

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was formed by the Board of Commissioners with the tasks of reviewing remuneration policies and providing advice and recommendations on procedures for selecting candidates and/or replacing members of the Board of Commissioners and Directors and independent third parties in committees under the Board of Commissioners.

Legal Base

1. Law of the Republic of Indonesia No. 7 of 1992 referring to Banking as amended by the Law of the Republic of Indonesia No. 10 of 1998.
2. Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Companies.
3. Law of the Republic of Indonesia No. 19 of 2003 concerning State-Owned Enterprises.
4. Government Regulation of the Republic of Indonesia No. 45 of 2005 concerning the Establishment, Management, Supervision and Dissolution of State-Owned Entities.
5. Financial Services Authority Regulation No. 55/POJK.03/2016 about the Implementation of Governance for Commercial Banks.
6. Financial Services Authority Circular No. 13/ SEOJK.03 /2017 about Implementation of Governance for Commercial Banks.
7. Regulation of the Financial Services Authority No. 33/ POJK.04/2014 dated 08 December 2014 concerning Directors and Commissioners of Issuers or Public Companies.
8. Regulation of the Financial Services Authority No. 34/ POJK.04/ 2014 dated December 8, 2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.
9. Financial Services Authority Regulation No. 45/POJK.03/2015 concerning Implementation of Governance in Giving Remuneration for Commercial Banks.
10. Circular of the Financial Services Authority No. 40/ SEOJK.03/ 2016 concerning Implementation of Governance in Giving Remuneration for Commercial Banks
11. Minister of BUMN Regulation No. PER-01/MBU/2011 dated 1 August 2011 concerning the Implementation of Good Corporate Governance in BUMN as amended by SOE Minister Regulation Number PER-09/ MBU/2012 dated 6 July 2012 concerning changes to the SOE Minister Regulation Number PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in BUMN.
12. Regulation of BUMN Minister No. PER-12 / MBU / 2012 dated August 24, 2012 concerning Supporting Organs of the Board of Commissioners / Supervisory Board of State-Owned Enterprises.
13. PT Bank Rakyat Indonesia (Persero) Tbk's Articles of Association with the latest amendments.
14. Joint Decree of the Board of Commissioners and Directors of PT Bank Rakyat Indonesia (Persero) Tbk dated December 16, 2013 No. 06-KOM/ BRI /12/2013 or S.05-DIR/ DKP/12/2013 concerning the Code of Conduct of PT Bank Rakyat Indonesia (Persero) Tbk which is a Amendment to the

Attachment of the Joint Decree of the Board of Commissioners and Directors of PT Bank Rakyat Indonesia (Persero) Tbk dated March 08, 2010 No. 01-KOM/ BRI/03/2010 or Nokep S.14-DIR/DKP/03/2010 concerning Good Corporate Governance (GCG) Policy of PT Bank Rakyat Indonesia (Persero) Tbk.

Charter of the Committee

The work guidelines of the Nomination and Remuneration Committee of the Company regulate the purpose of formation, membership, authority, duties and responsibilities, position, work ethics and meeting ethics. The guide is a guideline for the implementation of duties and responsibilities for the Nomination and Remuneration Committee in order to support the effectiveness of the implementation of the duties and responsibilities of the Board of Commissioners relating to the field of HR management. The Nomination and Remuneration Committee Work Guide has been reviewed and approved by the Board of Commissioners through a Decree of the Board of Commissioners No: B.13-KOM/1/2018 dated 01 November 2018 referring Board of Commissioners Guidelines and Work Rules and Supporting Organs of the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk.

Appointment and Dismissal

The Nomination and Remuneration Committee is a Committee that formed by the Board of Commissioners in order to support the effectiveness of the implementation of the duties and responsibilities of the Board of Commissioners, specifically related to the Nomination Policy and Remuneration Policy.

