



Annual General Meeting of Shareholders Agenda Fiscal Year 2016

PT BANK PEMBANGUNAN DAERAH JAWA TIMUR Tbk

First Agenda:

- **Approval of the Annual Report with regards to the state and the course of the Company during Fiscal Year 2016, including the Report of the Board of Commissioners Supervisory Duties during the Fiscal Year 2016 and the Ratification of the Company's Financial Statements for Fiscal Year 2016**

Explanation:

Annual Report including Board of Commissioners Supervisory Report and the Annual Financial Statements for Fiscal Year 2016 which will be asked approval and validation at the Annual General Meeting of Shareholders 2017, which have been uploaded and can be downloaded at the Company's website (www.bankjatim.co.id).

Legal Foundation:

1. Company's Articles of Association;

Article 11 Paragraph (4) Letter a, it is stated that the Annual General Meeting of Shareholders, Board of Directors deliver:

- Annual Report which has been reviewed by the Board of Commissioners in order to get approval by the Annual General Meeting of Shareholders;
- Financial statements which have been audited by public accountant in order to get validation by the Annual General Meeting of Shareholders.

Article 11 Paragraph (5)

- Approval of Annual Report and Validation of Financial Statements by Annual General Meeting of Shareholders, it signifies providing release and discharge the entire responsibility to the members of the Board of Directors and the Board of Commissioners on management and supervision which have been implemented during the last financial year, in which duties are reflected in the Annual Report and Financial Report.

2. Act of Law No. 40 Year 2007 regarding Limited Liability Company;

Article 69 paragraph (1)

Approval of the annual report including the validation of financial statements and Board of Commissioners Supervisory Report conducted by the Annual General Meeting of Share holders

Second Agenda:

- Determination of the Use of the Company's Net Income for the Fiscal Year 2016, including bonuses for employees as well as Tantiem for the Directors and Board of Commissioners

Explanation:

Determination of the Use of net profit for the fiscal year which ended on December 31, 2016 which is scheduled to be allocated such the following matters:

- Dividend Payment to shareholders;
- General reserves; and
- Bonuses for employees and tantiem for the Board of Directors and Board of Commissioners.

Legal Foundation:

Articles of Association in Article 11 Paragraph (4) Letter b at the Annual General Meeting of Shareholders; Defined the use of profits, if the Company has positive retained earnings

Article 23 paragraph (1)

Company's Net Profit in a financial year as stated in the balance sheet and calculation of profit and loss which has been approved by the Annual General Meeting of Shareholders and as a positive retained earnings, which is divided according to how it is used determined by the Annual General Meeting of Shareholders.

- Article 24 Paragraph (1), (2), and (3)
 1. The Company is obliged to set aside a certain amount of net income each fiscal year for the reserve, which is determined by the Annual General Meeting of Shareholders regarding to legislation.
 2. The allowance obligation for the reserve is applicable if the Company has a positive retained earnings.
 3. Allowance for net profit for the reserve is made until reserve reaches at least 20% of the total issued and paid capital.

Legal Foundation:

- Act of Law No.40 Year 2007 regarding Limited Liability Company;
Article 70 Paragraph (1), (2), and (3)
 1. The Company is obliged to set aside a certain amount of net income each fiscal year for the reserve.
 2. The allowance obligation to reserve as stated in Paragraph (1) is applicable if the Company has a positive retained earnings.
 3. Allowance for net profit for the reserve is made until reserve reaches at least 20% of the total issued and paid capital.
- Article 71 Paragraph (1), (2), dan (3)
 1. The use of Net income including the determination of the allowance for the reserve as stated in Article 70 paragraph (1) shall be decided by the Annual General Meeting of Shareholders.
 2. All net income minus the allowance reserve as stated in Article 70 paragraph (1) is distributed to the shareholders as dividends, unless otherwise specified in the Annual General Meeting of Shareholders.
 3. Dividend as stated in paragraph (2) may only be distributed if the Company has positive retained earnings.

Third Agenda:

- **Approval of the Shares Buyback scheme in the context of Long Term Incentive Implementation**

Explanation:

The Company's plan to Buyback in the context of remuneration implementation in the variable form of shares within the Long Term Incentive program as set out in the FSA Regulation No.45 / POJK.03 / 2015 in regards with the Corporate Governance Implementation in the context of Remuneration for Bank.

