





Corporate Governance

corporate governance

The practice of good corporate governance is a means of ensuring business viability, maintaining stakeholders' trust and fostering corporate integrity. As a bank with the vision of becoming the Best Bank in ASEAN by 2020 and in anticipation of the ASEAN Economic Community (AEC) free market, Bank Mandiri continues to use its best efforts to keep up with Corporate Governance best practices both at national and regional levels. To implement a higher level of Corporate Governance, Bank Mandiri always builds synergies and strong business alliances with all of its Subsidiaries through an Integrated Corporate Governance in order to create sustainable added values for Mandiri Group.



introduction

Aiming to be the Best Bank in ASEAN by 2020, Bank Mandiri sets out three aspirations as its focus in 2015-2020. One of these aspirations is “Broader socio-economic impact”, in which Bank Mandiri will keep on putting all efforts to be a leading company in non-financial achievement, such as being the ultimate choice for job seekers, being the pride of Indonesian company and being reputable in Good Corporate Governance (GCG) implementation. Bank Mandiri has made GCG implementation one of the key targets to achieve in seeking to be the Best Bank in ASEAN.

Bank Mandiri understands that by implementing the GCG it will grow into a company capable of being sustainable and achieving its goals. Therefore, the Bank has committed to putting GCG at all times as a foundation for operating its business as well as maintaining its existence in facing business challenge and competition in the future, specifically in the banking industry. This commitment is fully supported by all members of the management board and staff of Bank Mandiri.

As a highly regulated company, GCG implementation in Bank Mandiri refers to several applicable regulations, such as Law No. 40/2007 on Limited Liability Company; Law No. 19/2003 on State Owned Enterprise; Bank Indonesia Regulation (PBI) No. 8/4/PBI/2006 on GCG Implementation in Commercial Banks, as amended by PBI No. 8/14/PBI/2006; Regulation of the Financial Services Authority (OJK)

No. 8/POJK.04/2015 on the Website of Issuer or Public Company; Regulation of the Minister of State Owned Enterprise No. PER-01/MBU/2011 on GCG Implementation in State Owned Enterprise; Regulation of the OJK No. 18/POJK.03/2014 sanctioned on November 18, 2014 on the Integrated Corporate Governance. In practice, Bank Mandiri always keeps up with the latest progress and the applicable GCG best practices, such as General Guidelines for GCG by the National Committee for Governance Policy, Guidelines for GCG for Indonesian Banking, OECD Principles, ASEAN Corporate Governance Scorecard, as well as shows concerns on the best business ethics and practices.

Efforts made by Bank Mandiri in GCG implementation are proven as giving valuable contributions and real benefits to the Bank, including improved competitiveness, performance and Bank Mandiri's stakeholders trust, both domestic and global investors. With regard to these benefits and in order to maintain the stakeholders' trust and interests, Bank Mandiri continues to consistently strengthen its commitment on promoting integrity and GCG values in doing all of its business activities. All members of the board of management believe that fulfillment of GCG aspects will support the Bank's goals in achieving the highest performance and profitability as well as creating added values for all the stakeholders and ensuring the long-term viability of its business.

Good Corporate Governance Principles

Bank Mandiri continues to promote increased coverage of GCG implementation in all aspects and at all organizational levels in the Company, including by constantly improving the existing GCG structure, disseminating information on GCG structure and conducting regular GCG self-assessment to support the effectiveness of GCG implementation. GCG implementation is carried out based on the principles consisting of: Transparency, Accountability, Responsibility, Independence and Fairness (TARIF).

The implementation of GCG principles is absolutely necessary for the viability of company business. Bank Mandiri constantly keeps up with development of GCG best practices both at national, regional and international levels, which are relevant and suitable to the needs of the Company. Therefore, it is expected that Bank Mandiri will be able to operate a sound banking business according to GCG principles.

The implementation of GCG principles in Bank Mandiri is described below:

GCG principles	Description
Transparency	<ol style="list-style-type: none"> 1) The Bank discloses information in a timely, adequate, clear, accurate and comparable manner, as well as makes it accessible to the concerned parties (the stakeholders). 2) The Bank discloses information that includes but is not limited to the vision, mission, business objectives, strategy, financial and non-financial conditions, structure of the Board of Directors (BOD) and the Board of Commissioners (BOC), controlling shareholders, risk management, internal monitoring and control system, implementation of compliance function, GCG system and implementation, as well as material information and fact that may affect investors' decision. 3) The Bank' policy shall be made in writing and communicated to the stakeholders who have the right to obtaining information on the said policy. 4) The principles of transparency are subject to the banking secrecy rules, professional confidentiality and personal rights in accordance with the applicable regulations.
Accountability	<ol style="list-style-type: none"> 1) The Bank determines its business objectives and strategies with regard to accountability to the stakeholders. 2) The Bank sets up clear roles and responsibilities for each BOC and BOD member, along with all subordinate staff in accordance with the vision, mission, corporate values and the Bank's business objectives and strategies. 3) The Bank must ensure that each BOC and BOD member and all subordinate staff have the competencies suitable to their responsibilities and that they understand their roles in GCG implementation. 4) The Bank applies check & balance system in conducting its management 5) The Bank has the performance benchmark of all positions in the Bank in reference to the agreed standard, in accordance with the Corporate Culture Values, the Bank's business objectives and strategies, which are equipped with a rewards and punishment system.

GCG principles	Description
Responsibility	<ol style="list-style-type: none"> 1) The Bank adheres to the principles of prudential banking practices and guarantees compliance with the applicable regulations. 2) The Bank, as a good corporate citizen, shows concerns on the environment and duly fulfills its social responsibilities.
Independence	<ol style="list-style-type: none"> 1) The Bank avoids undue domination by any stakeholders and is not affected by unilateral interest and conflict of interest. 2) The Bank makes decision objectively and free from pressure exerted by any parties.
Fairness and Equality	<ol style="list-style-type: none"> 1) The Bank takes into account the interests of all stakeholders in accordance with the principles of equality and fairness (equal treatment). 2) The Bank gives all stakeholders equal opportunities to express opinions and makes suggestions in its greater interests, and provides access to information according to the principle of transparency.

Purposes of Corporate Governance Implementation

The main purposes of corporate governance implementation in Bank Mandiri are as follows:

1. Encouraging earnestness on the part of the management in implementing the principles of transparency, accountability, responsibility, independence, fairness and prudence in managing the Bank;
2. Improving the Bank's performance, efficiency and service to the stakeholders;
3. Attracting interest and securing trust from the investors;
4. Serving the shareholders' interests in improvement of shareholder values;
5. Protecting the Bank from political intervention and legal claim;

GCG implementation in Bank Mandiri will prevent Corruption, Collusion and Nepotism (KKN) and improving the monitoring function in conducting the Bank's management.

GCG Implementation at a Glance

Bank Mandiri continues to strengthen good corporate governance (GCG) continuous and consistent by the process from time to time. The implementation of GCG by Bank Mandiri was carried out in structured stages as follows:

Year	GCG Program
1998 Early Days of the Merger	Awareness of GCG implementation was raised by banking crisis due to comprehensive bad governance in banking industry that led to banks bailout and eventually required the Bank's Directors and Commissioners to sign a Management Contract with the World Bank, in which the banks were obliged to implement GCG.
2000 - 2001 Laying the groundwork for Governance Commitment, Structure and Mechanisms	<ul style="list-style-type: none"> • Bank Mandiri followed up on the Management Contract with the World Bank by issuing the following provisions: <ul style="list-style-type: none"> - A Joint Decree of BOC and BOD on the GCG Principles, - A Joint Decree of BOC and BOD on Bank Mandiri's Code of Conduct, which serves as a guideline for proper interaction with the customers, partners and fellow employees, - Decree of BOD on Compliance Policy which requires all Bank Mandiri employees to hold individual responsibility for running the Bank's operations in their respective fields. • Bank Mandiri has assigned independent consultant to make diagnostic review on GCG implementation. • In accordance with this GCG implementation, the Independent Rating Agency has rated 2003 GCG implementation with a score of 6.2, higher than the score for the previous year of 5.4.
2003 Bank Mandiri's Initial Public Offering (IPO)	With regard to the IPO, Bank Mandiri made improvements on GCG implementation by taking the following measures: <ul style="list-style-type: none"> • Establishment of Committees at the BOC level, namely: <ul style="list-style-type: none"> - Audit Committee - Risk Monitoring Committee - Remuneration and Nominations Committee - GCG Committee • Establishment of a Corporate Secretary • The holding of General Meeting of Shareholders (RUPS) in accordance with the applicable laws and regulations for public company • Providing disclosure of information in a timely manner, including publication of Financial Statements, information and any material incident or fact • Providing timely, adequate, clear and accurate Annual Report • Considerate of the interests of minority shareholders • Engaging in assessment of GCG implementation by Independent Agency, namely the Indonesian Institute for Corporate Governance (IICG)

Year	GCG Program
<p>2005 Cultural Transformation</p>	<ul style="list-style-type: none"> • Bank Mandiri began this transformation by applying shared values and formulating key corporate behaviors (TIPCE), which encapsulates its Corporate Culture. • Preparation of a GCG Charter as set forth in a BOC Decree, which sets the basic guidelines for implementing GCG in Bank Mandiri. • For the first time ever, GCG Rating in the Corporate Governance Perception Index (CGPI) was “Highly Trusted”.
<p>2008-2010 Further Cultural Transformation</p>	<ul style="list-style-type: none"> • Bank Mandiri continues to improve the implementation of prudent banking, GCG and internal control by developing a GCG website, Compliance Risk Management System, Anti-Money Laundering and Terrorism Funding SOP, Risk-Based Audit Tools and Audit Management Information System. • Business and other management decisions were made upon consideration of the GCG principles, in addition to the applicable regulatory provisions. • The implementation of further culture internalization programs includes, among other things, holding Culture Fair, Culture Seminar and Recognition Program that provided awards for the best work units and change agent in the implementation of such programs.
<p>2011 – 2013</p>	<ul style="list-style-type: none"> • Bank Indonesia issued PBI No. 13/1/PBI/2011 on Assessing the Soundness of Commercial Banks, which requires the Bank to make either consolidated or unconsolidated GCG assessment using Risk-Based Bank Rating (RBBR) approach. • Consistent GCG implementation by Bank Mandiri won accolades from various independent and professional agencies, both nationally and internationally. - With regard to GCG Rating given by the Indonesian Institute for Corporate Directorship (IICD) for 100 public companies having the highest market capitalization in the Indonesia Stock Exchange, Bank Mandiri was awarded with the Best Financial. - With regard to GCG Rating by the Hong Kong-based Corporate Governance Asia (CGA), Bank Mandiri has always been rated the best company in GCG implementation since 2009. • Implementing gratification control by providing Gift Disclosure Statement dated July 2, 2013 as an effort to prevent gratification in line with the suggestion of the Corruption Eradication Commission (KPK). • Actively participated in developing anti-corruption culture, including taking part in the 2013 Anti-Corruption Week held by KPK.
<p>2014</p>	<ul style="list-style-type: none"> • With regard to GCG Rating by the IICD in ASEAN CG Scorecard, Bank Mandiri won the “Best Overall” category. • With regard to GCG Rating by the CGA in Hong Kong, Bank Mandiri won the ICON title in Corporate Governance. • Implementation of Good Corporate Citizen (GCC) complies with the Bank’s Corporate Plan 2015-2020 which includes socio-economic impact, in which one of the components is the role model corporate citizen. Bank Mandiri had completed a diagnostic review on its implementation of GCG. • Revising the provisions on prevention of gratification as set forth in the Operating Technical Guideline (OTG) for Gift Disclosure Statement in accordance with the KPK’s suggestion.

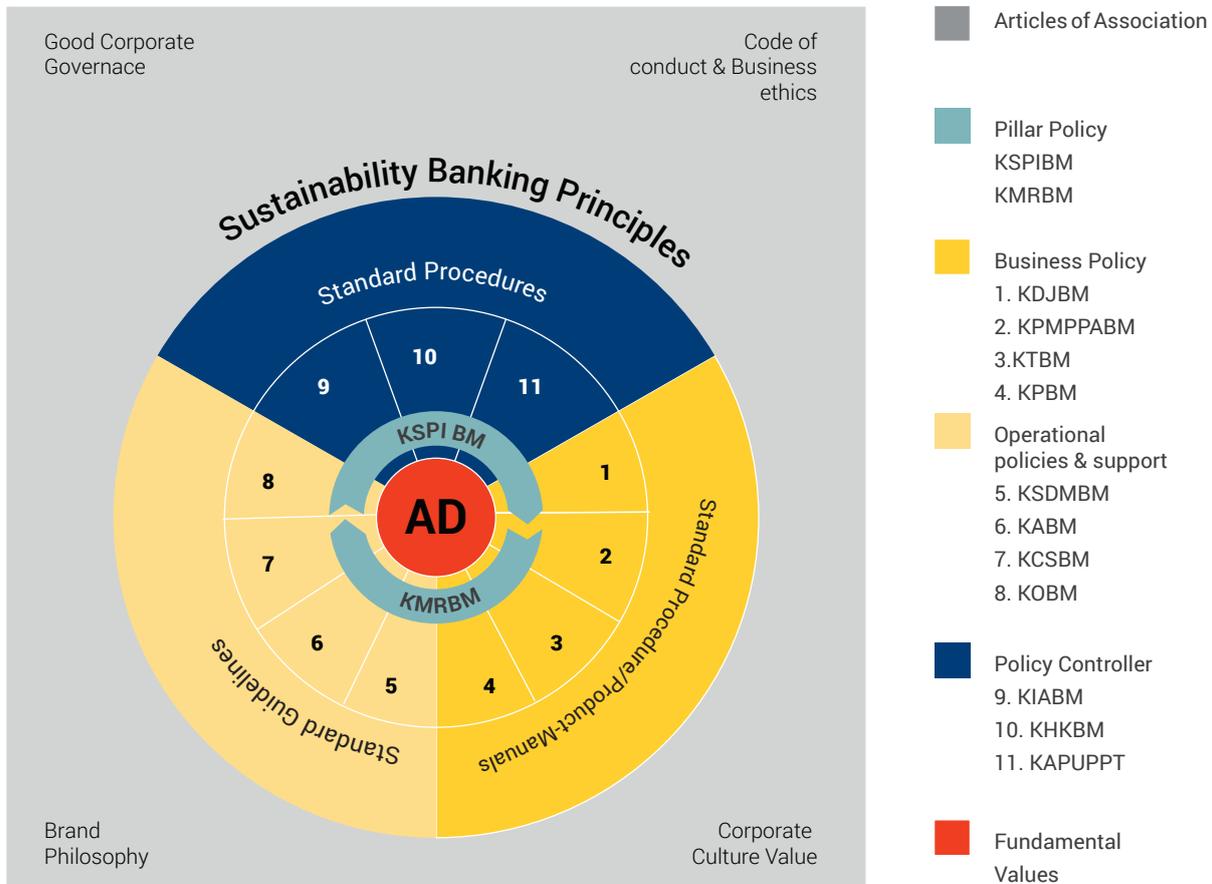
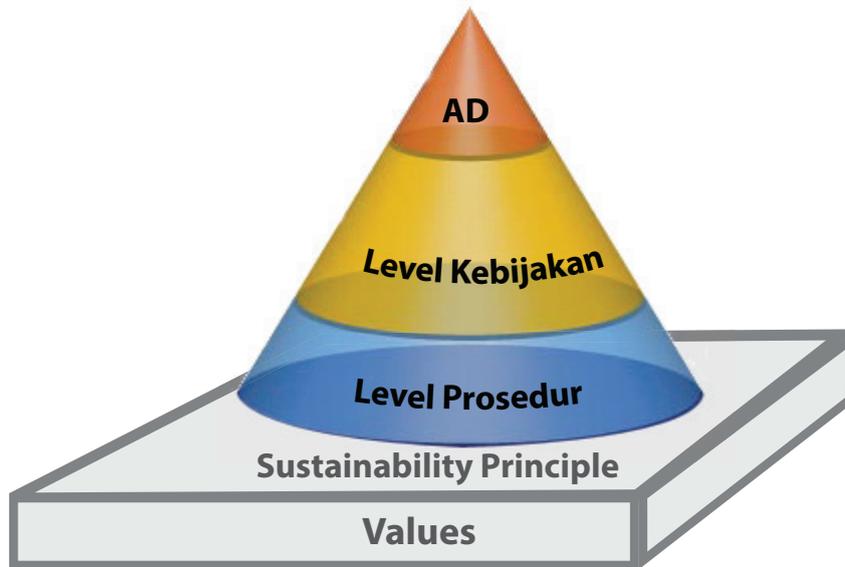
Year	GCG Program
2015 - Present	<ul style="list-style-type: none"> • Executing Transformation Stage III • The CGPI is a research and rating program for GCG implementation carried out by an independent agency, i.e. the IICG, in which Bank Mandiri has taken part in the assessment for the last 12 years since 2003. In 2015, Bank Mandiri was once again rated the "Highly Trusted" for the 9th consecutive times. • As for GCG Rating by the IICD in ASEAN CG Scorecard, Bank Mandiri won the "Best Financial Sector" category. • In respect of GCG Rating by the CGA, Bank Mandiri won the ICON title in Corporate Governance. • Implementation of Integrated Corporate Governance <ul style="list-style-type: none"> - Implementation of the integrated corporate governance and work unit under Mandiri Group according Regulation of the OJK No. 18/POJK.03/2014 dated November 18, 2014 on the Integrated Corporate Governance. - Establishment of Compliance Unit, Integrated Risk Management Unit and Integrated Internal Audit Unit, as well as Integrated Corporate Governance Committee - Preparation of a Guideline for Integrated Corporate Governance • Upgrading OTG for Gift Disclosure Statement into OTG for Gratification Control that came into effect as of July 3, 2015 and launching of a Gratification Control Unit (UPG) on July 9, 2015. Bank Mandiri's UPG was awarded the SOE with Best Gratification Control Unit in 2015 by the KPK.

Corporate Governance Policy Architecture

To continuously improve the quality and coverage of GCG implementation, Bank Mandiri has put in place and applied operational policies for all work units in line with the GCG principles, under the name of Bank Mandiri Policy Architecture. The Bank Mandiri Policy Architecture is a hierarchy/policy structure functioning as the basic framework and governance of policy making and conducting the Bank's activities. The Bank Mandiri Policy Architecture consists of the Articles of Association, Policy and Standard Procedure that include Code of Conducts, Business Ethics and

other fundamental policies that are highly necessary for corporate governance. Bank Mandiri has a Code of Conducts that sets out guidelines for proper behavior to show by the Bank's staff and external parties, such as the shareholders, affiliates, investors, customers, suppliers, the government and public in general. The said guideline has been inculcated in the corporate culture that prevents any staff of the Bank from misusing its position, conflict of interests, and regulates issues related to employee integrity.

The structure or policy architecture and formulation of procedure according to the GCG principles demands that the Policy and Procedure be made in writing as described in the following scheme:



Corporate Governance Structure

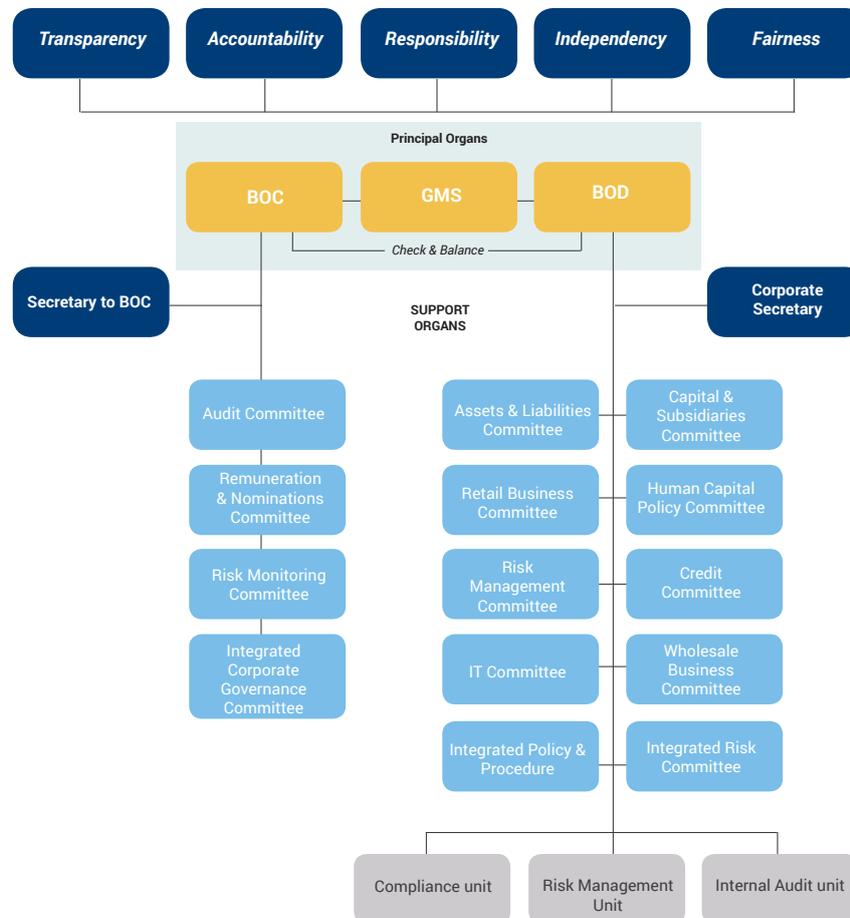
Pursuant to the provisions of Law No. 40/2007 on Limited Liability Company, GCG structure of Bank Mandiri consists of the RUPS, BOC and BOD. The corporate governance is implemented systematically and in a sustainable manner so that the principles function as a guideline for conducting daily activities within Bank Mandiri environment.

The BOC has established several committees to assist and improve monitoring function that it holds. In performing their roles and responsibilities, each

committee under the BOC works according to the relevant scope of duties specified in the relevant BOC Decree.

Meanwhile, with the assistance from the Bank management, the BOD is held responsible for managing, controlling, safeguarding and monitoring GCG implementation in collaboration with the committees under BOC, Secretary to BOC, committees under the Board of Directors and Corporate Secretary.

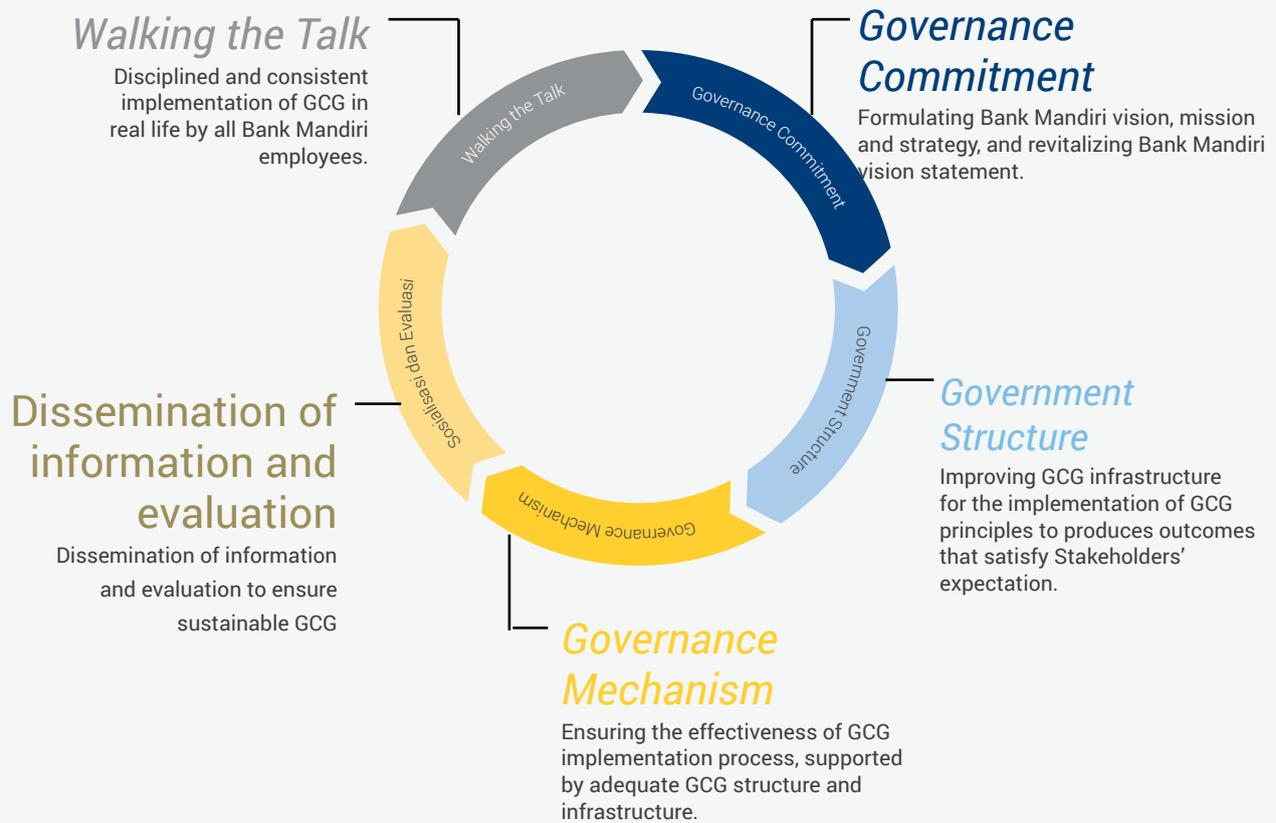
Bank Mandiri Corporate Governance Structure



Stages in GCG Implementation

It has been taken into account that GCG implementation shall be made well-targeted and planned according to the highest standard in order to support the attainment of corporate objectives; therefore, GCG actualization in Bank Mandiri is also consistent with the provisions for GCG implementation for Commercial Banks at all organizational levels. GCG implementation in Bank Mandiri complies with PBI No. 8/4/PBI/2006 as amended by PBI No. 8/14/PBI/2006 on GCG Implementation in Commercial Banks.

The implementation of GCG of Bank Mandiri consists of the following stages: (1) formulation of governance commitment, (2) Government Structure, (3) improvement of governance mechanism, (4) dissemination of information and evaluation, and (5) walking the talk.



GCG transformation in Bank Mandiri is carried out according to the principles of GCG in 5 (five) stages as follows:

Formulation of Governance Commitment	Improvement of Governance Structure	Improvement of Governance Mechanism	Dissemination of Information and Evaluation	Walking the Talk
<ul style="list-style-type: none"> • Formulation of Bank Mandiri Vision, Mission and Strategy • Articles of Association • Formulation of Corporate Values • Code of Conducts Reinforcement • GCG Charter 	<ul style="list-style-type: none"> • Fulfillment of the Number and Composition of BOC, BOD and Committees under BOC and BOD • Strengthening Risk Management Compliance and Internal Control • Improvement of organizational structure to ensure check and balance function 	<ul style="list-style-type: none"> • Incorporation of GCG Principles into Policies, Guideline and Regulation, SOP • Implementation of Reward & Punishment system • Product Transparency • Provision of Call Center & Customer Care • Anti-Fraud Strategy • Whistle-blowing System (Letter to CEO) 	<ul style="list-style-type: none"> • Internalization of Corporate Values • Dissemination of Strategic Initiatives, Policy, Regulation, etc. • Self-Assessment on GCG Implementation • GCG Implementation Reporting • GCG Assessment by Independent Party • Performance and Recognitions • Dissemination of Gratification Control 	<ul style="list-style-type: none"> • Implementation of GCG principles in all aspects of the Bank's operations • Change Agent (1:4) • Service Excellence • Ethics Enforcement at all Organizational Levels through: <ul style="list-style-type: none"> - E-Procurement - Integrity Pact - Confidentiality • Implementation of the Integrated Corporate Governance in Mandiri Group • Improve the OTG for Grift Disclosure Statement into OTG for Gratification Control as an implementation of gratification prevention for all Bank Mandiri employees • Promoting development of anti-corruption culture by participating in the Anti-Corruption Week held by the KPK

Statement of the Implementation of Good Corporate Governance Principles



All members of the Board of Commissioners, Directors and Employees of Bank Mandiri are committed and have been applying the principles of good corporate governance and no material breach against the prevailing legislation.

commitment to consist good cooperative governance

The increasingly complex challenge and need of consistently improving performance, as well as providing added values for all the stakeholders, should be addressed by implementing Transformation Phase III in 2015-2020. Improvement of consistent governance practices is important in creating sustainable values to accomplish Bank Mandiri's vision and mission to become the Best Bank in ASEAN by 2020. Therefore, as one of its strong commitment to strengthening good corporate governance (GCG), Bank Mandiri has set up GCG as one of its aspirations, namely "the leading company in GCG implementation".

Consistent and sustainable implementation of GCG can be accomplished through strong commitment of Bank Mandiri Corporate Organs and their subordinates. Therefore, all Bank Mandiri staff continue to focus on GCG implementation in 2015.

Bank Mandiri GCG Focus in 2015

For Bank Mandiri, proper GCG implementation does not merely mean compliance with the applicable laws and regulation, but also a fundamental element in reference to the international best practices. The board of management believes that GCG implementation will eventually improve corporate values (value creation).

Bank Mandiri's serious efforts in GCG implementation are demonstrated by the inclusion of GCG as one of Bank Mandiri aspirations for becoming the Best Bank in ASEAN by 2020. Financial achievement is not the only indicator for a leading company. Bank

Mandiri understands that non-financial aspect, such as GCG, is also an important factor in maintaining company viability, in addition to work culture that promotes professionalism, integrity, service quality and prudential banking.

