

REMUNERATION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

Policy

Determining the remuneration and other facilities for the Board of Commissioners and the Board of Directors refers to the decision of the Shareholders established through the GMS. Establishing the remuneration takes into account the recommendation from the Remuneration and Nomination Committee.

In determining the remuneration of each of the Board of Commissioners and the Board of Directors, the Bank considers the general performance, individual performance appraisal, fairness with the peer group in the Bank and in the banking industry, as well as on the capability of the Bank. The Bank's performance as one of the factors determining remuneration for members of the Board of Commissioners and the Board of Directors, among others, is illustrated by the Company's share price in the stock market.

Variable Remuneration

Variable remuneration within the Bank consists of Performance incentives and bonuses. The incentive is based on the employee's performance in sales, service, and collection. The incentive is provided monthly, quarterly, and yearly.

Performance bonus is provided based on the Company's performance, the performance of the related work unit, and individual performance.

Disbursement is realized in the following year.

Performance bonus is extended in line with the performance and financial condition of the Bank. It is provided yearly to employees who do not receive an incentive and to the Board of Directors.

Procedures of Determining Remuneration

The process of determining the remuneration of the Board of commissioners and the Board of Directors within the Bank, is explained in the flow chart below:



Performance Review Related to Remuneration

The link between performance and remuneration is explained as follows:

1. The Bank refers to the principle of meritocracy in providing remuneration to the Board of Directors and employees, both for fixed and variable remuneration. Review of individual remuneration is conducted every year and remuneration adjustment is based on individual performance.
2. In respect to the Bank's Performance Management, each member of the Board of Directors and employees have individual targets as the basis for individual performance appraisal. Individual targets of the Board of Directors are also the targets of the work unit/directorate the individual is in, derived from the bank's targets, and then the targets gradually become the targets of the smallest work unit and the targets of individual employee at the lowest level.

3. Performance assessment of the unit as well as the individuals is based on the realization of the targets of the work unit and the individuals. The performance of the unit is set with the category – Exceeding Target, Achieving Target or Not Achieving Target. The unit's performance also effects the performance of the head of the concerned unit.

Individual performance is assessed based on the realization of individual targets and evaluated with categories: Outstanding; Very Good; Good; Need Improvement; Poor.

The amount of remuneration adjustments are based on the individual performance assessment. The management provides guidelines on the amount of remuneration adjustment in line with individual performance.

The Bank also regulates the guidelines on providing variable remuneration, which is associated with performance and risk (Material Risk Taker) with the conditions as follows:

- a. 80% of Variable Income is provided in the form of cash.
- b. 20% of Variable Income is Deferred Variable Income with distribution as follows:
 1. The Board of Directors
 - 1/3 provided in the form of cash and 500 units of shares
 - 1/3 provided in the form of cash and 500 units of shares
 - 1/3 provided in the form of cash and 500 units of shares

2. Board of Management

- 1/3 provided in the form of cash and 400 units of shares
- 1/3 provided in the form of cash and 400 units of shares
- 1/3 provided in the form of cash and 400 units of shares

Positions and Number of Parties that Become Material Risk Takers

Position included in the category of material risk takers are of the Board of Directors consisting of 8 (eight) persons. They are the ones regarded as Material Risk Takers (MRT) during the year 2023.

Type of Remuneration and Other Facilities	Total Amount of Rupiah Received (Gross) in 1 (one) Year	
	The Board of Commissioners	
	Total Recipients as of 31 December 2023	Rp Million
Honorarium and/or Allowances ¹⁾	6	15,697
Other facilities in the form of non-cash: housing, insurance, health, and others that:		
• Can be owned	6	911
• Cannot be owned	6	35
Total	6	16,642

¹⁾ Including remuneration of members of the Board of Commissioners who worked until 13 April 2023.

Total Remuneration and Benefits in 1 Year	Number of Commissioners
Above Rp2 Billion	4
Above Rp1 Billion – Rp2 Billion	1
Above Rp500 Million – Rp1 Billion	0
Below Rp500 Million	0

Type of Remuneration and Other Facilities	Total Amount of Rupiah Received (Gross) in 1 Year	
	The Board of Directors	
	Total Recipients ¹⁾ as of 31 December 2023	Rp Million
Salary, bonus, routine allowance, tantiem and other facilities in the form of cash. ¹⁾	8	81,892
Other facilities in the form of non-cash: housing, insurance, health, and others that:	8	
• Can be owned	8	5,924
• Cannot be owned	8	67
Total	8	87,882

¹⁾ Including remuneration of members of the Board of Directors until 25 March 2023, 13 April 2023 and 22 June 2023.

Total Amount of Remuneration and Benefits in 1 Year

Total Amount of Remuneration and Benefits in 1 Year	Number of Members of the Board of Directors
Above Rp2 Billion	8
Above Rp1 Billion – Rp2 Billion	2
Above Rp500 Million – Rp1 Billion	1
Below Rp500 Million	0

The number of members of the Board of Directors, the Board of Commissioners, and Employees as Recipients of Fixed and Variable Remuneration in 1 year and the Total Nominal amount.

Fixed Category

(Rp Million)

Detail	2023	2022
The Board of Directors	57,429	67,139
The Board of Commissioners	15,725	11,283
Employees	1,428,752	1,355,027

Variable Category

(Rp Million)

Detail	2023		2022	
	Headcount	Total Amount	Headcount	Total Amount
The Board of Directors	9	28,136	16	41,504
The Board of Commissioners	-	-	-	-
Employee Bonus	-	219,805	-	207,383
Employee Incentive	-	20,480	-	17,968

Shares Option of the Board of Directors, the Board of Commissioners, and Executive Officers

BTPN has no shares option program.

Ratio of Highest and Lowest Salary

Detail	2023
Highest of Employee – Lowest of Employee	121.36
Highest of Director – Lowest of Director	5.21
Highest of Commissioner – Lowest of Commissioner	2.73
Highest of Director – Highest of Employee	1.83

Total Variable Remuneration Deferred

(Rp Million)

Detail	2023		2022	
	Headcount	Total Amount	Headcount	Total Amount
Bonus Deferred (Gross)	17	10,674	9	7,334