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## Risk Monitoring Committee

Risk Monitoring Committee is established by the Board of Commissioners of PT bank Mandiri (Persero) under the framework of assisting the Board of Commissioners in performing its tasks and responsibilities under the framework of supervising and providing advices to Board of Directors for obtaining proper confidence in order that the implementation of the risks management of the Bank will keep complying with the procedures compliance and methodologies of risk management, thus activities of Bank will keep under control within the acceptable limit and profitable for Bank.

### Basis of Establishment of Risk Monitoring Committee

Establishment of the Committee was relied on and based on regulation of laws as well as the best applicable practices in banking institutions in Indonesia, i.e.:

- Article of Association of PT Bank Mandiri (Persero) Tbk and amendments thereof.
- Regulation of Financial Service Authority No. 17/POJK.03/2014 dated 18 November 2014 regarding Implementation of Integrated Risk Management for Financial Conglomeration.
- Financial Services Authority (OJK) No.55/POJK.03/2016 on Implementation of Governance for Commercial Banks.
- Regulation of Bank of Indonesia No. 5/8/PBI/2003 regarding Risk Management Application for Commercial Bank.
- Regulation of Minister of the State-Owned Enterprise Number PER-09/MBU/2012 dated 6 July 2012 regarding amendment to Regulation of Minister of the State Owned Enterprise Number PER-01/MBU/2011 dated, regarding Implementation of Good Corporate Governance at the State Owned Enterprise.
- Regulation of Minister of the State-Owned Enterprise Number PER-12/MBU/2012 regarding Supporting Organ of Board of Commissioners / Board of Supervisory of the State Owned Enterprise.

### Duties and Responsibilities of Risk Monitoring Committee

The Committee has tasks and responsibilities of assisting Board of Commissioners in performing monitoring and advising tasks to Board of Directors by providing opinions in form of suggestion and recommendation related but not limited to:

- Evaluation on conformity between risk management policy of Bank with the integrated risk management policy with implementation of those policies.
- Monitoring and evaluation to implementation of tasks of the integrated risk management policy and Work Unit of Integrated Risk Management.
- Review to performance of Integrated Risk Management consist of:
  - Risk profile report both individually (Bank only) and consolidated with subsidiary companies (integrated risk profile)
  - Risk based Bank's health level report both individually (Bank only) and consolidated with subsidiary companies (integrated risk profile)

- Other reports related to management of 10 (ten) types of risks, they are credit risk, market risk, operational risk, liquidity risk, legal risk, compliance risk, reputation risk, strategic risk, inter-group transaction risk and insurance risk
- Monitoring adequacy of identification, measurement, monitoring, controlling processes and risk management information system.
  - Evaluating compliance of Bank to Article of Association, regulations of Bank Supervisory Authority and Capital Market, as well as other regulations related to risk management.
  - Arranging working manual and orders of the committee (charter) and reviewing based on the needs at least once in 2 (two) years.
  - Performing other tasks and responsibilities mandated by Board of Commissioners from time to time.
    - Determining the annual working plan, specifying schedule of annual meeting.
    - Drawing up regular reports regarding activities of risk management committee and matters considered necessary for attention of Board of Commissioners.
    - Preparing Self-Assessment on effectively of activities of risk monitoring committee.
  - Members of the Committee shall have the following tasks and responsibilities:
    - Organizing regular meetings
    - Learning meeting material in advance
    - Presenting the meeting
    - Actively participating and having contribution in each activities of the committee
    - Drawing up minutes of the meeting
    - Performing site working visit

### Authorities of Risk Monitoring Committee

Committee within scope of responsibilities of Committee has the following authorities :

- Searching and obtaining various of information including required documents from ;
  - Bank's Party (including staff of the Bank)
  - Other interested parties.
- Obtaining input and or suggestion from external party of the Bank related to tasks thereof.

### Independence of Risk Monitoring Committee

All members of Risk Monitoring Committee has fulfilled the following criteria of independence:

- Having no shares of Bank Mandiri, either directly or indirectly;
- Having no affiliations with Bank Mandiri, BOC, BOD or the principal shareholders of Bank Mandiri;
- Having no business relationships, directly or indirectly, with the Bank

### Structure, Membership and Expertise of Risk Monitoring Committee

Risk Monitoring Committee is under coordination of the Board of Commissioners and structurally responsible to the Board of Commissioners.