Therefore, Bank Mandiri's management has a strong commitment to consistently implement GCG by picking up where the previous stages left off in years past. In 2015, Bank Mandiri strengthened GCG implementation that focused, inter alia, on:

1) Integrated Corporate Governance of Mandiri Group

Developments in globalization, information technology and product innovation, as well as innovation on the activities by the Financial Services Institutions (LJK), have given rise to a complex, dynamic and interconnected financial system between financial sectors in terms of product, institutional aspect and ownership. In relation to that, the Financial Services Authority (OJK) issued Regulation of OJK No. 18/POJK.03/2014 on November 18, 2014 on Implementation of Integrated Corporate Governance for Financial Conglomeration to improve GCG quality in a Financial Conglomeration.

In implementing the Integrated Corporate Governance, Bank Mandiri has adjusted and improved its integrated structure and infrastructure through, among others, formation of an Integrated Corporate Governance Committee on February 25, 2015, preparation of an integrated corporate governance guideline, performance of Integrated Compliance Unit, Integrated Internal Audit Unit and Integrated Risk Management Unit functions as well as establishment of intra-group transaction policies. In addition, as mandated by the OJK, as the Main Entity Bank Mandiri prepared a Guideline for Integrated Corporate Governance as a reference for Bank Mandiri and all of its Subsidiaries. The Guideline was disseminated to all Subsidiaries on June 30, 2015.

The Guideline for Integrated Corporate Governance aims to meet the perceptions of the Bank and all of its Subsidiaries on the improvement of good governance in the Financial Conglomeration, as well as on building well-founded business synergies and alliances between Bank Mandiri and its Subsidiaries under the Integrated Governance in order to create viable added values for the Financial Conglomeration. The said added values can be created by performing integrated compliance, integrated internal audit and integrated risk management functions.

In addition to complying with the regulations, the establishment of the Integrated Corporate Governance Committee and Integrated Unit has encouraged Bank Mandiri to constantly implement GCG best practices.

2) 2) Gratuity Control

To meet the Bank's commitment to becoming a strategic partner of the Corruption Eradication Commission (KPK) in developing the National Integrity System, signed on November 4, 2014, and to respond to Regulation of the KPK No. 2/2014 issued on December 9, 2014 on Guideline for Reporting and Determining Gratuity Status, Bank Mandiri – as a State Owned Enterprise – has put in place gratuity control by establishing an Operating Technical Guideline (PTO) for Gratuity Control which was effective as of July 3, 2015.

This OTG PTO builds on the PTO for Gift Disclosure Statement that was made applicable since 2013. As fulfillment of its anti-corruption commitment and in accordance with Regulation of the KPK No. 2/2014, Bank Mandiri established a Gratuity Control Unit (UPG) on July 9, 2015. The UPG has also been an active and strategic partner of the KPK in gratuity control. With the PTO for Gratuity Control and UPG in place, it is expected that Bank Mandiri personnel will be independent, free from undue pressure exerted by any stakeholder and capable of making objective decision.

Given that in running its business the Bank has

to nurture a good relationship with its customers, vendors, partners and stakeholders based on ethics, trust and responsibility, matters related to gratuity control and its reporting mechanism within Bank Mandiri environment have been regulated in accordance with the Bank's Code of Conduct. Therefore, the Bank's business interests are served ethically while, at the same time, complying with prohibition on gratuity.

The UPG has also been active in disseminating information to all Bank Mandiri Regions across the country. Dissemination of information was carried out to the Internal Party, Bank Mandiri employees both in branch offices and the Head Office, as well as to External Parties including vendors, consultant, Public Accounting Firm, notary and other external parties that may be exposed to gratuity practices. In addition to dissemination of information, gratuity control also takes form in the signing of an Integrity Pact as externalization of anti-gratuity culture to the external parties related to the Bank.

ASEAN CG Scorecard

In order to continue the improvement of GCG implementation and become a leading bank in this field, Bank Mandiri has aligned its GCG practices with the standards of ASEAN CG Scorecard.

Bank Mandiri commits to continue improving GCG practices. In addition to referring to the best practices and standards of corporate governance at national level, Bank Mandiri consults the corporate governance standard at ASEAN level.

GCG ASEAN Scorecard represents an initiative of the ASEAN Capital Market Forum (ACMF) to assess the implementation of GCG in reference to the GCG principles developed by the Organization for Economic Cooperation and Development (OECD) which encompass:

- 1) Rights of Shareholders
- 2) Equitable Treatment of Shareholders
- 3) Role of Stakeholders
- 4) Disclosure and Transparency
- 5) Responsibilities of the Board of Commissioners (BOC) and the Board of Directors (BOD)

GCG ASEAN Scorecard has been used in assessment of GCG practices in public companies in other ASEAN countries, such as the Philippines, Malaysia, Singapore, Thailand and Vietnam.

GCG Assessment

Assessment on Compliance with Regulations of the OJK

GCG assessment in Bank Mandiri refers to Bank Indonesia Regulation (PBI) No. 8/14/PBI/2006 on Amendment to PBI No.8/4/PBI/2006 on GCG Implementation for Commercial Banks, Bank Indonesia Circular No. 15/15/DPNP dated April 29, 2013 on GCG Implementation for Commercial Banks and Bank Indonesia Circular No. 13/24/DPNP published on October 25, 2011 on Assessment on the Level of Commercial Bank's Soundness.

As fulfillment of GCG commitment, Bank Mandiri regularly conducts internal GCG assessment using a Self-Assessment method, both unconsolidated and consolidated with its Subsidiaries. An OJK Circular

under document number: No. 15/SEOJK.03/2015 on Integrated Corporate Governance of Financial Conglomeration regulates a compulsory assessment of Integrated Corporate Governance for the Main Entities each semester, which shall be performed at the end of June and December. As of semester I of 2015, Bank Mandiri has been conducting self-assessment of Integrated Corporate Governance to replace the consolidated self-assessment.

The results of GCG self-assessment are classified into five categories, namely Ranking 1, Ranking 2, Ranking 3, Ranking 4 and Ranking 5. The lower GCG factor ranking indicates better GCG implementation.

According to the circulars from Bank Indonesia and the OJK, GCG self-assessment is to be conducted comprehensively and systematically. Individual self-assessment integrates assessment factors into three governance aspects, i.e. governance structure, governance process and governance outcome. Self-Assessment of the Integrated Corporate Governance covers 7 (seven) assessment factors as follows:

1. Performance of roles and responsibilities of the Main Entity's BOD;
2. Performance of roles and responsibilities of the Main Entity's BOC;
3. Roles and responsibilities of the Integrated Corporate Governance Committee;
4. Roles and responsibilities of the Integrated Compliance Committee;
5. Roles and responsibilities of the Integrated Internal Audit Committee;
6. Implementation of Integrated Risk Management; and
7. Preparation and implementation of the Guideline for Integrated Corporate Governance.

Individual self-assessment of GCG implementation in Bank Mandiri for the first half of 2015 resulted in Ranking 1 or "Excellent", indicating that the management had implemented proper Good Corporate Governance. This was indicated by the highly satisfying fulfillment of GCG principles. As for the weakness found in the implementation of GCG principles, such weakness was considered insignificant and the Bank could immediately fix it..

Individual self-assessment of GCG implementation in Bank Mandiri for Semester I of 2015 had also been given feedback by the OJK in the prudential meeting on December 21, 2015 and Bank Mandiri was assigned to Ranking 2 ("Good"). This was indicated by the sufficient fulfillment of GCG principles. With regard to the weakness in GCG implementation, such weakness was considered less significant and improvement through normal measures could be made by the Bank's management. Bank Mandiri would continue to follow up on such result to improve its future achievement.

Additionally, Bank Mandiri had submitted Report on the Implementation of Integrated Corporate Governance to the OJK for the assessment period Semester I of 2015 on August 14, 2015. Bank Mandiri was assigned to Ranking 1 which indicated that the Financial Conglomeration was considered as having properly conducted GCG implementation. This was indicated by the highly satisfying fulfillment of GCG principles. In the event of weakness found in the implementation of Integrated Corporate Governance, such weakness was considered insignificant and the Main Entity and/or LJK was capable of making immediate improvements.

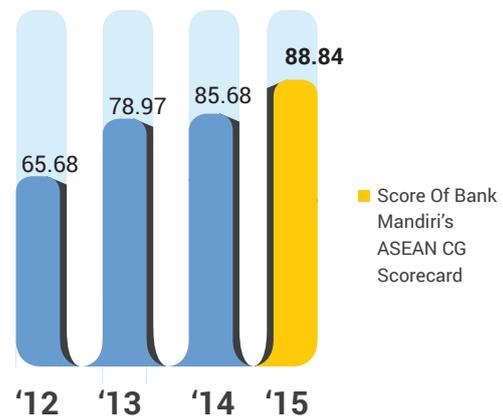
Similar to the result of individual self-assessment, Bank Mandiri has not received any feedback from the OJK regarding Integrated Corporate Governance assessment.

Assessment by Independent Party

1) ASEAN CG Scorecard



To continue improving GCG implementation, Bank Mandiri consistently partakes in ASEAN CG Scorecard rating. The results of ASEAN CG Scorecard for Bank Mandiri keep showing an upward trend. Below is the result of assessment on Bank Mandiri with regard to GCG implementation.



*The result of 2015 scorecard has not been available yet



No.	ASEAN CG Score-card Component	2012		2013		2014		2015	
		Score	Total score						
1.	<i>Rights of Shareholders (10%)</i>	38.46	3.85	48	4.8	60	6	92	9.2
2.	<i>Equitable Treatment of Shareholders (15%)</i>	64.71	9.71	58.82	8.82	58.82	8.82	61.11	9.17
3.	<i>Role of Stakeholders (10%)</i>	57.14	5.71	80.95	8.10	90.48	9.05	100	10
4.	<i>Disclosure and Transparency (25%)</i>	70.00	17.50	85	21.25	87.5	21.88	80.49	20.12
5.	<i>Responsibilities of The Boards (40%)</i>	62.03	24.81	75	30	77.33	30.93	78.38	31.35
6.	Bonus	4	4	6	6	9	9	9	9
7.	Penalty	0	0	0	0	0	0	0	0
Total Score		65.68		78.97		85.68		88.84	

2) GCG - CGPI Rating



Bank Mandiri participates in Corporate Governance Perception Index (CGPI) rating and survey every year. CGPI is a GCG research and rating program for assessment of Corporate Governance quality. Participants of CGPI are public companies (issuers), State Owned Enterprises, banking and other private companies. Bank Mandiri has been participating in CGPI assessment for 13 (thirteen) consecutive years since 2003. The purposes, benefits and aspects of CGPI assessment are described below:

Purposes

- 1) To develop ethical, sound, distinguished and sustainable business practices.
- 2) To encourage all stakeholders, including the Government, Business Entities and Business Community and Business Supports to implement GCG best practices.
- 3) To motivate businesses to implement GCG

concept and promote participation of the wider community in proactively developing and implementing GCG.

Benefits

- 1) To reform corporate organization to support GCG implementation and map strategic issues in companies, especially those related to GCG implementation.
- 2) To build the capacity of both the organizations and their personnel in terms of GCG implementation.
- 3) To enhance mutual awareness within the company and among the stakeholders in regards to the importance of GCG for sustainable growth.
- 4) To improve the quality of GCG implementation for developing the competitiveness and achieving corporate sustainability

Assessment aspects in 2015:

Stage	Proportion of Assessment	Bank Mandiri's Score
Self assessment	21%	19.86
Documentation System	27%	25.05
Research Papers	25%	22.87
Observation	27%	25.10
Score		92.88

In the 2014/2015 CGPI Bank Mandiri achieved the highest GCG score and was rated as a "The Most Trusted Company". This became the ninth consecutive award for Bank Mandiri won during 2007-2015. In the

2015 CGPI Assessment, Bank Mandiri scored 92.88 earning the title "The Most Trusted Company". The result of CGPI assessment for the last nine years is as follows:



Bank Mandiri has been awarded "The Most Trusted Company" with the highest score among the other companies for 9 years in a row

Table: Bank Mandiri's CGPI Score in 2007-2014

(CGPI)	2007	2008	2009	2010	2011	2012	2013	2014	2015
Score	88.66	89.86	90.65	91.67	91.81	91.91	91.88	92.36	92.88

Chart: 2007-2015 Bank Mandiri's CGPI Score



3) Corporate Governance Asia (CGA)

CGA is an Asia's leading journal that functions as a medium of dissemination on Corporate Governance implementation, especially with Asian companies. CGA's mission is to be an education and information medium on Corporate Governance for businesses, governments, educational institutions and other establishments throughout Asia.

This year, CGA again awarded Bank Mandiri at the 11th Corporate Governance Recognition Awards 2015 with the ICON on Corporate Governance, which is the seventh award Bank Mandiri won after its winning achievement in 2009, 2010, 2011, 2012, 2013 and 2014. In addition to this award, CGA awarded Mr. Budi

G. Sadikin, the President Director of Bank Mandiri, with Asian Corporate Director Recognition Award 2015.

As one of the recipients of the 11th Corporate Governance Recognition Awards 2015, Bank Mandiri participates in a book project expected to inspire companies to implement corporate governance in accordance with the standards of Asia's best organizations. This book project will have a global reach and the book distributed to celebrate the 11th anniversary of The Best of Asia and to support commemoration of the 10th anniversary of the United Nation Conventions against Corruption.

Improvement of Transparency Aspect

In a bid to enhance transparency aspect, improvements had been made on disclosure of information regarding the announcement and invitation to the General Meeting of Shareholders (RUPS), detailed information on the Meeting's code of conducts and

agenda – including description of each agenda item – disclosure of the profiles of BOC/BOD candidates at the same time with the invitation, closed voting and improvements on the transparency of information put on Bank Mandiri's website at www.bankmandiri.co.id

Public Official's Wealth Report (LHKPN)

In order to further the effectiveness of its GCG implementation, Bank Mandiri complies with the mandatory provisions on LHKPN pursuant to Decree of the Head of the KPK No. KEP.07/KPK/02/2005 on Procedures for Registration, Examination and Announcement of Public Official's Wealth Report.

As a concrete effort in achieving transparency and preventing corruption in the Bank, as well as building

a country that is clean and free from corruption, collusion and nepotism, the BOC and BOD members, Executive Officials at 1 (one) level below BOD and other Structural Officials in the Bank are required to submit their LHKPN.

The provisions for LHKPN are stipulated in specific policies set forth in a BOD Decree are updated from

time to time in accordance with the applicable regulations.

1. Determining Officials required to submit the LHKPN

No.	BOD Decree	Subject
1.	KEP.DIR/091/2015 dated March 20, 2015	Public Official's Wealth Report in PT Bank Mandiri (Persero) Tbk.
2.	KEP.DIR/071/2011 dated March 22, 2011	Additional Officials of PT Bank Mandiri (Persero) Tbk. Required to Submit Their Public Official's Wealth Report.
3.	KEP.DIR/090/2009 dated June 29, 2009	List of PT Bank Mandiri (Persero) Tbk. Officials Required to Submit Their Public Official's Wealth Report.

- a. The above policies set out the obligation of Public Officials to submit LHKPN by virtue of their offices (ex-officio), with such reports stating the officials' wealth before, during and after serving the offices.
- b. The list of officials required to submit LHKPN is based on the criteria set out in the prevailing legislation, including all members of the BOC and BOD, Group Heads/equivalent, Regional CEO, Branch Heads and other Structural Officials who are required to submit the report by a BOD Decree.

2. Appointment of LHKPN Coordinator.

No.	BOD Decree	Subject
1.	KEP.DIR/342/2013 dated December 27, 2013	Appointment of Coordinator and Application User of LHKPN in PT Bank Mandiri (Persero) Tbk.
2.	KEP.DIR/214/2010 dated August 5, 2010	Change in Appointment of Coordinator and Application User of LHKPN in PT Bank Mandiri (Persero) Tbk.
3.	KEP.DIR/091/2009 dated June 29, 2009	Appointment of Coordinator and Application User of LHKPN in PT Bank Mandiri (Persero) Tbk.

- a. The managing coordinator determines the officials required to submit LHKPN, monitors the submission of LHKPN and disseminates information on LHKPN obligation.
- b. The managing coordinator updates LHKPN data in collaboration with the KPK and informs every change in the offices of Bank Mandiri.

Submission of LHKPN until the end of 2015 was continuously monitored and evaluated, particularly with regard to structural positions subjected to compulsory LHKPN submission totaling 275 personnel which consist of the management, including BOC and BOD members, SEVPs and Structural Officials. Those subject to compulsory LHKPN submission have fulfilled their obligation according to the proportion of reporting submission until December 31, 2015 as indicated by the issuance of Wealth ID Number (NHK) by the KPK for those who had met their relevant obligations; and the majority of these Officials have submitted their wealth report.

The following is the recap of Compliance with LHKPN requirements in PT Bank Mandiri (Persero) Tbk. as at January 12, 2016:

No.	Work Unit	Number of LHKPN Reporting Officials*	Total Reporting Officials Number		Non-Reporting Officials					
			Total	%	Form A	%	Form B	%	Total	
					Total		Number		Number	Number
1.	Board Of Commissioner	9	4	44.44	1	11.11	4	44.44	5	55.56
2.	Board Of Directors	11	4	36.36	2	18.18	5	45.45	7	63.64
3.	PT Bank Mandiri (Persero), Tbk.	231	118	51.08	45	11.48	68	29.44	113	48.92
4.	Subsidiaries	22	9	40.91	6	27.27	7	31.82	13	59.09
Total		273	135	49.45	54	19.78	84	30.77	138	50.55

GCG Implementation Quality Improvement Plan in 2016

Bank Mandiri understands that the implementation of sustainable corporate governance holds a significant role in ensuring attainment of maximum benefits for the Company, which eventually will strengthen its internal conditions, increase its performance and improve its risk management as well as reputation or positive image as a corporate that drives the National Economy forward. In accordance with the 2015-2020 Corporate Plan, the management has committed to making Bank Mandiri the leading bank in GCG implementation. This is set out in reference to the international standard of GCG practices and Triple Bottom Line approach (Profit, People, Planet).

In addition, Bank Mandiri will implement the Integrated Corporate Governance to create sustainable added values for its Financial Conglomeration, which include integrated compliance, integrated internal audit and integrated management functions while, at the same time, taking into account business characteristics and regulations prevailing in each Subsidiary, as well as the laws and regulations in effect.

GENERAL MEETING OF SHAREHOLDERS (GMS)



The GMS is an organ of the Company that holds the supreme power and is vested with authority that cannot be delegated to the Board of Directors or Board of Commissioners. Through GMS, all of the shareholders can exercise their rights, voice opinions and cast their votes in a fair and transparent manner for making important resolutions pertaining to the development and future of Bank Mandiri.

Authority and Responsibilities of the Shareholders

The GMS are vested with authority which, among other things, includes appointing and dismissing members of the Board of Commissioners (BOC) and the Board of Directors (BOD); evaluating the performance of the BOC and BOD; approving and executing amendments to the Articles of Association; approving annual reports; determining the form and amount of remuneration for BOC and BOD members; and making decisions pertaining to corporate acts or other strategic resolutions proposed by BOD, profit allocation and payment of dividends.

Resolutions achieved through GMS are in the best interest of the Company. Without prejudice to the power and authority it exercises, GMS or shareholders may not perform any interventions with the performance of duties, functions and authorities of both BOC and BOD in fulfilling their rights and obligations pursuant to the Articles of Association and legislation. Decision making in GMS is carried out in a reasonable and transparent manner.

The responsibilities of shareholders include the following:

1. The controlling shareholders must be able to:
 - a. Have regard to the interests of minority shareholders and stakeholders in accordance with the provisions of the laws and regulations in effect;
 - b. Disclose to law enforcement agencies regarding the Ultimate Shareholder in the event of suspected breaches of the applicable laws and regulations or whenever requested by the competent authorities.
2. Where the controlling shareholder is also the controlling shareholder in several companies, efforts have to be made in maintaining accountability and transparency in the relationships between companies;
3. Minority shareholders are responsible for properly exercising their right in accordance with the Articles of Association and the laws and regulations;
4. The shareholders must be able to:
 - a. Separate the ownership of Company assets from their private assets;
 - b. Separate their functions as shareholders and as members of BOC or BOD in the event that a shareholder sits on one of the said two corporate organs.



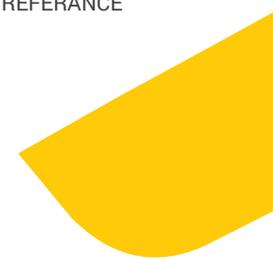
Holding GMS

The GMS will be conducted in a reasonable and transparent manner as set forth in a regulation issued by the Financial Services Authority (OJK) under document number: POJK No. 32/POJK.04/2014 concerning Planning and Holding a Public Company's General Meeting of Shareholders.



The steps for Holding GMS are as follows:

No.	Activity	Implementation
1.	Notification of The Announcement of GMS Results agenda to OJK	D-43 (at least 5 working days prior to the announcement of GMS)
2.	GMS Announcement at least on: 1. 1 (one) Indonesian daily newspaper circulated nationally 2. IDX website 3. Company website in Indonesian and English, the least should be in English	D-36 (at least 14 days prior to the Invitation)
3.	Last date of Shareholder Register at 16.00 Western Indonesian Time (WIB)	D-22 1 day prior to the GMS Invitation
4.	The Invitation at least published on: 1. 1 (one) Indonesian daily newspaper circulated nationally 2. IDX website 3. Company website in Indonesian and English, the least should be in English	D-21 (at least 21 days prior to the GMS Invitation)
5.	Holding GMS	D-Day
6.	The Summary of the RUPS Minutes of Meeting to be published minimum on: 1. 1 (one) Indonesian daily newspaper circulated nationally 2. IDX website 3. Company website in Indonesian and English, the least should be in English	D+2 (2 working days following the GMS at the latest)
7.	Notification to OJK concerning Announcement of Summary of the MOM	D+4 (at least 2 working days in the wake of the announcement on a newspaper)
8.	Submitting Minutes of the GMS to OJK	D+30 (at least 30 days following the date of the GMS)



	Note	Legal Basis
	<ul style="list-style-type: none"> - Copied to Indonesian Capital Market Electronic Library (ICAMEL) - Attaching draft Invitation and Announcement of RUPS 	Article 8 of OJK Regulation No. 32/POJK.04/2014
	<ul style="list-style-type: none"> - Submitting Proof of Announcement Ads to OJK and IDX - Attaching proof of announcement ads on newspapers - The announcement includes: <ul style="list-style-type: none"> ◆ provisions regarding shareholders eligible to attend the RUPS; ◆ provisions regarding shareholders eligible to propose the meeting agendas; ◆ the date of the RUPS; and ◆ the date of RUPS Invitation 	Article 10 of OJK Regulation No. 32/POJK.04/2014
	Requesting from the Stock Administration Bureau the list of shareholders' names eligible to attend the RUPS	Article 8 of OJK Regulation No. 32/Pojk.04/2014
	<ul style="list-style-type: none"> - Submitting Proof of Announcement Ads to OJK and BEI - Attaching proof of newspaper announcement ads - The RUPS invitation includes: <ul style="list-style-type: none"> • the date of the RUPS; • the time of the RUPS; • the venue of the RUPS; • provisions regarding shareholders eligible to attend the RUPS; • meeting agendas & the explanation; and • statement that materials related to the meeting agendas are available for the shareholders from the date of the RUPS Invitation to the date RUPS is held. 	Article 13 of OJK Regulation No. 32/POJK.04/2014
	<p>The Summary must contain at least:</p> <ul style="list-style-type: none"> - the date, venue, time and agendas of the RUPS - BOC and BOD members attending the RUPS - the number of shares with valid voting rights represented by attendance in the RUPS and its proportion against the total shares with valid voting rights - if there was any opportunity for shareholders to raise questions and/or express their opinions on the meeting agendas - the number of shareholders raising questions or expressing their opinions on the meeting agendas, if they were provided with such opportunity - mechanism of establishing resolutions adopted in the RUPS - voting result that shows votes for, votes against and abstain (not casting any vote) for each meeting agenda, if the resolutions were put to vote - resolutions of the RUPS - payment of cash dividends to eligible shareholders, if there is a resolution of the RUPS stipulating distribution of cash dividends 	Article 32-34 of OJK Regulation No. 32/POJKk.04/2014
	<ul style="list-style-type: none"> - Submitting Proof of Ads on Summary of the MOM to OJK and IDX - Attaching proof of the Announcement on a newspaper 	Article 34 of OJK Regulation No. 32/POJK.04/2014
		Article 33 of OJK Regulation No. 32/POJK.04/2014

Bank Mandiri RUPS

As regulated under Law No. 40/2007 concerning Limited Liability Company, article 2 of POJK No. 32/POJK.04/2014 and article 10 of the Company's Articles of Association concerning the General Meeting of Shareholders, the RUPS is divided into 2 (two), namely Annual General Meeting of Shareholders (AGM) and other RUPS hereinafter referred to as Extraordinary General Meeting of Shareholders (EGM).

The RUPS held in 2015 was chaired by a BOC member designated by the BOC in a Meeting of the BOC. The Chair first read the code of conducts regulating the course of the meeting, which were incorporated into the Minutes. The Chair gave the shareholders or their proxies an opportunity to ask questions, give comments and/or come up with suggestions on each meeting agenda. The Chair, or a Director appointed by the Chair, answered or replied to the questions/comments of the shareholders in attendance. After all the questions were answered or responded to, voting took place and it was only shareholders or their authorized proxies entitled to cast votes. Each share conferred a right to casting one vote to its holder.

Throughout 2015, Bank Mandiri held 2 RUPS, namely Annual RUPS and RUPSLB for the fiscal year (FY) 2014. Bank Mandiri appointed independent parties, namely Notary Ashoya Ratam, S.H., M.Kn. and PT Datindo Entrycom, for counting and/or validating the votes.



AGM

The AGM must be held at least 5 (five) months following the closing of the last fiscal year. In the meeting, BOD must submit the following:

- a. Annual Report;
- b. Comments with respect to profit allocation, if the Company records positive profit;
- c. Comments concerning appointment of public accountant to audit the Company's current fiscal year based on BOC's recommendation or the granting of power to BOC to appoint a public accountant;
- d. Other matters requiring approval of RUPS to the benefit of the Company with due observance to provisions of the Articles of Association.

Bank Mandiri Annual RUPS was held on March 16, 2015 at 09.45 WIB until 13.10 WIB in Auditorium Plaza Mandiri 3rd floor, Jl. Jend. Gatot Subroto Kavling 36-38, South Jakarta. The Meeting was attended by all BOC and BOD members, shareholders and/or their proxies/representatives of shareholders who altogether represented 19,770,767,838 shares including a Series A Dwiwarna Share or constituting 84.73% of the total shares with valid voting rights issued by the Company up to the day when the Meeting was held, i.e. 23,333,333,333 shares comprising:

- 1 (one) Series A Dwiwarna Share; and
- 23,333,333,332 (twenty three billion three hundred thirty three million three hundred thirty

three thousand three hundred thirty two) Series B Shares;

having regard to the Company Shareholder Register as per Wednesday, February 18, 2015 until 16.00 WIB. Therefore, the provisions concerning the quorum for RUPS as set out in the Articles of Association were satisfied and regulations were fulfilled so the RUPS was lawfully held and capable of establishing binding resolutions.

www.bankmandiri.co.id



PENGUMUMAN KEPADA PEMEGANG SAHAM PT BANK MANDIRI (PERSERO) Tbk. No. FST.CSC/02/P/II/2015

Dengan ini Direksi PT Bank Mandiri (Persero) Tbk. (selanjutnya disebut "Perseroan") memberitahukan kepada para Pemegang Saham Perseroan bahwa Perseroan akan menyelenggarakan Rapat Umum Pemegang Saham Tahunan (selanjutnya disebut "Rapat") pada hari Senin, tanggal 16 Maret 2015.

Adapun Pemegang Saham yang berhak menghadiri atau diwakili dalam Rapat adalah Pemegang Saham Perseroan yang namanya tercatat dalam Daftar Pemegang Saham Perseroan pada hari Rabu, tanggal 18 Februari 2015 pukul 16.00 WIB, atau pemilik saldo rekening efek di Penitipan Kolektif PT Kustodian Sentral Efek Indonesia pada penutupan perdagangan saham pada hari Rabu, tanggal 18 Februari 2015.

Setiap usulan Pemegang Saham akan dimasukkan dalam agenda Rapat jika memenuhi persyaratan sebagaimana termuat dalam ketentuan Pasal 12 ayat (1) dan ayat (2) Peraturan Otoritas Jasa Keuangan No. 32/POJK.04/2014 (selanjutnya disebut "POJK") paling lambat hari Jumat, tanggal 13 Februari 2015.

Sesuai dengan ketentuan Pasal 13 Ayat (3) POJK, maka panggilan untuk Rapat akan dilakukan dengan cara memasang iklan sedikittnya pada 1 (satu) surat kabar/harian berbahasa Indonesia yang berperedaran nasional, situs web Bursa Efek Indonesia dan situs web Perseroan paling lambat pada hari Jumat, tanggal 20 Februari 2015.

Jakarta, 05 Februari 2015
PT BANK MANDIRI (PERSERO) Tbk.
DIREKSI

mandiri call 14000

Terdepan, Terpercaya, Tumbuh bersama Anda.

