary to the provisions of applicable laws and regulations and the Company's policies.

### **D. Ethics Related to Information Disclosure and Confidentiality**

The Board of Commissioners discloses information in accordance with the provisions of applicable laws and regulations and always maintains the confidentiality of the Company's confidential information entrusted to it in accordance with the provisions of the applicable laws and regulations and the Company's policies. The Board of Commissioners is obliged to report to the OJK on its ownership and any change in its ownership of the shares of the Public Company either directly or indirectly, and the report is reported within a period of no later than 5 (five) days from the occurrence of the ownership or change of ownership of the shares of the Public Company. In the event that OJK has provided an electronic Reporting System, the report will be reported within a period of no later than 3 (three) days from the occurrence of ownership or change of ownership of the shares of the Public Company.

### **E. Ethics Related to Conflicts of Interest**

The definition of conflict of interest is a certain condition where the interests of the Members of the Board of Commissioners conflict with the interests of the Company to achieve profits, increase value, achieve the vision and carry out the mission and direction of the GMS, which will ultimately be detrimental to the Company. For this reason, the Members of the Board of Commissioners should always:



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1. Avoid conflicts of interest;
2. Fill out the Special List containing his/her and or his family's shareholdings in other companies, including if they do not have ownership of the Company's shares, and periodically update (*updating*) *at the end of each year* and are obliged to notify the Company if there are any changes in data, in accordance with the applicable laws and regulations;
3. Be guided not to use the position for personal interests or for the interests of other persons or parties that are contrary to the interests of the Company;
4. Avoid any activity that may affect his independence in carrying out his duties;
5. To make disclosures in the event of a conflict of interest, and the relevant Members of the Board of Commissioners shall not be involved in the Company's decision-making process relating to such matters;
6. Not responding to requests from any party and for any reason, either directly from certain parties related to donation requests, including those related to the procurement of goods and services in the Company; and
7. Comply with applicable laws and regulations, including by not engaging in *insider trading* for personal gain.

### F. Ethics Relating to Personal Gain

The Board of Commissioners is prohibited from taking personal profits from the Company's activities, other than the salary and facilities received as a member of the Board of Commissioners, as determined by the shareholders.

### G. Business Ethics and Anti-Corruption

1. A member of the Board of Commissioners shall not receive, either directly or indirectly, anything of value from another party to influence or in return for what he has done.
2. All rewards, gifts and contributions received by Members of the Board of Commissioners must be reported to the Board of Commissioners.
3. Members of the Board of Commissioners are not allowed to give gifts and other forms of gifts to certain parties that may influence the decision-making process.

## VIII. DUTIES AND AUTHORITIES OF THE BOARD OF COMMISSIONERS

In general, the Board of Commissioners is responsible for the following:

1. Evaluate and approve the overall business strategy, annual budget, risk management policy, and other actions of the Board of Directors that require the approval of the Board of Commissioners as stipulated in the Company's Articles of Association;
2. Ensure that decisions and capital expenditures take into account the Company's long-term strategic objectives;
3. In the exercise of its duties, the Board of Commissioners is prohibited from participating in the operational decision-making process, with the exception of the approval of credit proposals where the exposure exceeds the credit approval authority of the Board of Directors;
4. Ensure that the Company maintains financial integrity and in accordance with the business plan that has been approved by the Board of Commissioners and the decisions taken in the GMS; and



## DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES

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5. Ensure the implementation of good corporate governance in accordance with the guidelines and code of ethics in all aspects of the Company's activities, business ties and at all levels of the Company's hierarchy.
6. Supervising the implementation of the Board of Directors' responsibilities for compliance with the implementation of laws and regulations, including:
  - Consumer and Community Protection
  - Improving Financial Literacy and Inclusion in the Financial Services Sector for Consumers and the Community.

The details of the division of duties and responsibilities between the Commissioner and the Independent Commissioner are as follows:

### 1. **President Commissioner:**

- To review broadly and comprehensively the implementation of good corporate governance;
- Review macroeconomic and financial issues;
- Communicate with controlling shareholders in relation to matters involving shareholders; and
- Chairing meetings of the Board of Commissioners and joint meetings with the Board of Directors.

### 2. **Independent Commissioner:**

- Supervise and advise on the implementation of good corporate governance;
- Review and submit recommendations on any proposal from the Board of Directors that requires the approval of the Board of Commissioners and the Chairman of the Audit Committee;
- Providing advice in legal matters;
- To provide advice in the implementation of laws and regulations; and
- Maintain good relations with regulators.
- Performing a supervisory function to voice the interests of the Debtor, recipients, consumers, business partners, depositor customers, creditors, funders, venture fund investors, and/or other Stakeholders.

