

Name	Designation	Period	Institutions issuing the certificate	Level	Field/Area	Certificate Date of Issue Expiry Date	Tanggal Kadaluaarsa
Bangun Sarwito Kusmulyono	Commissioner Independen	25 June 2015 – 31 December 2017	National Professional Certification Agency / LSPP	Level 2	Banking Risk Management	13 December 2016	16 December 2020
			National Professional Certification Agency / LSPP	Refreshment	Refreshment : Managing Risk for a Healthy Credit Portfolio	16 November 2016	16 November 2018
			Risk Management Certification Institution	Refreshment	Risk Management Certification Refresher Course	14-15 May 2014	14-15 May 2016
			Risk Management Certification Institution	Refreshment	Risk management in Retail Banking	22-25 February 2010	22-25 February 2012
			Risk Management Certification Institution	Refreshment	Refreshment Program: Risk Management Certification	23 May 2008	23 May 2010
			Bank Indonesia	-	Risk Management Training for Bank Commissioner	10 August 2005	10 August 2007
Ardan Adiperdana	Commissioner	03 October 2016 – 31 December 2017	National Professional Certification Agency / LSPP	Level 1 Commissioner	Risk Management	30 July 2016	30 July 2020
Makmur Keliat	Independent Commisioner	25 September 2017 – 31 December 2017	National Professional Certification Agency / LSPP	Level 2 Commissioner	Risk Management	12 May 2017	12 May 2021
			National Professional Certification Agency / LSPP	Level 1 Commissioner	Risk Management	25 April 2017	25 April 2021
R. Widyo Pramono*	Commissioner	21 August 2017 – 31 December 2017	National Professional Certification Agency / LSPP	Level 1 Commissioner	Risk Management	20 September 2017	20 September 2021

**Remarks:**

\*Effective as of 15 January 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

## Policy and Remuneration of the Board of Commissioners

Remuneration for the Board of Commissioners refers to the Minister of State Owned Enterprises Regulations No. PER-02/MBU/06/2016 dated 20 June 2016 regarding Amendment to the Regulation of the Minister of State Owned Enterprise No. PER-04/MBU/2014 regarding Guidelines to Determine Income of Board of Directors, Board of Commissioners and Supervisory Board of State Owned Enterprise. Remuneration policy for the BOD and BOC is formulated by considering various aspects including short term and long term liquidity needs, strengthening the Bank's capital adequacy, financial stability, creating effectiveness of risk management and earnings potential in the future. Bank Mandiri focuses on prudent principles in providing both Fixed Remuneration and Variable-Dependent Remuneration.

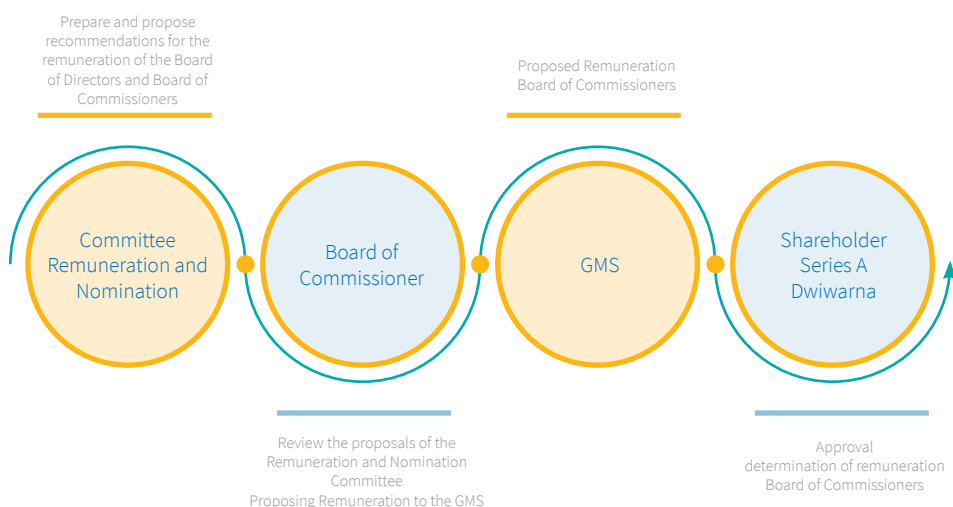
The remuneration determination of the Board of Commissioners also referred to the Financial Services Authority Regulation No.45/POJK.03/2015 on the Implementation of Good Corporate Governance in Remuneration for Commercial Banks, Bank Mandiri implemented Good Corporate Governance in Remuneration that had considered various aspects including the financial stability of banks, creation of risk management, short-term and long-term liquidity requirements, and potential future revenues. The Company might postpone the variable suspended remuneration (Malus) or withdraw the variable remuneration that had already been paid (Clawback) to the official classified as Material Risk Taker (MRT), subject to the following conditions:

1. The Company implemented Malus and/or Clawback for certain special conditions in the implementation of variable, remuneration by considering factors, among others:

- The amount of financial and non-financial losses of the Company.
  - The involvement of the employees concerned directly or indirectly in the losses incurred.
2. The variable remuneration shall be deferred to a certain percentage determined by the Company.
  3. This policy applied to officials classified as MRT, with the following criteria:
    - Causing financial and non-financial losses of the bank.
    - Performing fraud, law violation, unethical behavior, and/or falsification of records.
    - Violating bank policies, rules and procedures intentionally.
    - Causing significantly negative impacts on bank capital that are not caused by changes in the economic or industrial climate.
  4. In the implementation of MRT remuneration, Bank Mandiri adhered to the provision of OJK, SOE Regulation, and remuneration policy of the Company.

