

# **Policy Affiliated Transactions and Conflict of Interest Transactions**

J TRUST BANK

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## **CHAPTER 1. PRELIMINARY**

### **1.1 Background**

The implementation of Good Corporate Governance (GCG) is very necessary to build stakeholder trust as an absolute requirement for the banking world to develop properly and healthily while ensuring that the Bank operates in compliance with applicable laws and regulations, business ethics and codes of conduct as well as corporate ethics/ethics.

Based on this, the Bank needs to regulate the provisions regarding transactions with affiliated parties and transactions that contain conflicts of interest in accordance with applicable regulations, the regulation and implementation of which requires commitment from top management and all levels of the organization.

### **1.2 Purpose and objectives**

This policy contains guidelines and internal processes of the Bank in order to protect the interests of minority shareholders and as part of the implementation of good corporate governance principles, so it is necessary to regulate the Affiliate Transaction Policy and Conflict of Interest Transactions, with the objectives:

1. As a guideline for the implementation of transactions with affiliated parties of Bank Jtrust Indonesia so that these transactions are carried out in accordance with the arms-length principle and in accordance with the applicable rules and regulations.
2. As a benchmark in ensuring that transactions with affiliated parties do not harm the interests of the Bank or the interests of shareholders.
3. Assist and improve the independence of Bank Jtrust management in managing transactions with affiliated parties of the Bank as well as transactions that have potential conflicts of interest.
4. Improving the quality of information disclosure carried out by the Bank.
5. As a reference or guide for Banks in making Standard Operating Procedures (SOP) for the implementation of types of transactions with affiliated parties and/or containing conflicts of interest.

### **1.3 Scope**

Contains the principles/policies that underlie the implementation of transactions with affiliated parties and transactions containing conflicts of interest in 1 (one) transaction or a series of transactions for a specific purpose or activity, so that it must comply with the provisions of the Financial Services Authority regulations as well as the provisions of the applicable internal regulations.

### **1.4 Legal Foundation**

1. Law of the Republic of Indonesia Number 7 of 1992 concerning Banking as amended by Law Number 10 of 1998.
2. Law of the Republic of Indonesia Number 8 of 1995 concerning the Capital Market.
3. Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies.
4. Statement of Financial Accounting Standards No.7 dated December 15, 2009 as amended on November 18, 2015 regarding Disclosure of Related Parties.
5. Law of the Republic of Indonesia Number 8 of 2010 concerning Prevention and Eradication of the Crime of Money Laundering.