### 3. **Commissioner:**

- Supervise the Company's Management policies
- To advise the Board of Directors in good faith, responsibility and prudence
- Supervise existing and unresolved decisions by the Company's Board of Directors.

## IX. **RIGHTS OF THE BOARD OF COMMISSIONERS**

In general, the Board of Commissioners has the following rights:

1. To have the right to obtain access to the Company's information from the Board of Directors accurately, relevantly, timely, complete and transparently;
2. Obtain explanations from the Board of Directors and/or members of the Board of Directors about all matters asked by members of the Board of Commissioners;



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3. Temporarily dismiss the Members of the Board of Directors in accordance with the provisions of the Articles of Association;
4. Establish an Audit Committee and other committees (if deemed necessary) taking into account the needs and capabilities of the Company;
5. Can use experts in carrying out their duties for a certain period of time at the Company's expense, if deemed necessary;
6. Attend meetings of the Board of Directors and provide views on matters discussed;
7. Each Member of the Board of Commissioners is entitled to receive honorarium and allowances/facilities including retirement compensation whose type and amount are determined by the GMS by taking into account the provisions of the applicable laws and regulations; and
8. Obtain the Company's facilities and facilities in accordance with the results of the GMS determination which is adjusted to the Company's financial condition, the principles of propriety and fairness and do not conflict with the applicable laws and regulations.
9. Each member of the Board of Commissioners has the right to resign from his position by notifying the Company in writing of his intention no later than 30 days before the date of his resignation.

### X. MEETING OF THE BOARD OF COMMISSIONERS

#### A. Board of Commissioners Meeting Policy

- The Board of Commissioners is required to hold a meeting at least 1 time in 2 months which can be held if attended by a majority or 2/3 (two-thirds) of all members of the Board of Commissioners.
- Each member of the Board of Commissioners is required to attend a meeting of the Board of Commissioners at least 75% of the number of meetings of the Board of Commissioners within a period of 1 year.
- The decision of the Board of Commissioners Meeting is made based on a joint decision by deliberation to reach a consensus, in the event that the decision does not reach consensus, then the decision will be made by voting with more than 1/2 (one and one-half) of the number of members of the Board of Commissioners present at the meeting. Any member of the Board of Commissioners who has a conflict with the decision made cannot vote on the decision to be made.
- The Board of Commissioners may also make a valid and binding decision without holding a formal Meeting of the Board of Commissioners, provided that all members of the Board of Commissioners have given written approval to the proposal and signed the relevant documents. Decisions made in such a way have the same force as decisions lawfully made in an official Board of Commissioners Meeting.
- Meetings can be conducted face-to-face by utilizing information technology

#### B. Preparation of Minutes of the Board of Commissioners Meeting

1. In each Meeting of the Board of Commissioners, a Meeting Minutes are made which contain the matters discussed including the statement of disagreement/*dissenting opinion* of the Members of the Board of Commissioners (if any) and matters decided.
2. The minutes of the Meeting are signed by the Chairman of the Meeting and all Members of the Board of Commissioners present at the Meeting.
3. The minutes of the Meeting describe the course of the Meeting. It is important to be



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## DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES

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able to see the decision-making process and at the same time become a legal document and legal evidence to determine accountability from the results of a meeting decision.

4. For this reason, the Meeting Minutes include:
  - a. The place, date and time of the meeting was held;
  - b. The agenda discussed;
  - c. Attendance list signed by each meeting participant;
  - d. The length of the meeting lasted;
  - e. Various opinions contained in the meeting;
  - f. Decision-making process;
  - g. Decisions taken; and
  - h. Statement of objection to the decision of the meeting if there is no unanimity.
5. The minutes of the Meeting attach a power of attorney given specifically by the Members of the Board of Commissioners who are not present to other Members of the Board of Commissioners.

