

## Board of Directors

### General Qualification

#### Fulfillment of PBI No. 12/23/2010 on Fit and Proper Test

To pass the Fit and Proper Test conducted by the Financial Services Authority (formerly Bank Indonesia).

#### Fulfillment of the Financial Services Authority/ Otoritas Jasa Keuangan Circular No. 39 / SEOJK.03 / 2016 concerning Fit and Proper Test for Prospective Controlling Shareholders, the Board of Directors Member Candidate, and Candidate Member of the Board of Commissioners of Bank (SEOJK 39 / SEOJK.03 / 2016)

Members of the BOD shall have adequate knowledge in the field of banking, relevant to his/ her position, experience and expertise in banking and/or finance. And strategic management skills to develop a healthy bank.

### Integrity Requirement

The Bank Management shall meet the requirements of integrity, competency, and financial reputation. To meet the requirements of integrity, the BOC candidate shall have the following:

- Good character and morals.
- Commitment to comply with the prevailing laws and regulations. 3
- High commitment to the development of sound bank operations. and
- Excluded from the Disqualified List.

## Appointment and Dismissal

### Appointment

Appointment Procedures of the Board of Directors are as follows:

- Candidate of the Board of Directors who have met the qualifications and competency requirements shall first evaluated by the Nomination and Remuneration Committee of BRI through examination of track record and professional experience. The evaluation result from the Nomination and Remuneration Committee is further submitted to the Board of Commissioners in a form of Official Memorandum of Nomination and Remuneration Committee.

- The Board of Commissioners based on the recommendation from the Nomination and Remuneration Committee provides approval on the candidate of the Board of Directors. The Board of Commissioners decision also considered as the basis for recommendation of the Board of Directors candidate to the GMS through Series A Dwiwarna Shareholders.

The candidate of the Board of Directors is further appointed by the decision of the General Meeting of Shareholders being effective after obtain approval from the Financial Services Authority (OJK) by referring to POJK No. 27/POJK.03/2016 on Fit and Proper Test for the Top Personnel of a Financial Services Institution. The OJK assessment is conducted through administrative research as well as interview. In the event where OJK does not approve the proposed candidate who has been appointed by the GMS, then the respective candidate must be dismissed by the GMS.

### Dismissal

The terms of office of the Board of Directors shall ended if:

- Passed away.
- End of tenure.
- Dismissed in the GMS due to a reason deemed to be relevant by the General Meeting of Shareholders for the Company's interests and objectives.
- Declared bankrupt by Commercial Court decision with permanent legal force or put under remission based on court decision.
- No longer qualified as member of the Board of Directors based on the Articles of Associations of BRI and other prevailing regulations, including the prohibited concurrent position or resignation.

Member of the Board of Directors has the right to resign from his/ her position by written notification to BRI and BRI must convene a GMS to decide the proposed resignation of respective Board of Directors member at the latest sixty (60) days after acceptance of resignation letter.

## Board of Directors

### Disclosure on Substitute Director and SEVP Policy

In order to ensure the efficiency and effectiveness of the company's operational, in the event of a vacant position of the Director(s) and SEVP, BRI has in place the Substitute Director Stipulation policy as stated in the Decree of BRI Board of Directors No. 20-DIR/ CDS/05/2017.

#### Substitute Director

1. The appointed Substitute Director has a corresponding field of duty with the substituted Director position.
2. The Substitute Director is effective when a Director is absent or unavailable for any reasons, without having to prove the situation to a third party, for certain period of at least 1 (one) day.
3. The First Substitute for President Director is Vice President Director.
4. The Second Substitute for President Director is 1 (one) Director, should the vice president director is not available for any reasons, with due observance to the four eyes principle as stipulated in the Bank's lending policies. The Risk Management Director and Compliance Director are exempted.
5. Should the vice president director is unavailable for any reasons, the president director may take over his/ her duties. A Certificate of Responsibility Handover is not required

6. The Second Substitute of Vice President Director is 1 (one) director, should the president director and vice president director are unavailable for any reasons, except for the Risk Management Director and Compliance Director.
7. The Substitute Director for Compliance Director shall meet Bank Indonesia's requirements regarding the implementation of compliance function in commercial banks, as follows:
  - a. Other Director, except the President Director and Vice President Director.
  - b. The Substitute Compliance Director may not oversee business & operational functions, risk management that serves as the decision-making authority on the Bank's business activities, treasury, finance and accounting, logistics, and goods & services procurement, information technology, and internal audit.
  - c. In the event that the Substitute Compliance Director is overseeing the functions in the point 'b' of this clause, his/her main duties shall be replaced by the Substitute Director.
8. The First Substitute Director is established when a Director is absent or unavailable.
9. The Second Substitute Director is established when the Director and First Substitute Director are absent or unavailable.
10. The Third Substitute Director is established when the Director, First Substitute Director and Second Substitute Director are absent or unavailable.

