

Charter Remuneration And Nominaton Committee

PT Bank Mandiri (Persero) Tbk.

1. General Objectives

The Remuneration and Nomination Committee is established by the Board of Commissioners of Bank Mandiri (the “Company”) to assist the Board of Commissioners in carrying out its supervisory duties and responsibilities.

2. Regulatory Basis

The establishment of the Remuneration and Nomination Committee shall be guided by and based upon the applicable laws and regulations, as well as best practices that are relevant and applicable to banking institutions in Indonesia.

3. Duties, Responsibilities, and Authorities

3.1 Duties and Responsibilities

The Remuneration and Nomination Committee shall act independently in the performance of its duties and responsibilities. In carrying out its duties, the Remuneration and Nomination Committee shall be accountable to the Board of Commissioners.

3.1.1 Regarding the Nomination Function

- 1) To evaluate and provide recommendations to the Board of Commissioners regarding proposals submitted by the Board of Directors concerning the Company's organizational structure.
- 2) To provide recommendations to the Board of Commissioners regarding the composition of positions within the Board of Directors and/or the Board of Commissioners and/or the Supervisory Board.
- 3) To identify the profiles of prospective members of the Board of Directors and/or prospective members of the Board of Commissioners, whether from within or outside the Company, who meet the qualifications to be nominated and appointed as members of the Board of Directors or the Board of Commissioners, including as part of efforts to prevent the Company from being used as a vehicle for criminal activities.
- 4) To formulate or evaluate and provide input to the Board of Commissioners regarding the policies, criteria, and qualifications required in the nomination process, in alignment with the Company's strategic plan.
- 5) To develop the system and procedures for the selection and/or replacement of members of the Board of Directors and/or the Board of Commissioners, for submission to the General Meeting of Shareholders (GMS).
- 6) To provide recommendations to the General Meeting of Shareholders (GMS) regarding the appointment, dismissal, and/or replacement of members of the Board of Directors and/or members of the Board of Commissioners.
- 7) To assist the Board of Commissioners in obtaining and/or analyzing information on prospective candidates for the Board of Directors from the talent pool of executives one level below the Board of Directors.

- 8) To maintain a database and talent pool of prospective candidates for membership on the Board of Directors and the Board of Commissioners.
- 9) To develop, implement, and evaluate the criteria and procedures for the dismissal of members of the Board of Commissioners and/or the Board of Directors.
- 10) To assess independent parties who are proposed to serve as members of the Board of Commissioners' Supporting Committees and to provide recommendations to the Board of Commissioners regarding such appointments.

3.1.2 Regarding the Performance Management Function

- 1) To formulate or evaluate and provide input to the Board of Commissioners regarding the Performance Evaluation Policy for members of the Board of Directors and/or members of the Board of Commissioners.
- 2) To prepare a proposed individual performance evaluation system for members of the Board of Directors and/or members of the Board of Commissioners.
- 3) To evaluate the proposed individual Key Performance Indicators (KPIs) of members of the Board of Directors.
- 4) To assist the Board of Commissioners in assessing the performance of members of the Board of Directors and/or members of the Board of Commissioners based on the established performance metrics, as a basis for evaluation.

3.1.3 Regarding the Remuneration Function

To provide recommendations to the Board of Commissioners regarding:

- 1) To assist the Board of Commissioners in proposing an appropriate remuneration system for members of the Board of Directors and/or members of the Board of Commissioners, including salary/honorarium arrangements, the provision of facilities and benefits, bonuses/incentives/tantiem, pension schemes, and the assessment or evaluation of such remuneration systems and any options provided thereunder.
- 2) To evaluate the remuneration policy, taking into consideration performance, risk, fairness in comparison with peer groups, the Company's objectives and long-term strategy, the adequacy of reserves as required under applicable laws and regulations, and the Company's future earning potential.
- 3) To evaluate the Remuneration Policy for Employees that requires the approval and/or review of the Board of Commissioners.
- 4) To ensure that the Remuneration Policy complies with applicable regulations, including regulations issued by the Ministry of State-Owned Enterprises, the Financial Services Authority (OJK), and other relevant laws and regulations.
- 5) To submit the results of its evaluation and recommendations to the Board of Commissioners regarding the Remuneration Policy for the Board of Directors and/or the Board of Commissioners, for subsequent submission to the General Meeting of Shareholders (GMS).
- 6) To submit the overall Remuneration Policy for Employees to the Board of Directors.
- 7) To periodically evaluate the implementation of the Remuneration Policy.

3.1.4 Regarding the Development Function

- 1) To prepare proposed Development Programs for members of the Board of Directors and/or members of the Board of Commissioners/Supervisory Board.
- 2) To periodically review the Company's Talent Management System and monitor and evaluate its implementation.

