

Charter of Remuneration & Nomination Committee

PT Bank Mandiri (Persero) Tbk.

1. General Purpose

The Remuneration and Nomination Committee was established by the Board of Commissioners of PT Bank Mandiri (Persero) Tbk to assist in implementation of the duties and supervisory functions of the Board of Commissioners.

2. Basic Regulations

Establishment of the Remuneration and Nomination Committee guided and based on applicable laws and regulations as well as best practices that can be applied in banking institutions in Indonesia.

3. Duties, Responsibilities and Authority

3.1. Duties and Responsibility

The Remuneration & Nomination Committee acts independently in carrying out its duties and responsibility. In implementing its duties, the Remuneration and Nomination Committee responsible to the Board of Commissioners.

3.1.1. Related to the Nomination function :

- 1) Providing evaluations and recommendations to the Board of Commissioners on the Board of Directors' proposal regarding the Bank's organization structure.
- 2) Providing recommendations to the Board of Commissioners on position structure of members of the Board of Directors and/ or Board of Commissioners and/or Supervisory Board.
- 3) Identify and assess prospective candidates for the Board of Directors and/or Board of Commissioners, from both internal and external sources, who meet the eligibility requirements for nomination and appointment, including as a measure to prevent the Company from being used to facilitate criminal activities.
- 4) Developing or evaluating and providing recommendations to the Board of Commissioners related to the policies, criteria and qualifications in nominating process in line with the Company's strategic plan.
- 5) Developing selection and/or replacement system and procedures for members of the Board of Directors and/ or Board of Commissioners to be submitted to the GMS.
- 6) Providing recommendations on the appointment, termination, and/or replacement of members of the Board of Directors and/ or Board of Commissioners to the GMS.
- 7) Assisting the Board of Commissioners to obtain and/or analyse the data of prospective members of the Board of Directors from the talent pool of executives one level below the Board of Directors.
- 8) Having a data base and talent pool for prospective members of the Board of

Directors and the Board of Commissioners.

- 9) Preparing, implementing and analysing criteria and procedures for dismissal of the Board of Commissioners and/or Directors.
- 10) Carrying out assessment on independent party for the assignment as members of the Audit Committee and Risk Monitoring Committee and providing recommendations to the Board of Commissioners.

3.1.2. Related to Performance Management function :

- 1) Developing or evaluating and providing recommendations to the Board of Commissioners on the Performance Assessment Policy for members of the Board of Directors and/or Board of Commissioners or Supervisory Board.
- 2) Preparing the proposal on individual performance assessment system for members of the Board of Directors and/or Board of Commissioners or Supervisory Board.
- 3) Evaluating the individual key performance indicators proposal of members of the Board of Directors.
- 4) Assisting the Board of Commissioners in carrying out performance assessment of members of the Board of Directors and/ or Board of Commissioners based on the set assessment benchmark.

3.1.3 Related to the Remuneration function :

Provide recommendations to the Board of Commissioners :

- 1) Assisting the Board of Commissioners in proposing a remuneration system that is suitable for members of the Board of Directors and/or the Board of Commissioners such as salary/honorarium system, provision of facilities, benefits, bonus/incentive/ tantiem, pension system, assessment or evaluation of the system and the options given.
- 2) Evaluating remuneration policies based on performance, risk, fairness with peer groups, targets and the Company's longterm strategy, fulfilment of reserves as stipulated in the legislation and the Company's future revenue potential.
- 3) Evaluating the Remuneration Policy for Employees that required the approval/ feedback from the Board of Commissioners.
- 4) Ensuring the remuneration policy complies with applicable regulations including the Regulations of the State-Owned Enterprises Minister, Financial Services Authority, and prevailing laws and regulations.
- 5) Submitting assessment results and recommendations to the Board of Commissioners regarding the Remuneration Policy for the Board of Directors and/or Board of Commissioners for submission to the GMS.
- 6) Submitting the overall Remuneration Policy for Employee to the Board of Directors.
- 7) Carrying out periodical assessment on the implementation of Remuneration Policy.

3.1.4 Related to the Development function :

- 1) Providing recommendations on Development Program for members of the Board of Directors and/or Board of Commissioners or Supervisory Board.
- 2) Carrying out periodical review on the Bank's Talent Management System as well as monitoring and evaluation.

