

DIRECTORS

PT BANK TABUNGAN NEGARA (PERSERO) Tbk.

DIRECTORS REGULATION

No. 16/PD/CMPD/2015

CONCERNING

BUSINESS ETHICS AND CODE OF CONDUCT

DIRECTORS OF PT BANK TABUNGAN NEGARA (PERSERO) Tbk.

- Considering:
- a. That implementing Good Corporate Governance (GCG) is a necessity and the direction towards measurable implementation. Therefore, PT Bank Tabungan Negara (Persero) Tbk integrates with corporate culture of business ethics and Code of Conduct becomes Guidelines of principles, values, standards of business ethics and Code of Conduct of PT Bank Tabungan Negara (Persero) Tbk.
 - b. that Code of Conduct is the main reference on attitudes or actions that must be done and what should not be done by BTN Personnels in conducting business activities.
 - c. that implementation of the Code of Conduct is an obligation for the Bank Management and Employee. Therefore, this Code of Conduct will always be used as guidance in developing policies, manuals/procedures and management practices that exist in PT Bank Tabungan Negara (Persero)

Tbk. Consistent implementation of the Code of Conduct that will show that PT Bank Tabungan Negara (Persero) Tbk is a bank who promotes good corporate governance and corporate culture.

- d. that in connection with letter a up to c mentioned above, it is necessary to regulate and set out in Directors Regulation.

- In view of:
1. Law of the Republic of Indonesia No.8 Year 1995, dated November 10, 1995 on Capital Market;
 2. Law of the Republic of Indonesia No. 28 Year 1999, dated May 19, 1999 on Implementation of Clean and Free State from Corruption, Collusion and Nepotism;
 3. Law of the Republic of Indonesia No. 7 Year 1992, dated March 25, 1992 as amended by Law of the Republic of Indonesia No. 10 Year 1998;
 4. Law of the Republic of Indonesia No. 31 Year 1999 dated August 16, 1999 on the Eradication of Corruption Act as amended by Law No. 20 Year 2001;
 5. Law of the Republic of Indonesia No. 13 Year 2003, dated March 25, 2003 on Employment;
 6. Law of the Republic of Indonesia No. 17 Year 2003, April 28, 2003 on State Financial;

7. Law of the Republic of Indonesia No.19 Year 2003, dated June 19, 2003 on State Owned Enterprises;
8. Law of the Republic of Indonesia No.40 Year 2007, dated August 16, 2007 on Limited Liability Company;
9. Law of the Republic of Indonesia No. 2 Year 2008, dated October 13, 2008 on Political Parties;
10. Law of the Republic of Indonesia No. 8 Year 2012, dated May 11, 2012 on General Election of Members of the House of Representatives, Regional Representatives Council, and Regional House of Representatives;
11. Indonesian Government Regulation No. 24 Year 1992, dated April 29, 1992 on Adjustment of Law Form of the Bank Tabungan Negara into a Limited Liability Company (Persero);
12. Indonesian Government Regulation No. 71 Year 2000, dated August 21, 2000 on Implementation of Public Participation and Award in Corruption Prevention and Eradication.
13. Indonesian Government Regulation No. 45 Year 2005, dated October 25, 2005 on the Establishment, Management, Monitoring and Dissolution of State-Owned Enterprises;

14. Regulation of the Minister for State Owned Enterprises No.Per-01/MBU/2011, dated August 1, 2011 on Implementation of Good Corporate Governance (GCG) in State-Owned Enterprises;
15. Bank Indonesia Regulation No.8/4/PBI/2006, dated January 30, 2006 as amended by Bank Indonesia Regulation No. 8/14/PBI/2006 on Implementation of Good Corporate Governance for General Bank;
16. Bank Indonesia Regulation No.11/33/PBI/2009, dated December 7, 2009 on Implementation of Good Corporate Governance for Islamic Bank and Sharia Business Unit;
17. Circular Letter of the State Minister for State-Owned Enterprises No. SE-15/MBU/2008 dated July 31, 2008 on Provisions Related with legislative elections For SOEs;
18. Bank Indonesia Circular Letter No. 9/12/DPNP/2007, dated May 30, 2007 on implementation of Good Corporate Governance for General Bank;
19. Bank Indonesia Circular Letter No.12/13/DPbs Year 2010, dated April 30, 2010 on implementation of Good Corporate Governance for Islamic Bank and Sharia Business Unit;
20. Deed of Shareholders of PT Bank Tabungan Negara (Persero) Tbk No. 51 dated March 24, 2015 in

conjunction with the Deed of General Meeting of Shareholders No. 25 dated May 13, 2015;

21. Decision of Directors No.06/DIR/DK/2009, dated May 27, 2009 on Guidelines for Good Corporate Governance of PT Bank Tabungan Negara (Persero) Tbk.;
22. Board of Directors Decree No. 02/KD/DIR/SPMD/2015, dated May 5, 2015 on Organizational Structure of PT Bank Tabungan Negara (Persero) Tbk Head-Office as amended by Decree of Directors No. 05/KD/DIR/SIPD/2015;
23. Directors Regulation No. 14/PD/DSP/2009, dated December 4, 2009 on Mass Media Handling and Spokesman arrangement.
24. Directors Circular Letter No. 43/DIR/CM0/2011, dated 28 November 2011 index of 152/P/HC-ENG/2011 on Rules and Disciplinary Sanctions for Employees and index 151/P/HC-ENG/2011 on Institutional Industrial Relations and Inter-Agency Relations.
25. Directors Circular Letter No. 43/DIR/CMO/2011, dated November 28, 2011 on Standard Operating Procedure Human Capital Management of PT Bank Tabungan Negara (Persero) Tbk.

