

Nomination and Remuneration Policy

NOMINATION POLICY

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

In regulating the processes of election, appointment, termination, and/or replacement of members of the Board of Commissioners, Board of Directors, and Independent Parties, the Bank has Nomination Policy No. M.04 that governs various aspects as follows:

1. Criteria for the Board of Commissioners Members
Prospective members of the CIMB Niaga Board of Commissioners must at least meet requirements that include integrity, competence, and a good reputation, as stipulated in the prevailing laws and regulations.
2. Procedure for the Election of the Board of Commissioners Members
 - a. The Bank may utilize the service of reputable independent third party (search firms) in the process of selecting candidates for the Board of Commissioners. The third party 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 Board of Commissioners, 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 Board of Directors, Board of Commissioners, and/or Shareholders of the Bank may also propose prospective members for the Board of Commissioners to the Bank. Shareholders eligible to propose candidates for the Board of Commissioners 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 the Board of Commissioners members 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 Board of Commissioners Members, including:

- a. Proposals for the termination and/or replacement of the Board of Commissioners members submitted to the RUPS must consider recommendations from the Bank's Nomination and Remuneration Committee.
- b. The Board of Commissioners members may be terminated at any time based on the decision of the GMS, stating the reasons.
- c. The Board of Commissioners members 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 before their resignation becomes effective. If the written notice is provided less than 90 (ninety) days or 3 (three) months, the effective resignation date must be approved by the Board of Commissioners.
- d. If a position of a member of the Board of Commissioners becomes vacant, resulting in the number of members of the Board of Commissioners 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. If 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 Board of Commissioners appointed during a Board of Commissioners 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

In regulating the processes of election, appointment, termination, and/or replacement of members of the Board of Commissioners, Board of Directors, and Independent Parties, CIMB Niaga has Nomination Policy No. M.04. The policy governs various aspects as follows:

1. Criteria for the Board of Directors Members
Prospective members of the CIMB Niaga Board of Directors 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 the Board of Directors Members, including:

- a. Internal talents are prioritized to be the candidates of the Bank Director, but other professionals may also be considered.
 - b. The Bank may utilize the service of reputable independent third party (search firms) in the process of selecting candidates for the Board of Directors. The third party (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 Board of Commissioners, Nomination and Remuneration Committee, and candidates during the selection and evaluation process; and
 - iv. Providing necessary consultations to the Nomination and Remuneration Committee.
 - c. Members of the Board of Directors, Board of Commissioners, and/or Shareholders of the Bank may also propose prospective members for the Board of Directors to the Bank. Shareholders eligible to propose candidates for the Board of Directors 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 the Board of Directors Members, including:
The appointment of the Board of Directors members 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 the Board of Directors Members, including:
- a. Proposal for the termination and/or replacement of the Board of Directors members submitted to the GMS must consider recommendations from the Bank's Nomination and Remuneration Committee.
 - b. The Board of Directors members may be terminated at any time based on the decision of the GMS with the reasons stated.
 - c. The Board of Directors members 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 before their resignation becomes effective.

REMUNERATION POLICY

CIMB Niaga has consistently implemented the Risk-Based Remuneration Policy No. A.06.02, which also has been updated on 15 December 2023 by considering the content from the most recent regulations.

The Bank's remuneration policy is formulated by prioritizing a competitive, fair, and balanced remuneration system based on the prevailing laws and regulations, following the provisions of POJK No. 45/POJK.03/2015 on the Implementation of Remuneration Provision Governance for Commercial Banks, SEOJK No. 40/SEOJK.03/2016 on the Implementation of Remuneration Provision Governance for Commercial Banks, and POJK No. 59/POJK.03/2017 on the Implementation of Remuneration Provision Governance for Sharia Commercial Banks and Sharia Business Units. CIMB Niaga also ensures that no individual receives compensation below the standards set by the government.

In formulating remuneration policies and benchmarks, CIMB Niaga engages the services of an independent external consultant, WTW, to ensure that the Bank's remuneration remains competitive, fair, and balanced.

