

**DECREE OF BOARD OF COMMISSIONERS OF
PT BANK TABUNGAN NEGARA (PERSERO) TBK
NO.: 03/DEKOM-BTN/XI/2019**

REGARDING

**THE REMUNERATION AND NOMINATION COMMITTEE CHARTER OF
PT BANK TABUNGAN NEGARA (PERSERO), TBK**

Considering:

1. that part of the duties and responsibilities of the Board of Commissioners in carrying out supervision of PT Bank Tabungan Negara (Persero) Tbk. as set forth by the Regulator is to monitor the evaluation of Remuneration and Nomination policies at PT Bank Tabungan Negara (Persero) Tbk;
2. that for this purpose, it is necessary to establish a Remuneration and Nomination Committee as a Bank Organ in charge of assisting and reporting directly to the Board of Commissioners in carrying out its duties;
3. that in carrying out the duty of monitoring remuneration and nomination policies, a guideline which regulates the membership structure, membership requirement, term of office, duties, responsibilities, authorities and reporting is required, thus the necessity of preparing a charter which can always be evaluated and refined;
4. that for this purpose, it is necessary to include it in a Decree of the Board of Commissioners of PT Bank Tabungan Negara (Persero) Tbk,

In view of:

1. Law of Republic of Indonesia No. 7 of 1992 on March 25, 1992 regarding Banking as amended by Law of Republic of Indonesia No. 10 of 1998 on November 10, 1998.
2. Law of Republic of Indonesia No. 8 of 1995 regarding Capital Market on November 10, 1995.
3. Law of Republic of Indonesia No. 19 of 2003 on June 19, 2003 concerning State-Owned Enterprises.
4. Law of Republic of Indonesia No. 40 of 2007 on August 16, 2007 concerning Limited Liability Company.
5. Circular of Bank Indonesia No. 11/28/DPbS on October 05, 2009 regarding Sharia Business Units as amended by Circular of Bank Indonesia No. 15/51/DPbS on December 30, 2013 regarding Amendment to Circular of Bank Indonesia No. 11/28/DPbS on October 05, 2009 regarding Sharia Business Units;
6. Regulation of State Minister of State-Owned Enterprises of Republic of Indonesia No. PER-01/MBU/2011 on August 01, 2011 on the Implementation of Good Corporate Governance at State-Owned Enterprises as amended by Regulation of State Minister of State-Owned Enterprises of Republic of Indonesia No. PER-09/MBU/2012 on July 06, 2012.

7. Regulation of State Minister of State-Owned Enterprises No. PER-12/MBU/2012 regarding Supporting Organ of Board of Commissioners/Board of Supervisors of State-Owned Enterprises.
8. Otoritas Jasa Keuangan Regulation No. 33/POJK.04/2014 on December 08, 2014 on Directors and Board of Commissioners of Issuers or Public Companies.
9. Otoritas Jasa Keuangan Regulation No. 33/POJK.04/2014 on December 08, 2014 regarding Nomination and Remuneration Committee of Issuers or Public Companies;
10. Otoritas Jasa Keuangan Regulation No. 45/POJK.03/2015 on December 23, 2015 concerning the Implementation of Governance in Remuneration for Conventional Banks;
11. Circular of Otoritas Jasa Keuangan No. 40/SEOJK.03/2016 on September 26, 2016 concerning the Implementation of Governance in Remuneration for Conventional Banks;
12. Otoritas Jasa Keuangan Regulation No. 55/POJK.03/2016 on December 07, 2016 regarding the Implementation of Governance for Conventional Banks.
13. Otoritas Jasa Keuangan Regulation No. 27/POJK.03/2016 on July 27, 2016 concerning Fit and Proper Assessment for the Main Parties of Financial Services Institutions.
14. Otoritas Jasa Keuangan Regulation No. 59/POJK.03/2017 on December 18, 2017 concerning the Implementation of Governance in Remuneration for Sharia Conventional Banks and Sharia Business Units;
15. Regulation of Minister of State-Owned Enterprises (SOEs) No.: PER-01/MBU/05/2019 on May 31, 2019 concerning Fourth Amendment to Regulation of Minister of State-Owned Enterprises (SOEs) No.: PER-04/MBU/2014 on the Guidelines for the Use of Income of Directors, Board of Commissioners and Board of Supervisors of the SOEs, in determining the income of Directors and Board of Commissioners at relevant SOE Subsidiaries;
16. Articles of Association of PT Bank Tabungan Negara (Persero) Tbk as amended last by Deed of Decisions of Annual General Meeting of Shareholders No. 66 on March 23, 2018.
17. Decree of Board of Commissioners No. 01/DEKOM-BTN/2017 on August 10, 2017 regarding Guidelines and Work Procedures of Board of Commissioners.
18. Joint Decree of Board of Commissioners and Directors of PT Bank Tabungan Negara (Persero) Tbk. No. 02/DEKOM-BTN/2017 – No. 01/DIR-BTN/2017 on November 24, 2017 on the Employment Relationship Order of Board of Commissioners and Directors.
19. Regulation of Directors No. 04/PD/HCD/2015 on March 31, 2015 regarding the Income of Supporting Organ of Board of Commissioners, Directors of PT Bank Tabungan Negara (Persero), Tbk.

