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## CHAPTER 1. Introduction

### 1.1 Background

To optimize the implementation of bank governance, protect the interests of stakeholders and improve compliance with applicable laws and regulations, policies are needed that regulate the process of selecting candidates for members of the Board of Directors, Board of Commissioners and/or Independent Parties.

### 1.2 Meaning and Purpose

The Nomination Policy for prospective members of the Board of Directors, Board of Commissioners and/or Independent Parties is prepared to improve the application of the principles of good corporate governance and as a guideline in the selection of candidates for members of the Board of Directors, Board of Commissioners and/or Independent Parties with the best qualifications, including criteria and nomination processes that meet the requirements based on applicable laws and regulations, especially in the banking sector.

### 1.3 Scope of Policy

The scope of this Nomination Policy includes the selection procedure, criteria, and term of office of candidates for members of the Board of Directors, Board of Commissioners, and/or Independent Parties.

### 1.4 Legal Basis

1.1 Financial Services Authority Regulation Number 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks.

1.2 Financial Services Authority Regulation Number 12/POJK/03/2021 concerning Commercial Banks.

1.3 Financial Services Authority Regulation Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies

1.4 Financial Services Authority Regulation Number 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies

### 1.5 Definition

**Board of Commissioners:** an organ of an Issuer or Public Company in charge of conducting general and/or special supervision in accordance with the articles of association and providing advice to the Board of Directors.

**Independent Commissioner:** a member of the Board of Commissioners who comes from outside the Issuer or Public Company and meets the requirements as an Independent Commissioner.

**Board of Directors:** an organ of an Issuer or Public Company that is authorized and fully responsible for the management of the Issuer or Public Company for the benefit of the Issuer or Public Company, in accordance with the purposes and objectives of the Issuer or Public Company and represents the Issuer or Public Company, both inside and outside the court in accordance with the provisions of the articles of association.

**Independent Parties:** parties outside the Bank who do not have financial, management, shareholding and/or family relationships with members of the Board of Directors, members of the Board of Commissioners and/or controlling shareholders, or relationships with the Bank that may affect the ability concerned to.

**The Nomination and Remuneration Committee:** A committee established by and responsible to the Board of Commissioners for assisting in carrying out the functions and duties of the Board of Commissioners related to The Nomination and Remuneration of members of the Board of Directors and members of the Board of Commissioners.

**Nomination:** proposal of a person to be appointed to a position as a member of the Board of Directors, Board of Commissioners and/or Independent Party.

**General Meeting of Shareholders:** an organ of an Issuer or Public Company that has authority not granted to the Board of Directors or the Board of Commissioners as stipulated in the Law on Limited Liability Companies and/or articles of association.

**Executive Officer:** an officer of the Bank who is directly responsible to members of the Board of Directors or has a significant influence on the bank's policies and/or operations.

**Executive Officer:** A bank officer who reports directly to members of the Board of Directors or has a significant impact on the bank's policies and/or operations.

## CHAPTER 2. Duties, Responsibilities & Authorities

The process of regeneration and succession of leadership is one of the company's focuses in ensuring solid organizational continuity. The Remuneration and Nomination Committee, as one of the committees established to assist the Board of Commissioners in carrying out the development of remuneration and nomination policies for the Company, proposes mechanisms and nomination policies for the Board of Commissioners and Directors.

### 2.1. Duties and Responsibilities

Nomination and Remuneration Committee	:	<ul style="list-style-type: none"> <li>- Discussing proposals for candidates for members of the Board of Directors, Board of Commissioners and / or Independent Parties.</li> <li>- Provide recommendations to submit proposals for candidates for members of the Board of Directors, Board of Commissioners and / or Independent Parties.</li> </ul>
Candidates for members of the Board of Directors and / or the Board of Commissioners	:	<ul style="list-style-type: none"> <li>- Undergo a capability and appropriateness assessment process by the OJK.</li> <li>- Meet the criteria for candidates for members of the Board of Directors and / or the Board of Commissioners as stipulated in this policy.</li> </ul>

### 2.2. Authority

Member of the Board of Directors	:	Can submit proposals for candidates for members of the Board of Directors, Board of Commissioners and / or Independent Parties.
Member of Board of Commissioners	:	Can submit proposals for candidates for members of the Board of Directors, Board of Commissioners and / or Independent Parties.
Shareholder	:	<ul style="list-style-type: none"> <li>- One or more shareholders who together represent 1/10 or more of the total number of shares with voting rights are entitled to submit proposals for candidates for members of the Board of Directors and The Board of Commissioners.</li> <li>- Shareholders also have the right to submit proposals for independent party candidates.</li> </ul>
Nomination and Remuneration Committee	:	Using the services of third parties in the selection process for candidates for members of the Board of Directors, Board of Commissioners and / or Independent Parties.