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The membership of Risk Monitoring Committee consists of:

- An Independent Commissioner
- An Independent party with financial expertise; and
- An Independent party with risk management expertise.

As of December 31, 2016, membership composition of Risk Monitoring Committee is as follow:

Name	Designation	Legal Basis of Appointment
Abdul Aziz	Chairman (Independent Commissioner)	Decree of the Board of Directors No.KEP.DIR/375/2016
Wimboh Santoso	Member (President Commissioner)	
Goei Siau Hong	Member (Independent Commissioner)	
Bangun S. Kusmulyono	Member (Independent Commissioner)	
Ridwan D. Ayub	Member (Independent Party)	
Lista Irna	Member (Independent Party)	


### Period and Term of Office of Risk Monitoring Committee Members

The term of office of Risk Monitoring Members who serve as members of the Board of Commissioners shall not be longer than the Commissioners' term of office and shall be reappointed only for the next one period.

### Brief Profile of Risk Monitoring Committee

The profiles of Risk Monitoring members who serve as the Board of Commissioners can be viewed in Profile of the Board of Commissioners section on page 72-75.

Profile of Ms. Lista Irna can be seen in profile of Audit Committee members on page 310, while profile of Mr. Ridwan D. Ayub is presented as follow.

	<b>Ridwan D. Ayub</b> Indonesia Citizen, 54 years old Period and Term of Office: 2014-present	
	<b>Educational Background</b> <ul style="list-style-type: none"> <li>Master Degree, Specializing in Financial Management, University of Mercu Buana (2008)</li> <li>Bachelor Degree, Faculty of Social and Political Science, Catholic University of Parahyangan (1985)</li> </ul>	<b>Work Experience</b> <ul style="list-style-type: none"> <li>Member of Risk Monitoring Committee, PT Bank Mandiri (Persero) Tbk (2014 - present)</li> <li>Member of Audit Committee, PT Bank Mandiri (Persero) Tbk (2014 - 2016)</li> <li>Member of Risk Monitoring Committee, PT Bank Rakyat Indonesia (Persero) Tbk (2006 - 2014)</li> <li>Vice Head of Operational Risk Division, PT Bank Internasional Indonesia Tbk (2002 -2005)</li> </ul>

### Brief Report on Activities of Risk Monitoring Committee in 2016

Risk Monitoring Committee has function to assist the Board of Commissioners to perform duties and responsibilities in evaluating and ensuring the implementation of risk management of Bank Mandiri has met the elements of procedure adequacy and risk management methodology, therefore the activities of Bank Mandiri can be manageable on acceptable risk limit.

For that purpose, during 2016, the Risk Monitoring Committee has conducted meetings with the Board of Directors/respected Work Unit in order to evaluate the implementation and management of risk

No	Date	Subject	Work Unit
1	15 February 2016	<ul style="list-style-type: none"> <li>Discussion on Fixed Assets dormant</li> <li>Performance of the Year in 2015 and 2016 Work Plan Mandiri Pension Fund</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Real Estate Group</li> <li>Mandiri DPLK</li> </ul>

