

# Nomination and Remuneration Policy

## NOMINATION POLICY

### MECHANISM OF NOMINATION, APPOINTMENT, TERMINATION, REPLACEMENT, AND/OR RESIGNATION OF MEMBERS OF THE BOARD OF COMMISSIONERS

CIMB Niaga has Nomination Policy No. M.04, which regulates various matters, such as the process of selecting, appointing, dismissing and/or replacing members of the Board of Commissioners (BOC), Board of Directors (BOD), and Independent Parties, as follows:

1. Criteria of Members of the BOC

Prospective members of the BOC of CIMB Niaga must at least meet requirements that include integrity, competence, and good reputation, as stipulated in the prevailing laws and regulations.

2. Procedure for the Election of Members of the BOC

a. The Bank may utilize the services of reputable independent third parties (search firms) in the process of selecting candidates for the BOC. The third parties (search firms) appointed by the Bank shall assist in the selection process, including:

- i. Identifying candidates who meet the requirements;
- ii. Conducting interviews and candidate selection (including background and reference checks);
- iii. Acting as a liaison between the BOC, Nomination and Remuneration Committee, and candidates during the selection and evaluation process; and
- iv. Providing necessary consultations to the Nomination and Remuneration Committee.

b. Members of the BOD, BOC, and/or Shareholders of the Bank may also propose prospective members for the BOC to the Bank. Shareholders eligible to propose candidates for the BOC members are those holding 1 (one) or more shares representing 1/20 (one-twentieth) or more of the total voting shares.

3. The procedure for the appointment of members of BOC includes obtaining approval from the General Meeting of Shareholders (GMS) and successfully passing the Fit and Proper Test as per the OJK regulations on Fit and Proper Test and Governance Implementation for Commercial Banks. Additionally, the appointee must meet other requirements stipulated by relevant authorities before being formally declared as a Commissioner.

4. Procedure for Termination, Replacement, and/or Resignation of the BOC Members includes:

- a. Proposals for the termination and/or replacement of the BOC members submitted to the GMS must consider recommendations from the Bank's Nomination and Remuneration Committee.
- b. Members of the BOC may be dismissed at any time based on a resolution of the GMS by stating the reasons.
- c. Members of the BOC have the right to resign from their positions by providing written notice of their intention to the Bank no later than 90 (ninety) days or 3 (three) months prior to their resignation becomes effective. In the event that the written notice is provided less than 90 (ninety) days or 3 (three) months, the effective resignation date must be approved by the BOC.

- d. In the event that a position of a member of the BOC becomes vacant, resulting in the number of members of the BOC falling below 3 (three), the GMS must be held within a maximum of 60 (sixty) calendar days after the vacancy to fill the position, by observing the prevailing laws and regulations.
- e. In the event that the position of the President Commissioner is vacant and a replacement has not been appointed or has not assumed the position, then one of the members of the BOC appointed during a BOC meeting, will assume the duties of the President Commissioner, with the same authority and responsibilities.

### **MECHANISM OF NOMINATION, APPOINTMENT, TERMINATION, REPLACEMENT, AND/OR RESIGNATION OF MEMBERS OF THE BOARD OF DIRECTORS**

CIMB Niaga has Nomination Policy No. M.04, which regulates various matters, such as the process of selecting, appointing, dismissing and/or replacing members of the BOC, BOD, and Independent Parties, as follows:

#### **1. Criteria of Members of the BOD**

Prospective members of the BOD of CIMB Niaga must at least meet the requirements and criteria as stipulated in the prevailing laws and regulations, including integrity, competence, reputation, domicile, independence, or other specific criteria according to the Director's field.

#### **2. Procedure for the Election of Members of the BOD includes:**

- a. Internal talents are prioritized to be the candidates of the Bank's Director, but other professionals may also be considered.
- b. The Bank may utilize the services of reputable independent third parties (search firms) in the process of selecting candidates for the BOD. The third parties (search firms) appointed by the Bank shall assist in the selection process, including:
  - i. Identifying candidates who meet the requirements;
  - ii. Conducting interviews and candidate selection (including background and reference checks);
  - iii. Acting as a liaison between the BOC, Nomination and Remuneration Committee, and candidates during the selection and evaluation process;
  - iv. Providing necessary consultations to the Nomination and Remuneration Committee.