- 3) To evaluate the systems and procedures for Talent Classification implemented by the Board of Directors.
- 4) To validate and calibrate the talents proposed by the Board of Directors to the Board of Commissioners/Supervisory Board (Selected Talents), with a view to producing a list of talents to be nominated by the Board of Commissioners/Supervisory Board to the General Meeting of Shareholders (GMS) or the Minister of State-Owned Enterprises (Nominated Talents).
- 5) To evaluate prospective Company representatives proposed for appointment as members of the Board of Directors or the Board of Commissioners of Financial Services Institutions (FSIs) within the Financial Conglomerate, prior to their submission to the General Meeting of Shareholders (GMS) or the Minister of State-Owned Enterprises.

3.1.5 To prepare and submit its annual work plan and budget to the Board of Commissioners for approval prior to the commencement of the relevant financial year. Thereafter, a copy of the approved annual work plan and budget shall be submitted by the Board of Commissioners to the Board of Directors of the SOE for information.

3.2 Authorities

- 3.2.1** To communicate with the Management and business units within the Company as well as within members of the Financial Conglomerate to obtain information, seek clarification, and request the documents and reports necessary for the performance of its duties.
- 3.2.2** To request the Company to conduct surveys as required by the Remuneration and Nomination Committee in the discharge of its duties and responsibilities.
- 3.2.3** To access all relevant information relating to the Company and the members of the Financial Conglomerate that is necessary for the performance of its duties and functions, including records and information concerning employees, funds, assets, and other resources.
- 3.2.4** To obtain input and/or advice from external parties, where relevant to the performance of its duties and responsibilities.
- 3.2.5** To exercise any other authority as may be delegated or assigned by the Board of Commissioners.

3.3 Working Relationship

In carrying out its authorities, duties, and responsibilities, the Remuneration and Nomination Committee shall:

- 3.3.1** To collaborate and coordinate with the Human Capital function and other relevant business units in the nomination process for the Board of Directors' talent pool.
- 3.3.2** To collaborate and coordinate with the Risk Management Unit in the process of establishing Variable Remuneration policies for members of the Board of Directors and the Board of Commissioners.
- 3.3.3** With the approval of and/or through the Board of Commissioners, the Committee may engage external parties to conduct reviews or assessments of a specialized and highly technical nature.
- 3.3.4** To coordinate with other committees under the Board of Commissioners.
- 3.3.5** In carrying out their duties and responsibilities, members of the Remuneration and Nomination Committee may conduct field visits.

4. Composition, Structure, and Membership Requirements

4.1 Appointment and Dismissal of Members of the Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee shall be appointed and dismissed by the Board of Commissioners based on a Board of Commissioners Meeting resolution, and shall be formalized through a Board of Directors' Decree.

4.2 Composition and Structure

4.2.1 The Remuneration and Nomination Committee shall consist of a majority of Independent Commissioners and shall comprise at least three (3) members, with the composition as follows: one (1) Independent Commissioner serving as Chair concurrently as a member, one (1) Commissioner, and one (1) Executive Officer in charge of the Human Capital (HC) function, or one (1) employee representative (ex officio) as a non-voting member.

4.2.2 The Executive Officer overseeing the Human Capital function or the employee representative serving as a member of the Committee shall possess knowledge of the Company's remuneration and/or nomination systems, as well as its succession plan.

4.2.3 In the event that the number of members of the Remuneration and Nomination Committee exceeds three (3), the majority of the members shall be Independent Commissioners.

4.2.4 If necessary, the Remuneration and Nomination Committee may appoint members from independent parties who are not Commissioners.

4.2.5 Replacement of members of the Remuneration and Nomination Committee who are independent parties other than Commissioners shall be carried out no later than sixty (60) days from the date such Committee member is no longer able to perform his/her function.

4.3 Membership Requirements

4.3.1 General Requirements

- 1) To possess integrity, sound ethics, and good moral character.
- 2) To have no personal interests or affiliations that may give rise to negative impacts or conflicts of interest with the Company.

4.3.2 Competency Requirements

- 1) To possess adequate expertise, capability, knowledge, and experience relevant to their duties and responsibilities, particularly with respect to the Bank's remuneration and/or nomination systems and succession plan.
- 2) To be able to work collaboratively and possess good and effective communication skills, as well as be willing to dedicate sufficient time to perform their duties.
- 3) To have adequate knowledge of the Company's Articles of Association, as well as applicable laws and regulations in banking, capital markets, state-owned enterprises (SOEs), and other relevant legislation.
- 4) To have fulfilled the certification requirements and other qualifications as stipulated under the applicable relevant regulations.
- 5) To be willing to continuously enhance competencies through education and training.

4.3.3 Independence Requirements

- 1) Members of the Board of Directors of the Company or of other banks shall not be eligible to serve as members of the Remuneration and Nomination Committee.
- 2) The Chair of the Remuneration and Nomination Committee may concurrently serve as Chair of no more than one (1) other committee.
- 3) Not holding any shares in the Company, either directly or indirectly.