Observing: - Directors Approval by Memo No. 1674/M/CMPD/GCG/VIII/2015 dated August 6, 2015

- Board of Commissioners Approval by letter No. 134/KOM/BTN/XII/2015 dated December 16, 2015

HAS DECIDED

To stipulate: **DIRECTORS REGULATION ON BUSINESS ETHICS AND CODE OF CONDUCT**

Article 1

Definition

In this Directors Regulation referred to as:

1. Bank is PT Bank Tabungan Negara (Persero) Tbk.
2. Code of Conduct is GCG principles, beliefs, values, norms, standards, behavior that becomes the direction of decision-making, procedures and systems of an organization in a way that contributes to the welfare of key stakeholders, and respecting the rights of each constituent affected by its operation.
3. Bank Personnels are every person consisting of the Board of Commissioners, Directors, Employees and Non-Employee in the Bank in accordance with their respective functions.
4. Management is the Board of Commissioners and Board of Directors of the Bank.
5. Board of Commissioners is the organ of company who responsible for supervising the Company in general and/or special in accordance with article of association and provide advice to the Board of Directors.

6. Directors is Company's Organ who authorized, and fully responsible for managing Company for the benefit of Company, in accordance with the purposes and objectives of the Company and represent the Company, whether within or outside the court in accordance with the provisions of Articles of Association. Board of Commissioner is Supervisory of Bank BTN composed of President Commissioners and at least 3 (three) Members of the Commissioner appointed by GMS.
7. Employees are Permanent Employees and Employees with specific status.
8. Permanent Employees are Employees who appointed and/or stipulated by Directors Decree as permanent employee.
9. Employees with Specific Status is candidate who meets the requirements and has passed selection held by the Bank, and accepted as a contract employees, with contract period that will be adapted to the applicable regulations and with position objective that become needs of the Bank at that time.
10. Customer is a party who using services of the Bank, including those who do not have an account but utilizing Bank services to conduct financial transactions (walk-in customer).
11. Political party is an organization which is national and formed by a group of Indonesian citizens voluntarily on an equal basis will and ideals to fight for and defend the political interests of members of the community, the nation and the State, as well as maintain the integrity of the

Republic of Indonesia based on Pancasila and the Constitution of the Republic of Indonesia Year 1945.

12. Political activity is an attitude that is related to power committed by certain ways and with the specific intent to show his support for legislative and/or political party.
13. Gratuity is gift in a broad sense that includes giving money, goods, rebate (discount), commissions, interest-free loans, trip ticket, lodging, travel, treatment free of charge and other facilities, related to employment or official between the giver with management and employees who receive, and/or simply by association with the position or title of the officer and employee, either received at home or abroad and carried out by using or without electronic means.
14. Bribery is act of a person in the form of giving kickbacks/bribe/reward or promise given or received in any form to someone influential or related to his position with the aim to get something for their personal or corporate.
15. Good Corporate Governance (GCG) is system of good corporate governance.
16. Extortion is an act to gain something unlawfully such as pressure or coercion.
17. Division is Working Unit at Central Office which is structurally under the Board of Directors.
18. Compliance Division hereinafter referred to as CMPD is working unit at Central Office which is structurally under Board of Directors who exercising compliance functions.

19. Conflict of interest is the difference between Bank's economic interests with personal owner economic interests, member of the Board of Commissioners, members of the Board of Directors, Executive Officers, and/or parties related to the Bank.

Article 2

Purposes and Objectives

(1) The purpose of Code of Conduct are:

1. Provide understanding on principles of good corporate governance (GCG) in the corporate culture that is expressed into ethics and business behavior of Bank Vision and Mission.
2. Encourage all Bank personnel to act in accordance with GCG and values of the Bank corporate culture.
3. Create a comfortable working climate and harmony within the Bank.
4. Preventing the occurrence of deviation or fraud risk to the Bank's reputation.

(2) The Objectives of the Code of Conduct are:

1. Keeping the commitment to implement Bank Vision and Mission in accordance with cultural values in the Bank's business ethics and code of conduct.

2. Keeping the Bank's image in public through the Bank's good performance by observing the health and sustainable business ethics and code of conduct.
3. Maintaining relationships with external parties that harmonious and mutually beneficial.
4. Provide guidance in management of conflicts of interest and gratification control.
5. As a reference in political activities in accordance with good corporate governance (GCG) and applicable rules and legislation.

