

THE BOARD OF DIRECTORS CHARTER

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CONTENTS

1.0	BACKGROUND	3
2.0.	PURPOSE	3
3.0	DEFINITION	3
4.0	COMPOSITION, CRITERIA AND TERMS OF OFFICE	4
5.0	DUTIES, RESPONSIBILITIES, AND AUTHORITIES	8
6.0	VALUES AND WORK ETHICS	11
7.0	WORKING TIME	13
8.0	MEETING	13
9.0.	RESPONSIBILITY	15
10.0.	MAIN ENTITY	15
11.0.	CLOSING	18
12.0.	RELATED POLICIES	18
13.0	EFFECTIVE DATE AND NEXT REVIEW	19
APPENDIX – LEGAL STANDING		

1.0 BACKGROUND

- 1.1. In order to improve the performance of the Bank, protecting the interests of stakeholders, and improve compliance with prevailing laws and regulations, and ethical values generally accepted in the banking industry, required the implementation of good corporate governance. In practice, PT Bank OCBC NISP Tbk. (hereinafter referred to as the "Bank") based on Financial Services Authority's Regulation concerning Implementation of Good Corporate Governance for Commercial Bank (herein after referred to as POJK GCG), Financial Services Authority's Circular Letter concerning Implementation of Good Corporate Governance for Commercial Banks (hereinafter referred to as SEOJK GCG), and others terms and prevailing laws related to Good Corporate Governance implementation which is based on five principles: transparency, accountability, responsibility, independency, and fairness.
- 1.2. The Board of Directors plays a very important role in creating and implementing good corporate governance at all level or all organization level of the Bank.
- 1.3. Based on POJK GCG and POJK concerning BOD and BOC of Issuer or Public Company, BOD shall assemble guidelines and work rules that are binding upon every member of the Board of Directors.
- 1.4. In order to implement integrated governance and integrated risk management based on the Financial Services Authority's Regulation, the Bank has been appointed as the Main Entity in the financial conglomerate of OCBC in Indonesia (hereinafter referred to as "the Main Entity"), together with PT OCBC Securities Indonesia and PT Great Eastern Life Indonesia, and PT Great Eastern General Insurance Indonesia as its sister company.

2.0 PURPOSE

This Board of Directors Charter is intended to:

- 2.1. Provide scope and commitment on duty and responsibility as well as authority of the Board of Directors members.
- 2.2. Accommodate the regulations of Bank Indonesia/Financial Services Authority/Indonesia Stock Exchange related to Directors which have not been covered in the Bank's Articles of Association.
- 2.3. Confirm the agreement which has been performed by members of the Board of Directors, such as meeting procedures.

3.0. DEFINITION

- 3.1. **Financial Conglomerate** is a group of Financial Services Institution (FSI) associated by ownership and/or control of management.
- 3.2. **Main Entity** Financial Service Institution appointed by controlling shareholder of Financial Conglomerate.
- 3.3. **Integrated Capital Management** is a continuous process to maintain capital at an adequate level in order to support the business plan of Financial Conglomerate as well as to anticipate the potential losses caused by the activities of Financial Conglomerate.

- 3.4. **Integrated Risk Management** is a set of methodology and procedure used to identify, measure, monitor, and control the risks arising from all business activities of the FSI incorporated in Financial Conglomerate.
- 3.5. **Good corporate governance** is a Bank management procedure that applies the principles of transparency, accountability, responsibility, independence, and fairness.
- 3.6. **Integrated Corporate Governance** is governance that applies the principles of transparency, accountability, responsibility, independence or professionalism, and fairness in an integrated manner in the Financial Conglomerate.
- 3.7. **Independent Party** is a party outside the Bank who has no financial relationship, stewardship, share ownership and/or family relationships with members of the Board of Directors, members of the Board of Commissioners and/or controlling shareholder, or relationship with the Bank that may affect the ability to act independently.
- 3.8. **The General Meeting of Shareholders**, hereinafter referred to as GMS, is the organ of Issuers or Public Companies which has authority not granted to the Board of Directors or Board of Commissioners as stipulated in the Law on Limited Liability Companies and / or Articles of Association.

4.0. COMPOSITION, CRITERIA AND TERM OF OFFICE

COMPOSITION

- 4.1. The Board of Directors shall at least consist of 3 (three) members, with the following composition: 1 (one) President Director; 2 (two) or more Directors. One or more of them may be appointed as Deputy President Director (s).
- 4.2. 1 (one) member of the Board of Directors shall be appointed as the President Director.
- 4.3. A member of the Board of Directors appointed as Director in charge of the compliance function (Director of Compliance).
- 4.4. Majority of members of the Board of Directors must be Indonesian citizen (more than 50% total member of the Board of Directors).
- 4.5. All members of the Board of Directors must be domiciled in Indonesia.

