

DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES

PT BFI FINANCE INDONESIA Tbk

DIRECTORS AND BOARD OF COMMISSIONERS GUIDELINES

**PART ONE
INTRODUCTION**

I. LEGAL BASIS

- Financial Services Authority Regulation Number 30/POJK.05/2014 concerning Good Corporate Governance for Financing Companies
- Financial Services Authority Regulation Number 33/POJK.04/2014 concerning the Directors and Board of Commissioners
- Financial Services Authority Regulation Number 29/POJK.05/2020 concerning Amendments to Financial Services Authority Regulation Number 30/POJK.05/2014 on Good Corporate Governance for Financing Companies Financial Services Authority Regulation Number 11/POJK.04/2017 concerning Reporting of Share Ownership or Any Changes in Share Ownership of Public Companies
- Law Number 40 of 2007 concerning on Limited Liability Companies
- Articles of Association of PT BFI Finance Indonesia Tbk (the Company)

II. PURPOSE

This guideline serves as a working guideline for the Directors and the Board of Commissioners in carrying out their duties and responsibilities, forming an integral part of establishing a Good Corporate Governance (GCG) system.

III. DEFINITIONS

1. Good Corporate Governance refers to a management system that applies the principles of:
 - a. Transparency,
 - b. Accountability,
 - c. Responsibility,
 - d. Independency, dan
 - e. Fairness.
2. Board of Commissioners is a corporate body responsible for conducting general and/or specific supervision in accordance with the articles of association and providing advice to the Directors.
3. Independent Commissioner is a member of the Board of Commissioners who comes from outside the Company and meets the requirements as an Independent Commissioner.
4. Director is a corporate body with full authority and responsibility for managing the Company in the interests of the Company, in accordance with its purposes and objectives, and representing the Company both in and out of court in accordance with the provisions of the articles of association.
5. Independent Party refers to an external party that has no financial, managerial, shareholding, and/or family relationship with the Board of Commissioners, Directors, and/or controlling shareholders or any other relationship that may affect their ability to act independently.
6. Nomination and Remuneration Committee is a committee formed by and accountable to the Board of Commissioners to assist in carrying out the Board of Commissioners' functions and duties related to the nomination and remuneration of members of the Directors and the Board of Commissioners.
7. Nomination is the proposal of an individual to be appointed as a member of the Directors or the Board of Commissioners.
8. Remuneration is the compensation determined and granted to members of the Directors and the Board of Commissioners due to their position and role, in accordance with their duties, responsibilities, and authority.

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IV. BACKGROUND

The preparation of the Board Manual is one of the commitments of PT BFI Finance Indonesia Tbk (hereinafter referred to as the "Company") to implement all of the principles of Corporate Governance of Good Corporate Governance ("GCG") consistently in order to manage the Company's mission and achieve the vision that has been set.

Application of GCG in the Company is not only limited to the fulfillment of regulations and legislation in force, but it realizes the principles of GCG, namely transparency, accountability, responsibility, independence and fairness, are consistent in all Company's activities. The Company believes that the Company's application of GCG will increase the confidence of shareholders and other stakeholders regarding the oversight and management of business activities and will increase the value of the Company.

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

V. PURPOSE AND OBJECTIVES

The Board of Commissioners and the Directors, as part of the Company, continues to make themselves good role models for all employees. The duties and functions of the Board of Commissioners and the Directors are carried out in good faith, with full responsibility and dedication to the advancement of the Company.

This Board manual contains a compilation of the principles of corporate law, the legislation in force, and the Company's Articles of Association governing the working procedures of the Board of Commissioners and the Directors. The Board Manual is the result of codification of various regulations applicable to the Company and best practices in the application of the principles of GCG.

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

The Board Manual is a compilation of the principles of corporate law, and in practice it refers to current legislations. Various detailed provisions contained in the Articles of Association of the Company as well as various other legal provisions remain binding even if not specifically described in this Board Manual.

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PART TWO
THE BOARD OF COMMISSIONERS

I. THE BOARD OF COMMISSIONERS' FUNCTIONS

The Board of Commissioners is one of the organs of the Company who serves to conduct supervision in accordance with the Articles of Association and provides advice to the Board in carrying out the Company's management. The Board of Commissioners is also tasked with monitoring the effectiveness of the Company's corporate governance practices that have been applied.

There are two (2) levels of oversight function of the Board of Commissioners:

1. Performance Level, where the function of the Board of Commissioners is to supervise by providing advice to the Board and delivering proposals at the General Meeting of Shareholders.
2. Level Conformance, such as the implementation of monitoring activities at a later stage to ensure compliance with the provisions of the applicable legislations and the Articles of Association.

II. MEMBERSHIP OF THE BOARD OF COMMISSIONERS

Members of the Board of Commissioners consist of a minimum of two (2) persons, one of who is appointed as a President Commissioner. The Board of Commissioners consists of a Commissioner and an Independent Commissioner. When the Board of Commissioners has more than 2 (two) members, then the Independent Commissioner should amount to at least 30% (thirty percent) or 1/3 (one-third) of the total members of the Board of Commissioners.

Any proposal to replace and/or nominate members of the Board of Commissioners in the General Meeting of Shareholders ("GMS") should take into consideration the recommendations of the Nomination and Remuneration Committee.

Each member of the Board of Commissioners is required to conduct a fit and proper test in accordance with the Regulation of the Financial Services Authority ("FSA") concerning fit and proper tests.

Former members of the Directors or executive officers of the Company or parties that have had a relationship with the Company, which could affect their ability to act independently, can not be an Independent Commissioner of the Company, until undergoing a cooling-off period of 6 (six) month.

III. GENERAL GUIDELINES FOR SUPERVISING BY THE BOARD OF COMMISSIONERS

1. Supervision is conducted by the Board of Commissioners against the Company's management policies and advise to the Directors is given in good faith, with responsibility and prudence.
2. In conducting the supervision, the Board of Commissioners acts as the board and can not act alone based on the collective decision of the Board of Commissioners.
3. In conducting the supervision, the Board of Commissioners is not allowed to be an executor of have executive powers that are the authority of the Directors except in certain circumstances for a certain period of time under a statute or decision of the GMS.
4. Monitoring is conducted on decisions that are ex-post facto and/or on decisions that will be taken (preventive basis).
5. Monitoring is done not only by receiving information from the Directors or at the GMS, but can also be done by taking other information from other sources that is accurate and reliable, where the action is done collectively.

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6. Supervision is done not only to approve or disapprove the actions that require the approval of the Board of Commissioners, but the supervision is done to cover all business and corporate aspects of the Company.
7. Ensure that the Company's Annual Report includes information regarding the identity of the members of the Board of Commissioners, their main occupations, any office of the Board of Commissioners in another company, any position the members of the Board of Commissioners hold as members of Committees in the Company or other companies, and meetings conducted in the past one year, including meetings of the Board of Commissioners and joint meetings with the Directors, as well as the total honorarium received from the Company as well as other information as stipulated in current legislation.
8. Ensure that the Directors has followed up on audit findings and recommendations of the Company's internal audit unit, external audit, results of the FSA supervision and/or other authorities.

IV. THE BOARD OF COMMISSIONERS' ETHICS POSITION

A. Ethics Relating to Exemplary Conduct

1. The Board of Commissioners encourages ethical behavior and upholds the ethical standards of the Company, one way by acting as role models for directors and employees.
2. The Board of Commissioners meets the requisite capability and integrity to implement their supervisory function and the provision of advice to the Directors for the benefit of the Company to be implemented properly.
3. Carry out their mandated tasks, with dedication, upholding honesty as the highest value, i.e., honest in expressing their opinions, either verbally or in writing, as well as in attitude and action.
4. Tolerance in attitude and action, polite, either orally or in writing.
5. Respect the decisions of the GMS.
6. Oriented to provide added value to the Company.
7. Constantly improving knowledge and understanding of the issues related to monitoring and providing advice to the Directors in the management of the Company.
8. Take the attitude, expression, and act personably, clearly and decisively in the interests of the Company. Take the attitude, opinions and actions based on the elements of objectiveness, professionalism and independency in the interests of the Company balanced with the interests of stakeholders.
9. In carrying out their duties and obligations to put the Company's interests as a whole, above personal interests.