Nomination and Remuneration Committee

Structure and Membership

1. Committee is under the coordination of the Board of Commissioners and structurally responsible to the Board of Commissioners;
2. Committee is led by the Independent Commissioner;

NRC Structure

The structure and membership of the Nomination and Remuneration Committee of the Company are in accordance with the provisions of POJK 34/POJK.04/2014 and POJK Number 45/POJK.03/2015 on the Implementation of Governance in the Provision of Remuneration for Commercial Banks, as follows:

1. The members of the Committee shall be at least 3 (three) members, which consist of an Independent Commissioner, a Commissioner, and an Executive of one level below the BOD that in charge of HR policy (ex officio).
2. In the event that members of the Committee are stipulated of over 3 (three) members, then the Independent Commissioner shall at least 2 (two) members.
3. The BOC can appoint Independent Party as the Committee member, with the following criteria:
 - a) Mandatory to meet the following requirements:
 - i. Has no Affiliations with the Company, members of the BOD, members of the BOC, or the Company's Controlling Shareholder;
 - ii. Has experience in Nomination and/or Remuneration; and
 - iii. Does not have concurrent position as member of other committee in the Company.
 - b) Appointed by the BOC through recruitment and selection mechanisms.
 - c) The maximum terms of office is 2 (two) years and may be renewed for subsequent periods of work with due consideration to the term of the Board of Commissioners and the applicable contract employees' regulations in the Company, with the possibility of termination by the Board of Commissioners prior to the term of the contract expires.
4. Members of the Board of Directors shall not be assigned as members of the committee.
5. Members of the Committee are appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.
6. Members of the Committee are appointed for certain period and can be reappointed.

7. The term of office of members is not exceeding the tenure of the Board of Commissioners as stipulated in the articles of association.
8. Replacement of members that are not included in the Board of Commissioners is carried out at the latest 60 (sixty) days since such Committee member cannot conduct its functions.

Committee Membership

1. The Committee members shall at least consist of:
 - a. An Independent Commissioner;
 - b. An Independent Party having expertise in finance; and
 - c. An Independent Party with expertise in risk management.
2. The Independent parties assessed of having financial expertise shall meet the following criteria:
 - a. Have knowledge in economics, finance and/ or banking; and
 - b. Have work experience of at least 5 (five) years in economic, finance and/ or banking.
3. The Independent parties assessed of having expertise in risk management shall meet the criteria:
 - a. Have knowledge in risk management;
 - b. Have at least 2 (two) years working experience in risk management in finance and/ or banking.
4. The Independent Parties shall meet the following requirements:
 - a. Does not receive any compensation from the Company and its subsidiaries, or affiliates, except wages, salaries and other facilities received in connection with the duties performed as members of the Risk Management Oversight Committee;
 - b. Has no family or financial relationship with the Board of Directors and Board of Commissioners;
 - c. Do not have concurrent positions in the Company and other affiliates;
 - d. Has no duties, responsibilities, and authorities that create a conflict of interest;
 - e. Should not be concurrently a member of the Board of Commissioners, Secretary of the Board of Commissioners, Staff of the Secretary of the Board of Commissioners and members of the Committee on SOEs or other companies; and

Nomination and Remuneration Committee

- f. Not contrary to other provisions and legislation.
5. Former members of the Board of Directors or Executive Officers of the Company or parties with relationships with the Company that may affect their ability to act independently may not become Independent Party as a member of the Committee, before undergoing a six-month period of cooling off. The terms of the waiting period (cooling off) to become an Independent Party shall not apply to former members of the Board of Directors or Executive Officers whose duties only perform supervisory functions for at least 6 (six) months.
 6. Appointment of members of the Committee from the Independent Party, shall follow the following rules:
 - a. Selected by the Board of Commissioners through recruitment and selection mechanisms;
 - b. The maximum terms of office is 2 (two) years and may be renewed for subsequent periods of work with due consideration to the term of the Board of Commissioners and the applicable contract employees' regulations in the Company, with the possibility of termination by the Board of Commissioners prior to the term of the contract expires.
 7. Members of the Board of Directors are prohibited from becoming members of the Committee.
 8. Members of the Committee shall be appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.

