



# GOVERNANCE IN PROVIDING REMUNERATIONS

Bank Mandiri implements a remuneration policy grounded in prudence and good governance, ensuring compensation that is fair, competitive, and compliant with regulations. The policy promotes prudent risk-taking and supports the Bank's long-term sustainable performance.

## BANK MANDIRI REMUNERATION POLICY

The Remuneration Policy is implemented on a bank-wide basis as part of the application of good corporate governance. The policy upholds prudential principles and regulatory compliance, and is designed to ensure fair and competitive compensation aligned with the Bank's long-term objectives, while supporting prudent risk-taking.

Bank Mandiri's Remuneration Policy refers to POJK No. 45/POJK.03/2015 Article 28 paragraph (2) point b and SEOJK Letter No. 40/SEOJK.03/2016 Section IV on Remuneration Policy, under which the scope applies to the Board of Commissioners, the Board of Directors, and Employees. This policy is stipulated in a Joint Decree of the Board of Commissioners and Board of Directors dated 20 March 2018, which applies to the Board of Directors and Board of Commissioners, as well as in the Human Resources Standard Procedures applicable to Employees. The policy serves as a reference framework for determining remuneration that balances performance, risk, and business sustainability, and generally regulates:

1. The remuneration framework, which at a minimum sets out remuneration bands aligned with organisational levels and positions, including the structure of remuneration components.
2. The procedures for determining remuneration, which are applied consistently to the Board of Directors, the Board of Commissioners, and Bank employees.

Bank Mandiri's remuneration policy also refers to the following regulations:

1. SOE Minister Regulation No. PER-3/MBU/03/2023 on the Organization and Human Resources of State-Owned Enterprises.
2. SOE Minister Regulation No. PER-2/MBU/03/2023 on Guidelines for Governance and Significant Corporate Activities of State-Owned Enterprises.
3. POJK 17 of 2023 on Governance Practices for Commercial Banks.
4. SEOJK No. 14/SEOJK.03/2025 on Governance Practices for Commercial Banks.
5. OJK Regulation No.45/ POJK.03/2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks.

6. SEOJK No. 40/SEOJK.03/2016 on the Implementation of Governance in Providing Remuneration for Commercial Banks.
7. The Company's Articles of Association.

## Process for Formulating the Remuneration Policy

In accordance with POJK No. 45/POJK.03/2015 Article 28 paragraph (2) point b and SEOJK No. 40/SEOJK.03/2016 Chapter IV paragraph (2) point b. Bank Mandiri discloses the process for formulating the Remuneration Policy, which includes the following:

### a. Review of the background and objectives of the Remuneration Policy

Bank Mandiri's remuneration policy is established as a Bank-wide policy to attract, retain, and motivate competent talent across all organisational levels, including employees, executive officers, the Board of Directors, and the Board of Commissioners. The policy is formulated by considering the Bank's financial capability, workforce dynamics, and cost effectiveness, to support the sustainable achievement of Bank Mandiri's business objectives.

### b. Implementation of a review of the previous year's Remuneration Policy, including improvements

As part of the formulation process, Bank Mandiri conducts a review of the remuneration policy implemented in the previous year to ensure its continued relevance to internal and external developments. The results of this review serve as the basis for refining the remuneration policy where necessary, in line with the Bank's strategy, performance, and risk profile.

In conducting the review and formulating the remuneration policy, Bank Mandiri takes into account, among others:

1. Financial performance and reserve fulfilment in accordance with prevailing laws and regulations.
2. Remuneration practices within comparable industries based on the Company's business activities and scale.
3. The duties, responsibilities, and authorities of the Board of Directors and/or the

Board of Commissioners in relation to the achievement of the Company's objectives and performance.

4. Performance targets or outcomes of individual members of the Board of Directors and/or the Board of Commissioners to ensure alignment between results achieved and remuneration received.
5. An appropriate balance between fixed and variable remuneration components.
6. The Bank's long-term objectives and strategic direction.

