

**WORK CODE OF CONDUCT OF
THE REMUNERATION AND NOMINATION COMMITTEE OF
PT BANK TABUNGAN NEGARA (PERSERO) Tbk**

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
DEFINITION**

In this regulation, the following definitions are given:

- (1) **Bank** means PT Bank Tabungan Negara (Persero) Tbk;
- (2) **State-Owned Enterprises**, hereinafter referred to as SOEs, mean Business Entities whose capital is wholly or largely owned by the State through direct participation originating from separated state assets;
- (3) **Board of Commissioners** means the Bank Organ which is tasked with carrying out general and/or specific supervision in accordance with the Articles of Association as well as providing advice to the Board of Directors in managing the bank;
- (4) **Independent Commissioners** mean members of the Board of Commissioners who do not have financial, management, share ownership and/or family relationships with other members of the Board of Commissioners, Board of Directors and/or controlling shareholders or relationships with the Bank, which could affect their ability to act independently;
- (5) **Commissioners** mean members of the Board of Commissioners who are not independent Commissioners;
- (6) **Board of Directors** means a Bank Organ that is fully responsible for the management of the Bank for the interests and objectives of the Bank and represents the Bank inside and outside the court in accordance with the provisions of the Articles of Association;
- (7) **Sharia Supervisory Board**, hereinafter abbreviated to DPS, means the Board tasked with providing advice and suggestions to the Board of Directors and supervising the activities of the Sharia Business Unit (UUS) so that they comply with Sharia principles.
- (8) **Supporting Organs** of the Board of Commissioners mean devices or organs established by the Board of Commissioners to assist the smooth running of supervisory duties carried out by the Board of Commissioners, consisting of the Secretariat of the Board of Commissioners, the Audit Committee, the Risk Monitoring Committee, and the Remuneration and Nomination Committee; or other committees if necessary;
- (9) **Remuneration and Nomination Committee**, hereinafter referred to as the committee, means a Supporting Organ formed by and responsible to the Board of Commissioners whose task is to assist the Board of Commissioners in carrying out its duties. The Remuneration and Nomination Committee is one of the supporting organs of the Board of Commissioners, working hand in hand with the Human Resources Work Channel as a tool owned by the Board of Directors to appreciate human resources and prepare future leaders who provide exemplary examples and pay close attention to the implementation of good corporate governance, including policies and the amounts of the remuneration;

- (10) **Committee's Work Code of Conduct** means work guidelines which contain a set of rights, obligations and work rules established by the Board of Commissioners as Committee guidelines in order to assist the Board of Commissioners in carrying out their duties and functions so that the Committee can work more optimally so that management is implemented. human resources, implementation of the prudential banking and good corporate governance principles. The committee's word code of conduct is also known as the committee charter.
- (11) **Independent parties** mean parties outside the Bank who do not have financial, management, share ownership and/or family relationships with the Board of Commissioners, the Board of Directors and/or controlling shareholders or relationships with the Bank, which could affect their ability to act independently;
- (12) **Executive Officers** mean officials who are directly responsible to the Board of Directors or have significant influence on Bank policies and operations, including Heads of Divisions, Heads of Regional Offices, Heads of Branch Offices, Heads of Functional Offices whose status is at least equivalent to the Head of Branch Offices, Head of the Human Resources Work Unit, Head of the Compliance Work Unit and Head of the Internal Audit Work Unit, and/or other equivalent officials;
- (13) **Secretariat of the Board of Commissioners** means a functional unit formed by the Board of Commissioners, led by a Secretary of the Board of Commissioners, and assisted by the Secretariat Staff of the Board of Commissioners in carrying out its duties;
- (14) **Good Corporate Governance** means corporate governance based on a balance of authority so that there can be no abuse of authority and there is a check and balance in the Company's operations by applying the principles of transparency, accountability, responsibility, independency, and fairness (fairness);
- (15) **Code of Ethics** means a set of unwritten norms or values that are believed by a community group to be a standard of behavior for that group based on statutory regulations and business ethics;
- (16) **Conflict of Interest** means a conflict between the economic interests of the Company and the personal economic interests of the owner, Members of the Board of Commissioners, Members of the Board of Directors, Executive Officers, Employees and/or parties affiliated with the Company.