The Membership Composition up to 1 January 2018 to 22 March 2018 is as follows:

Name	Position	Profession
Andrinof A. Chaniago	Chairman	Independent Commissioner
Gatot Trihargo	Member	Vice President Commissioner
A. Fuad Rahmany	Member	Independent Commissioner
A. Sonny Keraf	Member	Independent Commissioner
Mahmud	Member	Independent Commissioner
Vincentius Sonny Loho	Member	Commissioner
Jeffry J. Wurangian	Member	Commissioner
Nicolaus Teguh Budi Harjanto	Member	Commissioner
Rofikoh Rokhim*	Member	Independent Commissioner
A. Solichin Lutfiyanto	Member	Ex-officio – Head of Policy Division and Human Resources Department

*) Effective 1 February 2018

The membership ranks of March 22, 2018 to December 31, 2018 are as follows:

No	Name	Position	Profession
1	Andrinof A. Chaniago	Chairman	President Commissioner/ Independent
2	Gatot Trihargo	Member	Vice President Commissioner
3	A. Fuad Rahmany	Member	Independent Commissioner
4	A. Sonny Keraf	Member	Independent Commissioner
5	Mahmud	Member	Independent Commissioner
6	Rofikoh Rokhim	Member	Independent Commissioner
7	Jeffry J. Wurangian *	Member	Commissioner
8	Nicolaus Teguh Budi Harjanto	Member	Commissioner
9	Hadiyanto**	Member	Commissioner
10	Busrul Iman**	Member	Ex-officio – Head of Policy Division and Human Resources Department

* Effective until 20 September 2018
 ** Effective from 1 October 2018
 *** Effective from 1 July 2018

Nomination and Remuneration Committee

Committee Profile

The profiles of the Committee Members of Nominee and Remuneration per 31 December 2018 as follows:

<p>Andrinof A. Chaniago Chairman of Committee Nomination and Remuneration/Independent Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>Gator Trihargo Member of Committee Nomination and Remuneration/ Deputy of Chief Commisioner</p>	Profile can be seen on Boards of Commissioner Profiles
<p>A. Fuad Rahmany Member of Committee Nomination and Remuneration/Independent Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>A. Sonny Keraf Member of Committee Nomination and Remuneration/ Independent Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>Mahmud Member of Committee Nomination and Remuneration/Independent Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>Vincentius Sonny Loho Member of Committee Nomination and Remuneration/Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>Jeffry J. Wurangian Member of Committee Nomination and Remuneration/Independent Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>Nicolaus Teguh Budi Harjanto Member of Committee Nomination and Remuneration/ Independent Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>Rofikoh Rokhim Member of Committee Nomination and Remuneration/ Independent Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>Hadiyanto Member of Committee Nomination and Remuneration/ Independent Commisary</p>	Profile can be seen on Boards of Commissioner Profiles
<p>Busrul Iman Member of KNR Committee (1 July 2017 – presents)</p>	Born in Surabaya 1 February 1965. Graduated with Bachelor Degree of Economy and Acoountancy from Sekolah Tinggi Ilmu Ekonomi Jakarta and MM Degree of Strategic Management from Universitas Diponegoro. He once held various positions in PT Bank Rakyat Indonesia (Persero) Tbk, among others Deputy Regional of Palembang (2012-2014), Deputy Regional of Palembang (2014-2015), Head of the Troubled Credit Restructuring Division (2015 – 2017), Head of Regional Malang (2017 – 2018) and recently serving as Head of the Human Capital Policy and Development Division (2018 – presents).

Nomination and Remuneration Committee

Education and Experience Qualification

1. Have high integrity, objectivity, mentality, ethics and professional responsibilities.
2. Able to act independently, which is able to carry out duties professionally without conflict of interest and influence/pressures from any other parties that are in compliance with the prevailing laws and regulations and Good Corporate Governance principles.
3. Have adequate banking knowledge including prevailing rules and laws.
4. Understanding of comprehensive human resource management concept, especially experienced in HR management that includes succession planning, career development, performance assessment and experience in managing remuneration system for the BOC, BOD and the Company's employees.
5. Have the knowledge on manpower regulation and other rules related to employment.
6. Have sufficient time to carry out his/her duties.
7. Able to effectively communicate.

Independency

To ensure the quality of duties implementation, several NRC members have economics and finance background, meanwhile other members have the experience in human resources. Whereas to ensure the independency of duties implementation and in providing counsel or recommendation to the BOD, all Members of the NRC have no affiliation with the Directors, other Commissioners or the Company controlling shareholders. All members of the NRC are not shareholders, Commissioners, Directors or employees of affiliated or business-owned Perseroan with BRI.

