

Governance Soft Structure

In order to improve the quality and scope of governance implementation sustainably, the Company sets rules designed to implement GCG, which governs the relationship between the organs inside the Company so that the duties, responsibilities and authorities are clear and in accordance with all prevailing rules and regulations, GCG principles, healthy business ethics, and best practices. The Company implements the Governance Mechanism that is reflected through the main policies of GCG principles (soft structure of GCG). This mechanism shall be the living document for all and every part of organization of the company.

The Company's governance soft structure became a policy structure as the basic framework and governance in the formulation of policies and the implementation of the Company's activities, as follows:

1. The GCG Guidelines adopted in the Regulation of the Board of Directors No. 11/PD/DIR/PPD/2018 concerning Guidelines for Good Corporate Governance.
2. The Board of Commissioners Work Guidelines and Rules adopted in the Joint Decree of the Board of Commissioners No. 01/KOM-BTN/2017 as a renewal of the Board Manual which became the guideline of the previous work guidelines.
3. The Board of Directors Guidelines and Rules adopted in the Board of Directors Decree No. 07/DIR/KD/CMPD/2017 as a renewal of the Board Manual that has become the work guideline of the prior.
4. The working relationship of the Board of Directors and Board of Commissioners ratified through the Joint Decree of the Board of Commissioners No.02/DEKOM-BTN/2017 and Board of Directors No. 01/DIRBTN/2017.
5. The Guidelines for Business Ethics and Behavior (Code of Conduct) ratified through the Board of Directors Regulation No. 16/PD/CMPD/2015.
6. Implementation of Gratification Control ratified through Circular Letter No. 68/DIR/CMPD/2017.
7. Whistle-Blowing (WBS) and Anti-Fraud Systems, which have been ratified through the Circular Letter of the Board of Directors SE No. 21/DIR/IAD/2014.

Mechanism of Corporate Governance

Shareholders

Shareholders are individuals or legal entities that are legally registered as shareholders in the Company's Register of Shareholders. As the owner of capital, shareholders exercise their rights and responsibilities on the basis of the principle of fairness in accordance with the Articles of Association and legislation while taking into account the Company's business continuity.

As a state-owned bank with a public company status, the Company's largest share ownership is the Republic of Indonesia as much as 60%, which places the Republic of Indonesia as the Controlling Shareholder. In addition, the Republic of Indonesia also has 1 (one) Dwiwarna A Series Share which gives its holders special rights not owned by other shareholders and at the same time as a Controlling Shareholder. Beyond that, 40% of the Company's shares are owned by the public. The Register of Shareholders as of December 31, 2020 was 10,590,000,000 shares consisting of 1 (one) Series A Dwiwarna share and 10,589,999,999 Series B shares.

Shareholders Rights

The Company has 2 (two) types of shares, which are Series A Dwiwarna Shares and Series B Shares, with a nominal value of Rp500 (five hundred Rupiahs) per share. Series A Dwiwarna Shareholders are controlling shareholders and have privileges with the following rights and authorities:

The Rights and Privileges of Dwiwarna Series A Shareholders

1. The right of consent at the GMS are the following:
 - a. Approval of amendments to the Articles of Association.
 - b. Approval of changes in Capital.
 - c. Approval of the Appointment and Dismissal of members of the Board of Directors and Board of Commissioners.
 - d. Approval related to mergers, consolidation, expropriation, separation and dissolution.
 - e. Approval of remuneration of members of the Board of Directors and Board of Commissioners.
 - f. Approval of the transfer of assets based on the Articles of Association, which is required to be approved by the GMS.
 - g. Approval regarding the participation and reduction in the percentage of capital participation in other companies, which based on the Articles of Association must be approved by the GMS.
 - h. Approval of the use of profit.
 - i. Approval of investment and long-term financing that is not operational in nature based on the Articles of Association, which requires the approval of the GMS.
2. Right to propose candidates as members of the Board of Directors and prospective members of the Board of Commissioners
3. The right to propose GMS agendas.
4. The right to request and access Company data and documents.

Apart from the Series A Dwiwarna Share privileges, insofar as it is not determined otherwise by the Articles of Association of the Company, the Series A Dwiwarna Shareholders and Series B Shareholders have the same rights.

Equal Rights of Series A Dwiwarna Shareholders and Series B Shareholders

1. The right to attend, express opinions, and vote in a GMS based on one share, provides the holder the right to cast one vote.
2. The right to obtain information regarding the Company in a timely, correct and orderly manner, except for confidential matters.
3. The right to receive a portion of the Company's profits intended for the Shareholders in the form of dividends and other profit sharing, proportional to the number of shares held.
4. The right to obtain a full explanation and accurate information regarding the procedures that must be fulfilled with regard to the implementation of the GMS.
5. In the event that there is more than one type and classification of shares in the Company, each shareholder has the right to cast votes in accordance with the type, classification and number of shares in possession, and each shareholder has the right to be treated equally based on the type and classification of shares owned.
6. The right to transfer, release rights or make a debt guarantee on all or a large portion of the Company's assets more than 50% (fifty percent) of the total value of the Company's net assets in one transaction or several transactions that are independent or related to each other, the Board of Directors must obtain the approval of the GMS.

Main and Control Shareholders Information

| No. | Shareholders | As of December 31, 2020 | | |
|-----|-----------------------|-------------------------|-----------------------|----------------|
| | | Number | Share | |
| | | | Sheet | % |
| 1. | Republic of Indonesia | 1 | 6,354,000,000 | 60.00% |
| 2. | Public | | | |
| | Public – Domestic: | 38.339 | 3,046,149,946 | 28.76% |
| | Public – Foreign: | 303 | 1,189,850,054 | 11.24% |
| | Total | 38.643 | 10,590,000,000 | 100.00% |

The Government of the Republic of Indonesia became the main/controlling shareholder of Bank BTN with ownership of 60.00%. 1 (one) share was a Dwiwarna Series A Share which gave the holder special rights that were not owned by other shareholders. The rest, namely B Series Shares, was owned by the Board of Commissioners and Directors as much as 0.01% and the public respectively less than 5% as much as 39.99% which was obtained from the share trading mechanism on the Indonesia Stock Exchange.

Therefore, the main and controlling shareholder of the Company was the Government of the Republic of Indonesia. The Government of the Republic of Indonesia was also the ultimate owner of the Company. So that there were no major and controlling shareholders, indirectly up to the individual owners.

In accordance with Government Regulation no. 41 of 2003 concerning the Delegation of the Position, Duties and Authority of the Minister of Finance to Limited Liability Companies (Persero), Public Companies (PERUM) and Service Companies (PERJAN) to the State Minister for State-Owned Enterprises, and Law No.19 of 2003 concerning Business Entities State Owned along with the State Gazette of the Republic of Indonesia; Proxy of the Company's Shareholders was the Ministry of State-Owned Enterprises (BUMN).

