



**PENERJEMAH TERSUMPAH**

**DRS MANIMBUL LUHUT ASI SITORUS**

BAHASA INDONESIA KE BAHASA INGGRIS DAN BAHASA INGGRIS KE BAHASA INDONESIA  
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## OFFICIAL TRANSLATION

# DIVIDEND POLICY GUIDELINES

PT BANK NEGARA INDONESIA (PERSERO) TBK



**A. Legal Basis**

1. Law Number 40 of 2007 regarding Limited Liability Companies as amended by virtue of Law Number 6 of 2023 regarding Enactment of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law ("**UUPT**") ;
2. Law Number 36 of 2008 regarding the Fourth Amendment to Law Number 7 of 1983 regarding Income Tax;
3. Regulation of the Government of the Republic of Indonesia Number 9 of 2021 ("**PP 9/2021**") concerning Taxation Treatment to Support Ease of Doing Business as most recently amended by virtue of the Regulation of the Government of the Republic of Indonesia Number 55 of 2022 ("**PP 55/2022**") concerning Adjustments of Regulations in the field of Income Tax.
4. Regulation of the Minister of Finance Number 179/PMK.02/2022 concerning Management of Non-Tax State Revenue from State Assets Separated by the State General Treasurer;
5. Regulation of the Financial Services Authority Number 17 of 2023 concerning Implementation of Governance for Commercial Banks;
6. Regulation of the Financial Services Authority Number 15/POJK.04/2020 concerning Planning and Organizing



- of the General Meetings of Shareholders of Public Companies;
7. Regulation of the Financial Services Authority Number 31/POJK.04/2015 concerning Disclosure of Material Information or Facts by Issuers or Public Companies;
  8. Regulation of the Financial Services Authority Number 27/POJK.04/2020 concerning Bonus Shares;
  9. Circular Letter of the Financial Services Authority Number 16/SEOJK.04/2021 concerning Form and Content of Annual Reports of the Issuers or the Public Companies;
  10. Decision of the Board of Directors of PT Bursa Efek Indonesia Number: Kep-00023/BEI/03-2015 concerning Determination of the Cash Dividend Schedule;
  11. Decision of the Board of Directors of PT Bursa Efek Indonesia Number: Kep-00077/BEI/09-2021 concerning Amendment to the Provisions on the Implementation of Distribution of Share Dividends, Distribution of Bonus Shares and Distribution of Interim Dividends;
  12. The applicable Articles of Association of PT Bank Negara Indonesia (Persero) Tbk ("**AD BNI**").

## **B. Objectives of Dividend Policy**



The dividend policy aims to ensure that the management of shareholder rights in the implementation of dividend distribution is in accordance with the Good Corporate Governance and in accordance with regulations, with due observance of the Company's interests.

### **C. Definitions**

1. **The Board of Commissioners** shall mean an organ of the Company which has the duties of carrying out general and/or specific supervision in accordance with the provisions of the Company's Articles of Association as well as providing advice to the Board of Directors.
2. **The Board of Directors** shall mean an organ of the Company which has the authority and is fully responsible for managing the Company in the interests of the Company, in accordance with the purposes and objectives of the Company as well as representing the Company, both inside and outside a court of law in accordance with the provisions of the Company's Articles of Association.
3. **Dividends** shall mean distribution of the Company's net profit after being deducted by the allowance for reserve funds paid to the Shareholders in accordance with the Company's financial capabilities based on



the Resolutions of an Annual GMS.

4. **Interim Dividends** shall mean interim dividends as determined by the Board of Directors based on the approval of the Board of Commissioners which are paid prior to the end of the Company's financial year.
5. **The profitability generated by the Company** shall mean the profitability resulting from the Company's normal business activities, including, among others, not taking into account the income or profits from non-recurring income and/or overstated net income statements.
6. **Exchange Day** shall mean the day on which Securities trading is held on the Stock Exchange, namely Monday to Friday, unless that day is a national holiday or is declared as a Stock Exchange holiday by the Stock Exchange.
7. **Shareholders** shall mean legal entities, individuals, and/or business groups which directly or indirectly possess shares in the Company.
8. **Company** shall mean BNI as a legal entity in the form of a Limited Liability Company.
9. **Public Company** shall mean a Company that conducts a public offering of shares, in accordance with the



provisions of laws and regulations in the field of capital markets.