Duties of Responsibilities of Authorities and Prohibitions

Nomination function

- a. Prepare and provide recommendations regarding the system and procedures for selecting and / or replacing members of the Board of Commissioners and Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
- b. To provide the recommendations to the Board of Commissioners regarding:
 - i. composition of members of the Board of Directors and/or members of the Board of Commissioners;

- ii. policies and criteria needed in the Nomination process and;
- iii. Performance evaluation policy for members of the Board of Directors and / or members of the Board of Commissioners;
- c. Assist the Board of Commissioners in evaluating the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material;
- d. Provide recommendations to the Board of Commissioners regarding capacity expanding programs for members of the Board of Directors and/or members of the Board of Commissioners; and
- e. Provide recommendations or propose candidates who fulfill the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the RUPS.
- f. To provide the recommendations to the Board of Commissioners regarding Prospective Representatives of the Company which will be made the Management of the Subsidiary Company proposed by the Board of Directors.
- g. Provide recommendations to the Board of Commissioners regarding Independent Parties who will become members of the Committee under the Board of Commissioners.

Remuneration function

- a. Provide recommendations to the Board of Commissioners regarding the structure, policies, and amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
- b. Provide recommendations to the Board of Commissioners regarding evaluation of remuneration policies for members of the Board of Directors and/or members of the Board of Commissioners to be submitted to the General Meeting of Shareholders;
- c. Provide recommendations to the Board of Commissioners regarding the evaluation of remuneration policies for Executive Officers and employees as a whole to be submitted to the Board of Directors.
- d. Assist the Board of Commissioners in assessing performance with the suitability of Remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.

Nomination and Remuneration Committee

Authorities

The BOC provides authority to the Committee under the scope of responsibility of the Committee to request relevant information related to the nomination and remuneration functions as well as manpower policy and other function in the human resource management from internal parties.

Prohibition

1. Take personal advantage either directly or indirectly from the Company's activities other than legitimate income.
2. Receiving additional income other than income as a member of the BOC for members of the Board of Commissioners who are the Chairman or a member of the Committee.

2018 KPI and Achievement

The Nomination and Remuneration Committee (NRC) performance indicator or criteria is measured from the achievement of work programs/work plans and budgets (RKA) that have been prepared at the beginning of each year and the attendance of NRC members in each meeting. The NRC work program is designed to support the key success factors of the Board of Commissioners in executing the nomination process of the Company's management and its subsidiaries, evaluation of workers' remuneration and employment policies, remuneration of the Board of Directors and Board of Commissioners, as well as the overall management of human resources.

Generally, all KPI of the NRC has been achieved by the implementation of all NRC Working Plan and Budget (RKA) 2018, in accordance with the set target and attendance level of NRC members, which fulfilled the requirement. Thus, all NRC meeting can be executed with quorum in every decision.

Committee Activities 2018

Focus of the Nomination and Remuneration Committee Work Program

The realization of the 2017 Nomination and Remuneration Committee Work Program (KNR) is as follows:

1. Nomination by BRI Directors

In accordance with the Otoritas jasa Keuangan Regulation, POJK Number 5.5/POJK.03/ 2016 dated 7 December 2017 concerning Implementation of Good Corporate Governance for Commercial Banks, each proposal to appoint and/or replace members of the Board of Commissioners and/or Directors by the Board of Commissioners to RUPS must pay attention to recommendation of the KNR. The Nomination process that occurs during 2018 is as follows:

- a. Nominated at the Annual RUPS in 2018.
The Nomination and Remuneration Committee has carried out the process of nominating candidates for Directors and Commissioners from the Internal Board of Commissioners to be proposed to the Board of Commissioners for further submission to the Dwi A Series A Shareholders to be disconnected at the Company's Annual RUPS in 2018.

The implementation of the Directors Nomination Process activities and the KNR Recommendations are as follows:

No	Material	Timely Target in RKA	Realization	Output
1	Board of Directors Nomination Proposa	Third Week March 2018	21 March 2018	Proposals for candidates for the President Director and prospective members of the BRI Board of Directors are submitted through the Service Note KNR No. : R.07-KNR / 03/2018 March 21 2018
2	Changes in Management of BRI at the 2019 EGMS	Forth Week March 2018	28 December 2018	<ol style="list-style-type: none"> a. Proposed Top Talent Update by PT. BRI (Persero) Tbk b. Proposed Changes in PT. BRI (Persero) Tbk. submitted through Service Notes KNR R.17-KNR / 12/2018 dated 28 December 2018