Article 3

Code of Business Ethics and Code of Conduct

Code of Conduct Policy set forth in Appendix of this Directors Regulation provides as follows:

1. Chapter I Introduction
2. Chapter II Code of Business Ethics Policy
3. Chapter III Code of Conduct Policy
4. Chapter IV Implementation and Enforcement

Article 4

Closing

- (1) This Directors Regulation is valid as of the date stipulated.
- (2) With the enactment of this Directors Regulation No. 30/PD/CSD/2010 dated December 22, 2010 of Code of Business

Ethics and Code of Conduct Employee PT Bank Tabungan Negara (Persero) Tbk; Directors Regulation No. 31/PD/CSD/2010 dated December 22, 2010 on Guidelines for Handling Conflict of Interest (Conflict of Interest) PT Bank Tabungan Negara (Persero) Tbk; Directors Regulation No. 32/PD/CSD/2010 dated December 22, 2010 on Political Activities by Commissioners, Directors and employees of PT Bank Tabungan Negara (Persero) Tbk is declared null and void.

(3) Implementation policy of this Directors Regulation will be set later by the Board of Directors.

(4) In order for to be acknowledge by officials/employees/officers concerned, then this regulation will be published in the Bank Announcement Gazette.

Similarly, this Directors Regulation is made to provide guidance in their implementation.

Stipulated in : Jakarta

Date : December 31, 2015

DIRECTORS

PT BANK TABUNGAN NEGARA (PERSERO) Tbk.

Signed

Maryono

President Director

Signed

Iman Nugroho Soeko

Director

Registered in the Bank Announcement Gazette

Number : 90/XII/2015

Announced : in Jakarta

Dated : December 31, 2015

Copy is in accordance with the original

PT BANK TABUNGAN NEGARA (PERSERO) Tbk

LEGAL DIVISION

[signed]

[signed]

Yossi Istanto

Ari Kurniaman

Division Head

Department Head

INITIALS IDENTITY SHEET

ENDORSEMENT OF DIRECTORS REGULATION ON CODE OF CONDUCT

PT BANK TABUNGAN NEGARA (PERSERO) TBK.

No.	Name	Position	Initials

1.	Yossi Istanto	LGD Division Head	
2.	Sudaryo Bagyo U	CMPD Division Head	
3.	Ari Kurniawan	Department Head	
4.	Wilson Arafat	Department Head	

CHAPTER I

INTRODUCTION

1.1. Background

PT Bank Tabungan Negara (Persero) Tbk, hereinafter referred to as Bank understanding the important meaning on implementation of good corporate governance (GCG). In

improving the company's values into conduct and business ethics in accordance with the principles of good corporate governance and Corporate Culture drafted code of business ethics and code of conduct of Bank.

Code of Conduct is a guideline that functions as:

1. Codification or compilation of policies, employee regulations that set standards of good conduct for Management and Employees in realizing Bank GCG and working culture.
2. References to every member of the Bank personnel in good behavior and professionals to organize themselves on the basis of mutual interest with all stakeholders.
3. Basis in determining product and services as well as various activities undertaken by Bank is deemed in compliance with code of business ethics and code of conduct Bank that has been set.
4. References to maintain a good relationship between Bank personnel with external parties related to corporate governance based on GCG principles and implementation of business ethics and code of conduct.

Implementation of the Code of Conduct is mandatory and shall be obeyed by every member of Bank Personnel consistently showing that the Bank respects cultural values and of business ethics and code of conduct in implement it.

As business ethics and code of conduct, Code of Conduct in line with the vision and mission to be achieved by the Bank and supported by values promoted appropriate with corporate culture that applies.

1.2. Purpose and Objectives of the Code of Conduct

The Purposes of Code of Conduct are:

1. Understanding the principles of good corporate governance (GCG) and working culture and understand business ethics and code of conduct in accordance Bank Vision and Mission.
2. Encourage every Bank Personnel to be good behavior in accordance with Bank cultural values.
3. Create a comfortable working climate and harmony within the Bank.
4. Preventing the occurrence of deviation or fraud that risk to the Bank's reputation.

The Objectives of Code of Conduct are:

1. Keeping the commitment to implement Vision and Mission of the Bank in accordance with cultural values in the Bank's business ethics and code of conduct.
2. Keeping the Bank's image in public through the Bank's good performance by observing the health and sustainable business ethics and code of conduct.

3. Maintaining relationships with external parties that harmonious and mutually beneficial.
4. Provide guidance in management of conflicts of interest and gratification control.
5. As a reference in political activities in accordance with good corporate governance (GCG) and applicable rules and legislation.

1.3. Scope

Scope of this Code of Conduct includes:

- (1) Code of ethics and conduct that apply for Managements and Employees in running all business activities.
- (2) Code of ethics and conduct in interaction between the Board of Commissioners, Directors and its Employees with all stakeholders.
- (3) Translation corporate culture into Code of ethics and conduct aligned with the vision and mission of the Bank.

1.4. Basic Principles

Code of Conduct Bank is formulated based on the principles of good corporate governance and corporate culture.