CRITERIA

- 4.6. 1. The one who may be appointed as member of the Board of Directors is an individuals who meets the requirements upon appointment and during his/her tenure:
 - a. has good character, moral, and good integrity;
 - b. Is capable of performing legal actions;
 - c. in the 5 (five) years prior to his/her appointment:
 - i. has not been declared bankrupt;
 - ii. has not been a member of the Board of Directors or the Board of Commissioners declared to be at fault in causing a company to be declared bankrupt;
 - iii. has not been sentenced for crimes which caused losses to the state and/or were related to the financial sector;

- iv. has never been a member of the Board of Directors and/or Board of Commissioners during his/her tenure:
 - not held the Annual General Meeting of Shareholders (AGMS);
 - his/her accountability as member of the Board of Directors and/or Board of Commissioners ever not accepted by the GMS or not deliver the accountability as a member of the Board of Directors or member of the Board of Commissioners to the GMS; and
 - ever cause the company that obtain a license, permission or registration from the Financial Services Authority does not fulfill the obligation to submit an annual report and / or financial reports to the Financial Services Authority.
 - d. has a commitment to comply with laws and regulations; and
 - e. has the capability and / or expertise required by the Bank
2. Each member of the Board of Directors shall submit a statement letter regarding his/her compliance with the requirements as referred above to the Bank to be checked and documented by the Bank.
 3. Member of the Board of Directors who in his/her tenure no longer meets the requirements as a member of the Board of Directors as referred stated at point (1) and (2) above, shall be replaced based on GMS.
- 4.7. The majority of the Board of Directors members shall have at least 5 (five) years experience in operation as Bank's Executive Officers.
- 4.8. The Board of Directors must have an adequate understanding of the Money Laundering and/or Terrorism Funding risks inherent in all Bank operational activities, so that the Board of Directors is capable to manage and mitigate the Money Laundering and/or Terrorism Funding risks arising in accordance with the Bank's risk profile.
- 4.9. Each proposal of appointment, dismissal, and/or replacement of members of the Board of Directors by the Board of Commissioners to the GMS shall consider the recommendation of Remuneration and Nomination Committee.
- 4.10. Each member of the Board of Directors must fulfill the requirements of the Fit and Proper Test pursuant to Financial Services Authority (OJK) regulation concerning the Fit and Proper Test.
- 4.11. The appointment of Director of Sharia Business Unit (hereinafter referred to as SBU).
1. Director of Sharia Business Unit can come from:
 - 1) One of member of the Board of Directors, which is assigned to hold concurrent positions as Director of the SBU;
 - 2) Candidate member of the Board of Directors, which will be assigned to hold concurrent positions as Director of the SBU;
 - 3) Candidate member of the Board of Directors that has been assigned as Director of SBU since the beginning with the authority and responsibility only to manage the SBU's activities.

2. Director of SBU could hold concurrent position of the Bank in so far as they do not cause conflict of interest.
3. Director of Sharia Business Unit shall have the competency and commitment in the development of Sharia Business Unit.
4. Director of Sharia Business Unit must follow interview process with Indonesia Financial Services Authority.
5. In terms candidate of Director of Sharia Business Unit derived from one of the members of the Board of Directors of Conventional Commercial Bank, then:
 - i. The Sharia Business Director shall be appointed by the GMS, or
 - ii. Decree of the Board of Commissioners that approves his/her appointment as Director of Sharia Business Unit.
6. His/her appointment shall be effective after receiving written approval from Financial Services Authority and/or other regulators based on prevailing laws and regulations.
7. In the case of Director of Sharia Business Unit is judged as less competent and lack of commitment in the development of Sharia Business Unit, then such appointment shall be reassessed.

TERM OF OFFICE

- 4.12. Members of the Board of Directors shall be appointed and dismissed by GMS. The appointment shall be effective as of the date specified by the GMS and will end at the closing of the 3rd (third) Annual GMS after the appointment date. The appointment will be effective after obtaining written approval from Financial Services Authority (OJK) and/or other regulators based on prevailing laws and regulations.
- 4.13. A member of Board of Directors whose term of office has ended is able to be re-appointed by taking into account the provisions of point 4.12 above.
- 4.14. One or more of the The Board of Directors member may be temporarily dismissed by the Board of Commissioners by mentioning the reason(s) and such dismissal shall be disclosed in written to the mentioned BOD member. In terms of this dismissal, Board of Commissioners shall conduct GMS to revoke or reinforce the decision on the temporary dismissal. Such dismissal shall be effective as of the closing of the meeting authorizing the dismissal, unless specified otherwise by the GMS and/or by the prevailing regulations.
- 4.15. In the event that member of the Board of Directors is temporary dismissed by the Board of Commissioners, the Board of Commissioners must conduct the GMS within a maximum period of 90 (ninety) days after the date of temporary dismissal. With the lapse of time organizing this GMS or GMS can not take a decision, the temporary dismissal is void.
- 4.16. In the GMS as referred to in point 4.15., member of the Board of Directors concerned is given the opportunity to defend themselves.
- 4.17. Member of the Board of Directors who is temporary dismissed, is not authorized:
 - a. to run the management of the Bank for the interest of the Bank in accordance with Bank's purposes and objectives; and

- b. To represent the Bank in and out of court.
- 4.18. Restrictions on the authority as referred to in point 4.17. will be effective since the date of decision of the temporary dismissal by the Board of Commissioners, until:
- a. There is a GMS decision that reinforces or cancels the temporary dismissal as referred to point 4.15.; or
 - b. Elapse of the period as referred to point 4.15.
- 4.19. The Banks shall disclose information to the public and submit it to OJK, regarding:
- a. the decision of temporary dismissal; and
 - b. the results of the GMS as referred to in point 4.15. or information regarding the cancellation of the temporary dismissal by the Board of Commissioners for not implementing the GMS due to the elapse of the period as referred in point 4.15 above;
- no later than 2 (two) business days after the occurrence of the event.
- 4.20. In the event that a member of the Board of Directors requests to resign from his/her post, the Bank is required to hold the GMS to decide on the resignation request of members of the Board of Directors at the latest 90 (ninety) days after receiving the resignation letter. Before the resignation becomes effective, the relevant member of the Board of Directors shall be accountable to complete his/her duties and responsibilities in accordance with the Articles of Association and the prevailing laws and regulations.
- 4.21. The Bank is required to disclose information to the public and submit it to the Financial Services Authority, regarding:
- a. Acceptance of the resignation of Director as described in point 4.20. above;
 - b. The results of the GMS as referred to in point 4.20. above;
- no later than two (2) business days after the occurrence of the event.
- 4.22. Member of the Board of Directors who resigned shall be released from his/her responsibilities after obtaining the liability discharge from the GMS.
- 4.23. In the case of resignation of the member of the Board of Directors resulting in the number of the members of the Board of Directors to be less than 3 (three) persons, the resignation is valid if it has been determined by the GMS and a new member of the Board of Directors has been appointed so minimum number of members of the Board of Directors requirements is met. Provisions concerning that resignation are based on the prevailing regulations.
- 4.24. The term of office of a member of the Board of Directors shall end if the member of the Board of Directors:
- a. is declared as bankrupt or is subject to receivership on the basis of a court decision; or
 - b. no longer meets the qualifications as required by the prevailing laws and regulations;
 - c. is passed away; or
 - d. is dismissed on the basis of a resolution of the GMS.