B. Ethics Relating to Compliance with Laws and Regulations

The Board of Commissioners must comply with current legislation, the Articles of Association, and the established GCG guidelines and policies of the Company.

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C. Ethics Relating to Corporate Opportunities

During their tenure, the Board is not allowed to:

1. Utilize the Company for the benefit of themselves, family, business group and/or other parties who may harm or reduce the profits of the Company;
2. Use Company assets, Company information or their position as a Member of the Board of Commissioners for personal or others' interests, contrary to the provisions of legislation and Company policies.

D. Ethics Relating to Disclosure and Confidentiality of Information

The Board of Commissioners discloses information in accordance with the provisions of current legislation and always keeps Company information entrusted to them confidential in accordance with current legislation and the Company's policies. The Board of Commissioners is required to report to the Financial Services Authority regarding their ownership and any changes in their ownership of the Public Company's shares, whether direct or indirect. Such a report must be submitted no later than 10 (ten) days from the date of the ownership or change in ownership of the Public Company's shares.

E. Ethics Relating to Conflicts of Interest

The definition of conflict of interest is a specific condition where the interests of the members of the Board of Commissioners goes against the interests of the Company, which are to make a profit, increase its value, achieve the vision and mission as well as the direction of the GMS, and will eventually be detrimental to the Company. On this matter, the members of the Board of Commissioners should always:

1. Avoid conflicts of interest;
2. Fill the Special Register which contains their share ownership and/or family in other companies, including if they do not own any shares of the Company, as well as update each year end and notify the company if there are changes to the data, in accordance with applicable legislation;
3. Not take advantage of their office for personal gain or for the benefit of another person or party that is contrary to the interests of the Company;
4. Avoid any activity that could affect their independence in performing their duties;
5. Disclose potential conflicts of interest, and the member of the Board of Commissioners in question should not be involved in Company decision-making process relating thereto;
6. Not respond to any requests from any party for any reason, direct requests of certain parties related to donations, including those relating to the procurement of goods and services in the Company; and
7. Comply with current legislations, including not engaging in insider trading for personal gain.

F. Ethics Relating to Private Gains

The Board of Commissioners is prohibited from taking personal advantage of the Company's activities, other than salaries and facilities accepted as members of the Board of Commissioners, which are determined by the shareholders.

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G. Business Ethics and Anti-Corruption

1. Members of the Board of Commissioners will not receive, directly or indirectly, anything of value from other parties to influence them or to reward them for what they have done.
2. Any exchange, gifts and donations received by the Members of the Board of Commissioners shall be reported to the Board of Commissioners.
3. Members of the Board of Commissioners are not allowed to give gifts or other forms of award to other parties who may affect the decision-making process.

V. THE BOARD OF COMMISSIONERS' DUTIES AND AUTHORITIES

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

1. Evaluate and approve the overall business strategy, annual budgets, risk management policies, as well as other the Directors' measures that require the approval of the Board of Commissioners as stipulated in the Articles of Association of the Company;
2. Ensure that decisions and capital expenditures take into account the Company's long-term strategic objectives;
3. In carrying out their duties, the Board of Commissioners may not be involved in operational decision-making processes, with the exception of the approval of proposed credit where the credit exposure exceeds the Directors' approval limit;
4. Ensure that the Company maintains financial integrity in accordance with the business plan approved by the Board of Commissioners and decisions taken at the GMS; and
5. Ensure the implementation of GCG is in accordance with the guidelines and code of conduct in all aspects of its activities, business ties and at all levels of the Company hierarchy.

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

1. President Commissioner:

- Extensive and thorough review of the implementation of GCG;
- Review macroeconomic and financial problems;
- Communicate with the controlling shareholders with respect to matters involving shareholders; and
- Chair Meetings of the Board of Commissioners and joint meetings with the Directors.

2. Independent Commissioner:

- Supervise and provide advice on the implementation of GCG;
- Review and make recommendations on any proposals of the Directors requiring the approval of the Board of Commissioners and act as Chairman of the Audit Committee;
- Provide advice on legal issues;
- Provide advice in the implementation of legislation; and
- Maintain good relations with regulators.

3. Commissioner:

- Supervise the Company management policies;
- Provide advice to the Directors in good faith, with responsibility and prudence; and
- Supervise the decisions already taken, or not yet taken, by the Company's Board of Directors.

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VI. THE BOARD OF COMMISSIONERS' RIGHTS

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

1. The right to obtain access to Company information in a timely, complete and transparent manner;
2. Obtain explanations from the Directors and/or Members of the Directors on all matters requested by Members of the Board of Commissioners;
3. Temporarily dismiss members of the Directors in accordance with the Articles of Association;
4. Establish the Audit Committee and other committees (if deemed necessary) by taking into account the needs and capabilities of the Company;
5. Use experts in carrying out their duties for a certain period at the expense of the Company, if necessary;
6. Attend the Directors' meetings and give their views on issues discussed;
7. Members of the Board of Commissioners are entitled to receive compensation and benefits/facilities including compensation for after-office activities and the amount is determined by the GMS with regard to the provisions of current legislation; and
8. Acquire Company facilities in accordance with confirmation by the GMS whose provision will be in line with the Company's financial condition, based on merit and fairness and does not conflict with current legislation.

VII. THE BOARD OF COMMISSIONERS' MEETINGS

The Board of Commissioners shall convene at least 1 (one) time in 2 (two) months and may be held if attended by a majority or 2/3 (two thirds) of the Board of Commissioners.

A. Policies for the Board of Commissioners' Meetings

The Board of Commissioners holds joint meetings regularly with the Directors, and if required a Board of Commissioners' Meeting is held after the joint meeting, if deemed necessary, by the Members of the Board of Commissioners through a written request from 1 (one) or more Members of the Directors or if requested by one (1) or more shareholders who together hold 1/10 (one tenth) of the total shares issued by the Company with valid voting rights.

Resolutions of the Board of Commissioners are based on a joint decision, in the case where a decision is not reached by consensus, then a decision will be made by way of voting by more than ½ (half) of the total number of Commissioners present at the meeting. Any Member of the Board of Commissioners that has a conflict on decisions made should not be involved in the decision-making.

The Board of Commissioners can also make valid and binding decisions without convening an authorized meeting of the Board of Commissioners, provided that all the Members of the Board of Commissioners have given their written approval of the proposal and signed the relevant documents. Decisions made in this way have the same power to decisions made legitimately in the official Meetings of the Board of Commissioners.

B. Preparation for The Minutes of the Board of Commissioners' Meetings

1. In each meeting of the Board of Commissioners, Minutes of Meeting are taken containing the matters discussed included any statements of disapproval (dissenting opinion) of Members of the Board of Commissioners (if any) and decisions taken.
2. Minutes of Meeting are signed by the Chairman of the Meeting and all the Members of the Board of Commissioners present at the Meeting.

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3. Minutes of Meeting reflect the course of the meeting. They are of importance in recording the decision-making process and also become the legal documents and legal evidence to determine the accountability of the results of the meeting decisions.
4. The Minutes of Meeting include:
 - a. The place, date and time of the meeting;
 - b. Agenda discussed;
 - c. The attendance list signed by every participant at the meeting;
 - d. The length of the meeting;
 - e. The opinions expressed in the meeting;
 - f. Decision-making process;
 - g. Decisions taken; and
 - h. Statement of objections against any decisions of the meeting if there is no consensus of opinion.
5. The Minutes of Meeting are attached with special powers of attorney granted by a Member of the Board of Commissioners who were not present to the other Member of the Board of Commissioners.