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6. Financial Services Authority Regulation Number 33/POJK.04/2014 Dated December 8, 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies.
7. Financial Services Authority Regulation Number 21/POJK.04/2015 Dated November 16, 2015 concerning the Implementation of the Guidelines for the Governance of Public Companies.
8. Financial Services Authority Circular Letter Number 32/SEOJK.04/2015 Dated November 17, 2015 concerning Guidelines for the Governance of Public Companies.
9. Financial Services Authority Regulation Number 31/POJK.04/2015 Dated December 16, 2015 concerning Disclosure of Material Information or Facts by Issuers or Public Companies.
10. Financial Services Authority Regulation Number 18/POJK.03/2016 Dated March 16, 2016 concerning the Implementation of Risk Management for Commercial Banks.
11. Financial Services Authority Circular Letter Number 34/SEOJK.03/2016 Dated September 1, 2016 concerning the Implementation of Risk Management for Commercial Banks.
12. Financial Services Authority Regulation Number 29/POJK.04/2016 Dated July 29, 2016 regarding the Annual Report of Issuers or Public Companies.
13. Financial Services Authority Regulation Number 55/POJK.03/2016 December 7, 2016 concerning the Implementation of Good Corporate Governance for Commercial Banks.
14. Financial Services Authority Regulation Number 11/POJK.04/2017 Dated March 14, 2017 concerning Ownership Report or Any Change in Share Ownership of a Public Company.
15. Financial Services Authority Circular Letter Number 13/SEOJK.03/2017 Dated March 17, 2017 concerning the Implementation of Good Corporate Governance for Commercial Banks.
16. Financial Services Authority Regulation Number 32/POJK.03/2018 December 26, 2018 as amended by POJK Number 38/POJK.03/2019 December 19, 2019 concerning the Maximum Limit for Loans and Provision of Large Funds for Commercial Banks
17. Financial Services Authority Regulation Number 15/POJK.04/2020 Dated April 20, 2020 regarding the Plan and Organizing of the General Meeting of Shareholders of a Public Company. Financial Services Authority Circular Letter Number 9/SEOJK.03/2020 Dated 30 June 2020 concerning Transparency and Publication of Conventional Commercial Bank Reports.
18. Financial Services Authority Regulation Number 42/POJK.04/2020 Dated July 1, 2020 regarding Affiliated Transactions and Conflict of Interest Transactions.
19. Financial Services Authority Regulation Number 12/POJK.03/2020 Dated July 30, 2020 regarding Commercial Banks.
20. Financial Services Authority Regulation Number 12/SEOJK.03/2021 dated March 31, 2021 concerning Commercial Bank Business Plans.
21. Financial Services Authority Circular Letter Number 16/SEOJK.04/2021 Dated June 29, 2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies.
22. General Guidelines for Indonesian Corporate Governance (PUG-KI) 2021.
23. Articles of Association of PT Bank JTrust Indonesia Tbk along with its amendments, and GMS Resolutions.
24. Guidelines and Work Rules for the Board of Directors and Board of Commissioners of PT Bank JTrust Indonesia Tbk.
25. PT Bank JTrust Indonesia Tbk (KSPIBJI) Internal Control System Policy and its amendments, if any.
26. Policy Number POL-RMD-01 concerning General Policy of Risk Management that applies and its amendments (if any).
27. *Standard Operating Procedure Number SOP-RMD-18 regarding the applicable Internal Provisions Architecture and its amendments (if any).*

28. Policy Number POL-CPD-02 concerning the applicable Bank Compliance Policy and its amendments (if any).
29. Policy Number POL-CPD-03 The applicable Good Corporate Governance Policy and its amendments (if any).
30. Policy Number POL-HCGD-01 Policy on Procurement of Goods, Services & Outsourcing which applies and its amendments (if any).
31. Policy Number POL-RMD-02 The applicable Bank Credit Policy and its amendments (if any).
32. *Standard Operating Procedure Number SOP-RMD-11 regarding the applicable Credit Implementation Guidelines and amendments (if any).*

## 1.5 Definition

1. **Affiliates are:**
  - a) Related Parties, namely individuals or companies that have a controlling relationship with the Bank, either directly or indirectly, through ownership, management, and/or financial relationships.
  - b) Family relations due to marriage and descent up to the second degree, both horizontally and vertically;
  - c) The relationship between the party and the employee, director, or commissioner of that party;
  - d) Relationship between 2 (two) companies where there are 1 (one) or more members of the same board of directors or commissioners;
  - e) The relationship between the company and the parties, either directly or indirectly, controlling or being controlled by the company;
  - f) Relationship between 2 (two) companies that are controlled, directly or indirectly, by the same party; or
  - g) The relationship between the company and the major shareholders.
2. **Bank** is PT Bank JTrust Indonesia or the so-called Bank JTrust Indonesia, or J Trust Bank.
3. **Maximum Lending Limit, hereinafter abbreviated as LLL**, is the maximum percentage of provision of funds determined for:
  - a) Bank capital for the provision of funds to related parties; or
  - b) Core capital (tier 1) Bank for the provision of funds to other than related parties.
4. **Conflict of Interest** is the difference between the economic interests of the Bank and the personal economic interests of members of the board of directors, members of the board of commissioners, major shareholders or controllers that may harm the Bank.
5. **The Board of Directors** is an organ of the Bank that is authorized and fully responsible for the management of the Bank for the benefit of the Bank, in accordance with the aims and objectives of the Bank and represents the Bank, both inside and outside the court in accordance with the provisions of the Articles of Association of the Bank.
6. **The Board of Commissioners** is an organ of the Bank in charge of conducting general and/or specific supervision in accordance with the Articles of Association and providing advice to the Board of Directors.
7. **Issuer** is a Party conducting a Public Offering.
8. **Independent Commissioner** is a member of the Board of Commissioners from outside the Bank who has no financial, management, share ownership and/or family relationship with members of the Board of Directors, other members of the Board of Commissioners and/or controlling shareholder, or relationship with the Bank that may affect the ability of the person concerned to act independently.
9. **Executive Officers** are Bank officials who are directly responsible to members of the Board of Directors or have significant influence on the policies and/or operations of the Bank, including but not limited to division heads, regional office heads, branch office heads, functional office heads whose position is at least equal to that of a branch office head., head of risk management work unit, head of unit compliance work, and the head of the internal audit work unit and/or other equivalent officials.

