BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT

The Board of Commissioners and Board of Directors performance in carrying out their functions, duties and responsibilities and regularly evaluated and reported to the Shareholders.

BOARD OF COMMISSIONERS' (INCLUDING THE PRESIDENT COMMISSIONER) PERFORMANCE ASSESSMENT

PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES FOR BOARD OF COMMISSIONERS

The performance assessment for the Board of Commissioners is conducted annually (at least once a year) and includes:

1. Collegial performance assessment for the Board of Commissioners;
2. Individual performance assessments for each member of the Board of Commissioners; and
3. Performance assessment for the President Commissioner.

Starting in 2018, performance assessments were conducted using online self-assessment. All assessment results are confidential and anonymous.

The performance assessment results are expected to contribute to the continuous improvement of the Board of Commissioners' performance.

PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF COMMISSIONERS

The criteria applied for the Board of Commissioners' (including the President Commissioner) performance assessments includes:

1. **Collegial performance assessment for the Board of Commissioners:**
   Collegial assessment criteria shall include:
   a. Effectiveness of the Board of Commissioners' role
   b. Effectiveness of the implementation of Duties and Responsibilities
   c. Effectiveness of the Board of Commissioners' Meetings
   d. Implementation of Good Corporate Governance
   e. Effectiveness of the Implementation of Risk Management and Internal Control
2. **Individual performance assessments for each member of the Board of Commissioners**
   Individual assessment criteria shall include:
   a. Competency and capability
   b. Effectiveness of the implementation of duties and responsibilities
   c. Leadership
3. **Performance assessment for the President Commissioner**
   President Commissioner assessment criteria shall include:
   a. Effectiveness of the implementation of duties and responsibilities
   b. Leadership

PARTIES PERFORMING THE PERFORMANCE ASSESSMENTS FOR BOARD OF COMMISSIONERS

The parties involved in conducting the Board of Commissioners' performance assessment are as follows:

1. **Collegial Performance Assessment for the Board of Commissioners**
   The assessment is carried out by each Commissioner on the overall performance of the Board of Commissioners.
2. **Individual Performance Assessment for each Member of the Board of Commissioners**
   Each Commissioner provides an assessment for each other Commissioner.
3. **Performance Assessment for the President Commissioner**
   Assessments are carried out by each Commissioner on the President Commissioner's performance.

The final evaluation of the collegial and individual performance assessments for the Board of Commissioners including performance assessment for the President Commissioner is presented by the Nomination and Remuneration Committee in the Board of Commissioners meeting. The President Commisioner may provides feedback and area for improvement on the collegial and individual performance assessment of the Board of Commissioners, if necessary.

RESULTS OF THE PERFORMANCE ASSESSMENT FOR BOARD OF COMMISSIONERS IN 2019

In 2019, the Board of Commissioners has performed its supervisory function in ensuring the achievement of the Bank's performance that met the expectations of shareholders and all stakeholders with the following assessment results:

In detail, the results of the collegial and individual performance assessment of the Board of Commissioners are as follows

Collegial Assessment	Average Individual Rating	President Commissioner
3.8	3.9	3.9

In addition, as a form of the Bank's commitment to implement GCG principles, the implementation of GCG principles is one of the aspects assessed in the collegial performance assessment of the Board of Commissioners. In 2019, the assessment result of the **implementation of GCG by the Board of Commissioners was 4.0.**

Range of Values

Range of Values	Description
> 4.7	Exceptional
4.0 – 4.6	Outstanding
3.7 – 3.9	Exceeded Expectations
3.0 – 3.6	Met Expectations
< 3.0	Needs Improvement

ASSESSMENT OF GCG IMPLEMENTATION ON THE BOARD OF COMMISSIONERS' ASPECTS

As part of the assessment conducted by the Bank, performance assessment for the Board of Commissioners in implementing GCG is also conducted based on POJK Regulation No. 55/POJK.03/2016 and SEOJK No. 13/SEOJK.03/2017 that require Commercial Banks to perform assessments on the Bank's governance implementation.

PROCEDURE FOR CONDUCTING PERFORMANCE ASSESSMENTS FOR BOARD OF COMMISSIONERS

The Board of Commissioners' performance assessments are included in the Bank's GCG self-assessments which are conducted semi-annually, in June and December in the current year.

PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF COMMISSIONERS

Similar to the GCG implementation assessment factors, the Board of Commissioners' performance assessments follow the governance system that is grouped into 3 (three) assessment aspects, namely governance structure, governance process and governance outcome.

PARTIES CONDUCTING THE ASSESSMENTS

The GCG self-assessments involve the Board of Commissioners, Independent Parties, Board of Directors, Executive Officers and independent functions, which coordinated by the Compliance Unit.

RESULTS OF THE PERFORMANCE ASSESSMENT FOR BOARD OF COMMISSIONERS

Self Assessment Results	
Bank Governance Implementation	
Description	Rating
Board of Commissioners' Duties and Responsibilities Implementation	2 (GOOD)

RECOMMENDATIONS AND ACTION PLANS

The members of the Board of Commissioners, and the Committees under the Board of Commissioners' structure and composition meet the minimum infrastructure requirements (charter, guidelines, policies and procedures) to support the implementation of their duties and responsibilities. During the period, there was a change in the Board of Commissioners' composition in compliance with OJK regulations, and followed the periodically-reviewed Board of Commissioners Charter's guidelines and work rules.

In 2019, no recommendations has not been followed up by the Board of Commissioners.

BOARD OF DIRECTORS' (INCLUDING THE PRESIDENT DIRECTOR) PERFORMANCE ASSESSMENT

PERFORMANCE ASSESSMENT POLICIES AND PROCEDURES FOR BOARD OF DIRECTORS

To monitor the Bank's strategy and performance achievement on an annual basis, CIMB Niaga conducts individual performance assessments for each member of the Board of Directors, including the President Director. The performance indicators for each member of the Board of Directors are determined using a Balanced Scorecard approach, where the Bank's aspirations and strategic goals are translated into Key Performance Indicators (KPI) in accordance with each member of the Board of Directors' duties and responsibilities and take into account the collegial and individual responsibilities for

the financial and non-financial aspects. The KPI's set are mutually agreed upon by the Board of Directors, and with a recommendation from the Nomination and Remuneration Committee and approved by the Board of Commissioners. The KPIs are cascaded down to all employees to ensure alignment with the achievement of the Bank's goals and strategies.

The individual performance assessments for each member of the Board of Directors at the end of the year are submitted to the Nomination and Remuneration Committee for their input and recommendations before submitted for approval by the Board of Commissioners.

Since 2018 the Bank has also implemented collegial performance self-assessments for the Board of Directors that is conducted using online self-assessment. All assessment results are confidential and anonymous.

The assessment results will be discussed at the Board of Directors meetings, and at a Nomination and Remuneration Committee meeting in order to obtain input for continuously improvements on the Board of Directors performance.

All performance assessments for the Board of Directors, both individually and collegially, are conducted at least once a year.

PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF DIRECTORS

The criteria applied for the Board of Directors' (including the President Directors) performance assessments includes:

1. Collegial Performance Assessment for the Board of Directors
   Collegial assessment criteria shall include:
   a. Effectiveness of the Board of Directors' role
   b. Effectiveness of the implementation of Duties and Responsibilities
   c. Effectiveness of the Board of Directors' Meetings
   d. Implementation of Good Corporate Governance
   e. Effectiveness of the Implementation of Risk Management and Internal Control

2. Individual Performance Assessment for the Board of Directors
   Components applied in the individual performance assessments for each Director (including the President Director) include:

No.	Performance Parameter	Directorate										
		Business Unit					Business Enabler					
		President Director	Business Banking * (Corporate and MSME)	Consumer Banking (Retail)	Sharia Banking	Treasury and Capital Market	Credit *	Risk Management	Operational and Information Technology	Compliance, Corporate Affairs & Legal	Finance & SPAPM	Human Resources
1	Shared Target	-	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
2	Financial	45%	40%	40%	40%	40%	25%	10%	15%	15%	20%	15%
3	Customer	10%	15%	15%	15%	15%	10%	10%	10%	20%	10%	15%
4	Key Focus Areas	15%	5%	5%	5%	5%	25%	40%	35%	25%	30%	30%
5	Risk & Compliance	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
6	Learning & Growth	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