C. Procedure for Drafting the Minutes of the Board of Commissioners' Meetings

1. An official appointed by the President Commissioner and/or Chairman of the Meeting is responsible for creating, administering and distributing the Minutes of Meeting.
2. The Minutes of Meeting of the Board of Commissioners reflect the dynamics of the meeting, the matters discussed (including dissenting opinions of Members of the Board of Commissioners, if any) and decisions taken.
3. In the event that the meeting was not recorded by an official designated by the President Commissioner, then the Minutes of Meeting will be recorded by one Member of the Board of Commissioners appointed 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 in question is present or not present at the Board of Commissioners' Meeting.
5. If no objections and/or proposed changes are received within this time period, it will be concluded that there were no objections and/or changes to the Minutes of Meeting concerned.
6. The Minutes of Meeting, after any revisions, and signed by all Members of the Board of Commissioners who attended the meeting, are delivered to all Members of the Board of Commissioners. The Board of Commissioners' Minutes of Meetings submitted to the Directors will be kept and maintained, while the Board of Commissioners will keep a copy.

VIII. THE BOARD OF COMMISSIONERS' PERFORMANCE EVALUATION

A. General Policy

The Board of Commissioners' performance is evaluated by the Board of Commissioners. Individual Board of Commissioners' performance evaluation will be by self-assessment and reported to the Board of Commissioners.

In general, the Board of Commissioners' performance is determined based on the duties set forth in the current legislation and the Company's Articles of Association as well as the mandate of the Shareholders. Formal evaluation criteria is openly communicated to the Members of the Board of Commissioners at the date of their appointment.

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The Board of Commissioners' performance evaluation results and the performance of each individual Member of the Board of Commissioners will be an integral part of the compensation and incentive schemes for the Board of Commissioners.

The individual member of the Board of Commissioners' performance evaluation results is one of the basic considerations for the Board of Commissioners to propose dismiss and/or reappointment of the concerned Member of the Board of Commissioners. The performance evaluation results act as an assessment tool as well as a reason for the effective discharge of the duties and responsibilities of the Board of Commissioners.

B. The Board of Commissioners' Performance Evaluating Criteria

Criteria for evaluation of the performance of individual Members of the Board of Commissioners will be proposed by the Nomination and Remuneration Committee to the Board of Commissioners, while the results of the evaluation of the performance of individual Members of the Board of Commissioners will be submitted to the Board of Commissioners and will contain the following:

1. Level of attendance in the Meetings of the Board of Commissioners, coordination meetings, and meetings with existing committees;
2. Contribution in the Company's regulatory process;
3. Involvement in specific assignments;
4. Commitment in advancing the interests of the Company; and
5. Adherence to current laws and regulations, the Articles of Association, the provisions of the GMS, and Company policies.

IX. THE BOARD OF COMMISSIONERS' SUPPORTING ORGANS

A. The Board of Commissioners' Committees

To carry out its tasks of supervisory and advisory functions, the Board of Commissioners may establish the Audit Committee and other committees in accordance with current legislation and/or in accordance with the needs of the Company. Committees formed will have duties related to the supervisory function of the Board of Commissioners, including, but are not limited to, the aspects of the internal control system, the functions of nomination and remuneration of the Directors and the Board of Commissioners, the application of risk management and the application of the principles of GCG according to regulations. Further explanation of the duties, responsibilities and scope of the committees established by the Board of Commissioners is set in each committee's charter and forms an integral part to this Board Manual.

The formation of committees at the level of the Board of Commissioners will be approved by Decree of the Board of Commissioners. The establishment of additional committees can be carried out in accordance with the needs and the number of Members of the Board of Commissioners and approved by the Decree of the Board of Commissioners.

If at any time these committees are not relevant to the Company or no longer needed, then these committees may discontinue. The committees that may be established by the Board of Commissioners consists of:

1. The Audit Committee

The Audit Committee will give an opinion and assist the Board of Commissioners in identifying matters that require the attention of the Board of Commissioners, and carry out other tasks related to the duties of the Board of Commissioners, or as required by the Board of Commissioners.

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The Audit Committee must consist of at least 3 (three) members, with 1 (one) member being an Independent Commissioner serving as the chairman and 2 (two) independent parties with expertise in auditing, finance, or accounting for Financing Companies, or Sharia accounting for Sharia Financing Companies or Financing Companies with a Sharia Business Unit (UUS).

Independent Commissioners must meet the following requirements:

- Must not have any affiliate relationship with shareholders, members of the Directors, other members of the Board of Commissioners, and/or members of the Sharia Supervisory Board (DPS) within the same Company.
- Must not have previously served as a member of the Directors, the Board of Commissioners, the Sharia Supervisory Board (DPS), or held a position one level below the Directors in the same Company or in another company with an affiliate relationship with the Company within the last 6 (six) months.
- Must have a good understanding of laws and regulations in the financing sector and other relevant regulations.
- Must possess sound knowledge of the financial condition of the Company where the Independent Commissioner holds the position.
- Must hold Indonesian citizenship.
- Must be domiciled in Indonesia.

To carry out its functions, the Audit Committee has the following duties and responsibilities:

- a. Reviewing the financial information released by the Company to the public or other authorities; other financial statements, projections, and other statements relating to the Company's financial information;
- b. Reviewing the Company's compliance with laws and regulations relating to the Company's activities, especially concerning the fields of accounting and finance;
- c. Providing independent opinion in the event of disagreements between management and the Certified Public Accountants for services rendered;
- d. Providing recommendations to the Board of Commissioners on the appointment of the Public Accountant based on independence, the scope of the assignment and the fee;
- e. Reviewing the implementation of the Internal Auditor's examination and oversee the implementation follow-up by the Directors on the findings of the Internal Auditor;
- f. Conducting reviews of the risk management implementation activities performed by the Directors, in collaboration with the Company's Risk Management Committee;
- g. Examining complaints relating to the Company's accounting and financial reporting;
- h. Reviewing and providing advice to the Board of Commissioners in relation to potential conflicts of interest of the Company; and
- i. Maintaining the confidentiality of documentary data and Company information.

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In performing its duties the Audit Committee has the following authority:

- a. Access to documents, data and information about Company's employees, funds, assets, and Company resources required;
- b. Communicate directly with employees, including the Directors and those who perform the function of internal audit, the Risk Management Committee and the Public Accounting, related to the Audit Committee's duties and responsibilities;
- c. Engage independent members outside of the Audit Committee as required to assist the implementation of the required tasks;
- d. Perform other powers granted by the Board of Commissioners; and
- e. Not allowed to receive rewards, gifts, or other forms of gratuities that may influence the decision-making process.

2. Risk Oversight Committee

Risk Oversight Committee is established by the Board of Commissioners and must consist of at least one Independent Commissioner serving as the chairman and 1 (one) independent party with expertise in finance and/or risk management serving as a member. The Risk Monitoring Committee is required to perform at least the following:

1. Evaluate the alignment between the Company's risk management policies and their implementation.
2. Monitor and evaluate the performance of the Risk Monitoring Committee and the risk monitoring work unit.

Following its creation, the Board of Commissioners recognized criteria relevant to the duties and responsibilities of the Risk Oversight Committee. These criteria are as follows:

- High integrity and capable of being independent in the management of the Company;
- Understand the business, its products and services as well as technical risk management;
- Have sufficient knowledge about the macroeconomy and its impact on the industry;
- Do not have a family relationship with Members of the Board of Commissioners and the Directors; and
- Chairman of Risk Oversight Committee will be an independent member of the Board of Commissioners.