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No	Date	Subject	Work Unit
2	14 March 2016	<ul style="list-style-type: none"> <li>Credit Risk into Enterprises &amp; Debtor Group Traffic Directorate which is financed with limit &gt;Rp500 million</li> <li>Permit Principle Land Use and loan cooperation proposals Mandiri Tower as the building site Jakarta Istora MRT Station Cooling Tower</li> </ul>	<ul style="list-style-type: none"> <li>Directorate of Corporate Banking</li> <li>Directorate of Commercial Banking</li> <li>Directorate of Consumer Banking</li> <li>Directorate of Risk Management &amp; Compliance</li> <li>Directorate of Wholesale Risk</li> <li>Corporate Real Estate Group</li> </ul>
3	23 March 2016	<ul style="list-style-type: none"> <li>Discussion on the addition of plafond and Giving New Facilities Commercial Line PT Asuransi Sedaya Finance</li> <li>Discussion on Short-term Loan Facilities and Treasury Line Facilities for PT Astra Sedaya Finance (ASF).</li> <li>Discussion of CL and NCL provision of facilities for PT United Tractors Semen Gresik (SI Group)</li> <li>Discussion KI Facility and Amendment of Existing Credit Facility Requirements PT Marga Mandalasakti (Astra Group)</li> </ul>	Directorate of Corporate Banking
4	30 Maret 2016	<ul style="list-style-type: none"> <li>Discussion on Capital Increase PT MAGI</li> <li>Discussion of Capital Increase PT MUF</li> <li>Risk Based Bank Rating (RBRR) Semester II 2015</li> <li>Outstanding Legal Cases</li> </ul>	<ul style="list-style-type: none"> <li>Directorate of Finance &amp; Treasury</li> <li>Directorate of Risk Management &amp; Compliance</li> <li>Legal Group</li> </ul>
5	06 April 2016	<ul style="list-style-type: none"> <li>Realization of Strategic Initiatives in 2015 and Plan for 2016 Strategic Initiatives</li> <li>Update Distribution Network Transformation Project Implementation</li> </ul>	Corporate Transformation
6	13 April 2016	<ul style="list-style-type: none"> <li>Liquidity Position (USD and ISR) Q1 2016 &amp; Position Trading (Forex, MM, Bond Recap/SUN and MTM, derivatives)</li> <li>Study of Macro economic conditions in 2016 related to a decrease in interest rate and its impact into Bank Mandiri Business</li> </ul>	<ul style="list-style-type: none"> <li>Treasury Group</li> <li>Chief Economist</li> </ul>
7	04 Mei 2016	<ul style="list-style-type: none"> <li>Discussion on New Lending and Extension term of Credit payment to Related Party PT Sasmita Bakti Mulia</li> <li>Vendor Usage Reduction Strategy Plan under Development Application</li> </ul>	<ul style="list-style-type: none"> <li>Directorate of Commercial Banking</li> <li>Chief Technology Officer</li> </ul>
8	11 Mei 2016	Discussion Provision of Funds to Related Parties in the form of the New Credit facility to PT Surya Sudeco	Directorate of Commercial Banking
9	18 Mei 2016	Discussion on the Credit Facility PT Astra International Tbk, PT Federal International Finance and PT Surya Artha Nusantara	Directorate of Corporate Banking
10	08 June 2016	Discussion Extension Period and Additions Fas. KMK to PT Indonesian post	Directorate of Corporate Banking
11	15 June 2016	Proposed Revision RBB 2016-2018 and CBP 2016	<ul style="list-style-type: none"> <li>Directorate of Corporate Banking</li> <li>Directorate of Commercial Banking</li> </ul>
12	22 June 2016	<ul style="list-style-type: none"> <li>Proposed Increase Award Retirement Benefits and Other Benefits Provision to DPBM 1 to 4 Participants 2016</li> <li>Granting Credit Facility to Kimia Farma Group</li> <li>Providing New Credit Facility and Extension term of Credit payment to PT Bank Mandiri Tunas Finance</li> </ul>	<ul style="list-style-type: none"> <li>Directorate of Human Capital</li> <li>Directorate of Commercial Banking</li> </ul>
13	29 Juni 2016	<ul style="list-style-type: none"> <li>Proposed Extension of Facility Credit Line BMEL is mandated</li> <li>Proposed Changes to these Terms &amp; Conditions / Covenant Credit Related Party to PT MUF</li> </ul>	<ul style="list-style-type: none"> <li>Directorate of Finance &amp; Strategy</li> <li>Directorate of Commercial Banking</li> </ul>
14	20 July 2016	Proposed Capital Increase PT BSM - Proposed acquisition Most of the land owned by PT Bank Mandiri to land MRT	<ul style="list-style-type: none"> <li>Directorate of Commercial Banking</li> <li>Directorate of Operasional</li> </ul>
15	03 August 2016	<ul style="list-style-type: none"> <li>Business Management and Performance Foreign Office</li> <li>Progress Repair Credit Process Segment Commercial</li> </ul>	<ul style="list-style-type: none"> <li>Directorate of Finance Treasury</li> <li>Directorate of Commercial Banking</li> </ul>
16	24 August 2016	<ul style="list-style-type: none"> <li>Policy Architectures BM - Discussion of Extension of Credit Facilities Astra Group</li> <li>Discussion Extension Commercial Line facility to PT Asuransi Jasindo</li> </ul>	<ul style="list-style-type: none"> <li>Directorate of Risk Management &amp; Compliance</li> <li>Directorate of Corporate Banking</li> </ul>

