

# Meeting Material

# Annual General Meeting of Shareholders 2023

Jakarta, March 13, 2023

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PT Bank Rakyat Indonesia (Persero) Tbk

The Company will hold an Annual General Meeting of Shareholders (“**Meeting**”) electronically. The electronic attendance and proxy will be conducted through **Electronic General Meeting System KSEI (“eASY.KSEI”)** with the following procedures:

- 1) The Shareholders shall be registered in the Facility of Securities Ownership Reference of KSEI (“**AKSes KSEI**”). If the Shareholders are not registered, the Shareholders are kindly required to register on the website <https://akses.ksei.co.id>.
- 2) For registered Shareholders, the proxy is provided at eASY.KSEI on the website <https://easy.ksei.co.id> (“**e-Proxy**”).
- 3) The Shareholders may declare their proxy and votes, modify the appointment of the Attorney and/or the votes for the agenda of the Meeting, or revoke the proxy since the date of the Invitation of the Meeting until 1 (one) business day prior to the date of the Meeting, which is Friday, March 10, 2023, at 12.00 Western Indonesia Time (WIB).
- 4) The registration process for Shareholders who will attend the Meeting electronically to give an e-voting through eASY.KSEI should be done on the date of the Meeting from 08.00 to 09.30 WIB.
- 5) The guidelines for registration, use and explanation concerning eASY.KSEI and AKSes KSEI are available on <https://easy.ksei.co.id> and/or <https://akses.ksei.co.id>.

**Time**

Monday, March 13, 2023  
10.00 WIB - onward

**Venue**

BRI Head Office  
Jl. Jend. Sudirman Kav. 44-46  
Jakarta

**Mechanism**

1. E-Proxy
2. E-Voting through eASY.KSEI





# AGENDA 1

## **Approval of Annual Report and Ratification of the Company's Consolidated Financial Statements, Approval of the Board of Commissioners' Supervisory Report as well as Ratification of Financial Statements of Micro and Small Enterprise Funding Program for the Financial Year 2022, and Grant of Release and Discharge of Liability (*volledig acquit et de charge*) to the Board of Directors for the management of Company and the Board of Commissioners of the Company for the Supervisory Actions performed during the Financial Year of 2022**

### ***Law and Regulation***

1. Article 66, Article 67, Article 68, Article 69, and Article 78 of Law No. 40 of 2007 concerning Limited Liability Companies ("**Company Law**") jo. Article 23 paragraph (1) of Law no. 19 of 2003 concerning the State-Owned Enterprises ("**SOE**") principally regulates:
  - a. The Annual Report and Report of the Supervisory Duties of the Company's Board of Commissioners must obtain the approval of the Company's General Meeting of Shareholders ("**GMS**"); and
  - b. The Company's Consolidated Financial Statements must be approved by the Annual GMS.
2. Article 23 paragraph (4) of Regulation of the Minister of SOE of Indonesia ("**MSOE Regulation**") No. PER-6/MBU/09/2022 dated September 8, 2022, concerning Changes of MSOE Regulation No. PER-05/MBU/04/2021 stipulates that the annual financial statements of Micro and Small Enterprise (MSE) Funding Program must be audited by a public accounting firm separately from the audit of SOE financial reports which are prepared according to financial accounting standards.
3. The Letter of Minister of SOE No. S-77/MBU/02/2023 dated February 9, 2023, regarding the Ratification of the Financial Statements of the Micro and Small Enterprise Funding Program (MSE) for the Financial Year of 2022 stipulates that the annual financial statements of MSE Funding Program Financial Year 2022 to be ratified and became a part of agenda of GMS.
4. Article 18 paragraph (9) of the Company's Articles of Association stipulates that the approval of the Annual Report, including the ratification of the Annual Financial Statements, as well as the Supervisory Report of the Board of Commissioners, is determined by the Annual GMS.



## ***Rationale***

1. In this agenda, the Company intends to obtain the Shareholders' approval for the Company's Annual Report, including the Supervisory Task Report that has been executed by the Board of Commissioners, the Annual Financial Statements of MSE Funding Program, for the Financial Year ended on December 31, 2022, as well as ratification of the Company's Consolidated Financial Statements for the financial year ended on December 31, 2022
2. Company's Financial Statements & Company's Annual Report for the Financial Year of 2022:
  - a. The Financial Statements audited by the Public Accounting Firm Purwantono, Sungkoro and Surja (a member Firm of Ernst & Young Global Limited) have been published on February 8, 2023, and may be downloaded on the Company's website ([www.bri.co.id](http://www.bri.co.id) and [www.ir-bri.com](http://www.ir-bri.com)) and the website of Indonesia Stock Exchange ("IDX") ([www.idx.co.id](http://www.idx.co.id)).
  - b. The Annual Report has been uploaded and can be downloaded on the Company's website ([www.bri.co.id](http://www.bri.co.id) and [www.ir-bri.com](http://www.ir-bri.com)) and the website of IDX ([www.idx.co.id](http://www.idx.co.id)).
3. The Financial Statements of the Company's MSE Funding Program for the Financial Year of 2022:
  - a. MSE Funding Program ("**MSE Program**"), previously known as the Partnership Loan before the year of 2021, is one of the implementations of the Social and Environmental Responsibility (TJSL) program of SOE.
  - b. The Financial Statements of the Company's MSE Funding Program for the Financial Year of 2022 have been audited separately from the audit of the Company's Financial Statements for the Financial Year of 2022 by the Purwantono, Sungkoro and Surja Public Accounting Firm (a member of the Firm of Ernst & Young Global Limited)

