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Main Highlights	Management Report	Company at a Glance	Management Discussion and Analysis on Company's Performance	Review of Business Support Function

Assessment of the Board of Commissioners' Performance

Once a year, the assessment of performance of the Board of Commissioners is conducted by using the method of self assessment. The success of the performance of the Board of Commissioners is measured by observing risk profile aspects, Good Corporate Governance (GCG), earnings and bank capital which are reflected the Healthy Level of Bank. The Board of Commissioners performance measurement of success is an integral part in the scheme of compensation/incentives for the Board of Commissioners which can be viewed in the realization of the Annual Work Plan Budget (CBP) as the result of the collegial work of the entire Board of Commissioners.

The Shareholders render the results of the performance evaluation of the Board of Commissioners as a whole and the performance of each of the Board of Commissioners individually as basic considerations for Shareholders to discharge and/or reappointed Board of Commissioners concerned.

Assessment Procedures for the Board of Commissioners' Performance

The performance of the Board of Commissioners is reported to the shareholders at GMS and assessed based on criteria which are relevant to the implementation of duties and responsibilities of the Board of Commissioners covering several aspects: structural and operational, briefing and supervision as well as reporting.

Indicators of Performance Evaluation of the BOC

The indicators that used in evaluating the performance of the BOC are as follows:

1. Implementation of duties and supervisory function of the Commissioner according to the Articles of Association;
2. Compliance with regulations;
3. Healthy level of Bank;
4. Level of attendance at the meeting of the Board of Commissioners as well as meetings with existing committees;
5. Involvement of the BOC in specific assignments.

Parties to Conduct Assessment

Aside from the Self Assessment method, the assessment of the performance of the Board of Commissioners can be conducted by GMS and Bank Indonesia. The assessment by Bank Indonesia is conducted with reference to the Circular of Bank Indonesia No.15/15/DPNP on Implementation of Corporate Governance for Commercial Banks whereas the assessment is based on the report of GCG self assessment to Bank Indonesia on regular basis. The indicators used for assessment are related to the implementation of duties and responsibilities of the Board of Commissioners including the TARIF principles in running the supervisory function to the management of Bank Mandiri.

While the assessment by GMS is conducted when the Board of Commissioners submits the supervisory report that has been done during the fiscal year as mentioned in the Annual Report. Furthermore, the GMS will grant full release and discharge (acquitt et decharge) to the Board of Commissioners for the relevant financial year of operations.

Mechanism of Resignation and Dismissal of the BOC

As stipulated in Article 15 of the Articles of Association of Bank Mandiri, the mechanism of resignation of the BOC is as follows:

- a. A member of the BOC may voluntary resign from his/her office prior to expiry of his/her term of office and the relevant member of the BOC shall submit the written notice regarding such intention to the Company.

The Company shall convene a GMS to resolve the application for resignation of the said member of the BOC not later than 90 (ninety) days as of the date of the said application for such resignation received.

If the GMS is convened less than 90 (ninety) days and resolves to accept such resignation of the said member of the BOC, the GMS may resolve to accept such resignation effective earlier than 90 (ninety) days after such application for resignation.

- b. The resigned member of the BOC shall be discharged from any duties after the GMS properly accepts such resignation and obtain release and discharge from the Annual GMS.

While the mechanism of dismissal of the BOC is as follows:

- a. The BOC can be dismissed by virtue of a resolution of the GMS by stating the reasons thereof, i.e.:
 3. failed to comply with the laws and regulations and/or provisions of the Articles of Association.
 4. involved in any action harming the Company and/or the State;
 5. being declared guilty under the final and enforceable court verdict; or
 6. voluntary resignation ;
 7. other reasons deemed properly by the GMS for the purposes and interests of the Company.
- b. The relevant member of the BOC is being rendered an opportunity to defend him/her self in the relevant GMS in respect of the dismissal.

Loan Policy for the Board of Commissioners

The internal regulation of Bank Mandiri discloses that the Board of Commissioners is treated equally with regular customers and there is no special interest loan for the Board of Commissioners. In 2016, none of the members of the Board of Commissioners received the loan from Bank Mandiri. If there is loan for the Board of Commissioners, therefore it will be counted based on legal lending limit of Bank Mandiri pursuant to Regulation of Bank Indonesia No. 8/13/PBI/2006 dated 5 October 2006.