1.5. Commitment to Implement Code of Conduct

Bank management shall show strong commitment and set a good model regarding implementation of the Code of Conduct. Implementation of the Code of Conduct requires not only a strong commitment from management, but also the necessary consistency of all the Management and Staff of the Bank. In

order to build commitment in question, the entire Board of Directors and Employees of the Bank shall learn, permeates and understand earnestly whole philosophy of the Code of Conduct before putting his signature in approval sheet "Statement of Bank BTN Personnel About Code of Conduct (INTEGRITY PACT), in accordance format in the annex to the Directors Regulation to be implemented with the best. This statement applies to the Directors and employees of the Bank who are no longer working at the Bank.

CHAPTER II

STANDARD POLICY OF BUSINESS ETHICS

As employee code of conduct and Bank business ethics, Code of Conduct is in line with the vision and mission to be achieved by Bank BTN and supported by the values upheld so as to support the creation strong corporate culture. However, ethics has always been part of life in the wider society. Ethical or not a code of conduct is highly depend on perception of the surrounding community. Thus the ethical issue is closely related to the social perception of conditions in which the conduct is performed. The code of business ethics that guide all Bank Personnel, as follows:

2.1. Bank Ethics with Employees

2.1.1. Fair Treatment to Employees

Bank promotes employee's equal rights and does not tolerate discriminatory treatment. Every employee is entitled to pursue the best career at the Bank by:

1. shown competence and performance, regardless of racial factors, gender, friendship, family/relatives, as well as other subjective factors.
2. As the Bank's efforts to continually improve the competence and performance of employees, each employees is given opportunity to attend various education and training and development of employees did more in line with the competence and/or the Bank's business needs.
3. Decision-making on all matters of personnel always made objectively, based on data and facts can be accounted for and other information in accordance with provisions, such as the decision of hiring, career development, provision of facilities Bank, banking operational decisions, etc.
4. All decisions taken regarding the employee in question shall be based on the goal of providing the best for the Bank, and not solely for personal interests of employees or other parties.
5. Employees are a very important and valuable asset, therefore, Bank provides good and safe working conditions for employees, protect employees from any form of possibility that endanger health and safety at work.
6. Bank prohibits all forms of harassment and intimidation including illegal action, whether committed against superiors, subordinates and peers. Harassment in the

form of various self-deprecation/despise that is based on differences of race, religion, color, sex, age, origin or personal incompetence either done through comments, jokes, and/or act like.

7. Bank should endeavor to always be able to fulfill the promise or agreement that has been agreed with his employees.
8. Other provisions regarding employee career refers to the provisions set forth by Human Capital Division.

2.1.2. Assignment and Employees Activities Outside the Bank

1. Bank does not allow employees bound employment agreement with another employer during working hours.
2. Employees who perform activities outside the official activities during working hours, with or without getting salaries, the activity in question must obtain written permission from the immediate supervisor and attach letter of activity. As for the activities that are categorized as speaker or trainer, the concerned employee must attach a letter request from the relevant authorities.
3. Bank may allow employees to actualize themselves outside the Bank that are not directly related to the performance of duties and responsibilities in the Bank and shall meet the following criteria:

- a. Association/club/organization recognized by Government
 - b. Association/club/organization in accordance with the Bank's values.
 - c. Employees are not abusing facility Bank in conducting its activities.
 - d. These activities do not affect the reduction of hours, and/or concentration and/or neglect of duties and responsibilities as an Bank employee.
 - e. Done with the purpose of self-development and/or the use of leisure time.
4. Other provisions concerning the Assignment and employee activity outside the Bank refers to the regulations stipulated by Human Capital Division.

2.1.3. Prohibition Employee Involvement In Business Activities of Bank Securities

1. Employees are prohibited from engaging in trading Bank securities when he/she has material information and not general (inside information) about the Bank.
2. Employees shall not trade Bank shares when he/she knowing any material information that is not of a general nature or when the information known to the public will affect the price of its shares on the stock exchange.
3. All employees shall be subject to the provisions stipulated separately regarding bank securities trading

for private purposes, the management of Bank employees are also bound by the provisions of the laws relating to bank securities trading for private purposes.

4. Bank Policy and Law in force in Indonesia prohibit employee conduct securities trading Bank if the employee has material information that is not of a general nature such as:
 - a. Derived from internal sources Bank
 - b. a breach of loyalty and confidentiality of the information owner, for example, inside information, such as financial figures internal, potential acquisitions, divestitures, joint ventures, new product information, information about the debtor, or information relating to the activities of the underwriting process of issuance of shares and other etc.
 - c. An employee forwarding and/or delivered inside information to any party that is suspected to abuse it for the sake of trading securities or forward it to another party, although employees in question did not receive financial retaine for this activity.
5. Employees shall not use position as an employee to gain preferential treatment in buying or selling securities/stock/forex for themselves or family interests, unless otherwise determined by Company.

6. Every employee shall be subject to all applicable laws, rules, and regulations related to trade securities/shares and securities/shares of other companies that could be affected by the company's business activities.
7. Other provisions regarding restrictions on employee involvement in the Bank Securities Business Activities refers to the regulations stipulated by Corporate Secretary Division.