*) Note:
- Business Banking is in charge of the Corporate Banking, Commercial Banking and MSME Banking
- Credit is in charge of Asset Restructuring & Recovery and Credit Underwriting for the Business Banking segment

PARTIES PERFORMING THE PERFORMANCE ASSESSMENTS FOR BOARD OF DIRECTORS

The parties involved in conducting the Board of Directors' performance assessments are as follows:

1. Individual Performance Assessment for the Board of Directors
   The President Director carries out the performance assessments for each Director. The individual assessment results for all Directors (including the President Director) will be discussed in the Nomination and Remuneration Committee for input and recommendations before submitting to the Board of Commissioners' for approval.

2. Collegial Performance Assessment for the Board of Directors
   Each Director provides an assessment on the Board of Directors' collegial performance. The collegial assessment results shall be discussed at the Board of Directors' meeting and the discussion results will be followed up in the form of improvements or action plans (if necessary). The President Director/appointed Bank's officer shall submit the Board of Directors' collegial performance assessment, including the improvement plans (if any), to the Board of Commissioners and the Nomination and Remuneration Committee to obtain input and approval.

RESULTS OF THE PERFORMANCE ASSESSMENT FOR BOARD OF DIRECTORS IN 2019

In general, the results of the Board of Directors' performance assesment in 2019, both individually and collegially, were good. In detail, the results of the collegial performance evaluation of the Board of Directors was **3.7.**

In addition, as a form of the Bank's commitment to implement GCG principles, the implementation of GCG principles is one of the aspects assessed in the collegial performance assessment of the Board of Directors. In 2019, the assessment result of the **implementation of GCG by the Board of Directors was 3.9.**

Range of Values

Range of Values	Description
> 4.7	Exceptional
4.0 – 4.6	Outstanding
3.7 – 3.9	Exceeded Expectations
3.0 – 3.6	Meet Expectations
< 3.0	Needs Improvement

ASSESSMENT OF GCG IMPLEMENTATION ON THE BOARD OF DIRECTORS' ASPECTS

As part of the assessment conducted by the Bank, performance assessment for the Board of Directors in implementing GCG is also conducted based on OJK provisions No. 55/POJK.03/2016 and No. 13/SEOJK.03/2017 that require Commercial Banks to perform assessments on the Bank's governance implementation.

PROCEDURE FOR CONDUCTING PERFORMANCE ASSESSMENTS FOR BOARD OF DIRECTORS

The Board of Directors' performance assessments are included in the Bank's GCG self-assessments which are conducted semi-annually, in June and December in the current year.

PERFORMANCE ASSESSMENT CRITERIA FOR BOARD OF DIRECTORS

Similar to the GCG implementation assessment factors, the Board of Directors' performance assessments follow the governance system that is grouped into 3 assessment aspects, namely governance structure, governance process and governance outcome.

PARTIES CONDUCTING THE ASSESSMENT

The GCG self-assessment involves the Board of Commissioners, Independent Parties, Board of Directors, Executive Officers and independent functions, which coordinated by the Compliance Unit.

RESULTS OF THE PERFORMANCE ASSESSMENT FOR BOARD OF DIRECTORS

Self Assessment Results	
Bank Governance Implementation	
Description	Rating
Board of Directors' Duties and Responsibilities Implementation	2 (GOOD)

RECOMMENDATIONS AND ACTION PLANS

The members of the Board of Directors structure and composition meet the minimum infrastructure requirements (charter, guidelines, policies and procedures) to support the implementation of their duties and responsibilities. The Board of Directors manages the Bank according to the authorities and responsibilities stipulated in the Articles of Association as well as laws and regulations. The Board of Directors' Charter as its work guideline is reviewed regularly.

To support the Board of Directors' duties and responsibilities implementation Executive Committees. The Board of Directors follows up on audit findings and recommendations from the Internal Audit Unit, external auditors, and the results of other authorities' examinations. In the annual Governance implementation report, all members of the Board of Directors have disclosed their affiliated relationships within the Bank and their share ownershi.

In 2019, no recommendations has not been followed up by the Board of Directors.