- c. Members of the BOD, BOC, and/or Shareholders of the Bank may also propose prospective members for the BOD to the Bank. Shareholders eligible to propose candidates for the BOD members are those holding 1 (one) or more shares representing 1/20 (one-twentieth) or more of the total voting shares.

#### **3. Procedure for the Appointment of Members of the BOD includes:**

The appointment of members of the BOD must be approved by the GMS and have passed the Fit and Proper Test in accordance with the OJK regulations and/or meet other requirements stipulated by relevant authorities before the effective declaration of the person as Director.

#### **4. Procedure for Termination, Replacement, and/or Resignation of Members of the BOD includes:**

- a. Proposal for the termination and/or replacement of the members of the BOD submitted to the GMS must consider recommendations from the Bank's Nomination and Remuneration Committee.
- b. Members of the BOD may be dismissed at any time based on a resolution of the GMS by stating the reasons.
- c. Members of the BOD have the right to resign from their positions by providing written notice of their intention to the Bank no later than 90 (ninety) days or 3 (three) months prior to their resignation becomes effective.

### **REMUNERATION POLICY**

In terms of remuneration, CIMB Niaga has a Risk-Based Remuneration Policy No. A.06.02, which has been updated on 15 December 2023 by considering the contents of the most recent regulations and the Remuneration Policy of the Board of Commissioners (BOC), Sharia Supervisory Board (SSB), Board of Directors (BOD), and Committees at the level of the BOC No. A.06.25. CIMB Niaga has prepared a remuneration policy by prioritizing a competitive, fair and balanced remuneration system based on applicable laws and regulations in accordance with the provisions of OJK Regulation No. 45/POJK.03/2015 on Implementation of Governance in the Provision of Remuneration for Commercial Banks, OJK Circular Letter No. 40/SEOJK.03/2016 on Implementation of Governance in the Provision of Remuneration for Commercial Banks, and OJK Regulation No. 59/POJK.03/2017 on Implementation of Governance in the Provision of Remuneration for Sharia Commercial Banks and Sharia Business Units.

CIMB Niaga also ensures that no individual receives compensation below the provisions set by the government. In formulating remuneration policies and benchmarks, CIMB Niaga engages the services of an independent external consultant, to ensure that the Bank's remuneration remains competitive, fair, and balanced.

## OBJECTIVES AND BACKGROUND

CIMB Niaga implements a remuneration policy that covers all levels of the organization, including the BOC, BOD and all employees, whether mandatory or additional, in line with applicable laws and regulations. The important objectives in implementing the remuneration policy are to attract, motivate, and retain the best employees in order to provide high-quality human resources. In addition, in facing global competition and labor market dynamics, a competitive remuneration policy is one of the keys to supporting the achievement of the Bank's goals.

The policy is also developed with various considerations that include short-term and long-term liquidity needs, capital adequacy, financial stability aspects, the effectiveness of risk management, and potential future income.

## RISK-BASED REMUNERATION POLICY

CIMB Niaga implements a remuneration strategy that is accompanied by an evaluation of short-term and long-term performance, risks faced, and empowerment. The Bank implements policies and procedures for implementing benefit programs as an integral part of the remuneration strategy, taking into account relevant risk profiles. The main types of risks in the remuneration policy are adjusted to a review of the Bank's risk profile, which is determined annually by observing the market conditions, industry developments, performance, certain job positions, and the Bank's financial capabilities. The main risk profile has an impact on the implementation of variable remuneration.

CIMB Niaga's risk-related remuneration policy regulates the following matters:

1. Prudent principles in risk-based remuneration.
2. Implementation of variable remuneration according to the provisions of regulators related to remuneration for Commercial Banks and Sharia Business Units.