### **C. Procedure for Preparing Minutes of the Board of Commissioners Meeting**

1. Officials appointed by the President Commissioner and/or the Chairman of the Meeting are responsible for creating, administering and distributing the Meeting Minutes.
2. The minutes of the Board of Commissioners Meeting reflect the dynamics of the meeting, namely the matters discussed (including the *dissenting opinions* of the Board of Commissioners, if any) and the matters decided.
3. In the event that the meeting is not attended by other officials appointed by the President Commissioner, the minutes of the meeting shall be made by one of the Members of the Board of Commissioners appointed from among those present.
4. Each Member of the Board of Commissioners is entitled to receive a copy of the Minutes of the Meeting of the Board of Commissioners, regardless of whether the Member of the Board of Commissioners concerned is present or absent at the Meeting of Commissioners.
5. If objections and/or suggestions for improvements are not received within that period, it is concluded that there are no objections and/or improvements to the relevant Meeting Minutes.
6. The minutes of the Meeting that have been revised and signed by all Members of the Board of Commissioners who attended the Meeting, are submitted to all Members of the Board of Commissioners Deed of the minutes of the Board of Commissioners Meeting are submitted to the Board of Directors to be kept and maintained, while the Board of Commissioners keeps a copy of it.

## **XI. PERFORMANCE EVALUATION OF THE BOARD OF COMMISSIONERS**

### **A. Board of Commissioners Performance Evaluation Policy**

The performance of the members of the Board of Commissioners is evaluated by the Board of Commissioners Meeting. The evaluation of the performance of the members of the Board of Individual Commissioners is carried out at least through *self-assessment* and reported to the Board of Commissioners Meeting.



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In general, the performance of the Board of Commissioners is determined based on the duties and obligations listed in the applicable laws and regulations and the Company's Articles of Association as well as the mandate of the Shareholders. The formal evaluation criteria are publicly submitted to the Members of the Board of Commissioners from the date of their appointment.

The results of the evaluation of the performance of the Board of Commissioners as a whole and the performance of each Member of the Board of Commissioners individually will be an integral part of the compensation scheme and the provision of incentives for Members of the Board of Commissioners.

The results of the performance evaluation of each individual Board of Commissioners are one of the basis for consideration for the Board of Commissioners to submit a proposal to dismiss and/or reappoint the relevant Board of Commissioners Members. The results of the performance evaluation are a means of assessment and increase the effectiveness of the implementation of the duties and responsibilities of the Board of Commissioners.

### **B. Performance Evaluation Criteria of the Board of Commissioners**

The criteria for evaluating the individual performance of the Board of Commissioners are submitted by the Nomination and Remuneration Committee to the Board of Commissioners Meeting, while the results of the individual performance evaluation of the Board of Commissioners are submitted to the Board of Commissioners Meeting at least containing the following:

1. The level of attendance at meetings of the Board of Commissioners, coordination meetings, and meetings with existing committees;
2. His contribution to the Company's supervisory process;
3. His involvement in certain assignments;
4. His commitment to advancing the interests of the Company; and
5. Compliance with applicable laws and regulations, the Articles of Association, the provisions of the GMS, and the Company's policies.

### **XII. COMMITTEES OF THE BOARD OF COMMISSIONERS**

- In carrying out its supervisory duties and advisory functions, the Board of Commissioners may form an Audit Committee and other committees in accordance with the development of applicable laws and regulations and/or in accordance with the Company's needs.



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- The committees formed have duties related to the supervisory function of the Board of Commissioners, including, but not limited to, aspects of the internal control system, nomination and remuneration functions for the Board of Directors and Board of Commissioners, the implementation of risk management and the application of good corporate governance principles in accordance with applicable regulations. Further explanations of the duties, responsibilities and scope of the committees established by the Board of Commissioners are set out in *the charter* of each committee and are an integral part of this *Board Manual*.
- The establishment of committees at the level of the Board of Commissioners is ratified in the meeting of the Board of Commissioners and must be carried out by the Board of Directors based on the Decree of the Board of Commissioners.
- The formation of additional committees can be carried out according to the needs and number of Members of the Board of Commissioners.
- Former members of the Board of Directors, Executive Officers, or parties who have a relationship with the Company that may affect the ability of the concerned to act independently are required to undergo a *cooling-off period* of at least 6 months before becoming an Independent Party in the committee of the Board of Commissioners.
- The Board of Commissioners is obliged to evaluate the performance of the committee at least at the end of each financial year.

The committees that can be formed by the Board of Commissioners consist of:

### **1. AUDIT COMMITTEE**

- The Audit Committee is tasked with providing opinions and assisting the Board of Commissioners in identifying matters that require the attention of the Board of Commissioners, and carrying out other duties related to the duties of the Board of Commissioners, or as required by the Board of Commissioners.
- The Audit Committee consists of at least 3 (three) members, 1 (one) person from an Independent Commissioner who is the chairman and 2 (two) independent parties who have expertise in the field of auditing, finance, or accounting for Finance Companies or Islamic accounting for Sharia Finance Companies or Finance Companies that have UUS.
- The term of office of the members of the Audit Committee shall not exceed the term of office of the Board of Commissioners as stipulated in the Articles of Association and may be re-elected only for 1 (one) subsequent period
- The expertise of the Independent Party is proven at least by the possession of a certificate of competency to support the implementation of the functions and responsibilities of the committee. Competency certificates include certificates in the fields of auditing, antifraud, accounting, and/or financial management.
- In the event that the Company has a UUS, DPS can be a member of the audit committee.