Given: Decisions of meeting of Board of Commissioners on November 19, 2019 on the Review of Remuneration and Nomination Committee Charter of PT Bank Tabungan Negara (Persero), Tbk.

Having decided:

- To stipulate** : DECREE OF BOARD OF COMMISSIONERS ON THE REMUNERATION AND NOMINATION COMMITTEE CHARTER OF.
- ONE : Remuneration and Nomination Committee Charter is regulated as attached to the Decree of Board of Commissioners.
- TWO : This decision shall be effective from the day of its stipulation.
- THREE : In case of any future amendment, appropriate rectification will be made.

Stipulated : in Jakarta
On : November 19, 2019

PT BANK TABUNGAN NEGARA (PERSERO), Tbk
Board of Commissioners

[signed]

Asmawi Syam
President Commissioner

[signed]

Lucky Fathul Aziz Hadibrata
Independent Commissioner / Chairman of Audit Committee

**Annex to Decree of Board of Commissioners
No.: 03/KOM-BTN/XI/2019, on November 19, 2019****REMUNERATION AND NOMINATION COMMITTEE CHARTER OF
PT BANK TABUNGAN NEGARA (PERSERO), TBK**

SECTION I**GENERAL PROVISIONS, PURPOSE OF PREPARATION OF
COMMITTEE CHARTER****Clause 1
GENERAL PROVISIONS**

In this regulation, the following has the meanings as follows:

1. **Bank/Company** is PT Bank Tabungan Negara (Persero) Tbk.;
2. **State-Owned Enterprises**, hereinafter referred to as SOEs (BUMN), are Enterprises whose entire or most shares are owned by the State through direct participation derived from the separated State assets;
3. **State Share Company**, hereinafter referred to as Persero, refers to a State-Owned Enterprise (SOE) in the form of a Limited Liability Company whose capital is divided into shares in which its entire or at least 51% (fifty-one percent) of its shares is owned by Republic of Indonesia with its main purpose of seeking profits;
4. **General Meeting of Shareholders**, hereinafter referred to as GMS (RUPS), is a Corporate Organ with authority not granted to the Directors or Board of Commissioners within the limits as set forth in the Law No. 40 of 2007 and/or the Company's Articles of Association;
5. **Board of Commissioners** is Bank Organ in charge of performing general and/or special supervision under the Articles of Association and advising Directors in Bank management;
6. **Independent Commissioner** is a member of Board of Commissioners who has no financial, management, share ownership and/or family relationship with other members of Board of Commissioners, Directors and/or controlling shareholders or relationship with the Bank, which may affect its capability of acting independently;
7. **Commissioner** is a member of Board of Commissioner which is not Independent Commissioner;
8. **Directors** are Bank Organ fully responsible for the management of the Bank for the benefit and interest of the Bank and representing Bank within and outside the court according to the provisions of Articles of Association.
9. **Supporting Organ of Board of Commissioners** refers to apparatus or Organ established by the Board of Commissioners to assist in the smooth supervision carried out by the Board of Commissioners, consisting of the Secretary to the Board of Commissioners, Audit Committee, Risk Monitoring Committee and Remuneration and Nomination Committee; or any other Committees when necessary.