2.1.4. Employee discipline

1. Bank set the discipline of employee working time, as follows:
 - a. Employees must be present and carry out the work according to the working hours specified by the Bank. Absenteeism and tardiness of employees in the work place must obtain permission from superiors and will affect employee performance evaluation.
 - b. Employees shall utilize working hours optimally for the interest of the Bank.
2. Other provisions concerning Employee discipline refers to the regulations stipulated by Human Capital Division.

2.1.5. Work environment

1. Bank gives employees a good healthy and safe working environment. Each employee shall comply with policies and regulations pertaining may affect health and safety.

2. Employees are obliged to create and/or maintain hygiene, safety and comfort of the physical environment of work and/or do not do activities that can distract other individual work. Work environment should free from all forms of pollution (noise, air pollution, etc.) that may affect to the work concentration.
3. Employees shall maintain a work environment free from the practice of gambling, drug abuse and trafficking of narcotics, psychotropic drugs, illicit addictive substances and other activities that conflict with ethics and legislation.
4. Health and safety at work of all employees is a major concern of the Company. Each employee must comply with policies and regulations relating to health and safety.
5. Other provisions concerning the working environment refers to the provisions set forth by Human Capital Division.

2.1.6. Employees Aspiration channel

1. Bank gives freedom to employees to express their aspirations, both individually and collectively through union.
2. Bank protects the employees right to vote/elected or not vote/elected become union members.

2.2. Bank Ethics With Customer

a. Bank prioritizes customer satisfaction and customer trust. Therefore, Bank performs the following:

(1) Offering products and services in accordance with quality standards that have been set.

(2) Provide the best service to customer and follow up on customer complaints fairly without discrimination.

(3) Conduct sustainable promotion in healthy, fair, truthful, not misleading, and accepted by the norms that generally accepted in society.

b. Employees are required to support the Bank in an effort to achieve customer satisfaction and trust.

2.3. Bank Ethics With Goods and Services Provider

Bank in carrying out the procurement of goods and services shall be based on efficient, effective, competitive, transparent, fair and accountable principles. Ethical behavior are expected to occur in the goods and services procurement process as well as in dealing with goods and services provider are as follows:

1. Selection of goods and services provider shall be based on ability assessment, accomplishments, and based compliance and objectivity in the field of standards of price, quality, availability, terms and services provided by partners/suppliers. Conditions that must be considered, inter alia:

- a. Selection of goods and services provider is done in accordance with Bank internal regulations, with the purpose to get the best quality level of goods or services and efficient optimal purchase through comparison of quality and price levels offered by Bank vendors. Price confidentiality should be absolutely guaranteed.
 - b. Consultation shall be carried out with reference to the principles and objective criteria. Consultation and negotiation by Bank must be made formally with the party that represents the partner/supplier's interests.
2. Bank is not treated preferentially goods and services provider that are customer of the Bank. Similarly, Bank will not give special treatment by promising and/or threatened by referring to the potential and business relationships that have been established by the Bank.
3. Carry out payments to goods and services provider in a timely manner as long as invoice issued along with supporting documents and in accordance with the agreed amount.
4. Sentence sanction against goods and services provider who committed violation.

5. Maintain good communication with goods and services provider, including following up on complaint and objection.
6. Utilizing relationships both with goods and services provider as market intelligent and as intelligent competitor.
7. Applying current technology procurement through e-procurement.
8. Every Bank employee shall not ask and/or accept compensation, both financial and non-financial as well as for individual purposes.
9. Goods and services providers are encouraged to understand and follow the provisions of the Bank relating to the procurement of goods and services from external parties, including the applicable Code of Conduct. For example, goods and services provider who get the Bank document must maintain the Bank confidentiality.
10. Other provisions on procurement refers to the regulations stipulated by Procurement & General Services Division.

2.4. Bank Ethics With Competitor

Bank treats competitor as a driven of continuous performance improvement. Therefore, the Bank continues to do several things, inter alia:

1. Bank adhere to the provisions of anti-monopoly Act.
2. Conduct market research to determine the position of competitors.
3. Conduct fair and competitive competition by promoting product excellence and service quality.

2.5. Bank Ethics With Partners

Bank promotes mutual trust and respect, and togetherness with partners in accordance with applicable business rules. Therefore, the Bank did several things, including:

1. Make an mutually cooperation agreement with partners.
2. Upholding the rules and procedures that have been agreed.
3. Prioritize the achievement of optimal results according to the best practice.
4. Establish intensive communication with partners to continually improve performance on ongoing basis.