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17	07 Sept 2016	<ul style="list-style-type: none"> <li>Implementation of Risk Appetite Statement Update 2016</li> <li>Implementation of New Credit Rating System Process Segments Wholesale</li> <li>Bases Banking Risk Rating (RBRR) semester I 2016</li> </ul>	Directorate of Corporate Banking
18	14 Sept 2016	<ul style="list-style-type: none"> <li>Proposed Renewal Intraday term of payment PT Mandiri Sekuritas</li> <li>Proposed Extension of Fas. Credit Line BSM</li> </ul>	Directorate of Corporate Banking
19	21 Sept 2016	Update Mandiri University Group	Mandiri University
20	28 Sept 2016	Handling Credit Intrakomtabel and ekstrakomtabel to Special Asset Management	<ul style="list-style-type: none"> <li>- Special Asset management Group</li> <li>- Directorate of Commercial Banking</li> <li>- Directorate of Retail Banking</li> <li>- Directorate of Risk Management &amp; Compliance</li> </ul>
21	05 Oct 2016	Role and Function of Customer Care and Strategic Handling of Complaints Customer	Customer Care Group
22	12 Oct 2016	Proposal on Capital Increase Plan of PT Bank Mandiri TASPEN Pos (Bank Mantap)	Directorate of Retail Banking
23	19 Oct 2016	<ul style="list-style-type: none"> <li>Proposed Facility Extension PT Federal International Finance and Administration the new facility to the Astra Group</li> <li>Proposed Revised KPBM</li> </ul>	<ul style="list-style-type: none"> <li>- Directorate of Risk Management &amp; Compliance</li> <li>- Directorate of Corporate Banking</li> </ul>
24	26 Oct 2016	<ul style="list-style-type: none"> <li>Proposal for Provision of Funds to Related Party on Consumer Credit Facilities and the Credit Card</li> <li>Proposed Additions to the associated Facility Limit PT Ananta Auto Mainstay</li> <li>Proposed Facility KI, Extension of Period of Practice Facilities As well as changes Terms to Kimia Farma Group</li> <li>Update Asset Abandoned</li> </ul>	<ul style="list-style-type: none"> <li>- Directorate of Corporate Banking</li> <li>- Directorate of Operation</li> <li>- Directorate of Commercial Banking</li> <li>- Directorate of Micro</li> </ul>
25	2 Nov 2016	Proposed Approval of Extension and Improvement of Credit Line Facility PT Bank Mandiri TASPEN Pos	Directorate of Finance & Strategy
26	23 Nov 2016	<ul style="list-style-type: none"> <li>Proposed Extension of Credit Facility Agreement on Related Party PT Tunas and PT Mandiri Utama Finance</li> <li>Proposed Improvement and Extension Limit Availability period to the Astra Group</li> <li>Proposed Provision of Funds to Related Party on Consumer Credit Facilities and the Credit Card</li> </ul>	<ul style="list-style-type: none"> <li>- Directorate of Commercial Banking</li> <li>- Directorate of Retail Banking</li> <li>- Directorate of Corporate Banking</li> </ul>
27	30 Nov 2016	Proposed Facility Investment Credit to the PT Trans Earth Serbaraja (TBS) - Astra Group	Directorate of Corporate Banking
28	21 Dec 2016	Application for Extension and Additions to the Joint Financing Limit PT Mandiri Tunas Finance (MTF)	Directorate of Retail Banking

### Meeting of Risk Monitoring Committee

Meeting of Risk Monitoring Committee can be held at least of once in 1 (one) month. Meeting of Risk Monitoring Committee will be considered as valid if attended by at least 51% from the total members including one Commissioner and Independent Party. In the absence of Head of Monitoring Committee, then the Meeting will be presided over by Head of Monitoring Committee or member appointed in written. Resolution of the Meeting will be taken based on amicable negotiation. For the non-occurrence of amicable negotiation, resolution will be taken based on majority votes. Any difference of opinions in committee meeting must be clearly attached in minutes of the meeting including reasons of such difference of opinions. Meeting of Risk Monitoring Committee must be included in a minutes of the meeting signed by all presenting members and to be well documented.