5.0. DUTIES, RESPONSIBILITIES AND AUTHORITIES

- 5.1. The Board of Directors shall be fully responsible for performing its duties for the best interest of the Bank to achieve the purposes and objectives as stipulated in the Article of Association. In carrying out the duties and responsibilities, the Board of Directors shall hold annual GMS and other GMS as stipulated by the Bank's Articles of Association and prevailing laws and regulations.
- 5.2. The Board of Directors shall manage the Bank in accordance with the authority, duties and responsibilities as provided in the Articles of Association, this Charter and the prevailing laws and regulations, which are included but not limited to the Company Law, Banking Law, Bank Indonesia's Regulation, Otoritas Jasa Keuangan's Regulations, Deposit Insurance Agency, Capital Market regulations, Indonesian Stock Exchange's Regulations.
- 5.3. The Board of Directors must implement Good Corporate Governance principles in each of the bank's business activities at all levels or all organization levels of the Bank.
- 5.4. The Board of Directors authorized to represent the Bank both inside and outside the court. 2 (two) members of the Board of Directors jointly are entitled and authorized to act for and on behalf of the Board of Directors and represent the Company.
- 5.5. In order to improve the competency and support the implementation of its duties and responsibilities, members of the Board of Directors are required to participate in education or training in accordance with the Bank's need.
- 5.6.
 - a. Each member of the Board of Directors shall be fully personally liable for the Bank's losses due to the Director concerned fault or negligent in carrying out his/her duties .
 - b. Members of the Board of Directors cannot be held liable for the losses contemplated in point 5.6.a. above, if they can prove that:
 - (1) the losses were not due to their fault or negligence;
 - (2) they carried out the management in good faith and with prudence in the interests of and in accordance with the purpose and objectives of the Company;
 - (3) they do not have a direct or indirect conflict of interest in the action of management that caused the losses; and
 - (4) they took action to prevent the losses from arising or continuing.
- 5.7. The Board of Directors is authorized to run the management of the Bank in accordance with the policies that are deemed appropriate, in accordance with the purposes and goals set forth in the Articles of Association.
- 5.8. Member of the Board of Directors is not authorized to represent the Bank if:
 - a. There is a case in court between the Bank and the member of the Board of Directors concerned; and
 - b. The member of the Board of Directors concerned has an interest that conflicts with the interests of the Bank
- 5.9. In the event that there is a condition as referred to in point 5.8 above, those entitled

- to represent the Bank are:
- a. Other members of the Board of Directors who do not have a conflict of interest with the Bank;
 - b. The Board of Commissioners in the event that all members of the Board of Directors have a conflict of interest with the Bank; or
 - c. Other parties appointed by the GMS if all members of the Board of Directors or the Board of Commissioners have a conflict of interest with the Bank.
- 5.10. Members of the Board of Directors attend all Board of Directors meetings and all relevant working unit meetings.
- 5.11. To implement the principles of good corporate governance in each of Bank's business activities at all levels of the organization of the Bank, the Board of Directors shall establish at least:
- a. Internal Audit Unit;
 - b. Risk Management Unit and Risk Management Committee;
 - c. Compliance Unit.
- 5.12. The Board of Directors must follow up the audit findings and recommendations of the Bank's Internal Audit Unit, External Auditors, and result of Bank Indonesia or OJK supervisory and/or result of other authority' supervisory.
- 5.13. The Board of Directors can form committees to support its effectiveness in implementing the duties and responsibilities and shall evaluate the performance of the committees at the end of each financial year.
- 5.14. The Board of Directors must state to employees about strategic bank policies related to the human capital matters in accordance with the prevailing regulations.
- 5.15. The Board of Director must provide accurate, relevant data and information in a timely manner to the Board of Commissioners, among others including but not limited to:
- a. The bank's business plan;
 - b. Monthly reports in the form of the Financial Highlights;
 - c. Report, immediately upon discover, regarding violations of laws and regulations, fraud and irregularities, and other conditions and is expected conditions can jeopardize the Bank's business.
- 5.16. The Board of Directors shall prepare a sustainable financial action plan to be approved by the Board of Commissioners.
- 5.17. As a Systemic Bank, the Board of Directors shall:
- a. prepare a realistic and comprehensive Recovery Plan;
 - b. present Recovery Plan to shareholders at the GMS for approval;
 - c. conduct regular evaluation and test (stress testing) Recovery Plan.
- 5.18. The Board of Directors shall implement the Bank Business Plan, sustainable financial action, and recovery plan effectively and communicate such plans to:
- a. Shareholder, and
 - b. All level at the organization.