2.6. Bank Ethics with Government and Regulator

Bank is committed to comply with the legislation in force, by:

1. Employees must learn, understand, and obey all regulations, policies and/or regulations, including both internal and external BI requirements, FSA and the applicable legislation and regulations of the authorities and other regulators

2. Employees shall be aware not to cooperate with the client and/or third parties that violate the law, including:
 - a. Avoid as much as possible the process of laundering money obtained from illegal activities such as drug trafficking, terrorism, organized crime, fraud and other forms of income from crime.
 - b. Be alert and report any transaction suspected as money laundering activities.
3. Deviation, negligence or breach of an employee of the provisions, policies, and regulations, including internal and external BI requirements, FSA and the legislation in force as well as provisions and other regulatory authorities penalized in accordance with the applicable procedures.
4. Establish good communication and contact with local and central government, the Financial Services Authority and Bank Indonesia.
5. Implementing best practices with the applicable regulations regarding service quality, products and services, health, safety, and environment.
6. Avoid the practice of corruption, collusion and nepotism (KKN) in dealing with the Government and the Regulator.

2.7. Bank Ethics with Community

Bank is committed to making a positive contribution to economic development in a sustainable social responsibility

by focusing on balancing the economic, social and environment by carrying out several things, such as:

1. Development of social sector, ie activities that impact on improving the quality of life of the social, cultural, religious and social welfare, as well as:
 - a. Education, in the form of improved service, convenience, and education infrastructure.
 - b. Health, of which include improving the nutrition and health infrastructure.
 - c. Arts and Culture, arts and culture include the preservation and enhancement of arts and culture infrastructure
 - d. Sports, include improved performance and sports infrastructure.
 - e. Religious, include an increase in religious infrastructure.
2. Supporting efforts to conserve the environment, through activities that have an impact on increased environment comfort and sustainability, among others: environmental management, waste treatment, handling of degraded land, reforestation, land reclamation, water infrastructure and irrigation, air pollution control, water and soil, noise, water and sanitation, urban environment (drainage and flood management), as well as energy saving and the use of alternative energy.

3. Development of economic society through activities that impact on increasing job opportunities and business opportunities, income generation and poverty reduction in the community.
4. Other activities which are incidental, which includes activities to alleviate the burden on society as a result of natural disasters or certain economic conditions, such as aid for victims of earthquake or other natural disasters and help to alleviate the burden on society due to the rising prices of basic commodities.
5. Other provisions concerning bank ethics with community reference to the provisions stipulated by Corporate Secretary Division.

2.8. Bank Ethics With Mass Media

Bank treats mass media as partner and media in the promotion in order to build a good image, by:

1. Provide relevant and balanced information to the media, either general information, specifically, strategic or sensitive.
2. Bank appoint Spokesman to represent Bank in communicating with the media, namely:
 - a. President Director and Director
 - b. Corporate Secretary
 - c. Branch head

3. Means of Bank communication with mass media consists of press conferences, press releases, interview and media inquiry.
4. Receive and act on criticism construct delivered via mass media, but still consider risk and cost aspects.

2.9. Bank Ethics With Professional Organization

Bank fostering good cooperation relations with professional organization and regulation in order to share information, experiences and discuss business developments, as well as best solution in resolving problems of mutual interest, by:

1. Make an agreement concerning ethical standards that apply to fellow members of professional organization and regulation.
2. Uphold the attitude of partnership and equality to fellow member of professional organization and regulation.

CHAPTER III

CODE OF CONDUCT POLICY

3.1. Business Code of Conduct

Here's a partial list of conduct that are categorized Appropriate and Inappropriate. Appropriate conducts are conduct that shall be done by every Bank personnel in keeping with the principles of good corporate governance (GCG) and positive benefit to realize the vision and mission of the Bank. Inappropriate conduct shall not be done by every Bank

personnel. In the list of the following behaviors, there is a behavior that can not be included in the lists but is expected Bank personnel comprehend from these examples what kind of conduct is inappropriate.

APPROPRIATE	INAPPROPRIATE
<ul style="list-style-type: none"> • Build synergistic cooperation with all stakeholders. • Encourage productive collaboration to achieve the Bank's objectives. • Demonstrate high honesty and only do what is right • Be humble and mastered the manners but abstinance fact the dishonesty. • Ability to be a good listener and observer. • Ability to express opinion, present discourse and interaction with stakeholders effectively. • Understanding the exact boundaries of things that can be communicated and to 	<ul style="list-style-type: none"> • Cause difficulties cooperation with stakeholders in achieving the Bank's objectives. • Become a free rider in the team. • Support / does not care about lying around, maybe even take part in it. • It is dishonest, arrogant or abusive (utilizing the authority and position / responsibilities for the wrong purposes). • Does not respect the others rights or disregard social obligations so potentially damaging to the bank.