## ***Decision Proposal***

1. Approval of the Annual Report for Financial Year of 2022 including ratifying:
  - a. The Financial Statements ended on December 31, 2022;
  - b. The Report on the Supervisory Duties of the Board of Commissioners;
  - c. MSE Program Financial Statements ended on December 31, 2022;
2. Grant of release and discharge of liability (*volledig acquit et de charge*) to the Directors and the Board of Commissioners of the Company.

# AGENDA 2



## **Determination of Appropriation of the Company's Net Profit for the Financial Year of 2022**

### ***Law and Regulation***

Article 70, Article 71, and Article 72 of Company Law principally states that the appropriation of the Company's net profit shall be decided in the GMS.

### ***Rationale***

1. The Consolidated Current Year Net Profit of the Company which may be attributed to the holding company for the financial year ended on December 31, 2022, is Rp51,17 Trillion.
2. Further details of the Company's Net Profit for the Financial Year of 2022 can be found on the Financial Statements in the Annual Report of the Company for the Financial Year 2022.
3. The Company's net profit for the Financial Year of 2022 will be appropriated for dividend and retained earnings with the explanation as follow:
  - a. The Company intends to propose Dividend Payout Ratio a minimum of 85% (including interim dividend which was already distributed) by considering the solid performance and strong capital of the Company.
  - b. For additional information, on January 27, 2023, the Company already distributed the interim dividend amount of Rp57 per share or at maximum amount of Rp8.6 Trillion and will be calculated as part of final dividend for the Financial Year of 2022.

### ***Decision Proposal***

1. Approve the dividend payment (including interim dividend year 2022).
2. Appropriation of remaining net profit as retained earnings.



# AGENDA 3



## **Determination of the Remuneration (Salary/Honorarium, Facilities and Benefits) for the Financial Year of 2023, as well as Tantiem for the Financial Year of 2022, for the Board of Directors and the Board of Commissioners of the Company**

### ***Law and Regulation***

1. Article 96 and Article 113 of Company Law principally stipulate that the amount of remuneration and benefits of the Board of Directors and the Board of Commissioners are decided in the GMS.
2. MSOE Regulation No. PER-04/MBU/2014 dated March 10, 2014, concerning Guidelines for Determining the Income of Directors, Board of Commissioners and Supervisory Board of State-Owned Enterprises as lastly amended by MSOE Regulation No. PER-13/MBU/09/2021 dated September 24, 2021 ("**MSOE Regulation 13/2021**") principally stipulates that the remuneration of the Board of Directors and/or Board of Commissioners of the Company is determined by the GMS.

