

Requirements of the Board of Commissioners

Requirements for members of the Board of Commissioners as stipulated in the Charter of the Board of Commissioners are as follows:

1. Those who can be appointed as members of the Board of Commissioners are individuals, who meet the requirements at the time of appointment and during their tenure in accordance with the provisions in the Articles of Association of the Company and laws and regulations.
2. Members of the Board of Commissioners must meet the fit and proper test requirements in accordance with the Financial Services Authority Regulation concerning the Capability and Compliance Assessment for Main Parties of Financial Services Institutions and have obtained a letter of approval from the Financial Services Authority.
3. An Members of the Board of Commissioners of at least 1 (one) person must be domiciled in Indonesia.

Appointment of the Board of Commissioners

Any proposal for the appointment and/or replacement of a member of the Board of Commissioners to the GMS must take into account the recommendations of the Remuneration and Nomination Committee. The members of the Board of Commissioners are appointed and dismissed by the GMS, which is attended by the Series A Dwiwarna shareholder and the resolution of the GMS must be approved by the Dwiwarna Series A shareholder. The members of the Board of Commissioners are appointed by the GMS from the candidates proposed by the Series A Dwiwarna shareholder, which nominations are binding for the GMS. When the appointment and dismissal of members of the Board of Commissioners comes into effect, starting from the closing of the GMS.

Board of Commissioners' Work Guidelines and Manual (Board Manual)

The Board of Commissioners possesses work guidelines and Manual (Board Manual) which cover work ethics, working times and meetings, stipulated separately in the Board of Commissioners' Regulation No. 01/DEKOMBTN/2017 regarding Work Guidelines and Manual of the Board of Commissioners of PT Bank Tabungan Negara (Persero) Tbk. dated August 10, 2017. The Board Manual is based on the principles of Corporate Governance, Articles of Association provisions and prevailing rules and legislation, the directive of Shareholders, and Good Corporate Governance best practices.

The BOC's Board Manual shall ensure the Board of Commissioners performs their duties effectively and it shall also be used as a performance assessment tool for the Board of Commissioners. The contents of the Charter of the Board of Commissioners are as follows:

- Chapter I** Introduction
- Chapter II** Legal Foundation
- Chapter III** Vision, Mission and Corporate Culture Values
- Chapter IV** Board of Commissioners Charter
 - A. Struktur A. Structure and Composition of the Board of Commissioners
 - B. Requirements for Members of the Board of Commissioners
 - C. Additional criteria for members of the Board of Commissioners who are also Independent Commissioners
 - D. Multiple Positions
 - E. Appointment and Dismissal
 - F. Term of Office
 - G. Duties and Responsibilities
 - H. Obligations
 - I. Rights and Authorities
 - J. Mechanism for the Division of Duties and Authorities of the Board of Commissioners
 - K. Prohibition
 - L. Position Ethics
 - M. Working Time
 - N. Meeting Arrangements
 - O. Leadership
 - P. Performance Evaluation
 - Q. Reporting and Accountability
 - R. Secretary of the Board of Commissioners and Committees Under the Board of Commissioners
- Chapter V** Work Relationship of the Board of Commissioners and Directors
- Chapter VI** Relations with Stakeholders
- Chapter VII** Mechanism of Change
- Chapter VIII** Closing

Composition and Basis for Appointment of The Board of Commissioners

The appointment of all members of the Board of Commissioners is based on a fit and proper test which refers to the FSA Regulation No.27/POJK.03/2016 concerning the Fit and Proper Test for the Main Party of Financial Services Institutions, which states that prospective members of the Board of Commissioners must passed the fit and proper test and obtained approval from the FSA before carrying out duties and functions in his position. The fit and proper test that has been carried out indicates that each member of the Board of Commissioners has integrity, good financial reputation and competence and is relevant to his position to carry out his duties and responsibilities.

The Board of Commissioners consists of members of the Board of Commissioners, representatives of Dwiwarna Shareholders and members of the Independent Board of Commissioners with the following composition:

1. The Board of Commissioners shall consist of at least 3 (three) members and a maximum number of members of the Board of Directors.
2. The Board of Commissioners is led by a President Commissioner.
3. One of the members of the Board of Commissioners can be appointed as Deputy President Commissioner.
4. The Board of Commissioners consists of Independent Commissioners and Non-Independent Commissioners.
5. Independent Commissioners are at least 50% (fifty percent) of the total members of the Board of Commissioners.
6. Determination of the composition of the members of the Board of Commissioners taking into account the diversity of expertise, knowledge and experience required by the Company.