**c. Mechanisms to ensure the independence of remuneration for employees in control units**

To safeguard the independence of control functions, Bank Mandiri ensures that remuneration for employees in control units, including risk management, compliance, and internal audit functions, is determined independently from the performance of the business units they oversee. Such remuneration is not linked to the results of the supervised units, thereby supporting effective control functions and sound governance practices.

**Remuneration Policy Scope, Indicators, and Implementation**

Bank Mandiri applies a Remuneration Policy as a strategic framework to provide fair and competitive rewards, taking into account the Bank's financial capacity, workforce dynamics, and cost efficiency. The policy is designed to support business objectives while maintaining a balance between performance, risk, and sustainability.

The remuneration structure aims to attract, retain, and motivate top talent, enhancing employee engagement in achieving the Bank's vision and mission. In addition to covering the Board of Commissioners and Board of Directors, the policy will also apply to employees classified as Material Risk Takers (MRT), identified through qualitative and quantitative assessments.

In determining the remuneration for employees, Executives, Directors and Commissioners, the Remuneration and Nomination Committee has several considerations, including:

1. Benchmarking results of employee remuneration, executives, members of the Board of Directors and members of the Board of Commissioners with similar industries (peer group).
2. The size and complexity of the firm's operations.
3. Remuneration consists of standardized salaries/honorariums and benefits, namely Annual Holiday Allowances (THR), official housing, official vehicles, health facilities and utilities and other benefits. Meanwhile, performance-based

remuneration is a bonus/incentive for employees and bonuses for the Board of Directors and the Board of Commissioners.

In general, Bank Mandiri's remuneration strategy is guided by the Manpower Law and Financial Services Authority Regulations. The total reward strategy for the long term is that the Bank has a strong competitive value against the market, namely:

1. Strive for the general position of the Bank at 75 (seventy-five) percentiles.
2. Especially for top talent and critical jobs, it can be positioned up to 90 (ninety) percentiles.

**Scope and Implementation of the Remuneration Policy By Business Unit, Region, and Subsidiaries or Overseas Branches**

In accordance with POJK No. 45/POJK.03/2015 Article 28 paragraph (2) point b and SEOJK No. 40/SEOJK.03/2016 Chapter IV paragraph (2) point c, the scope of Bank Mandiri's Remuneration Policy covers the regulation and implementation of remuneration across business units, regions, as well as subsidiaries or overseas branches.

In line with Bank Mandiri's Human Capital policy, remuneration implementation takes into account organisational characteristics, job structures, and workforce conditions within each business unit and operational region. To address differences in cost of living across regions, the Company provides cost-of-living adjustments in the form of a Premium Allowance. The Premium Allowance is applied selectively and subject to periodic review as necessary, taking into consideration developments in regional cost-of-living levels and the Company's financial capability.

For Subsidiaries, remuneration policies are formulated and established independently by each Subsidiary as part of their Human Capital management, while taking into account business characteristics, operational scale, organisational structure, and applicable regulatory requirements. This approach ensures alignment between remuneration policies, human capital management strategies, and sustainable performance across the Bank Mandiri Group.

**Remuneration Policy Implementation**

Pursuant to POJK No. 45/POJK.03/2015 and SEOJK No. 14/SEOJK.03/2025, Bank Mandiri has implemented a remuneration governance framework that considers financial stability, risk management, short- and long-term liquidity needs, and potential future earnings.

