

requirements specified in PER-03/MBU/02/2015 and the Regulation of the Financial Services Authority No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company and has passed the Fit and Proper Test conducted by the Financial Services Authority.

In 2017, Bank Mandiri is working with the Company Assessment Service of PT Daya Dimensi Indonesia to conduct assessment against candidates for the Board of Commissioners and Board of Directors. The names are obtain recommendation from the Appraisal Service Company will be reported by the Remuneration and Nomination Committee to the Board of Commissioners names of candidates to be submitted in the GMS.

Procedure for Appointment of The Board of Commissioners

In addition to those set forth in the charter of Remuneration and Nomination Committee, the procedure for appointment of the Board of Commissioners of Bank Mandiri also referred to the Finance Service Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company and the Regulation of the Minister of SOEs Number PER-02/MBU/02/2015 on the Requirement and Procedure for Appointment and Dismissal of Members of the Board of Commissioners and Board of Supervisors of State-Owned Enterprises. The procedure for appointment of the Board of Commissioners is as follows:

1. The source of candidates for the Board of Commissioners/Board of Commissioners of SOEs comes from:
 - a. Former Board of Directors of SOEs.
 - b. Board of Commissioners/Board of Supervisors of SOEs.
 - c. Structural Officials and Government Functional Officials.
 - d. Other sources.
2. The prospective candidate to be nominated as a candidate for the Board of Commissioners is a person who has been declared to comply with the Formal Requirements, Material Requirements, and Other Requirements.
3. Assessment of the fulfillment of the Material Requirements is conducted through: i. assessing curriculum vitae and supporting documents; and ii. specifically assessing the integrity carried out by a written statement of the concerned candidate as specified in Appendix II of this Ministerial Regulation; and/or iii. Interview.
4. With respect to certain SOEs determined by the Minister, the candidate for the President Commissioner/Board of Commissioners members must follow the fit and proper test conducted by the Professional Institution appointed by the Minister to conduct the fit and proper test to the candidate of the Board of Directors.

5. Especially for SOE Bank, prospective candidates to be submitted in the GMS are assessed by a Team established by the Minister through involving the Chairman of the Board of Commissioners Committee performing the Nomination function. If the Chairman of the Board of Commissioners Committee as referred to is absent, he/she may be replaced by a member of the Committee of Independent Commissioners performing the Nomination function.

Risk Monitoring Committee

The Committee was established by the Board of Commissioners of Bank Mandiri in order to help the Board of Commissioners to perform their duties and responsibilities in supervising and counseling the Directors to obtain sufficient confidence that the implementation of risk management of the Bank will meet the adequacy element of the procedure and risk management methodology, so that the Bank's business activities will always be under control to the limit of acceptable and profitable to the Bank.

The Basis for the Establishment of Risk Monitoring Committee

The establishment of the Committee refers to and is based on the applicable laws and regulations and the best practices applicable in banking institutions in Indonesia, among others:

1. Financial Authority Services Regulation Number 17/POJK.03/2014 dated 18 November 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerate.
2. Minister of State Owned Enterprises Regulation Number PER-09/MBU/2012 dated 6 July 2012 concerning the amendment to Minister of State Owned Enterprises Regulation Number PER-01/MBU/2011, concerning the Implementation of Good Corporate Governance to State Owned Enterprises.
3. Minister of State-Owned Enterprises Regulation Number PER-29/MBU/2012 concerning Supporting Organs of Board of Commissioners/Board of Supervisors of State Owned Enterprises.
4. Articles of Association of PT. Bank Mandiri (Persero) Tbk and the amendments.

Risk Monitoring Committee Charter

In performing its duties and responsibilities, the Risk Monitoring Committee of Bank Mandiri has Work Guidelines updated in 2015 and containing among others committee's duties and responsibilities, committee's authority, committee's meeting, committee's organization, and others.