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10. **Public Offering** is a securities offering activity carried out by issuers to sell securities to the public based on the procedures stipulated in the law concerning the Capital Market and its implementing regulations.
11. **Appraiser** is an individual who with expertise carries out valuation activities in the capital market.
12. **Public Company** is an issuer that has made a public offering of equity securities or a public company.
13. **Stakeholders** are all parties who have a direct or indirect interest in the Bank's business activities.
14. **Independent Shareholders** are shareholders who do not have a personal economic interest in connection with a particular transaction and:
  - 1) Not a member of the Board of Directors, member of the Board of Commissioners, Major Shareholder, and Controlling, or
  - 2) Is not an affiliate of the members of the Board of Directors, members of the Board of Commissioners, Major Shareholders, and Controlling.
15. **Controlling Shareholder** is a legal entity, individual, and/or business group that owns shares or the equivalent of Bank shares and has the ability to exercise control over the Bank.
16. **Major Shareholders** are parties who either directly or indirectly own at least 20% of the voting rights of all shares with voting rights issued by the Bank or a smaller amount as determined by the Financial Services Authority.
17. **Controlled Company** is a company that is controlled either directly or indirectly by the Bank.
18. **The arm's-length principle** is that the conditions in transactions between related parties are the same or comparable to the conditions in transactions between unrelated parties that are compared. The price and/or profit in transactions between related parties must be the same as or within the range of prices and/or profits in transactions between non-related parties who are the comparison.
19. **The General Meeting of Shareholders (GMS)** is a company organ that has authority that is not given to the Board of Directors or the Board of Commissioners as referred to in the law regarding Limited Liability Companies and/or the company's articles of association.
20. **Affiliated Transaction** is any activity and/or transaction conducted by a Bank or controlled company with an Affiliate of the Bank or Affiliate of a member of the board of directors, member of the board of commissioners, major shareholder, or controller, including every activity and/or transaction conducted by the Bank or company controlled for the benefit of Affiliates of the Bank or Affiliates of members of the board of directors, members of the board of commissioners, major shareholders, or controllers.
21. **Conflict of Interest Transactions** are transactions conducted by Banks or controlled companies with each party, both with Affiliates and parties other than Affiliates that contain Conflicts of Interest.
22. **Material Transaction** is any transaction made by a Bank or Controlled Company that meets the value limit stipulated in the Financial Services Authority Regulation concerning Material Transactions and Changes in Business Activities.

