

board of commissioners

Board of Commissioners (BOC) is the organ of the Company which serves to conduct surveillance in general and/or specified by the Articles of Association and provides advice to the Board in running the Company and implementing good corporate governance (GCG). The Board of Commissioners and is collectively and collegially assisted by four (4) committees, namely the Audit Committee, Remuneration & Nominations Committee, the Risk Monitoring Committee and Integrated Corporate Governance Committee.

Criteria, Procedures Appointment, Number and Composition of the Board of Commissioners

As a State-Owned Enterprises limited liability open, the criteria and procedures for the determination of the Board of Commissioners of Bank Mandiri is subject to the provisions of Law No. 40/2007 regarding Limited Liability Company ("Limited Liability Company Law"), Government Regulation No. 45/2005 on the Establishment, Management, Monitoring and Dissolution of State Owned Enterprises ("PP No. 45/2005"), Bank Indonesia Regulation (PBI) No. 12/23/PBI/2010 dated December 29, 2010 concerning

Fit and Proper Test ("PBI No. 12/23/2010"), Regulation of the Financial Services Authority (POJK) No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Public Company and the Regulation of the Minister of State-Owned Enterprises No. PER-02/MBU/02/2015 on the Terms and Procedure for Appointment and Dismissal of Members of Board of Commissioners and the Board of Trustees of State Owned Enterprises. All the provisions in question have been set out in the Articles of Association of the Bank.

Criteria for the Board of Commissioners

Pursuant to PBI No. 12/23/2010 concerning Fit and Proper Test, then the Bank Management Board of Commissioners as required predicate passes the fit and proper test conducted by Bank Indonesia. Bank management should meet the requirements of integrity, competency, and financial reputation.

In order to meet the requirements of integrity, a candidate member of the Board of Commissioners shall have (1) good character and morals; (2) a commitment to comply with the legislation in force; (3) a strong commitment to the development of a healthy bank operations; and (4) are not included in the Disqualified List.

Meanwhile, to meet the competency requirements Member of the Board of Commissioners shall have:

1. Adequate knowledge in the field of banking relevant to the position;
2. Experience and expertise in banking and/or finance; and
3. The ability for strategic management in order to develop a healthy bank.

In addition, it required also that the Board of Commissioners :

1. legally competent;
2. not been declared bankrupt within 5 (five) years prior to the nomination;
3. never been a member of the Board of Directors or the Board of Commissioners/Board of Trustees

who were responsible for causing a Company/Perum declared bankrupt within 5 (five) years prior to the nomination;

4. never been convicted of a criminal offense that is detrimental to the country's financial and/or related to the financial sector within 5 (five) years prior to the nomination;
5. not included in the list of having bad debts.

In addition to referring to the provisions of the Regulation of Bank Indonesia, the criteria for the appointment of the Board of Commissioners of Bank Mandiri also refers to other provisions, among others POJK No. 33/POJK.04/2014 and Regulation of the Minister of State Owned Enterprises No. PER-02/MBU/02/2015.

Procedure for BOC Appointment

To be eligible for the fit and proper test, bank applies for and obtain approval of the prospective managers to the Financial Services Authority (OJK). Candidate Manager of proposed amounted to a maximum of two (2) people for each vacancy, and the determination of candidates proposed has been done in accordance with the applicable legislation. Approval or rejection of the application by the OJK no later than 30 (thirty) days after receipt of the complete application.

The fit and proper test conducted by the OJK, covering the administrative examination and interview. In the case of candidates who requested the

approval of the OJK has been approved and appointed as the Bank Management in accordance GMS, but is concerned not approved by the OJK, the Bank through the General Meeting of Shareholders (RUPS) shall dismiss concerned. Candidate Management of Banks that have not been approved by the OJK are prohibited from doing duty as a Member of the Board in the operations of the Bank and or other activities that have a significant influence on the policies and financial condition of the Bank, although it has been approved and appointed by the RUPS.