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

- a. Conduct a review of the financial information that the Company will issue to the Public or other authorities; among others, financial statements, projections, and other reports related to the Company's financial information.
- b. Conduct a review of the Company's compliance with laws and regulations related to



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- the Company's activities, especially those related to accounting and finance
- c. Provide an independent opinion in the event of a difference of opinion between the management and the Public Accountant on the services provided.
  - d. Provide recommendations to the Board of Commissioners regarding the appointment of Public Accountants based on independence, scope of assignment and *fees*.
  - e. Conduct a review of the implementation of the audit by the Internal Auditor and supervise the implementation of follow-up by the Board of Directors on the findings of the Internal Auditor
  - f. Conducting a review of risk management implementation activities carried out by the Board of Directors, in collaboration with the Risk Monitoring Committee of the Company
  - g. Review complaints related to the Company's accounting and financial reporting processes
  - h. Reviewing and providing advice to the Board of Commissioners related to potential conflicts of interest of the company
  - i. Maintain the confidentiality of company documents and information

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

- a. Access the Company's documents, data and information on the Company's necessary employees, funds, assets and resources;
- b. Communicate directly with employees, including the Board of Directors and parties carrying out internal audit functions, the Risk Monitoring Committee and the Public Accountant regarding the duties and responsibilities of the Audit Committee;
- c. Involve independent parties outside of the Audit Committee members as necessary to assist in the execution of the necessary tasks; and
- d. Exercise other authority given by the Board of Commissioners.
- e. Not allowed to accept rewards and other forms of giving that may affect the decision-making process.

## **2. RISK MONITORING COMMITTEE**

- The Risk Monitoring Committee is formed by the Board of Commissioners consisting of at least 1 (one) Independent Commissioner who is the chairman and 1 (one) independent party who has expertise in the field of finance and/or risk management who is a member.
- The expertise of the Independent Party is evidenced by having a certificate of competency to support the implementation of the functions and responsibilities of the committee and/or having a risk management certificate
- In the event that the Company has a UUS, then the DPS can become a Risk Monitoring Committee.

The Risk Monitoring Committee must at least do:

1. Evaluation of the suitability between the risk management policy and the implementation of the Company's policy
2. Monitoring and evaluation of the implementing duties of the risk monitoring committee and the risk monitoring work unit



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In its formation, the Board of Commissioners looks at several criteria that refer to the duties and responsibilities of the Risk Monitoring Committee. The criteria are as follows:

1. High integrity and being able to be independent in the management of the Company;
2. Understand the business, its products and services as well as risk management techniques;
3. Have sufficient knowledge of macroeconomics and its impact on industry;
4. Do not have family relations with members of the Board of Commissioners and the Board of Directors; and
5. The Chairman of the Risk Monitoring Committee is an independent member of the Board of Commissioners.

After meeting these criteria, the selection and appointment of the Risk Monitoring Committee is based on the following decision-making process:

1. The Board of Directors or the Chairman of the Risk Monitoring Committee may propose candidates from outside the Board of Commissioners of the Company to be nominated as members of the Risk Monitoring Committee.
2. The Nomination and Remuneration Committee will examine the qualifications and competencies of prospective members of the Risk Monitoring Committee. After completing the evaluation, the Nomination and Remuneration Committee approves the appointment of members of the Risk Monitoring Committee, then the Risk Monitoring Committee requests the Board of Commissioners to issue a Letter of Appointment for candidates for approved members of the Risk Monitoring Committee.