10. **General Meeting of Shareholders**, hereinafter shall be abbreviated into **GMS**, shall mean an organ of the Company that has authority not granted to the Board of Directors or the Board of Commissioners within the limits as specified in the UUPT and/or AD BNI.
11. **Bonus Shares** shall mean shares that are distributed free of charge to the Shareholders based on the number of shares possessed.

#### **D. Dividend Distribution Principles**

Proposals and implementation of Dividend distribution must pay attention to the following principles:

1. The use of net profit including the allocation of the amount of allowance for reserve funds shall be decided by a **GMS**. All net profits after being deducted by allocation for reserve shall be distributed to the Shareholders as dividends, unless otherwise decided by the **GMS**.
2. The distribution of dividends must be able to support and consider the implementation of business activities and sound management of the Company, and maintain the sustainability of the Company's performance and the Return of Investment for the



Shareholders.

3. The calculation of dividends must be based on the profitability performance produced by the Company on a reasonable basis.
4. Dividends may only be distributed if the Company has a positive balance (retained earnings).
5. Proposals and implementation of distribution of dividends must comply with the provisions of the laws and regulations and the Company's articles of association.

**E. The Company's considerations in distributing dividends**

1. The Dividends distribution plan shall be based on fulfilling Shareholder rights by prioritizing the interests of the Company and shall be included in the Company's business plan.
2. In determining the distribution of dividends to the Shareholders, the Company must base it on various considerations from external and internal aspects.
  - a. Consideration from external aspects includes, amongst others:
    - 1) economic conditions and prospect (market wide);
    - 2) potential external risks of the Company which have a significant impact on the Company and



may affect the distribution of the Company's dividends;

- 3) compliance with the provisions of prevailing laws and regulations, including taxation provisions, capital provisions and capital market provisions;
- 4) Direction and input from the supervisory or regulatory authority;
- 5) Input or aspirations from the Shareholders (investors).

b. Consideration from internal aspects includes, amongst others:

- 1) realization of financial performance;
- 2) business growth plan;
- 3) prospects for future profitability;
- 4) soundness level;
- 5) fulfilment of capital adequacy ratios;
- 6) potential internal risks of the Company that have a significant impact on the Company and may affect the distribution of the Company's dividends;
- 7) the need for capital strengthening in the future.

3. In the event that the Company distributes Interim





Dividends, in addition to considering the matters above, the Company shall ensure that the amount of interim dividends distributed must not be more than the net profit as stated in the financial statement which is used as the basis for distribution of the interim dividends. Financial statement that can be used by the Company as a basis for the distribution of Interim Dividends are as follows:

- a. quarterly Interim Financial Statements; or
- b. Financial statements for the periods other than as referred to in letter a) above which have been audited or reviewed on a limited basis by a Public Accountant which have been published, under the condition that that the period covered in such Financial Statement is the period after the first quarter financial statement.

**F. Types of Dividends**

1. Cash Dividend, paid by the Company to the Shareholders in the form of cash.
2. Share dividends, paid by the Company to the Shareholders in the form of shares.

**G. Amount of dividends distributed:**

1. All net profits after being deducted by allocation for reserve shall be distributed to the Shareholders



- as dividends, unless otherwise decided by the GMS.
2. Dividends may only be distributed if the Company has a positive balance (retained earnings).
  3. In accordance with the Prospectus of the Company's Limited Public Offering III ("PUT III") dated November 25, 2010, the minimum amount of dividends distributed is 25% of net profits per year, the amount of which will be determined in a GMS.
  4. The proposed amount of dividends shall be based on the considerations as referred to in Chapter D.

**H. Mechanism for approval of the dividend distribution proposals:**

1. Final Dividends:
  - a. The Company shall be obliged to include Dividend targets/projections that the Company wishes to achieve for the next 1 (one) year.
  - b. Before the holding of an Annual GMS, the Board of Directors shall be obliged to calculate the proposed use of net profit for Dividends to be approved in a Board of Directors Meeting with the considerations as referred to in Chapter D.
  - c. The proposed use of net profits for dividends that has been approved by the Board of Directors



Meeting shall be submitted to the Board of Commissioners, to be further presented to the GMS for approval.

- d. The Board of Directors shall submit a proposal to the Annual GMS with regard to the use of undistributed net profits which are submitted to obtain approval from and adoption of the Annual GMS, which proposal shall specify the amount of undistributed net profits to be allocated for reserve funds and the proposal on the amount of dividends for the Shareholders.
- e. All net profits after being deducted by the allocation for reserve shall be distributed to the Shareholders as dividends, unless otherwise decided by the GMS.
- f. Dividends may only be paid in accordance with the Company's financial capacity based on the resolution adopted in an Annual GMS, which resolution shall also specify the time, the method of payment and the form of Dividends, with due observance of the provisions of the prevailing laws and regulations in the fields of Capital Market and Banking, as well as regulations of the Stock Exchange at the place where



the Company's shares are listed.