<p>whom it should be delivered so it does not convey anything secret.</p> <ul style="list-style-type: none"> • Excellent in choosing the communication means. • Keeping a schedule to communicate. • Declare a conflict of interests and behave according to the rules on conflicts of interest • Proficient in using information technology. • Understand the content of SOP and being concerned in overseeing the SOP implementation. • Engage in discussing the possibility of improving the workings to increase the competitiveness of the Bank. • Support for technological innovation and working methods to improve 	<ul style="list-style-type: none"> • Being silent or apathetic when it should dig customers interests, community, colleague or team. • Delivering the things that should be kept confidential or too talkative or too silent, causing "distrust" with all its inefficiency in and the damage to the Bank. • Choose to communicate orally when needed communication via text or vice versa. • Delaying communicate that decision too late or improperly. • Hiding the fact of conflict of interest. • Can not or careless in using technology to support their work.
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<p>accountability and efficiency.</p> <ul style="list-style-type: none"> • Assist in environmental sustainability. • Focus and careful in listening and understanding conveyed client / co-workers, subordinates and leaders. • Consider the interests of the public (customer service users and the surrounding communities and the environment). Because if the Bank supported activities that conflict with the interests of society and environment, the Bank could impact by the problem. • Trying to find a win win solution for Bank and customer. 	<ul style="list-style-type: none"> • Innovates for avoiding SOP or to injure evidence. • Conduct innovations that reduce Bank efficiency / competitiveness. • Perform the omission of the behaviors that have negative impact on environment. • Do not focus and careful in listening and understanding conveyed client / co-workers, subordinates and leaders. • Perform services benefit customers but potentially detrimental to the bank and the public. • Do not strive as a problem solver so that the results achieved away from environmental expectations. • More concerned on a particular party or
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<ul style="list-style-type: none"> • Understand identity, has the will power, be professional and competitive and has a high sense of responsibility in performing duties according to the Bank's objectives. • Be caring, open and honest about its performance and overall bank performance. • Basing the decision on the correct judgment. • Do not accept or give bribes and away from the influence of bribes and the like (in any form). • Actively strive to realize continuous improvement so that he even managed to give the best for bank services to the community • Be proactive and visionary and eager to bring the bank into a better position 	<ul style="list-style-type: none"> political party in the decision / activities. • Do not understand the responsibilities or avoid responsibility. • Not transparent or circumvent performance measurement so that the actual capabilities is unknown; • hide the weakness of the performance or the negative result of the works. • Only works when supervised or commanded or taught, being careless or lazy or fraudulently making bank harmed. • Engage or support the activities of bribery, etc. • Refuse the opportunity to develop themselves through training and
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	<p>assignments and new placements.</p> <ul style="list-style-type: none"> • Allowing Bank to weaken or lose the opportunity to grow or do not commit to performance targets that have been agreed
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3.2. Handling Conflict of Interest

In conducting business activities, which refers to the principles of good corporate governance (GCG), Bank shall be handling management of Conflict of Interest. Management of conflicts of interest and to create a working environment that always puts the interests of the Bank ahead of personal interests and to improve relationships with suppliers, customers, and other stakeholders.

3.2.1. Form of Relationship that Potential to Conflict of Interest

Conflicts of interest can occur because of the relationship in the form of family relations, property relations, financial relations, and relationship management between Bank Management and/or employees with shareholders, customers/debtors, vendors, partners

and/or other parties in the framework of the bank's business.

(1) Family Relationship

Family relationship until second degree either vertically or horizontally which include:

- a. Biological /step/adopted parents;
- b. Biological/step/adopted sibling together with their husband and wife;
- c. Biological /step/adopted children;
- d. Biological /step/adopted grandfather/grandmother;
- e. Biological /step/adopted Grandson;
- f. Biological /step/adopted sibling from parents together with their husband or wife;
- g. Husband and wife;
- h. In-laws;
- i. Relatives in-law;
- j. Husband/wife from biological /step/adopted children;
- k. Grandparents of husband or wife;
- l. Husband/wife from biological /step/adopted grandchildren
- m. Biological /step/adopted sibling from husband or wife and his/her wife or husband.

(2) Ownership Relations

Ownership is when Bank Management and/or Employees became a shareholder in other companies that have a relationship in the context of the bank's business to become the controlling shareholder and/or control the company.

(3) Financial Relationship

Financial relationship is when Bank Management and/or Employees receive income, financial assistance or loans from shareholders, customer/debtor, vendor, business partner and other parties in the framework of the bank's business.

(4) Management Relationship

Management relationship is when Bank Management and/or Employees served as Board or Executive Officers at other companies that have a relationship in the context of the bank's business.

3.2.2. Principles in Conflict of Interest Handling

In the event of any conflict of interest, Bank Management and Employees shall implement the following principles:

- a. Shall give priority to economic interests of the Bank and prevent the Bank from possible losses or the possible decreasing bank profits;
- b. Must disclose the conflict of interest conditions.
- c. The owner conflicts of interest shall not be involved in all phases/decision-making activities in question.

3.2.3. Creates Openness in Handling and Control of Conflict of Interest

- a. Bank Management and Employees shall be open on the work he/she does. This obligation is not merely limited to following the laws and regulations but also must adhere to the values of interest-free (disinterestedness), impartiality and integrity in accordance with the cultural values of the Bank BTN.
- b. Follow-up on complaints from public related to conflict of interest refers to the provision of Whistle Blowing System.
- c. Every Bank Management and Employees shall ensure consistency and transparency in the settlement process or the handling of the situation of conflict of interest in accordance with Bank provisions.
- d. Each semester, Division/Regional Office/Branch Office reported activity/transaction conflict of interest that occurs in their respective unit.