After fulfilling these criteria, the selection and appointment of the Risk Oversight Committee will be based on the following decision-making process:

- The Directors or the Chairman of Risk Oversight Committee may propose candidates from outside the Company's Board of Commissioners to be nominated as a member of the Risk Oversight Committee.
- The Nomination and Remuneration Committee will examine the qualifications and competence of candidates as members of the Risk Oversight Committee. Once the evaluation is completed, the Nomination and Remuneration Committee will approve the appointment of members of the Risk Oversight Committee, the Risk Oversight Committee will ask the Board of Commissioners to issue an approved letter of appointment for prospective members of the Risk Oversight Committee.

3. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is established by the Board of Commissioners and must consist of at least 1 (one) Independent Commissioner serving as the chairman, 1 (one) commissioner, and 1 (one) official with a position level one tier below the Directors responsible for human resources management. The committee's purpose is to support the Board of Commissioners in accordance with Good Corporate Governance practices. The primary functions of this committee are to ensure A clear and appropriate process for regulating

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the appointment of new members of the Directors, the Board of Commissioners, and/or Committees. Performance evaluation of the members of the Directors and the Board of Commissioners. Recommendations to the Board of Commissioners on matters related to nomination and remuneration functions.

The Nomination and Remuneration Committee evaluates the performance of the Directors annually. Evaluation of performance is assessed against 4 (four) main criteria, namely achievement in the financial sector, effectiveness in the implementation of GCG, risk management implementation and achievement of specific targets, as well as a review of the Company's vision and mission. For the Board of Commissioners, the assessment of their performance is related to the implementation of the tasks that have been authorized by shareholders to oversee the actions of the Company, and to ensure the effectiveness of the Committees and regulatory compliance and business ethics.

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

Duties and responsibilities related to nomination includes:

1. Provide recommendations to the Board of Commissioners on developing criteria for selection, determination systems and procedures and/or replacement of Members of the Board of Commissioners, the Directors and Committees' members;
2. Assess the necessary and desirable competencies and make recommendations to the Board of Commissioners on nominations of Members of the Board of Commissioners, the Directors and the Committees to be proposed at the GMS; and
3. Provide recommendations to the Board of Commissioners regarding independent parties who will be nominated as members of the Committee.

X. TRAINING AND DEVELOPMENT OF THE DIRECTORS AND THE BOARD OF COMMISSIONERS

- Training and development for members of the Directors and the Board of Commissioners in the financial services sector are crucial aspects in enhancing their competence and professionalism in carrying out their duties and responsibilities. The Financial Services Authority (OJK) has established various regulations to ensure that leaders in financial service institutions possess relevant skills and are able to adapt to the continuously evolving industry dynamics.
- To manage and continuously develop the quality of human resources, a human resource management system is required to encourage the competency development of the Directors and the Board of Commissioners. Applicable regulations also mandate that members of the Directors must hold competency certifications relevant to their respective fields. Additionally, companies are required to allocate funds for education and training to enhance leadership capacity, while also ensuring that the Directors and the Board of Commissioners possess certifications relevant to their roles and responsibilities.
- Through these related regulations, OJK emphasizes the importance of training and development programs for the Directors and the Board of Commissioners to equip them to face the increasingly complex challenges of the financial industry. With a structured and sustainable human resource management system, companies can ensure that their leaders not only have technical expertise but also strategic insights that support the company's long-term growth and stability.

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XI. WORKING RELATIONS BETWEEN THE BOARD OF COMMISSIONERS AND THE DIRECTORS

The creation of a good working relationship between the Board of Commissioners and the Directors is an important aspect ensuring that each Company organ can work effectively and efficiently. Therefore, the Company in maintaining a good working relationship between the Board of Commissioners and the Directors applies the following principles:

1. The Board of Commissioners respects the functions and roles of the Directors in managing the Company as stipulated by legislation and the Articles of Association of the Company.
2. The Directors respects the roles and functions of the Board of Commissioners in conducting monitoring and providing advice on Company policy management.
3. The working relationship between the Board of Commissioners and the Directors is a formal relationship, and is based on a standard accountable mechanism or correspondence.
4. Informal working relationships can be undertaken by Members of the Board of Commissioners and the Directors, but cannot be used as a formal policy unless formalized through a standard accountable mechanism or correspondence.
5. The Board of Commissioners is entitled to obtain access to Company information in a timely, accurate, and complete manner.
6. In order to obtain more information on a subject, the Board of Commissioners may ask for explanations from officials under the Directors with prior coordination with the Directors so as to create a balanced working relationship between the Board of Commissioners and the Directors with the aim of achieving corporate communication through a one-gate policy.
7. The Directors is responsible for ensuring that information about the Company is granted to the Board of Commissioners in a timely, accurate, consistent and complete manner.
8. Working relationships between the Board of Commissioners and the Directors are institutional relationships. In the sense that the Board of Commissioners and the Directors are in a collective position representing all of its members, so that a working relationship between a Member the Board of Commissioners and a Member of the Directors should be known by the other Members of the Board of Commissioners and the Directors.

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PART THREE
THE DIRECTORS

I. THE DIRECTORS' FUNCTIONS

The Directors is one of the organs of the Company that is fully responsible for managing the Company's interests and objectives and represents the Company, both inside and outside the court, in all respects and in all events.

II. THE DIRECTORS' MEMBERSHIP

Member of the Directors consists of a minimum of 2 (two) members, 1 (one) of whom is as appointed a President Director.

III. CONDITIONS TO BE A MEMBER OF THE DIRECTORS

- a. Of good character, morals, and integrity;
- b. Legally competent;
- c. Within 5 (five) years prior to appointment and during his tenure:
 1. Has not been declared bankrupt;
 2. Was never a member of the Directors and/or a member of the Board of Commissioners found at fault for causing a company to go bankrupt;
 3. Was never convicted of a criminal offense detrimental to the country's financial and/or relating to the financial sector; and
 4. Was never a member of the Directors and/or a member of the Board of Commissioners who during his tenure:
 - i. Have not held an Annual GMS;
 - ii. Was accountable as a member of the Directors and/or a member of the Board of Commissioners not being accepted by the GMS or have not given an account as a member of the Directors and/or as a member of the Board of Commissioners to the GMS; and
 - iii. Ever caused the company to not obtain a permit, approval, or registration from the FSA for not fulfilling the obligation to submit annual reports and/or financial reports to the FSA.
- d. Has a commitment to comply with laws and regulations; and
- e. Has knowledge and/or expertise in the required field of a Public Company.

IV. THE DIRECTORS' ETHICS POSITION

A. Ethics Relating to Role-Modeling

The Directors encourages ethical behavior and upholds the ethical standards of the Company. One way by acting as role models for employees.

B. Ethics Relating to Compliance with Laws and Regulations

The Directors must comply with the current legislations, the Articles of Association, and the established Guide of GCG and policies of the Company.

C. Ethics Relating to Corporate Opportunities

Directors are not allowed to:

1. Take Company business opportunities for the benefit of themselves;

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2. Use Company assets, Company information or their position as the Member of the Board Directors for personal interests, contrary to the provisions of legislation and Company policies; and
3. Compete with the Company, using inside knowledge/information, to gain an advantage for any other interest than the interest of the Company.

D. Ethics Relating to Disclosure and Confidentiality of Information

The Directors discloses information in accordance with the provisions of current legislation and always keeps Company information entrusted to them confidential in accordance with current legislation and/or the Company's regulations. The Directors is required to report to the Financial Services Authority regarding their ownership and any changes in their ownership of the Public Company's shares, whether direct or indirect. The report must be submitted no later than 10 (ten) days from the date of ownership or change of ownership of the Public Company's shares.

