

Nomination and Remuneration Committee

Regarding remuneration, the Company is considered to have implemented remuneration for the Directors based on the performance achieved, benchmarking the industry and the peers group and based on comprehensive evaluations assisted by competent independent parties. Likewise, the determination of remuneration for workers as a whole is applied fairly, fairly and motivated workers, while taking into account the company's financial capabilities and remuneration given in the industry.

Directors Succession Plan

The Board of Directors and Board of Directors' nomination policy is determined by the NOKEP Decree: 07KOM / BRI / 07/2015, July 28, 2015.

In General, the Success Policies of the Board of Commissioners and Directors are as follows:

Succession Policy of the Board of Directors and Board of Commissioners

- a. The Board of Commissioners is authorized to nominate candidates for members of the Board of Directors and/or the Board of Commissioners of the Bank.
- b. For prospective members of the Board of Directors, the nomination process is for internal candidates of the Bank, i.e.:
 - a) Members of the Board of Directors who will finish their tenure but may still be reappointed as members of the Board of Directors;
 - b) Officers reporting directly to the Directors or officers with special performance;
 - c) Board of Directors of a subsidiary or joint venture.
- c. For candidates of members of the Board of Commissioners, the Nomination process shall be conducted for prospective members of the Board of Commissioners who will finish their tenure but may be reappointed as members of the Board of Commissioners;
- d. For prospective members of the Board of Directors and/or Board of Commissioners with the exclusion of Officials reporting directly to the Board of Directors, and Board of Directors of a Subsidiary, the Nomination process shall be conducted jointly by a Team established by the Dwiwarna Series A Shareholder while simultaneously determining the prospective members of the Board of Directors and/or Board of Commissioners, which will be proposed to the General Meeting of Shareholders.
- e. In the Nomination process, the Committee shall be represented by the Chairman of the Committee, and if the Chairman of the Committee is absent, then it shall be replaced by one of the Committee members who are an Independent Commissioner.
- f. This decision also mandates the Chairman of the Committee or Independent Commissioner to:
 - a. Represent the Committee as a member of the Assessment Team established by the Dwiwarna Series A Shareholder;
 - b. Provide recommendations on candidates for members of the Board of Directors and/ or Commissioners with due regard to the fulfillment of the applicant's requirements for the integrity, competence, and reputation;
- g. The Chairman of the Committee or Independent Commissioner who represents the Committee shall avoid any conflict of interest and shall maintain its independence.

Procedures of Nomination of the Board of Directors and Commissioners

Procedure for the selection of candidates for members of the Board of Commissioners and/or Directors shall be regulated as follows:

- a. The Nomination and Remuneration Committee (NRC) selected Candidates that meet the specified qualifications. The Committee may request the proposal of Candidates to the Bank's Board of Directors with assessment from Professional Institute under competence indicators in accordance with applicable provisions for prospective candidates of the Officials reporting directly to the Board of Directors with special achievements, and the Board of Directors of a subsidiary or joint venture company.
- b. The Prospective Candidates of the Board of Commissioners and/or Board of Directors deemed eligible shall be proposed by KNR to the Board of Commissioners to follow the Evaluation process.
- c. The NRC conducts an evaluation to obtain comprehensive information on the qualifications and competencies of Candidates, as follows:
 - 1) For prospective members of the Board of Directors who are currently a member of the Board of Directors who will finish his/ her tenure but may be reappointed, the evaluation shall be conducted, among others, by requesting an opinion from the President Director;

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- 2) The Nomination and Remuneration Committee shall nominate prospective members of the Board of Directors who meet the specified qualifications. The selection process involves professional/ external parties or Professional Search Firm, i.e.: PPM Management Assessment Center Indonesia (ACI) Telkom, DDI, Bina Potensia, SHL, and LMFE UI. Further, the assessment results are submitted to the Nomination and Remuneration Committee.
- 3) For prospective members of the Board of Directors who are currently an Official reporting directly to the Board of Directors with special achievements, or from the Board of Directors of a subsidiary/joint venture company, the evaluation shall be conducted by:
 - i. Interviewing the recommended Prospective Candidates for the Board of Directors; and/or,
 - ii. Requesting Prospective Candidates of the Board of Directors to provide presentations on a particular topic, which describes the ability of Prospective Candidate according to the requirements.
- 4) For Prospective Candidates of the Board of Commissioners, evaluations to explore qualifications and competencies shall be made from the relevant curriculum vitae.
- d. The information about the Prospective Candidates of the Board of Commissioners and/ or Directors shall be discussed in the Committee meeting to decide the Prospective Candidate who is selected to become a Candidate of the Board of Commissioners and/or Board of Directors.
- e. The results of the Committee's discussion are set forth in the Committee's Memo to the Board of Commissioners. The Memo shall be a recommendation document of the Committee on the nomination of the Candidate for the Board of Commissioners and/ or Directors concerned.
- f. The Board of Commissioners decides that the candidates for the Board of Commissioners and/or Directors in the Board of Commissioners' Meeting, simultaneously as the basis for the recommendation of the Board of Commissioners to the Dwiwarna Series A Shareholder to be submitted in the GMS.
- g. The GMS determines the composition and amendment to the members of the BRI's Board of Directors. In the event that the appointed member of the Board of Directors has not been approved by OJK, the appointment has not been effective until the member is approved by OJK. Candidate of the BRI's Board of Directors who has not received OJK approval are prohibited from performing his/her duties as member of the Board of Directors in the Bank's operational activities and/or other activities that have a significant impact on the Bank's financial policies and condition, even though he/she has been approved and appointed by the GMS. The GMS dismisses the Board of Directors appointed at the previous GMS, if the concerned party is not approved by OJK.
- h. BRI submit a request to OJK to conduct the fit and proper test.
- i. OJK is authorized to provide the result of the fit and proper test of the selected Directors, which covers administrative research and interview. Approval or rejection of such application shall be provided by OJK no later than 30 (thirty) days after receipt of the candidate's complete application.