During 2020 there was no change in the composition of the Board of Commissioners. So that the composition of the Board of Commissioners is 6 (six) people consisting of 1 (one) President Commissioner/Independent, 2 (two) Independent Commissioners and 3 (three) Commissioners. The entire Board of Commissioners is domiciled in the working area of the Bank BTN Head Office. The composition and basis for the appointment of the Board of Commissioners can be seen in the table below.

Name	Position	Executor	Basic Appointment	Effective date
Chandra M. Hamzah	President Commissioner/ Independent	Financial Services Authority	Extraordinary GMS on November 27, 2019	May 4, 2020
Armand Bachtiar Arief	Independent Commissioner	Financial Services Authority	Extraordinary GMS on November 27, 2019	May 14, 2020
Ahdi Jumhari Luddin	Independent Commissioner	Financial Services Authority	Extraordinary GMS on November 27, 2019	March 16, 2020
Eko D. Heripoerwanto	Commissioner	Financial Services Authority	Annual GMS 2019 on May 17, 2019	December 20, 2019
Heru Budi Hartono	Commissioner	Financial Services Authority	Extraordinary GMS on November 27, 2019	March 16, 2020
Andin Hadiyanto	Commissioner	Financial Services Authority	Extraordinary GMS on November 27, 2019	July 10, 2020

Orientation Program for New Commissioners

The Company continually holds an Orientation Program for newly appointed members of the Board of Commissioners in order to be acquainted with one another and establish co-operation as a solid, comprehensive, effective team. The orientation program also aims to provide knowledge regarding the condition of the Company in general. Provisions related to the Board of Commissioners' introduction program are regulated by the Board of Commissioners Charter, including:

1. Application of the principles of Good Corporate Governance and Business Ethics in the Company.
2. Description regarding the duties and responsibilities of the Board of Commissioners and Board of Directors and other matters that are not permitted.
3. Overview of the Company relating to the objectives, nature and scope of the Company's activities, financial performance, strategies, the Company's short and longterm plans, risks, Internal Control and other strategic issues.
4. K Information relating to delegated authority, Internal and External Audits, systems and Internal Control policies and the Audit Committee.

During 2020 there was no new Board of Commissioners, so no orientation program was implemented for new members of the Board of Commissioners.

Department of Supervision of the Board of Commissioners

The Board of Commissioners divides the duties and supervisory authority among the members of the Board of Commissioners, which is self-regulated in accordance with applicable regulations and stipulated in the Board of Commissioners Meeting Decision. The focus or division of supervisory duties for each member of the Board of Commissioners is determined based on the division of roles as Chairperson and Committee Member of the Board of Commissioners according to their competence and experience. The supervisory duties of the Board of Commissioners are as follows.

Rights and Authorities of the Board of Directors

The Board of Directors had the rights and powers that had been stipulated in the Board of Directors Work Guidelines and Procedures. The rights and powers of the Board of Directors were as follows:

1. Establishing policies that were deemed appropriate in the management of the Company.
2. Arranging the transfer of power of the Board of Directors to represent the Company inside and outside the court to one or several members of the Board of Directors who are specifically appointed for this purpose or to one or more employees of the Company either individually or collectively or to other people or bodies.
3. Regulating the provisions on the span of the Company's employees, including the determination of the salary, pension or old age security, regular production and other income for the Company's employees based on the laws and regulations.
4. Appointing reward or sanction and dismissing the Company's employees based on the Company's employment regulations and laws and regulations.
5. Forming the function of the Corporate Secretary (Corporate Secretary).
6. Writing off the bad debt book which was then reported and accounted for in the Annual Report.
7. No longer collecting part or all of the non-principal receivables in the context of restructuring and/or credit settlement, but with the obligation to report to the Board of Commissioners, whose reporting procedures were stipulated by the Board of Commissioners.
8. Writing off interest receivables, fines, fees and other off-principal receivables made in the context of restructuring and/or settlement of accounts receivable as well as other actions to settle the Company's receivables.
9. Carrying out all other actions and actions regarding the management or ownership of the Company's assets, binding the Company with other parties and/or other parties with the Company, including but not limited to optimizing the use of the Company's assets, with restrictions as stipulated in laws and regulations, Articles of Association and/or Resolution of the GMS.

Term of Office of the Board of Directors

The term of office for members of the Board of Directors was set for 5 (five) years and could be reappointed for 1 (one) term of office. Members of the Board of Directors were appointed for a period starting from the date determined by the GMS that appointed them and ending at the closing of the 5th (fifth) Annual GMS after the date of their appointment, with due observance of laws and regulations in the Capital Market sector, but this did not

reduce the rights of the GMS to at any time, members of the Board of Directors might terminate before their term of office ends.