1. The Company may defer variable remuneration (Malus) or reclaim paid variable remuneration (Clawback) from executives classified as Material Risk Takers (MRT), based on the following conditions:

- a. The Company applies Malus and/or Clawback in specific circumstances related to variable remuneration, considering factors such as:
  - b. The extent of financial or non-financial losses incurred by the Company.
2. The employee's direct or indirect involvement in the losses incurred.
3. A portion of the variable remuneration must be deferred, with the percentage determined by the Company, subject to the following criteria:
  - a. This policy applies to officials classified as MRT, with the following criteria:
    - b. Causing financial or non-financial losses to the Bank.
    - c. Engaging in fraud, violating laws, unethical behavior, and/or falsifying records.
    - d. Deliberately violating the Bank's policies, regulations, and procedures.
    - e. Causing a significant negative impact on the Bank's capital not attributed to changes in economic or industry conditions.
4. In the implementation of MRT remuneration, Bank Mandiri adheres to OJK regulations, the Ministry of SOEs regulations, and the Company's remuneration policies.

The Board of Commissioners of Bank Mandiri established the Remuneration and Nomination Committee to support its oversight function related to remuneration and nomination policies for the Board of Directors and Board of Commissioners. The Committee is responsible for formulating a comprehensive remuneration system that serves as a guideline for the Board of Commissioners and the GMS in determining appropriate compensation. Further details on this Committee are provided in the Remuneration and Nomination Committee section of the Corporate Governance chapter of this report.

#### Determination of Material Risk Takers

The determination of Material Risk Takers (MRT) at Bank Mandiri is conducted through a structured approach aligned with the Bank's risk management framework. MRT designation considers the positions, roles, and levels of responsibility of individuals who have a significant influence on the Bank's key risk profile.

MRT determination is carried out using the following methods:

1. **Qualitative approach**, which assesses the scope of responsibilities and authorities that may have a significant impact on the Bank's risk profile, in line with the risk profile evaluation determined by the Company.
2. **Quantitative approach**, which involves comparative analysis of variable remuneration awarded to MRTs and non-MRT employees, taking

into account performance outcomes and the level of risk inherent in the relevant positions.

All members of the Board of Commissioners and Directors of Bank Mandiri are material risk takers. There are 36 (thirty-six) members of the Board of Directors and the Board of Commissioners who served during the 2025 financial year, including Directors and Commissioners whose term of office ends at the 2025 Annual GMS.

#### Remuneration Associated with Risks

In determining remuneration, Bank Mandiri applies the principle of prudence to promote prudent risk taking and ensure long-term business sustainability. The determination of variable remuneration is based on performance measurement that takes into account various types of risks, aligned with the Bank's scale and business complexity. In formulating its policy, the Bank also considers the type, impact, and changes in risk factors as key elements in developing a balanced remuneration strategy.

#### Performance Measurement Related to Remuneration

Bank Mandiri determines remuneration based on a comprehensive performance assessment covering individual, business unit, and overall Bank performance. Reviews ensure alignment between compensation and results, including verification of agreed Key Performance Indicators (KPI). If performance targets are not achieved, variable remuneration may be adjusted according to the level of achievement, ensuring fair alignment between reward, performance, and risk.

In practice, the Bank's remuneration strategy considers performance outcomes and budget capacity. As part of its total rewards program, Bank Mandiri provides benefits including base salary, annual adjustments, holiday allowance (THR), annual and extended leave every three years, and health coverage for employees and their families, encompassing inpatient and outpatient care, maternity, dental, medical check-ups, eyewear, and retiree health programs.

#### Remuneration Adjustment Related to Performance and Risk

Bank Mandiri provides variable remuneration tied to performance and risk, which includes bonuses, rewards, performance incentives, or other equivalent forms. These variable remuneration components may be provided in the form of cash, shares, or share-based instruments issued by Bank Mandiri. However, in the case of the Board of Commissioners, variable remuneration is granted exclusively in cash to prevent any potential conflicts of interest during the execution of their supervisory duties.

### External Consultant Services

To assess the competitiveness of the Bank's remuneration relative to market conditions, Bank Mandiri participates in the Annual Salary Survey conducted by an independent and reputable third-party organization. The results serve as a key reference for adjusting Bank Mandiri's remuneration strategy. The proposed adjustments are then submitted for review and approval at the Board of Directors Meeting.