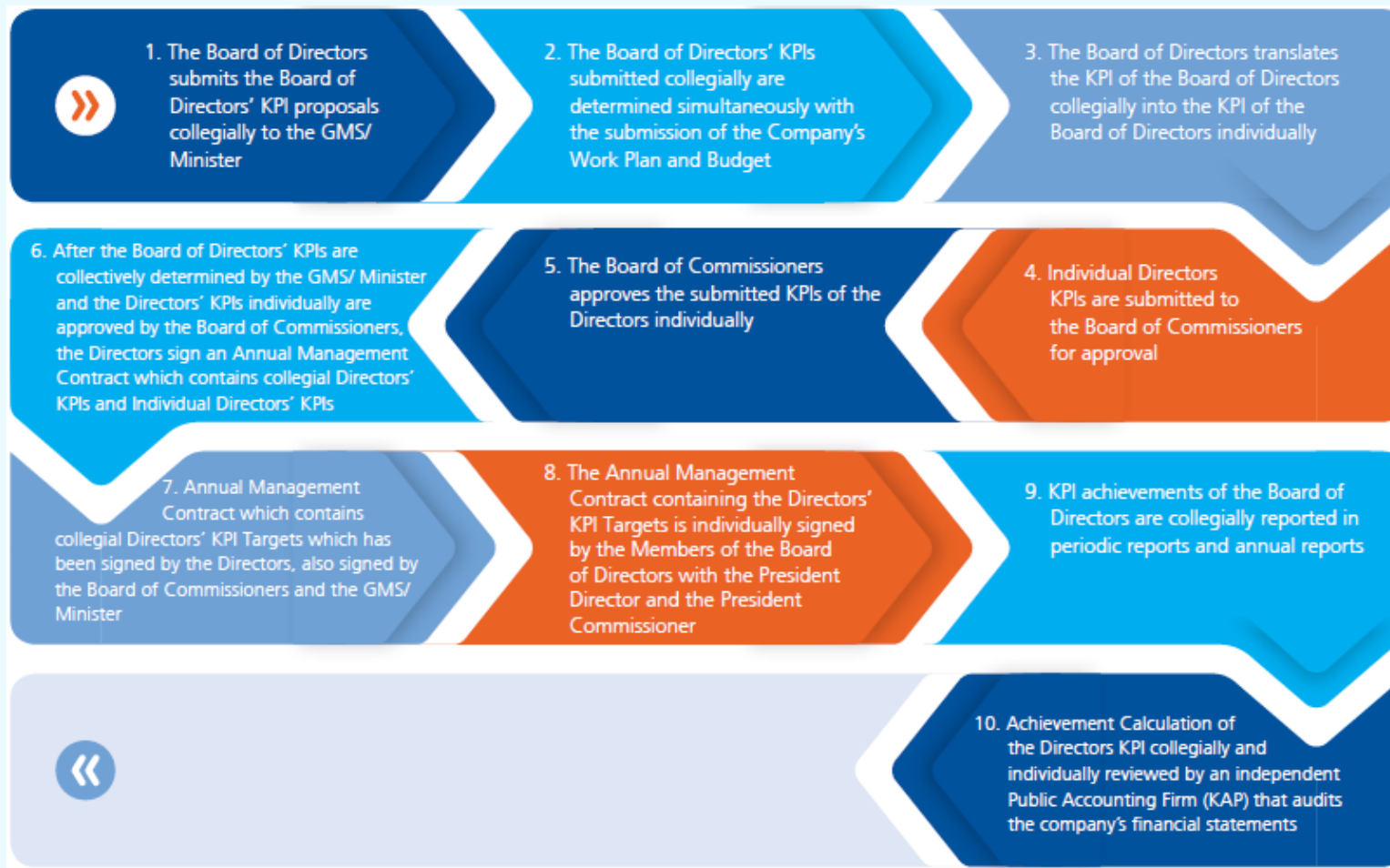
### ***Rationale***

1. The amount of salary/honorarium, facilities and allowances for the Board of Directors and the Board of Commissioners of the Company is principally determined by the GMS. The authority of the GMS may be delegated to the Company's Board of Commissioners by obtaining the approval of the Serie A Dwiwarna shareholder.
2. In accordance with MSOE Regulation 13/2021, SOE may provide Tantiem/Performance Incentives if they satisfy the following conditions:
  - a. Opinion of the auditor at least Qualified Opinion;
  - b. Realization of soundness level with a minimum score of 70;
  - c. Minimum KPI achievement of 80%;
  - d. The condition of the Company is not worse than the previous year for the company in a loss condition, or the company does not experience loss compared to the previous year in a profit condition.

## Rationale (continued)

3. Additional tantien, can be distributed in the Long-Term Incentive (LTI).
4. The determination of salary/honorarium, fixed facilities and allowances, as well as variable bonuses (performance incentives), is carried out according to the authority by considering business scale factor, business complexity, inflation rate, condition and financial capacity of the Company, general accepted remuneration levels in the same/relevant industry, as well as other relevant factors, on the condition that it is not conflicted with the prevailing laws and regulations.

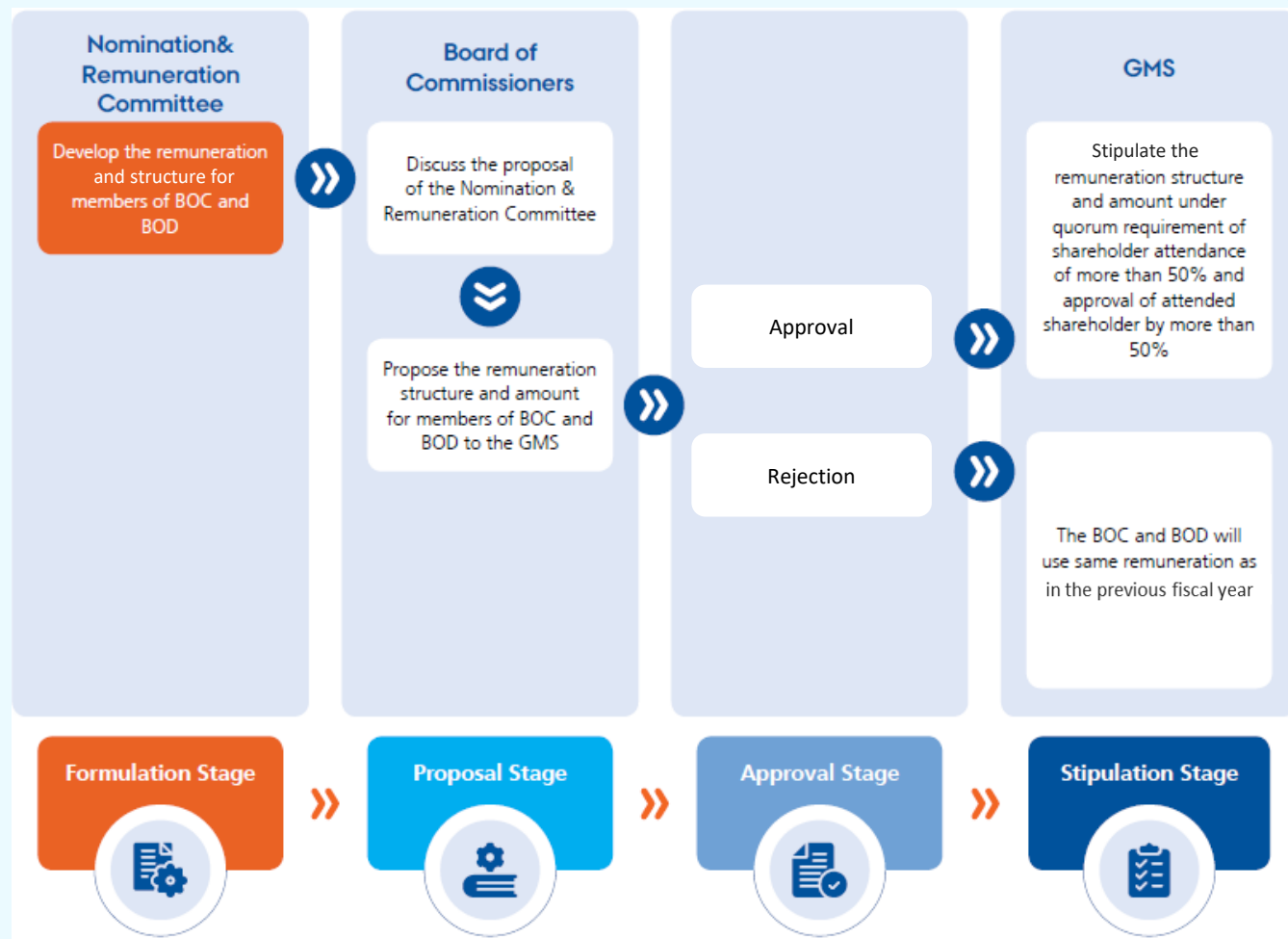
## Procedure of Performance Evaluation of the Board of Directors