10. **Remuneration and Nomination Committee** is a Committee established and responsible to the Board of Commissioners in charge of assisting the Board of Commissioners in performing its duties. Remuneration and Nomination Committee is one of the Company Organs, working hand in hand with Human Capital Division Sectors as an apparatus owned by the Directors for the appreciation of human capital, analysing policies, monitoring the preparation of prospective future heads that provide examples and careful attention to the implementation of good corporate governance, including its remuneration policies and amount;
11. **Nomination** refers to nomination of an individual to serve as members of Directors, members of Board of Directors, Sharia Board of Supervisors, or Board of Commissioners Committee.
12. **Remuneration** refers to total rewards set forth and provided to members of Board of Commissioners, members of Directors, Sharia Board of Supervisors and Board of Commissioners Committee and secretariat of Board of Commissioners due to the position and roles assigned according to the duties, responsibilities, and authorities in performing their respective roles.
13. **Sharia Board of Commissioners hereinafter abbreviated as DPS** is a Board in charge of providing the Directors with advice and suggestions and supervising processes, products and activities of Sharia Business Units (UUS) to comply with Sharia Principles;
14. **Independent Parties** are parties outside the Bank which have no financial, management, share ownership and/or family relationship with Board of Commissioners, Directors and/or controlling shareholders or relationship with the Bank, which may affect the capability of acting independently;
15. **Good Corporate Governance** refers to a corporate governance based on a balance of authority so that there is no abuse of authority and checks and balances in the Company's operations by applying the principles of transparency, accountability, responsibility, independence and fairness;
16. **Ethics** means an unwritten set of norms and values believed by a group of people as standard of behaviour of the group based on Laws and Regulations and business ethics;
17. **Conflict of Interest** is a conflict between economic interests of the Company and personal economic interests of the owners, Members of Board of Commissioners, Members of Directors, Executive Officers, Employees and/or affiliated parties of the Company.

Clause 2

DEFINITION, OBJECTIVE AND PURPOSE OF ESTABLISHMENT OF REMUNEATION AND NOMINATION COMMITTEE

1. Definition:

a. Definition of Remuneration and Nomination Committee Charter

The Remuneration and Nomination Committee Charter is a working guideline which contains a set of rights, obligations and procedures established by Board of Commissioners for Remuneration and Nomination Committee in order to assist the Board of Commissioners in performing its duties and functions of providing advice and supervising the Bank's activities.

b. Objective of Remuneration and Nomination Committee Charter

This Remuneration and Nomination Committee Charter is intended as working guidelines of the Committee to perform its duties of assisting Board of Commissioners in supervision and advice in Human Capital.

c. Purpose of Remuneration and Nomination Committee Charter

Initial:

This Remuneration and Nomination Committee Charter is made with the aim that the Committee can work more optimally that the implementation of recommendations on remuneration and nomination of members of Board of Commissioners, members of Directors, Executive Officers and Employees and Human Capital policy framework as a whole complies with the principles of Good Corporate Governance.

SECTION II

DUTIES AND RESPONSIBILITIES AND AUTHORITIES OF THE COMMITTEE

Clause 3

DUTIES OF THE COMMITTEE

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

1. Duties of the Committee related to **Remuneration** are as follows:
 - a. Providing the Board of Commissioners with recommendations regarding:¹
 - i. remuneration structure;
 - ii. remuneration policies; and
 - iii. remuneration amount
 - b. Assisting Board of Commissioners in evaluating the performance in accordance with Remuneration received by any members of Directors and/or members of Board of Commissioners.
 - c. In performing its remuneration functions, the Committee shall carry out the following procedures:
 - i. establishing remuneration structure, policies and amount for members of Board of Commissioners, members of Directors and/or Executive Officers one level below the Directors; and²
 - ii. establishing remuneration structure, policies and amount for members of Sharia Board of Supervisors (DPS).
 - d. The remuneration structure as referred to in letter c may be in the following forms:³
 - i. Salary;
 - ii. Honorarium;
 - iii. Incentives; and/or
 - iv. permanent and/or variable benefits.
 - e. Formation of Remuneration structure, policies and amount as referred to in letter c shall take the following into account:⁴