Notification of AGM

www.bankmandiri.co.id



PANGGILAN RAPAT UMUM PEMEGANG SAHAM TAHUNAN PT BANK MANDIRI (PERSERO) Tbk. No. FST.CSC/03/P/II/2015

Direksi PT Bank Mandiri (Persero) Tbk. (selanjutnya disebut "Perseroan") berkedudukan di Jakarta, dengan ini mengundang para Pemegang Saham Perseroan untuk menghadiri Rapat Umum Pemegang Saham Tahunan (selanjutnya disebut "Rapat") Perseroan yang akan diselenggarakan pada:

Hari/Tanggal : Senin, 16 Maret 2015
Waktu : Pukul 09.00 WIB-selesai
Tempat : R. Auditorium Plaza Mandiri Lt.3 Jalan Jendral Gatot Subroto Kav. 36-38 Jakarta 12190

Dengan agenda sebagai berikut:

1. Persetujuan Laporan Tahunan dan Pengesahan Laporan Keuangan Konsolidasian Perseroan, Persetujuan Laporan Tugas Pengawasan Dewan Komisaris, dan Pengesahan Laporan Tahunan Pelaksanaan Program Kemitraan dari Bina Lingkungan untuk tahun buku yang berakhir pada tanggal 31 Desember 2014.

Berdasarkan ketentuan (i) Pasal 11 ayat 2 huruf a dan Pasal 21 ayat 9 dan Pasal 21 ayat 10 huruf a Anggaran Dasar Perseroan, (ii) Pasal 69 dan Pasal 70 Undang-Undang No. 40 Tahun 2007 tentang Perseroan Terbatas ("UUPT"), (iii) Pasal 23 ayat (1) Undang-undang No. 19 tahun 2003 tentang BUMN dan (iv) Pasal 22 ayat (2) Peraturan Menteri BUMN No. PER-05/MBU/2007 sebagaimana terakhir kali diubah dengan Peraturan Menteri BUMN No. PER-08/MBU/2013, Laporan Tahunan dan Laporan Tugas Pengawasan Dewan Komisaris Perseroan harus mendapatkan persetujuan dari Rapat Umum Pemegang Saham Perseroan ("RUPS") serta Laporan Keuangan Konsolidasian Perseroan dan Laporan Tahunan Pelaksanaan Program Kemitraan dan Bina Lingkungan harus mendapatkan pengesahan dari RUPS, oleh karena itu Perseroan mengajukan agenda di atas di dalam Rapat.

2. Persetujuan penggunaan laba bersih Perseroan untuk tahun buku yang berakhir pada tanggal 31 Desember 2014. Berdasarkan ketentuan (i) Pasal 11 ayat 2 huruf b Anggaran Dasar Perseroan dan (ii) Pasal 70 dan Pasal 71 ayat (1) UUPT, penggunaan laba bersih Perseroan diputuskan dalam RUPS, oleh karena itu Perseroan mengajukan agenda di atas di dalam Rapat.

3. Penetapan Kantor Akuntan Publik untuk mengaudit Laporan Keuangan Perseroan dan Laporan Tahunan Pelaksanaan Program Kemitraan dan Bina Lingkungan untuk tahun buku yang berakhir pada tanggal 31 Desember 2015.

Berdasarkan pada ketentuan Pasal 11 ayat 2 huruf c Anggaran Dasar Perseroan, dalam RUPS Tahunan ditetapkan akuntan publik untuk mengaudit buku Perseroan yang sedang berjalan berdasarkan usulan dari Dewan Komisaris.

4. Penetapan gaji anggota Direksi, honorarium anggota Dewan Komisaris, dan tunjangan serta penetapan benefit lainnya bagi segenap anggota Direksi dan anggota Dewan Komisaris Perseroan.

Berdasarkan pada ketentuan (i) Pasal 15 ayat 9 dan Pasal 18 ayat 8 Anggaran Dasar Perseroan; dan (ii) Pasal 96 dan Pasal 113 UUPT pada dasarnya besaran gaji atau honorarium dan tunjangan lainnya untuk anggota Direksi dan anggota Dewan Komisaris Perseroan ditetapkan oleh RUPS, dimana kewenangan RUPS tersebut dapat dilimpahkan kepada Dewan Komisaris, oleh karena itu Perseroan mengajukan agenda di atas di dalam Rapat.

5. Perubahan Anggaran Dasar Perseroan untuk disesuaikan dengan ketentuan: (i) Peraturan Otoritas Jasa Keuangan No. 32/POJK.04/2014 tentang Rencana dan Penyelenggaraan Rapat Umum Pemegang Saham Perusahaan Terbuka; dan (ii) Peraturan Otoritas Jasa Keuangan No. 33/POJK.04/2014 tentang Direksi dan Dewan Komisaris Emiten atau Perusahaan Publik.

Sesuai dengan Pasal 40 dari Peraturan Otoritas Jasa Keuangan No. 32/POJK.04/2014 tentang Rencana dan Penyelenggaraan Rapat Umum Pemegang Saham Perusahaan Terbuka, setiap perusahaan terbuka dalam waktu 1 tahun sejak diundangkannya peraturan tersebut, wajib untuk menyesuaikan Anggaran Dasarnya. Selain itu mengingat dalam Peraturan Otoritas Jasa Keuangan No. 33/POJK.04/2014 tentang Direksi dan Dewan Komisaris Emiten atau Perusahaan Publik juga terdapat beberapa ketentuan baru yang berdampak pada Anggaran Dasar Perseroan saat ini maka Perseroan mengajukan untuk melakukan perubahan terhadap beberapa pasal Anggaran Dasar Perseroan agar sesuai dengan ketentuan-ketentuan di atas.

6. Persetujuan perubahan susunan anggota Direksi dan Dewan Komisaris Perseroan. Mengingat masa jabatan dari beberapa orang anggota Direksi dan Dewan Komisaris Perseroan telah atau akan habis masa jabatannya maka perlu dilakukan perubahan atau penggantian anggota Direksi dan Dewan Komisaris Perseroan dimana berdasarkan Pasal 15 ayat 5 dan Pasal 18 ayat 5 Anggaran Dasar Perseroan, para anggota Direksi dan Dewan Komisaris diangkat oleh RUPS dari calon yang diajukan oleh Pemegang Saham Seri A Dwiwarna, pencairan mana mengikat bagi RUPS.

CATATAN:

1. Perseroan tidak mengirimkan undangan tersendiri kepada para Pemegang Saham Perseroan karena iklan panggilan ini merupakan undangan resmi sesuai dengan ketentuan Pasal 13 ayat 6 huruf a Anggaran Dasar Perseroan.

2. Yang berhak menghadiri dan diwakili dalam Rapat adalah para Pemegang Saham Perseroan yang namanya tercatat dalam Daftar Pemegang Saham Perseroan pada hari Rabu, tanggal 18 Februari 2015 pukul 16.00 WIB, atau pemilik saldo rekening efek di Penitipan Kolektif PT Kustodian Sentral Efek Indonesia pada penutupan perdagangan saham pada hari Rabu, tanggal 18 Februari 2015.

3. Para Pemegang Saham Perseroan atau kuasa-kuasanya Pemegang Saham Perseroan yang akan menghadiri Rapat diminta untuk menyerahkan fotokopi Kartu Tanda Penduduk (KTP) atau bukti jati diri lainnya sebelum memasuki ruangan Rapat. Bagi Pemegang Saham Perseroan yang berbentuk Badan Hukum diminta untuk membawa fotokopi Anggaran Dasar Perusahaan yang terakhir serta susunan pengurus yang terakhir. Bagi Pemegang Saham Perseroan yang namanya dimasukkan dalam penitipan kolektif PT Kustodian Sentral Efek Indonesia diwajibkan membawa Konfirmasi Tertulis Untuk Rapat (KTUR) yang dapat diperoleh di perusahaan efek atau di bank kustodian dimana Pemegang Saham Perseroan membuka rekening efeknya.

4. Pemegang Saham Perseroan yang tidak hadir dalam Rapat dapat diwakili oleh kuasanya dengan ketentuan bahwa para anggota Direksi, anggota Dewan Komisaris dan Karyawan Perseroan tidak dapat bertindak sebagai kuasa Pemegang Saham Perseroan dalam Rapat ini.

5. Formulir Surat Kuasa dapat diperoleh di Kantor Biro Administrasi Efek ("BAE") Perseroan, setting jam kerja dan setelah formalis surat kuasa diisi oleh Pemegang Saham Perseroan, selanjutnya disampaikan kepada Perseroan melalui Kantor BAE, yaitu PT Datindo Entycom, Puri Datindo - Wisma Diners Club International Annex, Jl. Jendral Sudirman Kav. 34 Jakarta 10220, selambat-lambatnya tanggal 9 Maret 2015.

6. Bahan-bahan yang akan dibicarakan dalam Rapat telah tersedia dan dapat diperoleh di situs web Perseroan atau pada setiap jam kerja di Kantor Pusat Perseroan dengan alamat PT Bank Mandiri (Persero) Tbk., Plaza Mandiri Lt. 3, Jl. Jend. Gatot Subroto Kav.36-38, Jakarta 12190, Telp. (021) 5291-3321, Fax. (021) 526-3460 jika diminta secara tertulis oleh Pemegang Saham Perseroan, kecuali untuk bahan terkait agenda perubahan susunan anggota Direksi dan Dewan Komisaris Perseroan yang mana akan tersedia paling lambat pada tanggal Rapat diselenggarakan.

7. Untuk mempermudah pengaturan dan tertibnya Rapat, Pemegang Saham Perseroan atau kuasa-kuasanya yang sah dimohon dengan hormat telah berada di tempat Rapat selambat-lambatnya 30 (tiga puluh) menit sebelum Rapat dimulai.

Jakarta, 20 Februari 2015
PT Bank Mandiri (Persero) Tbk.
Direksi

mandiri call 14000

Terdepan, Terpercaya, Tumbuh bersama Anda.

Invitation of AGM

The following table outlines the notice, invitation, agenda, resolutions and votes count:

RUPS	Notice	Invitation	Agenda	
RUPS for FY 2014 Dated March 16, 2015	Published on February 5, 2015 on Bank Mandiri website under document number. No. FST.CSC/02/P/II/2015	Published on February 20, 2015 in Bisnis Indonesia and Suara Pembaruan in Indonesian, and The Jakarta Post in English, Electronic Reporting System on www.idx.co.id and on the Company website with Invitation No. FST.CSC/03/P/II/2015.	Approval of the Annual Report and Approval of the Consolidated Financial Statements, Approval of Report on Supervisory Duties of the Board of Commissioners and Approval of the Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year ending on December 31, 2014	
			Approval of the Company's allocation of net profit for the fiscal year ending on December 31, 2014;	



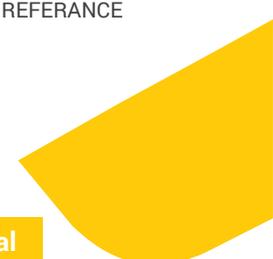
	Resolutions	For (total votes & %)	Against (total votes & %)	Blank (total votes & %)
	<p>The majority vote, i.e. 19,758,562,138 shares or 99.94% of the total votes issued in the Meeting, resolved:</p> <ol style="list-style-type: none"> To approve the Company's Annual Report, including Report on Supervisory Duties conducted by BOC for the fiscal year ending on December 31, 2014, and approve the Consolidated Financial Statements for the fiscal year ending on December 31, 2014 as audited by the Public Accounting Firm (KAP) TANUDIREDJA, WIBISANA & Partners, with an "unqualified" opinion as reflected in its report dated February 2, 2015, and with the approval of the Annual Report, the Report on Supervisory Duties by BOC and the Consolidated Financial Statements for the fiscal year ending on December 31, 2014, the RUPS fully released and discharged (volledig acquit et de charge) all BOC and BOD members who held their offices during the aforementioned fiscal year to the extent that their acts did not constitute criminal offenses and such acts were reflected in the Company's Annual Report and Consolidated Financial Statements. To approve the Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year ending on December 31, 2014 as audited by KAP TANUDIREDJA, WIBISANA & Partners. With an "unqualified opinion" as reflected in its report dated February 20, 2015, and with the approval of the Company's Annual Report for the said fiscal year and the approval of the Annual Report on the Implementation of Partnership and Environmental Development Program for the same fiscal year, the RUPS fully released and discharged (volledig acquit et de charge) all BOC and BOD members from the management and supervision conducted during the fiscal year ending on December 31, 2014 to the extent that their acts did not constitute criminal offenses and such acts were reflected in the Company's Annual Report and Annual Report on the Implementation of Partnership and Environmental Development Program. 	<p>19,689,689,765 99.59%</p>	<p>12,205,700 0.06%</p>	<p>68,872,373 0.35%</p>
	<p>The majority vote, i.e. 19,700,580,368 shares or 99.65% of the total votes issued in the Meeting, resolved:</p> <ol style="list-style-type: none"> To approve and set out the Company's allocation of (consolidated) net profit in FY 2014 amounting to IDR 19,871,873,276,792.6 (nineteen trillion eight hundred seventy-one billion eight hundred seventy-three million two hundred seventy-six thousand seven hundred ninety-two rupiahs and sixty cents) as follows: <ol style="list-style-type: none"> As much as 25% of the Company's net profit for the period January 1-December 31, 2014, or IDR 4,967,968,319,198.15 (four trillion nine hundred sixty-seven billion nine hundred sixty-eight million three hundred nineteen thousand one hundred ninety-eight rupiahs and fifteen cents) to be distributed as cash dividends to the shareholders. To grant the authority and power with the right of substitution to BOD to establish procedures for dividend payment in accordance with the applicable regulations. As much as 13.20% of the Company's net profit for the period January 1-December 31, 2014, or totaling IDR 2,622,936,000,000.36 (two trillion six hundred twenty-two billion nine hundred thirty-six million Rupiahs and thirty-six 	<p>19,615,350,322 99.21%</p>	<p>70,187,470 0.36%</p>	<p>85,230,046 0.43%</p>

RUPS	Notice	Invitation	Agenda	
			Appointment of a Public Accounting Firm to audit the Company's Financial Statements and the Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year ending on December 31, 2015.	
			Determining the salaries of BOD, honoraria of BOC and bonuses as well as other benefits for all members of BOC and BOD	
			Amendments to the Company's Articles of Association in connection with the provisions of (i) Regulation of the Financial Services Authority (POJK) No. 32/POJK.04/2014 on Planning and Holding a Public Company's General Meeting of Shareholders, and (ii) POJK No. 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of an Issuer or Public Company	



	Resolutions	For (total votes & %)	Against (total votes & %)	Blank (total votes & %)
	cents) to be set aside as Reserves to support investment. 3. The rest of the Company's net profit from FY 2014, after allocation for dividend payments and Reserves as mentioned in point 1 and 2, is designated as Retained Earnings.			
	The majority vote, i.e. 19,239,359,131 shares or 97.31% of the total votes issued in the Meeting, resolved to approve: The granting of authority as specified in Article 11 paragraph (2) letter c of the Articles of Association stipulating that "In the Annual RUPS, a Public Accounting Firm ("KAP") shall be appointed to audit current Company's books based on recommendation from the Board of Commissioners" to BOC to choose a KAP that will audit the Company's Consolidated Financial Statements and Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year ending on December 31, 2015, including to determine the fee and other requirements for such KAP, including to choose a substitute KAP in the event that the KAP appointed and chosen, due to any reasons, cannot complete the audit of the Company's Consolidated Financial Statements and Annual Report on the Implementation of Partnership and Environmental Development Program for 2015.	18,881,433,220 95.50%	531,408,707 2.69%	357,925,911 1.81%
	The majority vote, i.e. 19,127,018,506 shares or 96.74% of the total votes issued in the Meeting, resolved to approve as follows: The granting of power and authority to BOC with prior approval from the Shareholder of Series A Dwiwarna to decide the amount of bonuses paid to members of BOC and BOD serving in FY 2014 and to determine the amount of salaries, honoraria, and other benefits, including allowances and facilities, for BOC and BOD members in 2015.	18,927,056,638 95.73%	643,749,332 3.26%	199,961,868 1.01%
	The majority vote, i.e. 15,446,131,373 shares or 78.13% of the total votes issued in the Meeting, resolved as follows: 1. To approve the amendments to Company's Articles of Association conforming to POJK No. 32/POJK.04/2014 concerning Planning and Holding a Public Company's General Meeting of Shareholders and POJK No. 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of an Issuer or Public Company. 2. To approve the reconstitution of all provisions in the Articles of Association which relate to the amendments referred to in point no. 1 of the resolutions above. 3. To grant the power and authority with the right of substitution to BOD to take the necessary acts pertaining to the resolutions on the Meeting's agenda, including to reconstitute and restate all Articles of Association pursuant to the resolutions mentioned on point 2 (two) into a Notarial Deed and thereafter to submit the same to the competent authority for approval and/or receipt of notification concerning amendments to the Company's Articles of Association, and to conclude all matters as deemed necessary and useful for such purpose without any exception, including making any addition and/or change in the amendments of the Articles of Association, if required by the competent authority.	14,865,128,834 75.19%	4,324,636,465 21.78%	581,002,539 2.94%

RUPS	Notice	Invitation	Agenda	
			Approval of changes in the members of the Company's BOC and BOD	



	Resolutions	For (total votes & %)	Against (total votes & %)	Blank (total votes & %)
	<p>The majority vote, i.e. 15,202,018,770 shares or 76.89% of the total votes issued in the Meeting, resolved as follows:</p> <ol style="list-style-type: none"> To honorably discharge BOC and BOD members ending their tenure on the closing of the Meeting with deepest gratitude for their great contributions in their respective capacity as BOC and BOD members. To accept the resignation of Mr. MAHMUDDIN YASIN from his tenure as the Chief Commissioner pursuant to his letter dated March 10, 2015 with deepest gratitude for his contributions in his capacity as a member of BOC. To honorably discharge Mr. ANTON HERMANTO GUNAWAN as an Independent Commissioner effective from the closing of the Meeting with deepest gratitude for his great contributions in his capacity as a member of Company's BOC. To appoint: <ul style="list-style-type: none"> Members of the Company's BOC: <ol style="list-style-type: none"> Mr. DARMIN NASUTION as Chief Commissioner; Mr. IMAMAPRIYANTO PUTRO as Deputy Chief Commissioner; Mr. GOEI SIAUW HONG as Independent Commissioner; Mr. SUWHONO as Commissioner; Mr. BANGUN SARWITO KUSMULJONO as Independent Commissioner; Ms. CAHAYA DWI REMBULAN SINAGA as Independent Commissioner; Members of the Company's BOD: <ol style="list-style-type: none"> Mr. SULAIMAN ARIF ARIANTO as Vice President Director; Mr. PAHALA NUGRAHA MANSURY as Director; Ms. KARTINI SALLY as Director; Mr. KARTIKA WIRJOATMODJO as Director; Mr. AHMAD SIDDIK BADRUDDIN as Director; Mr. TARDI as Director; <p>The appointment of BOC and BOD members was declared effective following approval from the OJK based on the Fit and Proper Test and upon compliance with the applicable legislation, except for the appointment of Mr. PAHALA NUGRAHA MANSURY which was effective as of the closing of this Meeting. The tenure of the appointed members of BOC and BOD shall end by the closing of the fifth Company's Annual RUPS as of their appointment without prejudice to the rights of the Meeting to dismiss any of them at any time.</p> <p>To re-assign Mr. ABDUL AZIZ from Commissioner to Independent Commissioner post for the remainder of his tenure as a Commissioner. Therefore, upon the closing of the Meeting, the members of the Company's BOC and BOD shall be as follows:</p>	<p>14,735,946,985 74.53%</p>	<p>4,568,749,068 23.11%</p>	<p>466,071,785 2.36%</p>

RUPS	Notice	Invitation	Agenda	



	Resolutions	For (total votes & %)	Against (total votes & %)	Blank (total votes & %)
	<p>BOARD OF COMMISSIONERS</p> <ul style="list-style-type: none"> • Chief Commissioner : Mr. DARMIN NASUTION • Deputy Chief Commissioner : Mr. IMAM APRIYANTO PUTRO • Independent Commissioner : Ms. AVILIANI • Independent Commissioner : Mr. GOEI SIAUW HONG • Commissioner : Mr. SUWHONO • Independent Commissioner : Mr. ABDUL AZIZ • Commissioner : Mr. ASKOLANI • Independent Commissioner : Mr. BANGUN SARWITO KUSMULJONO • Independent Commissioner : Ms. CAHAYA DWI REMBULAN SINAGA <p>BOARD OF DIRECTORS</p> <ul style="list-style-type: none"> • President Director : Mr. BUDI GUNADI SADIKIN • Vice President Director : Mr. SULAIMAN ARIF ARIANTO • Director : Mr. ROYKE TUMILAAAR • Director : Mr. HERY GUNARDI • Director : Mr. SENTOT A SENTAUSA • Director : Mr. OGI PRASTOMIYONO • Director : Mr. PAHALA NUGRAHA MANSURY • Director : Ms. KARTINI SALLY • Director : Mr. KARTIKA WIRJOATMODJO • Director : Mr. AHMAD SIDDIK BADRUDDIN • Director : Mr. TARDI <p>5. To grant the power and authority with the right of substitution to BOD to take all the necessary acts relating to the resolutions on the Meeting's agenda in line with the applicable legislation, including stating changes in the membership of BOC and BOD in a Notarial Deed and notifying the Ministry of Law and Human Rights of the Republic of Indonesia of the BOC and BOD membership as well as requesting the OJK to conduct a Fit and Proper Test for appointed Boards' members in accordance with the applicable legislation.</p> <p>Furthermore, pursuant to the resolutions on the Second Agenda of the Meeting as mentioned above, the Meeting resolved to make dividend payments from the Company's net profit amounting to IDR 4,967,968,319,198.15, or amounting to IDR 212.91292 per share, to be distributed to 23,333,333,333 Company shares with the schedule and procedures for distribution of cash dividends for FY 2014 as follows:</p>			

RUPS	Notice	Invitation	Agenda	



	Resolutions	For (total votes & %)	Against (total votes & %)	Blank (total votes & %)																											
	Schedule for Distribution of Cash Dividends:																														
	<table border="1"> <thead> <tr> <th>No</th> <th>Note</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>End of the Period for Trading Stocks with Dividend Rights (Cum Dividend)</td> <td></td> </tr> <tr> <td></td> <td>- Regular and Negotiated Markets</td> <td>March 23, 2015</td> </tr> <tr> <td></td> <td>- Cash Market</td> <td>March 23, 2015</td> </tr> <tr> <td>2</td> <td>Commencement of the Period for Trading Stocks without Dividend Rights (Ex Dividend)</td> <td></td> </tr> <tr> <td></td> <td>- Regular and Negotiated Markets</td> <td>March 24, 2015</td> </tr> <tr> <td></td> <td>- Cash Market</td> <td>March 27, 2015</td> </tr> <tr> <td>3</td> <td>Date of Register by Shareholders entitled to Dividends (Recording Date)</td> <td>March 26, 2015</td> </tr> <tr> <td>4</td> <td>Date of Cash Dividend Payment for FY 2014</td> <td>April 17, 2015</td> </tr> </tbody> </table>	No	Note	Date	1	End of the Period for Trading Stocks with Dividend Rights (Cum Dividend)			- Regular and Negotiated Markets	March 23, 2015		- Cash Market	March 23, 2015	2	Commencement of the Period for Trading Stocks without Dividend Rights (Ex Dividend)			- Regular and Negotiated Markets	March 24, 2015		- Cash Market	March 27, 2015	3	Date of Register by Shareholders entitled to Dividends (Recording Date)	March 26, 2015	4	Date of Cash Dividend Payment for FY 2014	April 17, 2015			
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4	Date of Cash Dividend Payment for FY 2014	April 17, 2015																													
	<p>1. Cash dividends would be paid to the Company's shareholders listed in the Company Shareholder Register ("DPS") or with recording date March 26, 2015 (recording date) and/or shareholders of the Company in the securities sub-account of PT Kustodian Sentral Efek Indonesia ("KSEI") on the closing of trade taking place on March 26, 2015.</p> <p>2. For the Company shareholders whose shares were placed in the collective custody of KSEI, the payment of cash dividends was made through KSEI and would be distributed into the account of Stock Brokerages and/or Custodian Banks on April 17, 2015. The proof of payment for cash dividends would be provided by KSEI to the Company's shareholders through Stock Brokerages and/or Custodian Banks where the Shareholders opened their respective account. As for the Company's shareholders whose shares were not placed in the collective custody of KSEI, the payment of cash dividends would be transferred to the respective account of the Company's shareholders.</p> <p>3. Such cash dividends were subject to taxes pursuant to applicable legislation on taxes. The amount of tax charged would be paid by the Company's shareholders concerned and deducted from the amount of cash dividends to be paid to the Company's shareholders.</p> <p>4. Shareholders with the status of Domestic Taxpayers in the form of legal persons not listing their Taxpayer Identification Number ("NPWP") should submit the NPWP to KSEI or the Stock Administration Bureau ("BAE") PT Datindo Entrycom having its office in Puri Datindo - Wisma Sudirman. Jl. Jend. Sudirman Kav. 34, Jakarta 10220 on March 26, 2015 at 16.00 WIB at the latest. In the event of failure to inform the NPWP, the cash dividends payable to Domestic Taxpayers would be subject to Income Tax amounting to 30%.</p>																														

RUPS	Notice	Invitation	Agenda	



	Resolutions	For (total votes & %)	Against (total votes & %)	Blank (total votes & %)
	<p>5. Shareholders being Foreign Taxpayers whose tax deduction would be subject to tariff pursuant to Double Taxation Avoidance Agreement (“P3B”) must meet the requirements of article 26 of Law No. 36/2008 concerning the Fourth Amendment to Law No. 7/1983 concerning Income Tax and submit DGT-1 or DGT-2 form certified by Tax Service Office for Publicly Listed Companies to KSEI or BAE on April 2, 2015 at the latest. In the absence of such document, the cash dividends payable would be subject to the Income Tax - Article 26 amounting to 20%.</p> <p>6. As for the Company shareholders whose shares were in the collective custody of KSEI, the receipt of tax withholding for dividends could be collected in the Stock Brokerages and/or Custodian Banks where the shareholders opened their securities account while shareholders of the Company’s script could collect it in BAE as of May 11, 2015.</p>			

The Annual RUPS was opened by Mr. Pradjoto as the Chair, in accordance with Article 13 paragraph 13 of Bank Mandiri's Articles of Association. The RUPS began with explanation of the Meeting's code of conducts, and the Chair gave shareholders or their proxies an opportunity to raise questions/make comments and/or suggestions on each agenda of the meeting. The Chair or the Director authorized by the Chair answered or responded to the questions/comments from the shareholders in attendance. After all of the questions had been answered or replied, voting took place and it was attended only by shareholders or their authorized proxies entitled to cast votes. Each share conferred a right to its holder to cast one vote. Bank Mandiri appointed independent parties, namely Notary Ashoya Ratam, S.H., M.Kn., and PT Datindo Entrycom for counting and/or validating the votes.

Resolutions of the Annual RUPS for FY 2014 were filed with the OJK on March 18, 2015 via a letter to OJK under document number No. FST.CSC/CMA.822/2015 regarding Submission of Information on Publication of Summarized Minutes of Annual RUPS Meeting for FY 2014 and the Electronic Reporting System www.idx.co.id (Indonesian Stock Exchange) via a letter under document number No. FST.CSC/CMA.821/2015 concerning Submission of Information on Publication of Summarized Minutes of Annual RUPS Meeting for FY 2014 and published on *Bisnis Indonesia*, *Suara Pembaruan*, and *The Jakarta Post* by March 18, 2015 and also on the Company's website on www.mandiri.co.id in bilingual version (Indonesian and English).



The Extraordinary General Meeting of Shareholders (EGM)



The decision to conduct an RUPSLB can be made at any time. An RUPSLB can be held at any time if deemed necessary by BOD upon written request of BOC or Shareholder of Series A Dwiwarna Share and/or 1 (one) shareholder or more holding at least 1/20 (one-twentieth) of the total shares with valid voting rights.

Bank Mandiri held an RUPSLB on December 18, 2015 at 10.03 - 10.48 WIB taking place in Auditorium Plaza Mandiri Lt. 3 Jl. Jend. Gatot Subroto Kavling 36-38, South Jakarta. The Meeting was attended by all BOC members (except Mr. Suwono and his absence had been officially informed to the Company) and BOD members as well as the shareholders and/or their proxies/representatives who represented 19,663,688,277 shares, among them Series A

Dwiwarna Share or constituting 84.14% of the total shares with valid voting rights issued by the Company up to the day when the Meeting was held, i.e. 23,333,333,333 shares comprising:

- 1 (one) Series A Dwiwarna Share; and
- 23,333,333,332 (twenty-three billion three hundred thirty-three million three hundred thirty-three thousand three hundred thirty-two) Series B Shares;

having regard to the Company Shareholder Register as per November 25, 2015 up to 16.00 WIB. Therefore, the provisions regarding the quorum for an RUPS as set out in the Articles of Association were satisfied and regulations were fulfilled so that the RUPSLB was lawful and able to adopt binding resolutions.