Article 2

PURPOSE OF ESTABLISHING THE COMMITTEE

- (1) Assist and strengthen the function of the Board of Commissioners in carrying out supervisory functions, providing advice, determining criteria for selecting candidates for members of the Board of Commissioners and the Board of Directors and proposing a system and amount of remuneration.
- (2) Assist the Board of Commissioners in carrying out the duties and functions of preparing selection criteria and nomination procedures for members of the Board of Commissioners, members of the Board of Directors, creating an assessment system and providing recommendations regarding the number of members of the Board of Commissioners and the Board of Directors, as well as preparing a salary system and providing allowances to members of the Board of Commissioners and the Board of Directors and providing related recommendations.

CHAPTER II DUTIES, RESPONSIBILITIES AND AUTHORITY OF THE COMMITTEE

Article 3 DUTIES OF THE COMMITTEE

In carrying out its main duties, the Committee is responsible to the Board of Commissioners as follows:

- (1) Duties of the Committee related to Remuneration:
 - a. Provide recommendations to the Board of Commissioners regarding:
 - i. remuneration structure;
 - ii. policy on remuneration; and
 - iii. the amount of remuneration
 - b. Assist the Board of Commissioners in conducting performance assessments in accordance with the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.
 - c. In carrying out the remuneration function, the Committee is obliged to carry out the following procedures:
 - i. prepares the structure, policies, and amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners; and
 - ii. prepare the structure, policies, and amount of remuneration for members of the Sharia Supervisory Board (DPS).
 - d. The remuneration structure as referred to in letter c can be in the form of:
 - i. Wages;
 - ii. Honorarium;
 - iii. Incentives; and/or
 - iv. fixed and/or variable allowances.
 - e. The preparation of the structure, policies and amount of Remuneration as referred to in letter c must take into account:
 - i. remuneration applicable to the industry in accordance with the Bank's business activities and the Bank's business scale in the industry;
 - ii. duties, responsibilities, and authorities of members of the Board of Directors and/or members of the Board of Commissioners are related to the achievement of the Bank's objectives and performance;
 - iii. performance targets or performances of each member of the Board of Directors and/or members of the Board of Commissioners; and
 - iv. balance of allowances between fixed and variable benefits.
 - f. Evaluate remuneration policies based on performance, risk, fairness with peer groups, targets and long-term strategies of the Bank, fulfillment of reserves as regulated in statutory regulations and the Bank's potential income in the future.
 - g. Submit evaluation results and recommendations to the Board of Commissioners regarding:
 - i. Remuneration policy for the Board of Directors, Board of Commissioners and DPS to be submitted to the General Meeting of Shareholders; and

- ii. Remuneration policy for employees as a whole to be submitted to the Board of Directors.
 - h. Ensure that the Remuneration policy is in accordance with applicable regulations.
 - i. Conduct regular evaluations at least 1 (one) time in 1 (one) year regarding the structure, policies, and amount of Remuneration.
 - j. Develop and evaluate the salary system and provision of allowances to members of the Board of Commissioners and the Board of Directors and provide recommendations regarding:
 - i. Assessment of the system;
 - ii. The options granted include stock options;
 - iii. Pension System, Old Age Benefits; and
 - iv. Compensation system and other benefits in the event of employee reduction.
 - k. Carry out other duties of the Board of Commissioners in accordance with the field of remuneration duties.
- (2) Duties of the Committee regarding Nominations:
- a. Provide recommendations to the Board of Commissioners regarding:
 - i. nomination of candidates for the Board of Directors refers to the Company's strategy;
 - ii. composition of positions of members of the Board of Directors and/or members of the Board of Commissioners;
 - iii. policies and criteria required in the Nomination process;
 - iv. performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners; and
 - v. proposal for the appointment and/or replacement of members of the Sharia Supervisory Board to the GMS.
 - b. Assist the Board of Commissioners in assessing the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material;
 - c. Provide recommendations to the Board of Commissioners regarding capacity development programs for members of the Board of Directors and/or members of the Board of Commissioners;
 - d. Provide recommendations for proposed candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
 - e. In carrying out the Nomination function as intended in letters b and c, the Committee is obliged to carry out the following procedures:
 - i. preparing the composition and nomination process for members of the Board of Directors and/or members of the Board of Commissioners;
 - ii. develop policies and criteria required in the nomination process for candidates for members of the Board of Directors and/or members of the Board of Commissioners;
 - iii. assist in carrying out evaluations of the performance of members of the Board of Directors and/or members of the Board of Commissioners;
 - iv. prepare a capacity development program for members of the Board of Directors and/or members of the Board of Commissioners; and