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## Meeting Frequency and Level of Attendance of Risk Monitoring Committee

Throughout 2016, the Risk Monitoring Committee held 28 meetings with the following level of attendance:

Meeting Date	Meeting Agenda	Wimboh Santoso	Abdul Aziz	Imam Apriyanto Putro *)	Suwahono *)	Goei Siauw Hong **)	Bangun S. Kusmulyono **)	Budi Sulistio *)	Ridwan D. Ayub	Lista Ima **)
15 Feb	<ul style="list-style-type: none"> <li>Discussion on Fixed Assets dormant</li> <li>Performance of the Year in 2015 and 2016 Work Plan Mandiri Pension Fund</li> </ul>		√		√			√	√	
14 Mar	<ul style="list-style-type: none"> <li>Credit Risk into Enterprises &amp; Debtor Group Traffic Directorate which is financed with limit &gt;Rp500 million</li> <li>Permit Principle Land Use and loan cooperation proposals Mandiri Tower as the building site Jakarta Istora MRT Station Cooling Tower</li> </ul>		√	√	√		√	√	√	
23 Mar	<ul style="list-style-type: none"> <li>Discussion on the addition of plafond and Giving New Facilities Commercial Line PT Astra Sedaya Finance</li> <li>Discussion on Short-Term Credit Facilities and amenities TL for PT Astra Sedaya Finance</li> <li>Discussion of CL and NCL provision of facilities for PT United Tractors Semen Gresik (SI Group)</li> <li>Discussion KI Facility and Amendment of Existing Credit Facility Requirements PT Marga Mandalasakti (Astra Group)</li> </ul>		√				√	√	√	
30 Mar	<ul style="list-style-type: none"> <li>Discussion on Capital Increase PT MAGI</li> <li>Discussion of Capital Increase PT MUF</li> <li>Risk Based Bank Rating (RBBR) Semester II 2015</li> <li>Outstanding Legal Cases</li> </ul>		√	√				√	√	
6 Apr	<ul style="list-style-type: none"> <li>Realization of Strategic Initiatives in 2015 and Plan for 2016 Strategic Initiatives</li> <li>Update Distribution Network Transformation Project Implementation</li> </ul>		√					√	√	
13 Apr	<ul style="list-style-type: none"> <li>Liquidity Position (USD and ISR) Q1 2016 &amp; Position Trading (Forex, MM, Bond Recap/SUN and MTM, derivatives)</li> <li>Study of Macro economic conditions in 2016 related to a decrease in interest rate and its impact into Bank Mandiri Business</li> </ul>		√	√				√	√	
4 Mei	<ul style="list-style-type: none"> <li>Discussion on New Lending and Extension term of Credit payment to Related Party PT Sasmita Bakti Mulia</li> <li>Vendor Usage Reduction Strategy Plan under Development Application</li> </ul>		√	√				√	√	
11 Mei	Discussion Provision of Funds to Related Parties in the form of the New Credit facility to PT. Surya Sudeco		√	√				√	√	
18 Mei	Discussion on the Credit Facility PT Astra International Tbk, PT Federal International Finance and PT Surya Artha Nusantara		√					√	√	
8 Jun	Discussion Extension Period and Additions Facilities KMK to PT Indonesian post		√					√	√	
15 Jun	Proposed Revision RBB 2016-2018 and CBP 2016		√	√				√	√	
22 Jun	<ul style="list-style-type: none"> <li>Proposed Increase Award Retirement Benefits and Other Benefits Provision to DPBM 1 to 4 Participants 2016</li> <li>Granting Facilities Credit to Kimia Farma Group</li> <li>Providing Facilities New Credit and Extension term of Credit payment to PT Bank Mandiri Tunas Finance</li> </ul>		√	√				√	√	
29 Jun	<ul style="list-style-type: none"> <li>Proposed Extension of Facilities Credit Line BMEL is mandated</li> <li>Proposed Changes to these Terms &amp; Conditions/Covenant Credit Related Party to PT MUF</li> </ul>		√	√				√	√	
20 Jul	Proposed Capital Increase PT BSM - Proposed acquisition Most of the land owned by PT Bank Mandiri to land MRT		√	√				√	√	
3 Aug	<ul style="list-style-type: none"> <li>Business Management and Performance Foreign Office</li> <li>Progress Repair Credit Process Segment Commercial</li> </ul>		√	√				√	√	
24 Aug	<ul style="list-style-type: none"> <li>Policy Architectures BM - Discussion of Extension of Credit Facilities Astra Group</li> <li>Discussion Extension Commercial Line facility to PT Asuransi Jasindo</li> </ul>		√	√				√	√	
7 Sep	<ul style="list-style-type: none"> <li>Implementation of Risk Appetite Statement Update 2016</li> <li>Implementation of New Credit Rating System Process Segments Wholesale</li> <li>Bases Banking Risk Rating (RBBR) semester I 2016</li> </ul>		√	√				√	√	