The following table outlines the notice, invitation, agenda, resolutions and votes count with respect to the RUPSLB of Bank Mandiri:

RUPS	Notice	Invitation	Agenda	
RUPSLB on December 18, 2015	Published on November 11, 2015 on Bank Mandiri website under document number. No. FST.CSC/013/P/XII/2015	Published on November 26, 2015 in Bisnis Indonesia and Suara Pembaruan in Indonesian, and The Jakarta Post in English, Electronic Reporting System on www.idx.co.id and on the website of Bank Mandiri	Changes in the Company Management	
			Decision to enforce Regulation of the Minister of State Owned Enterprises No. PER-09/MBU/07/2015 dated July 3, 2015 concerning Partnership and Environmental Development Program of State Owned Enterprises	



	Resolutions	For (total votes & %)	Against (total votes & %)	Blank (total votes & %)
	<p>1. Approved the dismissal of Mr. Darmin Nasution as the Chief Commissioner as of his official appointment as the Coordinating Minister for Economic Affairs of the Republic of Indonesia on August 12, 2015 by extending deepest gratitude for his great contributions in his capacity as the Chief Commissioner.</p> <p>2. Approved and appointed Mr. Wimboh Santoso as the Chief Commissioner. The appointment of the Chief Commissioner was effective following approval from the OJK based on the Fit and Proper Test and compliance with the applicable legislation. The tenure of the newly appointed Chief Commissioner would end on the closing of the fifth Annual RUPS as of his appointment, with due observance of legislation regulating Capital Market and without prejudice to the rights of the Meeting to dismiss him at any time.</p> <p>3. Therefore, following the approval from OJK of that appointment, the membership of BOC would be as follows: Board of Commissioners: Chief Commissioner : Mr. Wimboh Santoso Deputy Chief Commissioner : Mr. Imam Apriyanto Putro Independent Commissioner : Mr. Abdul Aziz Independent Commissioner : Ms. Aviliani Commissioner : Mr. Askolani Commissioner : Mr. Suwhono Independent Commissioner : Mr. Goei Siau Hong Independent Commissioner : Mr. Bangun Sarwito Kusmuljono</p> <p>4. Vested BOD with the power and authority with the right of substitution to take all the necessary acts relating to the resolutions of the Agendas in accordance with the applicable legislation, including stating the structure of BOC membership in a Notarial Deed and giving notification to the Ministry of Law and Human Rights of such membership, and requesting OJK to conduct a Fit and Proper Test for the Appointed Chief Commissioner in accordance with the applicable legislation.</p>	<p>15,009,693,933 76.45%</p>	<p>4,252,374,695 21.66%</p>	<p>371,619,649 1.89%</p>
	<p>Approved the decision to enforce Regulation of the Minister of State Owned Enterprises No. PER-09/MBU/07/2015 dated July 3, 2015 concerning Partnership and Environmental Development Program of State Owned Enterprises as a guideline for conducting Partnership and Environmental Development Programs which will be implemented in 2016.</p>	<p>19,568,598,748 99.67%</p>	<p>15,495,093 0.08%</p>	<p>49,594,436 25%</p>

The RUPSLB was opened by Mr. Imam Apriyanto Putro as the Chair, conforming to Article 13 paragraph 13 of Bank Mandiri's Articles of Association. The RUPS started with explanation of the Meeting code of conducts, and the Chair then gave an opportunity for shareholders or their proxies to ask questions/make comments and/or suggestions on each agenda of the meeting. The Chair or the Director authorized by the Chair answered or responded to the questions/comments from the shareholders in attendance. After all of the questions had been answered or responded, voting took place and was attended only by shareholders or their authorized proxies entitled to cast votes. Each share conferred a right to its holder to cast one vote. Bank Mandiri appointed independent parties, namely Notary Ashoya Ratam, S.H., M.Kn., and PT Datindo Entrycom for counting and/or validating the votes.

Resolutions of the RUPSLB were filed with the OJK on December 22, 2015 via a letter to OJK under document number: No FST.CSC/CMA.3156/2015 regarding Information Transparency of PT Bank Mandiri (Persero) Tbk, and Electronic Reporting System on www.idx.co.id (Indonesian Stock Exchange) through a letter under document number: No. FST.CSC/CMA.3156/2015 concerning Information Transparency of PT Bank Mandiri (Persero) Tbk published on *Bisnis Indonesia*, *Suara Pembaruan*, and *The Jakarta Post* by December 22, 2015 and also on the Company's website on www.mandiri.co.id in bilingual version (Indonesian and English).

Attendance Level at the RUPS

The Annual RUPS and RUPSLB were attended by Chief Commissioner and all BOC members, including the Chief and members of the Committees under BOC, along with the President Director and all BOD members.

Attendance		Membership in Committees		Annual RUPS	RUPSLB
Name	Position	Annual RUPS	RUPSLB		
Mahmuddin Yasin*	Chief Commissioner	Member of Remuneration and Nominations Committee	-	√	-
Pradjoto *	Independent Commissioner	<ul style="list-style-type: none"> Chief of Remuneration and Nominations Committee Member of Risk Monitoring and GCG Committee 	-	√	-
Krisna Wijaya*	Independent Commissioner	<ul style="list-style-type: none"> Chief of Audit Committee Member of Risk Monitoring and GCG Committee 	-	√	-

Attendance		Membership in Committees		Annual RUPS	RUPSLB
Name	Position	Annual RUPS	RUPSLB		
Abdul Aziz	Commissioner	<ul style="list-style-type: none"> Member of Remuneration and Nominations Committee Member of Risk Monitoring and GCG Committee 	<ul style="list-style-type: none"> Member of Remuneration and Nominations Committee Chief of Risk Monitoring Chief of Integrated Corporate Governance Committee 	√	√
Askolani	Commissioner	<ul style="list-style-type: none"> Member of Remuneration and Nominations Committee Member of Audit Committee 	<ul style="list-style-type: none"> Member of Audit Committee Member of Remuneration and Nominations Committee 	√	√
Aviliani	Independent Commissioner	<ul style="list-style-type: none"> Member of Remuneration and Nominations Committee Member of Audit Committee 	<ul style="list-style-type: none"> Chief of Audit Committee Member of Remuneration and Nominations Committee Member of Integrated Corporate Governance Committee 	√	√
Anton H. Gunawan*	Independent Commissioner	<ul style="list-style-type: none"> Member of Remuneration and Nominations Committee Member of Audit Committee Member of Risk Monitoring and GCG Committee 		√	-
Darmin Nasution*****	Chief Commissioner			-	-
Imam Apriyanto Putro**	Deputy Chief Commissioner		<ul style="list-style-type: none"> Member of Remuneration and Nominations Committee Member of Risk Monitoring and GCG Committee 	-	√
Goei Siau Hong**	Independent Commissioner		<ul style="list-style-type: none"> Member of Integrated Corporate Governance Committee Member of Remuneration and Nominations Committee Member of Audit Committee 	-	√

Attendance		Membership in Committees		Annual RUPS	RUPSLB
Name	Position	Annual RUPS	RUPSLB		
Suw hono**	Commissioner	-	<ul style="list-style-type: none"> Member of Remuneration and Nominations Committee Member of Risk Monitoring and GCG Committee 	-	√
Bangun Sarwito	Independent	-	<ul style="list-style-type: none"> Chief of Remuneration and Nominations Committee Member of Integrated Corporate Governance Committee 	-	√
Kusmuljono**	Commissioner	-		-	√

Name	Position	Annual RUPS	RUPSLB
Budi G. Sadikin	President Director	√	√
Riswinandi ***	Vice President Director (After the implementation of the Annual General Meeting , Vice President Director chaired by Mr. Sulaiman A. Ariyanto)	√	-
Abdul Rachman***	Institutional Banking Director	√	-
Sentot A. Sentausa	Distributions Director	√	√
Ogi Prastomiyono	Technology & Operations Director	√	√
Pahala N. Mansury	Treasury & Markets Director	√	√
Fransisca N. Mok***	Corporate Banking Director (After the implementation of the Annual General Meeting , Corporate Banking Director chaired by Mr. Royke Tumilaar)	√	-
Sunarso***	Commercial & Business Banking Director (After the implementation of the Annual General Meeting , Commercial Banking Director chaired by Ms. Kartini Sally)	√	-
Kresno Sediarsi***	Technology & Operations Director (After the implementation of the Annual General Meeting , Technology & Operations Director chaired by Mr. Ogi Prastomiyono)	√	-
Hery Gunardi	Consumer Banking Director	√	√
Royke Tumilaar	Corporate Banking Director	√	√
Sulaiman Arif Arianto****	Vice President Director	-	√
Kartini Sally****	Commercial Banking Director	-	√
Kartika Wirjoatmodjo****	Finance & Strategy Director	-	√
Ahmad Siddik Badruddin****	Risk Management & Compliance Director	-	√
Tardi****	Micro & Business Banking Director	-	√

Note:

- * Honorably discharged as BOC members in the Annual RUPS held on March 16, 2015, ending their tenure by the closing of the Meeting
- ** Appointed as BOC members in the Annual RUPS held on March 16, 2015
- *** Honorably discharged as BOD members in the Annual RUPS held on March 16, 2015, ending their tenure by the closing of the Meeting
- **** Appointed as BOD members in the Annual RUPS held on March 16, 2015
- ***** Appointed as BOC members in the Annual RUPS held on March 16, 2015 dan Appointed as the Coordinating Minister for Economic Affairs of the Republic of Indonesia on August 12, 2015

The level of attendance in the Annual RUPS among the shareholders during the last five years was approximately more than 82.34%, indicating the effectiveness of the announcements and invitation to the Bank's RUPS as well as a high level of concern and participation on the part of the shareholders. For 2015, the attendance level stood at 84.73%. The Meeting was attended by all BOC and BOD members, shareholders and/or their proxies/representatives altogether representing 19,770,767,838 shares, including a Series A Dwiwarna Share constituting 84.73% of the total shares with valid voting rights issued by the Company up to the day when the Meeting was held, i.e. 23,333,333,333 shares comprising:

- 1 (one) Series A Dwiwarna Share; and
- 23,333,333,332 (twenty-three billion three hundred thirty-three million three hundred thirty-three thousand three hundred thirty-two) Series B Shares;

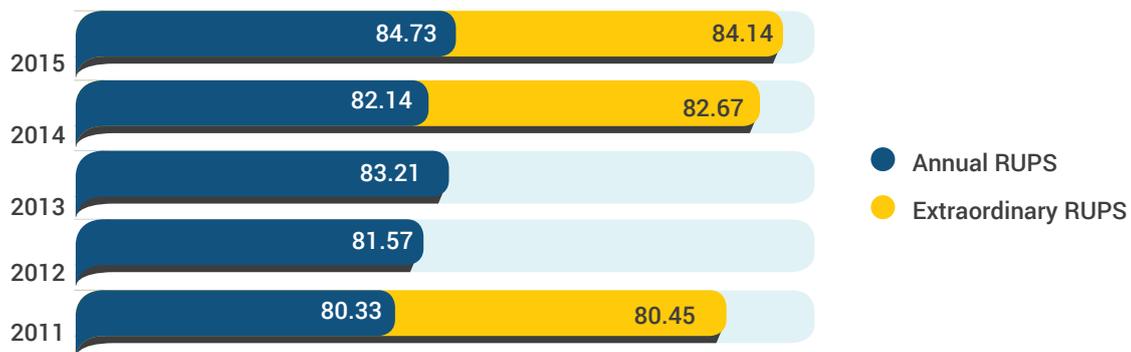
in respect of the Company Shareholder Register as per Wednesday, February 18, 2015 by 16.00 WIB.

The attendance level of the shareholders in the RUPSLB during the last five years was approximately 84.09%, also indicating the effectiveness of the announcements and invitation to the RUPSLB as well as a high level of concern and participation on the part of Bank Mandiri shareholders.

Shareholders Attendance (%) for 2011-2015

RUPS	2011	2012	2013	2014	2015
Annual	80.33	81.57	83.21	82.14	84.73
Extraordinary	85.45	No RUPSLB	No RUPSLB	82.67	84.14

Shareholders Attendance (%) for 2011-2015



Follow-Up on Resolutions of the Previous RUPS

In this 2015 annual report, Bank Mandiri followed up on the resolutions of the Annual RUPS held for FY 2014 as outlined in the following progress table:

Agenda	Resolutions of RUPS in 2014	Follow Up Status
Approval of the Annual Report and Approval of the Consolidated Financial Statements, Approval of Report on Supervisory Duties of the Board of Commissioners and Approval of the Annual Report on the Implementation of Partnership and Environmental Development Program for FY 2013 (Annual RUPS)	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. To approve the Company's Annual Report, including Report on Supervisory Duties conducted by BOC for the fiscal year ending on December 31, 2013, and approve the Consolidated Financial Statements for FY 2013 audited by KAP TANUDIREDDJA, WIBISANA & Partners, a member of PwC Global Network, with an "unqualified". b. To approve the Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year ending on December 31, 2013 audited by KAP Rama Wendra with "Unqualified" opinion 2. With the approval of the Annual Report, the Report on Supervisory Duties by BOC and the Annual Report on the Implementation of Partnership and Environmental Development of 2013, the RUPS fully released and discharged (volledig acquit et de charge) all BOC and BOD members from the management and supervision conducted during FY 2013. 	Completed (100%)

Agenda	Resolutions of RUPS in 2014	Follow Up Status
Approval of the Company's allocation of net profit for FY 2013 (Annual RUPS)	To approve and determine the allocation of the Company's net profit for FY 2013 amounting to IDR 18,203,753,301,421.70 as specified below: a) 30% of the Company's net profits were distributed as cash dividends paid to the shareholders conforming to the applicable regulations, b) 12.90% of the Company's net profits were set aside as Reserves in order to support investment and c) 57.10% of the Company's net profits were allocated as Retained Earnings.	Completed (100%)
Appointment of a Public Accounting Firm to audit the Company's Financial Statements and the Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year ending on December 31, 2014 (Annual RUPS)	<p>a. To appoint KAP Tanudiredja, Wibisana & Partners – a Member Firm of Price Waterhouse Coopers Global Network ("PwC") – to audit the Consolidated Financial Statements and the Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year ending on 31-12-2014 (thirty-first of December two thousand fourteen)</p> <p>b. To grant the authority to BOC to determine the fee and other requirements for the KAP, and to choose a substitute KAP if PwC, due to any reasons, was unable to complete the audit of the Company's Consolidated Financial Statements and Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year ending on 31-12-2014 (thirty-first of December two thousand fourteen).</p>	Completed (100%)
Determining the salaries of BOD, honoraria of BOC and bonuses as well as other benefits for all members of BOC and BOD (Annual RUPS)	To approve the granting of power and authority to BOC with prior approval from the Shareholder of Series A Dwiwarna to decide the amount of bonuses paid to members of BOC and BOD serving in FY 2013 and to determine the amount of salaries, honoraria and other benefits, including allowances and facilities, for BOC and BOD members in 2014 (two thousand fourteen)	Completed (100%)
Approval of the Acquisition Plan of PT Asuransi Jiwa InHealth Indonesia (Annual RUPS)	To approve the plan of acquiring shares with a total amount of IDR 1,750,000,000,000 (one trillion seven hundred fifty billion rupiahs) in PT Asuransi Jiwa InHealth Indonesia deducted by interim dividends for FY 2013, amounting to IDR 100,000,000 (one hundred billion rupiahs), with the transaction being carried out in two phases, where in Phase I the Company's ownership would be 60% of the total issued and paid-up capital of InHealth and in Phase II the ownership would be 80% of the total issued and paid-up capital of InHealth	Completed (100%)

Agenda	Resolutions of RUPS in 2014	Follow Up Status
<p>Amendments to the provisions of Articles of Association on Shares and Share Certificates (Annual RUPS)</p>	<p>1. To approve amendments to the Articles of Association, particularly to Article 5, by adding one paragraph as the 10th paragraph which reads as follows:</p> <p>Article 5. Shares and Share Certificates</p> <ul style="list-style-type: none"> - (9) The proof of ownership of a share can take the form of a share certificate or a collective share certificate with its form and content to be decided by the Board of Directors and signed by or affixed with printed signature thereon of the President Director and the Chief Commissioner, or in the absence of the President Director and/or Chief Commissioner, which requires no evidence produced for any third party, another member of the Board of Directors and/or Board of Commissioners. - (10) a. Series B Shares held by public shareholders must be placed in the Collective Custody at a Depository and Settlement Institution and must be listed for trading in a Stock Exchange in Indonesia. b. The exercise of rights of public shareholders holding Series B Shares shall be subject to. <p>2. In the event that the resolution concerning amendments to Articles of Association as mentioned in item 1 above does not comply with laws and regulations to be enacted in the future, a new amendment to the said Articles of Association shall be made during the next RUPS</p> <p>3. To grant the power with the right of substitution to BOD to restate the resolution concerning amendments to the Company's Articles of Association in a notarial deed, and to notify the same to the competent authority as well as to take all the necessary acts in connection with the amendments to the Articles of Association to the extent that they do not conflict with the laws and regulations applicable for the time being or to be enacted in the future.</p>	<p>Completed (100%)</p>

Agenda	Resolutions of RUPS in 2014	Follow Up Status
<p>Changes in the Company's Organizational Structure (RUPSLB)</p>	<ol style="list-style-type: none"> 1. To honorably discharge: <ol style="list-style-type: none"> a) Mr. Edwin Gerungan as Chief Commissioner concurrently serving as Independent Commissioner b) Ms. Gunarni Soworo as Independent Commissioner c) Mr. Wahyu Hidayat as Commissioner d) Mr. Agus Suprijanto as Commissioner. 2. To appoint : <ol style="list-style-type: none"> a) Mr. Mahmuddin Yasin as Chief Commissioner b) Mr. Askolani as Commissioner c) Ms. Aviliani as Independent Commissioner d) Mr. Anton Hermanto Gunawan as Independent Commissioner <p>each of whom shall serve from the closing of the RUPS until the closing of the fifth Annual RUPS subsequent to their appointment. The appointment shall be effective upon the OJK's approval based on the fit and proper test and in compliance with the applicable legislation.</p> 3. To vest BOD with the power and authority with the right of substitution to take all the necessary acts relating to the resolutions of the Meeting agendas in accordance with the applicable legislation, including stating the resolutions into a Notarial Deed and notifying changes in the Company's organizational structure to the Ministry of Law and Human Rights of the Republic of Indonesia and proposing a Fit and Proper Test to the OJK. 	<p>Selesai (100%)</p>

board of commissioners

Board of Commissioners (BOC) is the organ of the Company which serves to conduct surveillance in general and/or specified by the Articles of Association and provides advice to the Board in running the Company and implementing good corporate governance (GCG). The Board of Commissioners and is collectively and collegially assisted by four (4) committees, namely the Audit Committee, Remuneration & Nominations Committee, the Risk Monitoring Committee and Integrated Corporate Governance Committee.

Criteria, Procedures Appointment, Number and Composition of the Board of Commissioners

As a State-Owned Enterprises limited liability open, the criteria and procedures for the determination of the Board of Commissioners of Bank Mandiri is subject to the provisions of Law No. 40/2007 regarding Limited Liability Company ("Limited Liability Company Law"), Government Regulation No. 45/2005 on the Establishment, Management, Monitoring and Dissolution of State Owned Enterprises ("PP No. 45/2005"), Bank Indonesia Regulation (PBI) No. 12/23/PBI/2010 dated December 29, 2010 concerning

Fit and Proper Test ("PBI No. 12/23/2010"), Regulation of the Financial Services Authority (POJK) No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Public Company and the Regulation of the Minister of State-Owned Enterprises No. PER-02/MBU/02/2015 on the Terms and Procedure for Appointment and Dismissal of Members of Board of Commissioners and the Board of Trustees of State Owned Enterprises. All the provisions in question have been set out in the Articles of Association of the Bank.

Criteria for the Board of Commissioners

Pursuant to PBI No. 12/23/2010 concerning Fit and Proper Test, then the Bank Management Board of Commissioners as required predicate passes the fit and proper test conducted by Bank Indonesia. Bank management should meet the requirements of integrity, competency, and financial reputation.

In order to meet the requirements of integrity, a candidate member of the Board of Commissioners shall have (1) good character and morals; (2) a commitment to comply with the legislation in force; (3) a strong commitment to the development of a healthy bank operations; and (4) are not included in the Disqualified List.

Meanwhile, to meet the competency requirements Member of the Board of Commissioners shall have:

1. Adequate knowledge in the field of banking relevant to the position;
2. Experience and expertise in banking and/or finance; and
3. The ability for strategic management in order to develop a healthy bank.

In addition, it required also that the Board of Commissioners :

1. legally competent;
2. not been declared bankrupt within 5 (five) years prior to the nomination;
3. never been a member of the Board of Directors or the Board of Commissioners/Board of Trustees

who were responsible for causing a Company/ Perum declared bankrupt within 5 (five) years prior to the nomination;

4. never been convicted of a criminal offense that is detrimental to the country's financial and/or related to the financial sector within 5 (five) years prior to the nomination;
5. not included in the list of having bad debts.

In addition to referring to the provisions of the Regulation of Bank Indonesia, the criteria for the appointment of the Board of Commissioners of Bank Mandiri also refers to other provisions, among others POJK No. 33/POJK.04/2014 and Regulation of the Minister of State Owned Enterprises No. PER-02/MBU/02/2015.

Procedure for BOC Appointment

To be eligible for the fit and proper test, bank applies for and obtain approval of the prospective managers to the Financial Services Authority (OJK). Candidate Manager of proposed amounted to a maximum of two (2) people for each vacancy, and the determination of candidates proposed has been done in accordance with the applicable legislation. Approval or rejection of the application by the OJK no later than 30 (thirty) days after receipt of the complete application.

The fit and proper test conducted by the OJK, covering the administrative examination and interview. In the case of candidates who requested the

approval of the OJK has been approved and appointed as the Bank Management in accordance GMS, but is concerned not approved by the OJK, the Bank through the General Meeting of Shareholders (RUPS) shall dismiss concerned. Candidate Management of Banks that have not been approved by the OJK are prohibited from doing duty as a Member of the Board in the operations of the Bank and or other activities that have a significant influence on the policies and financial condition of the Bank, although it has been approved and appointed by the RUPS.

Membership and Composition of the BOC

During 2015, there have been three (3) times the change in the composition of the Board of Commissioners. The composition of the Board of Commissioners of the period January 2015 - March 16, 2015 is as follows:

Nama	Position	Basis for Appointment	Term of Office	Fit and Proper Test Organizer	Domicile
Mahmuddin Yasin	Chief Commissioner	Extraordinary General Meeting of Shareholders (RUPSLB) on May 21, 2014	2014-2015	OJK	Indonesia
Pradjoto	Independent Commissioner	RUPS on May 16, 2005 and reappointed as Independent Commissioner of Bank Mandiri at RUPS on May 17, 2010	2005-2010 2010-2014	Bank Indonesia	Indonesia
Krisna Wijaya	Independent Commissioner	RUPSLB on July 5, 2010	2010-2015	Bank Indonesia	Indonesia
Abdul Aziz	Commissioner	RUPS on April 2, 2013	2013-2015	Bank Indonesia	Indonesia
Askolani	Commissioner	RUPSLB on May 21, 2014	2014-present	OJK	Indonesia
Aviliani	Independent Commissioner	RUPSLB on May 21, 2014	2014-present	OJK	Indonesia
Anton Hermawan Gunawan	Independent Commissioner	RUPSLB on May 21, 2014	2014-2015	OJK	Indonesia

Based on resolution of RUPS on March 16, 2015, it was decided to honorably discharge Mr. Mahmuddin Yasin, Mr. Krisna Wijaya and Mr. Anton Hermawan Gunawan as Commissioner and appoint Mr. Darmin Nasution as Chief Commissioner, Mr. Imam Apriyanto Putro as Deputy Chief Commissioner, Mr. Goei Siau Hong and Mr. Bangun Sarwito Kusmuljono as Independent

Commissioner and Mr. Suwhono as Commissioner. In addition to that, Mr. Abdul Aziz was transferred from Commissioner to Independent Commissioner with the tenure of the term of office as Commissioner.

Appointment of members of the Board of Commissioners has received approval from the OJK about the “Decision of the Fit and Proper Test on the appointment of a Commissioner of PT Bank Mandiri (Persero) Tbk” with the following details:

Name	No. of Decree	Date of Decree
Darmin Nasution	SR-105/D.03/2015	June 8, 2015
Imam Apriyanto Putro	SR-106/D.03/2015	June 8, 2015
Suw hono	SR-117/D.03/2015	June 19, 2015
Goei Siauw Hong	SR-119/D.03/2015	June 19, 2015
Bangun Sarwito Kusmuljono	SR-118/D.03/2015	June 19, 2015

The composition of the Board of Commissioners of the period March 16-August 2015 is as follows:

Name	Position	Basis for Appointment	Term of Office	Fit and Proper Test Organizer	Domicile
Darmin Nasution	Chief Commissioner	RUPS on March 16, 2015	2015-August 12, 2015	OJK	Indonesia
Imam Apriyanto Putro	Deputy Chief Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia
Abdul Aziz	Independent Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia
Aviliani	Independent Commissioner	RUPSLB on May 21, 2014	2014-present	OJK	Indonesia
Askolani	Commissioner	RUPSLB on May 21, 2014	2014-present	OJK	Indonesia
Suw hono	Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia
Goei Siauw Hong	Independent Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia
Bangun Sarwito Kusmuljono	Independent Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia

*) RUPSLB on December 18, 2015 approved and appointed Mr. Wimboh Santoso as Chief Commissioner and a new appointment will be effective after obtaining approval from the OJK on Fit and Proper Test and meet the legislation in force.

Based on the Decree of the Extraordinary General Meeting held on December 18, 2015 there is a change back in the composition of the Board of Commissioners. Extraordinary General Meeting decision has upheld the dismissal of Mr. Darmin Nasution as Commissioner of the Company commencing from the respective appointment as Coordinating Minister for the Economy of the Republic of Indonesia on August 12, 2015 and approved and appointed Mr. Wimboh Santoso as Commissioner. Appointment of Commissioner became effective after approval from the OJK on Fit and Proper Test and meet the regulations in force.

As of December 31, 2015, members of the Board of Commissioners of Bank Mandiri amounted to 8 (eight) where the 4 (four) of whom are Independent. This is in accordance with the provisions of the above mentioned regulation also stipulates that at least 50% of the number of members of the Board of Commissioners are Independent Commissioners. The amount does not exceed the number of members of the Board of Directors 11 (eleven) persons.

The composition of the Board of Commissioners of the period 18 December to 31 December 2015 is as follows:

Name	Position	Basis for Appointment	Term of Office	Fit and Proper Test Organizer	Domicile
Wimboh Santoso*	Chief Commissioner	RUPSLB on December 18, 2015	2015-present	OJK	Indonesia
Imam Apriyanto Putro	Deputy Chief Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia
Abdul Aziz	Independent Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia
Aviliani	Independent Commissioner	RUPSLB on May 21, 2014	2015-present	OJK	Indonesia
Askolani	Commissioner	RUPSLB on May 21, 2014	2015-present	OJK	Indonesia
Suwhono	Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia
Goei Siauw Hong	Independent Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia
Bangun Sarwito Kusmuljono	Independent Commissioner	RUPS on March 16, 2015	2015-present	OJK	Indonesia

Note:

*) RUPSLB on December 18, 2015 approved and appointed Mr. Wimboh Santoso as Chief Commissioner and a new appointment will be effective after obtaining approval from the OJK on Fit and Proper Test and meet the legislation in force.

Diverse Composition of the Board of Commissioners

Based on the policy of Shareholders, the composition of the Board of Commissioners has been determined taking into account the needs and complexity of the Bank Mandiri including attention to elements of the diversity of skills, educational background, experience, and do not discriminate gender. It is necessary for the

effectiveness of the supervisory duties of the Board of Commissioners, for it is the Bank seeks to maintain a mix of expertise and experience of members of the Board of Commissioners as reflected in the following table:

Education	The diversity of educational backgrounds of the Bank Commissioners, indicated by a mix of education, namely: <ul style="list-style-type: none"> • Educational qualification from Bachelor, Master to Doctorate • Competence fields including the field of Financial Services and Marketing, Accounting, Manufacturing, Economics, Management, Chemical Engineering, Agronomy/Agriculture, Environmental Management, Fisheries/Social Economy.
Experience	The diversity of work experience of the Board of Commissioners of Bank Mandiri, among others, namely: <ul style="list-style-type: none"> • 1st Rank Officials of the Ministry of SOEs • 1st Rank Officials of the Ministry of Finance • Vice President at private companies • Members of the Board of Ethics Risk Management Certification Agency • Chairman of the Islamic banking and a member of the National Economic Committee • Chairman of the Audit Committee of Indonesia (IKAI) • Member of the National Economic Committee (KEN) • Top 5 Analyst in Indonesia by Asiamoney • The Investment Coordinating Board (BKPM) • National Committee Empowerment Microfinance • Academics at several universities both outside and within the country, etc.
Age	The diversity of ages of the Bank Directors is in the age range is quite productive, i.e. 45-54 years = 5 people and 55-64 years = 3 people.
Sex	There is one woman member of the Board of Commissioners in Bank Mandiri.

Composition of the Board of Commissioners above have met the elements of diversity which is a combination of the independence, expertise/education, work experience, age and gender. All Members of the Board of Commissioners of Bank Mandiri have integrity, competence and good financial reputation. It has been proven that all members of

the Board of Commissioners has obtained approval from Bank Indonesia/OJK and has passed the fit and proper test. Related membership of the Board of Commissioners of Bank Mandiri has been described in the Board of Commissioners in this Annual Report.

Independence of the Board of Commissioners

PBI No. 8/4/PBI/2006 as amended by PBI No. 8/14/PBI/2006 on Implementation of Good Corporate Governance for Banks provides that the Bank must have an independent commissioner with the composition of at least 50% of the number of members of the Board of Commissioners. In connection with this and in order to support the implementation of GCG, then the shareholders through the RUPS has set the independent commissioner to carry out supervisory duties of the Bank and the Bank's business groups.