2. Interim Dividend:

- a. The Company may distribute Interim Dividends prior to the end of the Company's financial year if it is requested by the Shareholders representing at least 1/10 (one-tenth) of the total shares which have been issued, with due observance of the projection on acquisition of profits and financial capacity of the Company.
- b. Interim Dividend may be distributed if the total Company's net assets do not become lesser than the total issued and paid-up capital plus mandatory reserves.
- c. The distribution of Interim Dividends shall not interfere with or cause the Company to be unable to fulfil its obligations to creditors or disrupt the Company's activities.
- d. The distribution of Interim Dividends shall be decided based on the resolution of the Board of Directors Meeting after obtaining approval from the Board of Commissioners.
- e. In the event that after the financial year ends, and that the Company suffers losses, the Interim Dividends which have been distributed



shall be returned by the Shareholders to the Company.

**I. Period of time for dividend payments:**

1. Implementation of the payment of Dividends:
  - a. The Company shall be obliged to make payment of Dividends to the eligible Shareholders at the latest 30 (thirty) days after the announcement of the summary of minutes of GMS deciding such distribution of Dividends.
  - b. The Company shall be obliged to submit a report to the Stock Exchange and announce a summary of minutes of GMS, within a period of no later than 2 (two) Exchange Days after the GMS.
  - c. The record date for shares in the register of shareholders to determine the rights of shareholders to receive dividends, shall be 8 (eight) Exchange Days after the GMS.
2. Implementation of the payment of Interim Dividends:
  - a. The Company shall be obliged to announce all matters with regard to distribution of interim dividends including the Interim Dividend schedule no later than 2 (two) Exchange Days after the date of obtaining approval from the Board



of Commissioners regarding the resolutions of the Board of Directors with regard to the distribution of Interim Dividends.

- b. The record date for shares in the register of shareholders to determine the rights of shareholders to receive interim dividends, shall be 8 (eight) Exchange Days after the announcement of the interim dividends schedule.
  - c. The announcement of the interim dividend schedule must be made in the current year.
  - d. The payment of interim dividends must be made no later than 30 (thirty) days after the announcement of the interim dividends schedule.
  - e. In the event that after the financial year ends, and the Company suffers losses, the Interim Dividends which have been distributed shall be returned by the Shareholders to the Company.
  - f. The Board of Directors and the Board of Commissioners shall be responsible jointly or severally for the Company's loss, in the event that the Shareholders are unable to return the Interim Dividends.
3. Dividends which are not collected/claimed within a period of 5 (five) years commencing from the date



set for payment of such dividends shall be included in the special reserve funds specifically kept for such purpose.

4. The GMS regulates the procedures for collecting dividends that have been included in the special reserve as referred to in point 3 (three) above.
5. Dividends which have been allocated in the special reserve funds as referred to in point 3 (three) and which are not collected/claimed within a period of 10 (ten) years shall belong to the Company.

**J. Taxation provisions for dividends distribution**

1. The distribution of dividends to Domestic Individual Taxpayers:

As provided for in Article 9 of PP 55/2022, the dividends originating from within the country and received by Domestic Individual Taxpayers shall be excluded from the object of withholding Income Tax (PPh) with the following provisions:

- a. At least 30% (thirty percent) of such dividends shall be invested or used to support other business activities in Indonesia in the form of certain instruments; and
- b. Such dividends must be invested over a period of at least 3 (three) years.



Based on the above-mentioned provisions, BNI does not withhold income tax with regard to the distribution of dividends to the Domestic Individual Taxpayers.

2. Distribution of dividends to the Domestic Corporate Taxpayers:

As provided for in Article 9 of PP 55/2022, dividends originating from within the country and received by the Domestic Corporate Taxpayers shall be excluded from the object of withholding Income Tax (PPh).

Based on the above-mentioned provisions, BNI does not withhold income tax with regard to the distribution of dividends to the Domestic Corporate Taxpayers.

