



## Remuneration and Nomination Committee

Remuneration and Nomination Committee is formed by and is responsible to the Board of Commissioners, whose task is to assist the Board of Commissioners in carrying out their duties. The Remuneration and Nomination Committee is one of the corporate organs, working together with the Human Capital Division and Learning Center Division as a tool owned by the Board of Directors for raising human capital as strategic assets and strategic partners, analyzing policies, monitoring the implementation of preparing prospective leaders that will be a role model, and providing meticulous attention to the implementation of good corporate governance, including policies and the amount of remuneration.

### Legal Basis for Establishing the Remuneration and Nomination Committee

The Company establishes the Nomination and Remuneration Committee in accordance with the following Regulations, Provisions and Legislation:

1. OJK Regulation Number 12 of 2023 concerning Sharia Business Units.
2. Bank Indonesia Regulation No. 11/33/PBI/2009 dated December 7, 2009, regarding the Implementation of Good Corporate Governance for Sharia Commercial Banks and Sharia Business Units.
3. OJK Regulation No. 33/POJK.04/2014 dated December 1, 2014, regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
4. OJK Regulation No. 34/POJK.04/2014 dated December 8, 2014, regarding the Nomination and Remuneration Committee of Issuers or Public Companies.
5. OJK Regulation No. 45/POJK.03/2015 dated December 23, 2015, regarding the Implementation of Governance in Providing Remuneration for Commercial Banks.
6. OJK Circular Letter No. 40/SEOJK.03/2016 dated September 26, 2016, regarding the Implementation of Governance in Providing Remuneration for Commercial Banks.
7. OJK Regulation No. 59/POJK.03/2017 dated December 18, 2017, regarding the Implementation of Governance in Providing Remuneration for Sharia Commercial Banks and Sharia Business Units.
8. OJK Regulation No. 17 of 2023 dated September 14, 2023, regarding the Implementation of Governance for Commercial Banks.
10. Regulation of the State Minister for State-Owned Enterprises No. PER-06/MBU/04/2021 dated April 13, 2021 concerning the change of the Regulation of the State Minister for State-Owned Enterprises No. PER-12/MBU/2012 concerning the Supporting Organs of the SOEs' Board of Commissioners/Board of Trustees.

11. Regulation of the State Minister for State-Owned Enterprises No. PER-14/MBU/10/2021 dated October 29, 2021 concerning the second change of Regulation of the State Minister for State-Owned Enterprises No. PER-12/MBU/2012 concerning the supporting Organs of the SOEs' Board of Directors/Board of Commissioners.
12. Decree of the Minister of State-Owned Enterprises No. PER-1/MBU/03/2023 dated March 24, 2023, regarding Special Assignments and Corporate Social and Environmental Responsibility Programs of State-Owned Enterprises..
13. Decree of the Minister of State-Owned Enterprises No. PER-2/MBU/03/2023 dated March 24, 2023, regarding Guidelines for Governance and Significant Corporate Activities of State-Owned Enterprises.
14. Decree of the Minister of State-Owned Enterprises No. PER-3/MBU/03/2023 dated March 24, 2023, regarding the Organization and Human Resources of State-Owned Enterprises.
15. Articles of Association of PT Bank Tabungan Negara (Persero) Tbk for the Year 2023.
16. Decision of the Board of Commissioners No. 05/KOM/BTN/2023 dated December 13, 2023, regarding the Guidelines and Code of Conduct for the Board of Commissioners.
17. Joint Decision of the Board of Commissioners and the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk No. 01/DEKOM-BTN/2021 – No. 01/DIR-BTN/2021 dated January 26, 2021, regarding the Working Relationship between the Board of Commissioners and the Board of Directors of PT Bank Tabungan Negara (Persero) Tbk..
18. Decision of the Board of Commissioners No. 07/KOM/BTN/2023 dated December 13, 2023, regarding the Guidelines and Code of Conduct for Remuneration and Nomination.