- 5.19 The Board of Directors must prepare a work guideline and procedure which binds every member of the Board of Directors, which consists of:
- Work ethics
 - Work time
 - Meeting schedule
- 5.20 The distribution of duties and authorities among members of the Board of Directors shall be determined by a GMS, but such authorities may be delegated by a GMS to Board of Commissioners. In terms of the GMS as referred to in this paragraph is not set, then the roles and responsibilities of each member of the Board of Directors will be determined by the Board of Directors' decision.
- 5.21 To carry out its responsibility for the continuity of the Bank's business, the Board of Directors is responsible for maintaining and monitoring the Bank's Soundness Rating and taking necessary steps to maintain and/or improve the Bank's soundness by applying prudential principles and risk management.
- 5.22 The Board of Directors as the management of the Bank shall establish the Wage Structure and Scale for the Bank's employees according to the prevailing regulations.
- 5.23 The Board of Directors must foster and realize the implementation of Compliance Culture at all levels of the Bank's organization and business activities and ensure the implementation of the Bank's Compliance Function.
- 5.24 The Board of Directors shall conduct active supervision in implementing the AML-CFT program in line with the AML-CFT Policy.
- 5.25 Member of the Board of Directors in charge of Sharia Business Unit besides having duties, responsibilities and authorities as stipulated in the Articles of Association of the Bank and point 5.1. until 5.19 above, also has the authority to take full responsibility for the management of activities based on sharia principles and the prudential principle, as well as the duties and responsibilities as follows:
- The Sharia Business Unit Director is fully responsible for the management of business activities based on Sharia principles and the prudential principle.
 - The Sharia Business Unit Director shall follow up the recommendations of the Sharia Supervisory Board.
 - The Sharia Business Unit Director shall provide data and information related to the fulfillment of accurate, relevant and timely manner of the Islamic principle to the Sharia Supervisory Board.
 - The Sharia Business Unit Director shall follow up the audit findings and recommendations of the Internal Audit Unit of the Bank, External Auditor, results of *Bank Indonesia*/Indonesia Financial Services Authority (*OJK*)' supervision and/or the results of other authorities' supervision in relation to the management of business based on Sharia principles.
 - In relation to the implementation of risk management, the Sharia Business Unit Director's authority and responsibility shall at least include:
 - formulating policies and strategies for risk management in writing and comprehensive.

- 2) responsibility to the implementation of risk management policies and risk exposure taken by the Bank as a whole;
- 3) Evaluating and deciding which transactions require approval from the Board of Directors;
- 4) Developing risk management culture at all levels of the Sharia Business Unit's organization;
- 5) Ensuring the enhancement of human resources competency which is related to the risk management;
- 6) Ensuring that the risk management function has operated independently;
- 7) Conducting regular review to ensure:
 - a) The accuracy of risk assessment methodologies;
 - b) Adequacy of risk management information system implementation; and
 - c) Accuracy of policies, procedures and risk limits.

6.0. VALUES AND WORK ETHICS

- 6.1. The President Director or Chief Executive Officer must be a party who is independent from the Controlling Shareholders.
- 6.2. The Board of Directors and the Board of Commissioners shall draw up a code of ethic that apply to all members of the Board of Directors, the Board of Commissioners, employee/employees and supporting organ owned by the Bank who work at the Bank and fully published it in the Bank's website.
- 6.3. Each member of the Board of Directors shall comply with the code of ethics of the Bank, perform his/her duties in good faith, with full responsibility and prudence with due observance to the prevailing laws and regulations, including the implementation of good corporate governance and Bank's Articles of Association.
- 6.4. Each member of the Board of Directors is prohibited from holding another position as a member of the Board of Commissioners, the Board of Directors or Executive Officer at a bank, company and /or other institution.
- 6.5. It shall not be considered as holding concurrent position as referred to in point 6.4. if the member of the Board of Directors responsible for the supervision at the non financial institution/company performs the functional duty as a member of the Board of Commissioners at the non financial institution/company controlled by Bank, insofar that he/she does not forsake the implementation and responsibilities as a member of the Board of Directors of the Bank.
- 6.6. Each member of the Board of Directors both individually or jointly is prohibited from owning shares of more than 25% (twenty five percent) from the paid in capital of another company.
- 6.7. Members of the Board of Directors must disclose:

- a. share ownership of 5% (five percent) or more at the bank and other banks and companies domiciled domestically and abroad;
 - b. financial relationship and family relationship with members of the Board of Commissioners, other members of the Board of Directors and/or Bank Shareholders,
 - c. remuneration and facilities received,
- in the Good Corporate Governance implementation report based on prevailing regulations.
- 6.8 Members of the Board of Directors shall report to the Financial Services Authority and to the Bank of their ownership and any change and ownership of the Bank's shares either directly or indirectly, as per the prevailing regulation.
- 6.9. Members of the Board of Directors are prohibited from extending a general power of attorney to other parties which will result in transfer of the tasks and functions of the Board of Directors.
- 6.10. Without affecting its responsibility, the Board of Directors shall be entitled to appoint one or more persons as representatives or proxies by conferring upon him/them such authority as contained in a power of attorney. The power of attorney gives authority for the persons to exercise certain acts with restriction in the scope (specific authority) and time.
- 6.11. Members of the Board of Directors are prohibited from using the Bank for their personal interests, families, and/or other party's interests which may reduce the Bank's profit.
- 6.12. Members of the Board of Directors are prohibited from taking and/or receiving a personal gain from the Bank other than remuneration and other facilities as stipulated in the GMS.
- 6.13. Member of the Board of Directors shall maintain confidentiality of the Board of Directors discussions and decisions and the information obtained in the meeting.
- 6.14. The Board of Directors is prohibited from having an individual advisor and/or professional service as a consultant unless if the following requirements are met:
- a. a project with special characteristics;
 - b. based on a clear contract covering at least work scope, responsibilities, work period and fee involved;
 - c. the consultant shall be an independent party having a qualification to work on a project with special characteristics as referred to in letter a.
- 6.15. Each member of the Board of Directors is prohibited from directly or indirectly make untrue statements of material facts concerning or not to disclose material facts so the statements of the Bank's situation that occurs when the statements are made, are not misleading.

