

GUIDELINE OF THE BOARD OF COMMISSIONERS

OBJECTIVE

To be used by the Board of Commissioners (BoC) in performing their duties and responsibilities according to the prevailing Regulations. This guideline is binding to each of the BoC members. Various provisions in the Articles of Association, the Resolutions of the General Meeting of Shareholders (GMS) and other regulations are also binding although they are not specifically explained in this guideline.

DEFINITIONS

The Company's Organs are:

General Meeting of Shareholders (GMS), Board of Commissioners (BoC) and Board of Directors (BoD).

The BoC is :

The Company's organ which includes all BoC members as one entity of a Board with the duty to provide general and/or specific supervision as well as to provide advice to the BoD according to the Articles of Association and the prevailing regulations.

The BoC members are individuals :

An Independent Commissioner is:

A BoC member who is not affiliated with any Directors, other BoC members, and the Controlling Shareholders, and who is independent from any business relations or other relations that may affect his/her ability to perform independently or for the interest of the Company.

The Board of Directors are :

A Company's organ which includes all BoD members as one entity of a Board with the full authority and responsibility to manage the Company for the interest of the Company according to the stated goals and purposes as well as to represent the Company both in and outside the court, based on the Articles of Association and the prevailing Regulations.

The BoD members are individuals

An Independent Director is :

- A BoD member, who has not been affiliated with any controller of the Company for at least 6 months prior to his/her appointment as Independent Director.
- Not affiliated with other Commissioners or Directors.
- Not working as a director in another company.
- Someone who has not worked as an insider in any institution or capital market supporting professional hired by the Company within at least 6 months prior to his/her appointment as a Director.

REFERENCES

The preparation of this Guideline for the BoC refers to :

1. The Law of the Republic of Indonesia No. 40/2007 regarding a Limited Liability Company.
2. The Law of the Republic of Indonesia No. 40/2014 regarding Insurance.
3. The Indonesia Financial Services Authority (OJK) Regulation No. 44/POJK.05/2013 on the Assessment of the Ability and Properness of the Main Party in Insurance Companies, Pension Funds, Financial Services and Credit Guarantee Institutions.
4. The Indonesia Financial Services Authority (OJK) Regulation No. 2/POJK.05/2014 on Good Corporate Governance for Insurance Companies.
5. The Articles of Association of PT. Asuransi Bina Dana Arta Tbk.

CONTENTS

BOARD OF COMMISSIONERS

The BoC is an organ of the Company's tasked to provide general and/or specific supervision as well as provide advice to the Board of Directors in their task of managing the Company.

This BoC Guideline includes:

1. Membership
2. Independent Commissioner
3. Duties, responsibilities, and authority
4. Work Time
5. Transparency and Prohibitions for BoC Members
6. BoC Meeting
7. Orientation and Training for BoC
8. Reporting and Accountability

1. Membership

1.1 Amount and Term of Office

- a. The number of BoC members is at least three.
- b. One of the BoC members is appointed as President Commissioner.
- c. At least one half of the BoC members are Independent Commissioners.
- d. The BoC members are appointed and dismissed by the GMS.
- e. One term of office for Commissioners extends for 5 years, starting from the date determined at the GMS and then they can be re-appointed for the second term of office if they have shown an excellent performance.
- f. The office of Commissioner is automatically revoked when a Commissioner:

- f.1 Resigns upon his/her own request in accordance with the provisions in the Articles of Association.
- f.2 Passes away.
- f.3 Is dismissed by the GMS.
- f.4 Is declared bankrupt or under custody by court order.
- f.5 No longer complies with the prevailing regulations.

The procedures for appointment, dismissal, replacement, and/or resignation of the BoC members are performed according to the Articles of Association.

1.2 Requirements to be appointed as a BoC Member

- a. At least one half of the BoC members must be domiciled in Indonesia.
- b. Passes the fit and proper test.
- c. Possesses good character, morality, and integrity.
- d. Is able to carry out lawful actions.
- e. Has never served as member of BoD, BoC or Sharia Supervisory Board, nor declared guilty or imprudent in his/her actions resulting in:
 - 1. Any insurance company receiving a business limitation sanction within 3 years prior to his/her appointment.
 - 2. The permit of any company in the financial services sector being revoked due to illegal action within 3 years prior to his/her appointment, and/or;
 - 3. Any company in financial or non-financial services sector being declared bankrupt by a legally binding court order, within 5 years prior to his/her appointment.
 - 4. He/she must have never been sentenced for criminal act that has harmed the Government's finances and/or in relation to the financial sector.
- f. Possesses relevant knowledge and/or expertise as required by the Company.
- g. Prepares a Statement regarding his/her compliance with the requirements mentioned above.

1.3. Dual Positions

- a. A BoC member of an Insurance Company is allowed to take a dual position as a BoC member, a BoD member, or a Sharia Supervisory Board member at 1 other company.
- b. A BoC member of an Insurance Company is not allowed to take a dual position as a BoC member, a BoD member, or a Sharia Supervisory Board member at other Insurance Companies within the same business field.
- c. These arrangements are not regarded as a dual position:

1. A Non-Independent BoC member performing the functional duties of the shareholders of an Insurance Company incorporated under the business group and/or:
2. A BoC member having a position in a non-profit organization or institution; as long as he/she does not ignore the duties and responsibilities as a BoC member.

2. Independent Commissioner

An Independent Commissioner is appointed by the GMS and clearly declared in the notarial deed containing the GMS resolutions. Any Independent Commissioner who has served for 2 terms of office can be re-appointed for the next term as long as he/she reports to the GMS that he/she remains independent.