OBJECTIVES AND BACKGROUND

The remuneration policy implemented by the Bank encompasses the entire organizational hierarchy, including the Board of Commissioners, the Board of Directors, and all employees, whether mandatory or additional, in line with the prevailing laws and regulations. The remuneration policy serves the important purpose of attracting, motivating, and retaining the best employees to ensure a high-quality workforce. 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

The Bank's remuneration strategy involves an evaluation of policies focusing on short term & long term performance, risk, and empowerment. The Bank implements policies and procedures for the execution of benefit programs as an integral part of its remuneration strategy by considering relevant risk profiles. The main types of risks in the remuneration policy are adjusted based on an annual review of the Bank's risk profile, considering market conditions, industry developments, performance, specific position roles, and the Bank's financial capabilities. These risk profiles impact the implementation of variable remuneration.

CIMB Niaga's remuneration policy addresses the following:

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.

PERFORMANCE- AND RISK-BASED REMUNERATION DETERMINATION

Performance assessment is determined through Key Performance Indicators (KPIs) aligned with the Bank's goals and strategies, taking into account aspects of risk, compliance, and good corporate governance. CIMB Niaga conducts periodic evaluations and studies in line with business needs and developments in the banking industry. The Bank has also implemented risk-based remuneration through the identification of Material Risk Takers (MRT) and the execution of deferred payment schemes.

REVIEW AND INDEPENDENCE IN THE IMPLEMENTATION OF REMUNERATION POLICY

CIMB Niaga conducts regular reviews of the remuneration system and employee well-being. To ensure independence in remuneration distribution to all employees, the Bank oversees and reviews performance evaluations and remuneration determinations through the Nomination and Remuneration Committee.

The review considers factors such as:

1. Performance and financial state 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 periodically reviews and communicates the Wage Structure and Wage Scale (SUSU) in accordance with Minister of Manpower Regulation No. 1 of 2017

concerning Wage Structure and Scale. Additionally, the Bank has implemented a remuneration policy considering POJK No. 45/POJK.03/2015, POJK No. 59/POJK.03/2017, and SEOJK No. 40/SEOJK.03/2016 on the Implementation of Remuneration Provision Governance for Commercial Banks and Sharia Business Units.

DETERMINATION OF MATERIAL RISK TAKER

Material Risk Taker (MRT) is a position with responsibilities that significantly influence the Bank's main risk profile, determined based on annual evaluation of the Bank's risk profile.

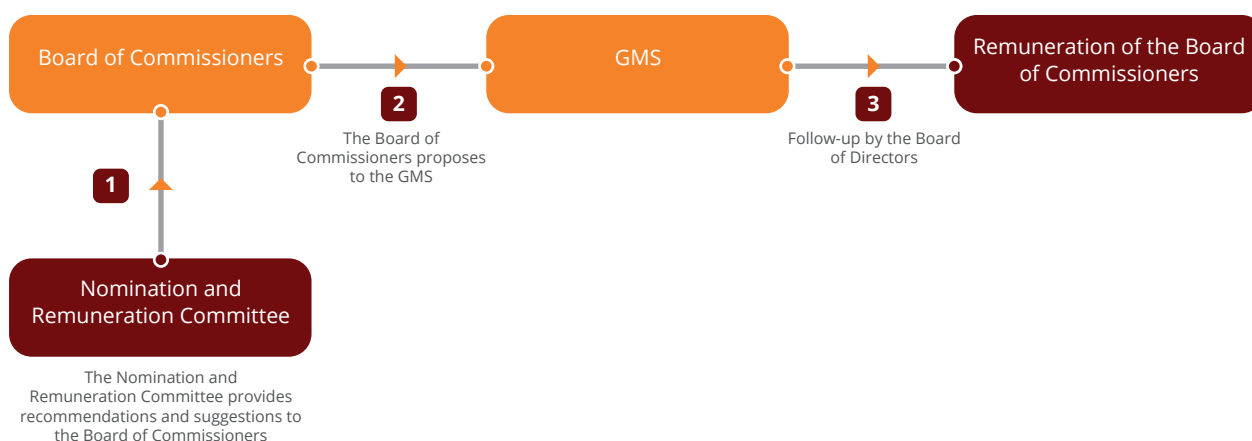
The MRT positions are evaluated annually based on criteria such as:

- a. Based on level/grade: Senior Management or Executive Officer employees.
- b. Based on the role of position: Holding a fiduciary responsibility or a critical position responsible for making strategic decisions that can affect the Bank's risk profile (credit, market, liquidity, operational, legal, reputation, strategic, compliance).

REMUNERATION OF THE BOARD OF COMMISSIONERS

Procedures for Determining Remuneration of the Board of Commissioners

Taking into account the duties, authority, performance, and responsibilities of the Board of Commissioners, CIMB Niaga formulates the structure, policies, and amounts of remuneration for each member of the Board of Commissioners. CIMB Niaga also considers the remuneration prevailing in similar industries (peer groups) and the Bank's capacity.



Remuneration Policy for the Board of Commissioners

The procedure for determining remuneration of the Board of Commissioners is as follows:

1. The Nomination and Remuneration Committee holds discussions on the remuneration of the Board of Commissioners, considering information on the range and standards of remuneration within similar industry (peer group) in the market, as well as the Bank's capacity;
2. The Nomination and Remuneration Committee provides recommendations to be further discussed during the Board of Commissioners Meeting;
3. The Board of Commissioners reviews the recommendations from the Nomination and Remuneration Committee and proposes this remuneration to the GMS; and
4. The GMS determines the remuneration for the Board of Commissioners, which is then implemented according to the directives set by the Board of Directors.

Remuneration Structure of the Board of Commissioners

Based on the Annual GMS 2023 resolution, the remuneration structure of Board of Commissioners comprises 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 Board of Commissioners, 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 remuneration structure and other facilities for the members of the Board of Commissioners of CIMB Niaga in the last two years are as follows:

1. REMUNERATION PACKAGE AND OTHER RECEIVED FACILITIES

Types of Remuneration and Other Facilities	Amount Received in 1 Year by the Independent Commissioner			
	2023		2022	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, and other non-monetary benefits)	4	11,780	3	8,975
Other benefits in in-kind form (housing, transportation, health insurance, etc.) that:	-	-	-	-
a. Can be owned	-	-	-	-
b. Cannot be owned	4	184	3	93
Total	4	11,965	3	9,068

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

Types of Remuneration and Other Facilities	Amount Received in 1 Year by the Non-Independent Commissioner			
	2023		2022	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, and other non-monetary benefits)	3	7,315	3	7,061
Other benefits in in-kind form (housing, transportation, health insurance, etc.) that:	-	-	-	-
a. Can be owned	-	-	-	-
b. Cannot be owned	1	10	3	9
Total	3	7,325	3	7,071

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

Remuneration per Person	Number of Independent Commissioners		Number of Non-Independent Commissioners	
	2023	2022	2023	2022
Above Rp5 billion	-	-	-	-
Between Rp2 billion to Rp5 billion	3	3	2	2
Above Rp1 billion to Rp2 billion	1	-	1	1
Above Rp500 million to Rp1 billion	-	-	-	-
Under Rp500 million	-	-	-	-

