

**WORK CODE OF CONDUCT OF
THE RISK MONITORING COMMITTEE OF
PT BANK TABUNGAN NEGARA (PERSERO) Tbk**

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
DEFINITION**

In this work code of conduct, the following definitions are given:

- (1) **Company** means PT Bank Tabungan Negara (Persero) Tbk.
- (2) **State-Owned Enterprises**, hereinafter referred to as the SOEs mean business entities whose capital is wholly or majority owned by the State through direct participation originating from separated state assets.
- (3) **Board of Commissioners** means the organ of the Company which is tasked with carrying out general and/or specific supervision in accordance with the articles of association and providing advice to the Board of Directors in the management of the Company.
- (4) **Independent Commissioner** means member of the Board of Commissioners who does not have financial, management, share ownership and/or family relationships with members of the Board of Directors, other members of the Board of Commissioners, and/or controlling shareholders, or relationships with the Company that could influence their capabilities to act independently.
- (5) **Non-Independent Commissioner**, hereinafter referred to as the Commissioner means member of the Board of Commissioners who is not Independent Commissioners.
- (6) **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 so that they comply with sharia principles.
- (7) **Board of Directors** means the organ of the Company which has the authority and is fully responsible for managing the Company for the interests of the Company, in accordance with the aims and objectives of the Company and representing the Company, both inside and outside the court in accordance with the provisions of the articles of association for the Company which is a limited liability company.
- (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 and advisory duties carried out by the Board of Commissioners, consisting of the Secretariat of the Board of Commissioners, the Audit Committee, the Risk Monitoring Committee, the Remuneration and Nomination Committee, and other committees if necessary.
- (9) **Risk Monitoring Committee**, hereinafter referred to as the Committee, means a Supporting Organ for the Board of Commissioners formed by and responsible to the Board of Commissioners whose aim is to assist the Board of Commissioners in evaluating the suitability of risk management policies and the implementation of Company policies as well as monitoring and evaluating the implementation of duties of risk management committee and risk management work unit.

- (10) **Independent Party** means any party outside the Company who does not have financial, management, share ownership, and/or family relationships with members of the Board of Directors, members of the Board of Commissioners, and/or controlling shareholders, or relationships with the Company that can influence their capabilities. concerned to act independently.
- (11) **Committee's Work Code of Conduct**, or also known as a committee charter, means work guidelines which contain a set of rights, obligations and work procedures determined by the Board of Commissioners as guidelines for the Committee in order to assist the Board of Commissioners in carrying out its duties and functions so that the Committee can work more optimally so that the implementation of risk control, the application of the precautionary principle, and good corporate governance.
- (12) **Executive Officers** mean officials who are directly responsible to the Board of Directors or have significant influence on the Company's policies and operations, including Division Heads including officials above Division Heads other than Board of Directors, Heads of Regional Offices, Heads of Branch Offices, Heads of Functional Offices whose position is at least less than equivalent to the Head of a Branch Office, Head of the Risk Management 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 of the Board of Commissioners in carrying out its duties.
- (14) **Sharia Business Unit**, hereinafter abbreviated as UUS, means a work unit from the Company's head office that carries out conventional business activities and functions as the main office of offices or units that carry out business activities based on sharia principles.
- (15) **Good Corporate Governance** in the Company means the structure, processes, and management mechanisms of the Company to achieve the implementation of the Company's business activities which take into account the interests of all relevant stakeholders, create, and optimize corporate value in the Company in a sustainable manner, and are based on the provisions of statutory regulations, standards, ethical values, principles, and generally accepted practices.
- (16) **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.
- (17) **Conflict of Interest** means a conflict between the Company's economic interests 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 OBJECTIVE

The purpose of establishing the Committee is to assist and support the implementation of the duties and responsibilities of the Board of Commissioners in ensuring the implementation of supervision and providing advice to the Board of Directors as well as compliance with statutory regulations and the Company's internal regulations relating to:

- (1) Implementation of a strong risk management oversight function;
- (2) Building a risk management culture so as to reduce the possibility of unhealthy banking practices occurring; and

- (3) Identification of matters relating to risk management that require the attention of the Board of Commissioners.

