

**CHARTER AND TERMS OF REFERENCE
FOR THE REMUNERATION AND NOMINATION COMMITTEE**

Legal Grounds

The legal grounds for the Remuneration and Nomination Committee shall include, among others, the following:

1. Regulation of the Financial Services Authority No. 34/POJK.04/2014 on the Remuneration and Nomination Committee in Listed Companies or Public Companies.
2. Regulation of the Financial Services Authority No.45/POJK.03/2015 on the Implementation of Good Corporate Governance in the Payment of Remuneration for Commercial Banks.
3. Circular of the Financial Services Authority No.40/SEOJK.03/2016 on the Implementation of Good Corporate Governance in the Payment of Remuneration for Commercial Banks.
4. Regulation of the Financial Services Authority No. 55/POJK.03/2016 on the Implementation of Good Corporate Governance for Commercial Banks.
5. Circular of the Financial Services Authority No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks

Scope

The Charter and Terms of Reference for the Remuneration and Nomination Committee shall comprise the following provisions:

1. Composition and Membership
2. Term of Office
3. Dual Capacity
4. Duties and Responsibilities
5. Working Procedure.
6. Ethics and Working Hours
7. Conduct of Meetings.
8. Minutes of Meeting
9. Reporting
10. Procedure and Mechanism for Replacement of Members

Composition and Membership

The composition and membership of the Remuneration and Nomination Committee are as follows:

1. The Remuneration and Nomination Committee is responsible to the Board of Commissioners.
2. The Remuneration and Nomination Committee shall at least consist of:
 - a. an Independent Commissioner concurrently serving as the Chairperson of the Remuneration and Nomination Committee;
 - b. other members who may come from:
 - 1) members of the Board of Commissioners; and
 - 2) parties outside the Company; or
 - 3) parties with a managerial position under the Board of Directors in charge of human resources.

3. No member of the Company's Board of Directors shall become a member of the Remuneration and Nomination Committee.
4. If the total membership of the Remuneration and Nomination Committee is stipulated to be more than 3 (three) people, at least 2 (two) of them shall be Independent Commissioners.
5. Members of the Remuneration and Nomination Committee shall be appointed by the Board of Directors based on resolutions of the Board of Commissioners' meeting.

Term of Office

The term of office of the members of the Remuneration and Nomination Committee shall not be longer than the term of office of the Board of Commissioners as stipulated in the Company's Articles of Association, and the members of the Remuneration and Nomination Committee.

Dual Capacity

The Chairperson of the Remuneration and Nomination Committee must not have a dual capacity as a Chairperson of another committee in the Company.

Duties and Responsibilities

The Remuneration and Nomination Committee shall have at least the following duties and responsibilities:

1. In connection with the Nomination function:
 - a. Giving recommendations to the Board of Commissioners regarding:
 - 1) the composition of the Board of Directors and/or the Board of Commissioners;
 - 2) the policies and criteria for the Nomination process; and
 - 3) the policies on evaluation of the performance of members of the Board of Directors and/or the Board of Commissioners.
 - b. Assisting the Board of Commissioners to evaluate the performance of the members of the Board of Directors and/or the Board of Commissioners based on the prescribed evaluation standards;
 - c. Giving recommendations to the Board of Commissioners on the competency development program for members of the Board of Directors and/or members of the Board of Commissioners; and
 - d. Giving recommendations on the candidates for members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be further submitted to the GMS.
 - e. Making and giving recommendations on the system and procedure for selecting and replacing members of the Board of Directors and members of the Board of Commissioners to the Board of Commissioners to be further submitted to the GMS.
 - f. Giving recommendations on independent parties that will be appointed as members of the Audit Committee and members of the Risk Oversight Committee to the Board of Commissioners.
2. In connection with the Remuneration function:
 - a. Giving recommendations to the Board of Commissioners regarding:
 - 1) the Remuneration structure;
 - 2) the Remuneration policy; and
 - 3) the Remuneration amount;
 - b. Assisting the Board of Commissioners in evaluating the appropriacy between the performance and the Remuneration received by the

Working Procedure

member of the Board of Directors and/or the member of the Board of Commissioners.

- c. Conducting evaluation on the remuneration policy on the basis of performance, risks, fairness with the peer group, long-term goals and strategies, fulfilment of the reserves as stipulated by the laws and regulations and potential revenue of the Company in the future.
 - d. Providing the Board of Commissioners with the evaluation result and recommendations on:
 - 1) the remuneration policy for the Board of Directors and the Board of Commissioners to be further submitted to the GMS
 - 2) the remuneration policy for all employees to be further submitted to the Board of Directors
 - e. Ensuring that the remuneration policy complies with the provisions of law.
 - f. Conducting a periodic evaluation of the implementation of the remuneration policies.
 - g. Carrying out the duties and responsibilities independently.
1. The duties and responsibilities of the Remuneration and Nomination Committee shall be performed by holding the Committee Meetings.
 2. To help the Remuneration and Nomination Committee perform its duties, the Remuneration and Nomination Committee may appoint a Committee Secretary to do the secretarial work, which includes, among others:
 - a. Arranging the meeting schedules;
 - b. Proposing and contacting the required resource person;
 - c. Preparing and distributing invitations and materials for the meeting;
 - d. Writing up and circulating the Minutes of Meeting.
 3. If deemed necessary, the Committee may invite resource persons from the Board of Commissioners, the Board of Directors, or other parties from outside the Company to give it inputs in relation to the performance of its duties.
 4. In performing the Remuneration function, the Remuneration and Nomination Committee must follow the procedure specified below:
 - a. drawing up the remuneration structure for members of the Board of Directors and/or members of the Board of Commissioners (the remuneration structure can take the forms of salaries, honoraria, incentives and/or benefits, whether fixed and/or variable);
 - b. drawing up a policy on Remuneration for members of the Board of Directors and/or members of the Board of Commissioners; and
 - c. drawing up the amount of Remuneration for each member of the Board of Directors and/or each member of the Board of Commissioners.