## Rationale (continued)

5. In accordance with good business practices, the principles of Good Corporate Governance, and applicable regulations, the Company has formed a Nomination and Remuneration Committee (“NRC”) which can be found in the Company's Annual Report for the Financial Year of 2022 in part of explanation of the Remuneration Determination Procedure.
6. One of the functions of the NRC is to recommend the amount of remuneration (salary/honorarium, facilities and benefits) and tantiem.
7. The flow of determining remuneration and tantiem is shown on the next chart.
8. The remuneration structure for the Financial Year of 2022 and tantiem for the Financial Year of 2022 for the Board of Directors and the Board of Commissioners can be found in the Company's Annual Report for the Financial Year of 2022.



## ***Decision Proposal***

1. Approve the grant of authority to Serie A Dwiwarna Shareholder to determine for the Board of Commissioners:
  - a. Tantiem/Performance Incentives/Special Incentives for the Financial Year of 2022; and
  - b. Honorarium, Allowances and Facilities for Year 2023.
2. Grant the authority to the Board of Commissioners by obtaining the prior approval of the Serie A Shareholder to determine for the Board of Directors:
  - a. Tantiem/Performance Incentives/Special Incentives for the Financial Year of 2022; and
  - b. Salary, Benefits and Facilities for Year of 2023.





# AGENDA 4

## **Appointment of Public Accountant and/or Public Accountant Firm to Perform Audit on the Company's Consolidated Financial Statements for the Financial Year of 2023 as well as Micro and Small Enterprise Funding Program's Financial Statements and Implementation Report for the Financial Year of 2023**

### ***Law and Regulation***

Following regulations principally regulate that Annual GMS, based on the proposal of the Board of Commissioner, appoints a Public Accountant ('PA') and/or Public Accountant Firm ('PAF') to perform audit of current financial report. In this case, GMS may give a power to the Board of Commissioners to appoint PA and/or PAF according to:

1. POJK No. 6/POJK.03/2015 dated March 31, 2015, as amended by POJK No. 32/POJK.03/2016 dated August 8, 2016, concerning Transparency and Publication of Bank Reports;
2. Article 13 paragraph (1) and paragraph (2) of POJK No. 13/POJK.03/2017 dated March 27, 2017, concerning the Use of a Public Accountant and Public Accountant Firm in Financial Services Activities;
3. Article 59 paragraph (1) of POJK No. 15/POJK.04.2020 dated April 20, 2020, concerning Planning and Holding of General Meetings of Shareholders of Public Limited Companies;
4. Article 23 paragraph (4) of MSOE Regulation No. PER-6/MBU/09/2022 dated September 8, 2022, concerning Amendment of MSOE Regulation No. PER-05/MBU/04/2021 concerning Corporate Social and Environmental Responsibility of SOE;
5. Article 21 paragraph (2) letter c of Company's Article of Association.