CHAPTER II DUTIES, RESPONSIBILITIES AND AUTHORITY

Article 3 DUTIES AND RESPONSIBILITIES

In carrying out its functions, the Committee's duties and responsibilities include the following:

- (1) Evaluate the suitability between risk management policies and the implementation of Company policies;
- (2) Monitor and evaluate the implementation of the duties of the risk management committee and risk management work unit;
- (3) Collect and evaluate information, clarifications, documents and/or reports related to the implementation of risk management;
- (4) Monitor the adequacy of the process of identification, measurement, monitoring, control, and risk management information systems;
- (5) Encourage the empowerment of the Company's risk management function;
- (6) Report to the Board of Commissioners regarding possible risks to the Company and propose alternative solutions;
- (7) Carrying out risk monitoring activities in work units that are closely related to risk-based decision making and collaborating with risk management work units;
- (8) Conduct reviews, evaluations, and/or provide recommendations on matters that require approval, consultation, or decision making by the Board of Commissioners in accordance with the Articles of Association, Guidelines for the Working Relationship Patterns of the Board of Commissioners and Directors, as well as regulatory provisions;
- (9) Carry out other duties of the Board of Commissioners in accordance with the area of risk management duties.
- (10) The results of the implementation of duties and responsibilities as intended in paragraph (3) to. paragraph (9) above is used to provide recommendations to the Board of Commissioners.

Article 4 AUTHORITY

In carrying out its functions, the Committee has the authority to:

- (1) Carry out activities in carrying out the duties and responsibilities of the Committee as intended in Article 3.
- (2) Communicate with the Board of Directors and/or Executive Officers as well as internal parties of the Company to obtain information, clarification, and request necessary documents and/or reports.
- (3) Obtain input and/or suggestions from parties outside the Company relating to the duties and responsibilities of the Committee.

CHAPTER III STRUCTURE AND MEMBERSHIP

Article 5 COMPOSITION AND STRUCTURE

- (1) The Chairman and members of the Committee are appointed and dismissed by the Board of Commissioners.
- (2) The composition of the Committee must consist of at least:
 - a. 1 (one) Independent Commissioner;
 - b. 1 (one) Independent Party who has expertise in the field of risk management; and
 - c. 1 (one) Independent Party who has expertise:
 1. in financial sector, for companies that carry out conventional business activities; or
 2. in the field of sharia banking, for companies that carry out sharia business activities and companies that carry out conventional business activities that have a sharia business unit.
- (3) 1 (one) DPS member can become a member of the Committee as intended in paragraph (2) in the event that the Company carries out sharia-compliant business activities.
- (4) The expertise of the Independent Party as referred to in paragraph (2) letters b and c is proven by:
 - a. must have a risk management certificate as applicable to the Board of Directors; and
 - b. has a competency certificate that supports the implementation of the committee's functions and responsibilities.
- (5) The Committee is chaired by an Independent Commissioner who is also a member.
- (6) The Committee Chair is prohibited from holding concurrent positions as committee chair on more than 1 (one) another committee.
- (7) Members of the Board of Directors are prohibited from becoming members of the Committee as intended in paragraph (2).
- (8) Majority of Committee members as referred to in paragraph (2) consist of Independent Commissioners and Independent Parties.
- (9) Independent parties who will become members of the Committee who are former members of the Board of Directors or former Executive Officers of the Company or parties who have a relationship with the Company that can influence the ability of the person concerned to act independently must undergo a waiting period of at least 6 (six) months.
- (10) The waiting period provisions as intended in paragraph (9) do not apply to former members of the Board of Directors who are in charge of supervisory functions or former Executive Officers who carry out supervisory functions in the Company.

Article 6 MEMBERSHIP REQUIREMENTS

Committee membership requirements are:

- (1) Has high integrity, good morals, and morals, as well as adequate skills, knowledge, and experience in accordance with their educational background and be able to communicate well.