- v. reviewing and proposing recommendations for candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
- f. Develop, implement, and analyze the criteria and nomination procedures for prospective members of the Sharia Supervisory Board.
- g. Monitor and carry out analysis of criteria and nomination procedures for other executives up to with 1 (one) level below the Board of Directors, hereinafter referred to as BOD-1.
- h. Carrying out introductions and monitoring of the profiles of the Board of Commissioners, the Board of Directors, and Executive Officers, especially those who have been or will be nominated talents, through.
 - i. Research via the internet and/or print media including social media monitoring.
 - ii. Verify the State Official Wealth Report (*Laporan Harta Kekayaan Pejabat Negara* - LHKPN).
 - iii. Ensure that the Board of Commissioners, the Board of Directors, and Executive Officers as referred to in letter h above, do not have bad or problematic credit or be declared bankrupt.
 - iv. Ensure that the Board of Commissioners, the Board of Directors, and Executive Officers as referred to in letter h above, avoid activities/actions that are prohibited by statutory provisions.
- i. Carry out initial detection of abuse of authority, through reporting detection of crime/abuse of authority using the Whistle Blowing System (WBS) reporting mechanism involving the Board of Commissioners, the Board of Directors and Executive Officers as referred to in letter h above.
- j. Provide a report on the results of the introduction and monitoring of the profile of the Board of Commissioners, the Board of Directors and Executive Officers as referred to in letter h above, to the President Commissioner.
- k. Provide recommendations on criteria and procedures for selection, position composition, appointment and/or replacement of members of the Board of Commissioners, the Board of Directors, and Sharia Supervisory Board.
- l. Develop a performance assessment system for members of the Board of Commissioners and the Board of Directors.
- m. Conduct a review of the Human Resources Work Unit management system and human resource development policies starting from recruitment, assessment, competency improvement, evaluation, promotion, demotion, termination, succession, selection, and others.
- n. Carry out other duties of the Board of Commissioners in accordance with the Nomination's field of duties.
- o. Committee members are required to sign an integrity pact which is a statement and commitment to comply with all statutory provisions and the principles of Good Corporate Governance.

Article 4 RESPONSIBILITY

In carrying out its duties, the Committee is responsible for:

- (1) The Committee is obliged to submit a report to the Board of Commissioners on each implementation of its duties, accompanied by recommendations if necessary for each problem identified as requiring the

attention of the Board of Commissioners regarding remuneration and nomination policies for Commissioners, the Board of Directors, Executive Officers, and Employees as a whole, with the most less attention:

- a. Financial performance and fulfillment of reserves as regulated in applicable laws and regulations;
 - b. Performance achievements and individual assessment results;
 - c. Fairness with peer groups;
 - d. Consideration of the Bank's long-term targets and strategies; and
 - e. Criteria and procedures as regulated in law
- (2) The Committee makes quarterly reports and annual reports to the Board of Commissioners and submits them to the Board of Commissioners as the Committee's responsibility to the Board of Commissioners;
 - (3) The Committee Report as intended in paragraph (1) and paragraph (3) is signed by the Chairman and members of Committee;
 - (4) Reporting is limited and only for the Board of Commissioners and the Committee cannot issue reports to other parties outside the Company without the knowledge/permission of the Board of Commissioners

Article 5 AUTHORITY

The Committee has the authority by the Board of Commissioners to:

- (1) Review, examine, conduct analysis, and provide opinions and recommendations within the scope of their duties.
- (2) Request the Bank to conduct a survey and/or comparative study (benchmarking) in accordance with the Committee's needs.
- (3) Request, seek and obtain necessary information from internal and external parties of the Bank.
- (4) Search for and obtain various information including required documents from:
 - a. Bank BTN (including Bank employees); and/or
 - b. Other interested parties.
- (5) Obtain input and/or suggestions from parties outside Bank BTN related to their duties;
- (6) Communicate directly with parties related to the Committee's duties;

CHAPTER III STRUCTURE AND MEMBERSHIP

Article 6 COMPOSITION AND STRUCTURE

- (1) Membership Composition The Remuneration and Nomination Committee consists of at least:
 - a. 1 (one) Independent Commissioner;
 - b. 1 (one) Commissioner;
 - c. 1 (one) party from outside the Issuer or Public Company concerned; and
 - d. 1 (one) Executive Officer in charge of human resources functions or 1 (one) employee representative.

- (2) In the event that the Bank does not have a Commissioner, the membership of the Remuneration and Nomination Committee as intended in Article 6 paragraph (1) must consist of at least:
 - a. 2 (two) Independent Commissioners; and
 - b. 1 (one) Executive Officer in charge of human resources functions or 1 (one) Bank employee representative.
- (3) For Banks that carry out sharia business activities and Banks that carry out conventional business activities that have UUS, 1 (one) member of the sharia supervisory board can be a member of the remuneration and nomination committee.
- (4) The remuneration and nomination committee are chaired by an Independent Commissioner who is also a member.
- (5) In the event that there are more than 3 (three) members of the Remuneration and Nomination Committee, then the number of Independent Commissioners will be at least 2 (two) people.
- (6) If necessary, the Remuneration and Nomination Committee can appoint members from outside parties who are independent of Bank BTN.
- (7) Members of the Remuneration and Nomination Committee are appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.
- (8) Executive officers or employee representatives who are members of the remuneration committee must have knowledge of the Bank's remuneration system and have knowledge of the Bank's nomination system and succession plan.

Article 7

MEMBERSHIP REQUIREMENTS

The requirements for Committee Membership are:

- (1) Have high integrity, good morals, and character, as well as adequate skills, knowledge, and experience in accordance with their educational background and be able to communicate well.
- (2) Committee members are obliged to carry out their duties, responsibilities and authority with integrity, independence, competence and maintaining their reputation.
- (3) Have no personal interests/relationships that could have a negative impact and conflict of interest on the SOE concerned.
- (4) Able to work together and communicate effectively.
- (5) Have sufficient knowledge to read and understand financial reports, Bank business activities, human resource management and laws and regulations in the fields of Capital Markets, banking and other laws and regulations.
- (6) Comply with the Code of Ethics established by the Bank.
- (7) Able to act independently, namely being able to carry out tasks comprehensively without conflict of interest and influence/pressure from any party that is not in accordance with applicable laws and regulations and healthy corporate principles.
- (8) Understand the concept of human resource management comprehensively and have knowledge of the provisions of the remuneration and/or nomination system as well as the Bank's succession plan.
- (9) Do not own Bank BTN shares, either directly or indirectly.
- (10) Not a member of the Board of Directors or employee of Bank BTN.

- (11) Has no affiliation with Bank BTN, Commissioners and Directors of Bank BTN.
- (12) Has no direct or indirect business relationship with Bank BTN.
- (13) Committee members who come from Independent Parties are not permitted to hold concurrent positions as:
 - a. Member of the Board of Commissioners/Supervisory Board at State-Owned Enterprises (SOEs)/other companies;
 - b. Secretary/Sekretariat Staff of the Board of Commissioners/Supervisory Board at State-Owned Enterprises (SOEs)/other companies;
 - c. Members of other Committees in the Company; and/or
 - d. Member of the Committee on State-Owned Enterprises (SOEs)/Other Companies.
- (14) Committee members have commitment, adequate knowledge in the SOEs business sector, and can provide sufficient time and energy to complete their duties and responsibilities.