## CHAPTER 2. POLICY MATERIALS

### 2.1 Affiliated Transaction

1. This policy applies in the event that the Bank conducts Affiliated Transactions that are carried out in 1 (one) transaction or a series of transactions for a specific purpose and/or activity.
2. What is meant by affiliated parties are parties related to J Trust Bank, namely:
  - 1) Employees, Executive Officers, Directors, Independent Parties and Commissioners of J Trust Bank;
  - 2) Major Shareholders of J Trust Bank, namely persons or companies, either directly or indirectly owning at least 20% of the voting rights of all shares with voting rights issued by the Bank or a smaller amount as determined by the Authority Financial Services;
  - 3) Companies or legal entities that control or are controlled by the Bank, either directly or indirectly;
  - 4) Members of the board of directors and/or members of the board of commissioners in the company as referred to in point 3;
  - 5) Companies that have one or more members of the Board of Directors or Board of Commissioners who serve as Commissioners of J Trust Bank;
  - 6) Companies controlled either directly or indirectly by the Major Shareholders of J Trust Bank;
  - 7) A person who has a family relationship due to marriage or descent up to the second degree, both horizontally and vertically with members of the Board of Directors, members of the Board of Commissioners, and/or Major Shareholders of J Trust Bank;
  - 8) a collective investment contract in which J Trust Bank and/or the party that controls or is controlled by the Bank owns 10% (ten percent) or more of the shares in the investment manager of the collective investment contract;
  - 9) Companies that have financial relationships with J Trust Bank and/or parties that control or are controlled by J Trust Bank, either by members of the Board of Directors, members of the Board of Commissioners, or their Controlling Shareholders;
  - 10) a company in which 50% (fifty percent) or more of the members of the board of directors and/or members of the board of commissioners are directors and/or commissioners of the Bank.
  - 11) The borrower is an individual or non-bank company that has a financial relationship through the provision of guarantees to the parties mentioned in the previous points;
  - 12) Borrowers who have financial relationships through guarantees provided by the parties mentioned in the previous points;
  - 13) Other banks that have financial relationships through the provision of guarantees to the parties mentioned in the previous points, in the event that there is a counter guarantee from J Trust Bank and/or the parties as referred to in the previous points to the other banks; and
  - 14) Other companies in which there is an interest in the form of share ownership of 10% (ten percent) or more individually or jointly, from the parties as referred to in point 7.
3. "Affiliated Transactions" are transactions conducted by and between J Trust Bank and Affiliated Parties at J Trust Bank, including but not limited to:
  - 1) Participation in certain business entities, projects, and/or business activities;
  - 2) Purchase, sale, transfer, use, exchange of assets or operating segments;
  - 3) Acquisition, disposal, and/or use of services;
  - 4) Asset leasing;
  - 5) Borrowing and borrowing funds including their transfer;

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- 6) Guarantee the assets of the Bank and/or the Controlled Company for loans from other parties; and
  - 7) Provide a corporate guarantee.
4. The Division conducting Affiliated Transactions is required to coordinate with the Corporate Secretary Division (CSD) which will conduct an assessment with the Compliance Director to ensure that the transactions made are Affiliated Transactions, and whether the type of transaction is an activity that needs to be included in the Bank's Business Plan.
  5. Affiliate Transaction Procedure.
    - a. Banks are required to have adequate procedures by comparing terms and conditions of transactions that are equivalent to transactions between parties who have no affiliation, so that transactions are carried out in accordance with the provisions of generally accepted business practices, comply with the arms-length principle, and does not contain a Conflict of Interest.
    - b. Banks are required to keep documents related to the implementation of procedures as referred to in number 3 (three) within the period of document storage in accordance with the provisions of laws and regulations and the Bank's internal provisions.
  6. In terms of conducting Affiliated Transactions, Banks are required to:
    - a. First obtain the approval of the Independent Shareholders in the GMS, if:
      - 1) The value of the Affiliated Transaction meets the limit on the value of material transactions that must be approved by the GMS;
      - 2) Affiliated Transactions that may result in disruption of the Bank's business continuity; and/or
      - 3) Conducting Affiliated Transactions based on the consideration of the Financial Services Authority requires the approval of the Independent Shareholders.
    - b. Use an Appraiser to determine the fair value of the object of the Affiliated Transaction and/or the fairness of the transaction with a period of assessment date no later than 6 months prior to the date of the Affiliated Transaction or the date of the GMS (in the event that the Affiliated Transaction must obtain GMS approval).
    - c. Announce the disclosure of information on each Affiliated Transaction simultaneously to the public and its supporting documents to the Financial Services Authority no later than 2 (two) working days after the date of the Affiliated Transaction or at the same time as the announcement of the GMS (in the event that the Affiliated Transaction must obtain GMS approval).
  7. Banks do not need to do the things listed in numbers 4 and 5 above, but are required to report to the Financial Services Authority no later than the end of the 2nd (second) business day after the transaction date, if the Bank conducts the following Affiliated Transactions:
    - a. Transactions conducted as the implementation of statutory regulations or court decisions;
    - b. Transactions between:
      - 1) a Bank with a Controlled Company whose shares are owned at least 99% (ninety nine percent) of the paid-up capital of the Controlled Company;
      - 2) Other Controlled Companies whose shares are owned at least 99% (ninety nine percent) by the Bank; or
      - 3) a Controlled Company with a company whose shares are owned by the Controlled Company at least 99% (ninety nine percent) of the paid-up capital of the company;

