

Board of Commissioners

Board of Commissioners are the Organ of the Company which serves to conduct supervision generally and/or specifically pursuant to the Articles of Association, to provide advice to the Board of Directors, as well as to ensure that the Company conducts the principles of GCG. Board of Commissioners are responsible to Shareholders in supervising the policy of the Board of Directors on the general operations of the Company, which refer to business plans that are approved by the Board of Commissioners and shareholders, and in ensuring compliance to all applicable laws and regulations.

Every member of the Board of Commissioners must have high integrity, knowledge, capability, and commitment to spare his/her time in performing his/her duties. This results a highly strategic role of the Board of Commissioners. Thus, the composition of Board of Commissioners of the Company must allow effective, accurate, and quick decision-making. In other words, Board of Commissioners are also demanded to act independently, meaning that there should be no conflict of interest that can disrupt its ability to perform their duties independently and critically, both in their internal relationship and in their relationship with the Board of Directors.

Reference of Regulation

Laws No. 40 of 2007 on Limited Liability Company and Regulation of Financial Services Authority No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuer or Public Company, requires all companies under Indonesian law to have a Board of Commissioner which serves to monitor managerial policy and managerial process within the company, as well as to monitor and provide suggestion/advice to the Board of Directors.

Charter of the Board of Commissioners

In details, the Guideline and work charter of the Board of Commissioners are regulated in the Charter of the Board of Commissioners that is already determined through the Decree of the Board of Commissioners Number: KEP.KOM/005/2016 dated 21 December 2016. Charter of the Board of Commissioners regulates the Work Governance of the Board of Commissioners which, among other things, contains guideline of work governance of the Board of Commissioners explaining steps of activities that are structured, systematic, easily understood, and can be consistently performed, and which can be the reference for the Board of Commissioners in performing their own duties to achieve the Company's vision and mission. With the Charter of the Board of Commissioners, it is expected to achieve high working standards, pursuant to GCG principles.

The contents of the Charter of the Board of Commissioners, among other things, are regulating the following matters.

1. General Provision
2. Duties, Responsibilities, and Authorities
 - a. Duties and Responsibilities
 - b. Obligations of the Board of Commissioners
 - c. Rights and Authorities of the Board of Commissioners
 - d. Information Transparency and Conflict of Interest
 - e. Committees
3. Board of Commissioners Meeting
 - a. Types and Quorums of the Meeting
 - b. Guest Participants of Board of Commissioners Meeting
 - c. Meeting Head
 - d. Meeting Materials
 - e. Meeting Resolutions
 - f. Meeting Minutes
 - g. Summons and Implementation of the Meeting
 - h. Secretary to the Board of Commissioners
4. Task Distribution
 - a. Task Divisions
 - b. Commissioners' Working Period
 - c. Document Execution
 - d. Official Travel
 - e. Evaluation to the Performance of the Board of Commissioners
5. Miscellaneous
 - a. Corporate Ethics and Culture
 - b. Continuous Education
 - c. Amendment
6. Closing

Several main points of working guideline for the Board of Commissioners as regulated in the Charter of the Board of Commissioners are described as follows.

Duties and Responsibilities of Board of Commissioners

Duties and responsibilities of the Board of Commissioners pursuant to the Charter of the Board of Commissioners are as follows:

1. Duties and responsibilities of the Board of Commissioners include:
 - a. To perform supervision to the management of the Company as performed by the Board of Directors, and to provide advice to the Board of Directors regarding work plan, Company development, implementation of the provisions of the Articles of Association, resolutions of GMS and/or Extraordinary GMS, and the applicable laws and regulations.
 - b. To ensure the implementation of Good Corporate Governance in every business activity of the Company, and

to perform integrated evaluation to the policy of corporate governance.

- c. Protect the Company's interest by considering the interest of Shareholders and be responsible to GMS.
 - d. To research and review Annual Report prepared by the Board of Directors, as well as to execute the Annual Report.
 - e. To provide opinion and advice to Annual Work Plan and Budget proposed by the Board of Directors and to validate it pursuant to the provisions in the Articles of Association.
 - f. To monitor the development of the Company's activities.
 - g. To provide opinion and advice to shareholders regarding matters considered crucial for managing the Company.
 - h. To immediately report to GMS when there is an indication of performance decline in the Company, also to provide advice regarding corrective action that must be performed.
 - i. To inform the Financial Services Authority no later than 7 (seven) working days as of the findings of (a) violation to the laws and regulations in the field of finance and banking; and (b) condition or estimation of condition that may harm business continuity of the Company.
 - j. To propose to GMS regarding the appointment of Public Accountant that shall perform examination to the Company's accounting.
2. In performing its duties to supervise and to provide advice, the Board of Commissioners are responsible:
- a. To provide opinion and advice to the management regarding the determination of vision, mission, culture, and values of the Company.
 - b. To conduct review and to provide opinion on business strategy applied by the Company.
 - c. To conduct review as well as to provide opinion and advice regarding the system of human resource management.
 - d. To perform assessment as well as to provide opinion and advice regarding the system of risk control.
 - e. To perform assessment as well as to provide opinion and advice regarding Business Plan and its description into Company Annual Work Plan and Budget.
 - f. To provide approval to draft of strategic business decisions or policies which comply to the laws and regulations, Articles of Association, GMS resolution, and prudential banking practices, as well as the commitment to avoid any form of conflict of interest.
 - g. To perform assessment on the reports from both internal and external auditor and to provide advice to the management regarding matters that need to be followed-up.
 - h. To perform periodical supervision and to give advice to the management regarding the implementation of good corporate governance.

- i. To perform periodical supervision on the implementation of Company Work Plan and Budget and to provide input/ approval to the amendment to Company Work Plan and Budget pursuant to the applicable provision.
 - j. To submit supervisory report of the shareholders during Annual GMS and/or Extraordinary GMS.
 - k. To perform supervision on the Company's service quality to the customers and to provide necessary advice to the management.
 - l. To perform assessment, to give opinion and advice regarding the implementation of risk management, which includes matters related to fraud control.
 - m. To formulate work program of the Board of Commissioners which includes program of the Committees to support the Board of Commissioners.
3. Each Commissioner must pay attention to the duties, responsibilities, and limits, including the ones regulated in the laws and regulations.

Duties and Responsibilities of President Commissioner

Pursuant to the Charter of the Board of Commissioners of Bank Mandiri, the duties and responsibilities of President Commissioner of Bank Mandiri, among others, are as follows:

1. Conducting written summons of Board of Commissioners Meeting that are delivered to all members of Board of Commissioners by specifying the event, date, time, and venue of the meeting.
2. Acting as Head of Meeting in Board of Commissioners Meeting.
3. Ensuring the implementation of Board of Commissioners Meeting and Meeting of Committees of Board of Commissioners, including the orderliness of Meeting Minutes.
4. Accepting reports from Committees under the Board of Commissioners.
5. Coordinating all duties of the Board of Commissioners that should be distributed as equally as possible.

Obligations of Board of Commissioners

Board of Commissioners are obliged:

1. To validate and supervise the implementation of Company Work Plan and Budget.
2. To supervise the follow-up action from the findings against deviation based on the laws and regulations, articles of association, and prudential banking practices.
3. To follow the development of the Company's activities, and in the event the Company shows signs of setback, if necessary, the Board of Commissioners may hold GMS to report to shareholders and to provide suggestion regarding corrective actions that must be performed.