

**MEETING MATERIALS OF
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2018
PT. BANK TABUNGAN NEGARA (PERSERO) Tbk**

Schedule

Day, Date : Friday, March 23rd, 2018
Venue : Menara BTN Building, 6th floor
Time : 02.00 PM - finished

Agenda of AGMS 2018

1

Approval of Annual Report including ratification of Company's Financial Report and the Board of Commissioners' Supervisory Report as well as the ratification of the Annual Report on the Partnership and Community Development Program for the financial year of 2017

2

Approval for distribution of the Company's net profit for the financial year of 2017

3

Appointment of Public Accountant Firm to audit the Company's Financial Report and the Partnership and Community Development Program's Financial Report for the financial year of 2018

4

Approval of the salaries of member of the Board of Directors and honorarium of member of the Board of Commissioners for the financial year of 2018, tantieme for the board of the Board of Directors and the Board of Commissioners for the financial year of 2017 as well as performance-based long term incentives benefit to the Board of Directors and Board of Commissioners

5

Approval of the Recovery Plan of the Company

6

Approval of the Change in Funding Ratio of the Company's Pension Fund

Mata Acara

7

Validation of the Minister of State-Owned Enterprises Regulation No. PER-02/MBU/7/2017 dated 05 July 2017 on the Second Amendment to Regulation of Minister of State-Owned Enterprises No. PER-09/MBU/07/2015 on Partnership Program and Community Development Program of State-Owned Enterprises

8

Amendment of Company's Article of Association

9

Realization Report on the Utilization of Public Offerings Proceeds of the Shelf Registration Bonds III Bank BTN Phase I 2017

10

Change the Company's Sharia Supervisory Board and Determine their Remuneration

11

Change in the composition of Company's Management

Agenda 1

“Approval of Annual Report including ratification of Company’s Financial Report and the Board of Commissioners’ Supervisory Report as well as the ratification of the Annual Report on the Partnership and Community Development Program for the financial year of 2017”

Agenda 1 – Legal Ground

1. Article 69 paragraph (1) of Limited Liabilities Companies Law No. 40 Year 2007:

Approval of Annual Report, includes ratification of financial reports and approval of the Board of Commissioners' Supervision Report by the General Meeting of Shareholders.

2. Article 23 paragraph (1) of State Owned Enterprises Law No. 19 Year 2003

Board of Directors are required to submit the Annual Report at the General Meeting of Shareholders for approval.

3. Company's Articles of Association

a. Article 15 paragraph (2) letter b.10

Board of Commissioners are required to submit a supervisory report at General Meeting of Shareholders.

b. Article 19 paragraph (9)

Approval of Annual Report, including ratification of Company's financial report and approval of the Board of Commissioners' supervisory report determined by General Meeting of Shareholders.

Agenda 1 – Legal Ground

Company's Articles of Association

c. Article 22 paragraph (3)

Authorization of the financial report by General Meeting of Shareholders shall mean a full release and discharge to the members of the Board of Directors and the Board of Commissioners upon managerial and supervisory actions which have been undertaken during the last financial year.

4. Article 18 paragraph (2) of Minister of State-owned Enterprises Regulation No. PER-09/MBU/07/2015 dated July 3rd, 2015 regarding on the Partnership Program and Community Development Program of State-owned Enterprises, as amended recently by the Regulation of Minister of State-Owned Enterprises No.PER-02/MBU/7/2017 dated July 05th, 2017.

Ratification on Partnership Program and Community Development Program is an inseparable part of Ratification on Annual Report.

Agenda 2

“Approval for distribution of the Company’s net profit for the financial year of 2017”

Agenda 2 – Legal Ground

1. Article 71 of Limited Liabilities Companies No. 40 Year 2007

- 1) The use of net profits including the determination of the amount to be set aside for reserves as contemplated in Article 70 paragraph (1) shall be decided by General Meeting of Shareholders.
- 2) All net profits after the deduction to be set aside as reserves as contemplated in Article 70 paragraph (1) shall be allocated to the shareholders as dividends unless determined otherwise in the General Meeting of Shareholders.
- 3) The dividends contemplated in paragraph (2) may only be allocated if the Company has a positive balance of profits.