¹ Article 8 letter b.1 of POJK No. 34/POJK.03/2014 regarding Nomination and Remuneration of Issuers or Public Companies

² Article 10 paragraph (1) of POJK No. 34/POJK.03/2014 regarding Nomination and Remuneration of Issuers or Public Companies

³ Article 10 paragraph (2) of POJK No. 34/POJK.03/2014 regarding Nomination and Remuneration of Issuers or Public Companies

⁴ Article 10 paragraph (3) of POJK No. 34/POJK.03/2014 regarding Nomination and Remuneration of Issuers or Public Companies

- i. applicable remuneration in the industry according to the Bank's business activities and business scale of the Bank within the industry;
 - ii. duties, responsibilities and authorities of members of Directors and/or Board of Commissioners related to the achievement of objective and performance of the Bank;
 - iii. target performance or performance of any members of Directors and/or members of Board of Commissioners; and
 - iv. balance between permanent and variable benefits.
 - f. Evaluating remuneration policies based on performance, risks, equity with peer group, targets, and long-term strategies of the Bank, fulfilment of reserves as regulated in laws and regulations and potential future income of the Bank.⁵
 - g. Evaluating Human Capital policies and monitoring its implementation according to the principles of Good Corporate Governance.
 - h. Submitting evaluation results and recommendations to the Board of Commissioners regarding the following:⁶
 - i. Remuneration policies for Directors, Board of Commissioners and DPS to be submitted to General Meeting of Shareholders;
 - ii. Remuneration policies for Employees as a whole to be submitted to Directors.
 - i. Ensuring that Remuneration policies have complied with the applicable provisions.⁷
 - j. Regularly evaluating Remuneration structure, policies and amount at least 1 (one) time in 1 (one) year.
 - k. Preparing and evaluating payroll and benefits system to members of Board of Commissioners and Directors and providing recommendations concerning:
 - i. Assessment of the system;
 - ii. Options provided, including stock options;
 - iii. Pension System, Old-Age Benefit, and
 - iv. Compensation system and any other benefits in terms of reduced employees.
 - l. Performing any other duties from Board of Commissioners according to the remuneration duties.
2. Duties of the Committee related to **Nomination** are as follows:
 - a. Providing the Board of Commissioners with the following recommendations:
 - i. nomination of prospective Directors with reference to the Company's strategies;
 - ii. office composition of members of Directors and/or members of Board of Commissioners;
 - iii. policies and criteria required in Nomination process;

⁵ Article 10 letter a of POJK No. 45/POJK.03/2015 on the Implementation of Governance in the Remuneration for Conventional Banks

⁶ Article 9 letter b of POJK No. 59/POJK.03/2017 on the Implementation of Governance in the Remuneration for Sharia Conventional Banks and Sharia Business Units

⁷ Article 10 letter c of POJK No. 45/POJK.03/2015 on the Implementation of Governance in the Remuneration for Conventional Banks