- (2) Has sufficient knowledge to read and understand financial reports, the Company's business activities, risk management and laws and regulations in the fields of capital markets, banking and other laws and regulations.
- (3) Comply with the code of ethics established by the Company.
- (4) Able to act independently, namely being able to carry out tasks comprehensively without conflict of interest and influence or pressure from any party that is not in accordance with applicable laws and regulations and healthy corporate principles.
- (5) Committee members who are Independent Commissioners and Independent Parties do not own shares in the Company, either directly or indirectly.
- (6) Not a member of the Board of Directors or employee of the Company.
- (7) Has no affiliation with the Company, members of the Company's Board of Commissioners, and members of the Company's Board of Directors.
- (8) Has no direct or indirect business relationship with the Company.
- (9) Committee members who are not members of the Board of Commissioners are not permitted to hold concurrent positions as:
 - a. member of the Board of Commissioners/Supervisory Board at SOEs/other companies;
 - b. secretary/staff of the Secretariat of the Board of Commissioners/Supervisory Board at SOEs/other companies;
 - c. members of other committees in the Company; and/or
 - d. committee members at SOEs/other companies.
- (10) Committee members have a commitment of time and energy to fulfill their duties and responsibilities.

Article 7 TERM 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 Committee members who are not members 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 member of the Committee concerned anytime;
- (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 8 WORK MECHANISM

The Committee's working mechanism is:

- (1) The Committee works collectively in carrying out its duties to assist the Board of Commissioners.

- (2) Committee members are required to carry out their duties, responsibilities and authorities with integrity, independence, competence, maintaining their reputation, complying with a code of ethics, being objective, honest and transparent.
- (3) Committee members are required to provide sufficient time to carry out their duties and responsibilities optimally according to the Company's working days.
- (4) Committee members are required to sign an integrity pact which is a statement and commitment to comply with all provisions of laws and regulations and the principles of good corporate governance.
- (5) 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.
- (6) Each member of the Committee is prohibited from taking personal advantage, either directly or indirectly, from the Company's activities other than legitimate income.
- (7) Committee members must avoid all forms of conflict of interest in carrying out their duties, responsibilities, and authority.
- (8) In the event of a conflict of interest, Committee members are obliged to disclose the conflict of interest in every decision that meets the conditions for a conflict of interest.
- (9) Disclosure of conflicts of interest as intended in paragraph (8) 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.
- (10) Apart from disclosing conflicts of interest, Committee members are prohibited from taking actions that have the potential to harm the Company or reduce the Company's profits.

Article 9

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) The Committee can communicate with members of the Board of Directors, Executive Officers, Risk Management Committee, Risk Management Work Unit, and/or relevant work units in the Company to obtain the necessary information, clarification, documents and/or reports.
- (3) The Committee can coordinate with the Supporting Organs of the Board of Commissioners.

Article 10

SUPPORTING PERSONNEL

- (1) The Committee may invite external parties as professional supporting staff to support the implementation of the Committee's duties.
- (2) The use of supporting personnel is based on the approval of the Board of Commissioners.

CHAPTER V WORK PLANNING AND IMPLEMENTATION

Article 11 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 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 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.

Article 12 COMMITTEE MEETING

- (1) Committee meetings are held in accordance with the Company's needs, at least 1 (one) time in 1 (one) month.
- (2) Committee meetings are held if the majority of the Committee members are present.
- (3) Each Committee member is obliged to attend at least 75% (seventy five percent) of the number of Committee meetings held in 1 (one) financial year.
- (4) In the event that Committee members cannot physically attend the meeting, they can attend the meeting using:
 - a. power of attorney;
 - b. teleconferencing technology; or
 - c. other methods permitted in accordance with statutory procedures and provisions.
- (5) The meeting is chaired by the Committee chairman or a member appointed in writing, if the Committee chairman is unable to attend.
- (6) Decisions at the committee meeting must first be made based on deliberation to reach consensus.
- (7) In the event that deliberation to reach consensus as intended in paragraph (6) does not occur, decision making is carried out based on the majority vote.
- (8) The results of the Committee meeting as referred to in paragraph (6) must be stated in the minutes of the meeting which are signed by all Committee members present and documented in accordance with the provisions of statutory regulations.
- (9) Differences of opinion that occur at the Committee meeting as intended in paragraph (6) 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 the Board of Directors, Risk Management Committee, Executive Officers, work units, employees, or other parties as resource persons.
- (12) Meetings are held based on invitations and agendas that have been agreed upon before the meeting is held.
- (13) The attendance of Committee members at meetings is reported in the Committee's quarterly report and annual report.