Independent Commissioner

Independent Commissioner is a member of the Board of Commissioners who do not have the financial, management, share ownership and/or family relationship to the second degree with other members of the Board of Commissioners, Board of Directors and/or the controlling shareholders or other relationship which could affect its ability to act independently. Independent Commissioners are to be able to encourage the creation of a working environment that is more objective and put fairness (fairness) and equality among the various interests, including the interests of minority shareholders and other stakeholders.

Based on the composition of the Board of Commissioners per December 31, 2015, Bank Mandiri has set four (4) Independent Commissioner of the total of eight (8) members of the Board of Commissioners that there is Ms. Aviliani, Mr. Goei Siau Hong, Mr. Abdul Aziz, Mr. Bangun Sarwito Kusmuljono. With the composition of the Independent Commissioner that reached more than 50%, the Bank has met the regulatory independence of the Commissioner of at least 50% as defined in PBI No. 8/4/PBI/2006 as amended by PBI No. 8/14/PBI/2006 on Implementation of Good Corporate Governance for Banks, Regulation of SOE No. PER-01/MBU/2011 as amended by PER-09/MBU/2012, on the amendment to the Regulation of the State Minister for State Owned

Enterprises No. Per-01/MBU/2011 on Implementation of Good Corporate Governance (GCG) On Board State Owned Enterprises and Article 28 of Law No. 19/2003 on SOEs

Independent Commissioner of Bank Mandiri essential requirements which include the following requirements:

1. Do not have a financial relationship and family relationship with members of the other Commissioners, Members of the Board of Directors and Controlling Shareholders of the Bank or other relationship which could affect its ability to act independently;
2. The Board of Commissioners does not hold a position as member of the Board of Commissioners, Board of Directors, or Executive Officer at more than 1 (one) body/non-financial companies, State-Owned Enterprises, Regional Owned Enterprises, Private Business and other positions in accordance with the provisions of Articles Association and the applicable legislation;
3. Has passed the Fit and Proper Test in accordance with the provisions of Bank Indonesia/OJK about the Fit and Proper Test;
4. Proposed by shareholders and elected at RUPS.
5. Within five (5) years prior to his appointment:
 - Never go bankrupt;
 - Never become a member of the Board of Directors or the Board of Commissioners or members of the Supervisory Board who were responsible for causing a company to go bankrupt;
 - Never convicted of a criminal offense that is detrimental to the State's financial and/or owned companies and/or related to the financial sector.

Dual Positions of the BOC

Members of the Board of Commissioners Bank had no double post beyond that were admitted by the regulations. In the Articles of Association of the Bank of BoC members should not be concurrently other positions that may pose a conflict of interest prohibited by legislation.

Members of the Board of Commissioners may be concurrent positions as members of the Board of Commissioners, Board of Directors, or Executive Officer at 1 (one) institution/company is not a financial institution, or in order to carry out oversight functions

on one (1) non-bank subsidiaries that are controlled by the Bank.

Not including the double post if members of the Board of Commissioners non independently run functional tasks of the shareholders which are legal entities in the group effort, and/or members of the Board of Commissioners holding positions at organizations or nonprofits, all concerned not neglect the duties and responsibilities as a member of the Board of Commissioners of Bank Mandiri.

Stock Ownership by Commissioners and Their Family

Up to the date of December 31, 2015, ownership of shares by each member of the Board of Commissioners of Bank Mandiri not reach 5% (five percent) of the paid up capital of the Bank, other banks, non-bank financial institutions and other companies domiciled inside or outside country. The list of shareholdings is as follows:

Board of Commissioners	Position	Stock Ownership of 5% or More of Paid Up Capital					Note
		Bank Mandiri	By Family in Bank Mandiri	Other Companies	Other Banks	Non-Bank Financial Institutions	
Wimboh Santoso	Chief Commissioner	-	-	-	-	-	NIL
Imam Apriyanto Putro	Deputy Chief Commissioner	-	-	-	-	-	NIL
Abdul Aziz	Independent Commissioner	-	-	-	-	-	NIL
Askolani	Commissioner	-	-	-	-	-	NIL
Aviliani	Independent Commissioner	-	-	-	-	-	NIL
Bangun Sarwito Kusmuljono	Independent Commissioner	-	-	-	-	-	NIL
Suwhono	Commissioner	-	-	-	-	-	NIL
Goei Siau Hong	Independent Commissioner	-	-	-	-	-	NIL

Financial Relationships and Family Affairs Members of the Board of Commissioners and the Board of Directors and/or Controlling Shareholders

There is no Board of Commissioners and Board of Directors of the Bank who doubled as Commissioners, Directors and Executive Officers of the Bank/other institutions, and not having family relations with other members of the Board of Directors and/or members of the Board of Commissioners up to the second degree.

Directors of the Bank headed by a Director who is coming from a party independent from the controlling shareholder. In addition, the Board of Directors do

not perform concurrent positions as the Managing Director or other Directors on the State-Owned Enterprises, Regional-Owned Enterprises and Private or other positions related to the management of the Bank, including positions of structural and functional positions other institution/agency central and local governments, as well as other positions in accordance with the provisions of Articles of Association of the Bank and the applicable laws and regulations.

Name	Familial Relationship With					
	Board of Commissioners		Board of Directors		Controlling Shareholders	
	Yes	No	Yes	No	Yes	No
Board of Commissioners						
Wimboh Santoso	-	√	-	√	-	√
Imam Apriyanto Putro	-	√	-	√	-	√
Abdul Aziz	-	√	-	√	-	√
Aviliani	-	√	-	√	-	√
Askolani	-	√	-	√	-	√
Suwhono	-	√	-	√	-	√
Goei Siauw Hong	-	√	-	√	-	√
Bangun Sarwito Kusmuljono	-	√	-	√	-	√
Board of Directors						
Budi Gunadi Sadikin	-	√	-	√	-	√
Sulaiman Arif Arianto	-	√	-	√	-	√
Royke Tumilaar	-	√	-	√	-	√
Hery Gunardi	-	√	-	√	-	√
Sentot A Sentausa	-	√	-	√	-	√
Ogi Prastomiyono	-	√	-	√	-	√
Pahala Nugraha Mansury	-	√	-	√	-	√
Kartini Sally	-	√	-	√	-	√
Kartika Wirjoatmodjo	-	√	-	√	-	√
Ahmad Siddik Badruddin	-	√	-	√	-	√
Tardi	-	√	-	√	-	√

Working Guidelines and Code of Conduct for BOC (Board Charter)

Guidelines and Rules of Conduct of the Board of Commissioners of Bank Mandiri is Work Guidelines Board in carrying out its duties and responsibilities for the supervision of the company in an efficient, effective, transparent, competent, independent, and accountable, in accordance with the laws and regulations that apply to achieve the Company's Vision and Mission. To the Board of Commissioners established a working implementation guidelines prepared under the Articles of Association, Law No. 40/2007 on Limited Liability Companies Law No. 19/2003 on SOE, and SOE Minister Regulation No. PER-09/MBU/2012 concerning Amendment to the Regulation of the Minister of State Owned Enterprise No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance (GCG) in SOEs, Indonesia's Code of the National Committee on Governance (NCG) , and Guidelines for GCG (GCG Code) Bank Mandiri.

Guidelines and Rules of Conduct of the Board of Commissioners of Bank Mandiri is set in the Supervisory Board Charter number KEP. KOM/002/2015 dated December 21, 2015, including:

1. General Provisions;
2. Membership and Composition of the BOC;
3. Obligation of the Board of Commissioners;
4. Rights and Authorities of BOC;
5. Information, Bank Confidentiality and Conflict of Interests;
6. Committees and Other Supporting Institutions.
7. Meetings of the Board of Commissioners and
8. the Division of Tasks.



Duties, Responsibilities and Authorities of the Board of Commissioners

The Board of Commissioners oversees and advises the Board of Directors as the Company's management that the implementation of the duties, responsibilities and authorities reported to the RUPS

Duties, responsibilities and authority of the Board of Commissioners of Bank Mandiri stipulated in the provisions of Article 19 of the Articles of Association. Meanwhile, Article 18 of the Articles of Association, the Board consists of at least three (3) members, one of whom was appointed as Commissioner and if needed another one of the members of the Board of Commissioners may be appointed as Vice President Commissioner.

Duties and Responsibilities of the Chief Commissioner

According to the provisions in the Articles of Association of the Bank, Chief Commissioner has duties and responsibilities are as follows:

1. Performing the invitation of the Board of Commissioners in writing submitted to the Board of Commissioners to include the agenda, date, time and place of the meeting; and
2. Leading Board of Commissioners

Duties of the Board of Commissioners

The Board of Commissioners:

1. Supervising on supervision policy, the course of the maintenance of the company by the Board of Directors and provide advice to the Board of Directors, for the benefit of the company and in accordance with the purposes and objectives of the Company;
2. Performing tasks that are specifically given to him according to the statutes, regulations and/or based on the decision of the RUPS;
3. Performing duties, powers and responsibilities in accordance with the provisions of the Articles of Association and decisions of the RUPS;
4. In performing its duties, the Board of Commissioners acts in the interests of the Company and is responsible to the RUPS;
5. Researching and studying the annual report prepared by the Board of Directors as well as the signing of the annual report.

Responsibilities of the Board of Commissioners

1. Supervising the implementation of the Work Plan and Budget of the Company;
2. Following the development activities of the Company and in the event that the Company showed withdrawal symptoms, to immediately report to the RUPS, accompanied by suggestions regarding improvement steps must be taken;
3. Proposing to the RUPS the appointment of a public accountant who will audit the books of the Company;
4. Performing other oversight tasks set by the RUPS;
5. Providing feedback on periodic reports as well as the Board of Directors at any time be required on the development of the Company and report the results of performance of its duties to the Shareholders Series A Share in a timely manner;
6. Providing feedback and approval of the work plan and the annual budget of the Company and the Company's long-term work plan was prepared and submitted by the Board of Directors;
7. Giving approval of the work plan and annual budget of the Company are issued not later than on the thirtieth day after the first month of the new fiscal year begins;
8. If until the end of the time limit referred to in item 7 above, the Board has not yet approved the work plan and annual budget of the Company, then the Company is applicable to the work plan and the annual budget for the fiscal year ago;

Authorities of the Board of Commissioners

1. The Board of Commissioners must form committees as required by legislation and, if deemed necessary, may request the assistance of experts for a limited period of time in performing their duties at the expense of the Company;
2. Members of the Board of Commissioners, at any time during the working hours of the Company is entitled to enter the building and yard or other place used or controlled by the Company and are entitled to all the books, letters and other documents, check and match the cash and other as well as eligible to find out all the actions taken by the Board of Directors;
3. The Board of Commissioners reserves the right to ask for clarification on any aspects of the Company's Board of Directors and each member of the Board of Directors is obliged to provide the requested explanation;
4. The Board of Commissioners is entitled and authorized to approve the policy of the Board of Directors concerning the establishment of mechanisms, criteria, and delegation of authority, with respect to the optimization of the Company's assets, including accounts receivable;
5. a. In accordance with Article 15, paragraph 14, the Articles of Association of Bank Mandiri, board meetings every time the right to decide to lay off

for a while one or more members of the Board of Directors if the Board of Directors members are acting contrary to the Articles of Association, to the detriment of the Company, dereliction of duty and/or violation of the law;

- b. Suspension must be notified in writing to the person concerned with a motivation. Within ninety (90) days after the dismissal meanwhile,

the Board is required to hold the RUPS to decide whether members of the Board of Directors is concerned to be dismissed so or be returned to his position before, while the members of the Board of Directors who has been suspended it should be given the opportunity to present to defend himself.

Relations between the BOC and BOD

The working relationship of the Board of Commissioners and Board of Directors is the relationship of checks and balances with the principle that the two organs have equal footing, but both have duties, responsibilities and authority which differ according to the Articles of Association of the Company. The main task of the Board of Commissioners at its core is exercising oversight and advisory, while the main task is to perform the maintenance company's Board of Directors, maintain and take care of the company with regard wealth RUPS decisions and directives of the Board of Commissioners. However, they continue to coordinate and work together to achieve the goals and the company's sustainability in the long term.

Board of Commissioners and Board of Directors in accordance with their respective functions are responsible for the continuity of the Bank's business in the long term. This is reflected in:

1. Maintaining the health of the Bank in accordance with the precautionary principle and criteria set by Bank Indonesia;
2. Implementing risk management and internal control systems effectively and efficiently;

3. Achieving a reasonable return for shareholders;
4. The protection of the interests of stakeholders are reasonable;
5. The fulfillment of GCG implementation;
6. The proper succession and continuity of management at all levels of the organization.

To be able to fulfill the responsibilities and carry out the relationship of checks and balances, the Board of Commissioners and Board of Directors have agreed to the following matters:

1. Vision, mission and corporate values;
2. Business targets, strategies, plans and long-term work plan and annual budget;
3. The policy to comply with the laws, statutes and prudential banking practices, including the commitment to avoid any conflicts of interest;
4. Policies and Bank performance assessment methods, the working units in the Bank and its personnel;
5. The executive level organization structure that supports the achievement of the Bank's goals.

Division of Tasks and Focus on the Supervisory Functions of the Board of Commissioners

Supervision of the Board of Commissioners as regulated under the Financial Services Authority Regulation No. 33/POJK.04/2014 of the Board of Directors and Board of Commissioners of Public Company, include, among other important strategies and plans of the company, the integrity of the financial statements, internal control system and risk management, reporting and information disclosure, compliance and corporate governance.

In order to support the effective discharge of its duties, the Board has established a committee as one of the

organs of the Board of Commissioners. Furthermore, the Board of Commissioners division of tasks set based on the role of each member of the Board of Commissioners as Chairman and Vice Chairman of the committee under the Board of Commissioners, in accordance with the competence and experience possessed. Determination of membership of committees in the Lower BOC is currently done by the Decree of Directors of PT Bank Mandiri (Persero) Tbk No. KEPDIR/136/2015 on the amendment Membership Committees Under the Board of Commissioners of PT Bank Mandiri (Persero) Tbk.

The composition of Membership Committees Under the Board of Commissioners of PT Bank Mandiri (Persero) Tbk:

Committee	Name of the Members (of the BOC)
Audit	<ol style="list-style-type: none"> 1. Aviliani as the Chairman and concurrent Member 2. Askolani as Member 3. Goei Siau Hong as Member 4. Budi Sulistio as Independent Member 5. Ridwan Darmawan Ayub as Independent Member
Remuneration and Nominations Committee	<ol style="list-style-type: none"> 1. Bangun Sarwito Kusmuljono as the Chairman and concurrent Member 2. Darmin Nasution as Member 3. Imam Apriyanto Putro as Member 4. Abdul Aziz as Member 5. Askolani as Member 6. Aviliani as Member 7. Suwhono as Member 8. Goei Siau Hong as Member 9. Human Capital Strategy & Policy Group Head as Secretary (ex-officio) – Non Voting Member

Committee	Name of the Members (of the BOC)
Risk Monitoring	<ol style="list-style-type: none"> 1. Abdul Aziz as the Chairman and concurrent Member 2. Imam Apriyanto Putro as Member 3. Suwhono as Member 4. Askolani as Member* 5. Ridwan Dharmawan Ayub as Independent Member 6. Budi Sulistio as Independent Member 7. Operational Risk Group Head as Secretary (ex-officio) – Non-Voting Member
Integrated Corporate Governance	<ol style="list-style-type: none"> 1. Members from Bank Mandiri: <ul style="list-style-type: none"> • Abdul Aziz as the Chairman • Goei Siau Hong • Aviliani • Bangun Sarwito Kusmuljono 2. Members from Subsidiaries: <ul style="list-style-type: none"> • Ramzi A. Zuhdi (PT Bank Syariah Mandiri) as Member • M. Syafi'i Antonio (PT Bank Syariah Mandiri-DP) as Member • I Wayan D. Ardjana (PT Bank Mandiri Taspen Pos formerly PT Bank Sinar Harapan Bali) as Member • Frans A. Wiyono (PT Mandiri AXA General Insurance) as Member • I Ketut Sendra (PT Asuransi Jiwa InHealth Indonesia) as Member • D. Cyril Noerhadi (PT Mandiri Sekuritas) as Member • Jiantok Hardjiman** (PT Mandiri Manajemen Investasi) as Member • Hanifah Purnama (PT Mandiri Tunas Finance) as Member • Wihana Kirana Jaya (PT AXA Mandiri) as Member 3. Independent Member: <ul style="list-style-type: none"> • Ridwan Dharmawan Ayub as Independent Member *** • Budi Sulistio as Independent Member***

*) Mr. Askolani's membership ended after the membership status of Commissioners and Risk Monitoring Committee has already been effective.

**) Membership ends on April 8, 2015 and was replaced by Mr. Anton H. Gunawan.

***) Membership ends by itself after Bro. Goei Siau Hong and Mr. Bangun Sarwito Kusmuljono received approval from the OJK on the Fit and Proper Test. Goei Siau Hong and Mr. Bangun Sarwito Kusmuljono received approval from the OJK on the Fit and Proper Test.

Work Program of the BOC in 2015

Here are the Principal Work Programs of the BOC in 2015:

1. Monitoring, evaluating and providing feedback on the implementation of the bank's strategic wisdom RBB years 2015-2017 with due respect to liquidity, NPL, the achievement of market share, market capitalization and profitability;
2. Supervising and providing input on the policies and strategies of the Board of Directors/management in the implementation of strategic objectives in the four perspectives RKAP 2015 and 10 the main focus of business development;
3. Monitor and provide feedback/suggestions to the Board in the implementation of non-organic enterprise development program;
4. Monitoring the infrastructure development program (IT and non IT), Human Capital and legally sustainable in accordance with the business strategy and the capacity of the Bank;
5. Monitoring the implementation of the principles of Good Corporate Governance, Compliance and Risk management is integrated with subsidiaries;
6. Monitoring and evaluation of the planning and execution of audit/internal control system as well as monitoring other on the follow-up results of the audit/other checks, including subsidiaries;
7. Ensuring risk management has been carried out in an integrated manner with the subsidiaries effectively and efficiently to minimize the occurrence of non-performing loans and fraud as well as other risks;
8. Monitoring the implementation of the work program carried out by the committees under the Board of Commissioners;
9. Conducting training in order to refresh and broaden the field of Risk Management and others.

BOC use this work program as a guideline in carrying out its duty to ensure good corporate governance principles are applied in a holistic manner. BOC actively provide recommendations on some of the things presented to the Board. However, the provision of such recommendations is done by taking into account areas of duties between the Board of Commissioners

the Board of Directors as well as the principle of check and balance in the working relationship between the Board of Commissioners and Board of Directors.

Implementation of the Work Program of the Board of Commissioners during 2015 resulted in several approvals, opinions, comments, and recommendations to the Commissioners Board of Directors as follows:

1. Providing input on the implementation of the strategic policy of the Bank (corporate plan) 2011-2015;
2. Giving approval of the Revised Work Plan and Budget (CBP) Bank Mandiri in 2015;
3. Approval of Revised Business Plan (RBB) 2013-2015;
4. Report of the Bank Supervision RBB second Semester in 2013;
5. Monitoring Report RBB Bank Mandiri in the First Half of 2014;
6. Providing evaluation and suggestions in order to increase the value of the company's revenue and market share revenue;

7. Implement Commissioners meeting included commissioners meeting by inviting the Board of Directors to discuss the report;
8. Realization of business plan development, strategic alliances and operational efficiency in accordance CBP and RBB.

Meetings of the Board of Commissioners

As a regulator, the Ministry of SOEs has been set and set a meeting schedule as stated in the Circular of the Minister of SOE No. SE-03/MBU/2011 dated October 27, 2011 that the Board of Commissioners must carry out a meeting every Wednesday and if necessary the Board of Commissioners may invite the Board of Directors to participated in the meeting. Besides the provision of Board Meeting also set in POJK No. 33/POJK.04/2014 of the Board of Directors and Board of Commissioners of the Issuer or a Public Company, the board meetings shall be convened periodically at least 1 (one) time in two months.

According to the provisions stipulated in the Articles of Association, meetings are held at least 1 (one) time in two (2) months or at any time when deemed necessary by one or more members of the Board of Commissioners on written request of the Board of Directors. In addition, the Board of Commissioners also must convene a meeting with the Board of Directors periodically at least 1 (one) time in 4 (four) months.

Meeting invitation is conducted by the Commissioner, if unable to do by the Deputy Commissioner, Deputy Commissioner and, if unable to do by a member of the Board of Commissioners. The meeting invitation is done in writing with the event, date, time and place of the meeting. Then sent to each member of the Board of Commissioners may be through a memorandum,

registered mail, courier services, electronic mail (e-mail) or by other means least 3 (three) days before the meeting is held, so that the BOC had the opportunity to examine information and/or request information additional prior to the meeting. However, if the meeting has been scheduled by the decision of the previous meeting, then do not call another meeting.

BoC meeting chaired by the Commissioner, if unable to do by the Deputy Commissioner, Deputy Commissioner and, if unable to do by a member of the Board of Commissioners. Meeting is valid and may adopt binding resolutions if attended or represented by more than ½ (one half) the number of members of the Board of Commissioners. All decisions taken in a meeting with deliberation and consensus, if not achieved, the meeting decisions taken by majority vote. All decisions of the meeting are binding to all members of the Board of Commissioners. In the organization of board meetings, then made the Minutes of Meeting signed by the Chairman of the Meeting and the Board of Commissioners in attendance.

In addition to the meetings as described above, the meeting of the Board of Commissioners also do through media teleconference, video conference or other electronic media that enables all meeting participants can see each other and/or hear directly as well as participating in the meeting.



Meeting Frequency, Attendance Level and Meeting Agenda of the BOC

BoC meeting is held to discuss matters that are strategic. In its implementation BoC meeting participants can invite guests, as listed in Article 8 Rules of Conduct BOC No. KEPKOM/002/2012 dated May 29, 2012.

During 2015, the Board held 22 internal meetings of the Board of Commissioners with the level of attendance of members of the Board of Commissioners on average attended by all members of the Board of Commissioners. The meeting of the Board of Commissioners to invite the Board of Directors was 13 times.

Date Notification/ Invitation	Mahmuddin Yasin*)	Pradjoto*)	Krisna Wijaya*)	Anton H. Gunawan *)	Askolani	Aviliani	Darmin Nasution**)
January 21, 2015 KOM/004/2015 15-Jan-2015	✓	✓	✓	✓	✓	✓	-
February 18, 2015 KOM/014/2015 11-Feb-2015	✓	✓	✓	✓	✓	✓	-
February 25, 2015 KOM/017/2015 18-Feb-2015	✓	✓	✓	✓	✓	✓	-
(filled with date before the RUPS)	✓	✓	✓	✓	✓	✓	-
March 20, 2015 KOM/030/2015 18-Mar-2015	-	-	-	-	✓	✓	-
March 24, 2015 KOM/031/2015 23-Mar-2015	-	-	-	-	✓	✓	-
March 31, 2015 KOM/032/2015 25-Mar-2015	-	-	-	-	✓	✓	-

Imam Apriyanto Putro**)

Abdul Aziz***)

Bangun Sarwito Kumpuljono***)

Suwihono ***)

Goei Siau Hong***)

Wimboh Santoso ****)

Meeting Agenda

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1. Financial Statements and Performance per December 2014
2. Submission of Bank Mandiri 2014 Financial Statements audited by KAP TWR - PWC
3. Miscellaneous

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1. Business Plan Monitoring Report in Second Half of 2014
2. Work Program of the BOC in 2015
3. Miscellaneous

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1. Financial Statements and Performance per January 2015
2. Update on Preparation for RUPS 2015
3. Application for Approval of KAP Appointment for Mandiri Pension Fund (Mandiri DPLK) 2014 Financial Statement
4. Miscellaneous

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1. Resolution of the General Meeting of Shareholders on March 16, 2015

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1. Introduction
2. Discussion on committees under the BOC.
3. Miscellaneous

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1. Discussion of the Committees and BOC Support Organs
2. Miscellaneous

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1. Job description of Directors & SEVP PT. Bank Mandiri (Persero) Tbk.
2. Proposed Bonus & Remuneration to Shareholders
3. Miscellaneous

Date Notification/ Invitation	Mahmuddin Yasin*)	Pradjoto*)	Krisna Wijaya*)	Anton H. Gunawan *)	Askolani	Aviliani	Darmin Nasution**)
April 22, 2015 KOM/036/2015 15-Apr-2015	-	-	-	-	√	√	-
May 11, 2015 KOM/045/2015 4-May-2015	-	-	-	-	√	√	-
June 3, 2015 KOM/052/2015 28-May-2015	-	-	-	-	√	√	-
June 10, 2015 KOM/000/2015 6/00/2015	-	-	-	-	√	√	√
June 24, 2015 KOM/061/2015 22-Jun-2015	-	-	-	-	√	√	√
13-Jul-2015 KOM/066/2015 6-Jul-2015	-	-	-	-	√	√	√
21-Aug-2015 KOM/000/2015 8/00/2015	-	-	-	-	√	√	-



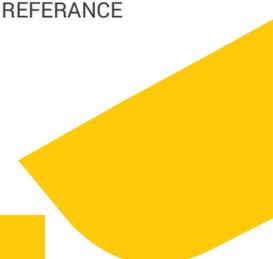
Imam Apriyanto Putro**)	Abdul Aziz***)	Bangun Sarwito Kusmuljono***)	Suwihono***)	Goei Siau Hong***)	Wimboh Santoso****)	Meeting Agenda
-	√	-	-	-	-	1. Audit Committee 2. Risk Monitoring Committee 3. Employee Remuneration Policy 1. Miscellaneous
-	√	-	-	-	-	1. Report on approval of the credit facility 2. Miscellaneous
-	√	-	-	-	-	1. Employee Remuneration Policy Additional Retirement Benefits approval 2. Appointment of KAP EY 3. BOC Response to Report of the First Quarter - 2015 4. Miscellaneous
√	√	-	-	-	-	1. Determination of Tantiem on Fiscal Year 2014 Performance 2. Miscellaneous
√	√	√	√	√	-	1. Revision to RKAP 2. Approval of Guidelines for Integrated Corporate Governance Committee 3. IT Strategic Plan 2015-2020 Presentation 4. Miscellaneous
√	√	√	√	√	-	1. Development of joint venture company 2. Going Concern BMEL Report 3. Miscellaneous
√	√	√	√	√	-	1. Discussion on appointment of Acting Commissioner. 2. Discussion on the RUPS Plan 3. Miscellaneous

Date Notification/ Invitation	Mahmuddin Yasin*)	Pradjoto*)	Krisna Wijaya*)	Anton H. Gunawan *)	Askolani	Aviliani	Darmin Nasution**)
26-Aug-2015 KOM/078/2015 21-Aug-2015	-	-	-	-	√	√	-
9-Sep-2015 KOM/000/2015 9/00/2015	-	-	-	-	√	√	-
22-Sep-2015 KOM/000/2015 9/00/2015	-	-	-	-	√	√	-
30-Sep-2015 KOM/102/2015 29-Sep-2015	-	-	-	-	√	√	-
7-Oct-2015 KOM/000/2015 10/00/2015	-	-	-	-	√	√	-
4-Nov-2015 KOM/114/2015 2-Nov-2015	-	-	-	-	√	√	-
11-Nov-2015 KOM/000/2015 11/00/2015	-	-	-	-	√	√	-
December 16, 2015	-	-	-	-	√	√	-

Note:

*) Mr. Mahmuddin Yasin, Mr. Pradjoto, Mr. Krisna Wijaya and Mr. Anton H. Gunawan according to the results of RUPS, as of March 16, 2015 had not served as a member of the Board of Commissioners of Bank Mandiri.

***) Mr. Darmin Nasution, Mr. Imam Apriyanto Putro according to the results fit & proper test, per effective June 8, 2015 served as Commissioner and Deputy Commissioner of Bank Mandiri.



Imam Apriyanto Putro**)	Abdul Aziz***)	Bangun Sarwito Kusmuljono***)	Suwhono ***)	Goei Siauw Hong***)	Wimboh Santoso ****)	Meeting Agenda
√	√	√	√	√	-	1. Discussion on Code of Conduct for BOC 2. Discussion on Integrated Governance Committee Charter 3. Discussion on RBB Monitoring Report for First Half 2015 4. Miscellaneous
√	√	√	√	√	-	1. Additional Capital for Subsidiaries 2. Update Project Acquiring Agregator 3. MUF, FIF, ASF Approval
√	√	√	√	√	-	1. Approval of Proposed Additional Investment in in PT Mandiri Capital Indonesia
√	√	√	√	√	-	1. Update on Partnership Program Fund Management . 2. BMRI loan to CDB 3. Miscellaneous
√	√	√	√	√	-	1. Update on BM Work Culture.
√	√	√	√	√	-	1. Approval of RUPS Date
√	√	√	√	√	-	1. Proposed Consultants for CEO Succession
√	√	√	√	√	-	1. Appointment of Chair of the Extraordinary General Meeting of Shareholders dated December 18, 2015

***) Mr. Abdul Aziz, Mr. Bangun Sarwito Kusmuljono, Mr. Suwhono, Mr. Goei Siauw Hong according to the results fit & proper test, per June 19, 2015 effectively served as a member of the Board of Commissioners (Mr. Abdul Aziz switching position from Non-Independent Commissioner to Independent Commissioner)

****) Mr. Wimboh Santoso corresponding results of the RUPS, per December 18, 2015 was appointed as Commissioner of replacing Mr. Darmin Nasution and his appointment is effective after obtaining approval from the OJK on Fit and Proper Test ratings.