11. In the event that the First to Third Substitute Directors are absent or unavailable or under other assignments that are preventing them to take the duties as the Substitute Director, then the President Director and Vice President Director have the authority to appoint other Director as the Substitute Director. The Compliance Director is exempted.
12. In the event that the First to Third Substitute Directors, President Director and Vice President Director are absent or unavailable, then any Director can implement the duty as the Substitute Director. The Compliance Director is exempted.

#### Substitute SEVPs

1. The appointed Director as the Substitute Director that taking over the SEVP duties has a corresponding field of duty with the SEVP position.
2. The transfer of SEVP duties is effective when a SEVP is absent or unavailable for any reasons, without having to prove the situation to a third party, for certain period of at least 1 (one) day.
3. The First Director taking over the SEVP duties is established when the SEVP is absent or unavailable.
4. The Second Director taking over the SEVP duties is established when the First Director is absent or unavailable.

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5. In the event that the First and Second Directors taking over SEVP Duties are absent or unavailable or under other assignments that are preventing them to take the duties as the First and Second Directors, then the President Director and Vice President Director have the authority to appoint other Director as the Director taking over the SEVP duties. The Compliance Director is exempted.
6. In the event that the First and Second Directors, President Director and Vice President Director are absent or unavailable, then any Director can implement the duty of SEVP. The Compliance Director is exempted.

### BOD BOARD CHARTER

The BRI Board of Directors has in place the BOD Board Charter, which was approved through the Decree No. 801-DIR/SKP/11/2015 dated 11 November 2015.

The BOD Board Charter contains work rules and guidance of the Board of Directors in performing their respective duties aligned with the vision and mission to be achieved by the Company.

The BOD Board Charter contains among others:

1. General rules of the Board of Directors members position.
2. Duties and responsibilities of the Board of Directors.
3. Authorities and obligations of the Board of Directors.
4. Corporate values.
5. Work ethics of the Board of Directors.
6. Work period of the Board of Directors.
7. Board of Directors Meeting.
8. Board of Directors Membership Structure.
9. Reporting and Accountability of the Board of Directors.

### BOARD OF DIRECTORS DUTIES AND RESPONSIBILITIES

Referring to Articles of Association, the Board of Directors is collegially responsible in managing the Company as well as representing the Company within and outside of the court. The Board of Directors shall prioritize the interest of the Company in accordance with the purpose and objective of the Company by complying with prevailing laws and regulations, the Articles of Association and the resolutions of the GMS.

#### Responsibility to the Board of Commissioners and Shareholders

- a. Implementing GMS resolutions.
- b. Prepare the Corporate Long-Term Plan, Bank Business Plan, Work Plan and Budget and other work plans and changes to be submitted to obtain approval from the Board of Commissioners.
- c. Conduct the GMS based on a written request from one or more shareholders representing at least 1/10 (one ten) of the total shares issued with valid voting rights.
- d. Create and maintain a list of shareholders and special lists containing lists of shareholdings owned by commissioners and directors including their families within the Bank and in other companies.
- e. Consult the provision of credit above a certain amount to the Board of Commissioners by referring to the prevailing provisions.
- f. Submit an Annual Report after being reviewed by the Board of Commissioners within a period of no later than 5 (five) months after the financial year of the Company ends to the General Meeting of Shareholders for approval.

## Board of Directors

### Responsibility in Accounting and Annual Report

- a. Conduct and maintain the Bank's books and administration in accordance with the prevailing practices of the company.
- b. Ensure that the Bank's accounting system is in accordance with financial accounting standards and internal control principles, particularly in terms of financial management, recording, retention and control.
- c. Preparing Annual Report and Periodic Financial Report.

### Responsibility in Risk Management

- a. Ensure the adequacy of processes and systems to identify, assess and control the risks faced by the Bank.
- b. Monitor and assess the existence of a sound management process to assess the adequacy of the risk management system and internal control, financial reporting and compliance.
- c. Ensure the existence of an effective control system to ensure the reliability and integrity of information, compliance with applicable policies, procedures, rules and laws, safeguards of the Bank's assets, the efficient use of economic resources, and the achievement of defined objectives and targets for operations.