- 6.16. In the event that the Bank has conflict of interest with the personal interests of a member of the Board of Directors, the parties who are authorize to represent the Bank refer to the provisions of Article 16 paragraph (9) of the Articles of Association of the Bank.
- 6.17. In the event of a conflict of interest between the Bank and members of the Board of Directors, the members of Board of Directors are prohibited from taking actions that may cause a loss to the Bank or reduce the profit of the Bank and shall disclose the conflicts of interest in each decisions. Disclosure of conflicts of interest shall be recorded in the minutes of meetings, which at least include the name of the party who has a conflict of interest, the main problem of conflict of interest and decision-making consideration.
- 6.18 The majority of the members of the Board of Directors are prohibited of having a family relationship up to the second degree with other members of the Board of Directors and/or with members of the Board of Commissioners.
- 6.19 In the implementation of share buyback of the Bank, the Board of Directors is prohibited from conducting transactions on the Bank's shares at the same day/period as the share buyback or selling of shares resulting from repurchase is done by the Bank through the Stock Exchange.

7.0. WORKING TIME

The Board of Directors must provide sufficient time to carry out their duties and responsibilities optimally based on Bank's business days.

8.0. MEETING

- 8.1. The Board of Directors meeting must hold on a regular basis, at least once a month.
- 8.2. The Board of Directors meeting can be held if attended or represented by a majority of all member of the Board of Directors.
- 8.3. The Board of Directors must held a meeting with the Board of Commissioners on a regular basis, at least once in four (4) months.
- 8.4. In addition to the meeting referred to in point 8.1 and point 8.3 above, the Meeting of the Board of Directors may also be held if deemed necessary by one of the member of Board of Directors or based on a written request from one or more members of the Board of Commissioners or based on the request of one (1) or more shareholders who jointly represent 1/10 (one-tenth) of the total shares issued by the Company with valid voting rights or other regulated in the regulation and mechanisms that apply in the Bank.
- 8.5. The Board of Directors must schedule the meeting as stated on point 8.1 and point 8.3 above for the following year before the end of the financial year. Schedule (determination of date) of the meetings for one (1) year must be received by all members of the Board of Directors not later than early January.
- 8.6. The calling of the meeting and its procedures, as well as the venue for the meeting of the Board of Directors refers to the provisions of the Articles of Association of the Bank.

- 8.7. At that meeting that has been scheduled as referred to in point 8.5., the meeting material conveyed to the participants of the meeting at least no later than five (5) days before the meeting is held.
- 8.8. In the event of a meeting held outside of the schedule that has been prepared as described in paragraph 8.5., the material must be delivered to the participants of the meeting at the latest before the meeting is held.
- 8.9. The Board of Directors meeting is chaired by the President Director. In case of the President Director is absent, where it is not necessary to prove to the third party, then one of member of the Board of Directors who attends that meeting can be appointed to chair the meeting.
- 8.10. The Board of Directors meeting shall be lawful and entitled to adopt resolutions if more than $\frac{1}{2}$ (one half) of the total members of the Board of Directors present or represented at the Meeting.
- 8.11. Decision making in the Board of Directors meeting shall be adopted on the basis of deliberation to reach a consensus. In the event of resolutions on the basis of deliberation to reach a consensus can not be achieved, then the decisions will be taken by voting with number of votes at least more than $\frac{1}{2}$ (one half) of the total votes cast at the meeting.
- 8.12. If the amount of "agree" votes is balance with the amount of "not agree" votes, then the proposal will be rejected.
- 8.13. Every policy and strategic decisions must be decided at the Board of Directors meeting with respect to the provisions set forth in Article 20 of The Financial Services Authority No. 55/POJK.03/2016 concerning the Implementation of Good Corporate Governance for Commercial Bank.
- 8.14. Further procedure of the Board of Directors' meeting will be referred to the Bank's Article of Association.
- 8.15. All decisions taken by the Board of Directors in accordance with the charter rules, as well as Article of Association will be binding, and will be the responsibility of all members of the Board of Directors.
- 8.16. The results of Board of Directors' meeting shall be set out in the minutes of the meeting, signed by the members of the Board of Directors who were present, and submitted to all members of the Board of Directors.
- 8.17. The results of Board of Directors' meeting and the Board of Commissioners shall be set out in the minutes of the meeting, signed by the members of the Board of Directors and members of the Board of Commissioners who were present, and submitted to all members of the Board of Directors and the Board of Commissioners.
- 8.18. Dissenting opinions (and the reasons) that occur in the Board of Directors meeting as referred to in Item 8.16 and 8.17 must be clearly stated in the minutes of meeting.
- 8.19. In the event of members of the Board of Directors and / or members of the Board of Commissioners who do not sign the results of the meeting referred to in point 10.16 and point 10.17 above, that members of the Board of Directors and / or members of the Board of Commissioners shall specify the reasons in writing in a separate letter attached to the minutes of meetings.