Percentage of BOC's presence without inviting the Board of Directors the period January 1 to March 16, 2015 for the following:

Name	Total		% Attendance
	Total Meeting	Absence	
Mahmuddin Yasin*)	4	-	100
Pradjoto*)	4	-	100
Krisna Wijaya*)	4	-	100
Anton H. Gunawan*)	4	-	100
Aviliani	4	-	100
Askolani	4	-	100
Abdul Aziz	4	-	100

*) Mr. Mahmuddin Yasin, Mr. Pradjoto, Mr. Krisna Wijaya and Mr. Anton H. Gunawan according to the results of RUPS, as of March 16, 2015 had not served as a member of the Board of Commissioners of Bank Mandiri.

Percentage of BOC's presence without inviting the Board of Directors the period January 17 -December 18, 2015 for the following:

Name	Total		% Attendance
	Total Meeting	Absence	
Wimboh Santoso****)	-	-	-
Darmin Nasution**)	3	-	100
Imam Apriyanto Putro**)	12	-	100
Abdul Aziz***)	18	-	100
Aviliani	18	-	100
Askolani	18	-	100
Suwhono***)	11	-	100
Goei Siau Hong***)	11	-	100
Bangun Sarwito Kusmuljono***)	11	-	100

***) Mr. Darmin Nasution, Mr. Imam Apriyanto Putro according to the results fit & proper test, per effective June 8, 2015 served as Commissioner and Deputy Commissioner of Bank Mandiri.

****) Mr. Abdul Aziz, Mr. Bangun Sarwito Kusmuljono, Mr. Suwhono, Mr. Goei Siau Hong according to the results fit & proper test, per June 19, 2015 effectively served as a member of the Board of Commissioners (Mr. Abdul Aziz switching position from Non-Independent Commissioner to Independent Commissioner)

*****) Mr. Wimboh Santoso corresponding results of the RUPS, per December 18, 2015 was appointed as Commissioner of replacing Mr. Darmin Nasution and his appointment is effective after obtaining approval from the OJK on Fit and Proper Test ratings.

In addition to be attended by the Directors and Secretary of the Board of Commissioners, Board Meeting was also attended by members of the Committee under the Board of Commissioners at the invitation of Chief Commissioner.

Date Notification/ Invitation	Mahmuddin Yasin*)	Pradjoto*)	Krisna Wijaya*)	Anton H. Gunawan *)	Askolani	Aviliani	Darmin Nasution**)
31-Mar-2015 KOM/033/2015	-	-	-	-	✓	✓	-
22-Apr-2015 KOM/037/2015	-	-	-	-	✓	✓	-
19-May-2015 KOM/000/2015	-	-	-	-	✓	✓	-
17-Jun-2015 KOM/057/2015	-	-	-	-	✓	✓	✓
29-Jul-2015 KOM/067/2015	-	-	-	-	✓	✓	✓
21-Aug-2015 KOM/000/2015	-	-	-	-	✓	✓	-
26-Aug-2015K OM/077/2015	-	-	-	-	✓	✓	-



Imam Apriyanto Putro**)	Abdul Aziz***)	Bangun Sarwito Kusmuljono***)	Suwihono ***)	Goei Siau Hong***)	Wimboh Santoso ****)	Meeting Agenda
√	√	-	-	-	-	1. Financial Statements and Performance per February 2015 2. Job description of Directors & SEVP PT. Bank Mandiri (Persero) Tbk. 3. Progress on the Selection of 2015 Financial Statement Audit Firm 4. Miscellaneous
√	√	-	-	-	-	1. Financial Statements and Performance per March 2015 2. Miscellaneous
√	√	-	-	-	-	1. Financial Statements and Performance per April 2015
√	√	-	-	-	-	1. Financial Statements and Performance per May 2015 2. Approval of Revised Material Bank Mandiri Credit Policy 3. Presentation by Micro & Business Banking Directorate 4. Miscellaneous
√	√	√	√	√	-	1. Financial Statements and Performance per June 2015 2. Update on Development of Transaction Banking Directorate 3. Update on Development of Bank Syariah Mandiri 4. Miscellaneous
√	√	√	√	√	-	1. Discussion on the RUPSLB Plan
√	√	√	√	√	-	1. Approval of the Corporate Card Facility 2. Agreement Extension Period Intraday Facility 3. Miscellaneous

Date Notification/ Invitation	Mahmuddin Yasin*)	Pradjoto*)	Krisna Wijaya*)	Anton H. Gunawan *)	Askolani	Aviliani	Darmin Nasution**)
26-Aug- 2015CEO/252/2015	-	-	-	-	✓	✓	-
23-Sep-2015 KOM/094/2015	-	-	-	-	✓	✓	-
27-Oct-2015 KOM/112/2015	-	-	-	-	✓	✓	-
25-Nov-2015 KOM/121/2015	-	-	-	-	✓	✓	-



Imam Apriyanto Putro**)	Abdul Aziz***)	Bangun Sarwito Kusmuljono***)	Suwihono ***)	Goei Siau Hong***)	Wimboh Santoso ****)	Meeting Agenda
√	√	√	√	√	-	<ol style="list-style-type: none"> 1. Financial Statements and Performance per July 2015 2. Update on Development of Commercial Banking Directorate
√	√	√	√	√	-	<ol style="list-style-type: none"> 1. Financial Statements and Performance per August 2015 2. Approval of Credit Line Extension 3. Credit Facility Approval 4. Miscellaneous
√	√	√	√	√	-	<ol style="list-style-type: none"> 1. Financial Statements and Performance per September 2015 2. Implementation of Project Account Plan for Targeted Customer 3. Approval of Credit Application 4. Miscellaneous
√	√	√	√	√	-	<ol style="list-style-type: none"> 1. Financial Statements and Performance per October 2015 2. CBP 2016 Discussion on Revaluation of Assets and Asset Optimization Program 3. Proposed Approval of Credit Line Facility Extension 5. Agreement and extension of the term of the credit facility 6. Miscellaneous

Date Notification/ Invitation	Mahmuddin Yasin*)	Pradjoto*)	Krisna Wijaya*)	Anton H. Gunawan *)	Askolani	Aviliani	Darmin Nasution**)
16-Dec-2015 KOM/000/2015	-	-	-	-	√	√	-
16-Dec-2015 KOM/000/2015	-	-	-	-	√	√	-

Note:

- *) Mr. Mahmuddin Yasin, Mr. Pradjoto, Mr. Krisna Wijaya and Mr. Anton H. Gunawan according to the results of RUPS, as of March 16, 2015 had not served as a member of the Board of Commissioners of Bank Mandiri.
- ***) Mr. Darmin Nasution, Mr. Imam Apriyanto Putro according to the results fit & proper test, per effective June 8, 2015 served as Commissioner and Deputy Commissioner of Bank Mandiri.
- ****) Mr. Abdul Aziz, Mr. Bangun Sarwito Kusmuljono, Mr. Suwhono, Mr. Goei Siau Hong according to the results fit & proper test, per June 19, 2015 effectively served as a member of the Board of Commissioners (Mr. Abdul Aziz switching position from Non-Independent Commissioner to Independent Commissioner)
- *****) Mr. Wimboh Santoso corresponding results of the RUPS, per December 18, 2015 was appointed as Commissioner of replacing Mr. Darmin Nasution and his appointment is effective after obtaining approval from the OJK on Fit and Proper Test ratings.



Imam Apriyanto Putro**)	Abdul Aziz***)	Bangun Sarwito Kusmuljono***)	Suwhono ***)	Goei Siau Hong***)	Wimboh Santoso ****)	Meeting Agenda
√	√	√	√	√	-	1. Financial Statements and Performance per November 2015 Proposal to the Board for Credit Line Facility Extension Agreement on Provision of Funds 2. Agreement on Financing of Credit Facility
√	√	√	√	√	-	1. Ratification of Policy on Subsidiary Management 2. Update on Top 25 Debtors Condition 3. Preparation for Basel III Implementation 4. Organizational Evaluation 5. Miscellaneous

For the period January to March 16, 2015 i.e. before the implementation of the RUPS for FY 2014, there was no meeting of the Board of Commissioners are inviting members of the Board, so that the percentage of the presence of members of the Board can be seen after the implementation of the RUPS as follows:

The percentage attendance of the Board of Commissioners meetings with Director invitees in the period March 17-December 31, 2015 is as follows:

Name	Total		% Attendance
	Meeting	Absence	
Darmin Nasution*	2	-	100
Imam Apriyanto Putro*	13	-	100
Askolani	13	-	100
Aviliani	13	-	100
Abdul Aziz**	13	-	100
Bangun Sarwito Kusmuljono**	9	-	100
Suwhono**	9	-	100
Goei Siau Hong**	9	-	100
Wimboh Santoso***	-	-	-

**) Mr. Darmin Nasution, Mr. Imam Apriyanto Putro according to the results fit & proper test, per effective June 8, 2015 served as Commissioner and Deputy Commissioner of Bank Mandiri.

***) Mr. Abdul Aziz, Mr. Bangun Sarwito Kusmuljono, Mr. Suwhono, Mr. Goei Siau Hong according to the results fit & proper test, per June 19, 2015 effectively served as a member of the Board of Commissioners (Mr. Abdul Aziz switching position from Non-Independent Commissioner to Independent Commissioner)

****) Mr. Wimboh Santoso corresponding results of the RUPS, per December 18, 2015 was appointed as Commissioner of replacing Mr. Darmin Nasution and his appointment is effective after obtaining approval from the OJK on Fit and Proper Test ratings.

Induction and Competence Development Programs for the Board of Commissioners in 2015

Training of the Board of Commissioners of Bank Mandiri includes 2 (two) parts, namely Corporate Introduction Program and Competency Development Program.

Induction Program for BOC

Given in March and December 2015, a change in the composition of the Board of Commissioners of Bank Mandiri program and the introduction of enhanced capabilities for members of the new Commissioners in the form of distribution Codes Board (Board Manual) as a reference in carrying out the functions of supervisory duties. Besides, recognition programs are also conducted through on site (visits) to units in the Head Office, as well as in the region to meet and face to face with the ranks of Bank Mandiri, which is in the Central and Regional Offices.

Bank Mandiri undertake an induction program for new members of the Board of Commissioners with the aim of providing an overview of the business activities, the

Company's future plans, guides and other work that is the responsibility of the Board of Commissioners. Induction program prepared by the Corporate Secretary of the Group in the form of assessment documents provided in soft copy and hard copy, inter alia Annual Report, the Work Plan and Budget (CBP), Long-Term Plan of the Company (RJPP), Articles of Association, Corporate Governance Policy, Code of Ethics, Work Program Committee of the Board of Commissioners and the Board of Commissioners, the Code of Conduct of the Board of Commissioners, Board of Directors Code of Conduct and the Code of Conduct Committee under the Board of Commissioners, as well as laws and regulations related to the business process of Bank Mandiri.

BOC Development Program

In line with GCG implementation, the implementation of the development program for the BoC stated in the annual budget plan of the Board of Commissioners. Board of Commissioners held a training program to support efforts to improve the knowledge of

members of the Board of Commissioners regarding the information industry development of the latest banking or other knowledge relating to the implementation of the supervisory Board of Commissioners.

Several training programs in training/workshops/seminars that have followed the Board of Commissioners, among others:

Board of Commissioners	Position	Training/Workshop/Seminar	Date	Place
Mahmuddin Yasin*	Chief Commissioner	Based on resolution of RUPS on March 16, 2015, it was decided to honorably discharge Mr. Mahmuddin Yasin, Mr. Pradjoto, Mr. Krisna Wijaya and Mr. Anton Hermawan Gunawan as Commissioners and		
Pradjoto	Independent Commissioner			
Krisna Wijaya	Independent Commissioner			
Anton Hermawan Gunawan *)	Independent Commissioner			
Darmin Nasution*)	Chief Commissioner	- Banking Risk Management	-	-
Abdul Aziz	Independent Commissioner	- Banking Risk Management	- April 11, 2015	- Jakarta
		- <i>Workshop LPPI-credit management strategy during the Slow-down Economic Growth</i>	- August 5-7, 2015	- Denpasar
		- Workshop Commissioner (SOE) -Peran and Functioning of the Board of Commissioners/Board of Trustees of SOEs	- November 7, 2015	- Bandung
Askolani	Commissioner		-	-
Aviliani	Independent Commissioner	-	- July 4 - 12 ,2015	- Canada
		<i>The IIA's 2015 International Conference and On-Site Learning/ Benchmarking</i>		
Imam Apriyanto Putra*)	Deputy Chief Commissioner	- Banking Risk Management	- April 11,2015	- Jakarta
Suwhono	Commissioner		- April 17,2015	- Jakarta
		- Banking Risk Management	- August 5-7, 2015	- Denpasar
		- <i>Workshop LPPI-credit management strategy during the Slow-down Economic Growth</i>	- November 27, 2015	- Bandung
Goei Siau Hong *)	Independent Commissioner		- April 17 ,2015	- Jakarta
		- Banking Risk Management	- Nov 15-21, 2015	- Hongkong
		- <i>Corporate Credit Analyze</i>	- May 28-30, 2015	- Malang
		- <i>Leadership Forum 2015</i>	- November 2015	- Bandung
		- <i>Workshop Komisaris (BUMN)</i>	- 26-27, 2015	
Bangun Sarwito Kusmuljono*)	Independent Commissioner	- <i>Wharton Business School</i>	2015	Amerika Serikat

Note:

- *) RUPS on March 16, 2015 named Mr. Darmin Nasution as Chief Commissioner, Mr. Imam Apriyanto Putro as Deputy Chief Commissioner, Mr. Goei Siauw Hong and Mr. Bangun Sarwito Kusmuljono as Independent Commissioner and Mr. Suwhono as Commissioner. In addition to that, Mr. Abdul Aziz was transferred from Commissioner to Independent Commissioner with the tenure of the term of office as Commissioner.
- ***) RUPSLB on December 18, 2015 named Wimboh Santoso as Chief Commissioner

Procedures for Performance Assessment Board of Commissioners

Implementation of performance appraisal BOC made based on criteria related to the assessment of the duties and responsibilities of the Board of Commissioners that includes aspects of the structure and operation, direction and control, and reporting. BOC deliver performance to shareholders through the RUPS.

Indicators of Performance Evaluation of the Board of Commissioners

Board of Commissioners of Bank Mandiri has realized the importance of conducting regular performance assessment as part of accountability. The assessment is done on an annual basis (annually) with the performance evaluation indicators as follows:

1. The implementation of tasks and functions of the Commissioner under surveillance by the army;
2. Compliance with regulations;
3. The level of the Bank;
4. The level of attendance in the meeting of the Board of Commissioners as well as meetings with existing committees;
5. Involvement of the Board in specific assignments.

Performance Assessment of BOC

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 an integral part in the scheme of compensation/incentives for BOC and basic considerations for Shareholders to discharge and/or reappointed Board of Commissioners concerned.

Rate the performance of the Board of Commissioners held once every year, using the method of self-

assessment. BOC performance measurement of success is the result of the collegial work of the entire Board of Commissioners reflected in the realization of the unity of the Work Plan Budget (CBP) on an annual basis. Measuring the success of the performance of the Board of Commissioners made against the Bank which covers aspects of risk profile, Good Corporate Governance (GCG), earnings and bank capital. Parties assess the performance of the Board of Commissioners is the AGM and Bank Indonesia.

Rate the performance of the Board of Commissioners has been done based on reports from self-assessment GCG to Bank Indonesia regularly, referring to Bank Indonesia Circular Letter Number 15/15/DPNP dated 29 April 2013 on Implementation of Good Corporate Governance for Banks in which the parameters of the performance appraisal Board in relation with the implementation of tasks and responsibilities include in it the principles of GCG rates in the functioning of the oversight of the management of Bank Mandiri.

Improving the Implementation of Duties and Responsibilities of the Board of Commissioners

To improve the quality of implementation of the tasks and responsibilities of the Board of Commissioners, the Board of Commissioners will be working to develop its own policy related to the self-assessment (self-assessment) to assess the performance of the Board of Commissioners, which are used as guidelines used as a form of accountability for performance evaluation of the Board of Commissioners collegially. Self-assessment performed by each member to assess the implementation of the performance of the Board of Commissioners collegially and not to assess the individual performance of each member of the Board of Commissioners. Further assessment policy (self-assessment) will be disclosed in the Annual Report of the Bank, in addition to fulfilling the aspects of transparency as well as to provide assurance to shareholders or investors in order to determine the mechanism of check and balance on the performance of the Board of Commissioners.

Other than through self-assessment, the assessment of the Board of Commissioners made during the annual accountability report to the RUPS. Implementation of RUPS for accountability reports fiscal year 2014 on March 16, 2015 the company's annual report 2014 financial year which highlighted the state of the running of the company and the results that have been achieved during 2013. Furthermore, states and to release the fully accountable (aquit et decharge) to the Board of Commissioners of Bank for the financial year 2014 operations.

Besides, the BOC will develop policies related to the resignation of members of the Board of Commissioners if involved in financial crimes in order to increase the confidence of stakeholders, so that the integrity of the Bank also will remain intact.

Furthermore, the Board of Commissioners or the Committee carry out the functions of the Nomination and Remuneration Committee will develop a policy of succession in the process Nomination Board members as stipulated in POJK No. 34/POJK.04/2014. Preparation of this policy is intended to maintain the continuity of the process of regeneration or the regeneration of leadership in order to retain business continuity and long-term goals of the Company.

the board of directors

The Board of Directors is the organ of the company to take full responsibility collectively on the management of the company's interests and objectives of the company and to represent the company, both inside and outside the court in accordance with the Statutes. In performing its duties, the Board of Directors is responsible to the General Meeting of Shareholders (RUPS) as the embodiment of the management accountability in accordance with the principles of corporate governance.

Criteria and Procedures for the Appointment of Directors

Determination of criteria and procedures for the appointment of the Board of Directors is very important for shareholders to gain confidence that only candidates who have certain qualifications and experience will be selected. As one of the State Owned Enterprises (SOEs), which has been publicly owned, in applying the principles of good corporate governance, the Bank is subject to the rules and regulations prevailing in the determination of the criteria and procedures for the appointment of Directors of the Bank, namely:

- a. Law No. 40/2007 regarding Limited Liability Company ("Limited Liability Company Law"),
- b. Government Regulation No. 45/2005 on the Establishment, Management, Monitoring and Dissolution of State Owned Enterprises ("PP No. 45/2005"). All the provisions in question have been set out in the Articles of Association of the Bank.
- c. Bank Indonesia Regulation (PBI) No. 12/23/PBI/2010 dated December 29, 2010 concerning Fit and Proper Test ("PBI No. 12/23/PBI/2010"). As from December 31, 2013 the functions, duties and authority to regulate the financial services activities of the banking sector switched from BI to the Financial Services Authority (OJK), so the fit and proper test conducted by the OJK.

Limited Liability Company Law stipulates that can be appointed as members of the Board of Directors refers to individuals who are legally competent, except within 5 (five) years prior to his appointment never:

- Being declared bankrupt;
- Being a member of the Board of Directors or the Board of Commissioners who were responsible for causing a company to go bankrupt; or
- Being convicted for committing a crime that harm the State's financial and/or related to the financial sector.

Law No. 40/2007 regulates the procedure of appointment of the Board of Directors. Namely Directors are appointed by the RUPS for a certain period and can be reappointed. The RUPS also set the time of entry into force of the decision related to the appointment, replacement and dismissal. If the RUPS does not specify it, the appointment, replacement and dismissal of members of the Board of Directors effective as of the closing of the RUPS.

Government Regulation No. 45/2005 Government Regulation No. 45 Year 2005 on the Establishment, Management, Monitoring and Dissolution of State-

Owned Enterprises also set the criteria and procedure of appointment of Directors. In line with the provisions of Article 50 of Regulation No. 45/2005, individual who can be appointed as a Member of the Board of Directors of Bank Mandiri is an individual who has integrity, dedication, understanding the issues related to the management of the company that one of the functions of management, have adequate experience in the fields of business, and can provide a time enough to carry out their duties and people who meet the criteria as stipulated in the legislation on limited liability company terbatas. Procedures for appointment or dismissal of the Board of Directors are conducted by the RUPS.

A person who is appointed as Directors must undergo Fit and Proper Test (Fit and Proper Test) before performing their duties as Directors of the Bank, as stipulated in PBI No. 12/23/PBI/2010 dated December 29, December 31, 2013 2010. Sejak functions Fit and Proper Test (Fit and Proper Test) Board of Directors and Board of Commissioners of Bank have been transferred from Bank Indonesia to the OJK. Thus, the Bank Management must predicate Graduated in the fit and proper test conducted by the OJK.

Bank management should meet the requirements of integrity, competency, and financial reputation. In order to meet the requirements of integrity, a candidate member of the Board of Directors must have good moral character and commitment to comply with the legislation in force, has a strong commitment to the development of the bank's operations are healthy and are not included in the Unsuccessful List. Meanwhile, to meet competency requirements member of the Board of Directors shall have adequate knowledge in the field of banking relevant to the position, having experience and expertise in banking and/or finance and have the

ability to perform strategic management for developing a healthy bank. Also, the majority of members of the Board of Directors shall have experience in bank operations at least 5 (five) years as an executive officer at the bank.

Prospective members of the Board of Directors must meet the requirements of financial reputation, namely:

- Not included in the list of bad debts; and
- Not been declared bankrupt or become directors or commissioners found at fault in causing a company to go bankrupt, within 5 (five) years prior to nomination.

The Bank must apply for and obtain approval of the prospective managers to the OJK in order to follow the fit and proper test process. Board candidates proposed amount to a maximum of two (2) people for each vacancy, and the determination of candidates proposed has been done in accordance with the applicable law. Approval or rejection of the application by the OJK no later than 30 (thirty) days after receipt of the complete application.

The fit and proper test conducted by the OJK, including the administrative and interview tests. If candidates who requested the OJK has been approved and appointed as the Bank Management in accordance RUPS, but is concerned not approved by Bank Indonesia, the Bank through the RUPS shall dismiss the concerned. Candidate Management of Banks that have not been approved by the OJK prohibited from doing duty as a Member of the Board of Directors in the operations of the Bank and or other activities that have a significant influence on the policies and financial condition of the Bank, although it has been approved and appointed by the RUPS.

The Number and Composition of BOD Members

Based on PBI No. 8/4/PBI/2006 as amended by PBI No. 5/14/PBI/2006 on the Implementation of GCG for Commercial Banks mentioned that the total membership of the Board of Directors consist of at least 3 (three) people, and POJK No. 33/POJK.04/2014 of the Board of Directors and Commissioners, stated that the Board of Directors Member comprises less than 2 (two) people. In Fiscal Year 2015, Member of the Board of Directors of the Bank amounted to 11 people and a change in the composition of the Board of Directors based on the decision of the RUPS on March 16, 2015 with the following composition:

Composition of the Board of Directors of Bank Mandiri for January 2015-March 16, 2015

No	Name	Position	Basis for Appointment	Term of Office	Organizer and Date of Decision on Passing the Fit and Proper Test
1	Budi G. Sadikin	President Director	Resolution of the RUPS on April 2, 2013 (from Director to President Director)	April 23, 2013 - present	Bank Indonesia July 31, 2013 (as President Director)
2	Riswinandi *)	Vice President Director	Resolution of the RUPS on June 2, 2006	June 2, 2006 - March 16, 2015	Bank Indonesia October 3, 2006
3	Abdul Rachman *)	Institutional Banking Director	Resolution of the RUPS on May 16, 2005	May 16, 2005 - March 16, 2015	Bank Indonesia Tuesday, June 7, 2005
4	Sentot A. Sentausa	Risk Management Director	Resolution of the RUPS on June 2, 2006	June 2, 2006 - present	Bank Indonesia October 3, 2006
5	Ogi Prastomiyono	Compliance & Legal Director	Resolution of the RUPS on May 29, 2008	May 29, 2008 - present	Bank Indonesia December 12, 2008
6	Pahala N. Mansury	Finance & Strategy Director	Resolution of the RUPS on May 17, 2010	May 17, 2010 - present	Bank Indonesia July 12, 2010
7	Fransisca N. Mok *)	Corporate Banking Director	Resolution of the RUPS on May 17, 2010	May 17, 2010 - March 16, 2015	Bank Indonesia July 12, 2010
8	Sunarso *)	Commercial & Business Banking Director	Resolution of the RUPS on May 17, 2010	May 17, 2010 - March 16, 2015	Bank Indonesia July 12, 2010
9	Kresno Sediarsi *)	Technology & Operations Director	Resolution of the Extraordinary Meeting of General Shareholders (RUPSLB) on July 5, 2010	July 5, 2010 - March 16, 2015	Bank Indonesia October 4, 2010
10	Royke Tumilaar	Treasury, FI & Special Asset Mgt. Director	Resolution of the RUPS on May 23, 2011	May 23, 2011 - present	Bank Indonesia July 15, 2011
11	Hery Gunardi	Micro & Retail Banking Director	Resolution of the RUPS on April 2, 2013	April 2, 2013 - present	Bank Indonesia June 27, 2013

All members of the Board of Directors of the Bank has passed the Fit and Proper Test Test and cleared by Bank Indonesia.

Note:

*) RUPS on March 16, 2015 honorably dismissed members of the Board who has ended his tenure at the close of the Meeting, with the word Thank you for your contribution of labor and thought given during his tenure as a Member of the Board of Commissioners and Board of Directors.

No	Name	Position	Basis for Appointment	Term of Office	Organizer and Date of Decision on Passing the Fit and Proper Test
1	Budi Gunadi Sadikin	President Director	Resolution of the RUPS on April 2, 2013 (from Director to President Director)	April 23, 2013 - present	Bank Indonesia July 31, 2013 (as President Director)
2	Sulaiman Arif Arianto *)	Vice President Director	Resolution of the RUPS on March 16, 2015	March 16, 2015 - present	OJK June 19, 2015
3	Sentot A Sentausa	Distributions Director	Resolution of the RUPS on June 2, 2006	June 2, 2006 - present	Bank Indonesia October 3, 2006
4	Ogi Prastomiyono	Technology & Operations Director	Resolution of the RUPS on May 29, 2008	May 29, 2008 - present	Bank Indonesia December 12, 2008
5	Pahala N. Mansury **)	Treasury & Markets Director	Resolution of the RUPS on May 17, 2010	May 17, 2010 - present	Bank Indonesia July 12, 2010
6	Royke Tumilaar	Corporate Banking Director	Resolution of the RUPS on May 23, 2011	May 23, 2011 - present	Bank Indonesia July 15, 2011
7	Hery Gunardi	Consumer Banking Director	Resolution of the RUPS on April 2, 2013	April 2, 2013 - present	Bank Indonesia June 27, 2013
8	Tardi *)	Micro & Business Banking Director	Resolution of the RUPS on March 16, 2015	March 16, 2015 - present	OJK September 16, 2015
9	Ahmad Siddik Badruddin *)	Risk Management & Compliance Director	Resolution of the RUPS on March 16, 2015	March 16, 2015 - present	OJK June 19, 2015
10	Kartini Sally *)	Commercial Banking Director	Resolution of the RUPS on March 16, 2015	March 16, 2015 - present	OJK June 1, 2015
11	Kartika Wirjoatmodjo *)	Finance & Strategy Director	Resolution of the RUPS on March 16, 2015	March 16, 2015 - present	OJK July 3, 2015

All members of the Board of Directors of Bank Mandiri have passed the Fit and Proper Test Test and cleared by Bank Indonesia and the OJK.

Note:

*) RUPS on March 16, 2015 appointed the individual as BOD member

***) RUPS on March 16, 2015 reappointed the individual as BOD member

All Members of Board of Directors of the Bank have complied Fit & Proper Test of the OJK, Limited Liability Company Law and the provisions of GCG and obtained approval from Bank Indonesia. This proves that all members of the Board of Directors have the adequate integrity, competence and reputation. The appointment

and dismissal of the Board of Directors conducted through the RUPS. The term of office of the appointed members of the Board of Directors is until the closing of the Company's Annual General Meeting of the 5th since their appointment without reducing the RUPS to dismiss at any time.

Diverse Composition of the Board of Directors

The diversity of the composition of the Board of Directors is expected to provide an alternative solution to a problem that banks face more complex than the members of the board of directors that is homogeneous, so that decisions are being the best decision after looking at various alternatives decision of the diversity of the existing Board of Directors.

Based on the policy of Shareholders, the determination of the composition of the Board of Directors has been done taking into account the needs and complexities of the bank, including attention to elements of diversity as reflected in the following table:

Diverse Composition of the Board of Directors

Education	The diversity of educational backgrounds Directors of the Bank, indicated by a mix of education, namely: <ul style="list-style-type: none"> - Educational qualification from Bachelor, Master to Doctorate - Competence areas including Economics, Dentistry, Chemical Engineering, Business Administration, Agricultural Technology, MIPPA Statistics, Livestock and Mathematics Department of Physics.
Experience	The diversity of work experience Board of Directors of the Bank, among others, namely: bank professionals at all levels of positions on national banks, multinationals and other financial institutions, and there are also coming from a career officer of Bank Mandiri. Meanwhile, based on the experience (last 3 years) there are 11 people who ever worked in the field of Financial Services.
Age	The diversity of ages of the Bank Directors is in the age range is quite productive, i.e. 35-44 years 2 people, 45-54 years 7 and 55-64 years 2 people.
Sex	There is 1 (one) women member in the Board of Directors of Bank Mandiri.

Competencies of members of Bank Mandiri Board of Directors have been described in the Profile of Directors in this Annual Report.