### The Procedures of Remuneration Determination

GMS decides the determination of remuneration for the Board of Directors with the basic formula mechanism set by the General Meeting of Shareholders is reviewed beforehand and then followed by the amount of remuneration which is suggested by the Board of Commissioners in collaboration with the Remuneration and Nomination Committee for conducting in-depth examination. In terms of allowances and other facilities as well as post-service allowance for the Board of Commissioners, the Nomination and Remuneration Committee will consult with the Minister of SOEs, as the holder of the Series A Dwiwarna share.



### Remuneration Structure of Members of the Board of Commissioners

The structure of the Board of Commissioners' remuneration is as follows.

Table of Remuneration Structure of the BOC

No.	Type of Income	Regulation
1.	Honorarium	Amount of Position Factor President Commissioner 50% of President Director Chief Deputy Commissioner 47.5% Commissioner 45%
2.	Company's Strategic Initiative	
	Religious Holiday Allowance	1 (one) time of honorarium
	Communication Allowance	Not eligible
	Transportation Allowance	20% of honorarium
	Annual Leave Allowance	Not eligible
	Post-Employment Benefit	Insurance Premium not exceeding 25% of honorarium
	Suit Allowance	Eligible for any special occasion that need special suit

No.	Type of Income	Regulation
3.	Employees' Strategic Plan	
	Company Vehicle Facility	Transportation allowance 20% of honorarium
	Medical Facility	Medical reimbursement pursuant to Internal Policy KEP. KOM/003/2014
	Professional Collector Facility	Maximum two memberships for registration and annual fee only
	Legal Council Facility	As needed, regulated in KEP. KOM/003/2014

### Indicators For Determination of the BOC's Remuneration

The indicators for determining remuneration of members of the Board of Commissioners are as follows:

1. Key Performance Indicator (KPI)
2. Performance of the Company
3. Business Size
4. Remuneration Benchmarking of Banking Industry
5. Goals and Long-Term Plans of the Bank

### Nominal Amount/Remuneration Component of the Board of Commissioners

The disclosure of remuneration component of the BOC and the BOD is pursuant to the Financial Service Authority Circular Letter No.40/SEOJK.03/2016 regarding the Implementation of Corporate Governance in terms of Remuneration of Commercial Bank.

Table of Nominal Amount/Remuneration Component of the BOC

Amount of Remuneration and Other Facilities	Total Amount in 1 Year	
	Persons	In Million Rupiah
<b>ReRemuneration</b>		
Salary	12	16,624
Residence Allowance	-	-
Transportation Allowance	9	2,029
Religious Holiday Allowance	7	1,267
Tentem	9	60,937
<b>Fasilitas lain dalam bentuk Natura</b>		
Residence (cannot be owned)	-	-
Transportation (cannot be possessed)	-	-
Post-employment insurance (can be owned)	7	2,374
Medical (cannot be possessed)	11	318

Remarks: Including members who no longer served as the BOC in 2017

Total remuneration in one year is grouped and presented in the following table.

Table of Group of Total Remuneration of the BOC

Total Remuneration	Total Commissioner
Above Rp2 Billion	9
Above Rp1 Billion - Rp2 Billion	1
Above Rp500 Million - Rp1 Billion	2
Under Rp500 Million	1

### Focus of Board of Commissioners's Supervision In 2017

The Board of Commissioners provided direction and support to the Directors in re-focusing on Corporate and Consumer segments as the new core business of Bank Mandiri without prejudice to other business segments.

The Board of Commissioners emphasized the supervision of several matters that needed attention as follows:

1. Credit
  - a. Credit disbursement was always conducted by prioritizing prudential principles, improving the quality of internal controls and applying adequate credit risk management, being selective in choosing the industry segment, which became the target of credit expansion, and further optimizing the function of Credit Portfolio Group in determining the most appropriate credit portfolio mix for Bank Mandiri.
  - b. Related to the reorganization process that had been conducted in Semester I/2017, especially in terms of authority to terminate the credit facilities in the Commercial Segment, it needed to continue to monitor its progress and review its effectiveness.
  - c. It needed to consider a special unit performing independent monitoring and review of credit quality and not to have KPI (Key Performance Indicators) targets related to the NPL level, so as to provide an objective assessment of credit quality.
  - d. It needs to optimize the function of Special Asset Management (SAM) Directorate especially in performing the function of restructuring and collecting non-performing loans.