## CHAPTER 3. Policy Materials

### **PROCEDURE FOR SELECTING CANDIDATES FOR MEMBERS OF THE BOARD OF DIRECTORS, BOARD OF COMMISSIONERS AND / OR INDEPENDENT PARTIES**

1. Members of the Board of Directors, members of the Board of Commissioners and shareholders may submit proposals for candidates for members of the Board of Directors, The Board of Commissioners and / or Independent Parties to the Nomination and Remuneration Committee.

Bank shareholders who can submit proposals for candidates for members of the Board of Directors, Board of Commissioners and/ or Independent Parties to the Nomination and Remuneration Committee consist of 1 or more shareholders representing 1/20 or more of the total number of shares with voting rights.

2. Nomination of members of the Board of Directors can come from internal executive officers who have been prepared to be the successors of members of the board of directors.
3. The Nomination and Remuneration Committee may use the services of third parties who have a good reputation in the selection process for candidates for members of the Board of Directors, Board of Commissioners and / or Independent Parties. Third parties appointed by the Bank will assist in the selection process, including:
  - a. Identify candidates who meet the requirements;
  - b. Conducting interviews and selection of candidates (including conducting background checks and references);
  - c. Act as a liaison during the selection and evaluation process;
  - d. Provide consultation required by the Nomination and Remuneration Committee.
4. The Nomination and Remuneration Committee discusses the proposals for candidates for members of the Board of Directors, Board of Commissioners and / or Independent Parties.
5. J Trust Bank is a company that provides equal opportunities; and recruitment is carried out regardless of gender, race and religion. Candidates for members of the Board of Directors, Board of Commissioners and / or Independent Parties are assessed based on qualifications, banking knowledge, extensive experience, competence, skills, tested track record, and suitability for the position applied for.
6. The Nomination and Remuneration Committee provides recommendations to submit proposals for candidates, for qualified members of the Board of Directors and/or the Board of Commissioners to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
7. Prospective members of the Board of Directors and / or the Board of Commissioners will undergo a fit and proper test held by the OJK where the OJK will determine the results of the assessment of ability and propriety, and then shall be approved or not

approved.

8. Prospective members of the Board of Directors and/or the Board of Commissioners who have participated in the fit and proper test and have received approval from the OJK will be appointed at the General Meeting of Shareholders no later than 6 (six) months after obtaining OJK approval. The appointment of members of the Board of Directors and / or the Board of Commissioners is considered ineffective before obtaining approval from the OJK.
9. For prospective members of the Board of Directors and/or the Board of Commissioners who are not approved by the OJK but have been appointed based on the resolution of the General Meeting of Shareholders, the Bank will hold a General Meeting of Shareholders to cancel the appointment within a period of no more than 3 (three) months from the date it is determined that it is not approved.

### **CANDIDATES CRITERIA FOR MEMBERS OF THE BOARD OF DIRECTORS AND / OR BOARD OF COMMISSIONERS**

The criteria that must be met by prospective members of the Board of Directors and / or the Board of Commissioners, as minimum requirements as required by the regulator include:

- a. Indonesian citizens and/or foreign nationals who meet the requirements specified based on the provisions and applicable laws and regulations. The majority of members of the Board of Directors must be Indonesian citizens.
- b. Candidates for The Director of Compliance and Human Resources must be Indonesian citizens.
- c. Candidates for Compliance Director are required to:
  - i. Comply with the provisions of independence as stipulated in the applicable regulations;
  - ii. Have integrity and adequate knowledge related to OJK regulations and applicable regulations.
- d. All members of the Board of Directors must be domiciled in Indonesia and at least 1 (one) member of the Board of Commissioners must be domiciled in Indonesia.
- e. The majority of members of the Board of Directors have at least 5 (five) years of experience in the operational field as Executive Officers of the Bank.
- f. The number of Independent Commissioners is at least 50% of the total number of members of the Board of Commissioners.
- g. The number of members of the Board of Commissioners is not more than the number of members of the Board of Directors.
- h. For members of the Board of Commissioners, the number of TKA is not more than

50%.