E. Ethics Relating to Conflicts of Interest

Ethics relating to conflicts of interest include:

1. The Directors always avoids conflicts of interest in accordance with current legislation.
2. The Directors will not take advantage of their office for personal gain or for the benefit of another person or party against the interests of the Company.
3. The Directors will fill the Special Register, which contains their shares ownership and/or family in other companies, including if they do not own anyshares in the company, as well as update each year-end and notify the Company if there are changes to the data, in accordance with applicable regulations.
4. In the event of any conflict of interest, Members of the Directors should not be involved in the Company decision-making process related to the case.
5. Be guided not to abuse their position for personal gain or for the benefit of another person or party against the interests of the Company.
6. Avoid any activity that may affect independence in performing their duties.
7. Disclose potential conflicts of interest, and the Member of the Directors in question should not be involved in the Company decision-making processes relating thereto.
8. Comply with the current legislations, including not engaging in insider trading for personal gain.

F. Ethics Relating to Personal Gain

The Directors is prohibited from taking personal advantage of the Company's activities, in addition to salary, allowances and other facilities that they receive as Members of the Company's Board of Directors.

G. Business Ethics and Anti-Corruption

Members of the Directors will not receive either, directly or indirectly, anything of value and worth from customers to influence them or to reward them for what they had done.

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V. THE DIRECTORS' DUTIES AND LIABILITIES

A. The Directors' Duties and Responsibilities

The duties and responsibilities of the Directors are to maintain the Company's assets and provide appropriate returns on shareholders' investments, also taking into account the interests of other stakeholders. These responsibilities include the following:

1. Develop the Company vision, mission and core values and the Company strategic plans consolidated with 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 mechanisms and risk management that ensure the implementation of internal audit at all levels of management, consistent with approved policies and procedures; and
4. Manage the interests of the Company's stakeholders.

The details of the division of duties, responsibilities, and authorities of each member of the Directors as stipulated in the Decree of the Board of Commissioners' and Board of Directors', are as follows:

President Director

Have the highest decision-making authority in the Company, and is responsible for the achievement of business goals and targets. Together with other members of the Directors, leads the formulation and implementation of strategic objectives and the Company business plan and receives direct reports from the members of the Directors and the Head of Human Resources Department.

Director of Operations and Corporate Business

The main responsibilities are:

- Ensure alignment of the Company's operations functions and comply with internal policies that have been set;
- Is responsible for developing the Company's distribution network, monitoring network performance and developing products of finance lease and housing financing; and
- Receives reports directly from the Head of Operations and Control Division, Head of Network Development and Management, Head of Finance Lease Marketing, and the Head of Housing Finance Marketing Department.

Director of Enterprise Risk

The main responsibilities are:

- Supervise risk management throughout the Company, including the risks related to Credit, Operational, Market and Liquidity, Strategy/Business, and Legal and Compliance;
- Review and approve proposed business risks;
- Implement and monitor risk management policies and procedures;
- Operational management of credit to support business objectives;
- Maintain comprehensive and analytical Management Information System (MIS) infrastructure;
- Work closely with business units and operations to ensure that the risks faced by the Company can be identified, measured and managed within the limits set; and
- Oversee the work units consisting of Credit Initiation, Collection and Recovery Management, Operational Policies and Procedures, Portfolio and Risk Analysis Management, Operational Risk, and Repossessed Assets Management.

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Director of Finance

The main responsibilities are:

- Direct and oversee all financial activities of the Company, including the presentation of financial statements in accordance with accounting standards and applicable regulations;
- Act as a partner with each business unit and regional business operations in the reporting and analysis of financial and operational performances of each business line of the Company;
- Responsible for the Company's information technology strategy and roadmap;
- Ensure high availability of all devices and IT applications used in supporting the Company's business today and in the future; and
- Develop a role as a business enabler in achieving the Company's growth.

Director of Business

The main responsibilities are:

- Prepare the annual budget plan for the retail finance business which includes the four-wheeled motor vehicles as well as new and used two-wheeled product segments of;
- Formulate a marketing strategy and action plan to ensure the annual target achievement for the retail business; and
- Work closely with the Risk Management Division in managing the risk level of each segment of retail products to support the Company's achievement of set profitability targets.

Each member of the Directors is fully obligated to carry out their individual duties and responsibilities to comply with laws and regulations and the Articles of Association of the Company.

B. Related to Business Ethics and Anti-Corruption

1. Members of the Directors are prohibited from receiving, directly or indirectly, anything of value and worth from other parties to influence or to reward them for what they have done.
2. The Directors shall sign an Integrity Pact for transactional actions that will require the approval of the Board of Commissioners, and/or the GMS.
3. Report to the Company any shares owned by Members of the Directors and/or their family in the Company and other companies for recording in the special register.

C. Related to Internal Control System and Internal Audit

1. The Directors shall establish a policy on an effective Internal Control System to secure investments, business activities and the assets of the Company.
2. Evaluate the implementation of appropriately defined risk management criteria.
3. Implement control activities, actions to be undertaken within a control process covering the Company's activities at every level and unit in the organizational structure, among others, authority, authorization, verification, reconciliation, assessment of job performance, the division of tasks and security of Company assets.
4. Implement information and communication systems, which is a process of preparing a report on the activities of the operational, financial, and observance of the rules and regulations applicable to the Company.

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5. Implement monitoring, which is the process of assessment of the quality of the internal control system including the internal audit function at all levels and units of the Company, so that it can be implemented optimally, with the proviso that deviations are reported to the Directors and a copy submitted to the Board of Commissioners.
6. Create Standard Operating Procedures for each of the above items, tailored to the needs of the Company.
7. Compile/build the internal control system so as to direct and guide subordinates in the execution of their duties to achieve the organization's set goals and objectives, to prevent the occurrence of irregularities, leakages and wastage of financial organizations, and to detect and prevent corruption and collusion.
8. To ensure an effective system of internal control, the President Director is structurally supported by all Structural Functionaries with level up to Head of Department/Unit.
9. Establish the Internal Audit Charter, which is an elaboration of the duties and functions of the Internal Audit Unit in accordance with the Decision of the Directors.
10. Encourage the creation of a disciplined and structured internal control environment in the Company, consisting of:
 - Integrity, ethical values and competence of employees;
 - Philosophy and management style;
 - The way in which they conduct management in implementing authority and responsibility;
 - Organization and human resource development; and
 - Attention and referrals made by the Directors.

D. Related to Disclosure and Confidentiality of Information

1. The Directors must disclose important information in the Annual Report and Financial Statements to other parties, in accordance with current legislation in a timely, accurate, clear and objective manner.
2. Ensure that the Board of Commissioners obtains Company information in a timely, scalable and complete manner.
3. Disclose the extent of implementation of the principles of GCG.
4. Present meetings conducted in any one financial year (internal meetings and joint meetings with the Board of Commissioners).
5. The confidential information obtained while serving as a Member of the Directors shall remain confidential in accordance with current legislation.
6. In terms of maintaining the confidentiality of information about the Company, the Directors is required to give priority to the Company's interests rather than the interests of individuals or groups.

E. Related to Strategy and Work Plan

1. The Directors sets out the vision, mission, goals, strategies and corporate culture.
2. Ensuring and guaranteeing the implementation of the business and Company activities in accordance with the intent and purpose as well as business activities.
3. Preparing a timely development plan, the Annual Work Plan, including other plans relating to the implementation of the Company's business and activities and submits it to the Board of Commissioners for approval.
4. Prepare a draft Long-Term Plan that is a strategic plan that includes the Company's goals and objectives to be achieved.

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5. Strive to achieve long-term goals listed in the Long-Term Plan.
6. Promote the achievement of short-term targets contained in the Annual Work Plan.