2. Company's Articles of Association

- 1) Article 19 paragraph (9)
The approval of Annual Report, including the ratification of financial statement, Board of Commissioners' supervisory report and the decision on net profit distribution determined by General Meeting of Shareholders.
- 2) Article 22 paragraph 2.b
The Board of Directors submit the proposal for net profit distribution at the Annual General Meeting of Shareholders

Agenda 3

“Appointment of Public Accountant Firm to audit the Company’s Financial Report and the Partnership and Community Development Program’s Financial Report for the financial year of 2018”

Agenda 3 – Legal Ground

1. **Article 71 of State-Owned Enterprise Law No. 19 Year 2003**

The company's financial statement audit is conducted by external auditor determined by General Meeting of Shareholders for State-owned enterprises.

2. **Company's Articles of Association**

Article 15 paragraph (2) b.5

The Board of Commissioners shall propose to the General Meeting of Shareholders to appoint a Public Accountant to audit the Company's financial statement

Pasal 22 ayat (2) c

The appointment of Public Accountant Office to audit the Company's book based on the proposal submitted by the Board of Commissioners, then appointed at GMS.

Agenda 3 – Legal Ground

1. **POJK No. 10/POJK.04/2017 dated March 14th, 2017 regarding the Amendment of POJK No. 32/POJK.04/2014**

Article 36A

The appointment and dismissal of a public accountant that will provide audit services to annual historical financial information shall be decided in the GMS by considering the proposal of the Board of Commissioners.

2. **POJK No. 13/POJK.03/2017 dated March 27th, 2017 regarding the Use of Public Accountant Services in Financial Services**

Article 13 paragraph (1)

The appointment of Public Accountant and / or Public Accountant Firm that will provide audit services to annual historical financial information shall be decided by the General Meeting of Shareholders of the parties conducting financial services activities by considering the proposal of the board of commissioners

Agenda 3 – Legal Ground

3. **Article 18 paragraph (1) of Minister of State-owned Enterprises Regulation No. PER-09/MBU/07/2015 dated July 3rd, 2015 regarding on the Partnership Program and Community Development Program of State-owned Enterprises, as amended recently by the Regulation of Minister of State-Owned Enterprises No.PER-02/MBU/7/2017 dated July 05th, 2017.**

Article 18 paragraph (1)

The implementation of Partnership Program and Community Development Program is audited along with the State-Owned Enterprises' financial report audit

Agenda 4

“Approval of the salaries of member of the Board of Directors and honorarium of member of the Board of Commissioners for the financial year of 2018, tantieme for the board of the Board of Directors and the Board of Commissioners for the financial year of 2017 as well as performance-based long term incentives benefit to the Board of Directors and Board of Commissioners”

Agenda 4 – Legal Ground

1. Limited Liabilities Companies Law No. 40 Year 2007

a. Article 96

- 1) Provisions concerning the amount of the salary and allowances for members of Board of Directors shall be stipulated by GMS resolutions.
- 2) The authority of the GMS contemplated in paragraph (1) may be delegated to the Board of Commissioners.
- 3) In the event that the authority of the GMS contemplated in paragraph (2) is delegated to the Board of Commissioners, the amount of the salary and allowances contemplated in paragraph (1) shall be stipulated by resolution of a Meeting of the Board of Commissioners.

b. Article 113

Provisions concerning the amount of salaries or honoraria and allowances for members of Board of Commissioners shall be stipulated by GMS.

Agenda 4 – Legal Ground

2. **Minister of State-Owned Enterprises Regulations No PER-04/MBU/2014 dated March 10, 2014 regarding Guidelines for Income Determination of the Board of Directors, the Board of Commissioners and Board of Supervisory of State-Owned Enterprises, as amended by the Minister of State-Owned Enterprises Regulations No. PER-01/MBU/06/2017 dated June 19th, 2017:**
 - The Determination of income in the form of salary or honorarium, benefits and facilities that are still carried out by considering factors of business scale, complexity factor of business, the inflation rate, condition and capacity of the company's financial and other factors that are relevant, and should not conflict with the prevailing laws and regulations.
 - Determination of income in the form of the bonus / incentives that are variable (merit rating) carried out taking into account the company's financial performance and capabilities as well as other relevant factors.

Agenda 4 – Legal Ground

3. Company's Articles of Association

- Article 11 paragraph (19): Members of Directors shall be provided with remuneration and facilities and/or other allowances including post tenure of office benefit, which the amount is decided by GMS and such authority is delegated to the Board of Commissioner.
- Article 14 paragraph (30): Members of the Board of Commissioner shall be provided with remuneration and facilities including the tantiem and post-tenure of office benefit, which the type of amount is decided by GMS with due observance to the provisions of the prevailing rules and legislations.

