

Risk Management Certification Refreshment

In 2016, the Board of Commissioners who followed the Banking risk management refreshment level 5 were:

1. Adhyaksa Dault, in IBI LSPP Jakarta
2. Ahmad Fuad, in BARa Jakarta
3. Jeffry J. Wurangian, in Bara Jakarta

DISMISSAL OF MEMBERS OF THE BOARD OF COMMISSIONERS

Member of the Board of Commissioners shall be dismissed if:

- a) He/she dies;
- b) His/her work tenure expires;
- c) Dismissed by the GMS, due to a reason deemed to be relevant by the General Meeting of Shareholders for the sake of the Company's interests and objectives.
- d) Declared bankrupt by the Commercial Court with permanent legal force or placed under guardianship based on a court decision;
- e) According to the Articles of Association of BRI and other legislations, he/she no longer meets the requirements as a member of the Board of Commissioners, among others having prohibited dual position, as well as resignation. A member of the Board of Commissioners is entitled to resign by giving written notification of his/her intention to BRI and BRI is obliged to call on a General Meeting of Shareholders to decide on the resignation of the board member within the period of 60 (sixty) days after the receipt of resignation letter.

BOARD CHARTER AND CODE OF CONDUCT OF THE BOARD OF COMMISSIONERS

The Board Charter or the Board of Commissioners Work Handbook contains among others:

- The tasks, authorities, duties, responsibilities, division of work, work time, work ethics, procedures for meetings and decision-making, and the prohibitions for members of the Board of Commissioners.
- The duties and responsibilities of the Board of Commissioners organs, namely the Audit Committee, Risk Management Monitoring Committee, Nomination and Remuneration Committee, Integrated Governance Committee and the BoC Secretariat.

ASSESSMENT ON THE PERFORMANCE OF THE COMMITTEES ASSISTING THE BOARD OF COMMISSIONERS

In 2016, the Committees under the Board of Commissioners, namely the Audit Committee, Risk Management Monitoring Committee, Nomination and Remuneration Committee, and Integrated Governance Committee applied its respective roles and responsibilities well and provided significant support to the implementation of the tasks and oversight responsibilities of the Board of Commissioners.

Audit Committee

The role of the Audit Committee is reflected in ensuring the adequacy of internal control, including the adequacy of the financial reporting process. The Audit Committee evaluates the effectiveness and appropriateness of the audit by the Public Accounting Firm and examines the financial statements and other financial information in order to ensure compliance to the accounting standards and regulations.

Risk Management Monitoring Committee

BRI's ability to manage risk is inseparable from the success of the Risk Management Monitoring Committee which works together with the Directorate of Compliance in carrying out its duties and responsibilities to review and monitor the implementation of risk management at BRI. The Bank's "Low to Moderate" level of risk profile, good quality credit portfolio and the decreasing percentage of non-performing loans in 2016 are the tangible results of the synergy of good risk management.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee provided great contribution, particularly in terms of evaluating the policies related to worker and employment remuneration, the remuneration of Directors and Commissioners, as well as the overall management of human resources. In addition, the Nomination and Remuneration Committee also provides constructive advice and feedback on the system and procedure to select and/or replace members of the Board of Directors, Board of Commissioners, independent party, as well as members of Board of Commissioners Committees.

Integrated Governance Committee

In accordance with the provisions of the Financial Services Authority, in early 2015 the Board of Commissioners established the Integrated Governance Committee which comprises representatives of members of the Board of Commissioners of BRI, members of the Board of Commissioners of Bank BRI Agro, as well as members of the Board of Commissioners and the Bank Supervisory Board of Bank BRI Syariah. In 2016, the Integrated Governance Committee has provided input to the Board of Commissioners on the implementation of Integrated Risk Management Policy.