2. VARIABLE REMUNERATION FOR THE BOARD OF COMMISSIONERS

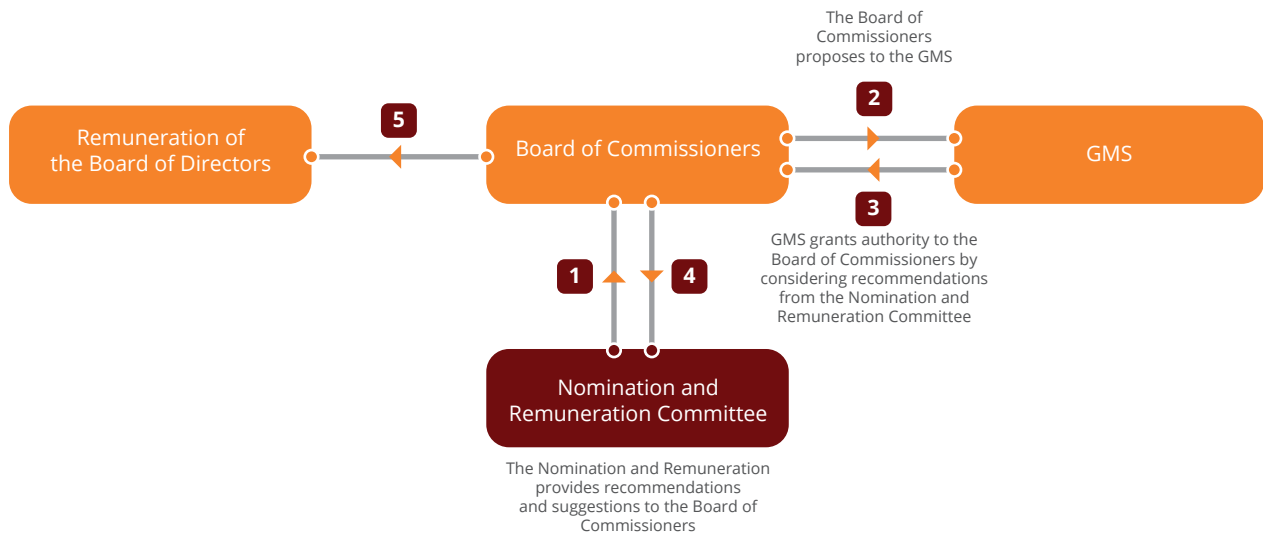
Variable Remuneration*	Amount Received in 1 Year by the Independent Commissioner				Amount Received in 1 Year by the Non-Independent Commissioner			
	2023		2022		2023		2022	
	Person	Rp (Million)	Person	Rp (Million)	Person	Rp (Million)	Person	Rp (Million)
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

REMUNERATION OF THE BOARD OF DIRECTORS

Procedures for Determining Remuneration of the Board of Directors

Taking into account the duties, authority, performance, and responsibilities of the Board of Directors, CIMB Niaga formulates the structure, policies, and amounts of remuneration for each member of the Board of Directors. CIMB Niaga also considers the remuneration prevailing in similar industries (peer groups) and the Bank's capacity.



Remuneration Policy of the Board of Directors

The procedure for determining remuneration of the Board of Directors is as follows:

1. The Nomination and Remuneration Committee holds discussions on the remuneration of the Board of Directors, considering information on the range and standards of remuneration within similar industries (peer groups) in the market, the Bank's performance, the performance and risk of each Director against their predetermined KPI achievements, as well as the Bank's capacity.
2. The Nomination and Remuneration Committee provides recommendations to be further discussed during the Board of Commissioners Meeting.
3. The Board of Commissioners reviews the recommendations from the Nomination and Remuneration Committee and proposes this remuneration to the GMS.
4. The GMS determines the remuneration for the Board of Directors by granting authority to the Board of Commissioners to determine the remuneration for the Board of Directors, considering recommendations from the Nomination and Remuneration Committee, which are then implemented according to the directives set by the Board of Directors.

Indicators for Determining Remuneration of Directors

Remuneration is determined based on evaluating the performance of each Director, considering indicators that include financial performance, risk management implementation, governance and compliance, customer satisfaction, projects, sustainability in the current financial year. This evaluation also takes into account the national economic conditions and the Bank's performance, including financial performance, the health of the Bank, and adherence to risk governance in accordance with regulatory requirements. A comprehensive breakdown of performance indicators is provided in the Assessment of the Board of Commissioners and Directors' Performance in this Annual Report and the Bank's Sustainability Report.