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- c. Transactions with a transaction value not exceeding 0.5% (zero point five percent) of the Bank's paid-up capital or not exceeding the amount of Rp5,000,000,000.00 (five billion rupiah), the lower value shall be used;
  - d. Loan transactions received directly from other banks, venture capital companies, finance companies, or infrastructure financing companies both from within and outside the country;
  - e. Transactions for providing guarantees to other banks, venture capital companies, finance companies, or infrastructure financing companies both from within and outside the country for loans received directly by the Bank or Controlled Company;
  - f. Transaction of adding or subtracting capital participation to maintain the percentage of ownership after the said participation is made for a minimum of 1 (one) year;
  - g. Transactions conducted by a Bank which is a financial service institution with a Controlled Company which is a sharia financial service institution (if any) in the context of developing the said sharia financial service institution.
8. In the event that the Bank conducts Affiliated Transactions which are business activities carried out in order to generate operating income and are carried out regularly, repeatedly, and/or continuously, the Bank is required to:
- a. Perform the procedure as in number 4 above, only at the beginning of the transaction;
  - b. The procedure must be repeated if there is a change in the terms and conditions of the transaction, and the change has the potential to harm the Bank; and
  - c. Disclosing in the annual report or annual financial report of the Bank which includes the following information:
    - 1) Type of Affiliated Transaction;
    - 2) The transacting party;
    - 3) The nature of the Affiliate relationship;
    - 4) Transaction value;
    - 5) Statement of the board of directors that the Affiliated Transaction has gone through the procedure as referred to in number 4; and
    - 6) Disclosure reference in the annual financial statements in the annual report.

## **2.2 Provision of Funds to Affiliated Parties**

1. The overall portfolio of Provision of Funds to Affiliated Parties with the Bank is set at a maximum of 10% (ten percent) of the Bank's Capital.
2. Banks are prohibited from providing Provision of Funds to Affiliated Parties contrary to the LLL procedures and Provision of Large Funds in accordance with the applicable Bank Credit Policy Number POL-RMD-02 and Financial Services Authority Regulation Number 32/POJK.03/2018 dated December 26, 2018 as has been amended by POJK Number 38/POJK.03/2019 dated December 19, 2019 regarding Limits Maximum Provision of Credit and Provision of Large Funds for Commercial Banks.
3. Banks are prohibited from providing Provision of Funds to Affiliated Parties without the approval of the Bank's Board of Commissioners.
4. Banks are prohibited from providing Provision of Funds to Independent Commissioners and their families and other affiliated parties. Meanwhile, Non-Independent Commissioners and their families and other affiliated parties can be granted loans with normal rates and terms (on Arms-Length basis), as is done with parties who are not related to the Bank.