## REMUNERATION DETERMINATION PROCEDURES FOR THE BOARD OF COMMISSIONERS AND DIRECTORS

The determination of remuneration for the Board of Commissioners and Directors is carried out with the following procedures:

1. The Remuneration and Nomination Committee holds a review on remuneration for the Board of Commissioners and Directors.
2. The Committee coordinates with Human Capital Director and Executives as well as related unit to develop the remuneration proposal.
3. The Committee coordinates with the Risk Management Unit in establishing policies on variable remuneration.
4. Based on the review, the Committee draws up recommendation on remuneration for submission to the Board of Commissioners and Directors.
5. The Board of Commissioners presents the proposal and recommendation reviewed by the Remuneration and Nomination Committee to the General Meeting of Shareholders to obtain approval.
6. The proposal and recommendation of the Board of Commissioners may be in the form of:
  - a. Approval on the element and amount of the remuneration; or
  - b. Approval of authority for the Board of Commissioners to determine the element and amount of the remuneration.

### Indicators for Determining Remuneration of the Board of Commissioners and the Board of Directors

Referring to the Minister of SOEs Regulation No. PER-3/MBU/03/2023 on the Organs and Human Resources of State-Owned Enterprises, the determination of remuneration for the Board of Commissioners and the Board of Directors considers the following key indicators:

- a. The Company's financial condition and capacity.
- b. The scale of the Company's business activities.
- c. The level of business complexity.
- d. Inflation levels.
- e. Other relevant factors, provided that they do not conflict with applicable laws and regulations.

## REMUNERATION AND FACILITIES FOR THE BOARD OF COMMISSIONERS AND DIRECTORS

### Remuneration Structure of Members of the Board of Commissioners and Directors

By taking into account the prevailing remuneration stipulations, the remuneration for the Board of Commissioners and Board of Directors is provided in the form of:

1. Fixed remuneration, a remuneration that is unrelated to performance and risk, such as salary/honorarium, facilities, housing allowance, health allowance, education allowance, festive allowance, and post-employment benefit Salary/ honorarium, facilities, allowances, and post-employment benefit are provided in cash.
2. Variable remuneration: Remunerations provided in connection with performance and risks, such as bonuses, rewards/ performance incentives. or any other similar forms.

Bonuses, rewards, and incentives may be provided in cash, shares, or stock-based instruments issued by the Company, and cash only for the Board of Commissioners to prevent conflict of interest in their supervisory duties.

The structure for determining the remuneration for the Board of Commissioners and the Board of Directors is as follows:



### Board of Commissioners and Directors Remuneration Structure

No.	Types of Income	Rules	
		Board of Commissioners	Board of Directors
1.	Honorarium/Gaji	<ul style="list-style-type: none"> <li>The amount of position factor <ul style="list-style-type: none"> <li>President Commissioner 45% of the President Director</li> <li>Vice President Commissioner 42.5% of the President Director</li> <li>Commissioners 90% of the President Commissioner</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The amount of position factor <ul style="list-style-type: none"> <li>Vice President Director 90% of Managing Directors</li> <li>Other Directors Members 85% of the President Commissioners</li> </ul> </li> </ul>
Allowances			
2.	Religious Holiday Allowance	1 (one) time honorarium	1 (one) time honorarium
	Housing allowance	Not given	Housing allowance was given monthly with a maximum of Rp27,500,000
	Transportation Allowance	Equal to 20% of the honorarium	Not given
	Annual Leave Allowance	Not given	Not given
	Retirement Compensation	Maximum insurance premium was 25% of honorarium/ year	Insurance premium maximum was 25% of salary/ year
Facilities			
3.	Service Vehicle Facilities	Given in the form of transportation allowance of 20% of the honorarium	Given 1 (one) service vehicle in the form of rental according to the predetermined criteria
	Health Facilities	Replacement of treatment in accordance with the internal policy No. KEP.KOM/011/2024	Replacement of treatment in accordance with the internal policy No. KEP.KOM/011/2024
	Professional Facilities Association	Maximum 2 (two) memberships relevant to the Company's activities	Maximum 2 (two) memberships relevant to the Company's activities
	Legal Assistance Facilities	Legal assistance facilities following the internal policy No. KEP.KOM/011/2024	Legal assistance facilities following the internal policy No. KEP.KOM/011/2024
4.	Bonuses. Rewards. Incentives	Can be given in the form of shares or cash.	Can be given in the form of shares or cash.

