

Performance Assessment Result of The Board of Directors

The score of ASEAN CG Scorecard from Bank Mandiri on the performance assessment of the Board of Commissioners or the fifth main component for 2016 was 36.75 or with good predicate. It indicated that the Board of Commissioners and Board of Directors of Bank Mandiri had given efforts and been consistent to fulfill GCG principles in every activity of the Board of Commissioners and Board of Directors.

Performance Assessment Result of the Board of Directors

ASEAN CG Scorecard score from Bank Mandiri on performance appraisal The Board of Directors continues to increase every year.

Performance Assessment Criteria of the Board of Directors

Assessment criteria of KPKU are adopted and adapted from Malcolm Baldrige Criteria for Performance Excellence that have been firstly applied by BUMN since 2012 by means of the Letter of the Ministry of SOEs No. S-153/S.MBU/2012, dated 19 July 2012. Assessment criteria of KPKU consist of several questions representing fundamental aspects of organization/corporate management within the context of achieving excellent performance.

Performance Assessment of The Committees Under The Board of Directors

In performing its stewardship duties, the Board of Directors was also assisted by a Committee under the Board of Directors or also called the Executive Committee of 9 (nine) Committees, namely:

1. Assets And Liabilities Committee (ALCO)
2. Business Committee (BC)
3. Risk Management Committee (RMC)
4. Human Capital Policy Committee (HCPC)
5. Information Technology Committee (ITC)
6. Capital And Subsidiaries Committee (CSC)
7. Credit Committee/Credit Committee Meeting (RKK)
8. Integrated Risk Committee (IRC)
9. Policy And Procedure Committee (PPC)

The Board of Directors assessed that during 2017, committees under the Board of Directors had performed their duties and responsibilities well.

Assets And Liabilities Committee (ALCO) was the committee assigned to assist the Board of Directors in performing the function of determining the strategy of asset and liabilities, interest rate and liquidity, and other matters related to the management of the Company's assets and liabilities. During 2017, ALCO had conducted 8 (eight) meetings and had performed its duties well.

Business Committee was the committee assigned to assist the Board of Directors in determining the Company's integrated business management strategy, product arrangement and/or activity of the Company as well as determining the marketing communication strategy and effectiveness in the field of wholesale banking and retail banking. During 2017, BC had conducted 18 (eight) meetings and had performed its duties well.

Risk Management Committee (RMC) was the committee assigned to assist the Board of Directors in monitoring and managing the Company's risk profile, evaluating the Company's performance in stressful conditions, and improving the implementation of risk management due to internal and external changes. During 2017, RMC had conducted 9 (eight) meetings and had performed its duties well.

Human Capital Policy Committee (HCPC) was the committee assigned to assist the Board of Directors in determining the human capital management strategy of the Company. During 2017, HCPC had conducted 2 (eight) meetings and had performed its duties well.

Information Technology Committee (ITC) was the committee assigned to assist the Board of Directors in the decision-making process related to the Company's operational management policy in the field of Information Technology (IT). During 2017, ITC had conducted 6 (eight) meetings and had performed its duties well.

Capital and Subsidiaries Committee (CSC) was the committee assigned to assist the Board of Directors in determining subsidiaries' management strategies, recommendations for equity participation and divestments as well as remuneration and management establishment of subsidiaries. During 2017, CSC had conducted 11 (eight) meetings and had performed its duties well.

Credit Committee/Credit Committee Meeting (RKK) was the committee assigned to assist the Board of Directors in deciding whether to grant credit (new, additional, decreasing and/or renewals) managed by the Business Unit within the limits of authority, including the establishment/alteration of credit structure. During 2017, Credit Committee had conducted 484 meetings for the Corporate segment and 426 meetings for the Commercial segment Commercial as well as had performed its duties well.