5. Banks are prohibited from buying low quality assets from Affiliated Parties.
6. In the event that the quality of Provision of Funds to Affiliated Parties declines to substandard, doubtful or loss, the Bank is required to take steps to correct it by:
  - a. Repayment of Credit no later than 60 (sixty) days after the decline in the quality of Provision of Funds; and/or
  - b. To restructure Credit since the decline in the quality of Provision of Funds.
7. Banks are required to have and administer a detailed list of Related Parties with the Bank and submit to the Financial Services Authority the position at the end of June and December. The report is submitted no later than the end of the month after the position at the end of the reporting month.

### 2.3 Conflict of Interest Transactions

1. In the event of conducting a Conflict of Interest Transaction, the Bank is required to:
  - a. First obtain the approval of the Independent Shareholders in the GMS;
  - b. Using an Appraiser to determine the fair value of the object of the Conflict of Interest Transaction and/or the fairness of the transaction in question, with the period between the date of assessment and the date of the GMS convening a maximum of 6 (six) months;
  - c. Announce the disclosure of information on each Conflict of Interest Transaction to the public and its supporting documents to the Financial Services Authority. The disclosure of information must be carried out simultaneously (on the same day) with the announcement of the GMS for Conflict of Interest Transactions, with the aim that public shareholders obtain complete information related to the planned implementation of the transaction.
  - d. The supporting documents as referred to in point c) must at least:
    - a) Information on the proposed transaction as intended.
    - b) Appraiser report;
    - c) Data on the company to be acquired or divested, if the object of the transaction is in the form of shares, includes at least:
      - i. Audited opening statement of financial position, for companies that have been established but have not conducted business activities;
      - ii. Audited financial statements for the last 2 (two) consecutive years, for companies that have been established for at least 2 (two) years and have been conducting business activities;
      - iii. Audited financial statements adjusted to the period of establishment, for companies that have been established but are less than 2 (two) years and have been conducting business activities;
    - d) Capital structure; and
    - e) Management structure,  
If the data is not yet available to the public and is not yet available at the Financial Services Authority;
    - f) Summary of reports of independent experts or consultants, if there are reports of independent experts or consultants;
    - g) Statement of the board of commissioners and directors that the material information presented has been fully disclosed and is not misleading; and
    - h) Other supporting documents, including sale and purchase agreement documents.

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2. To avoid conflicts of interest, actual or perceived, members of the Bank (Commissioners, Independent Parties, Directors, and Employees) must comply with the prohibition on:
  - a. A member of the Bank or his family members may not borrow or lend personally to Customers / Bank Vendors;
  - b. A member of the Bank or a member of his family is prohibited from accepting gifts or entertainment offered by third parties; and
  - c. A member of the Bank or a member of his family is prohibited from being directly or indirectly involved in the procurement of goods and services for their personal interests.
3. Every member of the Board of Directors who personally has a conflict of interest or a potential conflict of interest in a proposed transaction, contract or contract, in which the Bank is a party, is not allowed to participate in decision making.
4. Members of the Board of Directors are not authorized to represent the Bank if:
  - a. There is a case in Court between the Bank and the relevant member of the Board of Directors.
  - b. The member of the Board of Directors concerned has a conflict of interest with the interests of the Bank.
5. In the event of a Conflict of Interest, 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;
  - c. Other parties appointed by the GMS in the event that all members of the Board of Directors and Board of Commissioners have a conflict of interest with the Bank.
6. In the event that there is a potential conflict of interest of the Bank, the Board of Directors is required to report it to the Audit Committee, so that the Audit Committee can provide recommendations to the Board of Commissioners.
7. In the event that a member of the Board of Commissioners appointed by the Board of Commissioners to chair the GMS has a conflict of interest with the agenda to be decided at the GMS, the GMS shall be chaired by another member of the Board of Commissioners who has no conflict of interest appointed by the Board of Commissioners.
8. In the event that all members of the Board of Commissioners have a conflict of interest, the GMS shall be chaired by a member of the Board of Directors appointed by the Board of Directors.
9. Banks do not need to fulfill the provisions as referred to in number 1, but are required to report to the Financial Services Authority no later than the end of the 2nd (second) business day after the date of the Conflict of Interest Transaction if conducting a Conflict of Interest Transaction as follows:
  - a. Transactions with a transaction value not exceeding 0.5% (zero point five percent) of the Bank's paid-up capital or not exceeding the amount of Rp5,000,000,000.00 (five billion rupiah), the lower value shall be used;
  - b. Transactions conducted as the implementation of statutory regulations or court decisions;
  - c. Transactions between:


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- 1) a Bank with a Controlled Company whose shares are owned at least 99% (ninety nine percent) of the Bank's paid-up capital;
- 2) Other Controlled Companies whose shares are owned at least 99% (ninety nine percent) by the Bank; or
- 3) Controlled Company with a company whose shares are owned by the Bank at least 99% (ninety nine percent) of the paid-up capital of the company; and/or
- 4) Transactions conducted by the Bank with the Controlled Company which is a sharia financial service institution (if any) in the context of developing the said sharia financial service institution.

**2.4 Information Disclosure****2.4.1 Contents of Information Disclosure**

Information disclosure as referred to in this Policy must contain at least:

- a. Description of Affiliated Transactions and/or Conflict of Interest Transactions, at least containing:
  - 1) Transaction date;
  - 2) Transaction object;
  - 3) Transaction value;
  - 4) The name of the party conducting the transaction and relationship with the Bank; and
  - 5) The nature of the Affiliate relationship and/or Conflict of Interest of the party conducting transactions with the Bank;
- b. In the event that the Bank uses an Appraiser to evaluate the object of the transaction, the summary report of the Appraiser shall contain at least:
  - 1) Party identity, at least:
    - a. Name;
    - b. Address, telephone number, facsimile, and e-mail address;
    - c. Current business activities;
    - d. Board of director; and
    - e. Administrator
  - 2) Object of assessment;
  - 3) The purpose of the assessment;
  - 4) Assumptions and limiting conditions;
  - 5) Assessment approaches and methods; and
  - 6) Value conclusion;
- c. Summary of the Appraiser's report regarding the fairness of the transaction, at least:
  - 1) Party identity;
  - 2) Object of assessment;
  - 3) The purpose of the assessment;
  - 4) Assumptions and limiting conditions;
  - 5) Assessment approaches and methods; and
  - 6) Fairness opinion on the transaction;
- d. Proforma of the impact of transactions on the Bank's financial condition which is prepared at least based on financial statements with limited review provided that the date of the financial report is the same as the date of the appraisal report;

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- e. Explanation, considerations, and reasons for conducting Affiliated Transactions and/or Conflict of Interest Transactions, compared to other similar transactions that are not carried out with Affiliated parties and/or contain Conflicts of Interest;
- f. Bank plan, company data taken over, and other related information, if the Affiliated Transaction and/or Conflict of Interest Transaction is a company takeover transaction;
- g. Summary of reports of independent experts or consultants, if there are reports of independent experts or consultants;
- h. In the event of an Affiliated Transaction, a statement from the Board of Directors that the Affiliated Transaction has gone through the procedures as referred to in this policy.
- i. In the event of an Affiliated Transaction, the statement of the Board of Commissioners and the Board of Directors that the Affiliated Transaction:
  - 1) Does not contain a Conflict of Interest; and
  - 2) All material information has been disclosed and the information is not misleading.
- j. In the event of a Conflict of Interest Transaction, the statement of the Board of Commissioners and the Board of Directors that all material information has been disclosed and the information is not misleading.

#### **2.4.2 Information Disclosure Announcement Media**

- a. Announcement of Affiliated Transactions and/or Conflict of Interest Transactions conducted by J Trust Bank must be made through at least:
  - 1. J Trust Bank (<https://www.jtrustbank.co.id>) Website; and
  - 2. Stock Exchange Website.
- b. Banks are required to disclose the results of the implementation of Affiliated Transactions and/or Conflict of Interest Transactions that have been approved by Independent Shareholders in the Annual Report.