F. Related to Risk Management

The Directors shall develop and implement a consistent risk management system. The developed risk management system shall consist of the following stages:

1. Risk Identification, a process to identify types of risk that are relevant and could potentially happen.
2. Measurement of Risk, a process to measure the magnitude and probability of the results of identified risk.
3. Preparation Risk Profile, a process to describe the magnitude and probability of each type of risk, based on the results of risk assessment.
4. Risk Management, a process to establish measures that should be taken to handle potential risks.
5. Risk Monitoring, a process to monitor the various factors that may drive the emergence of risk.
6. Evaluation of Risks, the study of the overall adequacy of the risk management activities conducted within the Company.
7. Reporting and Disclosure, a process for risk management system reporting implemented by the Company and the disclosure to related parties in accordance with current regulations.

G. Related Relationship with Shareholders

1. Ensure stakeholders guaranteed rights arising under current legislation and/or agreements made by the Company with employees, service users, suppliers and other stakeholders.
2. Ensure the Company conducts its social responsibility.

H. Other Related Duties and Obligations

Execute other obligations in accordance with provisions set out in the Articles of Association and legislation.

IV. THE DIRECTORS' AUTHORITIES

The Directors has the authority to carry out business activities and operations of the Company as follows:

1. Implement business development;
2. Represent the Company in and out of court;
3. Set terms related to staffing, including appointment, transfer succession and dismissal, salary determination, post-employment benefits and pension, as well as other income based on current legislation;
4. Appoint and dismiss a Corporate Secretary; and
5. Establish strategic and operational decisions that involve risks and uncertainties.

V. THE DIRECTORS' RIGHTS

1. Each Member of the Directors is entitled to resign from office by giving written notification to the Company at least 30 (thirty) days prior to the date of their resignation.
2. Each Member of the Directors has the right of defense at the GMS if the GMS at any time dismisses Members of the Directors.
3. The Directors is entitled to appoint one or more representatives or proxies to perform certain legal actions by giving special powers set out in the power of attorney.
4. The Directors is entitled to represent the Company in and outside the court on all matters and in all events and perform all acts and deeds, both regarding management and ownership, as well as binding the Company with other parties and other parties with the Company, within the restrictions set out in the Company's Articles of Association.
5. Members of the Directors are entitled to salaries and/or allowances, which shall be determined by the GMS and such authority as delegated to the Board of Commissioners.

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VI. THE DIRECTORS' MEETINGS

- The Directors must convene a meeting of the Directors on a regular basis at least 1 (one) time in every month.
- The Directors must convene a meeting of the Directors and the Board of Commissioners on a regular basis at least 1 (one) time in 4 (four) months.

A. Policies

Routinely, the Directors will hold a joint meeting together with the Board of Commissioners to discuss the implementation of the decisions made in previous meetings, risk management, financial performance and other matters that may affect the financial performance and operations of the Company.

B. Meeting Attendance and Legitimacy Mechanism

1. The Directors' Meeting will be chaired by the President. In case the President Director is absent or unavailable for any reason, which they do not need to prove to others, the Meeting of the Directors will be chaired by a Member of the Directors elected by and among the Members of the Directors present.
2. A member of the Directors maybe represented in the Meeting of the Directors only by a Member of the Directors based on a power of attorney.
3. In case the authorizer does not provide specific powers, then giving that power is absolute.
4. The Directors Meeting is valid and may adopt binding resolutions if more than ½ (half) of the total Members of the Directors are present or are represented at the meeting.
5. The Meeting of the Directors will be attended by Members of the Directors, except if required, can also be attended by officials of one level below the Directors, or by other officials who are assigned by the President Director.

C. Discussion and Decision-Making Process

1. All decisions of the Directors are based on good faith, rational consideration and have been through a thorough investigation of the various aspects that are relevant, informed and free from conflicts of interest and made independently by each Director.
2. The resolutions of the Directors are based on consensus. In the case of a decision is not reached, the decision is taken by voting with affirmative vote of more than ½ (half) of the total valid votes issued in the meeting.
3. To maintain their independence and objectivity, each member of the Directors who has a conflict of interest in a transaction, contract or proposed contract in which the Company is a party, is required to disclose the matter and must not participate in voting for decision- making. This fact shall be recorded in the minutes of the meeting.
4. Each Member of the Directors in attendance is entitled to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Directors they represent.
5. Non-verbal and invalid votes are considered not to exist and are not counted in determining the number of votes cast.
6. The Directors may also take decisions without convening a lawful meeting of the Directors, provided all members of the Directors give approval in writing and sign the agreement. Decision taken via media teleconferencing, video conferencing, or other means of electronic media that enable all members of the Directors to see and hear each other directly and participate, will have the same power as a legitimate decision taken by the Directors Meeting.
7. Decisions concerning strategic aspects must be done through the mechanism of a Directors Meeting. Strategic aspects, among others, include all actions by the Directors requiring Shareholders approval after obtaining the written recommendation of the Board of Commissioners, as well as all acts of Directors are obliged to obtain the written approval of the Board of Commissioners.

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8. Members of the Directors who are not present, or have not authorized other Directors, are considered to have approved all decisions taken in the Meeting of the Directors.

D. Minutes of Meetings

1. The Minutes of the Directors' Meeting are recorded for each Meeting of the Directors and the Minutes of Meeting must include any dissenting opinions and what was decided in the Directors' meeting (if any).
2. The Minutes of Meeting describe the dynamics of the meeting, and contain matters discussed (including a statement of disapproval of Members of the Directors, if any) and decisions taken. It is important to record the decision-making process as it forms a legal document to determine the accountability of the results of meetings' decisions. The Minutes of Meeting include:
 - a. The place, date and time of the meeting;
 - b. Agenda discussed;
 - c. List of attendees;
 - d. The time duration of the meeting;
 - e. The opinions contained in the meeting;
 - f. Decision-making process; and
 - g. Decisions taken.
3. The Minutes of the Directors' Meeting shall be recorded and documented by the Corporate Secretary, including filing and distributing to the meeting participants.
4. Each Member of the Directors is entitled to receive a copy of the Minutes of the Directors' Meeting, regardless of whether the Member of the Directors was present or not in the Directors' Meeting.
5. A copy of the Minutes of the Directors' Meeting shall be submitted to all Members of the Directors no later than 7 (seven) days after the meeting held.
6. Within 14 (fourteen) days from the date of the Minutes of Meeting, each Member of the Directors present and/or represented in the Directors' Meeting shall submit their consent or objection and/or improvement suggestions, if any, on what was stated in the Minutes of the Directors' Meeting to the leader of the Directors' Meeting.
7. If objections and/or improvement suggestions on the Minutes of Meeting are not received within this time period, it will be concluded that there were no objections and/or improvement suggestions to the Minutes of Board of Directors' Meeting.
8. The revised Minutes of Meetings (if any) shall signed by all Members of the Directors who attended the meeting, and submitted to the Directors no later than 7 (seven) days after signing the revision of the Minutes of Meeting.
9. The original Minutes of Board of Directors' Meetings is filed and maintained by the Corporate Secretary.
10. The original power of attorney is kept by the Corporate Secretary and a copy submitted to the Board of Commissioners to be filed and maintained.

VII. THE DIRECTORS' PERFORMANCE EVALUATION

A. General Policy

The performance of the Directors and Members of the Directors will be evaluated by the Board of Commissioners. In general, the performance of the Directors is determined by the duties set forth in the current legislation and the Articles of Association of the Company.

The results of the evaluation of the overall performance of the Directors and the performance of each individual Member of the Directors will constitute an integral part of the compensation and incentive schemes for Members of the Directors.