### Responsibilities Related with Organization

Establish an organizational structure, tasks and assign clear responsibilities including appointment of management.

### Authority

In carrying out the duties and responsibilities, the Board of Directors shall attain the following authorities as stipulated under the Articles of Association:

1. Stipulate the Policy which appropriately deemed in the Company's management.
2. Arrange the delegation of authority of the Board of Directors to represent the Company inside and outside the court to one or several members of the Board of Directors especially appointed for that purpose, or to a personnel and/or other entity.
3. Administer the regulations regarding the Company's manpower, including determining salaries, pensions or benefits and other income for the employees of the Company pursuant to the prevailing laws and regulations.
4. Appoint and discharge the employees of the Company pursuant to the Company's manpower regulations and prevailing laws and regulations.
5. Appoint and discharge the Corporate Secretary.
6. Write-off bad debt hereinafter reported to the Board of Commissioners.
7. Not to recollect interest receivables, penalties, costs and other receivables besides the basis in order to pay off the Company's receivable.

8. Take or perform all other actions and deeds with regard to the management and ownership of the Company's assets, bind the Company to other parties and/or bind other parties to the Company, and representing the Company inside and outside the court with respect to all matters and in all events, with the limitations as provided in the laws and regulations, the Articles of Association and/or the Resolutions of the GMS.

### Obligation

Based on the Articles of Association the Board of Directors has the following obligations:

1. Undertake and ensure the implementation of the Bank's business activities in accordance with the purpose, objectives, and business activities.
2. Prepare in due course the Bank's Corporate Plan, Annual Work and Budget Plan, and other Work Plan and Amendments to be submitted to the Board of Commissioners and approved by the Board of Commissioners.
3. Create a list of Shareholders, Special Lists, Minutes of GMS, and Minutes of Board of Directors' Meeting.
4. Create Annual Report which includes, among other things, the Financial Statements, as a form of accountability of the Bank's management, and the Bank's financial documents as referred to in the Law.

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5. Prepare the Financial Statements as referred to in point 4 in accordance with the Financial Accounting Standards and to submit to the Public Accountant for audit.
6. Submit an Annual Report after the Board of Commissioners has reviewed it within 5 (five) months after the end of fiscal year, to the GMS for approval and ratification.
7. Provide an explanation to the GMS on the Annual Report.
8. Submit Balance Sheet and Profit Loss Statements that have been approved by the GMS to the Minister in charge of the Law in accordance with the provisions of applicable legislation.
9. Maintain List of Shareholders, Special Register, Minutes of GMS, Minutes of Board of Commissioners' Meeting and Board of Directors' Meeting, Annual Report, Bank's financial documents, and other Bank's documents.
10. Archive List of Shareholders, Special Register, Minutes of GMS, Minutes of Board of Commissioners' Meeting and Board of Directors' Meeting, Annual Report, Bank's financial documents, and other Bank's documents in the Bank's domicile.
11. Perform and maintain the Bank's books and administration in accordance with the prevailing rules for a Bank.
12. Develop accounting system in accordance with the Financial Accounting Standards and based on the principles of internal control, especially the functions of handling, recording, storage, and supervision.
13. Provide periodic reports in a manner and time in accordance with applicable provisions, and other reports requested by the Board of Commissioners and/or Dwiwarna Series A Shareholders, with due observance to the laws and regulations, in particular, the prevailing capital market regulations.
14. Prepare the Bank's organizational structure in details with the job descriptions.
15. Provide an explanation of all matters stated or requested by members of the Board of Commissioners and Dwiwarna Series A Shareholders, with due observance to the laws and regulations, in particular, the prevailing capital market regulations.
16. Carry out other obligations in accordance with the provisions stipulated in the Bank's Articles of Association and which are determined by the GMS in accordance with the laws and regulations.
17. Together with the Board of Commissioners shall draw up binding guidelines for each member of the Board of Commissioners and Board of Directors, in accordance with the prevailing laws and regulations.
18. Together with the Board of Commissioners shall establish a code of conduct applicable to all members of the Board of Directors and Board of Commissioners, Employees, and organs of the Bank, in accordance with the prevailing laws and regulations.
19. In performing its duties, the Board of Directors shall put power, thought, and devotion to the duties, obligations, and achievements of the Bank's objectives.
20. In performing duties, members of the Board of Directors shall comply with the Bank's Articles of Association and prevailing laws and regulations, and are required to implement the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness.
21. All members of the Board of Directors shall carry out duties and responsibilities in good faith, full of responsibility and prudence in the best interest of the Bank, with regard to the prevailing rules.
22. Each member of the Board of Directors shall disclose:
  - a. Share ownership of 5% (five percent) or more, in the Bank or other Banks/companies, domiciled within and outside the country.
  - b. Financial relationships and family relationships with other commissioners, members of the Board of Directors and/or controlling shareholders of the Bank.

