

GOOD CORPORATE GOVERNANCE CHARTER

PT Bank Negara Indonesia (Persero) Tbk

Good Corporate Governance (GCG) is a process, structure, and mechanism used to direct and manage the business and social interests of Bank to enhance business welfare and accountability, with the ultimate goal of creating and optimizing shareholder value in a sustainable manner, as well as simultaneously considering the interests of other stakeholders.

Banks have an important role in society and the country. In carrying out its function as one of the pillars in the society and economy of a country, Bank must have the strength to ensure its long-term existence. Bank must find a balance between the interests of shareholders and other stakeholders. In the long term, these two interests will not conflict with each other.

Bank's positive performance is the main factor that guarantees Bank's sustainability and enhances its economic value. In its effort to achieve best performance, Bank must take various forms of risks. In relation to these risks, the implementation of GCG must be carried out in accordance with the legal framework and ensure the Bank's ability to create best performance, increase economic value for shareholders and stakeholders and adhere to business ethics and the Bank's code of conduct.

A. GCG Principles

Bank is required to implement GCG in its business activities and other activities conducted by the Bank aside from its business operations. The implementation of GCG in the bank includes at least the principle of:

1. Transparency

This includes transparency in the decision-making process and in disclosure and provision of relevant and accessible information to stakeholders.

- a. Bank discloses information in a timely, adequate, clear, accurate and comparable manner and can be accessed by stakeholders according to their rights.
- b. Bank discloses information including but not limited to vision, mission, business objectives, Bank strategy, financial condition, composition and compensation of management, ultimate shareholders, executive officers, risk management, internal supervision and control system, compliance status, GCG system and implementation as well as material information and facts that may affect investors' decisions.
- c. The principle of transparency respects the provisions of the Bank's confidentiality, professional secrecy, and personal rights in accordance with applicable regulations.
- d. The Bank's policy must be documented and communicated to stakeholders and those who have the right to obtain information about the policy.

2. Accountability

This includes the clarity of functions and the implementation of responsibilities.

- a. Bank sets business goals and strategies that are accountable to stakeholders.
- b. Bank establishes a check and balance system in its management.
- c. Bank has performance measures for all organizations based on agreed standards aligned with the Bank's Corporate Culture Values, business objectives and strategies, and reward and punishment system.
- d. Bank ensures that all organizational organs have the competence according to their responsibilities and understand their roles GCG implementation.

3. Responsibility

This includes the alignment of management with applicable laws and regulations, good corporate principles, and ethical values as well as standards, principles, and practices.

- a. Bank adheres to prudential bank practices and ensures compliance with applicable regulations.
- b. Bank as a good corporate citizen concerned about the environment and fulfills its social responsibilities appropriately.

4. Independency

This includes a condition that is managed independently and professionally, free from conflicts of interest and influence or pressure from any party that is not in line with applicable laws and regulations and ethical values as well as standards, principles, and practices.

- a. Bank avoids unreasonable domination by any stakeholder and is not influenced by one-sided interests and is free from conflict of interest.
- b. Bank makes decisions objectively and free from any pressure from any party.

5. Fairness

This includes equality, balance, and fairness in fulfilling the rights of stakeholders arising from agreements, applicable laws and regulations, and ethical values as well as standards, principles, and practices.

- a. Bank considers the interests of all stakeholders on the principles of equality and fairness (equal treatment).
- b. Bank provides opportunities for all stakeholders to contribute input and opinions for Bank's interests and to opens access to information in according to the principle of transparency.

B. GCG Implementation

The implementation of Good Corporate Governance principles in Banks is at least reflected in:

1. Implementation of the duties, responsibilities, and authorities of the Board of Directors;
2. Implementation of the duties, responsibilities, and authorities of the Board of Commissioners;
3. The completeness and implementation of committee duties;
4. Handling conflicts of interest;
5. Implementation of compliance functions;
6. Implementation of internal audit function;
7. Implementation of external audit functions;
8. Implementation of risk management including internal control system;
9. Provision of Remuneration;
10. Provision of funds to related parties and large funds (large exposure);
11. Integrity of reporting and information technology systems;
12. Bank's strategic plans;
13. Shareholder aspects;
14. Implementation of anti-fraud strategies, including anti-bribery;
15. Implementation of sustainable finance, including the implementation of social and environmental responsibilities; and
16. Implementation of governance within Bank's business group.

C. Governance Structure

Bank's Governance structure consists of its main organs, supporting organs and infrastructure. To support the implementation of GCG, each organ in Bank has its own roles and responsibilities and carries out its duties according to the guidelines stated in Bank's Articles of Association.