## ***Rationale***

1. During the appointment process of PA and/or PAF, criteria used, i.e.: (i) audit methodology; (ii) audit effectivity and activity schedule; (iii) experience of PA and/or PAF and personnel during audit process; and (iv) availability to prepare the time.
2. Below are candidates of PAF which already fulfilled the requirements to follow the technical assessment process:
  - a. PAF Purwantono, Sungkoro & Surja (member of EY),
  - b. PAF Amir Abadi Jusuf, Aryanto, Mawar & Rekan (Member of RSM),
3. Profile of Public Accountant Firm proposed above can be downloaded on the Company's website ([www.bri.co.id](http://www.bri.co.id) and [www.ir-bri.com](http://www.ir-bri.com))

## ***Decision Proposal***

1. Approve the appointment of PAF to audit the Company's Consolidated Financial Statements and MSE Funding Program's Financial Statement and Implementation Report for the Financial Year of 2023.
2. Approve the grant of authority to the Board of Commissioners of the Company to:
  - a. Appoint PA and/or PAF to conduct an audit for another period in the financial year 2023;
  - b. Appoint replacement of PA and/or PAF in the event of inability to complete audit;
  - c. Determine audit compensation of PA and/or PAF also replacement PA and/or PAF.



# AGENDA 5



## Approval of Resolution Plan of the Company and Update of Recovery Plan of the Company

### *Law and Regulation*

1. Article 8 paragraph (1) Regulation of the Indonesia Deposit Insurance Corporation No. 1 of 2021 concerning Resolution Plans for Commercial Banks ("**LPS Regulation**"), the Resolution Plan must obtain an approval from the Board of Commissioners and Shareholders in the GMS.
2. Article 3 paragraph (1) and Article 31 paragraph (2) of the Financial Services Authority ("**OJK**") Regulation Number 14/POJK.03/2017 concerning Action Plans (Recovery Plans) for Systemic Banks, Action Plans (Recovery Plans) must obtain approval from Shareholders in the GMS.
3. The Letter of Minister of SOE No. S-783/MBU/11/2022 dated 30 November 2022 concerning the Approval of the Recovery Plan and Resolution Plan Documents for PT Bank Rakyat Indonesia (Persero) Tbk.

### *Recovery Plan Rationale*

1. The Company has set the Recovery Plan in 2017 which covers materiality assessments, recovery options determination and stress tests simulations with various scenarios.
2. In 2022, the Company has made some changes as follows:
  - a. Adjustments to trigger level of CAR and CET 1.
  - b. Additional 1 new recovery option and several narratives of existing recovery options in the 2023 Recovery Plan to expand BRI's recovery options in critical conditions.
  - c. Plan to refinance debt instruments with capital characteristics which will be mature in June 2023 in order to implement the Recovery Plan.

## ***Rationale of Resolution Plan***

1. The Resolution Plan contains information about the Company and a resolution strategies which will be consideration for Indonesia Deposit Insurance Corporation to handle or resolve bank failure.
2. The Company's Resolution Plan is prepared in accordance with LPS Regulation which includes the Executive Summary, Bank Overview, and Resolution Strategy.
3. The first submission of the Resolution Plan requires an approval of the Board of Commissioners, Controlling Shareholders and the GMS.

## ***Decision Proposal***

1. Approve the Resolution Plan.
2. Approve the update of Recovery Plan.
3. Approve the grant of authority to the Company's Board of Commissioners and Directors to carry out the necessary actions in accordance with the Recovery Plan.



# AGENDA 6



## **Report on the Realization of the Utilization of Proceeds from the Public Offering of Sustainable Bonds and the Limited Public Offering in accordance with the Capital Increase by Granting Pre-emptive Rights I Year 2021**

### ***Law and Regulation***

1. Article 6 paragraph (1) and paragraph (2) POJK No. 30/POJK.04/2015 dated December 22, 2015, concerning Realization Reports on Utilization of the Utilization of Proceeds from the Public Offering.
2. Article 5 paragraph (1) MSOE Regulation No. PER-1/MBU/03/2021 dated March 1, 2021, concerning Proposing, Reporting, Monitoring and Changes in the Utilization of Additional State Equity Participation to State-Owned Enterprises and Limited Liability Companies.

### ***Rationale***

1. The Company reports the utilization of proceeds from the Public Offering in each Annual GMS until the entire proceeds from the Public Offering have been actualized.
2. The Board of Directors submit the report on the realization of the utilization of additional state equity participation to the GMS/capital owner/shareholder of the State.

### ***Decision Proposal***

This Agenda is merely a report. Therefore, the Company will not perform a voting for the decision of Meeting.

## Additional Information :

Report on the closing of Limited Public Offering in accordance with the Capital Increase by Granting Pre-emptive Rights (PMHMETD) delivered on July 14, 2022, on website [www.idx.co.id](http://www.idx.co.id)

\*(Rp Miliar)

Public Offering Type	Effective Date	Realization of Public Offering*			Utilization Plan of Funds*			
		Amount of Public Offering	Issuance Cost	Net Worth	Allocated Capital and Paid-Up Capital by Pegadaian through In-Kind Contribution	Allocated Capital and Paid-Up Capital by PNM through In-Kind Contribution	Working Capital	Total
PMHMETD	Sept 27, 2021	95,924	94	95,830	48,670	6,100	41,059	95,830

Report on the closing of Public Offering of Sustainable Green Bonds I delivered on January 12, 2023, on website [www.idx.co.id](http://www.idx.co.id)

\*(Rp Miliar)

