

No.	Recommendation	Status	Bank BTN Compliance
19.	The Public Company has in place an Anti-Corruption and Anti-Fraud policy.	Complied	The Company's Fraud Prevention System has been regulated on the basis of the Board of Directors' Circular Number 22/DIR/IAD/2014 concerning the Company's Standard Operating Procedure regarding its Anti-Fraud Strategy. As a guideline in Gratification Control and as an initiative of the national Anti-Corruption Program, the Company has issued guidelines related to Gratification Control implementation based on the Board of Directors' Circular Number 68/DIR/CMPD/2017.
20.	The Public Company has a policy in place regarding the selection and improvement of suppliers or vendor ability.	Complied	<p>The Company has policies in place regarding vendor management as stipulated in the Regulation of the Board of Directors Number 13/PD/ PGSD/2015 and Circular of the Board of Directors No. 47/DIR/PGSD/2015. Broadly speaking, the scope of this policy includes in the vendor selection criteria, transparent procurement mechanisms, vendor performance evaluation, and vendor track records.</p> <p>Enhancing suppliers or vendors ability is performed through providing guidance to vendors by means of co-ordination meetings, monitoring and a vendor performance assessment.</p> <p>The implementation of vendor selection policies is implemented based on the Bank's Preferred List of Vendors, which can be utilized as a vendor database for direct vendor appointment. The Board of Directors' Regulations and Circular above also regulates a Transparent Standard Operating Procedure (SOP) regarding procurement through tender/direct appointment methods and provisions regarding work contracts with vendors. Through enforcing this policy, the continuity of supply required by the Company can be better guaranteed.</p>
21.	The Public Company has a policy on fulfilling the rights of creditors.	Complied	<p>The policy regarding fulfilling creditor rights is utilized as a guideline for providing loans to creditors. The purpose of the policy is to maintain the fulfillment of creditor rights and to maintain creditor trust in the Public Company. The policy includes consideration for making agreements, and follow-up procedures in fulfilling the obligations of the Public Company to creditors. The creditors' basic rights policies include:</p> <ol style="list-style-type: none"> 1. To receive the repayment of Principal and Interest payments at the agreed time. 2. To secure the rights to any penalties regarding the repayment of Principal and Interest payments. 3. To request for explanation, information, documents and inspect the Company's books. <p>In 2020, there were two forms of Company creditors: Bilateral Loan Lender and Lender of Bonds.</p>
22.	The Public Company has a Whistle-Blowing System policy.	Complied	The Company has a Whistle-Blowing System policy, which is regulated in Circular Letter Number 21/DIR/IAD/2014 regarding Bank BTN's Standard Operating Procedure regarding the Whistle-Blowing System, which includes types of violations that can be reported through the Whistle-Blowing system, methods of filing complaints, protection of and guaranteeing reporters' confidentiality, complaint handling, parties managing complaints, and the results of handling and the follow-up of complaints in accordance with FSA regulations. Disclosure of the 2020 Whistle-Blowing System policy is outlined in the Whistle Blowing System section of this Annual Report.
23.	The Public Company has a policy for awarding long-term incentives to the Board of Directors and employees.	Complied	<p>Long-term incentives for the Board of Directors and the Board of Commissioners are regulated under the Board of Directors Regulation No.02/PD/HCD/2017 regarding the Income of the Board of Directors and Board of Commissioners and Board of Directors' Circular Letter Number 57/DIR/HCD/2016 concerning the Implementation of Governance for Remuneration, as disclosed in the section regarding the Implementation of Corporate Governance for Remuneration of the Company in this Annual Report.</p> <p>The Board of Directors regulation includes deferred variable-based remuneration and Risk Taker Materials as the Ministry of State-Owned Enterprises Regulation Number PER 04/MBU/2014 concerning Guidelines for Determining Remuneration for the Board of Directors, Board of Commissioners and Supervisory Board of State-Owned Enterprises and Financial Supervisory Authority Number 45 /POJK.03/2015 concerning the Implementation of Governance and Provision of Remuneration for Commercial Banks.</p> <p>Since 2009, the Company has implemented long-term incentives in the form of MESOP for the Board of Directors and Employees as outlined in the Share Option section of this Annual Report. In 2020, the Company implemented Performance and Risk-Based Remuneration.</p>