### **3. NOMINATION AND REMUNERATION COMMITTEE**

- The Nomination and Remuneration Committee is formed by the Board of Commissioners consisting of at least 1 (one) Independent Commissioner who is the chairman, 1 (one) commissioner and 1 (one) official with a position level of 1 (one) level below the board of directors in charge of human resource management with the aim of supporting the Board of Commissioners in accordance with Corporate Governance Practices.
- In the event that the Company has a UUS, then the DPS can become the Nomination and Remuneration Committee
- In the event that the members of the remuneration and nomination committee are determined to be more than 3 (three) people, the Independent Commissioner shall be at least 2 (two) people.
- The main function of this Committee is to ensure that there is a clear and proper process for regulating the appointment of new members of the Board of Directors, the Board of Commissioners and/or Committees, to evaluate the performance of the members of the Board of Directors and the Board of Commissioners, and to make recommendations to the Board of Commissioners in matters relating to the nomination and remuneration functions.
- The Nomination and Remuneration Committee conducts an annual review of the Performance of the Board of Directors. Performance evaluation is assessed on 4 (four) main things, namely financial achievements, the effectiveness of the



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implementation of good corporate governance, the implementation of risk management and the achievement of predetermined goals, as well as a review of the Company's vision and mission. For the Board of Commissioners, their performance assessment is related to the implementation of the duties empowered by the shareholders to oversee the Company's actions, and to ensure the effectiveness of the Committees and compliance with regulations and business ethics.

The duties and responsibilities of the Nomination and Remuneration Committee are divided into 2 (two) main things, namely nomination and remuneration.

Duties and responsibilities related to nominations include, among others:

1. Provide recommendations to the Board of Commissioners regarding evolving criteria for the election, determination of election systems and procedures and/or the replacement of members of the Board of Commissioners, Board of Directors, and Committee Committees
2. Assess the necessary and desired competencies and provide recommendations to the Board of Commissioners on the nomination of members of the Board of Commissioners, the Board of Directors and the Committees to be proposed at the General Meeting of Shareholders
3. Provide recommendations to the Board of Commissioners regarding independent parties to be nominated as members of the Committee.

Duties and responsibilities related to remuneration include, among others:

1. Provide recommendations to the Board of Commissioners regarding the remuneration policy applicable to the Board of Commissioners and the Board of Directors. The remuneration policy is related to performance evaluation; and
2. Review the remuneration and incentive packages for members of the Board of Commissioners and the Board of Directors that will be proposed for approval in the GMS or the meeting of the Board of Commissioners in the event that the GMS has delegated a meeting of the Board of Commissioners to determine such remuneration and incentives.

### **XIII. MEETING OF COMMITTEES OF THE BOARD OF COMMISSIONERS**

- The Audit Committee meeting or Risk Monitoring Committee must be attended by a majority of the committee members including 1 (one) Independent Commissioner and 1 (one) Independent Party.
- The Nomination and Remuneration Committee meeting must be attended by a majority of the members of the Nomination and Remuneration Committee, including 1 (one) Independent Commissioner and 1 (one) official under the Board of Directors in charge of human resources.
- The decision of the committee meeting is first made based on deliberation for consensus
- In the event that there is no deliberation for consensus, decision-making is made based on the majority of votes.
- The results of the meeting are outlined in the minutes of the meeting and well documented.
- Differences of opinion that occur in the committee meeting must be clearly stated in the minutes of the meeting along with the reasons for the disagreement.



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- Committee members who are present and absent from committee meetings are entitled to receive a copy of the minutes of the committee meeting.
- The number of committee meetings that have been held and the number of attendance of each committee member must be included in the Good Governance implementation report.

### **XIV. TRAINING AND DEVELOPMENT OF THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS**

- Training and development for members of the Board of Directors and Board of Commissioners in the financial services sector is a crucial aspect in efforts to increase competence and professionalism in carrying out their duties and responsibilities. OJK has established various regulations to ensure that leaders in financial services institutions have relevant skills and are able to adapt to the dynamics of the industry that continues to evolve.
- In order to manage and develop the quality of human resources in a sustainable manner, an HR management system is needed that encourages the development of the competence of the Board of Directors and Board of Commissioners. The applicable regulations also require that members of the Board of Directors must have work competency certifications that are in accordance with their field of duty. In addition, companies are required to allocate education and training funds to enhance leadership capacity, while ensuring that the Board of Directors and Board of Commissioners have certifications relevant to their roles and responsibilities.
- Through related regulations, OJK emphasizes the importance of training and development programs for the Board of Directors and Board of Commissioners to be able to face the increasingly complex challenges of the financial industry. With a structured and sustainable HR management system, companies can ensure that leaders not only have technical expertise, but also strategic insights that support the company's long-term growth and stability.