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The results of the evaluation of the performance of each individual Member of the Directors is one of the basic considerations, especially for Shareholders, to discharge and/or reappoint Members of the Directors. The performance evaluation results are an assessment tool as well as a tool to increase the effectiveness of the Directors.

B. Criteria for Performance Evaluation of the Directors

The performance evaluation criteria are set forth in the Directors' Key Performance Indicator ("KPI"). The Directors' performance criteria, both collective or individual, are based on the proposal of the Nomination and Remuneration Committee (if formed) or any other committee who has the function of nomination and remuneration, and are proposed by the Board of Commissioners to Shareholders for approval. The Directors' KPIs include, at least:

1. Rate of attendance at Board of Directors' Meetings and joint meetings with the Board of Commissioners;
2. Contribution to the business activities of the Company;
3. Involvement in specific assignments;
4. Commitment in advancing the interests of the Company;
5. Adherence to laws and regulations, and Company policies;
6. Achievement of the targets set out in the Company's Annual Work Plan and Management Contract; and
7. Achievement of targeted individual performance.

VIII. THE DIRECTORS' SUPPORTING ORGANS

A. Corporate Secretary

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

- Follow the development of the Capital Market, in particular the regulations prevailing in the Capital Market;
- Provide services to the public for any information needed by investors relating to the condition of the Company;
- Provide input to the Directors to comply with laws and regulations relating to the Company; and
- Act as a contact person between the Company with the FSA and the public.

The Corporate Secretary's Authority, Duties and Responsibilities as well as Liabilities shall be determined by a Board of Directors' Decree.

B. Internal Audit Unit

The duties and responsibilities of the Internal Audit Unit, among others:

- Develop and implement an Internal Audit annual plan;
- Test and evaluate the implementation of the internal control and risk management systems in accordance with the Company's policies;
- Examine and assess the efficiency and effectiveness of finance, accounting, operations, human resources, marketing, information technology and other activities;
- Provide suggestions for improvements and objective information about the activities examined at all levels of management;
- Prepare an audit report and submit the report to the President Director and the Board of Commissioners;
- Monitor, analyze and report on implementation of the improvements that have been suggested;
- Work closely with the Audit Committee;
- Draw up a program to evaluate the quality of Internal Audit activities carried out;

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- Conduct checks/special audits if necessary; and
- Rank/score results of branch audits to assess the level of compliance of each branch pertaining to the rules, regulations and other provisions in force.
- Implementing fraud control measures and anti-fraud strategies.

C. Sharia Business Activities and Product Development Committee

The committee is chaired by the Head of the Sharia Business Unit and is required to hold meetings at least once every six (6) months. The duties and responsibilities of the Sharia Business Activities and Product Development Committee include:

- Conducting studies and analyses on the development of new products or business activities to be carried out or marketed;
- Conducting evaluations and improvements for each product or business activity;
- Providing recommendations, suggestions, and feedback, as well as evaluations regarding marketing aspects, Sharia compliance, and risk mitigation; and
- Formulating and proposing monthly and annual performance targets for business activities based on Sharia Principles.

The execution of the committee's duties is part of the good governance report for Financing Companies.

D. Risk Management Committee

The Risk Management Committee consists of at least members of the Directors responsible for the Risk Management function, half of the total number of Board of Directors members, and relevant executive officers. The duties and responsibilities of the Risk Management Committee include:

- Reviewing strategies and guidelines for the implementation of Risk Management, including the level of risk to be taken (risk appetite), risk tolerance, the Risk Management framework, and contingency plans to anticipate abnormal conditions.
- Adjusting the implementation of Risk Management based on the evaluation results of Risk Management practices, including periodic or incidental improvements to the Risk Management process due to changes in the company's external and internal conditions that affect the company's risk profile.
- Reviewing the design and implementation of risk-related policies.
- Conducting decision-making processes on business matters that deviate from normal procedures, such as financing disbursement, taking positions, or risk exposures that exceed the established limits.

E. Information Technology Steering Committee

The Information Technology (IT) Steering Committee consists of at least the Director overseeing the IT work unit, the Director or officer in charge of the risk management function, the highest-ranking officer overseeing the operating unit, and the highest-ranking officer overseeing the IT user work unit.

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

- IT development plans aligned with the Company's strategic business plans.
- Formulation of IT policies and procedures.
- Alignment of approved IT projects with the IT development plan.
- Alignment of IT project implementation with approved IT projects.
- IT compatibility with the management information system and the business activity needs of Non-Bank Financial Institutions (LJKNB).

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- The effectiveness of risk mitigation for the Company's IT investments to ensure that IT investments contribute to achieving the Company's business objectives.
- Monitoring IT performance and efforts to improve IT performance.
- Resolving various IT-related issues that cannot be effectively, efficiently, and timely resolved by IT user and operating work units.
- The adequacy and allocation of the Company's IT resources.

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**PART FOUR
ACTIVITIES OF THE COMPANY'S INTER-ORGAN**

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

A. General Policy

1. The Joint Meeting is a meeting conducted jointly by the Board of Commissioners and the Directors. The Joint Meeting is a decision-making process, but it can be in the form of coordination in order to discuss the periodic Board of Directors' reports and to discuss the condition and prospects as well as national policies that may have an impact on the Company's performance and provide feedback, notes and advice as outlined in the Minutes of Meeting.
2. The Joint Meeting will be attended by Members of the Board of Commissioners, Members of the Directors, and the Corporate Secretary. The meeting may invite other officials as are assigned by President Commissioner/President Director, and can invite resource persons from within and outside the Company, except for special meetings, which may only be attended by Members of the Board of Commissioners and Members of the Directors.
3. The Joint Meeting can be proposed and organized by the Board of Commissioners and the Directors.

B. Meeting Procedure

On the initiative of the Board of Commissioners

1. Call for a meeting is conducted in writing by the President Commissioner or by Members of the Board of Commissioners appointed by the President Commissioner.
2. The invitation and the agenda of the Joint Meeting to each party should be sent at least 3 (three) days before the meeting is held.

On the initiative of the Directors

1. The Joint Meeting can also be proposed at the initiative of the Directors by conveying an invitation and an agenda of the Joint Meeting through the Corporate Secretary to each of the parties at least 3 (three) days before the meeting is held.
2. The Joint Meeting material will be prepared by the Corporate Secretary or officers of the Company appointed by the Directors and delivered a minimum of three (3) days prior to the Joint Meeting. The Joint Meeting material can be delivered at the same time of the meeting, if approved by the Joint Meeting Chairman.

C. Mechanism Meeting Attendance and Legitimacy

1. The Joint Meeting will be chaired by the President Commissioner.
2. In the event that the President Commissioner is absent or unavailable, then the meeting will be chaired by a Member of the Board of Commissioners appointed by the President Commissioner.
3. In the event that the President Commissioner did not make the appointment, then the longest-serving Member of the Board of Commissioners will act as the Joint Meeting Chairman. In cases where there is more than one longest-serving Members of the Board of Commissioners, then the older Member of the Board of Commissioners will act as the Joint Meeting Chairman.
4. A Member of the Board of Commissioners can only be represented by another Member of the Board of Commissioners based on a power of attorney and a Member of the Directors can only be represented by another Member of the Directors based on a power of attorney.
5. In case the authorizer does not provide specific powers, then giving that power is absolute.
6. The Joint Meeting is valid and may adopt binding resolutions if attended by, or represented by, more than ½ (half) of the total number of the Board of Commissioners and the Directors.
7. The Joint Meeting can be attended by Members of the Board of Commissioners, Members of the Directors, and the Corporate Secretary, except for special meetings, which can only be attended by Members of the Board of Commissioners and Members of the Directors.

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8. In agenda of others, the Joint Meeting is not entitled to take decisions, except when all Members of the Board of Commissioners and the Directors or their authorized representatives, are present and approve the addition of the agenda/meeting agenda.