- (14) The minutes of the Committee meeting as referred to in paragraph (8) are submitted in writing to the Board of Commissioners and, if necessary, can be submitted to invitees who are not present at the meeting.

Article 13 REPORT

- (1) The Committee is obliged to submit a report to the Board of Commissioners regarding each implementation of its duties, accompanied by recommendations, if necessary, for each problem identified as requiring the attention of the Board of Commissioners.
- (2) The Committee prepares 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) The Committee Report as intended in paragraph (1) and paragraph (2) is limited to the Board of Commissioners and can be used for the Company's needs with approval from the Board of Commissioners.

Article 14 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 methods determined by the Board of Commissioners based on benchmarks or assessment criteria that are specific, measurable, achievable, and relevant.

CHAPTER VI COMPETENCE DEVELOPMENT AND INCOME

Article 15 COMPETENCY DEVELOPMENT

- (1) Committee members can take part in training, education, workshops and/or other competency development related to improving the ability to carry out the Committee's duties.
- (2) The competency development and certification of Committee members who are members of the Board of Commissioners is regulated in a separate decision of the Board of Commissioners.
- (3) The competency development of Committee members who are not members of the Board of Commissioners is regulated as follows:
 - a. every year each member of the Committee who is not a member of the Board of Commissioners is required to attend one of the trainings on the topic of risk management, governance, fraud, business, corporate business activities, law, compliance, finance, accounting, audit, or occupational health and safety;
 - b. In one year, you must attend training as intended in letter a for at least 20 (twenty) hours of training;

- c. The training attended is a continuous training program organized by professional institutions, regulators, training institutions accredited by accreditation institutions, and/or training institutions owned or controlled by SOEs.
- (4) Certification of Committee members who are not members of the Board of Commissioners is regulated as follows:
 - a. Expertise certification as intended in Article 5 paragraph (4) must be obtained by Committee Members before taking office.
 - b. Committee members who are not members of the Board of Commissioners are required to take further certification when serving at least one certification in the areas of risk management, business, corporate business activities, law, compliance, finance, accounting, audit, and/or occupational health and safety.
 - c. certification as intended in letter b is fulfilled with the following provisions:
 1. issued by the relevant certification board/ regulator/professional organization that is recognized nationally and/or internationally,
 2. the certification issuing body has standards and a professional and ethical standards council, and
 3. certification is required to be valid during term of office.
- (5) Committee members' participation in training, education, workshops and/or other competency development including certification based on approval from the Board of Commissioners.

Article 16 INCOME

- (1) The income of Committee members who are not members of the Board of Commissioners is determined by the Board of Commissioners taking into account the capabilities of the Company.
- (2) The income of Committee members who are not members of the Board of Commissioners as referred to in paragraph (1) consists of:
 - a. maximum honorarium of 20% (twenty percent) of the salary of the President Director of the Company;
 - 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) Committee members who are not members of the Board of Commissioners are prohibited from receiving income other than the income as intended in paragraph (2).
- (5) Members of the Board of Commissioners who are chairman or member of a Committee are not given additional income from that position other than income as a member of the Board of Commissioners.

**CHAPTER VII
MISCELLANEOUS**

**Article 17
CLOSING**

- (1) This Committee's Work Code of Conduct are subject to statutory regulations.
- (2) The Committee's Work Code of Conduct is jointly signed by representatives of the Board of Commissioners and members of the Committee.
- (3) The Committee's Work Code of Conduct is reviewed periodically, at least 1 (one) time in 3 (three) years, or can be updated if necessary.

Stipulated in : Jakarta
On : 13 December 2023

PT BANK TABUNGAN NEGARA (PERSERO) Tbk

signed

CHANDRA M. HAMZAH
President Commissioner/
Independent Commissioner

signed

ARMAND B. ARIEF
Independent Commissioner/
Chairman of Committee