3.2.4. Efforts in Conflict of Interest Handling

Conflicts of interest handling include the following:

(1) Disclosure

In the case of Conflict of Interest can not be avoided, every Bank Management and employees have obligation to disclose it in writing. Each Conflict of Interest

disclosure process must be documented properly in accordance mechanisms.

Basic principles regarding the disclosure of Conflict of Interest are as follows:

- a. All business processes or decision-making still follow the laws and regulations, Regulator rules and regulations or internal regulations.
- b. The owner conflicts of interest shall not be involved in all phases/decision-making activities in question.
- c. Decision made through forum meeting as the provisions applicable to the minutes that include a minimum of the following matters:
 - Name of the parties having conflict of interest;
 - The main problems of conflict of interest;
 - Consideration decision.
- d. Notula in item (c) above shall be administered by parties who have authority to decide on conflict of interest in question.
- e. Leader (dhi. Head of the Division of Supervision/Branch Manager/Directors) must transfer the duties and responsibilities from the owner of a conflict of interest to the Director/Executive Officers/Employees who do not have a conflict of interest in accordance with the provisions of the Bank's internal regulations.

f. Decision and approval procedure of a conflict of interest that is held by Board of Directors, Executive Officers and/or the Bank employees described in more detail in the Directors Circular Letter.

(2) Through Whistleblowing System Facility

Bank Management and/or employees are aware of any indication of conflict of interest that was not processed in accordance with the provisions above shall be conveyed by Whistle Blowing System (WBS) facility.

Bank Management and/or Employees who proved deliberately do not report any conflict of interest situation that faced can be sanctioned in accordance with the Bank's internal regulations.

3.3. Gratuity control

3.3.1. The whole Bank Officials and Employees are prohibited to give or promise Gratuities either directly or indirectly considered giving bribes to government officials or States officer when it relates to the provision of office and contrary to his/her obligations or duties.

3.3.2. The whole Bank Officials and Employees are prohibited from receiving or requesting Gratification considered bribery, either directly or indirectly from any side in order to influence policy/decision/treatment Officers

and Employees of the Bank in accordance positions, authority and responsibilities.

3.3.3. The whole Bank Officials and Employees shall refuse Gratuity were considered bribes either received directly or indirectly.

3.3.4. Category and reporting procedures for gratuity shall be detailed in the Directors Circular Letters.

3.4. Political activity

3.4.1. Political Rights

Bank guarantee and respect the rights of Bank Management and employees to use their political rights in accordance with the legislation in force. Bank will not force/restrict the rights of Bank Management and employees as individuals to be able to channel their political aspirations.

3.4.2. Justification Activity

Bank Management and Employees can personally express their political aspirations freely without any pressure from any parties in accordance with the legislation in force.

3.4.3. Prohibited Activities

(1) Bank Management and Employees are forbidden to take charge of a political party and/or candidate/member legislative

- (2) Bank Management and Employees are forbidden to participate in the election campaign and/or be implementing the election campaign.
- (3) Bank Management and Employees are prohibited from providing donations and other aid in any form, including the use of facilities and infrastructure owned by the Bank's activities and legislative Presidential Election.
- (4) Based on the Law on Election of Members of DPR, DPD and DPRD, Bank Management and Employees who implementing a campaign can be subject to criminal sanctions and prison as stipulated in the applicable Law.

3.4.4. Resignation and dismissal from political activity

Bank Management and Employees who become Political Party Officer/and/or be a candidate/member of the legislature is required to resign and/or termination of the respective position and get right in accordance with the Bank's internal regulations.

CHAPTER IV

IMPLEMENTATION AND ENFORCEMENT

- 4.1. Handling for the breach of Code of Conduct made through an investigation based on the facts that can be accounted for. Sanction given to an employee who commits an offense based on the following considerations:

4.1.1. Judging from the result of the action, namely:

- (1) violates the laws and regulations;
- (2) cause damage to the Bank either financial and non-financial;
- (3) interfere with the smooth process or procedure of the Bank;
- (4) interfere with the safety and/or safety of employees and/or other individual;
- (5) defamed the employee and/or individual;
- (6) violates the principle of decency, honesty, fairness and/or violate other people's rights and dignity of individual.

4.1.2. Judging from the intent level and motive. This is done to determine the extent of wrongful acts committed intentionally or unintentionally and to consider the motives of action, both financial and non financial, including whether the employee has previously warned of such action.

4.2. All employees in any level, if it is clearly proved conduct violation to the provisions of the Code of Conduct will be penalized in accordance with the rules for disciplining employees governed by Human Capital Division.

ATTACHMENT :

STATEMENT OF BANK BTN PERSONNEL CONCERNING CODE OF CONDUCT

STATEMENT OF BANK BTN PERSONNEL CONCERNING CODE OF CONDUCT

(INTEGRITY PACT)

Hereby I named/NIP declares:

1. Knowing the GCG principles and willing to enforce it.
2. Committed to fully implement the Bank BTN Code of Conduct.
3. Willing to accept the consequences in accordance with the applicable rules and policies in BTN.

Thus the commitment I declare with full awareness and without coercion from anyone.

....., 20

(.....)