Integrated Risk Committee (IRC) was the committee assigned to assist the Board of Directors in the preparation of, among others, Integrated Risk Management policy and improvement or refinement of Integrated Risk Management policy based on the results of implementation evaluation. During 2017, IRC had conducted 5 (eight) meetings and had performed its duties well.

Policy and Procedure Committee (PPC) was the committee assigned to assist the Board of Directors in discussing and recommending adjustments/improvements to policies and determining Company procedures including the human capital policy and procedure as well as discussing and deciding the granting of authority to Company officials (ex officio). During 2017, PPC had conducted 16 (eight) meetings and had performed its duties well.

Resignation and Dismissal Mechanism for the Board of Directors

Resignation and dismissal mechanism for the Board of Directors is regulated by the Articles of Association are as follows:

1. GMS may dismiss the Board of Director's members at any time by stating the explanations.
2. The dismissal of a member of Board of Directors is called for if, based on the factual circumstance, the said member:
 - a. is unable/inadequate to fulfill the obligations as agreed in the management contract;
 - b. is unable to perform duties appropriately;
 - c. violates the provisions of the Articles of Association and/or the applicable laws;
 - d. engages in actions that harm the Company and/or country;
 - e. conduct actions that violate ethics and/or propriety that should be valued as the member;
 - f. is declared guilty by the Court's decision that has permanent legal force;
 - g. resigns;
 - h. other reasons deemed appropriate by the GMS for the company's purposes;
3. The dismissal by the reasons aforementioned is conducted after the person(s) concerned in the event of dismissal is given the opportunity to state defenses, excluding the dismissal specified in the reason in the article (2) letter f and g.
4. The reasons of dismissal as referred to in the article (2) letter d and f are considered dishonorable discharge.
5. Among the Board of Director's members and between the Board of Directors' members and the Board of Commissioners' members There shall not be any blood relationship of three generation, either vertical or horizontal in the family tree, including the familial relationship arising from marriage.
6. In the event of the circumstances as referred to in the article (17), the GMS has authority to dismiss the member.
7. A member for the Board of Directors may resign from his/her position before his/her term of office expires. In the event that a member for the Board of Directors resign, the said member shall submit a written request for resignation to the Company.
8. The Company conducts the GMS to approve the resignation of a member for the Board of Directors no later than 90 (ninety) days after receiving the letter of resignation.
9. The Company is obliged to provide transparency of information to the public and submit it to the Financial Service Authority no later than 2 (two) working days after:
 - a. The approval of the resignation application from the Board of Directors
 - b. The outcome of GMS
10. Before the resignation is effective, the concerned member of the Board of Directors shall assume responsibility to complete the duties and the responsibilities in accordance with the Articles of Association and the applicable laws.
11. The resigning member will be released from any responsibility after obtaining discharge of duty by the annual GMS.
12. A member of the Board of Directors is dismissed if:
 - a. effectively resigned;
 - b. passed away;
 - c. the term of office expires;
 - d. dismissed by the decision of GMS;
 - e. Declared bankrupt by Commercial Court with a permanent legal force; or put under guardianship based on a Court decision;
 - f. no longer fulfilling the requirements as a member of the Board of Directors based on the provisions of the Articles of Association and the applicable laws.
13. For the member of the Board of Directors dismissed before or after the term of office, unless unable to resume the position due to deceased, the concerned member shall therefore be held responsible for their actions that have not been approved by the GMS;
14. The Board of Director's members may at any time be temporarily dismissed by the Board of Commissioners if they conduct a contrary action to the Articles of Association or there are indications of actions that harm the Company or neglect the obligations or there are crucial explanations for the Company, by paying attention to the following provisions:
 - a. Temporary dismissal shall be notified in written to the said member along with the rationale, then forwarded to the Board of Directors;
 - b. the notification as referred to in the letter "a" shall be submitted no later than 2 (two) working days after the temporary dismissal is effective;
 - c. the member who is subject to temporarily dismissal has no authority to conduct the Company's management for the sake of the Company in relation with the purposes and