Any Independent Commissioner who serves in the Audit Committee can be re-appointed to the Audit Committee for only one more term of office.

Independent Commissioners have to fulfill the following requirements:

- a. Domiciled in Indonesia.
- b. Never serve as a BoD member, a BoC member, a Sharia Supervisory Board member or serve at any position one level below the Board of Directors in the same Insurance Company or other company affiliated with the Company within the past 2 years.
- c. Not own the Company's shares both directly or indirectly.
- d. Not have any affiliation with the Company, BoC members, BoD members or the Company's major shareholders.
- e. Not have any business relations connected directly or indirectly with the Company's business activities.

3. Duties, Responsibilities and Authorities

1. The BoC supervises and provides direction and guideline as well as input to the Board of Directors in the latter's task of managing the Company including the Company's business and operational aspects.
2. Monitors and evaluates the implementation of the Company's strategic policies as well as supervises the implementation of the Board of Directors' duties and responsibilities.
3. BoC members have to implement their duties and responsibilities with good intention, prudence and responsibility according to the prevailing regulations, the Company's Articles of Association, and the BoC Guidelines.
4. Monitors the effectiveness of Good Company Governance implementation in each business activity at all organization levels and positions.
5. To support the effectiveness of the implementation of duties and responsibilities, the BoC has to establish an Audit Committee, a Risk Monitoring Committee and a Nomination and Remuneration Committee.
6. The BoC has to evaluate the performance of the Committees that support the implementation of their duties and responsibilities.

7. The BoC may ask the Board of Directors and/or the management to give explanation on everything regarding the Company as required by their duties.
8. The BoC has the right to propose the replacement for and/or the appointment of BoD members to the GMS with a clear rationale.

4. Work Time

The BoC must allow adequate time to perform their duties and responsibilities optimally.

5. Transparency and Prohibition for BoC Members

5.1. Transparency Aspect

- a. BoC members have to reveal their ownership of shares if it reaches 5% (five percent) or more in the Insurance Company where they serve and/or in other companies located both domestic and overseas.
- b. BoC members have to report to the Corporate Secretary about their ownership of shares and every change made to this at the latest within 3 working days since a transaction occurs, and the Corporate Secretary will subsequently report to the OJK and the Indonesia Stock Exchange.
At a minimum, the report must include the following:
 1. The name, domicile, and nationality.
 2. The amount of shares purchased and sold.
 3. The buy and sell price per share.
 4. The date of the transaction.
 5. The purpose of the transaction.
- c. BoC members have to disclose the existence of financial and family relations (if any) with other BoC members, BoD members, Sharia Supervisory Board members, and/or the shareholders of the Insurance Company where they serve.

5.2. Prohibitions for BoC members

BoC members of an Insurance Company are not allowed to:

- a. Perform transactions that have a conflict of interest with the activities of the Company where they serve.
- b. Misuse their position for their own, their family's and/or another party's interest that may harm the Company or reduce the Company's profit.
- c. Take and/or receive personal benefit from the Company aside from the remuneration and facilities determined by the GMS resolutions.
- d. Be involved in the Company's operational activities that are within the Board of Directors' scope of responsibility.

6. BoC Meeting

Rules of Meeting

1. The BoC Meeting can be held any time when needed, but at least once a month.
2. The BoC Meeting, as referred to in point 1, is held with the following provisions:
 - a. In at least four of the meetings the Board of Directors must be invited.
 - b. In at least one of the meetings the External Auditor must be invited.
3. BoC members have to attend at least 80% of the total number of BoC Meetings held within any one-year period.
4. BoC Meetings must be physically attended by each BoC member at least four times within a one-year period.
5. For the sake of orderliness and efficiency, the following year's Meetings must be scheduled before these Meetings are held.
6. Decisions must be arrived at through consensus.
7. If a unanimous decision cannot be arrived at, the decision will be determined by voting.

Minutes of Meeting

1. Meeting results must be described in the Minutes of Meeting, signed by all attendees and distributed to all BoC members.
2. If a dissenting opinion exists in the decision, it must be clearly stated in the Minutes of Meeting, including the reasons.
3. BoC members who have or have not attended the Meeting have the right to receive a copy of the Minutes of Meeting.
4. All BoC decisions that have been reached are binding and all BoC members are responsible to comply with the decisions.
5. Other Minutes of Meeting provisions should refer to the Company's Articles of Association.

7. Orientation and Training for BoC Members

Orientation Program

Orientation Program is given for new BoC members as an introduction of the Company so they can obtain an understanding about the Company's values and objectives to carry out their duties optimally.

Orientation Program Materials

1. Company's Vision, Mission, and Strategy
2. Medium-term and Long-term Plan
3. Business and Work Plan
4. Company's Performance and Finances
5. Company's Articles of Association
6. Annual Report
7. Company's Guideline

BoC Trainings

BoC trainings are mandatory and important for enhancing the BoC competence and insight. At least once in a year each BoC member must participate in training. This Training Program is intended to meet the requirement for sustainability in the BoC members fit and proper test.

8. Reporting and Accountability

1. The BoC must prepare a BoC activity report as a part of the Good Corporate Governance Implementation Report.
2. The BoC must submit a Report to the GMS on its supervisory duties conducted during the previous fiscal year.
3. The Independent Commissioners must prepare an Annual Report on the implementation of their duties aimed at protecting the interest of policy holders, insured parties, participants and/or parties who have the right to receive benefits, both related with the services or claim settlements. The report must also include the disputes about claim settlements being resolved at mediation institutions, arbitration institutions, or the court.
4. That Annual Report becomes a part of the BoC Report and is included in the Good Corporate Governance Implementation Report.