- 4) Not having any affiliated relationship with the Company, members of the Board of Commissioners, members of the Board of Directors, or the Company's major shareholders.
- 5) Not having any business relationship, either directly or indirectly, with the Company.
- 6) Former members of the Board of Directors or Executive Officers of the Company, or parties who have a relationship with the Company that may affect their ability to act independently, shall not be eligible to serve as Independent Parties in the Committee of the relevant Bank before completing a cooling-off period of at least six (6) months.
- 7) The minimum six (6) months cooling-off period shall not apply to former members of the Board of Directors responsible for the supervisory function or Executive Officers performing supervisory functions within the Company.
- 8) Members of the Committee who are not members of the Board of Commissioners shall not concurrently hold the following positions:
 - a) Member of the Board of Commissioners/Supervisory Board of other State-Owned Enterprises/companies;
 - b) Secretary/Staff of the Board of Commissioners/Supervisory Board Secretary in other State-Owned Enterprises/companies;
 - c) Member of other committees within the Company and/or member of committees in other State-Owned Enterprises/companies.

4.3.4 Confidentiality

Members of the Committee shall maintain the confidentiality of all Company documents and/or information, as well as any matters related to the Company and the performance of the Committee's duties. The classification of the confidentiality of such Company documents and/or information shall refer to the Company's internal policies and applicable laws and regulations.

4.4 Tenure and Compensation

- 4.4.1** The term of office of members of the Remuneration and Nomination Committee who are members of the Company's Board of Commissioners shall not exceed the term of office of the Board of Commissioners as stipulated in the Articles of Association, and they may be reappointed for one (1) subsequent term.
- 4.4.2** The term of office of members of the Remuneration and Nomination Committee who are independent parties other than Commissioners shall be a maximum of three (3) years and may be reappointed for a maximum of two (2) years, without prejudice to the right of the Board of Commissioners to dismiss them at any time.
- 4.4.3** If a member of the Board of Commissioners serving as the Chair of the Remuneration and Nomination Committee ceases to be a member of the Company's Board of Commissioners, the Chair of the Remuneration and Nomination Committee shall be replaced by another Independent Commissioner no later than thirty (30) days thereafter.
- 4.4.4** If the term of office as a member of the Board of Commissioners ends, the term of office as a member of the Remuneration and Nomination Committee shall also automatically end.
- 4.4.5** Members of the Remuneration and Nomination Committee who are independent parties other than Commissioners shall be entitled to an honorarium, the amount of

which shall be determined by the Board of Commissioners in accordance with applicable laws and regulations.

5. Meeting

- 5.1** The Remuneration and Nomination Committee shall hold meetings on a regular basis at least once every three (3) months.
- 5.2** Meetings of the Remuneration and Nomination Committee may only be held if attended by at least 51% (fifty-one percent) of the total number of members, including one (1) Independent Commissioner serving as a member of the Remuneration and Nomination Committee and one (1) Executive Officer in charge of the Human Capital function or one (1) employee representative.
- 5.3** Decisions of the Remuneration and Nomination Committee meetings shall be made through deliberation to reach consensus.
- 5.4** In the event that consensus as referred to in point 5.3 is not reached, decisions shall be made based on a majority vote.
- 5.5** Meetings shall be chaired by the Chair of the Remuneration and Nomination Committee or by another Committee member who is an Independent Commissioner, in the event that the Chair of the Remuneration and Nomination Committee is unable to attend.
- 5.6** In the event that a Committee member is unable to attend for any reason, their attendance may be represented by another Committee member based on a power of attorney.
- 5.7** A Committee member may only represent one other Committee member.
- 5.8** Minutes of each Remuneration and Nomination Committee meeting shall be recorded, including any dissenting opinions, and shall be signed by all Committee members present and submitted to the Board of Commissioners.
- 5.9** An independent Committee member or another party appointed by the Chair of the Committee shall act as secretary, responsible for recording and preparing the minutes of Committee meetings.
- 5.10** Meetings may be conducted either in person or virtually through teleconference or other media facilities that enable all meeting participants to see and/or hear each other directly and to actively participate in the Committee meeting.

6. Reports and Recommendations

- 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 matters identified as requiring the attention of the Board of Commissioners, or at least twice a 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 Company's Annual Report.

7. Reports and Recommendations

- 7.1** The Board of Commissioners shall conduct an annual evaluation of the Committee's performance through a Board of Commissioners meeting mechanism.
- 7.2** The performance assessment criteria of the Committee are as follows:
 - 7.2.1** The realization of the Committee's Annual Work Plan and Budget as approved by the Board of Commissioners prior to the commencement of the financial year.
 - 7.2.2** The actual implementation of meetings compared to the requirements stipulated under applicable laws and regulations.

8. Closing

8.1 This Remuneration and Nomination Committee Charter shall be subject to applicable laws and regulations.

8.2 This Remuneration and Nomination Committee Charter shall become effective as of the date of its approval and shall be reviewed as necessary, at least once every three (3) years. In the event that any errors are identified in the future, corrections shall be made accordingly.