Public Offering Type	Effective Date	Realization of Public Offering*			Utilization Plan of Funds Based on Additional Information*		Utilization Plan of Funds Based on Additional Information*		Remaining Public Offering
		Amount of Public Offering	Cost	Net Worth	Credit Distribution	Total	Credit Distribution	Total	
Bonds	July 12, 2022	5.000	12	4.988	4.988	4.988	4.988	4.988	0

## Additional Information of Remaining Bonds :

No.	Description	Electronic Bond distribution date	Tenor	Currency	Bond Amount (billion)	Bid Price	Due Date	Interest Rate	Payment status	Rating		Trustee
										2022	2021	
1.	Shelf Registration Bonds II Bank BRI Phase I 2016 Series D	December 01, 2016	7 years	IDR	IDR477.000	100% of the principal amount bond	December 01, 2023	8,65%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
2.	Shelf Registration Bonds II Bank BRI Phase I 2016 Series E	December 01, 2016	10 years	IDR	IDR2.350.000	100% of the principal amount bond	December 01, 2026	8,90%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
3.	Shelf Registration Bonds II Bank BRI Phase II Year 2017 Series D	April 11, 2017	10 years	IDR	IDR1.300.500	100% of the principal amount bond	April 11, 2027	8,80%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
4.	Shelf Registration Bonds II Bank BRI Phase II Year 2017 Series C	August 24, 2017	7 years	IDR	IDR2.517.000	100% of the principal amount bond	August 24, 2024	8,25%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
5.	Shelf Registration Bonds II Bank BRI Phase IV Year 2017 Series A	February 21, 2018	5 years	IDR	IDR1.837.000	100% of the principal amount bond	February 21, 2023	6,65%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
6.	Shelf Registration Bonds II Bank BRI Phase IV 2018 Series B	February 21, 2018	7 years	IDR	IDR605.000	100% of the principal amount bond	February 21, 2025	6,90%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
7.	BRI Bank Subordinated Bonds III 2018	June 26, 2018	5 years	IDR	IDR500.000	100% of the principal amount bond	June 26, 2023	7,70%	Not yet paid off	„AA oleh Pefindo	„AA oleh Pefindo	Bank Negara Indonesia
8.	Continuous Bonds III Bank BRI Phase I 2019 Series C	November 07, 2019	5 years	IDR	IDR2.172.800	100% of the principal amount bond	November 07, 2024	7,85%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
9.	Global Bond 2018	July 20, 2018	5 years	USD	USD500	100% of the principal amount bond	July 20, 2023	4,625%	Not yet paid off	BBB- oleh Fitch	BBB- oleh Fitch	BNY Mellon
10.	Sustainable Bond 2019	March 28, 2019	5 years	USD	USD500	99.713% of the principal bond	March 28, 2024	3,950%	Not yet paid off	BBB- oleh Fitch Rating Baa2 oleh Moodys	BBB- oleh Fitch Rating Baa2 oleh Moodys	BNY Mellon
11.	Bank BRI Sustainable Bonds I Phase I Year 2022 Series A	July 20, 2022	370 Days	IDR	IDR2.500.000	100% of the principal amount bond	July 30, 2023	3,70%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
12.	Bank BRI Sustainable Bonds I Phase I Year 2022 Series B	July 20, 2022	3 years	IDR	IDR2.000.000	100% of the principal amount bond	July 20, 2024	5,75%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia
13.	Bank BRI Sustainable Bonds I Phase I Year 2022 Series C	July 20, 2022	5 years	IDR	IDR500.000	100% of the principal amount bond	July 20, 2027	6,45%	Not yet paid off	„AAA oleh Pefindo	„AAA oleh Pefindo	Bank Negara Indonesia





# AGENDA 7

## **Approval of the Repurchase of the Company's Shares (Buyback) and the Transfer of the Repurchased Shares that is recorded as Treasury Stock**

### ***Law and Regulation***

1. Article 2 paragraph (1) and paragraph (3) of POJK No. 30/POJK.04/2017 dated 22 June 2017 concerning Shares Buyback Issued by Public Companies (“**POJK 30/2017**”) stipulates that the repurchase of the Company's shares must first obtain the approval of the GMS;
2. Article 17 and Article 18 letter b of POJK 30/2017 stipulate that the transfer of shares carried out through the implementation of the Share Ownership Program must first obtain the approval of the GMS.
3. The OJK Regulation No.5/POJK.03/2015 dated 31 March 2015 concerning Minimum Capital Adequacy Requirements and Fulfillment of Minimum Core Capital for Rural Banks.
4. Article 17 and Article 18 letter b of POJK 30/2017 stipulates that the transfer of shares carried out through the implementation of the Share Ownership Program first obtains the approval of the GMS.

### ***Rationale***

1. The Company in 2023 plans a Buyback according to POJK No.30/2017.
2. The Buyback will be executed after the Company obtains approval from: (i) Shareholders at the AGMS which is scheduled for March 13, 2023; and (ii) OJK.
3. The total amount of Buyback is estimated to maximum amount Rp1,500,000,000,000.- and will be completed no later than 18 months upon the date of this Annual GMS.



