

GUIDELINE OF THE BOARD OF DIRECTORS

OBJECTIVE

To be used by the Board of Directors (BoD) in performing their duties and responsibilities according to the prevailing Regulations. This guideline is binding to each of the BoD 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 and BoD 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 DIRECTORS

The BoD is an organ of the Company's authorized to and fully responsible for the management of the Company for the interest of the Company in line with the Company's goals and purposes, and for representing the Company both in and outside of court, in accordance with the Articles of Association and the prevailing laws and regulations.

This BoD Guideline includes:

1. Membership
2. Duties, responsibilities, and authority
3. Transparency and Prohibitions for BoD Members
4. BoD Meeting
5. Orientation and Training for BoD

1. Membership

1.1 Amount and Term of Office

- a. The number of BoD members is at least three.
- b. One of the BoD members is appointed as President Director.
- c. One or more members of the BoD are appointed as Independent Directors.
- d. One of the BoD members is appointed as Compliance Director.
- e. The BoD members are appointed and dismissed by the GMS.
- f. One term of office for Directors 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.
- g. The office of Director is automatically revoked when a Director:
 - 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 BoD members are performed according to the Articles of Association.

1.2 Requirements to be appointed as a BoD Member

- a. 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.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. Must have never been sentenced for criminal act that has harmed the Government's finances and/or in relation to the financial sector.
- g. Has never had served as a Director during whose term of office:
 1. Had failed to carry out a GMS
 2. Had his/her accountability as member of the BoD rejected by the GMS or had not declared his/her accountability to the GMS.
 3. Had caused the company to fail to comply with its obligations to submit an annual report to the OJK.
- h. Possesses relevant knowledge and/or expertise as required by the Company.
- i. Prepares a Statement regarding his/her compliance with the requirements mentioned above.

1.3. Dual Positions

- a. A BoD member of an Insurance Company is allowed to take a dual position as a BoC member at 1 other company in a different industry.
- b. It is not regarded as a dual position if a member of the BoD responsible for supervising a subsidiary carries the functional task of serving as member of the BoC of the subsidiary controlled by the Insurance Company, as long as the position does not result in the failure of said BoD member to disregard his/her duties and authority as a BoD member.
- c. The President Director is prohibited from occupying another position as a member of the BoC of the subsidiaries controlled by the Company.

2. Duties, Responsibilities and Authorities

1. The BoD administers and is responsible for the Company's management for the interest of the Company in accordance with the goals and purposes stated in the Articles of Association.
2. The BoD is required to hold an annual GMS and other GMS as stipulated in the Articles of Association.
3. The BoD must carry out their duties and responsibilities with good intention, prudence and responsibility.
4. Each member of the BoD is collectively responsible for the Company's losses due to any error or oversight of BoD members in carrying out their duties.
5. BoD members cannot be held accountable for the Company's losses if they can prove:
 - a. That the losses are not due to their error or oversight.
 - b. That they have carried out their responsibilities with good intention, prudence and responsibility.
 - c. That they have no direct or indirect conflict of interest in relation to the act that has resulted in the losses.
 - d. That they have taken all necessary measures to prevent the losses or to stop the losses.
6. BoD ensures the fulfillment of the Company's Corporate Social Responsibility (CSR) by establishing a written plan for CSR activities.
7. In relation to the main tasks of the BoD on point 1, the duties and responsibilities of the BoD include:
 - a. Prepare the books and administer the Company in accordance with the prevailing norms and standards,
 - b. Prepare an accounting system complete with the implementation of an adequate internal control system,
 - c. Prepare the Financial Statements, Annual Report, and other periodic reports in accordance with the Articles of Association and the provisions of operational management required by the laws and regulations.
 - d. Establish an effective organizational structure complete with the proper division of duties and responsibilities.
 - e. Determine the provisions and policy on employment:
 - e.1. Salary and other benefits, pension, and other forms of income.
 - e.2. Appointment and dismissal of employees in accordance with the Company Regulations.
 - f. Carry out GCG principles in all operations of the Company and across all levels in the organization.
 - g. Follow up audit findings (internal, external, and regulator/other authorities).
 - h. BoD must establish Committees to assist the BoD in carrying out the BoD duties, and evaluate these Committees' performance.
8. BoD is authorized to represent the Company in and outside of court in relation to all aspects and events with the limitations stipulated in the Company's Articles of Association.

3. Transparency and Prohibition for BoD Members

3.1 Transparency Aspect

- a. BoD 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. BoD 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. BoD members have to disclose the existence of financial and family relations (if any) with other BoD members, BoC members, Sharia Supervisory Board members, and/or the shareholders of the Insurance Company where they serve.

3.2 Prohibitions for BoD members

BoD 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. Fulfill the request of shareholders related to the Company's operations outside of those determined by the GMS.
- e. Represent the Company if:
 1. There is an ongoing legal case between the Company and the BoD member(s) in question.
 2. They have conflict of interest with the Company.

4. BoD Meeting

Rules of Meeting

1. The BoD Meeting can be held any time when needed, but at least once a month.
2. At least four BoD Meetings in one year must be attended by the BoC.
3. For the sake of orderliness and efficiency, the following year's Meetings must be scheduled before these Meetings are held.
4. Decisions must be arrived at through consensus.
5. 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 BoD members.
2. Results of a meeting in which the BoC is present must be described in the Minutes of Meetings, signed by all members of the BoD and the BoC present in the meeting and distributed to all members of the BoD and the BoC.
3. The BoD may make a legally binding decision without conducting a BoD Meeting as long as all the BoD members have been informed in writing and have consented and signed the recommendations being proposed. Any decision arrived at through such manner has the same legally binding power as the decisions made by BoD Meetings.
4. If a dissenting opinion exists in the decision, it must be clearly stated in the Minutes of Meeting, including the reasons.
5. All BoD decisions that have been reached are binding and all BoD members are responsible to comply with the decisions.
6. Other Minutes of Meeting provisions should refer to the Company's Articles of Association.

5. Orientation and Training for BoD Members

Orientation Program

Orientation Program is given for new BoD 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

BoD Trainings

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