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14 Sep	• Proposed Renewal Intraday term of payment PT Mandiri Sekuritas • Proposed Extension of Facilities Credit Line BSM		✓	✓				✓	✓	✓
21 Sep	Update Mandiri University Group		✓	✓				✓	✓	✓
28 Sep	Handling Credit Intrakomtabel and ekstrakomtabel to Special Asset Management		✓	✓				✓	✓	✓
5 Oct	Role and Function of Customer Care and Strategic Handling of Complaints Customer		✓	✓				✓	✓	✓
12 Oct	Proposal on Capital Increase Plan of PT Bank Mandiri TASPEN Pos (Bank Mantap)		✓	✓		✓	✓	✓	✓	
19 Oct	• Proposed Facility Extension PT Federal International Finance and Administration the new facility to the Astra Group • Proposed Revised KPBM	✓	✓			✓	✓		✓	✓
26 Oct	• Proposal for Provision of Funds to Related Party on Consumer Credit Facilities and the Credit Card • Proposed Additions to the associated Facility Limit PT Ananta Auto Mainstay • Proposed Facility KI, Extension of Period of Practice Facilities as well as changes Terms to Kimia Farma Group • Update Asset Abandoned					✓	✓		✓	✓
2 Nov	Proposed Approval of Extension and Improvement of Credit Line Facility PT Bank Mandiri TASPEN Pos	✓	✓			✓	✓		✓	✓
23 Nov	• Proposed Extension of Credit Facility Agreement on Related Party PT Tunas and PT Mandiri Utama Finance • Proposed Improvement and Extension Limit Availability period to the Astra Group • Proposed Provision of Funds to Related Party on Consumer Credit Facilities and the Credit Card	✓	✓			✓	✓		✓	✓
30 Nov	Proposed Facility Investment Credit to the PT Trans Earth Serbaraja (TBS) - Astra Group	✓	✓				✓		✓	✓
21 Dec	Application for Extension and Additions to the Joint Financing Limit PT Mandiri Tunas Finance (MTF)	✓	✓			✓	✓		✓	✓
<b>Number of Meeting</b>		6	28	22	2	6	19	28	28	6
<b>Number of Attendance</b>		5	27	17	2	5	6	22	28	6
<b>Percentage of Attendance</b>		83%	96%	77%	100%	83%	100%	100%	100%	100%

Note

\*) No longer serving as member of Risk Monitoring Committee since October 19, 2016

\*\*) Serving as member of Risk Monitoring Committee since October 19, 2016

## Education and/or Training for Members of Risk Monitoring Committee

Education and training for Risk Monitoring Committee who also serves as member of the Board of Commissioners can be viewed on page 108-109, while members of Risk Monitoring Committee who are not members of the Board of Commissioners can be seen on page 110.

## Charter of Risk Monitoring Committee Statement

In performing duties and responsibilities, the Risk Monitoring Committee of Bank Mandiri has charter as working guidance which was updated in 2015 and consists of matters, among others: (a) Duties and Responsibilities of Committee, (b) Authorities of Committee, (c) Meetings of Committee and (d) Organization of Committee and miscellaneous. The Charter of Risk Monitoring Committee is available to be accessed by public through official website of Bank Mandiri.