1. Major Organs
 - a. General Meeting of Shareholders (GMS)
 - b. Board of Commissioners
 - c. Board of Directors
2. Supporting Organs
 - a. Board of Commissioners Committee
 - b. Board of Directors Committee
 - c. Corporate Secretary
 - d. Compliance Division
 - e. Enterprise Risk Management Division
 - f. Internal Audit

3. Infrastructure

To support the implementation of GCG, Bank has established various policies/guidelines referred to as GCG infrastructure, including:

- a. BNI Code of Conduct
- b. Board of Commissioners Charter
- c. Board of Directors Charter
- d. Board of Commissioners Committee Charter
- e. Board of Directors Committee Charter
- f. GCG Policy
- g. Integrated Governance Policy
- h. General Risk Management Policy and General Integrated Risk Management Policy
- i. General Internal Control System Policy
- j. Internal Audit Charter
- k. Corporate Secretary Policy
- l. Compliance Policy, Conflict of Interest Policy, Whistleblowing System Policy, Anti-Fraud Policy, Anti-Bribery Management System Policy, Gratuity Control Policy, Bank Business Plan and others.

D. Governance Process

The governance process refers to the methods, procedures, and rules for implementing governance principles supported by structure and soft structure to achieve outcomes that meet stakeholder expectations.

The governance process includes:

1. The conduct of the General Meeting of Shareholders (GMS).
2. Implementation of the duties and responsibilities of the Board of Directors and Board of Commissioners.
3. Implementation of the duties and responsibilities of the Board of Directors' and Board of Commissioners' Committees.
4. Implementation of duties and responsibilities of Supporting Organs.
5. The provision of Funds to Related Parties and Provision of Large Funds (Large Exposure)
6. Transparency of Financial and Non-Financial Conditions
7. Bank's Strategic Plans

Efforts to improve governance processes include:

1. Awareness
 - a. Signing of integrity pacts by the Board of Directors, Board of Commissioners and all employees periodically
 - b. GCG material during the new employee induction program
 - c. Periodic self-learning of GCG materials for all employees
2. Internalization

Deepening and understanding of GCG values so that they become beliefs reflected in the values and behavior of employees through socialization and webinars.

The internalization of Corporate Culture, including the implementation of governance principles, is carried out through various tools, such as reading Beliefs on every monthly

meeting, easy access to the Code of Ethics and Corporate Culture, posting anti-gratification posters and enforcing GCG in each unit.

3. Externalization

a. GMS

The GMS is a manifestation of the implementation of GCG principles and a communication tool of stakeholder to Bank. The rights of shareholders and the function of shareholders rights are always protected and facilitated, implemented through dividend payments, the right to ask questions at the GMS, the right to obtain information, and the right to approve/disapprove the GMS resolution through the ballot cards provided during the GMS.

b. Disclosure and Transparency

BNI's efforts to provide information disclosure to stakeholders and the public through various means, including through the Annual Report, BNI website, mass media, Electronic Reporting System portal for IDX Issuers, as well as notifications to regulators through hardcopy and electronic reporting channels.

c. Equal Treatment

All BNI shareholders, including minority shareholders and foreign shareholders, are treated equally. All shareholders are given equal opportunities to obtain information.

d. Creating a Positive Image of the Bank

Enhancing the Company's positive image by utilizing various tools, including print media (newspapers, tabloids, magazines), electronic media (radio and television) and cyber media (website, X (Twitter), Instagram, email, news portals, blogs and other social media). The use of media to support GCG practices is carried out for the dissemination of anti-fraud, WBS, GCG awareness, such as reminders not to give gifts that could be categorized as gratuities/bribes, especially during religious holidays.

E. Governance Outcome

The governance outcomes are assessed based on the evaluation of Bank's systems and mechanisms in implementing GCG. These outcomes are measured through the GCG Implementation Results including the output and outcomes of the GCG implementation process, ethics enforcement, transparency of information, supervision, audit and compliance, human resource management, operations/production, marketing, finance and accounting, risk management, IT governance, relationships with stakeholders, and others.

F. Assessment and Reporting

1. Governance Implementation Report

Bank prepares a governance implementation report at the end of each fiscal year to be submitted to the Financial Services Authority (OJK), ultimate shareholders and published on the Bank's website, following the applicable laws and regulations.

2. Self Assessment of Governance Implementation

Bank conducts a self-assessment of governance implementation at least twice a year. Governance assessment is carried out through an analysis of the adequacy and effectiveness of governance principles in relation to the governance aspects, namely governance system, governance process, and governance outcomes. The assessment is prepared and submitted in accordance with the regulations issued by OJK.

3. External Assessment

Governance implementation assessments can be conducted by external parties which will be a reference for Bank to improve or enhance the implementation of governance.