### Nominals of Every Component of the Remuneration Structure of the Board of Commissioners and the Board of Directors

Remuneration in one year is grouped into the range of income levels as follows.

#### Board of Commissioners and Directors Total Remuneration Nominal

Total Remuneration and Other Facilities	Total Received			
	Board of Commissioners		Board of Directors	
	Total Person	Total in Rp Million	Total Person	Total in Rp Million
<b>Remunerations</b>				
Salaries	7 Persons	25,178	12 Persons	93,351
Housing Allowances	-	-	12 Persons	6,308
Tantiem	7 Persons	-	12 Persons	-
<b>Other Facilities</b>				
Housing (natura)	-	-	-	-
Transportation (cash)	7 Persons	5,036	-	-
Full-service Insurance (cash)	7 Persons	1,822	12 Persons	13,011
Health (cash)	7 Persons	2,022	12 Persons	5,581
<b>Remuneration Amount per person in 1 year</b>				
Above Rp2 billion	7 Persons	-	12 Persons	-
Above Rp1 billion to Rp2 billion	-	-	-	-
Above Rp500 million to Rp1 billion	-	-	-	-
Rp500 million and below	-	-	-	-

#### The basis for the stock bonus

To fulfill POJK No. 45/POJK.03/2015 concerning Implementation of Good Corporate Governance in Providing Remuneration for Commercial Banks.

No.	Name	Position	Total Shares	Shareholding (%)
<b>BOARD OF COMMISSIONERS</b>				
1.	Zulkifli Zaini	President Commissioner/ Independent	0	0.0000000
2.	Rudy Salahuddin Ramto	Vice President Commissioner/ Independent	0	0.0000000
3.	Mia Amiati	Independent Commissioner	0	0.0000000
4.	Bintoro K. Pardewo	Commissioner	0	0.0000000
5.	Muhammad Yusuf Ateh	Commissioner	0	0.0000000
6.	Luky Alfirman	Commissioner	0	0.0000000
7.	Yuliot	Independent Commissioner	0	0.0000000
<b>BOARD OF DIRECTORS</b>				
1.	Riduan	President Director	0	0.0000000
2.	Henry Panjaitan	Vice President Director	0	0.0000000
3.	Danis Subyantoro	Risk Management Director	0	0.0000000
4.	Ari Rizaldi	Treasury and International Banking Director	0	0.0000000
5.	Mochamad Rizaldi	Corporate Banking Director	0	0.0000000
6.	Saptari	Consumer Banking Director	0	0.0000000
7.	Novita Widya Anggraini	Finance and Strategy Director	0	0.0000000
8.	Timothy Utama	Operations Director	0	0.0000000
9.	Eka Fitria	Human Capital and Compliance Director	0	0.0000000
10.	Totok Priyambodo	Commercial Banking Director	0	0.0000000
11.	Jan Winston Tambunan	Network and Retail Funding Director	0	0.0000000
12.	Sunarto	Information Technology Director	0	0.0000000
Total			0	0.0000000

## VARIABLE REMUNERATION FOR THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS, AND EMPLOYEES

In addition, the Bank provides variable compensation including location allowances, certain position allowances, performance allowances for frontliners, overtime compensation, performance achievement bonuses, sales incentives, retention programs and the Long-Term Incentive program in the form of shares. Specifically for members of the Independent Board of Commissioners get remuneration in cash in accordance with the provisions of POJK No. 45/POJK.03/2015.