3. Distribution of dividends to the Foreign Taxpayers:

In the event that the recipient of the dividend is a Foreign Taxpayer, then the dividends received by the taxpayer shall be the object to income tax (PPh) withholding under Article 26 at the rate of 20% (twenty percent). However, in the event that the Foreign Taxpayer can submit the Directorate General of Taxes Form (DGT Form), then the withholding rate used shall refer to the rate as set forth in the Agreement on the Tax Treaty between Indonesia and the





Foreign Taxpayer's country receiving dividends.

- a. When Income Tax (PPh) on the dividends under Article 26 is payable:

Based on the provisions of Article 2A paragraph (1) of PP 9/2021, the exemption from income in the form of dividends or other incomes from PPh objects as referred to in the Income Tax Law shall apply to dividends or other incomes received or obtained by the Domestic Individual and Corporate Taxpayers.

That which is meant by the dividends or other incomes received or obtained is:

- 1) For non-listed companies, refers to when the dividends are recorded as dividend payable which will be paid, namely when the distribution of dividends is announced or determined at the Annual General Meeting of Shareholders (GMS).
- 2) For listed companies, refers to the date of determining the ownership of shareholders entitled to dividends (recording date).

- b. Mechanism for withholding, depositing & reporting tax:

- 1) Withholding tax:



- a) The Company shall be obliged to withhold Income Tax under Article 26 with regard to the distribution of dividends to the Foreign Taxpayers at the rate of 20% (twenty percent). However, in the event that the Foreign Taxpayers can submit the Directorate General of Taxes Form (DGT Form), then the withholding rate used shall refer to the rate as set forth in the Tax Treaty between Indonesia and the Foreign Taxpayer's country receiving dividends.
- b) With regard to the dividends for the listed companies, based on the provisions of Article 2A paragraph (1) of PP 9/2021, tax withholding shall be made on the recording date.

2) Depositing tax

Depositing of the tax on dividends to the State Treasury shall be made via e-PPT Application which has been integrated with *BNIDirect* with the Tax Account Code (KAP) 422131 with a time limit of no later than the 10<sup>th</sup> day of the following month after



the recording date.

3) Reporting tax

Reporting of the Monthly Income Tax Return under Article 26 shall be carried out by the Company no later than the 20<sup>th</sup> day of the following month via the e-PPT Application.

**K. Authority of the Financial Services Authority and the Company in special circumstances:**

1. Upon the instructions, orders, and/or prohibitions from the Financial Services Authority (OJK), the Company may postpone, limit, and/or not distribute Dividends.
2. Based on the instructions, orders and/or prohibitions from the OJK, the Company may hold a cancellation GMS related to the distribution of Company Dividends.
3. The authority of the Financial Services Authority as referred to in letters I numbers 1 and 2 above, shall be implemented with due observance of:
  - a. External and internal aspects as referred to in Item D above.
  - b. The Company's condition in the its efforts to strengthen capital and/or handle Bank problems,



includes:

1) Fulfilment of minimum capital provision:

Fulfilment of the minimum capital provision is the ratio of the minimum capital provision requirements equal to or less than the ratio of the minimum capital provision requirement which takes into account the minimum capital provision according to the risk profile and additional buffer capital.

2) The Bank is still in the process of fulfilling the minimum core capital in accordance with Regulations of the Financial Services Authority concerning commercial bank consolidation; and/or

3) Bank supervision status

4) not under normal supervision status

4. Under the certain conditions, upon the instructions/orders from the OJK, the Company can propose to the GMS to postpone the payment of Dividends;

5. Under the certain conditions, upon the instructions/orders from the OJK, the Company may discontinue the payment of dividends in stages.

6. Under the certain conditions, among others if the Company experiences financial condition problems,



the Company may determine the provisions for returning the dividends.

**L. Policy Communication**

This policy will be communicated to the shareholders via commonly used media, including the Company's website.

**M. Period for updating dividend policy:**

The Dividend Policy shall be updated periodically in accordance with the provisions or directions from the OJK or relevant authorities or in accordance with specific needs, with due observance of the application of risks and the principles of good corporate governance.

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## CERTIFICATE OF TRANSLATION

I, **DRS MANIMBUL LUHUT ASI SITORUS**, a duly certified and sworn translator in the Republic of Indonesia in accordance with the law of the Republic of Indonesia, do hereby certify and declare under my oath of office that this document is a true, faithful, and correct translation from Indonesian into English of the source document presented to me.

Jakarta, July 11, 2024



### DRS MANIMBUL LUHUT ASI SITORUS

Sworn Translator Indonesian into English and English into Indonesian

Appointed by virtue of the Decree of the Minister of Law and Human Rights of the Republic of Indonesia

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