## ***Rationale (continued)***

4. Buyback is projected not to cause a capital decrease to become lower than the minimum requirements according to regulations and will not have a material negative impact on the Company's business activities.
5. In year 2022 the Company has carried out a Buyback based on POJK 30/2017 which was completed on January 26, 2023 with total shares of 647.385.900 and total amount of Rp2,999,999,915,000.- according to the Disclosure of Information uploaded on January 30, 2023.
6. Further information can be accessed through the Company's Disclosure of Information which was uploaded on 2 February 2023 on the Company's website ([www.bri.co.id](http://www.bri.co.id) and [www.ir-bri.com](http://www.ir-bri.com)) and IDX website ([www.idx.co.id](http://www.idx.co.id)).

## ***Decision Proposal***

1. Approve a Buyback with maximum amount of Rp1,500,000,000,000.-
2. Approve the transfer of buyback shares which are recorded as treasury stock shares in the context of implementing the Employee Share Ownership Program and/or Directors and Board of Commissioners.
3. Grant authority to carry out the buyback and the transfer of shares resulting from the buyback to the Board of Directors of the Company.
4. Grant authority to carry out the transfer of shares resulting from the buyback to:
  - a. The Board of Directors of the Company for Employee Share Ownership Program;
  - b. The Board of Directors of the Company, with the approval of the Serie A Dwiwarna Shareholder for the Board of Directors and/or Board of Commissioners Share Ownership Program, including the determination of Remuneration (Salary/Honorarium, Facilities and Allowances) and Tantiem/Performance Incentives/Special Incentives for the Board of Directors and/or Board of Commissioners of the Company.





# AGENDA 8

## Change in the Composition of the Company's Management

### *Law and Regulation*

1. Article 3 of POJK No. 33/POJK.04/2014 dated December 8, 2014, concerning the Board of Directors and the Board of Commissioners of Issuers or Public Companies (**'POJK 33/2014'**);
2. Article 3 and Article 8 of POJK No. 34/POJK.04/2014 dated December 8, 2014, concerning Nomination and Remuneration of the Issuers or Public Companies (**'POJK 34/2014'**);
3. POJK No. 27/POJK.03/2016 dated July 22, 2016, concerning Fit and Proper Test of Primary Parties of Financial Services Institutions (**'POJK 27/2016'**);
4. Article 24 paragraph (2) of POJK No. 55/POJK.03/2016 dated December 7, 2016, concerning the Implementation of Good Corporate Governance for Commercial Banks (**'POJK 55/2016'**);
5. Circular Letter of OJK No. 13/SEOJK.03/2017 dated March 17, 2017, concerning the Implementation of Good Corporate Governance for Commercial Banks (**'SEOJK 13/2016'**);
6. MSOE Regulation No. PER-10/MBU/10/2020 dated October 9, 2020, concerning Amendment of MSOE Regulation No. PER-02/MBU/02/2015 concerning Requirements, Procedures of Appointment and Dismissal of the Board of Commissioners and Supervisory Board of SOE (**'MSOE Regulation 10/2020'**);
7. MSOE Regulation No. PER-11/MBU/07/2021 dated August 24, 2021, concerning Requirements, Procedures of Appointment and Dismissal of the Board of Directors of SOE (**'MSOE Regulation 11/2021'**);
8. Article 11 paragraph (10) and Article 14 paragraph (12) of Company's Articles of Association, the Board of Directors and the Board of Commissioners are appointed and dismissed by GMS which is attended and, the candidate proposed by Serie A Dwiwarna Shareholder.



## ***Rationale***

1. The Board of Directors and the Board of Commissioners are appointed and dismissed by GMS which is attended by Serie A Dwiwarna Shareholder. The Board of Directors and the Board of Commissioners are appointed by GMS from candidates who are proposed by Serie A Dwiwarna Shareholder.
2. For Public Companies, the curriculum vitae of the Board of Directors and the Board of Commissioners number candidate which will be proposed in the GMS must be available and announced at the time of GMS before the decision is taken regarding their appointment as the member Board of Directors and the Board of Commissioners.
3. Member of the Board of Directors and the Board of Commissioners appointed in the GMS must obtain an approval from the OJK before executing their actions, duties and functions of their position.
4. The current composition of the Independent Commissioners of the Company has fulfilled POJK 55/2016 and SEOJK 13/2016 which is minimum 50% of total members of the Board of Commissioners. Furthermore, the composition of the Independent Commissioners of the Company is 7 (seven) members out of 10 (ten) members.
5. The function of Nomination and Remuneration Committee, one of them, is to recommend or propose candidates who fulfil the requirements of member of the Board of Directors and/or the Board of Commissioners to later submitted in the GMS.
6. The Criteria, Appointment and Dismissal, and the procedure of nomination of the Board of Directors and the Board of Commissioners member candidate for Financial Year 2022 can be found at the Annual Report of the Company for Financial Year 2022, in the part of explanation of Nomination Procedure of the Board of Commissioners and the Board of Directors.



