

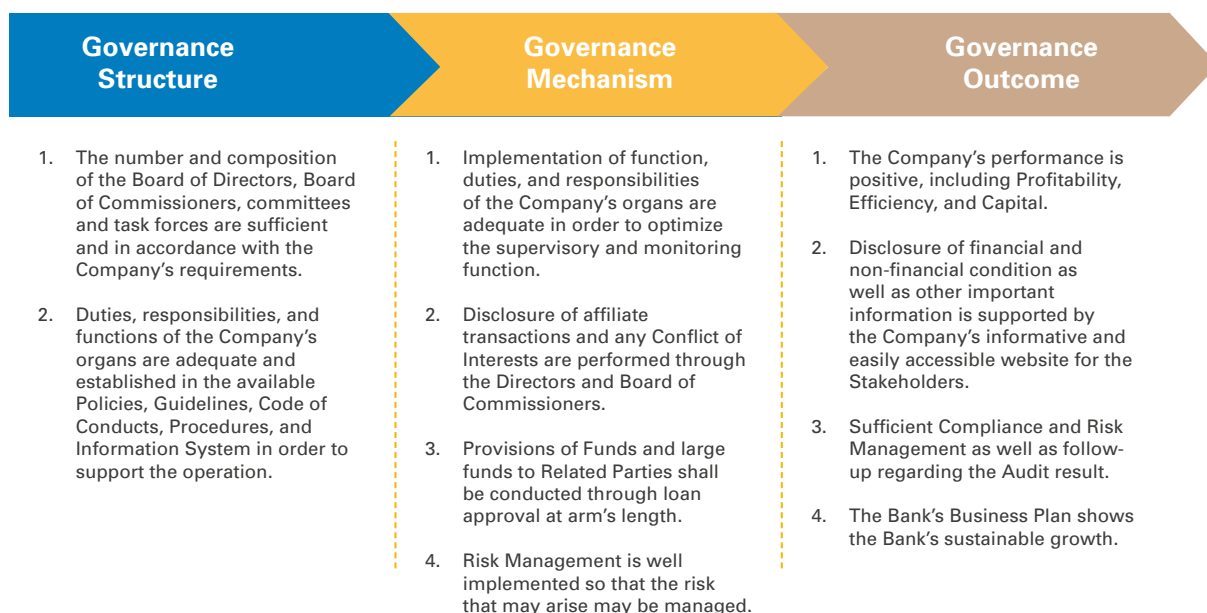
### GOVERNANCE POLICY AND INFRASTRUCTURE

The Governance mechanism is a set of rules designed to implement GCG, which governs the relationship between the organs inside the Company so that the duties, responsibilities, and authorities are clear and in accordance with all prevailing rules and regulations, GCG principles, healthy business ethics, and best practices. The Company implements the Governance Mechanism that is reflected through the main policies of GCG principles (soft structure of GCG). This mechanism shall be the living document for all and every part of organization of the Bank.

The design of the Company's Governance policy is an arrangement of policies as a basic framework for Governance through the formulation of policies and the Company's activities, which is as follows:

1. The GCG Guidelines adopted in the Regulation of the Board of Directors No. 11/PD/DIR/PPD/2018 concerning Guidelines for Good Corporate Governance;
2. The Board of Commissioners Work Guidelines and Rules adopted in the Joint Decree of the Board of Commissioners No. 01/KOM-BTN/2017 dated as a renewal of the Board Manual which became the guideline of the previous work guidelines;
3. The Board of Directors Charter and Rules of Conduct adopted in the Board of Directors Decree No. 07/DIR/KD/CMPD/2017 as a renewal of the Board Manual that has become the work guideline of the prior;
4. The working relationship of the Board of Directors and Board of Commissioners ratified through the Joint Decree of the Board of Commissioners No.02/DEKOM-BTN/2017 and Board of Directors No. 01/DIR-BTN/2017;
5. The Guidelines for Business Ethics and Behavior (Code of Conduct) ratified through the Board of Directors Regulation No. 16/PD/CMPD/2015;
6. Application of Gratification Control ratified through Circular Letter No. 68/DIR/CMPD/2017;
7. The Violation Reporting System Policy - SPP (Whistle-Blowing System - WBS) and Anti-Fraud System, which has been ratified through the Circular Letter of the Board of Directors SE No. 21/DIR/IAD/2014.

### Relationship between Structure, Mechanism, and Governance Results



### Governance Mechanism

The GCG mechanism is defined as a process of applying the fundamentals that are dependent on the adequacy of the Company's Governance Structure and its Infrastructure, to yield results to meet the expectations of stakeholders. The process of implementation is inherent within the Governance Structure of an organization, which includes the GMS, Board of Commissioners, Board of Directors, Committees under the Board of Commissioners, Committees under the Board of Directors, Corporate Secretary, Compliance Function, Internal Audit Function, External Audit Function and Risk Management Function.