- iv. performance evaluation policies for members of Directors and/or members of Board of Commissioners; and
 - v. proposed appointment and/or replacement of members of Sharia Board of Supervisors to the GMS (RUPS).
- b. Assisting Board of Commissioners in evaluating the performance of members of Directors and/or members of Board of Commissioners based on the benchmarks that have been measured as evaluation materials;
- c. Providing the Board of Commissioners with recommendations regarding competence development program of members of Directors and/or members of Board of Commissioners;
- d. Providing recommendations on the proposed candidates qualified as members of Directors and/or members of Board of Commissioners to be submitted to GMS (RUPS).
- e. In performing its Nomination functions as referred to in letters b and c, the Committee shall carry out the following procedures:
- i. preparing nomenclature composition and nomination process of members of Directors and/or members of Board of Commissioners;
 - ii. establishing criteria and policies required in Nomination process of prospective members of Directors and/or prospective members of Board of Commissioners;
 - iii. assisting the performance evaluation of members of Directors and/or members of Board of Commissioners;
 - iv. preparing competence development program of members of Directors and/or members of Board of Commissioners; and
 - v. reviewing and proposing recommendations of candidates qualified as members of Directors and/or members of Board of Commissioners to Board of Commissioners to be submitted to the GMS (RUPS).
- f. Preparing, performing and analysing nomination criteria and procedures for prospective members of Sharia Board of Supervisors.
- g. Monitoring and analysing nomination criteria and procedures for other executives up to 1 (one) level below the Directors.
- h. Providing recommended criteria and procedures for the selection, office composition, appointment, and/or replacement of members of Board of Commissioners, Directors and Sharia Board of Supervisors.
- i. Establishing performance evaluation system of members of Board of Commissioners and Directors.
- j. Reviewing human capital management system and human capital development policies from recruitment, assessment, improved competence, evaluation, promotion, demotion, termination, succession, selection and others.
- k. Performing any other duties from Board of Commissioners according to the Nomination duties and Human Capital Management system policies.

Clause 4
RESPONSIBILITIES AND ACTIVITY REPORTS

Initial:

Committee in performing its duties is responsible for:

1. Evaluating, preparing and providing recommendations to Board of Commissioners on remuneration and nomination policies for Commissioners, Directors, Executive Officers and Employees as a whole, with at least due regard to the following:
2. Preparing and submitting Annual Work Plans and Budget of the Committee to Board of Commissioners for stipulation. Performance of Annual Work Plans and Budget of the Committee is reported to the Board of Commissioners.
3. Preparing and submitting quarterly and annual reports on the performance of duties and responsibilities of the Committee to Board of Commissioners.
4. The Committee cannot issue the reports to any other parties outside the Company without the knowledge / consent of Board of Commissioners.

Clause 5
AUTHORITIES OF THE COMMITTEE

The Committee is authorized by the Board of Commissioners to:

1. Review, verify and analyze and provide opinion and recommendations within the scope of its duties.
2. Requesting the Bank to make surveys and/or comparative studies (benchmarking) as required by the Committee.
3. Requesting, seeking and obtaining necessary information from internal and external parties of the Bank.

SECTION III
**SCOPE AND MECHANISM OF WORK, ACCESS TO INFORMATION,
COMPOSITION AND REQUIREMENT OF MEMBERS**

Clause 6
SCOPE OF DUTIES AND MECHANISM OF WORK

1. Scope of Duties of the Committee includes the following:
 - a. Nomination Scope is in charge of preparing selection criteria and nomination procedures of members of Board of Commissioners, Directors, making assessment system and providing recommendations on the total members of Board of Commissioners and Directors and ensuring the formation of talent pool, monitoring and analyzing nomination criteria and procedures for other executives up to 1 (one) level below the Directors.
 - b. Remuneration Scope is in charge of establishing and recommending remuneration system for members of Board of Commissioners, Directors, Sharia Board of Supervisors and Employees.
 - c. Providing recommendations regarding Independent Parties which will become members of Audit Committee, Risk Monitoring Committee and any other Committee as required by the Bank.
 - d. In the event that the Committee members have conflict of interest with the recommended proposal, the conflict of interest and considerations underlying the proposal shall be included in the proposal.

Initial:

- e. Ensuring the Board of Commissioners that Guidelines and Work Procedures of Board of Commissioners, Code of Conduct and Business Ethics of the Bank have complied with the principles of good Corporate Governance.
 - f. Evaluating and periodically revising the Guidelines and Work Procedures of Board of Commissioners for adjustment to the development of applicable laws.
2. The Committee's Mechanism of Work is as follows:
- Functional work relationship of the Committee is basically subject to the provisions/regulations contained in the Guidelines and Work Procedures of Board of Commissioners, but the work relationship with the Bank's Management is specifically regulated as follows:
- a. Reviewing the selection criteria and Nomination procedures for members of Board of Commissioners, Directors, making assessment system and providing recommendations on the total members of Board of Commissioners and Directors, and establishing payroll and benefits system to members of Board of Commissioners and Directors, monitoring and analyzing nomination criteria and procedures for other executives up to 1 (one) level below the Directors.
 - b. Providing the recommendations on the refinement of nomination criteria and remuneration system at the Bank and its performance to ensure that Good Corporate Governance (GCG) principles have been complied in its implementation of the relevant policies of the Bank.