## REVIEW AND INDEPENDENCE IN THE IMPLEMENTATION OF REMUNERATION POLICY

In order to ensure the independence of remuneration for all employees, every year the Bank ensures that performance evaluation and remuneration determination are carried out through supervision and review through the Nomination and Remuneration Committee. The

Bank conducts a review of the implementation of the remuneration policy by considering the following matters:

1. Performance and financial conditions of the Bank
2. Employee competence and performance (meritocracy)
3. Market competitiveness in remuneration practices
4. Suitability and appropriateness based on position/role
5. Internal equity
6. Risk level of the position
7. Long-term strategy of the Bank

The Bank continues to review and communicate the Wage Structure and Wage Scale (WSWS) periodically in accordance with Minister of Manpower Regulation No. 1 of 2017 on Wage Structure and Scale. In addition, the Bank has implemented a remuneration policy by taking into account OJK Regulation No. 45/POJK.03/2015, OJK Regulation No. 59/POJK.03/2017 and OJK Circular Letter No. 40/SEOJK.03/2016 on Implementation of Governance in the Provision of Remuneration for Commercial Banks and Sharia Business Units.

## DETERMINATION OF MATERIAL RISK TAKER

Material Risk Taker (MRT) is a position with responsibilities that affect the Bank's main risk profile, which will be determined in accordance with the risk profile evaluation determined by the Bank each year. The Bank reviews the MRT position each year with the criteria used in determining the MRT position, including:

1. Based on level/grade: Senior Management or Executive Officer.
2. Based on the role of position: Holding a fiduciary responsibility or a critical position responsible for making strategic decisions that can influence the Bank's risk profile (credit, market, liquidity, operational, legal, reputation, strategic, compliance) or a position in a business unit (revenue/income generator of the Bank).

Variable remuneration payments for MRT must be deferred by a certain percentage as applied by the Bank with deferral period of 3 (three) years. The deferral period applies equally to all MRTs.

Under certain conditions, the Bank may also deferred the payment (malus) or withdraw the variable remuneration (tantiem/bonuses) that has been paid (clawback) to the MRT.

## PERFORMANCE AND RISK-BASED REMUNERATION DETERMINATION

In determining the remuneration scheme, particularly variable remuneration, CIMB Niaga considers the key risks in 2024 that impact the determination of the Key Performance Indicator (KPI) and the provision of variable remuneration.

Performance assessment is based on the KPI that are agreed upon at the beginning of the year in accordance with the Bank's objectives and strategies as well as consider risk, compliance and good corporate governance aspects.

To determine remuneration amounts, particularly variable components and individual performance, a yearly review is held which serve as the foundation for Bank's appreciation in the form of bonuses, promotions, rank reviews, and wage/salary increases.

### Performance Measurement Indicators in Determining the Remuneration of the Members of the BOD

Indicators for determining the remuneration of the members of the BOD include:

- Performance achievement of each Director with indicators including finance, risk management implementation, governance and compliance, customer experience, key focus area and sustainability;
- Conditions of national economy and industry benchmark;
- The overall performance achievements of CIMB Niaga, including financial performance and the Bank's soundness level;
- Consideration of CIMB Niaga's long-term goals and strategies;
- Risks that may arise in the future, which may causing losses for CIMB Niaga.

Detailed information of the performance indicators of the BOD are described in the Performance Assessment section of the BOC and BOD in this Annual Report.

### Performance Measurement Indicators in Determining the Remuneration of the Employee

The employee remuneration system is based on the principle of meritocracy, taking into account the following factors:

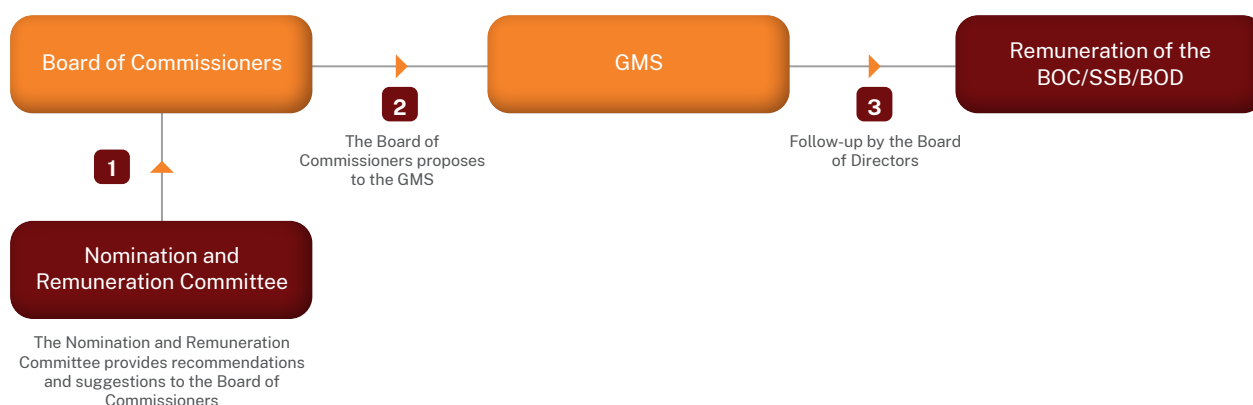
- Bank's Financial Capability;
- Bank's Performance Achievements;
- Performance achievements of the Directorate/Unit of the Organization based on the Directorate/Unit KPI;
- Individual Employee Performance Achievements based on individual KPI;
- Demonstration of Bank's core values by each employee.

### REMUNERATION OF THE BOARD OF COMMISSIONERS (BOC), SHARIA SUPERVISORY BOARD (SSB), AND BOARD OF DIRECTORS (BOD)

#### Policy for Determining Remuneration for the Board of Commissioners, Sharia Supervisory Board, and Board of Directors

CIMB Niaga prepares the structure, policies, and amount of remuneration for each member of the Board of Commissioners (BOC), Sharia Supervisory Board (SSB), and Board of Directors (BOD) by considering the duties, authorities, performance, and responsibilities of the BOC, SSB, and BOD. CIMB Niaga also considers the remuneration applicable in similar industries (peers group) and the Bank's capabilities.

#### Procedures for Determining Remuneration of the Board of Commissioners, SSB, and Board of Directors



1. The Nomination and Remuneration Committee discusses the remuneration of the BOC, SSB and BOD by considering information on the range and standard of remuneration with similar industries (peer group) in the market and the Bank's capabilities. The Nomination and Remuneration Committee provides recommendations to be discussed in the BOC Meeting;
2. The BOC studies the recommendations from the Nomination and Remuneration Committee, to be further proposed to the GMS; and
3. The GMS determines the remuneration:
  - for the BOC and SSB, to be further implemented according to the determination by the BOD.
  - for the BOD, by granting authority to the BOC to set the remuneration of the BOD, by considering the recommendations submitted by the Nomination and Remuneration Committee, to be implemented by the BOD, as determined by the BOC.

## Remuneration Structure of the Board of Commissioners

Based on the 2024 AGMS resolution, the remuneration structure of the BOC comprises an honorarium, meeting allowance, position allowance, transportation allowance, public holiday allowance, year-end allowance, and other facilities, such as health benefits, communication facilities, and club membership. **No member of the BOC, including Independent Commissioners, at CIMB Niaga receives variable remuneration (such as stocks or bonuses, whether performance-related, non-performance-related, or stock options)**

In detail, the following are the remuneration structure and other facilities for members of the BOC of CIMB Niaga in the last two years:

### 1. REMUNERATION PACKAGE AND OTHER FACILITIES RECEIVED BY THE BOARD OF COMMISSIONERS

Types of Remuneration and Other Facilities	Total Amount Received by the Independent Commissioner in 1 Year			
	2024		2023	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, and other non-monetary benefits)	5*	16,819	4	11,780
Other benefits in in-kind form (housing, transportation, health insurance, etc.) that:	-	-	-	-
a. Can be owned	-	-	-	-
b. Cannot be owned	5*	246	4	184
<b>Total</b>	<b>5*</b>	<b>17,065</b>	<b>4</b>	<b>11,964</b>

Since 2022 the Bank has recorded Remuneration in in-kind form

\* Including remuneration of Independent Commissioners whose term of office has ended