- 8.20. The minutes of the Board of Directors' meetings, and minutes of the Board of Directors' meeting together with the Board of Commissioners shall be documented by the Bank.
- 8.21. The presence of members of the Board of Directors in the meeting of the Board of Directors and in the meeting of the Board of Directors with the Board of Commissioners must be disclosed in the Bank's annual report.

9.0. RESPONSIBILITY

The Board of Directors must state the responsibility on performing its duties to the Shareholders through the GMS.

10.0. MAIN ENTITY

- 10.1. In order to implement an integrated governance and integrated risk management, the Board of Directors Main Entity must:
1. Meets the requirements of integrity, competency and financial reputation and has obtained the approval of the Financial Services Authority.
 2. Having knowledge about the Main Entity, among others, an understanding of major business and a major risk of financial services institutions in the financial conglomerate.
 3. Have an adequate understanding of the inherent risks in all business activities in the financial conglomerate and is able to take the necessary action in accordance with the risk profile of the financial conglomerate.
- 10.2. With regard to the implementation of the integrated governance, the Board of Directors Main Entity, shall:
1. Ensure the implementation of integrated governance in financial conglomerates, with at least:
 - a. Develop Integrated Governance Guidelines;
 - b. Direct, monitor and evaluate the implementation of Integrated Governance Guidelines, and
 - c. Following up on referrals or advice of the Board of Commissioner of Main Entity in order to improve the Integrated Governance.
 2. Ensure that audit findings and recommendations of the integrated internal audit working unit, external auditor, the results of the Financial Services Authority and/or other authorities' supervision have been followed up by financial services institutions in the financial conglomerate.
 3. Prepare and submit reports on the implementation of duties and responsibilities of the Integrated compliance to the Board of Directors and Board of Commissioners of Main Entity.
- 10.3. The Compliance Director of Main Entity or Director who is appointed by the Director of the Main Entity to perform oversight of the financial services institutions in the financial conglomerate shall prepare and submit reports on the implementation of duties and responsibilities of the integrated compliance to the Board of Directors and the Board of Commissioners of Main Entity.

- 10.4 In order to ensure the implementation of the integrated risk management, the Board of Directors of Main Entity shall have the authority and responsible for ensuring the implementation of the integrated risk management in accordance with the characteristics and complexity of the financial conglomerate, with ensure the implementation of risk management in each of the financial services institutions in the financial conglomerate.
- 10.5 The authorities and responsibilities of the Board of Directors of Main Entity in ensuring the implementation of integrated risk management include at least:
1. establishing an integrated risk management policy in writing and comprehensively in accordance with the provisions of the Financial Services Authority regulations, by taking into account the level of risk to be taken (risk appetite) and risk tolerance. After getting approval of the Board of Commissioners of Main Entity, the Board of Directors of Main Entity is establishing the integrated risk management policy as mentioned;
 2. evaluating and/or update the strategy and risk framework as part of the integrated risk management policy at least 1 (one) time in 1 (one) year or at any time in the event of changes in the factors affecting the business activities of financial conglomerates significantly as a result of changes in external and internal conditions that have an impact on capital adequacy, risk profile and ineffective implementation of integrated risk management;
 3. Taking the necessary action in accordance with the level of the financial conglomerate's risk profile, such as by providing recommendations or proposals related to the implementation of risk management to financial services institutions in financial conglomerates;
 4. Communicating the integrated risk management policy effectively to all levels of the organization that are relevant in the financial conglomerate in order to be understood clearly;
 5. Developing a risk culture as part of the implementation of integrated risk management in financial conglomerates, among others, performed by fostering awareness of risk (risk awareness) through adequate communication within a financial conglomerate on the importance of risk management and effective internal control;
 6. Responsibility for the implementation of integrated risk management policies and evaluate the implementation of the integrated risk management;
 7. Ensuring that all material risks have been followed up through the implementation of risk management;
 8. Submitting the accountability report of the implementation of integrated risk management policy to the Board fo Comissioners on a regular basis;
 9. Ensuring effective management of human resources which include competence, qualifications and adequacy of human resources at the Main Entityind to implement integrated risk management functions; among others, by:
 - a. Assigning qualified human resources for each hierarchy clearly related to the implementation of integrated risk management;

- b. Putting officials and staff who are competent in work units associated with the implementation of integrated risk management in accordance with the nature of the number and complexity of the business;
 - c. Fulfilling the adequacy of quantity and quality of human resources in understanding their duties and responsibilities, both for the business unit, risk management unit and support units that are responsible for the implementation of integrated risk management;
 - d. Increasing the competency of human resources, including through continuous education and training programs on an ongoing basis regarding the implementation of integrated risk management;
 - e. Increasing understanding of the entire human resources strategy, the level of risk to be taken (risk appetite), risk tolerance, and an integrated risk framework and implement them consistently in the activities which is undertaken.
 10. Ensuring that the implementation of the integrated risk management has been carried out independently, which is reflected among others:
 - a. There is separation between working units which implement integrated risk management function with a working unit which undertakes the function of internal control and operational unit (risk-taking units) on the Main Entity;
 - b. The implementation of risk management is free from conflict of interest between financial conglomerates with individual financial service Institutions.
 11. Evaluating the results of the review of the working unit of the integrated risk management to integrated risk management process on a regular basis;
 12. Establishing procedures and tools to identify, measure, monitor and control risks in an integrated manner.
 13. Ensuring the adequacy of infrastructure for managing and controlling risk.
- 10.6. In implementing integrated risk management, Main Entity shall appoint its Director in charge of integrated risk management function.
- 10.7. In addition to its authorities and responsibilities to implement the integrated risk management in financial conglomerate, the Board of Directors of Main Entity is still obliged to carry out the authorities and responsibilities as the Board of Directors in order to implement the risk management at the Main Entity in accordance with the applicable provisions for Main Entity.
- 10.8. Implementation of duties and responsibilities of the Board of Directors of Main Entity is not considered as concurrent position.
- 10.9.
 1. Main Entity The Board of Directors of Main Entity shall hold regular meetings at least 1 (one) times each semester.
 2. The results of the Board of Directors of Main Entity' meeting shall set out in the minutes of meetings and well documented. The dissenting opinion that occur in the Board of Directors of Main Entity' meeting shall be clearly stated in the minutes of the meeting and the reasons for such disagreement.