Agenda 5

“Approval of the Recovery Plan of the Company”

Agenda 5 – Legal Ground

POJK No. 14/POJK.03/2017 dated April 4th, 2017 regarding Recovery Plan for Systemic Banks

Article 3 paragraph (1)

Recovery Plan is required to have the Shareholders' approval at GMS.

Agenda 6

“Approval of the Change in Funding Ratio of the Company’s Pension Fund”

Agenda 6 – Legal Ground

- **Article 9 of the Government Regulation of Republic of Indonesia No. 76 of 1992 concerning the Employer Pension Fund:**

In the event of the amendment of the Pension Fund Regulations causes changes to the funding or the amount of the pension benefit, the founder's statement must be approved by the GMS.

Agenda 7

“Validation of the Minister of State-Owned Enterprises Regulation No. PER-02/MBU/7/2017 dated 05 July 2017 on the Second Amendment to Regulation of Minister of State-Owned Enterprises No. PER-09/MBU/07/2015 on Partnership Program and Community Development Program of State-Owned Enterprises”

Agenda 7 – Legal Ground

- **The Minister of State-owned Enterprises Regulation No. PER-09/MBU/07/2015 dated July 3rd, 2015 regarding on the Partnership Program and Community Development Program of State-owned Enterprises, as amended recently by the Regulation of Minister of State-Owned Enterprises No.PER-02/MBU/7/2017 dated July 05th, 2017**

Public Company can conduct the Partnership Program and Community Development based on this regulation which determined by General Meeting of Shareholders (GMS).

Agenda 8

“Amendment of Company’s Article of Association”

Agenda 8 – Legal Ground

- Article 26 paragraph (5) letter (a) of Company's Articles of Association, the Amendment of Company's Articles of Association shall be decided by GMS.

Agenda 9

**“Realization Report on the Utilization of
Public Offerings Proceeds of the Shelf
Registration Bonds III Bank BTN Phase I
2017”**

Agenda 9 – Legal Ground

Article 6 of (POJK) No.30/POJK.04/2015 dated December 22nd, 2015 on realization reports on Utilization of Proceeds of Public Offerings.

- Public Company shall be accountable for the proceeds realization of Public Offerings in the Annual General Meeting of Shareholders until all the proceeds have been used.
- The proceeds realization of Public Offerings as stated in paragraph (1) is required to be proposed as one of the agenda at the AGMS.

Agenda 10

**“Change the Company’s Sharia
Supervisory Board and Determine their
Remuneration”**

Agenda 10 – Legal Ground

- **Article 13 paragraph (2) of Bank Indonesia Regulation No 11/10/PBI/2009 dated March 19th, 2009 regarding Sharia Business Unit:**
Appointment of Sharia Supervisory Board members may be made by the Board of Commissioners of the Conventional Commercial Bank as long as it has been authorized by shareholders general meeting. Approval of Bank Indonesia to members of Sharia Supervisory Board shall be effective upon the approval of the general meeting of shareholders or Commissioners of the Conventional Commercial Bank to the extent that it has been authorized by a general meeting of shareholders.
- **Article 17 paragraph (1) of Company's Articles of Association:**
The appointment of Sharia Supervisory Board members must first obtain the approval of the GMS or the GMS authorizes to the Directors to place members of the Sharia Supervisory Board, taking into account the provisions of the OJK and the National Sharia Board.
- **Article 9 of the Financial Services Authority (POJK) Regulation No. 59/POJK.03/2017 dated December 18, 2017 concerning the Implementation of Good Corporate Governance in the Remuneration for Sharia Commercial Banks and Sharia Business Units:**
Remuneration of the Sharia Supervisory Board is stipulated by the GMS

Agenda 11

**“Change in the composition of Company’s
Management”**

Agenda 11 – Legal Ground

- **Article 23 and Article 3 of POJK No. 33/POJK.04/2014 date 8 December 2014 regarding the Board of Directors and Board of Commissioners of Emiten or Public Company :**
“Member of Directors and/or Board of Commissioners are determined and dismissed by GMS”
- **Article 11 paragraph 10 juncto Article 14 paragraph 12 of Company’s Articles of Association:**
Member of Directors and/or Board of Commissioners are nominated and dismissed by GMS present and accepted holder of Dwiwarna Serial A share with due observance to the provisions contained here in.
Member of Directors and/or Board of Commissioners are nominated by GMS from the nominees proposed by holder of Dwiwarna Serial A share and such nomination shall bind GMS.

THANK YOU