Independence of the Board of Director

Independence of Directors of the Bank evidenced by the absence of a family relationship to the second degree, both vertically and sideways and financial relations with the Controlling Shareholder, fellow members of the Board of Directors, and the Board of Commissioners. All members of the Board of Directors of the Bank is not merangkap jabatan well as the Board of Commissioners, BOD members or Executive Officer

at another institution prohibited by PBI on the GCG Implementation.

Family relationships between members of the Board of Directors and finance with fellow members of the Board of Directors and/or members of the Board of Commissioners and Shareholders in 2015 as follows:

Name	Familial Relationship With						Financial Relationship With						Managerial Role and Ownership in Other Companies					
	Board of Commissioners		Board of Directors		Shareholders		Board of Commissioners		Board of Directors		Shareholders		Board of Commissioners		Board of Directors		Shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Budi Gunadi Sadikin	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Sulaiman Arif Arianto	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Sentot A Sentausa	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Ogi Prastomiyono	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Pahala N. Mansury	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Royke Tumilaar	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Hery Gunardi	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Tardi	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Ahmad Siddik Badruddin	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Kartini Sally	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√
Kartika Wirjoatmodjo	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√	-	√

During 2015, all members of the Board of Directors of the Bank had no relationship Family Relations, the Finance, Leadership and ownership stakes in other companies.

Stock Ownership by Directors and Their Family

Up to the date of December 31, 2015, ownership of shares by each member of the Board of Directors of Bank Mandiri not reach 5% (five percent) of the paid up capital of the Bank, other banks, non bank financial institutions and other companies domiciled inside or outside country. The list of shareholdings is as follows:

Stock Ownership of 5% or More of Paid Up Capital							
Board of Directors	Position	By Family in Bank Mandiri	Other Companies	Other Banks	Non-Bank Financial Institutions	Note	
Budi Gunadi Sadikin	President Director	-	-	-	-	NIL	
Sulaiman Arif Arianto	Vice President Director	-	-	-	-	NIL	
Sentot A Sentausa	Distributions Director	-	-	-	-	NIL	
Ogi Prastomiyono	Technology & Operations Director	-	-	-	-	NIL	
Pahala N. Mansury	Treasury & Markets Director	-	-	-	-	NIL	
Royke Tumilaar	Corporate Banking Director	-	-	-	-	NIL	
Hery Gunardi	Consumer Banking Director	-	-	-	-	NIL	
Tardi	Micro & Business Banking Director	-	-	-	-	NIL	
Ahmad Siddik Badruddin	Risk Management & Compliance Director	-	-	-	-	NIL	
Kartini Sally	Commercial Banking Director	-	-	-	-	NIL	
Kartika Wirjoatmodjo	Finance & Strategy Director	-	-	-	-	NIL	

Dual Positions by the Board of Directors

Members of Board of Directors are prohibited from holding concurrent positions as members of the Board of Commissioners, Board of Directors or executive officers of banks, companies and/or other institution except the things that have been set in PBI No. 8/14/PBI/2006 on the Implementation of GCG for Commercial Banks, however not included dual position

when the Board of Directors which is responsible for the supervision of the revelation of the Subsidiary Bank, run functional tasks as a member of the Board of Commissioners on non-bank subsidiaries controlled by the Bank, all have a position that does not result in question ignore the duties and responsibilities as members of the Board of Directors.

Guidelines and Code of Conduct for Directors

Working Guidelines Board of Directors to carry out roles and functions of the management company as well as managing relationships with the Board Manual. Board Manual is based on principles of corporate law, the legislation in force, the provisions of the basic budget, decisions and directives of the RUPS and GCG Principles, i.e. Transparency, Accountability, Responsibility, Independence and Fairness. Preparation of Board Manual is intended to explain the working relationship of Directors and the Board of Commissioners in performing the tasks in order to create the management of the company in a professional, transparent and efficient manner.

Guidelines and Rules of Conduct stipulated in Decision of the Board of Directors No. KEP.DIR/69/2015 dated February 23, 2015, include:

1. General provisions
2. Authority to act
3. The organization and job descriptions of the duties
4. General policy
5. Ethics and working time
6. Board of Directors meeting
7. Committee
8. Correspondence

Implementation Board Manual is one of the commitments of the Board of Directors and the Board in order to implement the principles of good corporate governance, as well as the effort to elaborate GCG Code owned by Bank Mandiri.

Duties and Responsibilities of the Directors

Main Duties of the Directors

The main tasks of the Board of Directors are as follows:

1. Conducting management of the Company for the benefit and in accordance with the purposes and objectives of the Company and acted as lead manager in the management of these;
2. Maintaining and managing the Company; all of which have been implemented well during 2015.

Scope and Division of Tasks of Each Director

President Director

1. Coordinating the implementation of the management of the Company as defined in the Articles of Association and General Meeting of the Company's decision with regard to the applicable regulations.
2. Coordinating, directing and supervising the work units directly under the coordination of the Group CEO, in coordination with the Deputy Group CEO on an ongoing basis in accordance with their respective fields in order to run smoothly, effectively, efficiently and stay on track with the Company's long-term strategy.
3. Directing the processes of change that is needed to meet the challenges of market competition by encouraging the business units market their products and services with more dynamic and competitive, with a comprehensive assessment of Risk unit.
4. Improving the company image both nationally and internationally, and helped establish a good relationship with correspondent banks, investment banks, financial institutions, customers and monetary authorities both domestically and abroad.
5. Eligible and authorized to act for and on behalf of the Board of Directors and represent the Company, and to certain acts on his own responsibility, is entitled to appoint one or more as a representative or proxy, by giving him or to those powers for certain acts that are arranged in a power of attorney.
6. Coordinating the implementation of the Regional Directors in directing and fostering Regional CEO to achieve the target market (market share) and increase the volume of business (funding and credit) of the Company throughout Regional Offices.

Vice President Director

1. Policies and Strategies
 - a. Assisting Group CEO in leading and directing the policies and strategies, updating and dissemination of coordinated policies across the field.
 - b. Assisting Group CEO in leading and directing the preparation of Business Plan and Action Plan short term, medium term and long term in line with Company policy.
2. Operational Activities
 - a. Ensuring the smooth implementation of the tasks related to the area that is under the direct supervision of Treasury & Markets, Corporate Banking, Commercial Banking and supervision over Region I, in order to run smoothly, effectively and efficiently and are well coordinated.
 - b. Group CEO assist in directing and supervising the work units that are functionally succession is under the supervision of Deputy Group CEO on an ongoing basis in carrying out tasks related to their respective fields in order to remain on the path to long-term strategy of the Company.
 - c. Group CEO assist in directing the processes of change that is needed to meet the challenges of market competition by encouraging a Business Unit marketing products and services with a more dynamic and competitive.
 - d. Group CEO helps in improving the company image both at national and international level and helped establish a good relationship with correspondent banks, investment banks, financial institutions, customers and monetary authorities both domestically and abroad.
 - e. Entitled and authorized to act for and on behalf of the Board of Directors and to represent the Company in the event the Group CEO is absent or unavailable for any reason, which does not need to prove to a third party.

- f. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.

Consumer Banking Director

1. Policies and Strategies

- a. Leading and directing the formulation and implementation of policies and strategies, updating and dissemination of policies in the field of Consumer Banking, including AXA Mandiri Financial Services (Subsidiary), Mandiri AXA General Insurance (Subsidiary), Mandiri Tunas Finance (Subsidiary), Mandiri International Remittance (Subsidiary) and Mandiri Investment Management (Second Tier Subsidiary).
- b. Leading and directing the preparation of Business Plan and Action Plan short term, medium term and long term on the field Consumer Banking in line with Company policy.
- c. Supporting the Distributions Director in directing and fostering Regional Office for transforming the distribution network, optimization of business units in the region both in terms of financial, service excellence, Good Corporate Governance and Fraud Prevention.
- d. Supporting the Distributions Director in directing and fostering regional office to achieve and increase the business volume targets (funds and loans) has been determined.

2. Operational Activities

- a. Leading and coordinating the implementation of policies and strategies relating to the operations of Consumer Banking for the short-term, medium-term and long-term comprehensive manner.
- b. Directing and supervising the subordinate work units and subsidiaries which it is responsible on an ongoing basis in carrying out tasks related to their respective fields in line with the corporate policy and handle market competition in the field of Consumer Banking.
- c. Leading and directing change processes required to meet market challenges related to the field of Consumer Banking.
- d. Leading, directing and coordinating the development and offers consumer banking products are the best and make sure that development as well as the offer is a quality product and competitive.
- e. Leading and coordinating arrangements Consumer Banking products aggressively with regard to Company policy and the prudential principle.
- f. Effectively leading and coordinating the advertising and promotion of products bankwide both for wholesale and retail segments, according to the analytical research markets and customer segments.
- g. Leading and directing front liner marketers to run standard procedures in the field of Consumer Banking correctly.
- h. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.

3. Human Resources

Leading and directing the policies of Human Resources (HR) under the coordination of the field of Consumer Banking, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.

Distributions Director

1. Policies and Strategies

- a. Leading and directing the formulation and implementation of policies and strategies, updating and dissemination of policies in the field of Distributions including Bank Mandiri Dili, East Timor (Foreign Office).
- b. Leading and directing the preparation of Business Plan and Action Plan short-term, medium-term and long-term Distributions in line with Company policy.
- c. Leading and directing Regional CEOs of Bank Mandiri to increase its share of the market (market share) and the achievement of business volume (funds and loans) in all regions of the Bank.

2. Operational Activities

- a. Leading and coordinating the implementation of policies and strategies relating to the operations of Distributions for the short-term, medium-term and long-term comprehensive manner.
- b. Directing and supervising the work unit under continuous supervising in performing tasks related to their respective fields in line with Company policy and the handling of market competition.
- c. Leading and directing change processes required to meet market challenges related to the field of Distributions.

d. Coordinating and directing the role of Regional CEO in coordination functions for alliances with other work units.

3. Human Resources

Leading and directing the policies of Human Resources (HR) under the coordination of the field of Distributions, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.

Risk Management & Compliance Director

1. Policies and Strategies

- a. Leading and directing the formulation and implementation of policies and strategies, updating and dissemination of policies in the areas of Market Risk, Operational Risk, Credit Portfolio Risk, Legal, Compliance and Policy & Procedures.
- b. Duties and responsibilities regarding compliance function, which is Policy and Strategy include:
 - 1) formulating a strategy to encourage the creation of a Culture of Compliance;
 - 2) proposing compliance policies or principles that compliance will be determined by the Board of Directors;
 - 3) establishing a system and compliance procedures that will be used to draw up the rules and internal guidelines of the Bank;
- c. Leading and directing the development of policies, strategies and control procedures gratuities and APU-PPT program
- d. Leading and directing the preparation of Business Plan and Action Plan short term, medium term and long term on Risk Management & Compliance in line with Company policy.

- e. Supporting the Distributions Director in directing and fostering Regional Office for transforming the distribution network, optimization of business units in the region both in terms of financial, service excellence, Good Corporate Governance and Fraud Prevention.
2. Operational Activities
- a. Coordinating and directing the implementation:
 - 1) good corporate governance principles;
 - 2) gratuity control program;
 - 3) APU-PPT program;
 - b. Duties and responsibilities regarding compliance function, which is operational in nature, include:
 - 1) ensuring that all policies, regulations, systems and procedures, as well as business activities conducted by the Bank in accordance with the provisions of Bank Indonesia and the legislation in force;
 - 2) minimizing the Bank Compliance Risk;
 - 3) taking precautions to ensure that policies and/or decisions taken by the Board of Directors does not deviate from the provisions of the OJK/Bank Indonesia and the legislation in force;
 - 4) ensuring compliance with the Bank against the commitments made by the Bank to the OJK/Bank Indonesia and/or other competent supervisory authority.
 - 5) performing other tasks related to the Compliance Function.
 - c. Leading and coordinating the operations of the field of Market Risk, Operational Risk, Credit Portfolio Risk, Legal, Compliance and Policy & Procedures for the short-term, medium-term and long-term comprehensive manner.
- d. Coordinating, directing and monitoring the handling of legal issues that are complex and/or bankwide through the provision of opinions and legal advice to the work unit, by optimizing the management and legal officer.
 - e. Coordinating, directing and monitoring the effective legal action through the handling of cases in an integrated manner with a clear target.
 - f. Coordinating the achievement of the performance on the field of Risk Management & Compliance.
 - g. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.
3. Human Resources
- Leading and directing the policies of Human Resources (HR) under the coordination of the field of Risk Management & Compliance, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.
- Finance & Strategy Director/Chief Financial Officer (CFO)**
- 1. Policies and Strategies
 - a. Leading and directing the preparation and formulation of policies and strategies, updating and dissemination of policies in the field of Finance & Strategy.
 - b. Leading and directing the preparation of Business Plan and Action Plan short-term, medium-term and long-term Distributions in line with Company policy.
 - c. Supporting the Distributions Director in directing and fostering Regional Office for transforming the distribution network, optimization of business units in the region

both in terms of financial, service excellence, Good Corporate Governance and Fraud Prevention.

- d. Supporting the Distributions Director in directing and fostering regional office to achieve and increase the business volume targets (funds and loans) has been determined.

2. Operational Activities

- a. Leading and directing the strategy, objectives and financial targets long-term, medium-term and short-term Bank Mandiri comprehensively.
- b. Leading, directing and coordinating the work function of Investor Relations in order to conduct financial communication to investors in an effective, efficient, transparent, accountable, timely and improve the quality of our annual report as a public company.
- c. Leading and directing the activities of accounting and reporting (Accounting) in order to have a financial system with supervision, policies and procedures appropriate to produce financial information and MIS timely, complete, consistent, reliable and scalable.
- d. Leading and coordinating the preparation and implementation of the communication strategy of the Company in a broad sense in the efforts to preserve and maintain the Company's reputation as a public company.
- e. Leading, coordinating, directing, and monitoring the implementation of Corporate Action, the disclosure of information with reference to the prevailing regulations and internal activities of the Company including but not limited to the implementation of the activities listed in the Calendar of Events and other activities such as internal company meetings.

- f. Leading and directing the formulation and implementation of policies and strategies, updating and dissemination of policies in the field of Finance & Strategy.
- g. Leading and directing the preparation of a performance management system that is reliable, scalable, complete, consistent and monitor and assess its implementation accurately and timely.
- h. Coordinating and directing the policy of the Partnership and Community Development Program (PKBL) in accordance with applicable regulations and policies established by the RUPS.
- i. Directing the activities of procurement, maintenance, warehousing and archiving, service and facilities in order to effectively and efficiently and ensure the Company's documents are safely stored and can be searched again quickly and efficiently.
- j. Leading and directing the policies and activities related to the procurement of goods and services bankwide in accordance with the work plan and budget agreed upon, taking into account the market and industry analysis as well as aspects of the TCO (Total Cost of Ownership), to provide protection against owned assets (value creation, delivery) and to ensure the achievement of competitive advantage, organizational effectiveness, profitability, and accommodate changing business needs.
- k. Leading and directing the policies and activities related to Fixed Assets Fixed (ATTB) of Bank Mandiri, including ATTB problematic, both ATTB already belong and which is indicated as ATTB belonging to former Legacy Bank, as well as management ATTB unused/used-owned Bank Mandiri how to reuse, temporarily leased and sold, as well as the policies and activities related to the function of asset registry for the entire property owned by the Bank.

- l. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.
- 3. Human Resources
Leading and directing the policies of Human Resources (HR) under the coordination of the field of Finance & Strategy, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.

Corporate Banking Director

- 1. Policies and Strategies
 - a. Leading and directing the formulation and implementation of policies and strategies, updating and dissemination of policies in the field of Corporate Banking.
 - b. Leading and directing the preparation of Business Plan and Action Plan short term, medium term and long term on the field Corporate Banking in line with Company policy.
 - c. Supporting the Distributions Director in directing and fostering Regional Office for transforming the distribution network, optimization of business units in the region both in terms of financial, service excellence, Good Corporate Governance and Fraud Prevention.
 - d. Supporting the Distributions Director in directing and fostering regional office to achieve and increase the business volume targets (funds and loans) has been determined.
- 2. Operational Activities
 - a. Leading and coordinating the implementation of policies and strategies relating to the operations of Corporate Banking for the short-term, medium-term and long-term comprehensive manner.
- b. Leading and directing and supervising all functions of the working areas of Corporate Banking and Subsidiaries and Affiliated Entities which it is responsible on an ongoing basis in carrying out tasks related to their respective fields in line with Company policy, as well as addressing market competition in the field of Corporate Banking.
- c. Leading and directing change processes required to meet market challenges related to the field of Corporate Banking.
- d. Leading, directing and coordinating the development and offers Corporate Banking products are the best and make sure that development as well as the offer is a quality product and competitive.
- e. Leading and coordinating arrangements Corporate Banking products aggressively with regard to Company policy and the prudential principle.
- f. Leading and coordinating the effective promotion of Corporate Banking products according to market research and customer segments.
- g. Fostering relationships with customers through traffic (on the spot) and periodic monitoring of customer projects.
- h. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.
- 3. Human Resources
Leading and directing the policies of Human Resources (HR) under the coordination of the field of Corporate Banking, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.

Commercial Banking Director

1. Policies and Strategies
 - a. Leading and directing the formulation and implementation of policies and strategies, updating and dissemination of policies in the field of Commercial Banking.
 - b. Leading and directing the preparation of Business Plan and Action Plan short-term, medium-term and long-term in line with Company policy.
 - c. Supporting the Distributions Director in directing and fostering Regional Office for transforming the distribution network, optimization of business units in the region both in terms of financial, service excellence, Good Corporate Governance and Fraud Prevention.
 - d. Supporting the Distributions Director in directing and fostering regional office to achieve and increase the business volume targets (funds and loans) has been determined.
 2. Operational Activities
 - a. Leading and coordinating the implementation of policies and strategies relating to the operations of Commercial Banking for the short-term, medium-term and long-term comprehensive manner.
 - b. Directing and supervising the subordinative work units and subsidiaries which it is responsible on an ongoing basis in carrying out tasks related to their respective fields in line with the corporate policy and handle market competition in the field of Commercial Banking in line with the company policy.
 3. Human Resources
 - c. Leading and directing change processes required to meet market challenges related to the field of Commercial Banking.
 - d. Leading, directing and coordinating the development and offers Commercial Banking products are the best and make sure that development as well as the offer is a quality product and competitive.
 - e. Leading and coordinating arrangements Commercial Banking products aggressively with regard to Company policy and the prudential principle.
 - f. Leading and coordinating the effective promotion of Commercial Banking products according to market research and customer segments.
 - g. Leading and directing front liner marketers to run standard procedures in the field of Commercial Banking correctly.
 - h. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.
- Leading and directing the policies of Human Resources (HR) under the coordination of the field of Commercial Banking, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.

Technology & Operations Director

1. Policies and Strategies
 - a. Leading and directing the formulation and implementation of policies and strategies, updating and dissemination of policies in the field of Technology & Operations.
 - b. Leading and directing the preparation of Business Plan and Action Plan short term, medium term and long term on the field Technology & Operations in line with Company policy.
 - c. Lead and direct the formulation and implementation of policies and strategies service in order to maintain customer confidence.
 - d. Supporting the Distributions Director in directing and fostering Regional Office for transforming the distribution network, optimization of business units in the region both in terms of financial, service excellence, Good Corporate Governance and Fraud Prevention.
 - e. Supporting the Distributions Director in directing and fostering regional office to achieve and increase the business volume targets (funds and loans) has been determined.
 - f. Coordinating the implementation of IT functions and tasks of the Chief Technology Officer.
 - g. Coordinating the execution of the functions and duties of Credit Operations, Cash & Clearing and e-Channel in the region with the Regional Operations Head.
2. Operational Activities
 - a. Leading and coordinating the implementation of policies and strategies relating to the operations of Technology & Operations for the short-term, medium-term and long-term comprehensive manner.
 - b. Directing and supervising the work unit below it on an ongoing basis in carrying out tasks related to their respective fields in order to remain on the path to long-term strategy of the Company and the Technology & Operations.
 - c. Developing Information Technology to work as a business partner with all units within the Company's organization and ensure that the Company has the technology solutions most appropriate for the current situation and business requirements in the future through planning information technology effectively and efficiently, development, achievement, implementing, maintenance and ongoing support.
 - d. Coordinating and directing the preparation of the Company's strategy of service, communication and consolidation of programs to improve the quality of service to customers.
 - e. Coordinating and directing the optimization of the use of customer data to support the business activities of the Company.
 - f. Coordinating and directing the preparation and management procedures for handling complaints and customer disputes.
 - g. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.
3. Human Resources

Leading and directing the policies of Human Resources (HR) under the coordination of the field of Technology & Operations, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.

Treasury & Markets Director

1. Policies and Strategies
 - a. Leading and directing the preparation and formulation of policies and strategies, updating and dissemination of policies in the areas of Treasury & Markets, Bank Mandiri Cayman Island, Singapore, Shanghai and Hong Kong (Foreign Office) as well as acting as a builder BMEL is mandated and Mandiri Sekutitas (Subsidiary).
 - b. Leading and directing the preparation of Business Plan and Action Plan short-term, medium-term and long-term Distributions in line with Company policy.
 - c. Supporting the Distributions Director in directing and fostering Regional Office for transforming the distribution network, optimization of business units in the region both in terms of financial, service excellence, Good Corporate Governance and Fraud Prevention.
 - d. Supporting the Distributions Director in directing and fostering regional office to achieve and increase the business volume targets (funds and loans) has been determined.
2. Operational Activities
 - a. Leading and coordinating the implementation of policies and strategies relating to the operations of Treasury & Markets, Bank Mandiri Cayman Island, Singapore, Shanghai and Hong Kong (Foreign Office) for short-term, medium-term and long-term comprehensive manner.
 - b. Directing and supervising the subordinative work units and subsidiaries which it is responsible on an ongoing basis in carrying out tasks related to their respective fields in line with the corporate policy and handle market competition in the field of Treasury & Markets in line with the company policy.
3. Human Resources

Leading and directing the policies of Human Resources (HR) under the coordination of the field of Treasury & Markets, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.

 - c. Leading and directing change processes required to meet market challenges related to the field of Treasury & Markets.
 - d. Leading, directing and coordinating the development and offers Treasury & Markets products are the best and make sure that development as well as the offer is a quality product and competitive.
 - e. Leading and coordinating arrangements Treasury & Markets products aggressively with regard to Company policy and the prudential principle.
 - f. Leading and coordinating the effective promotion of Treasury & Markets products according to market research and customer segments.
 - g. Leading and directing front liner marketers to run standard procedures in the field of Treasury & Markets correctly.
 - h. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.

Micro & Business Banking Director

1. Policies and Strategies
 - a. Lead and direct the formulation and implementation of policies and strategies, updating and dissemination of policies in the field of Micro & Business Banking, as well as acting as a builder of Bank Syariah Mandiri (Subsidiary) and Bank Sinar Harapan Bali.
 - b. Leading and directing the preparation of Business Plan and Action Plan short term, medium term and long term on the field Micro & Business Banking in line with Company policy.
 - c. Supporting the Distributions Director in directing and fostering Regional Office for transforming the distribution network, optimization of business units in the region both in terms of financial, service excellence, Good Corporate Governance and Fraud Prevention.
 - d. Supporting the Distributions Director in directing and fostering regional office to achieve and increase the business volume targets (funds and loans) has been determined.
2. Operational Activities
 - a. Leading and coordinating the implementation of policies and strategies relating to the operations of Micro & Business Banking for the short-term, medium-term and long-term comprehensive manner.
 - b. Directing and supervising the subordinative work units and subsidiaries which it is responsible on an ongoing basis in carrying out tasks related to their respective fields in line with the corporate policy and handle market competition in the field of Micro & Business Banking .
 - c. Leading and directing change processes required to meet market challenges related to the field of Micro & Business Banking .
 - d. Leading, directing and coordinating the development and offers Micro & Business Banking products are the best and make sure that development as well as the offer is a quality product and competitive.
 - e. Leading and coordinating arrangements Micro & Business Banking products aggressively with regard to Company policy and the prudential principle.
 - f. Leading and directing front liner marketers to run standard procedures in the field of Micro & Business Banking correctly.
 - g. Supporting the role of Regional CEO in coordination functions for alliances with other Strategic Business Unit.
3. Human Resources

Leading and directing the policies of Human Resources (HR) under the coordination of the field of Micro & Business Banking, including proposing the recruitment, promotion, transfer/rotation, coaching and training in coordination with SEVP Human Capital.

Activities by the Board of Directors in 2015

The Board of Directors has undertaken a series of activities that are part of the work program of the Board of Directors of Bank Mandiri such conduct regular meetings, both internal and joint meetings with the Board of Commissioners, and meetings with SEVP

Committee meeting and follow some training/seminar/workshop in an effort to shape the development of the Board of Directors of Bank Mandiri. Directors of the Bank has been carrying out activities in 2015 with a focus on the following aspects

Aspect	Event
Financial	<ol style="list-style-type: none"> 1. Preparation and improvement of CBP 2. Updating Company Performance in 2015 periodically
Governance	<ol style="list-style-type: none"> 1. Approving the internal regulations of Bank Mandiri and the revision 2. Monitoring and evaluating the implementation of GCG 3. Applying Governance Integrated Bank Mandiri with its subsidiaries.
Internal Control and Risk Management	<ol style="list-style-type: none"> 1. Discussing external audit findings and recommendations 2. Discussing risk profile of the Bank
Human Resource Management	<ol style="list-style-type: none"> 1. Drafting/revising/evaluating and directing HR policies 2. Proposing the recruitment, promotion, transfer/rotation, coaching and training of human resources.
Corporate Social Responsibility	<ol style="list-style-type: none"> 1. Implementing CSR activities 2. Revising Sustainability Report

Board of Directors Meeting

As one of the organs of the company are collectively take full responsibility for the management of Bank Mandiri needed a forum as a means of coordinating between the members of the Board of Directors or any other organ of the company in achieving its objectives perseroan. Rapat Board of Directors is an important forum in determining Company policy and management decisions. Meeting decisions taken by deliberation and consensus. In the event that consensus can not be reached a decision, the decision taken by majority voting agreed and the decision should be accepted as a joint decision (mutual).

Directors have scheduled a meeting as SOE Ministry has arranged and set a meeting schedule as outlined

in the Circular Letter of the Minister of SOE No. SE-03/MBU/2011 dated October 27, 2011 that the Board of Directors shall carry out a meeting every Tuesday and if necessary the Board of Directors may invite the Board of Commissioners for participated in the meeting.

Bank Mandiri meeting once a month, attended by all directors and executive officers reporting to the Board of Directors to monitor operational performance. The Board of Directors may also adopt valid and binding decisions without convening a meeting, provided that all of the Directors have to know the intended decision proposal and given their written approval and signed the agreement. The decision taken to have power equal with making through formal meetings.

Meeting Frequency and Attendance Level of Directors

During 2015, the Board of Directors has held 50 internal meetings with the Board of Directors attendance level averaging 87%. The Board of Directors meeting by presenting the Board of Commissioners has held 3 (three) meetings. Following the meeting agenda and attendance of Directors in an internal meeting of Directors and Board of Directors meeting by presenting the Board of Commissioners during 2015:

Number and Agenda of BOD Meetings and Joint Meetings of the BOC and BOD

Date	Main Agenda
January 2015	<ol style="list-style-type: none"> 1. Implementation of RUPS 2015 2. Mechanism of the BOD and BOC Meeting 3. Laku Pandai Implementation 4. Company Performance Update up to December 31, 2014
February 2015	<ol style="list-style-type: none"> 1. RBRR Update up to Dec 2014 2. Distribution Network Update 3. Innovation Award Winners 4. Company Performance Update up to January 31, 2015
March 2015	<ol style="list-style-type: none"> 1. Macroeconomic Update 2. Construction Financing Update 3. Job descriptions of Directors 4. Company Performance Update up to February 28, 2015
April 2015	<ol style="list-style-type: none"> 1. Risk Profile of March 2015 2. Proposed sponsorship 3. Financial Deepening 4. Company Performance Update up to March 31, 2015
May 2015	<ol style="list-style-type: none"> 1. Optimization of ATTB 2. Media Plan 3. Update on the Implementation of IIF Asia Summit 2015 4. Company Performance Update up to April 30, 2015
June 2015	<ol style="list-style-type: none"> 1. Update on Partnership Provisions 2. Revision to CBP 2015 and RBB 2015-2017 3. Sector Solution Update 4. Company Performance Update up to May 31, 2015
July 2015	<ol style="list-style-type: none"> 1. KLN Road Map 2. Update on Preparation for Long Holiday Idul Fitri 1436 H 3. Update on the Implementation of PP No. 45/2015 4. Company Performance Update up to June 30, 2015
August 2015	<ol style="list-style-type: none"> 1. Update on MoU with IFC 2. Stress Testing 3. Update on Enterprise Data Management 4. Company Performance Update up to July 31, 2015
September 2015	<ol style="list-style-type: none"> 1. Update on IT & Retail Risk 2. Update on Preparation of CBP 2016 3. Proposed Series of Activities for 17th Anniversary of BMRI 4. Company Performance Update up to August 30, 2015
October 2015	<ol style="list-style-type: none"> 1. Proposed Performance Management Mandiri Easy 2. Proposed Risk Profile as of September 2015 3. Update on Implementation of Strategic Initiatives 2015 4. Company Performance Update up to September 30, 2015

Date	Main Agenda
November 2015	1. Update on Preparation of CBP 2016 2. Update on the Implementation of RULB 3. IT Initiatives in 2016 4. Company Performance Update up to October 30, 2015
December 2015	1. Utilization of Bank Mandiri ATTB 2. BOT Agreement with Wisma Mandiri 3. Discussion of Human Capital 4. Company Performance Update up to November 30, 2015
Total meeting	50 times

Attendance Level of Directors in 2015 is as follows

Name	Position	Number			% attendance
		meeting	Attendance	Absence	
Budi G. Sadikin	President Director	50	40	10	80%
Riswinandi *)	Vice President Director	10	10	0	100%
Abdul Rachman *)	Institutional Banking Director	10	8	2	80%
Sentot A. Sentausa	Risk Management Director	50	46	4	92%
Ogi Prastomiyono	Compliance & Legal Director	50	46	4	92%
Pahala N. Mansury	Finance & Strategy Director	50	43	7	86%
Fransisca N. Mok *)	Corporate Banking Director	10	7	3	70%
Sunarso *)	Commercial & Business Banking Director	10	8	2	80%
Kresno Sediarsi *)	Technology & Operations Director	10	10	0	100%
Royke Tumilaar	Treasury, FI & Special Asset Mgt. Director	50	45	5	90%
Hery Gunardi	Micro & Retail Banking Director	50	41	9	82%
Sulaiman Arif Arianto **)	Vice President Director	40	37	3	93%
Tardi **)	Micro & Business Banking Director	40	37	3	93%
Ahmad Siddik Badruddin **)	Risk Management & Compliance Director	40	33	7	83%
Kartini Sally **)	Commercial Banking Director	40	36	4	90%
Kartika Wirjoatmodjo **)	Finance & Strategy Director	40	32	8	80%

Note: *)

***) The RUPS on March 16, 2015 honorably discharged members of the Board whose term of office ended.

The RUPS on March 16, 2015 then appointed new members of the Board.