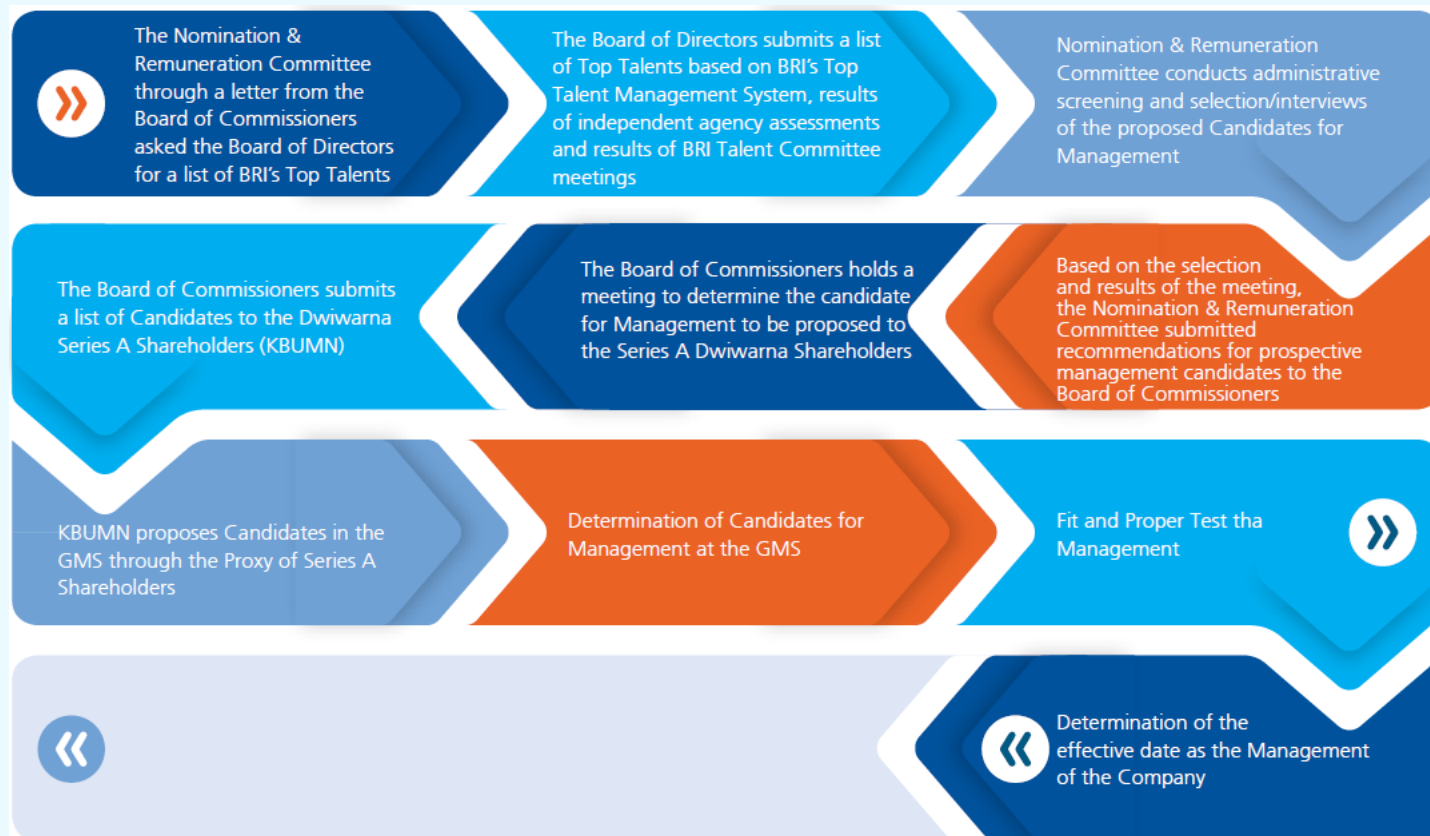
## ***Rationale (continued)***

7. According to Regulation MSOE Regulation 11/2021, member of the Board of Directors is not allowed to hold double position as mentioned below:
  - a. Member of the Board of Directors in another State-Owned Enterprises, Municipally-Owned Enterprises, private-owned enterprises;
  - b. Member of the Board of Commissioners/Supervisory in another State-Owned Enterprises;
  - c. Another structural and functional position in institution/central government and/local body;
  - d. Member of a political party and/or candidate/member of legislative and/or candidate of regional head/regional deputy head;
  - e. Another position which may cause a conflict of interest and/or another position in accordance with prevailing laws and regulations.
8. A double position of member of the Board of Commissioners of the Company shall refer to POJK 55/2016 and MSOE Regulation 10/2020 which is not allowed to hold double position as member of the Board of Directors, member of the Board of Commissioners or Executive Officers in:
  - a. Financial institution or financial company, either bank or non-bank;
  - b. More than 1 (one) non-financial institution or non-financial company, either in domestic or foreign territory;
  - c. Member of the Board of Commissioners and/or Supervisory Board of SOE, unless it is for a special assignment by the Minister;
  - d. Member of the Board of Directors of another SOE, Municipally-Owned Enterprises, private-owned enterprises.

## ***Decision Proposal***

Dismiss and appoint the Board of Commissioners and the Board of Directors in accordance with the Company's Articles of Association and prevailing laws.

## Procedure of Election of Candidate of the Board of Commissioners and/or the Board of Directors



# Thank You

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*\*) The Company at anytime may modify this Meeting Material according to the needs of the Company*