Clause 7

ACCESS TO AND CONFIDENTIALITY OF INFORMATION

1. Under a written assignment letter from Board of Commissioners, the Committee can access records or information regarding employees, funds, assets and any other resources of the Bank related to the performance of duties with due regard to the applicable provisions of laws and regulations.
2. The Committee shall report in writing the assignment results as referred to in sub-clause (1) to the Board of Commissioners.
3. The Committee shall maintain the confidentiality of the documents, data and information of the Bank, from both internal parties and external parties and those are only be used for the purpose of performing its duties.

Clause 8

COMPOSITION AND STRUCTURE

1. Membership Composition of Remuneration and Nomination at least consists of the following⁸:
 - a. 1 (one) Independent Commissioner;
 - b. 1 (one) Commissioner;
 - c. 1 (one) Executive Officer supervising human resources or 1 (one) employee representative.
2. Remuneration and nomination committee is chaired by Independent Commissioner.

⁸ Otoritas Jasa Keuangan Regulation No. 55/POJK.03/2016 on December 07, 2016 regarding the Implementation of Governance for Conventional Banks Article 44

3. In the event that members of Remuneration and Nomination Committee established are more than 3 (three) people, members of Independent Commissioners shall at least be 2 (two) people.
4. If necessary, Remuneration and Nomination Committee may appoint members from external independent parties from Bank BTN.
5. Members of Remuneration and Nomination Committee are appointed by Directors under the decisions of meeting of Board of Commissioners.
6. Executive Officers or employee representatives of the members of remuneration committee shall be aware of the Bank's remuneration system and of nomination system and succession plan of the Bank.⁹
7. Members of the Committee are appointed and dismissed under the decisions of meeting of Board of Commissioners. The decisions shall be followed up by the Directors by the issuance of letter of appointment/dismissal.
8. Decisions on the appointment and/or dismissal by members of Committee shall be documented.
9. Chairman of the Committee can concurrently serve as chairman of the committee in 1 (one) other Committee at most.
10. Term of office of members of Committee not coming from members of Board of Commissioners is a maximum of 3 (three) years and can be extended 1 (one) time for a maximum of 2 (two) years of office, without prejudice to the prerogative rights of the Board of Commissioners to dismiss them at any time.¹⁰
11. Replacement of members of Committee not coming from Board of Commissioners is made no later than 60 days from the day the relevant members can no longer perform their functions.

CLAUSE 9

MEMBERSHIP REQUIREMENT OF AUDIT COMMITTEE

Membership requirement of the Committee includes the following¹¹:

1. They shall have high integrity, god character and morals, and sufficient ability and knowledge and experience according to their education background, and be able to communicate well.
2. They do not have any personal interests/relationships that may have a negative impact on and conflict of interest with the relevant SOE.
3. They are able to cooperate and communicate effectively.
4. They have sufficient knowledge to read and understand financial statements, business activities of the Bank, risk management and laws and regulations in Capital Market, banking and any other laws and regulations.
5. They shall comply with the Code of Ethics set forth by the Bank.

⁹ SEOJK No.: 13/SEOJK.03/2017 on the Implementation of Governance for Conventional Banks, item IV.4

¹⁰ Regulation of Minister of SOEs (BUMN) No.: PER-12/MBU/2012 on August 24, 2012 on Supporting Organ of Board of Commissioners/Board of Supervisors Article 5

¹¹ Regulation of Minister of SOEs (BUMN) No.: PER-12/MBU/2012 on August 24, 2012 on Supporting Organ of Board of Commissioners/Board of Supervisors Article 21

Initial:

