

GCG Implementaion Assessment in 2018 Toward the Board of Commissioners and Board of Directors

- b. Individual remuneration methods with the bank's performance, unit's performance, and individual's performance.

In the provision of Employees' variable compensation, the amount of compensation value received by the Employees depends on the performance of the Bank, the unit's performance, and the individual's performance in which each component has a target achievement indicator, weight, and independent multiplier factor.

- c. Remuneration adjustment methods toward underachieved performance.

At the beginning of the year, the Bank has established requirements to be met by Employees to obtain variable compensation, one of which is performance achievement. For Employees who do not meet the stipulated requirements, they will not receive any variable compensation.

Remuneration adjustment related to performance and risk which includes:

- a. Remuneration policy on the amount and criteria with suspended variable. Pursuant to Joint Decree of the Board of Directors and Board of Commissioners No. 09KOM/BRI/11/2017 dan S.1023-DIR/KPS/11/2017 dated 30 November 2017 on the Remuneration Governance of PT Bank rakyat Indonesia (Persero) Tbk., has been stipulated the following matters:
1. For parties designated as MRT, some variable remuneration will be suspended.
 2. The amount of suspension for the Board of Directors and Board of Commissioners is 20% of Tantiem.
- b. Remuneration policy on deferred variable which is delayed or cancelled. The Bank may defer payment of Remuneration, which is suspended variable to MRT that proven to perform Individual Fraud.

PROCEDURE FOR DETERMINATION OF REMUNERATION OF THE BOARD OF COMMISSIONERS & DIRECTORS

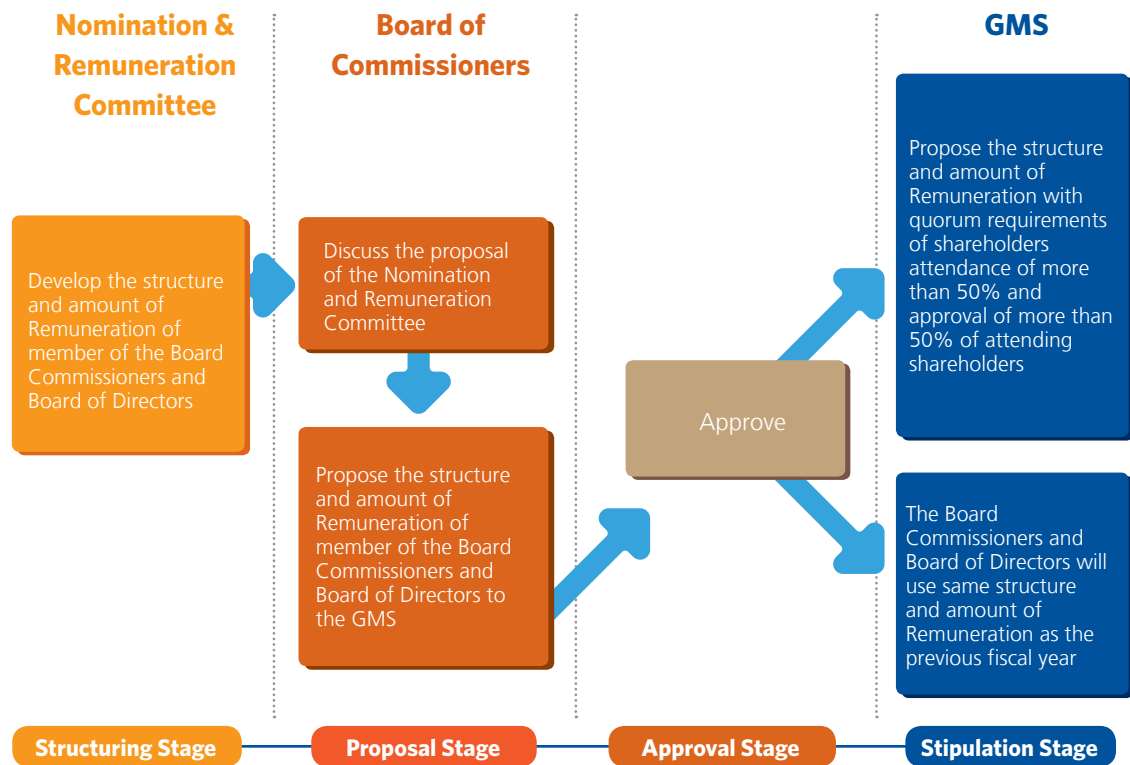
Pursuant to Article 113 of Law Number 40 Year 2007 regarding Limited Liability Company, compensation and benefits for BOC set by the AGM. Furthermore, based on Article 96 of the Act, the salaries and allowances of members of the Board of Directors determined by the GMS and GMS authority in question may be delegated to the Board of Commissioners.

Based on the Regulation of Minister of State-Owned Enterprises PER-01 / MBU / 06/2017 regarding the Second Amendment to the Regulation of Minister of State-Owned Enterprises PER-04 / MBU / 2014 on Guidelines for Determination of Directors, Board of Commissioners and Board of Trustees of State Owned Enterprises, component BOC income consists of: honoraria, allowances, facilities and bonuses.

Based and Regulation of Financial Services Authority / Otoritas Jasa Keuangan (POJK) No. 45 / POJK.03 / 2015 dated December 23, 2015 on Governance Practices in Providing Remuneration for Commercial Banks, Nomination and Remuneration Committee is obliged to carry out an evaluation of the remuneration policy that is based on performance, risk, fairness to the peer group, objectives, and strategies for term long Bank, fulfillment reserve as stipulated in the legislation and the potential of the Bank's income in the future as well as present the results of the evaluation and recommendations to the Board

Guided by the provisions mentioned above, with regard to the recommendation of the Nomination and Remuneration Committee, the Board of Commissioners in each of the Annual General Meeting a proposal regarding the determination of salary / honorarium, benefits and facilities as well as bonuses for members of the Board of Commissioners and Board of Directors to the General Meeting of Shareholders. Nomination and Remuneration Committee provides recommendations after an evaluation by considering the Company's performance, business size, and the survey results in remuneration in the banking industry.

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Procedure Stages	Activities
Structuring	<p>Nomination and Remuneration Committee</p> <p>The Nomination and Remuneration Committee evaluates the structure and amount of the remuneration of the BOC and the BOD by taking into account the Bank's long-term performance, risks, fairness with the peer group, objectives, and strategies, the fulfillment of reserves as stipulated in legislation, will come. Based on the evaluation results, the Nomination and Remuneration Committee recommended the structure and amount of the Remuneration in the BOC's meeting.</p>
Proposal	<p>Board of Commissioners</p> <p>The BOC submits proposals on the determination of honoraria, allowances and facilities and tantiems for members of the BOC and BOD to the General Meeting of Shareholders.</p>
Determination	<p>General Meeting of Shareholders (GMS)</p> <p>The GMS may approve and determine the structure and amount of the remuneration with the quorum requirement of more than 50% shareholder presence and approval by more than 50% of the present shareholders. In the event that the GMS does not approve the proposal, the BoC and BoD will use the same structure and amount of remuneration as in the previous financial year.</p>