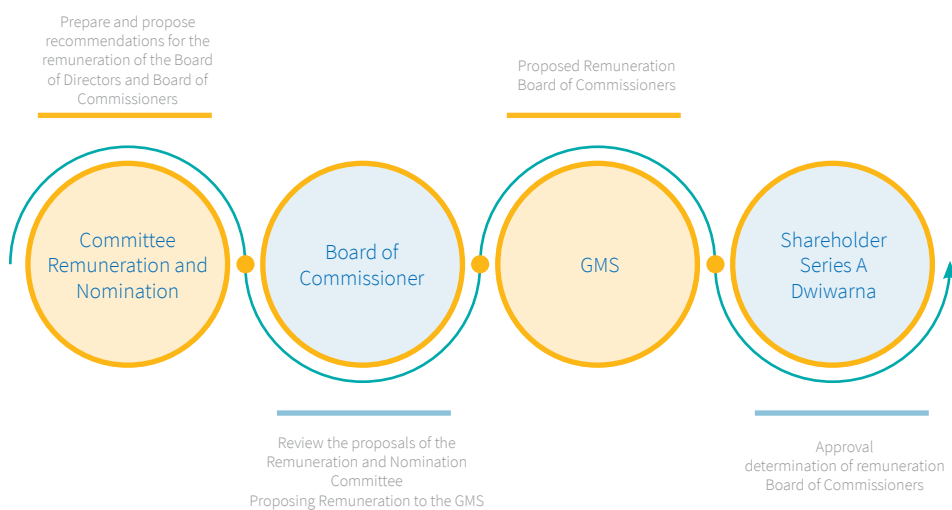


- The amount of financial and non-financial losses of the Company.
  - The involvement of the employees concerned directly or indirectly in the losses incurred.
2. The variable remuneration shall be deferred to a certain percentage determined by the Company.
  3. This policy applied to officials classified 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.