- i. Prospective members of the Board of Directors are prohibited from concurrently serving as members of the Board of Commissioners, Board of Directors, or Executive Officers at banks, companies, and/or other institutions unless permitted by regulations.
- j. Members of the Board of Commissioners do not concurrently hold positions that exceed the provisions.
- k. The majority of prospective members of the Board of Directors and/or the Board of Commissioners do not have a family relationship up to the second degree with fellow members of the Board of Directors and/or the Board of Commissioners.
- l. The candidate is an independent party to the Controlling Shareholder (specifically for Independent Commissioners and President Directors).
- m. Candidates are not undergoing legal process and/or the process of fit and proper test at a Bank.
- n. Candidates for members of the Board of Directors and / or the Board of Commissioners must meet the following requirements:
  - 1) Integrity, which at the least includes:
    - a) Have good morals and morals;
    - b) Have a commitment to comply with applicable laws and regulations;
    - c) Have a high commitment to the development of healthy bank operations;
    - d) Not on the list of those who failed the fit and proper test; and
    - e) Have a commitment not to perform and/or repeat and/or certain actions.
  - 2) Competencies, which at the least include:
    - a) Knowledge in the field of banking that is adequate and relevant to his position; and/or
    - b) Experience in banking and/or finance;
    - c) Ability to carry out strategic management in the context of developing a healthy Bank (specifically prospective members of the Board of Directors).
  - 3) Financial reputation, which at the least includes:
    - a) has no bad debts;
    - b) Never declared bankrupt or become a member of the Board of Directors and / or a member of the Board of Commissioners who is found guilty of causing a company to be declared bankrupt based on court decisions within the last 5 (five) years prior to nomination;
  - 4) Others, the least of which include:
    - a) Never been convicted of a criminal offense that harms the state's finances and/or related to the financial sector;
    - b) Not being involved in legal proceedings or having been convicted of a particular criminal offence within the last 20 (twenty) years or threatened with imprisonment of 5 (five) years or more;

- c) Not in the period of imposition of sanctions to be prohibited from becoming a member of the Board of Directors and / or the Board of Commissioners;
- d) Never been a member of the Board of Directors and/or a member of the Board of Commissioners who during his tenure:
  - i. Never held an Annual General Meeting of Shareholders;
  - ii. His responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners has never been accepted by the General Meeting of Shareholders or has not provided liability as a member of the Board of Directors and/or a member of the Board of Commissioners; and
  - iii. Have caused companies that obtain permits, approvals or registrations from the OJK not to fulfill the obligation to submit annual reports and/or financial statements to the OJK.

### **OFFICE TERMS FOR MEMBERS OF THE BOARD OF DIRECTORS AND / OR BOARD OF COMMISSIONERS**

1. Members of the Board of Directors and /or the Board of Commissioners are appointed by the General Meeting of Shareholders of the Bank.  
Office Terms for members of the Board of Directors are for one period, until the closing of the first Annual General Meeting of Shareholders after the appointment of members of the Board of Directors.
2. The Office Terms for members of the Board of Commissioners are for one period until the closing of the third Annual General Meeting of Shareholders after the appointment of the member of the Board of Commissioners in question.
3. The General Meeting of Shareholders may dismiss members of the Board of Directors and/or the Board of Commissioners at any time before the end of their term of office by stating the reasons, after the members of the Board of Directors and/or Commissioners concerned are given the opportunity to attend the General Meeting of Shareholders.
4. Members of the Board of Directors and/or the Board of Commissioners have the right to resign from their positions by notifying the Bank no later than 60 (sixty) days before the date of resignation of the members of the Board of Directors and/or the Board of Commissioners.
5. In the event of an addition and/or replacement of members of the Board of Directors and/or the Board of Commissioners, the term of office of the new member of the Board of Directors and/or the Board of Commissioners begins from the date of the closing of the General Meeting of Shareholders until the closing of the first Annual General Meeting of Shareholders for members of the Board of Directors and for new members of the Board of Commissioners, the term of office of the new member of the Board of Commissioners will end together with other members of the Board of Commissioners.
6. The term of office of the Independent Commissioner is no longer than 2 consecutive periods and members of the Board of Directors and/or the Board of Commissioners whose term of office has expired can be reappointed by the General Meeting of Shareholders as long as the Independent Commissioner declares to the General Meeting of Shareholders that the person concerned will maintain his independence.
7. Office Terms for members of the Board of Directors and / or the Board of Commissioners



ends if:

- a. Deceased;
- b. His term ended;
- c. Dismissed based on the resolution of the General Meeting of Shareholders;
- d. Resign in accordance with the provisions of the Articles of Association and applicable laws and regulations;
- e. Declared bankrupt or placed under custody based on a court decision;
- f. No longer meets the requirements as a member of the Board of Directors and / or the Board of Commissioners based on the provisions of the Articles of Association and applicable laws and regulations.

This policy is reviewed periodically in accordance with the Bank's developments and applicable laws and regulations.

#### **CHAPTER 4. Closing**

- a. The drafting of the provisions that have been made is effective from the date of issuance of the document.
- b. All deviations/deviations to the provisions in the preparation of this provision must obtain the approval of the Board of Directors.
- c. This policy will be reviewed periodically by the Initiator Work Unit at least once every 2 years or if needed.