### **XV. WORKING RELATIONSHIP BETWEEN THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS**

The creation of a good working relationship between the Board of Commissioners and the Board of Directors is one of the most important things so that each organ of the Company can work according to its functions effectively and efficiently. Therefore, the Company in maintaining a good working relationship between the Board of Commissioners and the Board of Directors applies the following principles:

1. The Board of Commissioners respects the functions and roles of the Board of Directors in managing the Company as stipulated in laws and regulations and the Company's Articles of Association.
2. The Board of Directors respects the functions and roles of the Board of Commissioners to supervise and advise on the Company's management policies.
3. Every working relationship between the Board of Commissioners and the Board of Directors is a formal relationship, which is always based on a standard mechanism or correspondence that can be accounted for.
4. Any informal employment relationship can be carried out by each Member of the Board of Commissioners and Members of the Board of Directors, but it cannot be used as a formal policy before going through a mechanism or correspondence that can be



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accounted for.

5. The Board of Commissioners has the right to obtain access to the Company's information in a timely, accurate, and complete manner.
6. In order to obtain further information on a matter, the Board of Commissioners may request the explanation from officials under the Board of Directors by first coordinating with the Board of Directors so that a balance of working relations between the Board of Commissioners and the Board of Directors can be created with the aim of corporate communication through *one-gate policy* can be achieved.
7. The Board of Directors is responsible for ensuring that information regarding the Company is provided to the Board of Commissioners in a timely, accurate, consistent and complete manner.
8. Every working relationship between the Board of Commissioners and the Board of Directors is an institutional relationship. In the sense that the Board of Commissioners and the Board of Directors are collective positions that represent the entirety of each member, so that the working relationship between the Members of the Board of Commissioners and Members of the Board of Directors is known by the Members of the Board of Commissioners and other Members of the Board of Directors.



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### PART FOUR – INTER-ORGAN ACTIVITIES OF THE COMPANY

#### I. MEETING OF THE BOARD OF COMMISSIONERS AND DIRECTORS (JOINT MEETING)

##### A. General Policies of Joint Meetings

1. Joint Meeting is a joint meeting between the Board of Commissioners and the Board of Directors, periodically at least 1 time in 3 months. The Joint Meeting is a decision-making process, but it can be a form of coordination in order to discuss the periodic reports of the Board of Directors and discuss the conditions and prospects of the business as well as national policies that have an impact on the Company's performance, and provide feedback, notes and advice outlined in the Meeting Minutes.
2. The Joint Meeting was attended by Members of the Board of Commissioners, Members of the Board of Directors, and Corporate Secretary. In such meetings, other officials assigned by the President Commissioner/President Director may be invited, and may invite resource persons from within or outside the Company, except for special meetings may only be attended by Members of the Board of Commissioners and Members of the Board of Directors.
3. Joint Meetings can be proposed and organized by the Board of Commissioners and the Board of Directors.

##### B. Combined Meeting Procedure

###### On the initiative of the Board of Commissioners

1. The summons of the meeting shall be made in writing by the President Commissioner or by a member of the Board of Commissioners appointed by the President Commissioner.
2. Invitations and agendas of the Joint Meeting to each party at least 3 (three) days before the meeting is held. On the initiative of the Board of Directors

1. The Joint Meeting can also be held on the initiative of the Board of Directors by submitting the invitation and agenda of the Joint Meeting by the Corporate Secretary to each party at least 3 (three) days before the meeting is held.
2. The Joint Meeting Materials are prepared by the Corporate Secretary or an official of the Company appointed by the Board of Directors and submitted at least 3 (three) days before the Joint Meeting. The submission of Joint Meeting materials may be provided at the same time as the meeting is possible, if approved by the Chairman of the Joint Meeting.

##### C. Mechanism of Attendance and Validity of Joint Meetings

1. The Joint Meeting was chaired by the President Commissioner.
2. In the event that the President Commissioner is unable to attend or is unable to attend, the Meeting will be chaired by a Member of the Board of Commissioners who is specially appointed by the President Commissioner.
3. In the event that the President Commissioner does not make an appointment, the longest-serving Member of the Board of Commissioners acts as the Chairman of the Joint Meeting. In the event that the longest serving Member of the Board of Commissioners is more than 1 (one) person, the oldest Member of the Board of Commissioners of age acts as the Chairman of the Joint Meeting.
4. A Member of the Board of Commissioners can only be represented by other Members of the Board of Commissioners by power of attorney and a Member of the Board of Directors



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can only be represented by other Members of the Board of Directors by means of a power of attorney.