- 10.10 The Board of Directors of Main Entity shall apply comprehensive and effective Integrated Capital Management, according to the characteristics and complexities of the financial conglomerate business. Authorities and responsibilities of the Board of Directors of the Main Entity related to Integrated Capital Management, including at least:
1. formulating integrated policies, strategies and capital procedures in accordance with the size, characteristics, business complexity, and degree of risk of financial conglomeration
 2. implementing integrated capital management policies, strategies and procedures
 3. preparing and submitting an Integrated Capital Adequacy Report to the Financial Services Authority and the Board of Commissioners of the Main Entity every semester and/or at any time if requested.
 4. having an adequate internal control system related to integrated capital, to ensure the reliability of the implementation of Integrated Capital Management
 5. conducting a periodic review of the Integrated Capital Management implementation.

11.0. CLOSING

- 11.1. The Bank is required to disclose in the annual report that the Board of Directors has established charter.
- 11.2. The Board of Directors Charter is binding on every member of the Board of Directors.
- 11.3. The Board of Directors Charter is published in the Bank's website.
- 11.4. In the event of ambiguity of the provisions of this Charter with the provisions stipulated in the Articles of Association, Banking Authority and/or regulations, then the provisions of Articles of Association, Banking Authority and/or regulations shall prevail.

12.0. RELATED POLICIES

- 12.1 Articles of Association of PT Bank OCBC NISP Tbk. including its amendment.
- 12.2 Appointment letter from OCBC Overseas Investments Pte. Ltd. to the Bank dated March 10, 2015 regarding the Appointment of PT. Bank OCBC NISP Tbk. (OCBC NISP) as Main Entity.
- 12.3 Integrated Governance Charter, Policy Code: FCP-00001-L2.
- 12.4 Integrated Risk Management Guidelines, Policy Code: FCP-RM-00001-L3
- 12.5 Compliance Policy, Policy Code: CD-00001-L3.
- 12.6 Guidelines of Corporate Governance Implementation, Policy Code: CD-00002-L3
- 12.7 Integrated Capital Management Policy, Policy Code: FCP-RM-00003-L4.
- 12.8 Anti Money Laundering and Counter Financing Terrorism (AML-CFT), Policy Code: AC-00001-L3

13.0. EFFECTIVE DATE AND NEXT REVIEW DATE

13.1. Effective Date

This Board of Directors Charter shall take effect upon approval of the Board of Directors.

13.2. Next Review Date

This Board of Directors Charter will be reviewed periodically at the latest every 3 (three) years or conduct updates if deemed necessary with regard to provisions of the prevailing laws and regulations in Indonesia, with the following conditions:

- a. Any material changes required recommendation from the Board of Directors to get concurrence from the Board of Commissioners.
- b. Non-material changes that do not lower the risk management standard shall be approved by the Board of Directors, with the Board of Commissioners to be duly notified.

APPENDIX – LEGAL STANDING

Regulation background of the Board of Directors Charter :

- 1 Law No. 7 of 1992 concerning Banking, as amended by Law No. 10 of 1998 dated 10 November 1998 concerning Amendment of Law No. 7 of 1992 concerning Banking.
- 2 Law No. 8 Year 1995 concerning Capital Market.
- 3 Law No. 40 of 2007 dated 16 August 2007 concerning Limited Liability Company.
- 4 Law No. 21 of 2008 dated 16 July 2008 concerning Sharia Banking.
- 5 Bank Indonesia Regulation No. 11/1/PBI/2009 dated 27 January 2009 concerning Commercial Banks as amended by Bank Indonesia Regulation No. 13/27/PBI/2011 dated 28 Desember 2011 concerning amendment to Bank Indonesia Regulation No. 11/1/PBI/2009 concerning Commercial Banks.
6. Bank Indonesia Regulation No. 11/10/PBI/2009 dated 19 March 2009 concerning Sharia Business Unit as amended by Bank Indonesia Regulation No. 15/14/PBI/2013 dated 24 Desember 2013 concerning Amendment to Bank Indonesia No. 11/10/PBI/2009 concerning Sharia Business Unit.
7. Bank Indonesia Regulation No. 11/33/PBI/2009 dated 7 December 2009 concerning Implementation of Good Corporate Governance for Sharia Bank and Sharia Business Unit.
8. Bank Indonesia Regulation No. 12/23/PBI/2010 dated 29 Desember 2010 concerning Fit and Proper Test.
9. Bank Indonesia Regulation No. 14/6/PBI/2012 dated 18 June 2012 concerning Fit and Proper Test for Sharia Bank and Sharia Business Unit.
10. Bapepam Rule No. IX.J.1, attachment of Decree of the Chairman of Bapepam No. KEP-179/BL/2008 dated 14 May 2008 concerning Articles of Association of Companies Conducting Public Offerings and Public Companies.
11. The Financial Service Authority Regulation No. 17/POJK.03/2014 dated 18 November 2014 concerning the Implementation of the Integrated Risk Management for the Financial Conglomerates.
12. The Financial Service Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 concerning the Implementation of the Integrated Governance for the Financial Conglomerates.
13. The Financial Services Authority Regulation No. 33/POJK.04/2014 dated 8 December 2014 concerning the Board of Directors and the Board of Commissioners of the Issuer or Public Company.
14. Financial Services Authority Regulation No.26/POJK.03/2015 dated 11 December 2015 concerning the Minimum Integrated Capital Provision for Financial Conglomeration.
15. Financial Services Authority Regulation No. 4/POJK.03/2016 dated 27 January 2016 concerning Assessment of Soundness Level for Commercial Banks.
16. Financial Services Authority Regulation No. 5/POJK.03/2016 dated 27 January