Types of Remuneration and Other Facilities	Total Amount Received by the Non-Independent Commissioner in 1 Year			
	2024		2023	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, and other non-monetary benefits)	4*	9,157	3	7,315
Other benefits in in-kind form (housing, transportation, health insurance, etc.) that:	-	-	-	-
a. Can be owned	-	-	-	-
b. Cannot be owned	1*	13	1	10
<b>Total</b>	<b>4*</b>	<b>9,170</b>	<b>3</b>	<b>7,325</b>

Since 2022 the Bank has recorded Remuneration in in-kind form

\* Including remuneration of Non-Independent Commissioners whose term of office has ended

Remuneration per Person	Total Independent Commissioners		Total Non-Independent Commissioners	
	2024*	2023	2024*	2023
Above Rp5 billion	1	-	-	-
Above Rp2 billion to Rp5 billion	3	3	2	2
Above Rp1 billion to Rp2 billion	1	1	1	1
Above Rp500 million to Rp1 billion	-	-	-	-
Below Rp500 million	-	-	1	-

\* Including remuneration of member of the BOC whose term of office has ended

## 2. VARIABLE REMUNERATION FOR THE BOARD OF COMMISSIONERS

Variable Remuneration*	Amount Received in 1 Year							
	Independent Commissioner				Non-Independent Commissioner			
	2024		2023		2024		2023	
	Person	Rp (Million)	Person	Rp (Million)	Person	Rp (Million)	Person	Rp (Million)
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

\* Performance and risk-based remuneration (including tantiem/bonus)

### Remuneration Structure of the Sharia Supervisory Board

Based on the 2024 AGMS resolution, the remuneration structure of the SSB comprises an honorarium, meeting allowance, public holiday allowance, year-end allowance, and communication facilities. **No member of the SSB of CIMB Niaga receives variable remuneration (such as stocks or bonuses, whether performance-related, non-performance-related, or stock options).** In detail, the following are the remuneration structure and other facilities for members of the SSB of CIMB Niaga in the last two years:

## 1. REMUNERATION PACKAGE AND OTHER FACILITIES RECEIVED BY THE SHARIA SUPERVISORY BOARD

Types of Remuneration and Other Facilities	Total Amount Received by the Sharia Supervisory Board in 1 Year			
	2024		2023	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, and other non-monetary benefits)	3	2,527	3	2,420
Other benefits in in-kind form (housing, transportation, health insurance, etc.) that:	-	-	-	-
a. Can be owned	-	-	-	-
b. Cannot be owned	-	-	3	1
Total	3	2,527	3	2,421

Since 2022 the Bank has recorded Remuneration in in-kind form

Remuneration per Person	Number of Members of the Sharia Supervisory Board	
	2024	2023
Above Rp5 billion	-	-
Above Rp2 billion to Rp5 billion	-	-
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	3	3
Below Rp500 million	-	-

## 2. VARIABLE REMUNERATION FOR THE SHARIA SUPERVISORY BOARD

Variable Remuneration*	Total Amount Received by the Sharia Supervisory Board in 1 Year			
	2024		2023	
	Person	Rp (Million)	Person	Rp (Million)
Total	Nil	Nil	Nil	Nil

\* Performance and risk-based remuneration (including tantiem/bonus)

## Remuneration Structure of the Board of Directors

Based on the AGMS 2024 resolution, the remuneration structure for the BOD comprises salary, transportation allowance, housing allowance, public holiday allowance, year-end allowance, performance bonus, and other facilities, such as health benefits, communication facilities, and club membership. No member of the BOD receives a non-performance bonus. Detailed information on the structure of remuneration and other facilities for members of the BOD of CIMB Niaga during the last two years is as follows:

### 1. REMUNERATION PACKAGE AND OTHER FACILITIES RECEIVED BY THE BOARD OF DIRECTORS

Types of Remuneration and Other Facilities	Total Amount Received by the Board of Directors in 1 year			
	2024		2023	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, and other non-monetary benefits)	10	78,110	10	77,389
Other benefits in in-kind form (housing, transportation, health insurance, etc.) that:	-	-	-	-
a. Can be owned	-	-	-	-
b. Cannot be owned	10	3,839	10	2,726
<b>Total</b>	<b>10</b>	<b>81,949</b>	<b>10</b>	<b>80,115</b>