Remuneration Structure of the Board of Directors

Based on the Annual GMS 2023 resolution, the remuneration structure for the Board of Directors comprises honorarium, 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 Board of Directors receives variable remuneration. Information in detail on the structure of remuneration and other facilities for members of the Board of Directors of CIMB Niaga during the last two years is as follows:

1. REMUNERATION PACKAGE AND OTHER RECEIVED FACILITIES

Types of Remuneration and Other Facilities	Amount Received in 1 Year by the Board of Directors			
	2023		2022	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, and other non-monetary benefits)	10	77,389	10	73,847
Other benefits in in-kind form (housing, transportation, health insurance, etc.) that:	-	-	-	-
a. Can be owned	-	-	-	-
b. Cannot be owned	10	2,726	10	2,962
Total	10	80,115	10	76,809

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

Remuneration per Person	Amount Received in 1 Year by the Board of Directors	
	2023	2022
Above Rp5 billion	10	10
Between Rp2 billion to Rp5 billion	-	-
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	-	-
Under Rp500 million	-	-

2. VARIABLE REMUNERATION FOR THE BOARD OF DIRECTORS

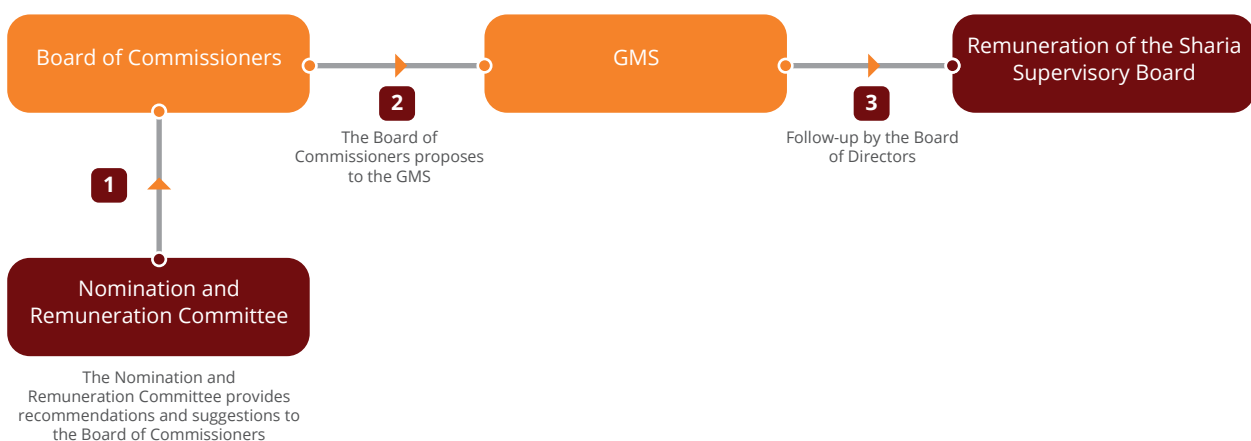
Variable Remuneration*	Amount Received in 1 Year by the Board of Directors			
	2023		2022	
	Person	Rp (Million)	Person	Rp (Million)
Total	10	77,979	10	59,479

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

REMUNERATION OF THE SHARIA SUPERVISORY BOARD

Procedures for Determining Remuneration of the Sharia Supervisory Board

CIMB Niaga formulates the structure, policies, and amounts of remuneration for each member of the Sharia Supervisory Board by taking into account their duties, authority, performance, and responsibilities. CIMB Niaga also considers the remuneration prevailing in similar industries (peer groups) and the Bank's capacity.



Remuneration Policy of the Sharia Supervisory Board

CIMB Niaga sets the procedure for determining remuneration of the Sharia Supervisory Board as follows:

1. The Nomination and Remuneration Committee holds discussions on the remuneration of the Sharia Supervisory Board, considering information on the range and standards of remuneration within similar industries (peer groups) in the market and the Bank's capacity;
2. The Nomination and Remuneration Committee provides recommendations to be further discussed during the Board of Commissioners Meeting;
3. The Board of Commissioners reviews the recommendations from the Nomination and Remuneration Committee and proposes this remuneration to the GMS;
4. The GMS determines the remuneration for the Sharia Supervisory Board, which is then implemented according to the directives set by the Board of Directors.