### Duties and Responsibilities of Remuneration and Nomination Committee

In accomplishing its main duties, the Committee is responsible to the Board of Commissioners for the following detailed responsibilities:

1. The duties of the Committee regarding remuneration are::
  - a. The Committee provides recommendation to the Board of Commissioners related to:
    - Structure of remuneration.
    - Policy regarding remuneration.
    - Rate of remuneration.
  - b. The Committee assists the Board of Commissioners to assess the appropriateness between working performance and remuneration received by each member of Board of Directors and/or Board of Commissioners.
  - c. In completing the remuneration-related duties, it is obliged for the Committee to do the following procedure:

- Formulating the structure, policy, and rate of remuneration for members of Board of Directors and/or Board of Commissioners; and
  - Formulating structure, policy, and remuneration for members of Sharia Supervisory Board (DPS).
- d. The said remuneration structure may be in the form of fixed and/or variable salary, honorarium, incentive, or allowance.
- e. The drafting of structure, policy, and rate of remuneration has to consider the following aspects:
- The relevance of remuneration applied to industries to the Bank's business activities and business scale.
  - Duty, responsibility, and authority of members of the Board of Directors and/or Board of Commissioners associated with the Bank's goal achievement and performance.
  - The target of performance or the performance of each member of the Board of Directors and/or Board of Commissioners.
  - Balance between the fixed and the variable allowance.
- f. The Committee evaluates remuneration-related policy which is based on performance, risk, fairness with peer groups, target, Company's long-term strategy, reserve fulfillment as regulated in the constitution, and the Company's future income potential.
- g. The Committee delivers the result of the evaluation and recommendation to the Board of Commissioners regarding:
- Remuneration policy for the Board of Directors, Board of Commissioners, and Sharia Supervisory Board to be delivered in the General Meeting of Shareholders (GMS).
  - Overall remuneration for employees to be submitted to the Board of Directors.
- h. The Committee carries out regular evaluation for at least once a year regarding the structure, policy, and rate of remuneration.
- i. The Committee formulates and evaluates the payroll and allowance system of the members of Board of Commissioners, and provides recommendation related to:
- Assessment of the system;
  - Available options, one of which is stock option;
  - Retirement System, Pension; and
  - Compensation System and other benefits of employee reduction.
- j. The Committee accomplishes other remuneration-related duties from the Board of Commissioners.
2. The duties of the Committee regarding Nomination are:
- a. The Committee provides recommendation to the Board of Commissioners regarding the following matters:
- Nomination of Director candidates referring to the Company's strategy;
  - Composition of members of the Board of Directors and/or Board of Commissioners;
  - Required policy and criteria for Nomination process;
  - Performance evaluation policy for members of the Board of Directors and/or Board of Commissioners; and
  - Proposal for appointment and/or replacement of members of Sharia Supervisory Board to be submitted in the GMS.
- b. The Committee assists the Board of Commissioners to conduct performance assessment of members of the Board of Directors and/or Board of Commissioners by referring to the valid parameters as an evaluation material.
- c. The Committee offers recommendation to the Board of Commissioners concerning competency development program for members of the Board of Directors and/or Board of Commissioners.
- d. The Committee recommends proposed candidates who are eligible to be appointed as members of the Board of Directors and/or Board of Commissioners to the Board of Commissioners to be submitted in the GMS.
- e. In accomplishing its Nomination function, the Committee is obliged to complete the following procedures:
- Formulating the composition and process of nomination for members of the Board of Directors and/or Board of Commissioners.
  - Formulating necessary policy and criteria for the Nomination process of the candidates of the Board of Directors and/or Board of Commissioners.
  - Assisting the evaluation of the performance of members of the Board of Directors and/or Board of Commissioners.
  - Formulating competency development program for members of the Board of Directors and/or Board of Commissioners.
  - Reviewing and proposing qualified member candidates of the Board of Directors and/or Board of Commissioners to the Board of Commissioners to be submitted in the GMS.
- f. The Committee formulates, implements, and analyzes criteria and procedure of nomination for the candidates of Sharia Supervisory Board.
- g. The Committee monitors and analyzes criteria and procedure of nomination for other executives, one level under the Board of Directors.
- h. The Committee offers recommendation of election criteria and procedure, composition of position, and appointment and/or replacement of members of the Board of Directors, Board of Commissioners, and Sharia Supervisory Board.
- i. The Committee formulates performance assessment system for members of the Board of Commissioners and the Board of Directors.
- j. The Committee reviews the policy of human resource management system and development starting from recruitment, assessment, competency development, evaluation, promotion, demotion, termination, succession, selection, and others.