To support official service, Bank Mandiri provides facilities such as official housing, reimbursement of utility costs, telephone credit, and rental official vehicles. Meanwhile, to support the needs of employees in ownership of houses, vehicles and other needs, Bank Mandiri provides Employee Welfare Credit facilities.

### Variable Remuneration to Directors, Board of Commissioners and Employees

The number of Directors, Commissioners and Employees who received variable remuneration for 1 (one) year and total nominal are as follows.

#### Variable Remuneration to Directors and Board of Commissioners

Variable Remunerations	Amount received in 1 (one) Year			
	Board of Directors		Board of Commissioners	
	Persons	Rp Million	Persons	Rp Million
Total	12	335,246	7	144,470

### Number of Recipients and Total Variable Remuneration

During 2025, no number of recipients and the total number of Variable Remunerations that were guaranteed unconditionally to be given by Bank Mandiri to candidates for the Board of Directors, candidates for the Board of Commissioners, and/or prospective employees during the first 1 (one) year of work as referred to in Article 21 OJK Regulation No. 45/POJK.03/2015.

### Total Amount of Deferred Variable Remuneration

Until the end of 2025, the amount of variable remuneration that was still deferred in the form of Bank Mandiri shares or time deposits is as follows:

1. Shares, with a total of 100,031,000 shares.
2. Cash, with a total of Rp111,570,681,508.

### Quantitative Information

Quantitative information regarding:

1. Total remaining deferred Remuneration, whether exposed to implicit or explicit adjustments.
2. Total reduction in remuneration due to explicit adjustments during the reporting period.
3. Total reduction in remuneration due to implicit adjustments during the reporting period.

As in the following table:

Types of Variable Remuneration	Remaining Deferred	Total Deductions Over the Period		
		Caused an Explicit Adjustment (A)	Caused an Explicit Adjustment (B)	Total (A) + (B)
Cash (Rp in million rupiah)	111,570,681,508	-	-	-
Shares/share-based instruments issued by the Bank. (In shares and a million-rupiah nominal value which is a conversion of the said share sheet)	100,031,000 shares	-	-	-

## SHARES OPTION PROGRAMS FOR DIRECTORS, COMMISSIONERS, AND EMPLOYEES

Bank Mandiri did not issue share option programs for Directors, Board of Commissioners, and employees throughout 2025.

## HIGHEST AND LOWEST SALARIES RATIO

Bank Mandiri adheres to all applicable regulations regarding employee remuneration. The amount of remuneration provided is adjusted to comply with current prevailing regulations and is set above the Minimum Wage level applicable in the Bank Mandiri operational areas. In implementing its remuneration governance, Bank Mandiri aims to minimize the salary gap among all employees, ensuring that the difference between the highest and lowest salaries remains reasonable.

The following is the Bank's highest and lowest salaries ratio:

Salary Ratio	2024	2025
Highest and Lowest Employee Salaries	39.26 : 1	31.94 : 1
Highest and Lowest Director Salaries	1.18 : 1	1.18 : 1
Highest and Lowest Commissioner Salaries	1.11 : 1	1.11 : 1
Highest Director Salary and Highest Employee Salary	2.15 : 1	2.54 : 1

## NUMBER OF EMPLOYEES AFFECTED BY EMPLOYMENT TERMINATION AND TOTAL SEVERANCE PAYMENTS MADE

In 2025, several employees concluded their employment due to reaching retirement age or opting for early retirement at their own request. Accordingly, the Bank fulfilled its severance payment obligations in accordance with applicable laws and regulations, as outlined below:

No.	Total Nominal of Severance Pay Made per Person in 1 (one) Year	Total Employees*
1.	> Rp1 billion	31
2.	> Rp500 million - Rp1 billion	55
3.	< Rp500 million	1,868

\*) Severance Pay + UPMK (Service Tenure Reward Payment).