Board of Directors Requirements

The requirements of the Board of Directors as stipulated in the Work Guidelines and Procedures are as follows:

1. Those who could be appointed as members of the Board of Directors were individuals, who met the requirements at the time of appointment and during their tenure:
 - a. Have good morals, morals and integrity.
 - b. Able to take legal actions.
 - c. Within the 5 (five) years prior to the denial and during their tenure:
 - Never been declared bankrupt.
 - Never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to go bankrupt.
 - Never been convicted of committing a crime that caused losses to state finances and/or related to the financial sector.
 - Never been a member of the Board of Directors and/or a member of the Board of Commissioners who during his tenure:
 - a) Never held an Annual GMS.
 - b) Their responsibilities as members of the Board of Directors and/or members of the Board of Commissioners have never been accepted by the GMS or have never given accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS.
 - c) Have caused a company that obtained a license, approval, or registration from FSA to fail to fulfill its obligation to submit an annual report and/or financial report to FSA.
 - d. Have a commitment to comply with laws and regulations.
 - e. Have knowledge and/or expertise in the fields required by the Company.
 - f. Fulfilling other requirements as stipulated in the Law on Limited Liability Companies, the Law on SOE, the laws and regulations in the Capital Market sector, and the laws and regulations related to the Company's business activities.
2. Each member of the Board of Directors must meet the fit and proper test requirements in accordance with the Financial Services Authority Regulation concerning the Fit and Proper Test for Main Parties of Financial Services Institutions and have obtained a letter of approval from the Financial Services Authority.
3. All members of the Board of Directors must be domiciled in Indonesia.

4. The President Director must be from a party that is independent from the controlling shareholder.
5. The majority of members of the Board of Directors must have at least 5 (five) years of experience in operations and at the very least as Executive Officers of the Company.

Appointment of Members of the Board of Directors

The appointment of members of the Board of Directors was carried out through the GMS which was effective since the closing of the GMS. Any proposal to replace and/or appoint a member of the Board of Directors by the Board of Commissioners to the GMS must take into account the recommendations of the Remuneration and Nomination Committee. Series A Dwiwarna shareholder had a special right, namely nominating candidates for members of the Board of Directors, of which the nominations were binding for the GMS.

Board of Directors of Work Guidelines and Rules

In carrying out its duties and responsibilities, the Board of Directors referred to the Board of Directors Work Guidelines and Code of Conduct which had been approved by the Directors Decree No. 07/DIR/KD/CMPD/2017 concerning Guidelines and Work Rules of the Board of Directors. The Board of Directors Charter was a governance infrastructure that served as a guideline for the Board of Directors in carrying out their duties, powers, responsibilities, rights and obligations as management of the Company. The Board of Directors Charter was prepared based on the principles of good governance, referring to the regulations concerning Limited Liability Companies, the Articles of Association and the prevailing laws and regulations which bind the Company.

The contents of the Board of Directors Work Guidelines and Rules are as follows:

- Chapter I Intoruction
- Chapter II Values
- Chapter III Board of Directors Work Guidelines and Procedures
 - A. Structure and Composition of the Board of Directors
 - B. Requirements for members of the Board of Directors
 - C. Criteria for the Director in charge of Compliance Function
 - D. Concurrent positions of the Board of Directors
 - E. Appointment and dismissal of the Board of Directors
 - F. Term of Office of the Board of Directors
 - G. Duties and Responsibilities of the Board of Directors
 - H. Obligations of the Board of Directors
 - I. Rights and Authorities of the Board of Directors
 - J. Actions of the Board of Directors that Require the Approval of the Board of Commissioners
 - K. Distribution of Duties and Authorities of the Board of Directors
 - L. Prohibition
 - M. Transparency
 - N. Work Ethics
 - O. Working Time
 - P. Meeting Arrangements
 - Q. Leadership
 - R. Performance Evaluation of the Board of Directors
 - S. Reporting and Accountability
 - T. Committee

Composition and Basis for Appointment of the Board of Directors

In accordance with the Work Guidelines and Rules, the Board of Directors consisted of at least 3 (three) people. The Board of Directors must be led by a President Director. One of the members of the Board of Directors could be appointed as Deputy President Director. One member of the Board of Directors must be appointed as the Director in charge of the Compliance Function. In addition, determining the composition of the members of the Board of Directors takes into account the diversity of expertise, knowledge and experience required by the Company.