Remuneration Structure of the Sharia Supervisory Board

Based on the Annual GMS 2023 resolution, the remuneration structure of the Sharia Supervisory Board comprises honorarium, meeting allowance, public holiday allowance, year-end allowance, and communication facilities. No one on the Sharia Supervisory Board of CIMB Niaga receives variable remuneration (such as stocks or bonuses, whether performance-related, non-performance-related, or stock options). Information in detail on the structure of remuneration and other facilities for members of the Sharia Supervisory Board of CIMB Niaga during the last two years is as follows:

1. REMUNERATION PACKAGE AND OTHER RECEIVED FACILITIES

Types of Remuneration and Other Facilities	Amount Received in 1 Year by the Sharia Supervisory Board			
	2023		2022	
	Person	Rp (Million)	Person	Rp (Million)
Remuneration (salary, routine allowances, and other non-monetary benefits)	3	2,420	3	1,868
Other benefits in in-kind form (housing, transportation, health insurance, etc.) that:	-	-	-	-
a. Can be owned	-	-	-	-
b. Cannot be owned	3	1	3	12
Total	3	2,421	3	1,880

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

Remuneration per Person	Total Members of the Sharia Supervisory Board	
	2023	2022
Above Rp5 billion	-	-
Between Rp2 billion to Rp5 billion	-	-
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	3	3
Under Rp500 million	-	-

2. VARIABLE REMUNERATION FOR THE SHARIA SUPERVISORY BOARD

Variable Remuneration*	Amount Received in 1 Year by the Sharia Supervisory Board			
	2023		2022	
	Person	Rp (Million)	Person	Rp (Million)
Total	Nil	Nil	Nil	Nil

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

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

In 2023, there are no stock options of CIMB Niaga held by members of the Board of Commissioners, Board of Directors, and Executive Officers.

HIGHEST AND LOWEST SALARY RATIO

Ratio	2023	2022
Highest and lowest salary ratio of the employees	104.28 : 1	100.5 : 1
Highest and lowest salary ratio of the Board of Directors	2.26 : 1	2.33 : 1
Highest and lowest salary ratio of the Board of Commissioners	1.25 : 1	1.25 : 1
Highest salary ratio of the Board of Directors and highest employee	2.39 : 1	2.55 : 1

VARIABLE REMUNERATION FOR EMPLOYEES

Variable Remuneration	Amount Received in 1 Year by the Employees			
	2023		2022	
	Person	Rp (Million)	Person	Rp (Million)
Total	7,808	553,307	7,910	419,748

FIXED AND VARIABLE REMUNERATIONS FOR MATERIAL RISK TAKERS (MRT)

A. Fixed Remuneration	2023	2022
1. Cash (Rp Million)	98,134	80,136
2. Stock/stock-based instrument issued by the Bank (shares)	-	-

B. Variable Remuneration	2023		2022	
	Not Deferred	Deferred	Not Deferred	Deferred
1. Cash (Rp Million)	80,938	18,120	49,007	14,072
2. Stock/stock-based instrument issued by the Bank (shares)	-	10,254	-	8,717

QUANTITATIVE INFORMATION FOR PARTIES CATEGORIZED AS MRT

Type of Variable Remuneration	2023				2022			
	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)	19,418	1,315	-	1,315	16,451	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)	7,747,193 shares (Rp18,355)	177,170 shares (Rp920)	-	Rp 920	6,513,512 shares (Rp14,268)	907,541 shares (Rp2,184)	-	Rp2,184
Total (Rp Million)	37,773	2,235	-	2,235	30,719	3,499	-	3,499

Note: Explicit adjustment was due to malus and cessation 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	
	2023	2022
Above Rp1 billion	-	-
Between Rp500 million to Rp1 billion	1	3
Under Rp500 million	25	45