

Report on the Execution of the Committee's Duties

The Committee reports to the BOD and must submit a report to the BOC on every execution of tasks, followed by recommendations if necessary both quarterly and annual and signed by the Chairman of the Committee and the Committee members.

Statement of the Audit Committee on the Effectiveness of Internal Control System



Internal control system carried out by the Bank is considered to be effective and adequately reflected in the effective discharge of the functions of internal control, among others, includes the functions of internal audit, risk management, compliance, and financial and operational controls.

Evaluation and Assessment of the Committee's Performance

Evaluation and assessment of the performance of the Committee carried out every year by using the method determined by the BOC. Implementation of the activities and performance of the Committees

under the BOC regularly evaluated and assessed by the BOC for the sake of increasing the effectiveness of implementation and performance of committees in the coming year.

3. Remuneration and Nominations Committee

Remuneration and Nomination Committee, established by and directly responsible to the BOC. Remuneration and Nomination Committee was formed to assist the Board in carrying out its duties and oversight on matters relating to the determination

of the qualifications and the nomination process as well as the remuneration of the BOC, BOD and Executive Officers in order to realize good corporate governance.

Basis for Establishment of the Remuneration and Nominations Committee

Remuneration and Nomination Committee established by reference to the Articles of Association, Law No. 19 of 2003 on SOEs and Bank Indonesia regulations specifically listed in Bank Indonesia Regulation Number 8/4/PBI/2006, 2006 on Implementation of Good Corporate Governance for Banks, as amended by Bank Indonesia Regulation No. 8/14/PBI/2006; set out in article 12, paragraph 1 stated the BOC shall establish a Remuneration and Nomination Committee in order to support the effective implementation of

duties and responsibilities, Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises, the Financial Services Authority (OJK) Regulation No. 34/POJK.04/2014 on Komite Nomination and Remuneration of Public Company, and POJK No. 45/POJK.03/2015 on Remuneration Procedures for Commercial Banks.