

Income/remuneration policy for the Audit Committee of PT Bank Tabungan Negara (Persero) Tbk. was determined by the Board of Commissioners.

#### **Audit Committee Competency Improvement Program**

The Audit Committee competency improvement program was presented in the Company Profile Chapter in this Annual Report.

#### **Brief Report on The Implementation of The Audit Committee's Activities for 2020**

The Audit Committee implemented the entire Audit Committee Work Plan prepared at the beginning of the year and even surpassed it due to the Board of Commissioners being very active in carrying out supervisory duties which had to be followed by the Audit Committee. The Audit Committee activity report can be seen in the Audit Committee Report for Quarter I to III 2020 which had been submitted to the Board of Commissioners. Briefly, the duties of the Audit Committee related to monitoring and evaluating the implementation of the internal control system, assessing the implementation of activities and results of audits carried out by the Internal Audit Unit and external auditors, reviewing financial information to be issued by Company, and reviewing compliance with regulations relating to the Company activities had been implemented entirely.

During 2020, the Audit Committee carried out its duties and responsibilities and reported them to the Board of Commissioners, including:

1. Reviewing and providing recommendations/approval of the 2020 annual audit plan prepared by the Internal Audit Division.
2. Providing input related to the procurement of Independent Consultants who conduct a review of the internal audit function, including evaluating the results of the review and ensuring that the recommendations of the independent consultants were followed up
3. Initiating and determining the criteria for selecting consultants for a review of the functions of the Internal Audit Division in 2020.
4. Monitoring and reviewing all Audit Report Reports which were copied to the Audit Committee and compiling several letters from the Board of Commissioners to the Board of Directors as advice regarding crucial audit results.
5. Attending several exit meetings on the results of general audits conducted by the IAD (Internal Audit Division).
6. Routinely monitoring follow-up to IAD audit results and external audits.
7. Conducting regular meetings and discussions with IAD to evaluate the planning and implementation of internal audits
8. Evaluating the implementation of the Public Accounting Firm's audit services on the 2019 Financial Statements and PKBL to ensure that the audit services were carried out properly according to standards.
9. Recommending and approving KAP for the 2020 financial year to the Board of Commissioners for approval at the GMS.
10. Conducting several meetings with KAP to evaluate the progress and results of KAP's interim audit on the 2020 Financial Statements.
11. Providing input/suggestions in the KAP procurement process for the fiscal year 2021 audit, including input related to the expected KAP qualifications and following the procurement process until the winning KAP was selected as well as evaluating the implementation of KAP duties to be submitted to regulators.
12. Through meetings and letters, the Board of Commissioners expected to strengthen the role of the IAD to be more independent, strong, straightforward and assertive in conducting audits and in providing recommendations on findings including findings related to fraud.
13. Reviewing, evaluating and providing input to the Board of Commissioners regarding the monthly performance review material (Company Performance Report) submitted by the Board of Directors.
14. Reviewing the draft Financial Report and Published Financial Report.
15. Reviewing the Audit Committee Charter.
16. Providing advice on the draft RBB 2021-2023, RKAP 2021 and RAKB 2021.
17. Providing recommendations to the Board of Commissioners regarding the appointment, dismissal and performance assessment of the head of SKAI.
18. Reviewing financial information to be issued by Company to the public and /or authorities, including financial reports, projections and other reports related to Company financial information.
19. Monitoring and reviewing the implementation of duties of the Internal Audit Division and External Auditor, including monitoring and reviewing audit results and follow-up on resolving findings of the Internal Auditor and External Auditor. Reviewing the results of internal and external audits to evaluate the effectiveness of the Company's internal controls.
20. Attending the Board of Commissioners Meeting and also providing explanations and/or input on matters of concern to the Board of Commissioners.
21. Checking and evaluating the Quarterly and Annual Financial Reports as well as the Annual Reports that will be published.
22. Preparing quarterly and annual reports on the activities of the Audit Committee to the Board of Commissioners.
23. Preparing the Board of Commissioners 'Supervisory Report on the Realization of the RBB (In Semester basis) to be submitted to the FSA and preparing the Board of Commissioners' Responses on Company Performance (Quarterly) to be submitted to the Minister of BUMN.