- 2016 concerning Bank Business Plan.
17. Financial Services Authority Regulation No.18/POJK.03/2016 dated 16 March 2016 concerning Implementation of Risk Management for Commercial Banks.
 18. Financial Services Authority Regulation No.27/POJK.03/2016 dated 27 July 2016 concerning Fit and Proper Assessment for Main Party of Financial Services Institution.
 19. Financial Services Authority Regulation No. 55/POJK.03/2016 dated 7 December 2016 concerning Implementation of Good Corporate Governance for Commercial Bank.
 20. Financial Services Authority Regulation No. 65/POJK.03/2016 dated 28 December 2016 concerning Implementation of Risk Management for Sharia Bank and Sharia Business Unit.
 21. Financial Services Authority Regulation No. 11/POJK.04/2017 dated 14 March 2017 concerning Report of Ownership or Every Changes of Share Ownership of Listed Company.
 22. Financial Services Authority Regulation No. 12 / POJK.01 / 2017 dated March 21, 2017 jo POJK. No. 23 / POJK.01 / 2019 dated 8 October 2019 concerning the Implementation of Anti Money Laundering and Prevention of Terrorism Funding Programs in the Financial Services Sector.
 23. Financial Services Authority Regulation No 14/POJK.03/2017 dated 4 April 2017 regarding Recovery Plan for Systemic Bank.
 24. Financial Services Authority Regulation No. 30/POJK.04/2017 dated June 21, 2017 concerning Buyback of Shares issued by a Public Company.
 25. Financial Services Authority Regulation No. 51/POJK.03/2017 dated 18 July 2017 concerning Implementation of Financial Sustainability for Financial Service Institution, Issuer and Public Company.
 26. Financial Services Authority Regulation No. 37/POJK.03/2017 dated 12 July 2017 concerning the Utilization of Foreign Workers and Transfer Knowledge Program in the Banking Sector.
 27. Financial Services Authority Regulation No. 46/POJK.03/2017 dated 12 July 2017 concerning the Implementation of the Compliance Function of Commercial Banks.
 28. Bank Indonesia Circular Letter No. 11/28/DPbS dated 5 October 2009 concerning Sharia Business Unit as amended by Bank Indonesia Circular Letter No. 15/51/DPbS dated 30 December 2013 concerning Amendment of Bank Indonesia Circular Letter No. 11/28/DPbS dated 5 October 2009 concerning Sharia Business Unit.
 29. Bank Indonesia Circular Letter No.12/13/DPbS dated 30 April 2010 concerning Implementation of Good Corporate Governance for Sharia Banks and Sharia Business Unit.
 30. Bank Indonesia Circular Letter No. 13/8/DPNP dated 28 March 2011 concerning Fit and Proper Test along with its amendment stipulated in Bank Indonesia Circular Letter No. 13/26/DPNP dated 30 November 2011 concerning Fit and Proper Test.
 31. Bank Indonesia Circular Letter No. 14/4/DPNP dated 25 January 2012 concerning Commercial Banks.

32. Bank Indonesia Circular Letter No. 14/25/DPbs dated 12 September 2012 concerning Fit and Proper Test for Sharia Banks and Sharia Business Unit.
33. The Financial Service Authority Circular Letter No. 14/SEOJK.03/2015 dated 25 May 2015 concerning the Implementation of the Integrated Risk Management for the Financial Conglomerates.
34. The Financial Service Authority Circular Letter No. 15/SEOJK.03/2015 dated 25 May 2015 concerning the Implementation of the Integrated Governance for the Financial Conglomerates.
35. The Financial Services Authority Circular Letter No.25/SEOJK.03/2016 dated 14 July 2016 concerning Business Plan for Commercial Banks.
36. The Financial Services Authority Circular Letter No.34/SEOJK.03/2016 dated 1 September 2016 concerning Implementation of Risk Management for Commercial Bank.
37. The Financial Services Authority Circular Letter No.39/SEOJK.03/2016 dated 26 September 2016 concerning Fit and Proper Assessment for Shareholder Nominee, Candidate for BOD Member, and Candidate for BOC Member of the Bank.
38. The Financial Services Authority Circular Letter No. 13/SEOJK.03/2017 dated 17 March 2017 concerning Implementation of Good Corporate Governance for Commercial Banks.
39. The Financial Services Authority Circular Letter No. 32 / POJK.03 / 2017 dated 22 June 2017 concerning the Implementation of the Anti-Money Laundering and Prevention of Terrorism Funding Program in the Financial Services Sector.
40. Regulation of Minister of Man Power of Republic of Indonesia No. 1 year 2017 concerning Wage Structure and Scale.