- k. The Committee conducts regular review on the company talent management system, monitors, and evaluates its performance.
- l. The Committee evaluates the system and procedure of talent classification carried out by the Board of Directors.
- m. The Committee performs validation and calibration towards the talents selected by the Directors to the Board of Commissioners/ Supervisory Board to generate the list of talents that will be nominated by the Board of Commissioners/ Supervisory Board in the GMS or to the Minister.
- n. The Committee evaluates the candidates of the company representatives proposed as members of Board of Directors or Board of Commissioners of the subsidiary company before being submitted in the GMS or to the Minister.
- o. The Committee prepares a proposal of individual performance evaluation for members of the Board of Directors and/or Board of Commissioners/ Supervisory Board.
- p. The Committee evaluates the proposal from the Board of Directors regarding the company organization structure.
- q. The Committee accomplishes other Nomination-related duties from the Board of Commissioners.
- r. The members of the Committee are obliged to sign integrity pact containing statement and commitment to comply with all statutory provisions and principles of good corporate governance).

### Remuneration and Nomination Committee Charter

In fulfilling their duties and responsibilities, the Remuneration and Nomination Committee refers to the Charter of Remuneration and Nomination Committee according to the Board of Commissioners Decree Number 07/KOM/BTN/2023 dated December 13, 2023 regarding the Guidelines and Code of Conduct for the Remuneration and Nomination Committee of PT Bank Tabungan Negara (Persero) Tbk. Remuneration and Nomination Committee Work Guidelines and Rules aims to allow the Committee to work optimally and to ensure that the provisions recommendation for the remuneration and nomination of members of the Board of Commissioners, Board of Directors, Executives, Employees, and Human Capital policy is in accordance with the principles of Good Corporate Governance.

The Content of the Charter of Remuneration and Nomination Committee is as follows:

<b>Chapter I</b>	General Provision	Article 1	Definition
		Article 2	Purpose of Formation
<b>Chapter II</b>	Duty, Responsibility, and Authority of the Committee	Article 3	Committee's Tasks
		Article 4	Responsibilities
		Article 5	Authorities
<b>Chapter III</b>	Membership	Article 6	Composition and Structure
		Article 7	Membership Requirements
		Article 8	Term of Office

<b>Chapter IV</b>	Work Mechanism and Relationship	Article 9	Work Mechanism
		Article 10	Working Relationship
		Article 11	Supporting Staff
<b>Chapter V</b>	Work Plan and Implementation	Article 12	Work Plan and Budgeting
		Article 13	Committee Meetings
		Article 14	Reports
<b>Chapter VI</b>	Competence and Income Development	Article 15	Performance Evaluation
		Article 16	Competency Development
<b>Chapter VII</b>	Closing	Article 17	Committee Members' Remuneration
		Article 18	Conclusion

### Authority of The Remuneration and Nomination Committee

The Committee holds the following authorities granted by the Board of Commissioners:

1. Reviewing, examining, analyzing, and giving opinions and recommendations within the coverage of their duty.
2. Requesting the Bank to survey and/or do benchmarking according to the needs of the Committee.
3. Requesting, researching, and obtaining necessary information from the Bank's internal and external parties.
4. Seeking and obtaining various information including necessary documents from:
  - a. Bank BTN (including Bank employees); and/or
  - b. Other relevant parties.
5. Being provided with inputs and/or suggestions from the Bank BTN's external parties in relation to their duties.
6. Performing direct communication with relevant parties related the committee's duties.

### Term of Office of The Remuneration and Nomination Committee

1. The term of office of the Committee members who holds concurrent position in the Board of Commissioners shall end accordingly once their position as member of the Board of Commissioners ends;
2. The term of office of the Committee members who is not a concurrent member of the Board of Commissioners is 3 (three) years at the maximum and is extendable for once within 2 (two) terms of office provided that the Board of Commissioners is still entitled to dismiss the respected Committee members at any time;
3. If a concurrent member of the Board of Commissioners holding a position as the chairman of the Committee releases his status as a member of the Board of Commissioners, the position of the Committee chairman must be replaced by another member of the Board of Commissioners within 30 (thirty) days at maximum.