5. In the event that the power of attorney does not grant special power, then the granting of power of attorney is absolute.
6. The Joint Meeting is valid and has the right to make a binding decision if it is attended or represented by more than 1/2 (one-half) part of each of the number of Members of the Board of Commissioners and Members of the Board of Directors.
7. The Joint Meeting is attended by Members of the Board of Commissioners, Members of the Board of Directors, and Corporate Secretary, except for special meetings can only be attended by Members of the Board of Commissioners and Members of the Board of Directors.
8. In other agendas, the Joint Meeting does not have the right to make decisions, unless all Members of the Board of Commissioners and the Board of Directors or their legal representatives, are present and approve the addition of the agenda/agenda of the meeting.

### D. Procedure for Discussion of Problems and Decision Making in Joint Meetings

1. All discussions in the Joint Meeting are based on good faith, rational consideration and have gone through an in-depth investigation of various relevant matters, accurate, adequate information and free from conflicts of interest and made independently by each Member of the Board of Commissioners and Members of the Board of Directors.
2. The Joint Meeting takes a decision, considering that the Joint Meeting is a coordination meeting between the Board of Commissioners and the Board of Directors in monitoring the Company's performance and discussing current situations that may have an impact on the Company's operational activities, and can be an input/consideration for the Board of Commissioners and the Board of Directors to take action in accordance with the limits of their respective authority.
3. Decisions related to strategic aspects are made through the mechanism of the Board of Commissioners/Board of Directors' Meetings. These strategic aspects include all actions of the Board of Directors that must obtain the approval of the General Meeting of Shareholders after obtaining a written recommendation from the Board of Commissioners and all actions of the Board of Directors that must obtain written approval from the Board of Commissioners.
4. Members of the Board of Commissioners/Board of Directors who are not present or do not give power of attorney to other Members of the Board of Commissioners/Board of Directors, are deemed to agree to all decisions taken in the Joint Meeting.

### E. Joint Meeting Minutes

1. In the event that the Joint Meeting is attended only by the Members of the Board of Commissioners and the Board of Directors, the Minutes of the Meeting shall be made by one of the Members of the Board of Commissioners or Members of the Board of Directors appointed from among those present.
2. The Minutes of the Joint Meeting are signed by all Members of the Board of Commissioners and the Board of Directors who attended the Meeting.
3. The minutes of the Meeting describe the course of the Meeting. It is important to be able to see the decision -making process and at the same time become a legal document and



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legal evidence to determine the accountability of the results of a meeting decision. For this reason, the Meeting Minutes include:

- a. The place, date and time of the meeting was held;
  - b. The agenda discussed;
  - c. Attendance list signed by each meeting participant;
  - d. The duration of the meeting time;
  - e. Various opinions contained in the meeting;
  - f. Decision-making process;
  - g. Decisions taken; and
  - h. Statement of objection to the decision of the meeting if there is no unanimity.
4. The minutes of the Meeting attach a power of attorney given specifically by the Members of the Board of Commissioners/Board of Directors who are not present to other Members of the Board of Commissioners/Board of Directors.
  5. A copy of the power of attorney is submitted to the Company's appointed party and the original is kept and maintained by the Corporate Secretary as an attachment to the Meeting Minutes.
  6. Each Member of the Board of Commissioners and Members of the Board of Directors is entitled to receive a copy of the Minutes of the Joint Meeting, even if the person concerned is not present at the Meeting.
  7. The minutes of the Joint Meeting shall be submitted to all Members of the Board of Commissioners and Members of the Board of Directors no later than 7 (seven) days after the Meeting is held.
  8. Correction of the Minutes of the Joint Meeting is possible within a period of 14 (fourteen) days from the date of delivery.
  9. Each Member of the Board of Commissioners present and/or represented by him and the Members of the Board of Directors present and/or represented by him may express his objections and/or suggestions for improvement, if any, to the Minutes of the Meeting.
  10. If objections or suggestions for improvement or objections and suggestions for improvement are not received within that period, then it is concluded that there are no objections and/or improvements to the relevant Meeting Minutes.
  11. The revised Minutes of the Joint Meeting (if any) and signed by all Members of the Board of Commissioners and Members of the Board of Directors who attended the Meeting, shall be submitted to all Members of the Board of Commissioners and Members of the Board of Directors, no later than 7 (seven) days after the revision of the Minutes of the Meeting is signed.
  12. The Minutes of the Joint Meeting are made 2 (two) original copies that have the same legal force and are submitted to the Board of Commissioners and the Board of Directors for storage and maintenance.

- II. **GENERAL MEETING OF SHAREHOLDERS, BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS**
  - A. **General Policy of the General Meeting of Shareholders, Board of Commissioners, and Board of Directors**
    1. The Board of Directors organizes and stores the documents of the Meeting with Shareholders in accordance with the provisions of the applicable laws and regulations.