D. Discussion Issues and Decision-Making Procedures

1. All the Joint Meeting discussions will be based on good faith, rational considerations and have been through a thorough investigation of the various things that are relevant, accurate, adequate and free of conflicts of interest and made independently by each Member of the Board of Commissioners and the Directors.
2. The Joint Meeting makes decisions, and is a coordinating meeting between the Board of Commissioners and the Directors in monitoring the Company's performance and discussing the current situation that may affect the Company's operations, and is an input/consideration for the Board of Commissioners and the Directors for action in accordance with the limits of their respective authorities.
3. Decisions concerning strategic aspects are conducted through a Meeting of the Board of Commissioners/Directors. Strategic aspects include all Directors' actions needing approval by the GMS after obtaining the written recommendations of the Board of Commissioners as well as the Directors' actions that must obtain the written approval of the Board of Commissioners.
4. Members of the Board of Commissioners/Directors who are not present or do not provide power of attorney to other Members of the Board of Commissioners/Directors of the other, are considered as approving all decisions taken in the Joint Meeting.

E. Minutes of Meetings

1. In the event that the Joint Meeting is attended only by Members of the Board of Commissioners and the Directors, then the Minutes of Meeting will be recorded by a Member of the Board of Commissioners or a Member of the Directors appointed from those present.
2. The Minutes of the Joint Meeting will be signed by all Members of the Board of Commissioners and the Directors who are present at the meeting.
3. The Minutes of Meeting are the record of the meeting. It is important to see the decision-making process as they will become the legal documents and legal evidence to determine the accountability of the results of decisions of the meeting. The Minutes of Meeting include:
 - a. the place, date and time of the meeting;
 - b. agenda discussed;
 - c. the attendance list signed by every participant of the meeting;
 - d. the time duration of the meeting;
 - e. the opinions contained in the meeting;
 - f. decision-making process;
 - g. decisions taken; and
 - h. statement of objections against the decisions of the meeting if there is no consensus of opinion.
4. The Minutes of Meeting will have attached the special power of attorney granted to others by any Member of the Board of Commissioners/Directors who were not present.
5. A copy of the power of attorney letters submitted to the Company and the original are kept and maintained by the Corporate Secretary as an annex to the Minutes of Meeting.
6. Each member of the Board of Commissioners and the Directors are entitled to receive a copy of the Minutes of the Joint Meeting, irrespective of whether they are present or not at the meeting.
7. The Minutes of the Joint Meeting will be sent to all Members of the Board of Commissioners and the Directors no later than 7 (seven) days after the meeting is held.
8. Amendments to the Minutes of the Joint Meeting are possible within 14 (fourteen) days from the date of delivery.
9. Any Member of the Board of Commissioners who was present and/or represented, as well as Members of the Directors who were present and/or represented, may submit objections and/or improvement suggestions, if any, to the Minutes of Meeting.
10. If no objections or proposed improvements are received within this time period, it will be assumed

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there were no objections or proposed improvements to the Minutes of Meeting concerned.

11. Revised (if any) Minutes of the Joint Meeting, signed by all Members of the Board of Commissioners and the Directors who attended the meeting, will be communicated to all Members of the Board of Commissioners and the Directors, no later than 7 (seven) days after the revision of the Minutes of Meeting is signed.
12. Minutes of the Joint Meeting will have 2 (two) original copies, which have the same legal force, and will be submitted to the Board of Commissioners and the Directors to be kept and maintained.

II. GENERAL MEETING OF THE SHAREHOLDERS, THE BOARD OF COMMISSIONERS AND THE DIRECTORS

A. General Policy

1. The Directors organizes and saves documents with the Shareholders' meeting in accordance with the current legislation.
2. The Directors accountable for the management of the Company and any information about the circumstances and the course of the Company's Annual Report including the Financial Statements are submitted to Shareholders through the meeting.
3. The Directors will provide regular reports in a manner and time in accordance with statutory provisions as well as provide any other reports requested by the Shareholders with a copy to the Board of Commissioners.
4. In the event that any Member of the Directors or the Board of Commissioners did not sign the Annual Report as referred to in point (3) above, the reasons will be made in writing.

B. Meeting Procedure

1. The Directors calls and holds the General Meeting of Shareholders ("GMS"), both Annual and/or Extraordinary.
2. Calls for the Annual and/or Extraordinary GMS will be sent to Shareholders at least 21 (twenty- one) days prior to the GMS intended date.
3. Prior to the announced planned meetings, the meeting agenda, with the reasons and explanations of each agenda that require the approval of the Shareholders, will be submitted with at least 3 (three) days prior notice.
4. In the case where the agenda contains appointment for Members of the Board of Commissioners and the Directors, it will include the names and profiles of prospective members in question.
5. In the case of an appointment of Independent Auditors, it will be accompanied by the name and honorarium.
6. The Directors provides the meeting materials at the Company's office and gives copies to the Shareholders.

C. Minutes of Meetings

1. The Corporate Secretary or other officer appointed by the President Director, is responsible for creating and administering as well as distributing the Minutes of Meeting.
2. In the event that the meeting was only attended by Shareholders, the Board of Commissioners and the Directors, the Minutes of Meeting will be recorded by one of the Members of the Directors appointed from among those present.
3. The Minutes of Meeting shall be signed by the Shareholders, Members of the Board of Commissioners and the Directors who attended the meeting.
4. The Minutes of Meeting are the record of the meeting. It is important to see the decision- making process as they will become the legal documents and legal evidence to determine the accountability of the results of decisions of the meeting. The Minutes of Meeting include:
 - a. The place, date and time of the meeting;
 - b. Agenda discussed;

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- c. The attendance list signed by every participant of the meeting;
 - d. The time duration of the meeting;
 - e. The opinions contained in the meeting;
 - f. Decision-making process, including voting procedures and results;
 - g. Decisions taken; and
 - h. Statement of objections against the decisions of the meeting if there is no consensus of opinion.
- 5. The Minutes of the Meeting will have attached the special power of attorney granted to others by any Member of the Board of Commissioners/Directors who were not present.
 - 6. Each Member of the Board of Commissioners and the Directors are entitled to receive a copy of the Minutes of the Joint Meeting, irrespective of whether they are present or not at the meeting.
 - 7. The Minutes of the Meeting will be sent to the Shareholders as well as all Members of the Board of Commissioners and the Directors after the meetings are held.

D. Authority of Shareholder/GMS

The authority of the Shareholders/GMS are as follows:

- 1. Establish and implement a system of fit and proper test in the context of appointments to the Board of Commissioners and the Directors;
- 2. Submission of termination plan and to accept the self-defense of Members of the Directors and the Board of Commissioners of which will be dismissed at any time;
- 3. Appoint and dismiss Members of the Board of Commissioners and the Directors;
- 4. Establish the amount and composition of the Board of Commissioners and the Directors in accordance with current legislation;
- 5. Set positions that may not be held by Members of the Board of Commissioners and the Directors;
- 6. Assign roles and authorities for Members of the Directors;
- 7. Establish and implement a system for determining salaries, allowances and incentives for the Board of Commissioners and the Directors;
- 8. Approve important transactions;
- 9. Establish policies regarding proposed business development of the Company;
- 10. Ratify the Long-Term Plan;
- 11. Endorse the Annual Work Plan and the amendments;
- 12. Establish and assess the performance of the Board of Commissioners and the Directors, both collegially and individually;
- 13. Establish the External Auditor from the candidates put forward by the Board of Commissioners based on the Audit Committee's proposal;
- 14. Decide how to distribute net income, including determination for reserves; and
- 15. Approve the Annual Report and authorize the Annual Results as audited by the External Auditor.