- 3) Evaluating Talent Classification system and procedures for the Board of Directors.
 - 4) Carrying out validation and calibre-selection of talents (Selected Talent) proposed by the Board of Directors to the Board of Commissioners/Supervisory Board to create talent list (Nominated Talent) for nominating to the GMS/Minister by the Board of Commissioners/Supervisory Board.
 - 5) Evaluating the Candidate Member of the Company that will be proposed as members of the Board of Directors or Board of Commissioners for the Subsidiaries, prior to submission to the GMS/Minister
- 3.1.5 Prepare and submit the annual work plan and budget to the Board of Commissioners for approval before the start of the financial year. Thereafter, a copy of the approved annual work plan and budget shall be provided by the Board of Commissioners to the SOE Director for information purposes

3.2 Authority

- 3.2.1 Communicating with the Head of Unit and other parties in the Company to obtain information, clarification and requesting the required documents and reports.
- 3.2.2 Requesting the Company to conduct surveys according to the needs of the Remuneration and Nomination Committee.
- 3.2.3 Accessing records or information about employees, funds, assets and other company resources related to the implementation of their duties.
- 3.2.4 Obtaining input and or suggestions from outside parties of the Company relating to their duties.
- 3.2.5 Performing other authorities granted by the Board of Commissioners.

3.3 Work Relationship

In conducting out its authority, duties and responsibilities, the Remuneration and Nomination Committee :

- 3.3.1 Cooperate and coordinate with the human capital management unit and other related work units in the talent pool nomination process for directors.
- 3.3.2 Cooperate and coordinate with the Risk Management Unit in the process of determining variable remuneration policies for the Board of Directors and the Board of Commissioners.
- 3.3.3 With approval and/or through the Board of Commissioners, may request outside assistance for special and highly technical examination.
- 3.3.4 Coordinating with other committees under the Board of Commissioners.
- 3.3.5 In performing their duties and responsibilities, members of the Remuneration and Nomination Committee may conduct a working visit to the field.

4. Composition, Structure and Membership Requirements

4.1 Appointment and Dismissal of Remuneration and Nomination Committee Members

The appointment and removal of members of the Remuneration and Nomination Committee shall be determined by the Board of Commissioners based on a resolution of the Board of Commissioners' meeting and subsequently formalized through a Board of Directors' Resolution/Decree.

4.2 Composition and Structure

- 4.2.1 The Remuneration and Nomination Committee consists of at least 3 (three) people with a composition of 1 (one) Independent Commissioner as Chair and member, 1 (one) Commissioner, and 1 (one) Executive Officer who is in charge of

the Resources function. Human or 1 (one) Representative officer (ex officio) as a non-voting member.

- 4.2.2 The Executive Officer in charge of Human Resources or employee representatives who are members of the Committee must have knowledge of the Company's remuneration and/or nomination system and succession plan.
- 4.2.3 When there are more than 3 (three) members of the Remuneration and Nomination Committee, the members of the Independent Commissioners shall majority.
- 4.2.4 If necessary, the Remuneration and Nomination Committee may include members from independent parties who are not members of the Board of Commissioners.
- 4.2.5 The replacement of a Remuneration and Nomination Committee member from an independent party who is not a member of the Board of Commissioners shall be carried out no later than 60 (sixty) days from the date on which the respective committee member is no longer able to perform his/her duties.

4.3 Membership Requirements

4.3.1 General Requirements

- 1) Having integrity, character and good morals.
- 2) Does not have personal interests/relationships that can cause conflict of interest against the Company.

4.3.2 Competency Requirements

- 1) Having sufficient expertise, ability, knowledge and experience related to their duties and responsibilities, specifically related to the provisions of the Bank's remuneration and/or nomination system and succession plan.
- 2) Able to work together and have the ability to communicate well and effectively and are willing to provide sufficient time to carry out their duties.
- 3) Have adequate knowledge of the Company's Articles of Association, laws and regulations in the banking sector, Capital Market, SOEs and other relevant laws and regulations.
- 4) Has fulfilled the required certification and other qualification requirements as stipulated under the relevant regulations.
- 5) Willing to increase competencies continuously through education and training.

4.3.3 Independence Requirements

- 1) Members of the Board of Directors of the company or other banks are prohibited from being members of the Remuneration and Nomination Committee.
- 2) The Chairman of the Remuneration and Nomination Committee may only hold concurrent positions as Chair of the Committee at most in 1 (one) another Committee.
- 3) Not owning shares of the Company, either directly or indirectly.
- 4) Has no affiliation with the Company, Commissioners, Directors and major shareholders of the Company.
- 5) Has no direct or indirect business relationship with the Company.
- 6) Former members of the Board of Directors, Executive Officers of the Company, or other parties having a relationship with the Company that may



affect their ability to act independently shall not serve as Independent Parties on the Bank's committee unless they have completed a cooling-off period of at least six (6) months.