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2. The Board of Directors is responsible for the management of the Company and all information about the state and running of the Company in the form of Annual Reports including Financial Statements to the Shareholders through the Meeting.
3. The Board of Directors shall provide periodic reports in accordance with the provisions of laws and regulations and other reports whenever requested by the Shareholders with a copy to the Board of Commissioners.
4. In the event that a member of the Board of Directors or a member of the Board of Commissioners does not sign the Annual Report as referred to in point (3) above, the reason shall be stated in writing.

### **B. Procedure for General Meeting of Shareholders, Board of Commissioners, and Board of Directors**

1. The Board of Directors shall convene and convene the Annual and/or Extraordinary General Meeting of Shareholders ("GMS").
2. The Invitation of the Annual and/or Extraordinary GMS shall be sent to the Shareholders no later than 21 days before the meeting of the GMS.
3. Before the meeting plan is announced, the meeting agenda accompanied by the reasons and explanations of each agenda that requires the approval of the Shareholders must be submitted no later than 3 days before the notification.
4. In the event that the agenda for the appointment of Members of the Board of Commissioners and the Board of Directors includes the names and profiles of the prospective members.
5. In the case of the appointment of an Independent Auditor, it is accompanied by the name and honorarium.
6. The Board of Directors provides the Meeting materials at the Company's office and provides a copy of them to the Shareholders.

### **C. Minutes of the General Meeting of Shareholders, Board of Commissioners, and Board of Directors**

1. The Corporate Secretary or other official appointed by the President Director, is responsible for creating and administering and distributing the Meeting Minutes.
2. In the event that the Meeting is only attended by the Shareholders, Members of the Board of Commissioners and the Board of Directors, the Minutes of the Meeting shall be made by one of the Members of the Board of Directors appointed from among those present.
3. The Minutes of the Meeting must be signed by the Shareholders, Members of the Board of Commissioners and the Board of Directors present at the Meeting.
4. The minutes of the Meeting describe the course of the Meeting. It is important to be able to see the decision-making process and at the same time become a legal document and legal evidence to determine the accountability of the results of a meeting decision. For this reason, the Meeting Minutes include:
  - a. The place, date and time of the meeting was held;
  - b. The agenda discussed;
  - c. Attendance list signed by each meeting participant;
  - d. The duration of the meeting time;
  - e. Various opinions contained in the meeting;



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- f. The decision-making process, including voting procedures and results;
  - g. Decisions taken; and
  - h. Statement of objection to the decision of the meeting if there is no unanimity.
5. The minutes of the Meeting attach a power of attorney given specifically by the Members of the Board of Commissioners/Board of Directors who are not present to other Members of the Board of Commissioners/Board of Directors.
  6. Each Member of the Board of Commissioners and Members of the Board of Directors is entitled to receive a copy of the Minutes of the Meeting, even if the person concerned is not present at the Meeting.
  7. The minutes of the Meeting shall be submitted to the Shareholders as well as all Members of the Board of Commissioners and Members of the Board of Directors after the Meeting is held.

### D. Shareholders' Authority of General Meeting of Shareholders

The authority of the Shareholders/GMS is as follows:

1. Establish and implement a fit *and proper test system* in the context of the appointment of the Board of Commissioners and the Board of Directors;
2. Submission of the dismissal plan and receiving the self-defense of the Members of the Board of Directors and the Board of Commissioners who will be dismissed at any time;
3. Appoint and dismiss Members of the Board of Commissioners and Board of Directors;
4. Determine the number and composition of the Board of Commissioners and Board of Directors in accordance with applicable laws and regulations;
5. To determine the positions that cannot be concurrently held by the Members of the Board of Commissioners and the Board of Directors;
6. Determining the division of duties and authorities of the Members of the Board of Directors;
7. Establish and implement a system for determining salaries, allowances, and incentives for the Board of Commissioners and the Board of Directors;
8. Approving important transactions;
9. Establish the Company's proposed business development policy;
10. Ratifying a long-term plan;
11. To approve the Annual Work Plan and its amendments;
12. Determine and conduct performance assessments of the Board of Commissioners and Board of Directors, both collegial and individual;
13. To appoint an External Auditor from the candidates appointed by the Board of Commissioners based on the proposal of the Audit Committee;
14. Deciding on the use of net profit including determining the amount of allowance for the reserve; and
15. Approve the Annual Report and certify the Annual Calculations that have been audited by the External Auditor.