

8. The Independent Commissioner shall not have financial, managerial, ownership, affiliate, and/or familial relationships with other members of the Board of Commissioners, members of the Board of Directors, and/or controlling shareholders, or relationships with the Company that may affect the ability to act independently.
9. The Independent Commissioner shall not have any direct or indirect business relationships related to the Company's business activities.
10. The Independent Commissioner shall not own shares, either directly or indirectly, in the Company.
11. A Commissioner may transition to an Independent Commissioner in the Company or the Company's business group by meeting the requirements for an Independent Commissioner.
12. A Commissioner intending to transition to an Independent Commissioner in the Company must undergo a minimum waiting period of 1 (one) year.
13. The transition from Commissioner to Independent Commissioner requires approval from the Financial Services Authority through an assessment of competence and suitability in accordance with the Financial Services Authority Regulation on the assessment of competence and suitability for financial institutions.

Policy on Remuneration for the Board of Commissioners and Directors [GRI 2-19]

The determination of remuneration indicators for the Board of Commissioners and Directors follows the provisions outlined in the Regulation of the Minister of State-Owned Enterprises Number PER-13/MBU/09/2021, the Sixth Amendment to the Regulation of the Minister of State-Owned Enterprises No. PER-04/MBU/2014 concerning Guidelines for Determining Income for Directors, Board of Commissioners, and Supervisory Board of State-Owned Enterprises in establishing remuneration indicators for the Board of Commissioners and Directors. The determination of remuneration for the Board of Commissioners and Directors is also based on their goals and performance in managing the impact of the Company on the economy, environment, and society. [GRI 2-19]

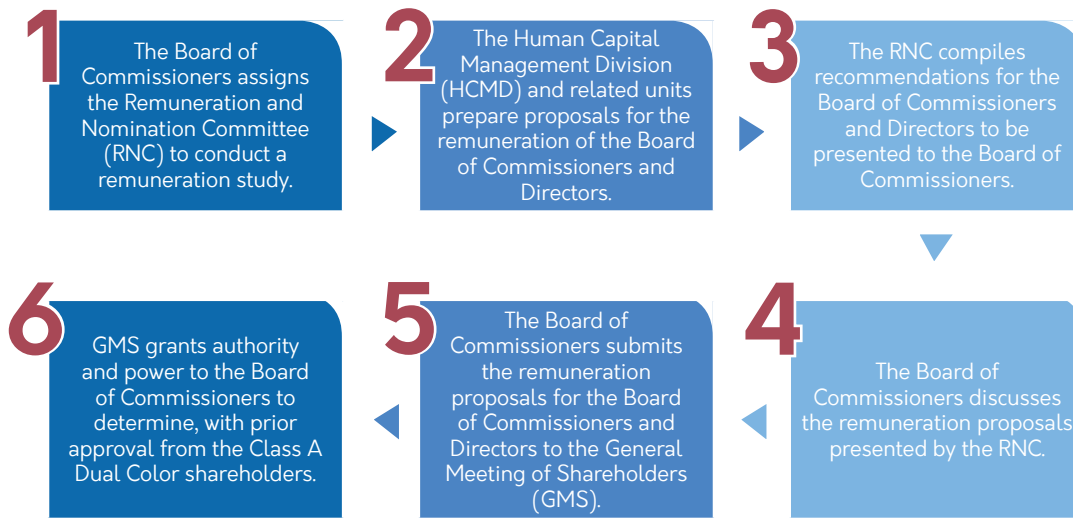
The salary or honorarium for the Board of Commissioners and Directors is determined, among other factors, based on the following:

1. Scale of business factor;
2. Complexity of business factor;
3. Inflation rate;
4. Company's financial condition and capability;
5. Other relevant factors and must not contradict laws and regulations; and
6. The composition of the salary or honorarium for Directors and the Board of Commissioners is determined as follows:
 - a. The salary of the President Director is determined using internal guidelines set by the minister;
 - b. The salary of the Vice President Director is 95% of the President Director's salary;
 - c. The salary of other members of the Board of Directors is 85% of the President Director's salary;
 - d. The honorarium of the President Commissioner is 45% of the President Director's salary;
 - e. The honorarium of the Vice President Commissioner is 42.5% of the President Director's salary; and
 - f. The honorarium of the Board of Commissioners is 90% of the President Commissioner's salary.

The determination of the above remuneration is also influenced by the achievement of Key Performance Indicators (KPIs). One parameter in the KPIs for the Directors includes ESG aspects. The remuneration packages and facilities received by the Board of Commissioners and Directors include a remuneration structure as per the table below: [GRI 2-19]

Type of Remuneration and Other Facilities	Board of Commissioners	Board of Directors
Remuneration		
Honorarium/Salary	✓	✓
Routine Allowances (Clothing Allowance and Income Tax Allowance)	✓	✓
Holiday Allowance	✓	✓
Bonus	✓	✓
Other facilities in kind (housing, health insurance, etc.)		
a. Can be owned		
Post-Retirement Insurance	✓	✓
b. Cannot be owned		
Housing Allowance	-	-
Health Allowance	-	-
Transportation Allowance	✓	✓
Communication Allowance	-	-

Procedure for Determining Remuneration for the Board of Commissioners and Directors [GRI 2-20]



In determining remuneration, the Company collaborates with Willis Towers Watson, responsible for benchmarking and/or conducting a Salary Survey.

The Company may delay the payment of deferred variable remuneration (Malus) or claw back already paid variable remuneration (Clawback) to employees classified as Material Risk Takers (MRT), considering factors such as: [GRI 2-19]

1. The extent of the Company's loss or reputational damage.
2. The involvement of the concerned employee directly or indirectly in actions or transactions.

Highest and Lowest Salary Ratio [GRI 2-21]

The Company actively strives to keep the gap in remuneration from being too high. the Company does not implement a unconditionally variable remuneration (RBV) policy, as such a policy is applied uniformly without considering the length of the working period. the Company's commitment is to implement a competitive, fair, and balanced remuneration system, ensuring that each employee receives compensation in accordance with the regulations set by the Government. the Company routinely reviews and updates remuneration policies to align them with industry developments and business strategies. Additionally, compliance aspects with relevant banking regulations regarding remuneration are gradually adopted.

The highest and lowest salary ratio over the past two years is as follows: [GRI 2-21]

Description	2023 Ratio	2022 Ratio
Highest and Lowest Employee Salaries	22.44 : 1	22.34:1
Highest and Lowest Director Salaries	1.18 : 1	1.18:1
Highest and Lowest Commissioner Salaries	1.11 : 1	1.11:1
Highest Director Salary to Highest Employee Salary	2.92 : 1	2.90:1

Description	Unit	2023	2022
Total annual compensation for the individual with the highest pay in the organization	Rupiah	18,933,904,119	14,001,936,005
Median total annual compensation for all employees in the organization, excluding the individual with the highest pay	Rupiah	184,671,636	177,921,128
Increase in total annual compensation for the individual with the highest pay in the organization	%		35.22
Increase in median total annual compensation for all employees in the organization, excluding the individual with the highest pay	%		3.79

Annual compensation data is obtained from the Human Capital Division.