Since 2022 the Bank has recorded Remuneration in in-kind form

Remuneration per Person	Number of Members of the Board of Directors	
	2024	2023
Above Rp5 billion	10	10
Above Rp2 billion to Rp5 billion	-	-
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	-	-
Below Rp500 million	-	-

### 2. VARIABLE REMUNERATION FOR THE BOARD OF DIRECTORS

Variable Remuneration*	Amount Received by the Board of Directors in 1 year			
	2024		2023	
	Person	Rp (Million)	Person	Rp (Million)
<b>Total</b>	<b>10</b>	<b>151,782</b>	<b>10</b>	<b>77,979</b>

\* Performance and risk-based remuneration (including tantiem/bonus)

## STOCK OPTIONS HELD BY THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS, AND EXECUTIVE OFFICERS

In 2024, there were no stock options of CIMB Niaga held by members of the BOC, BOD, and Executive Officers.

### HIGHEST AND LOWEST SALARY RATIO

Ratio	2024	2023
Highest and lowest salary ratio of the employees	104.70 : 1	104.28 : 1
Highest and lowest salary ratio of the Board of Directors	2.14 : 1	2.26 : 1
Highest and lowest salary ratio of the Board of Commissioners	1.82 : 1	1.25 : 1
Highest salary ratio of the Board of Directors and highest employee	2.47 : 1	2.39 : 1

### VARIABLE REMUNERATION FOR EMPLOYEES

Variable Remuneration	Total Amount received by Employees in 1 year			
	2024		2023	
	Person	Rp (Million)	Person	Rp (Million)
<b>Total</b>	<b>7,985</b>	<b>601,633</b>	<b>7,808</b>	<b>553,307</b>

## FIXED AND VARIABLE REMUNERATIONS FOR MATERIAL RISK TAKERS (MRT)

A. Fixed Remuneration		2024		2023	
1. Cash (Rp million)		117,442		98,134	
2. Shares/Share-based instruments issued by the Bank (Rp million)		-		-	
B. Variable Remuneration		2024		2023	
		Non-Deferred	Deferred	Non-Deferred	Deferred
1. Cash (Rp million)		85,658	27,649	80,938	18,120
2. Shares/Share-based instruments issued by the Bank (Rp million)		90,469	4,479	-	10,254

## QUANTITATIVE INFORMATION FOR PARTIES CATEGORIZED AS MRT

Type of Variable Remuneration	2024				2023			
	Remaining Deferred Amount	Total Reduction during Reporting Period			Remaining Deferred Amount	Total Reduction during Reporting Period		
		Due to Explicit Adjustment (A)	Due to Implicit Adjustment (B)	Total (A+B)		Due to Explicit Adjustment (A)	Due to Implicit Adjustment (B)	Total (A+B)
1. Cash (Rp million)	31,424	-	-	-	19,418	1,315	-	1,315
2. Shares/stock-based instrument issued by the Bank (in shares and millions of Rupiah, which is conversion from the shares)	4,603,525 shares (Rp12,623)	-	-	-	7,747,193 shares (Rp18,355)	177,170 shares (Rp920)	-	Rp920
<b>Total (Rp Million)</b>	<b>44,047</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,773</b>	<b>2,235</b>	<b>-</b>	<b>2,235</b>

Note: Explicit adjustment was due to malus and resignation of employment (MRT) during the reporting period while the implicit adjustment was caused by decrease in the share price.

## TOTAL SEVERANCE PROVIDED FOR EMPLOYEES AFFECTED BY TERMINATION AND THE TOTAL AMOUNT PAID

Severance Paid per Employee within 1 (one) Year	Number of Employees	
	2024	2023
Above Rp1 billion	3	-
Above Rp500 million to Rp1 billion	10	1
Below Rp500 million	62	25