6. They are able to act independently, which means they are able to perform their duties in comprehensive manner without any conflict of interest and influence/pressure from any parties which do not comply with the applicable laws and regulations and good corporation principles.
7. They understand the concept of human resources management in comprehensive manner and have the knowledge regarding the provisions of remuneration and/or nomination system and succession plan of the Bank.
8. They do not own shares in Bank BTN, either directly or indirectly.
9. They are not members of Directors or employees of Bank BTN.
10. They have no affiliation with Bank BTN, Commissioners and Directors of Bank BTN.
11. They have no business relationship directly or indirectly with Bank BTN.
12. Members of Committee coming from Independent Parties are not allowed to concurrently serve office as¹²:
 - a. Members of Board of Commissioners/Board of Supervisors in other State-Owned Enterprises (SOEs)/Companies;
 - b. Secretary/Secretariat Staff to Board of Commissioners/Board of Supervisors in other State-Owned Enterprises (SOEs)/Companies;
 - c. Members of other committee in the Company; and/or
 - d. Members of Committee in other State-Owned Enterprises (SOEs)/Companies;
13. Members of Committee shall have sufficient commitment and knowledge in the field of SOEs, and can commit sufficient time and energy to complete their duties and responsibilities.¹³

SECTION IV

MEETINGS, BUDGET AND INCOME OF COMMITTEE MEMBERS

Clause 10

COMMITTEE MEETINGS

1. A meeting is held at least with the same minimum requirement as that of the meeting of Board of Commissioners as set forth in the Bank's Articles of Association.
2. The Meeting Quorum shall be attended at least by 51% of members of Committee, either directly or through any other specified media.
3. In the event that a member of Committee cannot attend the meeting physically, the relevant member may attend the meeting using the following:
 - a. Power of Attorney;
 - b. Teleconferencing Technology;
 - c. Any other methods allowed according to the procedures and provisions of applicable laws and regulations.

¹² Regulation of Minister of SOEs (BUMN) No.: PER-12/MBU/2012 on August 24, 2012 on Supporting Organ of Board of Commissioners/Board of Supervisors Article 31 paragraph 3

¹³ Regulation of Minister of SOEs (BUMN) No.: PER-12/MBU/2012 on August 24, 2012 on Supporting Organ of Board of Commissioners/Board of Supervisors Article 21

Initial:

4. Meeting is chaired by Chairman of the Committee or members appointed by those present, if the Chairman of the Committee is absent.
5. The decisions of the Committee meetings are made by deliberation and consensus. In case of no deliberation and consensus, the decision-making shall be made based on the majority vote with the principle of 1 (one) person, 1 (one) vote (one man one vote).
6. The results of Committee meetings shall be stated in the minutes of the meeting signed by all members of Committee present, documented properly and submitted to Board of Commissioners. Results of the meetings include time and place of meeting, meeting agenda, participants present, topics discussed, dissenting opinions (if any) and decisions of the meetings.
7. Dissenting opinions that arise in the Committee meetings must be clearly stated in the minutes of the meeting along with the reasons for the dissenting opinion.¹⁴
8. The Committee may hold special meeting if necessary.
9. The Committee Meetings may invite Management or Other Parties as interviewees.
10. The Meetings are held by invitation and the agenda agreed prior to the meetings, and results of the meetings shall be recorded in the minutes of the meetings, the original of which is kept by the Committee and the copies of which are submitted to the Secretary of Board of Commissioners and if necessary, distributed to those not attending the meetings.
11. Decisions of Committee meetings are declared valid and binding, if it is attended by at least 51% (fifty-one percent) of members of Committee including Independent Commissioners and Executive Officers supervising human capital.

Clause 11 **ACTIVITY BUDGET**

1. Per year, the Committee submits Budget Plan which includes the budget for:¹⁵
 - a. Honorarium of members of Committee;
 - b. Religious Holiday Allowance;
 - c. Official travel expenses;
 - d. Training and workshop expenses (if necessary);
 - e. Administrative and general expenses (if necessary);
 - f. Routine investment budget for the procurement of working facilities (if necessary);
 - g. Professional staff fees (if necessary)
 - h. Survey expenses for monitoring and evaluation (if necessary);
2. The Committee's Budget is submitted to and approved by Board of Commissioners.
3. The Committee's Budget is part of budget of Board of Commissioners whose use does not require approval of Directors.