Article 8 TERMS OF OFFICE

- (1) The term of office of Committee members who are members of the Board of Commissioners terminates automatically when their term of office as a member of the Board of Commissioners ends;
- (2) The term of office of a Committee member who is not a member of the Board of Commissioners is a maximum of 3 (three) years and can be extended 1 (one) time for a 2 (two) year term of office, without prejudice to the right of the Board of Commissioners to dismiss the relevant Committee member, at any time;
- (3) In the event that a member of the Board of Commissioners who serves as chairman of a Committee ceases to be a member of the Board of Commissioners, the chairman of the Committee must be replaced by another member of the Board of Commissioners within no later than 30 (thirty) days.

CHAPTER IV MECHANISMS AND WORKING RELATIONS

Article 9 WORK MECHANISM

- (1) The Committee works collectively in carrying out its duties to assist the Board of Commissioners.
- (2) The Committee is independent in carrying out its duties and responsibilities.
- (3) Committee members are required to provide sufficient time to carry out their duties and responsibilities optimally according to the Bank's working days.
- (4) Committee members are required to have good integrity, character and morals and comply with the code of ethics that applies at the Bank.
- (5) Committee members are required to carry out their duties, responsibilities and authority with integrity, independence, competence and maintaining their reputation.
- (6) Committee members are obliged to maintain the confidentiality of all information, documents, reports, and everything related to the implementation of the Committee's duties from both internal and external parties and are only used for the purposes of carrying out their duties.

- (7) Committee members must be objective, honest and transparent in carrying out their duties and responsibilities.
- (8) Each member of the Committee is prohibited from taking personal advantage, either directly or indirectly, from Bank activities other than legitimate income, which may cause losses to the Bank.
- (9) In the event of a conflict of interest between the Bank and the Committee members, the Committee members are prohibited from taking action that could harm the Bank or reduce the Bank's profits and are required to disclose the conflict of interest referred to in each decision. Disclosure of conflicts of interest is stated in the minutes of the meeting which at least includes the name of the party having a conflict of interest, the main issue of the conflict of interest and the basis for decision making.

Article 10 WORK RELATIONSHIP

In carrying out its duties, responsibilities and authority, the Committee has the following working relationship:

- (1) The position of the Committee is under the coordination of the Board of Commissioners and is structurally responsible to the Board of Commissioners.
- (2) Communicate with the Board of Directors, Executive Officers, Human Resources Work Units, and/or relevant Bank work units to obtain the necessary information, clarification, documents and/or reports.
- (3) Coordinate with the Supporting Organs of the Board of Commissioners.

Article 11 SUPPORTING PERSONNEL

The Committee, with the permission of the Board of Commissioners and at the Bank's expense, can invite external parties (professional personnel) or appoint third parties to support the implementation of the Committee's duties.

CHAPTER V WORK PLANNING AND IMPLEMENTATION

Article 12 WORK PLAN AND BUDGET

- (1) Before the current financial year, the Committee is obliged to prepare and submit an annual work plan and budget to the Board of Commissioners/Supervisory Board for adoption.
- (2) A copy of the Committee's work plan and budget as referred to in paragraph (1) is submitted by the Board of Commissioners/Supervisory Board to the Board of Directors for information.
- (3) The implementation of the Committee's annual work plan and budget is reported to the Board of Commissioners/Supervisory Board.

Article 13 COMMITTEE MEETING

- (1) Meetings are held at least the same as the minimum provisions for meetings of the Board of Commissioners stipulated in the Bank's Articles of Association.