## Remuneration of Risk Monitoring Committee

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 also stipulates remuneration for the Risk Monitoring Committee independent members with honoraria at maximum 20% (twenty percent) of the salary of the Company's President Director, with taxes paid by the Company. The Risk Monitoring Committee members are also not allowed to receive any other income in addition to the honoraria. Members of the Board of Commissioners who chairs the Risk Monitoring Committee/sitting as Committee member are not entitled to extra income from the role except for members of Committee from independent party who obtain monthly honoraria in the amount as determined by the Board of Commissioners.



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## Follow Up on Activities and Recommendation of Risk Monitoring Committee

Throughout 2016, the Risk Monitoring Committee has provided several recommendation or advices to the Board of Commissioners, among others :

1. Proposal on credit facility and provision of funds to respected party, either extension, additional, changes or new provision.
2. Proposal on organizational structure of Bank Mandiri proposed by the Board of Directors.
3. Review on the achievement of financial performance of Bank Mandiri quarterly
4. Review on strategy and implementation of Non Performing Loan management at Bank Mandiri.
5. Review on implementation of integrated risk management at Bank Mandiri.

## Appointment and Discharge of the Risk Monitoring Committee Members

The Chairman and members of the Risk Monitoring Committee are appointed and dismissed by the Board of Commissioners, of which it is reported to the GMS. The Risk Monitoring Committee members may resign or be discharged, including prior to the expiry of their terms, in the event of:

- 1) Resignation
- 2) Loss of citizenship
- 3) Passed Away
- 4) Acting contrary to the interests of Bank Mandiri
- 5) Violating or failing to fulfill the requirements for serving as a member of the Risk Monitoring Committee, as stipulated in the relevant Bank Indonesia Regulations.
- 6) Being unable to carry out his or her duties and responsibilities, as certified by the Board of Commissioners.

Members of the Risk Monitoring Committee who serve as the members of the Board of Commissioners will be automatically dismissed when his/her term of office as commissioner ends.

## Remuneration and Nomination Committee

In order to support the effectiveness of implementation of duties and responsibilities, the Board of Commissioners is assisted by Remuneration and Nomination Committee who is responsible for matters related to the determination of qualification, process of nomination and remuneration of the Board of Commissioners, Board of Directors and Executives of the Company.

### Establishment Basis of Remuneration and Nomination Committee

The establishment of Remuneration and Nomination Committee referred to:

1. Articles of Association of the Company
2. Law No.19/2003 on SOE
3. Financial Services Authority (OJK) Regulation No.55/POJK.03/2016 on Implementation of Governance for Commercial Bank.
4. Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises.
5. Financial Services Authority (OJK) Regulation No. 34/POJK.04/2014 on Remuneration and Nomination Committee of Public Company, and OJK Regulation No. 45/POJK.03/2015 on Remuneration Procedures for Commercial Banks
6. Decree of the Board of Commissioners No. KEP.KOM//004/2016 dated October 19, 2016 concerning Change of Audit Committee, Risk Monitoring Committee, Integrated Governance Committee and Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk which was affirmed by Decree of the Board of Directors No. KEP.DIR/376/2016 concerning The Establishment of Remuneration and Nomination Committee Membership.

### Duties and Responsibilities of Remuneration and Nomination Committee

Remuneration and Nomination Committee has duties and responsibilities as follow:

1. To prepare the concept and analysis relating to the function of the Committee for Remuneration and Nomination.
2. To assist the Board of Commissioners for providing recommendation concerning total members of Board of Commissioners and Board of Directors.
3. To assist the Board of Commissioners in stipulating general policy on Human Resources.
4. To recommend the approval for change of organizational structures up to one level below the Board of Directors.
5. To assist the Board of Commissioners to acquire and analyze the data of prospective candidate of Board of Directors from one level below the Board of Directors quarterly and any time if there is any change.
6. To assist the Board of Commissioners in providing recommendation concerning option to the Board of Commissioners, Board of Directors and Employee, among others share option as well as supervision in its implementation.