Legal Foundation:

- Regulation of the Financial Services Authority No. 45 / POJK.03 / 2015 in regards with the Corporate Governance Implementation in the context of Remuneration for Bank Article 17 paragraph (2):
Variable remuneration, which is provided by go public bank shall be in the form of shares or share-based instruments issued by the bank concerned by a certain percentage of the variable remuneration
- Decision of the Chairman of Bapepam Number: KEP-105 / BL / 2010 Concerning Shares Buyback Issued By Issuers Or Public Companies

Fourth Agenda:

- Authorize the Board of Directors by the approval of the Board of Commissioners to Appoint a Public Accounting Firm in Auditing the Company's Financial Statements for Fiscal Year 2017

Explanation:

Authorize the Board of Directors by the approval of the Board of Commissioners to Appoint a Public Accounting Firm to audit the Consolidated Financial Report for the year which will end on December 31st, 2016.

Legal Foundation:

- Articles of Association of the Company
 - Article 11 paragraph (4) letter cIn the Annual General Meeting of Shareholders
The appointment of a public accountant office or authorize the Board of Directors by the approval of the Board of Commissioners to appoint a public accountant office.
- Bank Indonesia Regulation No. 3/22 / PBI / 2001 dated December 13th, 2001 regarding Transparency of Bank Financial Condition
Article 16 paragraph (2)
Appointment of Public Accountant and or similar Public Accountant Office by the Bank maximum conducted for the period of five (5) Fiscal Years simultaneously.
- Bank Indonesia Regulation No. 14/14 / PBI / 2012 dated October 18th, 2012 Regarding Transparency and Bank Report Publication
Article 3 Paragraph (4)
Annual Financial Report must be audited by a public accountant.

Fifth Agenda:

- **Report of the Use of Company Shares Initial Public Offering Proceeds in 2016**

Explanation:

- **The report exposure of the use of Company Shares Initial Public Offering Proceeds.**

Legal Foundation:

- Regulation of the Financial Services Authority No. 30 / POJK.04 / 2015 in regards with the Report of the realization of the use of the Company Shares Initial Public Offering (IPO) Proceeds.

Sixth Agenda:

- **Refund of the Sinoman Community to the Company's General Reserve Post**

Explanation:

- **Return The Sinoman Association Funds Company's General Reserve Post in relation to the requirements which have not been fulfilled for the allocation of these funds related to the legality and resources of Sinoman Community Funds.**

Legal Foundation:

1. Act of Law No. 17 of 2003 Article 2 paragraph (g) it is stated that the wealth of the country / regional assets managed alone or by other parties in the form of money, securities, credit, goods, and other rights that can be measured by money, including wealth which is separated in state companies / regional companies;
2. According to Article 298 paragraph (5) in Act of Law No. 23 2014 regarding Regional Government, that the organization / agency must have Indonesian legal entities to obtain grants from regional owned enterprises;
3. It already exists the conditions of Mass Organizations with legal entity in the form of the Foundation or the Association. In paragraph (2) and (3) in Act of Law No. 13/2013 Act of Law on Mass Organizations. And Regulation of Minister of Law and Human Rights No. 6/2014 regarding the Legalization Procedure of Association.

Seventh Agenda:

- **Authorize the Board of Commissioners to make adjustment of the Company's Capital, which hereby changes the Article 4 of Articles of Association in the connection with the implementation of Management Employee Stock Options Plan (MESOP)**

Explanation:

- **Giving the authority to the Board of Commissioners to amend Company's Articles of Association Article 4 as regulated in Article 41 paragraph (2) in Act of Law regarding Limited Liability Company No. 40 year 2007, in relation with the issuance of new shares in the context of Management Employee Stock Option Plan (MESOP) which has been approved in the Annual General Meeting of Shareholders for Fiscal Year 2015 January 29th, 2016.**

Legal Foundation:

- Regulation of the Financial Services Authority 38 / POJK.04 / 2014 regarding Capital Increase of Public Company Without Giving Preemptive Rights.

Eighth Agenda:

- **Approval of the Agenda Decision Amendment 6 in the Company's Annual General Meeting of the Shareholders, which was convened on January 29, 2016 related to the Implementation Licensing of Sharia Unit's Spin-Off into Sharia Bank**

Explanation:

Adjustments of decisions Sharia unit's spin off with the establishment of Islamic Commercial Banks which has been approved in the Annual General Meeting of Shareholders, which was convened on January 29, 2016 which was originally planned in 2016 caused by something that the Spin-Off will be held in 2017.

THANK YOU