- (2) Remuneration and nomination committee meetings are held if attended by the majority of committee members, including the presence of:
 - a. 1 (one) Independent Commissioner; and
 - b. 1 (one) Executive Officer in charge of human resources functions or 1 (one) Bank employee representative.
- (3) In the event that members of the remuneration and nomination committee do not meet the minimum requirements as intended in Article 6 paragraph (1), paragraph (2), and paragraph (3), the recommendation of the committee carrying out the nomination function.
 - a. acceptable, in the event that the membership of the remuneration and nomination committee consists of at least 1 (one) Independent Commissioner or 1 (one) Commissioner; or
 - b. excluded, in the event of a vacancy in the members of the Board of Commissioners.
- (4) In the event that members of the Board of Commissioners are unable to attend the meeting physically, they can attend the meeting using:
 - a. Power of attorney;
 - b. Teleconferencing technology;
 - c. Other methods are permitted in accordance with the procedures and provisions of applicable laws.
- (5) The meeting is chaired by the Committee Chair or a member appointed by the members present, if the Committee Chair is unable to attend
- (6) Committee meeting decisions are made first based on deliberation to reach consensus.
- (7) In the event that deliberation to reach consensus as intended in paragraph (5) does not take place, decisions are made based on the majority vote.
- (8) The results of the Committee meeting are stated in the minutes of the meeting which are signed by all Committee members present, properly documented, and submitted to the Board of Commissioners. Meeting results include the time and place of the meeting, meeting agenda, participants present, topics discussed, differences of opinion (if any) and meeting decisions.
- (9) Dissenting opinions that occur at Committee meetings must be stated clearly in the minutes of the meeting along with the reasons for the difference of opinion.
- (10) Committee may hold meetings or special meetings if necessary.
- (11) Committee meetings may invite Management or Other Parties as resource persons.
- (12) Committee meetings are held based on invitations and agendas that have been agreed before the meeting is held, and the results of the meeting must be recorded in the minutes, the original document of which is kept by the Committee and a copy of which is submitted to the Secretary of the Board of Commissioners and if necessary, can be distributed to invitees who are not present. in the meeting.

Article 14 REPORT

- (1) The Committee is obliged to submit a report to the Board of Commissioners on each implementation of its duties, accompanied by recommendations if necessary for each problem identified as requiring attention of the Board of Commissioners.
- (2) The Committee makes quarterly reports and annual reports to the Board of Commissioners.

- (3) The Committee report as intended in paragraph (1) and paragraph (2) is signed by the chairman and members of the Committee.
- (4) Reporting is limited and only for the Board of Commissioners.

Article 15
PERFORMANCE EVALUATION

- (1) Evaluation of the Committee's performance is carried out by the Board of Commissioners objectively every year.
- (2) Performance evaluation as intended in paragraph (1) is carried out using the method determined by the Board of Commissioners based on specific, measurable, achievable, and relevant benchmarks or assessment criteria.

CHAPTER VI
COMPETENCE DEVELOPMENT AND INCOME

Article 16
COMPETENCY DEVELOPMENT

- (1) Committee members can take part in training, workshops and/or education related to improving their ability to carry out the Committee's duties.
- (2) Committee members' participation in training, education, workshops and/or other competency development is based on approval from the Board of Commissioners.

Article 17
INCOME OF COMMITTEE MEMBERS

- (1) The income of members of the Nomination and Remuneration Committee is determined by the Board of Commissioners by taking into account the company's capabilities.
- (2) The income of members of the Remuneration and Nomination Committee as referred to in paragraph (1) consists of:
 - a. maximum honorarium of 20% (twenty percent) of the salary of the Bank's President Director;
 - b. health facilities in the form of inpatient care, outpatient care and medicines for those concerned, excluding families; and
 - c. holiday allowance paid once in 1 (one) year is 1 (one) time the honorarium.
- (3) Tax on income as intended in paragraph (2) is borne by the company.
- (4) The Committee is prohibited from receiving income other than income as intended in paragraph (2).
- (5) Members of the Board of Commissioners who are Chairmen or Members of Committees and an Executive Officer who supervises the Human Resources Unit are not given additional income from serving on the Committee.

**CHAPTER VII
CLOSING**

**Article 18
CLOSING**

- (1) The work guidelines and regulations of this Committee are subject to statutory regulations.
- (2) The Committee's work guidelines and regulations are jointly signed by representatives of the Board of Commissioners and members of the Committee.
- (3) The work guidelines and regulations of this Committee will be reviewed periodically and updated if necessary.

Stipulated in : Jakarta
On : 13 December 2023

PT BANK TABUNGAN NEGARA (PERSERO) Tbk

signed

CHANDRA M. HAMZAH
President Commissioner/
Independent Commissioner/
Chairman of Committee

signed

IQBAL LATANRO
President Commissioner/
Independent Commissioner/
Member of Committee