¹⁴ POJK No.: 55/POJK.03/2016 on December 07, 2016 regarding the Implementation of Governance for Conventional Banks Article 51 paragraph 4

¹⁵ Regulation of Directors No. 04/PD/HCD/2015 on March 31, 2015 on the Income of Supporting Organ of Board of Commissioners, Directors of PT Bank Tabungan Negara (Persero), Tbk

4. Verification and evaluation on the use of the budget are made by parties appointed by the Directors.

CLAUSE 12 INCOME OF COMMITTEE MEMBERS

1. The income of Members of Remuneration and Nomination Committee is determined by the Board of Commissioners by taking the ability of the Bank into account.¹⁶
2. The income of the Remuneration and Nomination Committee Members as referred to in sub-clause 1 is in the form of a maximum honorarium of 20% (twenty percent) of the salary of the Bank's President Director, provided that the tax is borne by the Bank, and they are not allowed to receive other income than the honorarium.¹⁷
3. Religious Holiday Allowances may be provided to Members of Remuneration and Nomination Committee in accordance with the provisions of applicable laws and regulations, that is 1 (one) time Honorarium.¹⁸
4. Tax on Holiday Allowance in sub-clause of this clause is borne by the Bank.¹⁹
5. Members of the Board of Commissioners who become Chairman/Members of the Remuneration and Nomination Committee are not provided with additional income from the position other than income as Members of the Board of Commissioners.²⁰

SECTION V EDUCATION AND SUPPORTING STAFF

Clause 13 EDUCATION

The Committee may send its members to participate in training/workshops and education related to the improved ability of performing the Committee's duties with the approval of the Board of Commissioners.

Clause 14 SUPPORTING STAFF

The Committee, upon the consent of Board of Commissioners and at the expense of the Bank, may invite external parties (professionals) or appoint third parties to support the performance of the Committee's duties.

¹⁶ Regulation of Directors No. 04/PD/HCD/2015 on March 31, 2015 regarding the Income of Supporting Organ of Board of Commissioners, Directors of PT Bank Tabungan Negara (Persero), Tbk

¹⁷ Regulation of Directors No. 04/PD/HCD/2015 on March 31, 2015 regarding the Income of Supporting Organ of Board of Commissioners, Directors of PT Bank Tabungan Negara (Persero), Tbk

¹⁸ Regulation of Directors No. 04/PD/HCD/2015 on March 31, 2015 regarding the Income of Supporting Organ of Board of Commissioners, Directors of PT Bank Tabungan Negara (Persero), Tbk

¹⁹ Regulation of Directors No. 04/PD/HCD/2015 on March 31, 2015 regarding the Income of Supporting Organ of Board of Commissioners, Directors of PT Bank Tabungan Negara (Persero), Tbk

²⁰ Regulation of Directors No. 04/PD/HCD/2015 on March 31, 2015 regarding the Income of Supporting Organ of Board of Commissioners, Directors of PT Bank Tabungan Negara (Persero), Tbk

**SECTION VI
EVALUATION AND CLOSING**

**Clause 15
EVALUATION**

1. Evaluation of the Committee's performance is made every 1 (one) year using the method established by the Board of Commissioners.²¹
2. Any expenses incurred related to the performance of the Committee's duties shall be imposed on Bank BTN.

**CLAUSE 16
CLOSING**

1. This Committee Charter is subject to the prevailing laws and regulations.
2. This Committee Charter is signed jointly by members of the Committee and Board of Commissioners
3. For the acknowledgement of the Bank's officials and employees, this Decree of the Board of Commissioners is documented by the Directors and published in the Bank Announcement Sheet.

Stipulated : in Jakarta
On : November 19, 2019

PT BANK TABUNGAN NEGARA (PERSERO), Tbk

[signed]

Asmawi Syam
President Commissioner

[signed]

Lucky Fathul Aziz Hadibrata
Independent Commissioner / Chairman of Audit Committee

²¹ Regulation of Minister No. PER-10/MBU/2012 on July 24, 2014 regarding Supporting Organ of Board of Commissioners/Board of Supervisors of State-Owned Enterprises article 41