## Board of Directors

### Work Ethics

1. Members of the Board of Directors shall not utilize the Bank for personal, family, and/ or other interests that may detriment or reduce the profits and reputation of the Bank and its subsidiaries.
2. Members of the Board of Directors shall not take personal advantage either directly or indirectly in the Bank's activities with the exception of legitimate income.
3. Members of the Board of Directors shall not hold concurrent positions, as follows:
  - a. A member of the Board of Directors at the State-Owned Enterprises (SOEs), Regional-Owned Enterprises, and private owned enterprises.
  - b. A member of the Board of Commissioners/ Board of Trustees at State-Owned Enterprises.
  - c. Other structural and functional positions in institutions/agencies of the central and/or local government.
  - d. A political party and/or candidate/legislative member and/or candidate for regional head/ deputy head.
  - e. Other positions that may cause conflict of interest and/or other positions, in accordance with the prevailing laws and regulations.
4. Members of Board of Directors, either individually or jointly, shall not own more than 25% (twenty five percent) of the paid-in capital in the Bank and/or other companies.
5. Members of the Board of Directors shall not use individual and/or professional advisors as consultants, unless they meet the following requirements:
  - a. projects of special nature.
  - b. based on clear contracts, which at least cover the scope of work, responsibilities, time frames, and costs.
  - c. consultant is an Independent Party and has the qualification to work on a project of a special nature as referred to in point 1.
6. Members of the Board of Directors shall not have a family relationship up to the second degree with other members of the Board of Directors and/or members of the Board of Commissioners
7. Members of the Board of Directors are prohibited from granting power of attorney to any other party that may result in the transfer of Directors' duties and responsibilities.
8. Members of the Board of Directors shall be subjected to the Bank's Code of Conduct, applicable laws and regulations, and the Bank's internal policies.

### SCOPE OF DUTIES

Referring to the Articles of Association, the distribution of duties of BOD members is conducted based on the BOD Decree, which aim to ensure more effective and efficient management function. The distribution of BOD duties are as follows:

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Name	Scope of Duties
<b>Suprajarto</b> President Directors	Duties and authority in: <ul style="list-style-type: none"> <li>directing the corporate strategy and work plan;</li> <li>lead entire Directorate that responsible for the management of the Company;</li> <li>Represent the company both inside and outside the Company</li> </ul> based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
<b>Kuswiyoto</b> Director of Corporate Banking	Duties and authority in: <ul style="list-style-type: none"> <li>directing the corporate strategy and work plan;</li> <li>lead the Directorate that responsible for the business management of state owned enterprises, agribusiness, as well as Syndication and Corporate Business Services Financial Institutions;</li> <li>Represent the company both inside and outside the Company</li> </ul> based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
<b>Supari</b> Director of Retail and Intermediate	Duties and authority in: <ul style="list-style-type: none"> <li>directing the corporate strategy and work plan;</li> <li>lead the Directorate that responsible for the management of Policy &amp; Strategy Retail &amp; Medium Business, Retail Business, Medium Business, and Agricultural Business;</li> <li>Represent the company both inside and outside the Company</li> </ul> based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
<b>Priyastomo</b> Director of Micro and Small	Duties and authority in: <ul style="list-style-type: none"> <li>directing the corporate strategy and work plan;</li> <li>lead the Directorate that responsible for the management of Micro &amp; Small Business Policy, Business Micro, Small Business &amp; Partnerships and Business Incubation Micro &amp; Retail;</li> <li>Represent the company both inside and outside the Company</li> </ul> based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
<b>Handayani</b> Director of Consumer	Duties and authority in: <ul style="list-style-type: none"> <li>directing the corporate strategy and work plan;</li> <li>lead the Directorate that responsible for the business management of Wealth Management, Consumer Credit, Credit Card, Dana &amp; Services, Retail Payment and Marketing Communication;</li> <li>Represent the company both inside and outside the Company</li> </ul> based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.