- 7) The cooling off period of at least 6 (six) months does not apply to former members of the Board of Directors who supervised the supervisory function or Executive Officers who performed the supervisory function of the Company.
- 8) Committee members who are not members of the Board of Commissioners, may not be concurrently :
 - 1) Member of the Board of Commissioners/Supervisory Board of SOE/other companies
 - 2) Secretary/staff of the secretariat of the Board of Commissioners/Supervisory Board of SOE/other companies
 - 3) Other committee member in the company; and/or Committee member at BUMN/other companies

4.3.4 Confidentiality

Committee members are required to maintain the confidentiality of all documents and/or information of the Company and all things related to the Company and the implementation of the Committee's duties. The classification of the confidentiality of the Company's documents and/or information refers to the internal provisions and applicable laws and regulations.

4.4 Period of Duty and Compensation

- 4.4.1 The tenure of members of the Remuneration and Nomination Committee as members of the Board of Commissioners, shall not be longer than the tenure of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected for the next 1 (one) period
- 4.4.2 The term of office of members of the Remuneration and Nomination Committee from Independent Non-Commissioner Parties shall be a maximum of three (3) years and may be renewed for an additional term of up to two (2) years, without limiting the authority of the Board of Commissioners to remove them at any time.
- 4.4.3 If a member of the Chairman of the Remuneration and Nomination Committee resign as a member of Board of Commissioners Bank Mandiri, the Chairman of the Remuneration and Nomination Committee is replaced by another Independent Commissioners no later than 30 (thirty) days.
- 4.4.4 If the tenure as the Board of Commissioners ends, the tenure as a member of the Remuneration and Nomination Committee will also end.
- 4.4.5 Members of the Remuneration and Nomination Committee from outside parties Non-Commissioners Independent are given monthly honorariums that are determined by the Board of Commissioners by referring to the prevailing laws and regulations.





5. Meeting

- 5.1 The Remuneration and Nomination Committee holds regular meetings at least 1 (one) time in 3 (three) months.
- 5.2 The meetings can only be held if attended by at least 51% of the total committee members including 1 (one) Independent Commissioner and 1 (one) Executive in charge of the Human Resources function or 1 (one) employee representative.
- 5.3 The decision of the Remuneration and Nomination Committee meeting shall be taken by consensus decision making.
- 5.4 In the event that there is no consensus decision making, as referred to in item 5.3 the decision is made based on the majority vote.
- 5.5 The meeting is chaired by the Chairman of the Remuneration and Nomination Committee or a member appointed in writing, if the chairman of the Remuneration and Nomination Committee is unable to attend.
- 5.6 In the event that a Committee Member for any reason is unable to attend, then attendance Committee members may be represented by other Committee members based on from the power of attorney.
- 5.7 The committee members may only represent one other committee member.
- 5.8 Each Remuneration and Nomination Committee meeting is outlined in the minutes of the meeting, including dissenting opinions, which are signed by all members of the Committee present and submitted to the Board of Commissioners.
- 5.9 The committee members from Independen Parties or other parties appointed by the Committee Chair will act as secretaries in charge of recording and making minutes of Committee Meetings.
- 5.10 Meetings can be held through direct meeting and/or electronic media or other media facilities that allow all Committee Meeting participants to see and/or hear each other directly and participate in the meeting.

6. Report and Recommendation

- 6.1 The Remuneration and Nomination Committee shall submit reports to the Board of Commissioners on each assignment entrusted to it and/or on any issues identified that require the attention of the Board of Commissioners, or at least twice (2) in one (1) year.
- 6.2 The Remuneration and Nomination Committee shall prepare an annual report on the implementation of its annual work plan and budget, which shall be submitted to the Board of Commissioners and disclosed in the Annual Report.

7. Performance Evaluation

- 7.1 The Board of Commissioners shall conduct an annual evaluation of the Committee's performance through the mechanism of the Board of Commisioners meeting.
- 7.2 The criteria for evaluating the Committee's performance are as follows:
 - 7.2.1 Implementation of the Committee's annual work plan and budget as approved by the Board of Commissioners prior to the commencement of the relevant financial year.
 - 7.2.2 Implementation of Committee meetings compared against the requirements stipulated under the applicable laws and regulations.





8. Closing

- 8.1 The Charter of the Remuneration and Nomination Committee is subject to the prevailing laws and regulations.
- 8.2 This Remuneration and Nomination Committee Charter shall become effective on the date of its adoption and shall be reviewed as necessary, but at least once every three (3) years. Should any errors or omissions be identified in the future, appropriate amendments shall be made accordingl