#### **2.5 Miscellaneous Terms**

- a. In the event that J Trust Bank or Controlled Company conducts transactions other than Affiliated Transactions and Conflict of Interest Transactions, but may result in disruption of the Bank's business continuity, the Bank is required to carry out the procedures as referred to in this Policy.
- b. In the event that Affiliated Transactions and/or Conflict of Interest Transactions and/or transactions as referred to in letter a are conducted by a Controlled Company that is not a Public Company and its financial statements are consolidated with the Bank, the Bank is required to carry out the procedures as stipulated in this Policy.
- c. In the event that Affiliated Transactions and/or Conflict of Interest Transactions and/or transactions as referred to in letter a are conducted by a Controlled Company which is a Public Company and its financial statements are consolidated with a Bank, then only the Controlled Company is required to carry out the procedures as stipulated in the Service Authority Regulation. Finance and this Policy.

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- d. In the event that the Affiliated Transaction is conducted through a Public Offering, the Bank is only required to comply with the provisions of the laws and regulations in the capital market sector regarding the Public Offering.
- e. In the event that the Affiliated Transactions and/or Conflict of Interest Transactions meet the criteria for material transactions as referred to in the Financial Services Authority Regulation regarding material transactions and changes in business activities, the Public Company is only required to comply with the provisions of the Financial Services Authority Regulations regarding material transactions and changes in business activities.
- f. In the event that the Affiliated Transaction and/or Conflict of Interest Transaction is a takeover transaction of a Public Company as referred to in the Financial Services Authority Regulation concerning the takeover of a Public Company, the Bank is required to comply with the Financial Services Authority Regulation concerning Affiliated Transaction and Conflict of Interest Transaction and the Financial Services Authority Regulation concerning takeover of a Public Company.
- g. In the event that a Bank conducts transactions with an investment manager in which the securities portfolio under its management contains Bank shares with an amount of at least 20% (twenty percent) of all shares with fully paid voting rights, the Bank is required to comply with the provisions as stipulated in the Financial Services Authority Regulation. Affiliated Transactions and Conflicts of Interest and this Policy.
- h. Disclosure and re-implementation of procedures for Affiliated Transactions and Conflict of Interest Transactions:
  - 1. In the event that the Affiliated Transaction and/or Conflict of Interest Transaction that has been approved at the GMS has not been implemented within 12 (twelve) months from the date of the GMS approval, the Bank is required to:
    - a) Disclose in the annual report; and
    - b) Provide a special explanation for the non-execution of the Affiliated Transaction and/or Conflict of Interest Transaction at the nearest GMS.
  - 2. In the event that the Affiliated Transaction and/or Conflict of Interest Transaction in point (i) is to be executed, the Bank is required to follow the procedures in this policy and first obtain GMS approval for the transaction.
  - 3. In the event of an Affiliated Transaction which must be approved by the Independent Shareholders at the GMS, the proposed transaction can only be requested for approval from the GMS no later than 12 (twelve) months after the previous GMS was held.
  - 4. In the event that the Conflict of Interest Transaction is not approved by the Independent Shareholders at the GMS, the proposed transaction can only be requested for approval from the GMS again no later than 12 (twelve) months after the previous GMS has been held.

**CHAPTER 3. CLOSING**

1. This Policy on Affiliated Transactions and Conflict of Interest Transactions is effective as of the stipulation of this provision.
2. A more detailed description of Affiliated Transactions and Conflict of Interest Transactions is regulated in separate provisions, which are contained in the Standard Operating Procedure and can also be completed with Working Instructions.
3. In order to maintain effectiveness, this policy will be reviewed periodically at least every 2 (two) years or if it is deemed necessary to harmonize the suitability of the implementation of this policy with internal conditions Bank and applicable external regulations.

J TRUST BANK