

## **ABSTRACT**

*The aim of this research is to examine the effect of good corporate governance (GCG) toward the firm's dividend policy. Good corporate governance (GCG) is proxied by the number of commissioner, independent commissioner, and institutional ownership. Dividend policy as dependent variable is measured by dividend payout ratio (DPR). This study uses leverage, profitability, and the firm's size as control variables.*

*Population of this research is manufacturing companies listed in Indonesia Stock Exchange (IDX) 2011-2013. Using purposive sampling method, there are 150 samples obtained. The analytical method used in this study is multiple regression analysis.*

*The result of this research show that independent commissioner and institutional ownership have a positive effect on dividend policy. Meanwhile, the number of commissioner do not have a significant effect on dividend policy.*

**Keywords:** *Good Corporate Governance, Dividend Policy, Total Commissioner, Independent Commissioner, Institutional Ownership.*