In drawing up the structure, policy, and amount of Remuneration as described above, the Remuneration and Nomination Committee shall pay due regard for the following:

**Ethics and
Working
Hours****Conduct of
Meetings**

- a. the Remuneration policy generally applicable in the industry with business activities and scale of business similar to those of the Company;
 - b. the duties, responsibilities, and authorities of members of the Board of Directors and/or members of the Board of Commissioners as associated with the achievement of the Company's aims and performance;
 - c. the target performance or performance of each member of the Board of Directors and/or each member of the Board of Commissioners; and
 - d. the balance between fixed and variable benefits.
5. In performing the Nomination function, the Remuneration and Nomination Committee must follow the procedure specified below:
- a. drawing up the composition and Nomination process of members of the Board of Directors and/or members of the Board of Commissioners;
 - b. drawing up the policy and criteria for Nomination of prospective members of the Board of Directors and/or members of the Board of Commissioners;
 - c. assisting in the performance evaluation of the members of the Board of Directors and/or members of the Board of Commissioners;
 - d. drawing up capacity-building programs for members of the Board of Directors and/or members of the Board of Commissioners; and
 - e. reviewing and proposing the candidates eligible for membership of the Board of Directors and/or the Board of Commissioners to the Board of Commissioners to be further proposed to the GMS.

1. The members of the Remuneration and Nomination Committee must comply with the Company's Code of Ethics.
2. The members of the Remuneration and Nomination Committee must provide ample time to perform its duties and responsibilities optimally.

The provisions for the meeting and mechanism for adopting resolutions in the Remuneration and Nomination Committee Meeting shall be as follows:

1. The Risk Oversight Committee Meeting shall be held according to the needs of the Company, at least 1 (one) time in 4 (four) months or at least 3 (three) times in a year.
2. The Risk Oversight Committee Meeting can be held only if attended by the majority of members of the Remuneration and Nomination Committee, one of whom shall be the Chairperson of the Committee.
3. The resolutions of the Risk Oversight Committee Meeting shall be adopted by deliberation for a consensus.
4. If such consensus cannot be reached, the resolutions shall be adopted by majority vote.

**Minutes
of
Meeting**

5. In the event there is a tie between the affirmative votes and the negative votes in a voting, the resolution shall be adopted through the mechanism stipulated in this Remuneration and Nomination Committee's Manual.
6. If there is any dissenting opinion during the proses of adopting the resolutions in the meeting, such dissenting opinion shall be expressly set out in the minutes of meeting as well as the reasons for such dissenting opinion.
7. All resolutions of the Risk Oversight Committee Meeting shall be binding on all members of the Remuneration and Nomination Committee.

The Minutes of Remuneration and Nomination Committee Meeting shall be subject to the following provisions:

1. The outcomes of the Remuneration and Nomination Committee Meeting must be incorporated in the minutes of meeting, which shall be signed by all members of the Remuneration and Nomination Committee present and properly documented.
2. The minutes of Remuneration and Nomination Committee Meeting must be in writing and submitted to the Board of Commissioners.
3. Any dissenting opinion in the Committee Meeting shall be expressly set out in the Minutes of Meeting as well as the reasons for such dissenting opinion.
4. The outcomes of the Committee Meeting shall become a recommendation that can be optimally utilised by the Board of Commissioners.

Reporting

1. The Remuneration and Nomination Committee must report the implementation of its duties, responsibilities, and procedures in relation to the Remuneration and Nomination function to the Board of Commissioners.
2. The report as described above constitutes part of the report on the implementation of the duties of the Board of Commissioners and must be presented in the General Meeting of Shareholders.
3. The Company must disclose the implementation of the Remuneration and Nomination function:
 - a. in the annual report; and
 - b. on the website of the Listed Company.
4. The information on the implementation of the Remuneration and Nomination function to be disclosed in the Company's annual report shall at least contain the following:
 - a. a statement that the Company has a Charter for the Remuneration and Nomination Committee.
 - b. a brief description of the implementation of the duties and responsibilities of the Remuneration and Nomination Committee in the last financial year.

**Procedure for
replacement
of members**

5. The information on the implementation of the Remuneration and Nomination function to be disclosed on the Company's website shall at least contain the following:
 - a. the Charter for the Remuneration and Nomination Committee.
 - b. a brief description of the implementation of the duties and responsibilities of the Remuneration and Nomination Committee in the last financial year.
1. The members of the Remuneration and Nomination Committee shall be appointed and dismissed under the resolution of the Board of Commissioners' Meeting.
2. Replacement of a member of the Remuneration and Nomination Committee that does not come from the Board of Commissioners shall be done no later than 60 (sixty) days of the date on which such member of the Remuneration and Nomination Committee is unable to perform his/her duties.
3. The Company must properly document the resolutions on the appointment and dismissal of the member of the Remuneration and Nomination Committee.