Meeting agenda and attendance level of Directors at meetings that invited the Board of Commissioners for 2015 are as follows:

Date	Agenda	Directors' Attendance										
		Budi G. Sadikin	Sentot A. Sentausa	Ogi Pras-tomiyono	Pahala N. Mansury	Royke Tumilaa	Hery Gunardi	Sulaiman A. Arianto **)	Tardi **)	Ahmad Siddik Badruddin **)	Kartini Sally **)	Kartika Wirjoatmodjo **)
May 2015	1. Financial Statements and Financial Performance per April 2015											
	2. Laku Pandai Implementation	v	v	v	v	v	v	v	v	v	x	v
	3. Integrated Governance Implementation											
	4. Optimization of BOD meetings in 2015 and April 2015 Review											
August 2015	1. Financial Statements and Performance per July 2015											
	2. Update on Development of Commercial Banking Directorate	v	x	v	v	v	v	v	x	v	v	v
	3. Update on Acquiring Aggregator											
December 2015	1. Financial Statements and Performance per November 2015	v	v	v	v	v	v	v	v	v	v	v
	2. Miscellaneous											
Total Meeting		3	3	3	3	3	3	3	3	3	3	3
Attendance		3	2	3	3	3	3	3	2	3	2	3
Attendance Rate		100%	67%	100%	100%	100%	100%	100%	67%	100%	67%	100%

Resolutions Made by the Board of Directors in 2015

In 2015, BOD members made several decisions as follows:

Heading	No. Document	Date	Subject
KEP.DIR	1	02/01/2015	Changes in Organizational Structure of PT Bank Mandiri (Persero) Tbk
KEP.DIR	2	02/01/2015	Job descriptions of the Directors and preparing Alternate Director List
KEP.DIR	3	02/01/2015	Determination of Regional Directors and Their Tasks and Competencies.
KEP.DIR	6	02/01/2015	Appointment and Designation of Tardi as Senior Executive President of PT Bank Mandiri (Persero) Tbk.
KEP.DIR	7	02/01/2015	Appointment and Designation of Rico Usthavia Frans as Senior Executive President of PT Bank Mandiri (Persero) Tbk.
KEP.DIR	8	02/01/2015	Appointment and Designation of Ahmad Siddik Badruddin as Senior Executive President of PT Bank Mandiri (Persero) Tbk.
KEP.DIR	9	02/01/2015	Appointment and Designation of Sanjay N. as Senior Executive President of PT Bank Mandiri (Persero) Tbk.
KEP.DIR	10	02/01/2015	Appointment and Designation of Joseph Georgino G. as Senior Executive President of PT Bank Mandiri (Persero) Tbk.
KEP.DIR	11	02/01/2015	Appointment and Designation of Riyani TB as Senior Executive President of PT Bank Mandiri (Persero) Tbk.
KEP.DIR	12	02/01/2015	Appointment and Designation of Ventje Rahardjo as Senior Executive President of PT Bank Mandiri (Persero) Tbk.
KEP.DIR	40	20/01/2015	Temporary Substitute (Alternate) Officials at GH level in the Corporate Banking
KEP.DIR	43	28/01/2015	Approval of Strategic and Routine Initiative Implementation in 2015
KEP.DIR	69	23/02/2015	Code of Conduct of the Board of Directors
KEP.DIR	80	17/03/2015	Appointment of the Board of Directors
KEP.DIR	90	18/03/2015	Determination of Regional Directors and Their Tasks and Competencies.
KEP.DIR	91	20/03/2015	Wealth Report of State Officials in PT Bank Mandiri (Persero) Tbk.
KEP.DIR	92	20/03/2015	Management Coordinator of Wealth Report of State Officials in PT Bank Mandiri (Persero) Tbk.
KEP.DIR	115	14/04/2015	Temporary Alternate SK Decree.
KEP.DIR	116	14/04/2015	Members of the Committees.
KEP.DIR	128	21/04/2015	Membership of Personnel Advisory Team (TPK).
KEP.DIR	136	30/04/2015	Changes in Membership of Committees under BOC of PT Bank Mandiri (Persero) Tbk.
KEP.DIR	153	20/05/2015	Adjustment to Membership of Personnel Advisory Team (TPK).
KEP.DIR	288	29/09/2015	Assignment of Employees in the Project Implementation Team for HC Data Quality Maintenance.

Reviewing the Company's Annual Strategy

The Board of Directors seeks to encourage the performance of the company for the next year to conduct a review on the company's annual strategy conducted at the end of the current year. The 2015 review of the company's annual strategy was at meeting of the Board of Directors conducted in October 2015 with the agenda Implementation of Strategic Initiatives Update 2015.

Training for Directors

As members of the BOC, the bank also held two types of training for Directors namely Corporate Introduction Program for new Board members and Competence Development Program.

Induction Program of Directors

Bank Mandiri undertake an induction program for new Board members with the aim of providing an overview of the business activities, the Company's future plans, guides and other work that is the responsibility of the Board of Directors. Recognition program prepared by the Corporate Secretary of the Group in the form of assessment documents provided in soft copy and hard copy, inter alia Annual Report, the Work Plan and Budget (CBP), Long-Term Plan of the Company (RJPP), Articles of Association, Corporate Governance Policy, Code of Ethics, Work Program Directors and the Committees under the Board of Directors, the Board of Directors Code of Conduct, the Board of Directors Code of Conduct and the Code of Conduct Committee under the Board of Directors, as well as laws and regulations related to the business process of Bank Mandiri.

Directors' Development Programs

In order Directors can carry out their duties, the Members Directors Bank Mandiri constantly adding and updating knowledge. In facilitating the updating of knowledge, then Directors need sustainable mendapatkan pendidikan combined with self-study and participation in special education, training, workshops, seminars, conferences which can be beneficial in improving the effective functioning of the Board of Directors. Continuing education can be done both at home and abroad at the expense of the bank.

During 2015, Member of the Board of Directors have followed Training/Workshop/Seminar in order to improve the ability of BOD members and SEVP conducted both inside and outside the country, as follows:

Training and Seminar for Directors

Name	Position Title	Training/Seminar	Time and Place
Mr. Budi G. Sadikin	President Director	Banking Risk Management, Level 5	Badan Nasional Sertifikasi Profesi/LSPP, Indonesia July 1, 2015
Mr. Sulaiman A. Arianto	Vice President Director	Banking Risk Management, Level 5	Badan Nasional Sertifikasi Profesi/LSPP, Indonesia June 26, 2015
Mr. Sentot A. Sentausa	Distributions Director	Customer-Focused Innovation	Stanford Businnes, USA, October 4-9, 2015
		Banking Risk Management, Level 5	Badan Nasional Sertifikasi Profesi/LSPP, Indonesia June 26, 2015
Mr. Ogi Prastomiyono	Technology & Operations Director	Systematic Innovation of Products, Processes and Services	Cambridge, Massachusetts, US, November 14-22, 2015
Mr. Pahala N. Mansury	Treasury & Markets Director	Asset & Liability Management	Euromoney, Paris, April 13-16, 2015
Mr. Royke Tumilaar	Corporate Banking Director	Training for Executives "Contemporary Finance : Key Topics for Senior Executives and Board Members"	New york, June 1-7, 2015
Mr. Hery Gunardi	Consumer Banking Director	Strategic Branding: "From Behavioral Insights to Business Growth"	London Business School, London, UK, November 14-22, 2015
		Banking Risk Management, Level 5	Badan Nasional Sertifikasi Profesi/LSPP, Indonesia July 2, 2015
Mr. Tardi	Micro & Business Banking Director	Market Driving Strategy	London Business School, London, UK, November 07-15, 2015
		Banking Risk Management, Level 5	Badan Nasional Sertifikasi Profesi/LSPP, Indonesia April 4, 2015
Mr. Ahmad Siddik Badruddin	Risk Management & Compliance Director	Global Strategic Leadership di Wharton Executive Education	Philadelphia, USA, December 1-4, 2015
		Banking Risk Management, Level 5	Badan Nasional Sertifikasi Profesi/LSPP, Indonesia Saturday, April 11, 2015
Ms. Kartini Sally	Commercial Banking Director	London Business School (LBS) Program Developing strategy for value creation	UK, October 16-25, 2015
		Banking Risk Management, Level 5	Badan Nasional Sertifikasi Profesi/LSPP, Indonesia April 11, 2015
Ms. Riyani T. Bondan	SEVP Retail Risk	International Bankcard Management School (IBMS)	Visa Business School, Las Vegas, USA, May 3-11, 2015
		Global Strategic Leadership in Wharton Executive Education	Philadelphia, USA, December 1-6, 2015
Mr. Ventje Rahardjo	SEVP Corporate Transformations	The Berkeley Executive Leadership Program	Berkeley California, November 1-9, 2015
Mr. Rico Usthavia Frans	SEVP Transaction Banking	Design Thinking Boot Camp: From Insights to Innovation	Stanford Business School, USA, July 6-11, 2015
Mr. Sanjay N. Bharwani	SEVP Human Capital	Strategic IQ	Harvard Business School, Boston, November 15-20, 2015

Name	Position Title	Training/Seminar	Time and Place
Mr. Kepas A. Manurung	SEVP Wholesale Risk	Leading Business Into The Future	London Business School, London, November 27-December 6, 2015
		Insurance Company Risk Management Level 5	Insurance management experts Association December 18, 2015
Mr. Kartika Wirjoatmodjo	Finance & Strategy Director	Banking Risk Management, Level 5	Badan Nasional Sertifikasi Profesi/LSPP, Indonesia April 17, 2015
Mr. Joseph Georgino Godong	SEVP Chief Information Officer (CIO)	Risk management certification refresher program - Yogyakarta	BARA Risk Forum, Indonesia September 17, 2015

Performance Assessment of Directors

Directors Assessment

Measuring the success of the performance of the Board of Directors is the collegial work of the entire Board of Directors which is reflected in the realization of the unity of the Work Plan Budget (CBP) on an annual basis. Measuring the success of the performance of

the Board of Directors made against the Bank which covers aspects of risk profile, GCG, profitability and banking capital. Parties which assess the performance of the Board of Directors include BOC, GMS and Bank Indonesia or the OJK.

Procedures for Directors' Performance Assessment

Assessment of Directors was made during the annual accountability report to the RUPS. Implementation of the GMS accountability fiscal year 2014 annual report on March 16, 2015 where the shareholders received the company's annual report 2014 financial year regarding the state of running of the company and the results that have been achieved during 2014. Furthermore, states and to release the fully accountable (aquit et decharge) to the Board of Directors Bank for the financial year 2014 operations.

The Board of Directors assessed individually on a regular basis every year (annually) to view the performance of each Director in carrying out its duties and responsibilities in accordance with its work. The performance assessment is based on the achievement of targets and Key Performance Indicator (KPI) that has been agreed upon at the beginning of the year based

on the duties and responsibilities of each Director. KPI of each member of the Board of Directors in reference to 4 (four) criteria for assessment, namely financial, people, process, and customer. Weighting assessment criteria differ from one to the other Board of Directors based on the duties and functions of each.

Rate the performance of the Board of Directors have also been conducted on the basis of self-assessment GCG dilaporkan to Bank Indonesia regularly, referring to Bank Indonesia Circular Letter Number 15/15/DPNP on Implementation of Good Corporate Governance for Banks dimanaparameter performance assessment of Directors related to the implementation of tasks and responsibilities includes within it the principles of GCG rates in the functioning of the management of the Bank.

Performance Assessment Criteria of Each Director

Rate each Director is done on an annual basis with the following criteria:

1. The implementation of tasks and functions of management by the Board of Directors in accordance AD
2. Compliance with regulations
3. The soundness level of the Bank
4. The level of attendance in the meeting of the Board of Directors as well as meetings of existing committees
5. Involvement of Directors in particular assignments
6. Key Performance Indicators of respective member of the Board of Directors, as follows:

a. President Director

Market Capitalization BMRI, earnings after tax, return on equity, market share funds and credit, the maximum Non Performing Loan (NPL), Fee-Based Income Ratio, growth and the volume of credit and the volume of retail credit, growth and the volume of CASA and the funding mix CASA, ASEAN GCG scorecard, MRI survey, corporate strategic plan initiatives, Cost Efficiency Ratio, and Income Factor ((Total Revenue - Total Operating Expense)/FTE)

b. Vice President Director

RORWA (Return on Risk Weighted Assets) wholesale segment, contribution margin wholesale segment, average balance of low cost funds and credit the wholesale segment, the NPL rate segments Wholesale, the market share of low cost funds and credits area 8 Surabaya, cross-sale ratio, anchor clients revenue (CASA, loan, and transaction), CASA value chain, and human capital score.

c. Treasury & Markets Director

Contribution Margin, wallet Share FI Clients to fund BPD, growth in international product revenues, the volume of forex transactions, transaction volume bonds, net income Mandiri Securities, market share funds and credit Jakarta, survey customer satisfaction, wallet share volume of forex transactions Anchor Clients, strategic initiatives so that the volume of foreign exchange impacts customers increased, and human capital score.

d. Corporate Banking Director

RORWA (Return on Risk Weighted Assets), average balance of funds cost, minimal achievement of revenue, average balance of credit, the maximum amount of non-performing loans (credit quality), market share funds and credit regional office 1 Medan, profit after tax Inhealth (subsidiary), customer satisfaction surveys, revenue derived from wholesale transactions CASA loan and anchor customer, a strategic sector of strategic initiatives, and human capital score.

e. Commercial Banking Director

RORWA (Return on Risk Weighted Assets), minimal achievement of revenue, average balance of credit, the maximum amount of non-performing loans (credit quality), average balance of funds cost, market share funds and credit regional office 6 Bandung, survey customer satisfaction, cross-sell ratio, volume CASA derived from the value chain solution sector, and human capital score.

f. Consumer Banking Director

Contribution Margin, average balance CASA, average balance of credit, 30+ DPD delinquency rate for the main products of individual credit (credit quality), profit subsidiary, ROMI (Return on Marketing Investment) bankwide, market share index, market share and credit funds Semarang 7 regional offices, customer satisfaction surveys, cross-sell ratio priority customers, corporate strategic plan initiatives, and human capital score.

g. Micro & Business Banking Director

Contribution Margin, average fund balance cost, average loan balance, 30 + DPD delinquency rate (credit quality), market share index, market share and credit funds 9 regional offices Banjarmasin, profit after tax of Bank Syariah Mandiri and BSHB, the number of business banking customers with primary banking relationship, survey customer satisfaction, increase customer value chain CASA of strategic sectors and clusters, corporate strategic plan initiatives, and human capital score.

h. Distributions Director

Contribution Margin, total third party funds bankwide, average balance CASA, average loan balance, 30 + DPD delinquency rate (credit quality), CASA and credit market share of e-channel, cross-sell ratio, the number of business banking customers with a primary banking relationship, the amount e-channel transactions, internal customer satisfaction index survey and quality of service, network development initiatives, and human capital score.

i. Technology & Operations Director

Realization FRUIT below the target, the utilization of capital expenditure, market share funds and credit regional office 7 Semarang, internal customer satisfaction index, quality of service branches and e-channel, implementation of initiatives soul service, major strategic initiatives, operation error rate maximum, application core banking and e-mas prepared 1 hour prior to the time of branch operations, uptime e-channel, end-to-end credit administration, and human capital score.

j. Finance & Strategy Director

Growth market capitalization of Bank Mandiri is the highest among major competitors, earnings after tax bankwide, profit subsidiary, the realization of BUA directorate, market share deposit and loan office area 10 Makassar and regional offices 12 Jayapura, public effectiveness level index, internal customer satisfaction index, annual report , implementation of the concept of corporate real estate, procurement processes through the method of strategic sourcing, corporate strategic plan initiatives, and human capital score.

k. Risk Management & Compliance Director

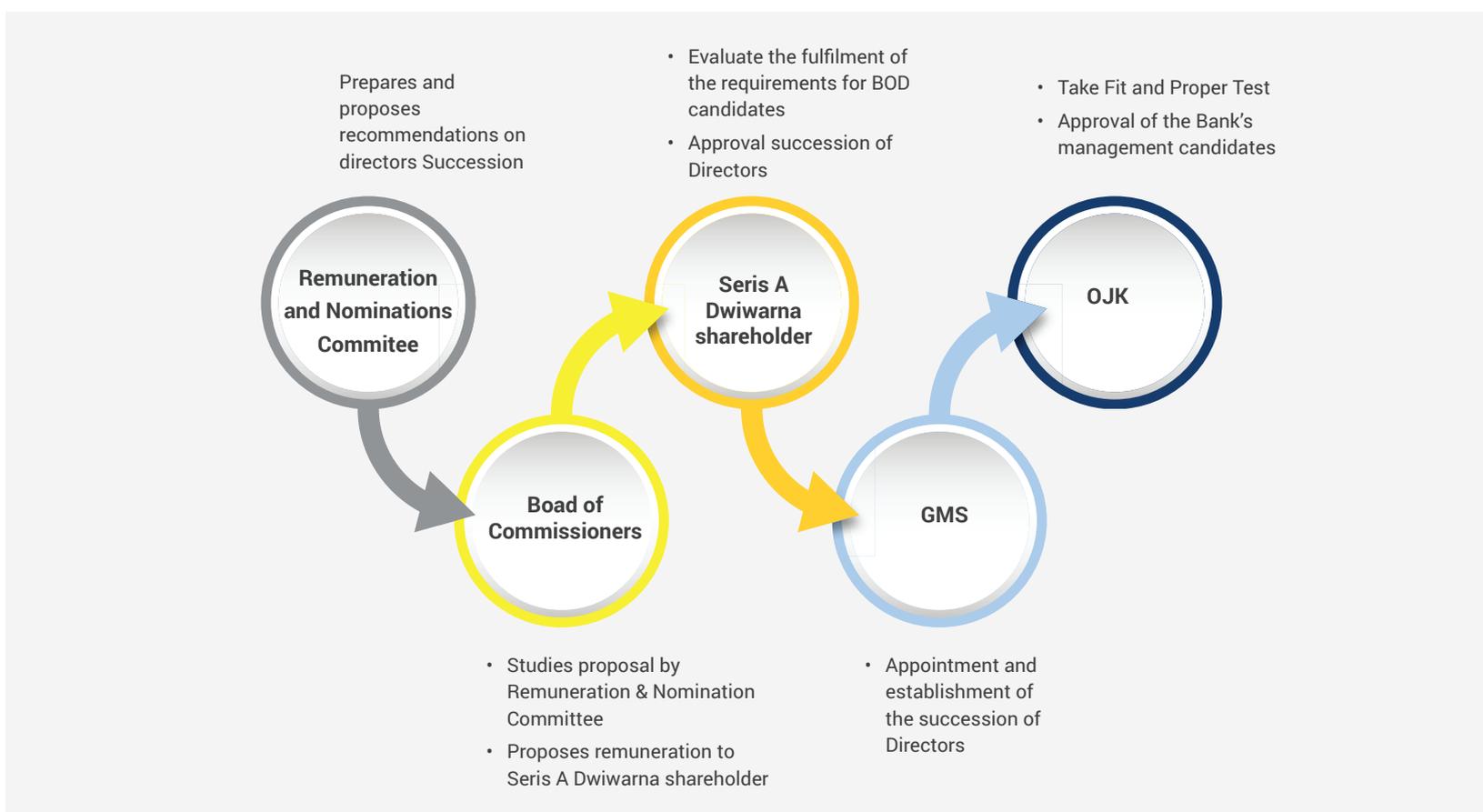
RORWA (Return on Risk Weighted Assets) segment Wholesale and safety level of liquidity, fine compliance, market share deposit and loan offices Region 2 Palembang, realization BUA directorate does not exceed the target, internal customer satisfaction index, ASEAN Good Corporate Governance Scorecard, a decrease in outstanding criminal case and non-criminal, corporate strategic initiative plan, review and update policies, and human capital score.

Directors Succession Policy

Talent & Succession Management is designed to prepare the regeneration of the Bank's leadership in the future, harmonized with the Regulation of the Minister of State Enterprises no. PER-01/MBU/2012 on Terms and Procedures for Appointment and Dismissal of Directors of State Owned Enterprises which has been updated by Regulation of the Minister of State Enterprises No.Per-16/MBU/2012 on the second amendment of the Regulation of the Minister of State Enterprises No.Per-01/MBU/2012.

Policy succession of Directors also carried out in accordance with the provisions stipulated in the Articles of Association and Board Manual Bank Mandiri.

Directors Succession Policy



Loans Board of Directors policy

Bank Mandiri treat members of BOD as a regular customer and no privileges (including interest) for members of BOD. During 2015 , no member of the BOD who received a loan from Bank Mandiri . If there are loans to members of BOD, the loan will be counted as legal lending limit of the Bank in accordance with Bank Indonesia regulation No. 8/13 / PBI / 2006

board of directors and board of commissioners remuneration policy

The remuneration of the Board of Directors (BOD) and Board of Commissioners (BOC) is determined based on Law No. 40/2007 on Limited Liability Company, Bank Mandiri's Articles of Association and Regulation of the Minister of State Owned Enterprises (SOEs) No. PER-04/MBU/2014 regarding Guidelines for Determining Remuneration of BOD, BOC and Board of Supervisors of SOEs. The remuneration of the BOC and BOD of Bank Mandiri is set out under Decree of the BOC No. KEP.KOM/003/2014 regarding Allowances and Facilities as well as Other Benefits for the BOD and BOC. The Limited Liability Company Law states that the remuneration of the BOC and BOD is established by the General Meeting of Shareholders (RUPS), but the RUPS may authorize the BOC to determine the remuneration of BOD members.

In reference to Regulation of the Financial Services Authority (POJK) No. 45/POJK.03/2015, Bank Mandiri has implemented good governance in terms of Remuneration. The implementation of good governance in the Remuneration at least includes:

1. Duties and responsibilities of the BOC and BOD;
2. Duties and responsibilities of the Remuneration Committee;
3. Application of the prudential principle in providing remuneration; and
4. Disclosure of remuneration.

The BOC is responsible for carrying out supervision on the implementation of remuneration policies and evaluate periodically at the discretion of the Remuneration on the basis of the results of the supervision referred to in. While the function of the Remuneration Committee is run by the Remuneration and Nomination Committee to assist the BOC in performing independent monitoring and evaluation. Duties and responsibilities of the Remuneration and Nomination Committee have been described in the Committee under the BOC.

The BOD has developed a remuneration policy that has been approved by the BOC through Decree No. KEP.KOM/003/2014 regarding allowances and other Facility Services and other Benefits for BOD and BOC members which specifies:

1. The Remuneration Structure includes:
 - a. Remuneration structure based on the rank and position; and
 - b. Remuneration components:
 - 1) Salary/Honorarium
 - 2) Allowances
 - 3) Facilities
 - 4) Bonuses/Performance Incentives
2. The method and mechanism for determining remuneration.

The policymaking of Remuneration for BOC and BOD members has considered aspects of the Bank's financial stability, strengthening the Bank's capital adequacy and liquidity requirements of short-term and long-term earnings potential in the future and the creation of effective risk management.

Bank Mandiri also considers the prudential principles in the administration of both the Fixed Remuneration and Variable-Dependent Remuneration. Fixed Remuneration considers the scale of business, business complexity, peer group, the rate of inflation, conditions, and financial capacity, and not in conflict

with legislation in force and the Variable-Dependent Remuneration Policy in addition to paying attention to things related to the Fixed Remuneration. Fixed Remuneration Policy also encourages prudent risk taking.

Determining the Remuneration of Commissioners

Indicators for Determining the Remuneration of Commissioners

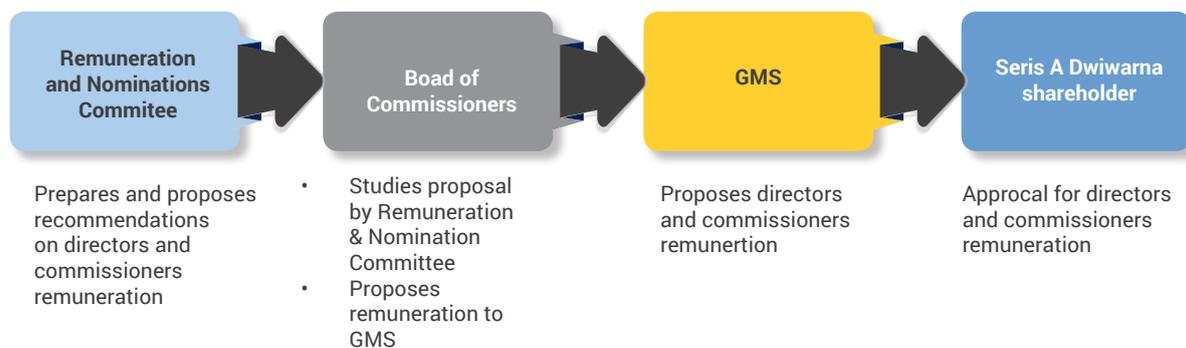
Remuneration of the BOC members is determined in view of several indicators that remuneration is given in line with the objectives of the remuneration policy. The indicators used in determining remuneration of the BOC members are as follows:

1. Key Performance Indicators (KPI).
2. the Company's performance
3. Business size,
4. Remuneration benchmarking with other banks, and
5. the Bank's long-term goals and strategies

Procedures for Determining the Remuneration of Commissioners

The remuneration of the BOC members is determined through the RUPS based on a formula set by the RUPS and the proposal of the BOC, as assessed by the Remuneration and Nominations Committee in consultation with the Minister of SOEs, as the holder

of the Series A Dwiwarna share, having regard to the allowances and other facilities, as well as post-service allowance, payable to Directors and Commissioners.



Structure of Remuneration and Facilities Payable to Commissioners

No.	Type of Remuneration	Provision
1.	Honorarium	
		Office Weighting Factor
		Chief Commissioner, 50% of the President Director
		Deputy Chief Commissioner, 47.5% of the President Director
		Commissioners, 45% of the President Director
2.	Allowances	
	• Religious Holiday Allowance	1 x honorarium
	• Communication Allowance	Not provided
	• Transport Allowance	20% of honorarium
	• Annual Leave	Not provided
	• Post-Service Allowance	Maximum insurance premium of 25% of the honorarium p.a.
	• Clothing Allowance	May be granted if special event requires special clothing
3.	Facilities	
	• Official Vehicle	Granted as transport allowance in the amount of 20% of the honorarium.
	• Health Benefits	Reimbursement of medical expenses as per internal policy (KEP.KOM/003/2014)
	• Professional Membership Facility	Maximum two memberships covering only registration and annual fees
	• Legal Assistance	As required, as per KEP.KOM/003/2014

Remuneration Packages and Others Facilities for the BOC

Type of Remuneration and Other Facilities	Amount received in 2015 ¹	
	BOC ²	
	Members	IDR Million
Remuneration:		
Salary	13	11,560
Bonus	-	-
Routine Allowances ³	13	31.45
Tantiem	11	58,100
In-Kind Facilities		
Housing (ownership may not be acquired)	-	-
Transport (ownership may not be acquired)	-	-
Benefits (ownership may be acquired) ⁴	11	5.42
Total Remuneration per Commissioner in One Year		
Above IDR 2 billion	11	
Above IDR 1 billion to IDR 2 billion	4	
Above IDR 500 million to IDR 1 billion	2	
Less than 500 million	-	

Notes:

1. Gross, including tax.
2. In 2015, the remuneration was given to 17 people consisting of 9 Commissioners and 8 former Commissioners.
3. The calculation of allowances includes religious holiday allowance, communication allowance, transport allowance, health benefit and fuel allowance.
4. Post-Service Allowance.

Determining the Remuneration of Directors

Indicators for Determining the Remuneration of Directors

Remuneration of the BOD members is determined taking several indicators into account so that remuneration is given in line with the objectives of the remuneration policy. The indicators used in determining remuneration of the BOD members include:

1. Key Performance Indicators (KPI).
2. the Company's performance
3. Business size,
4. Remuneration benchmarking with other banks, and
5. the Bank's long-term goals and strategies

Procedures for Determining the Remuneration of Directors

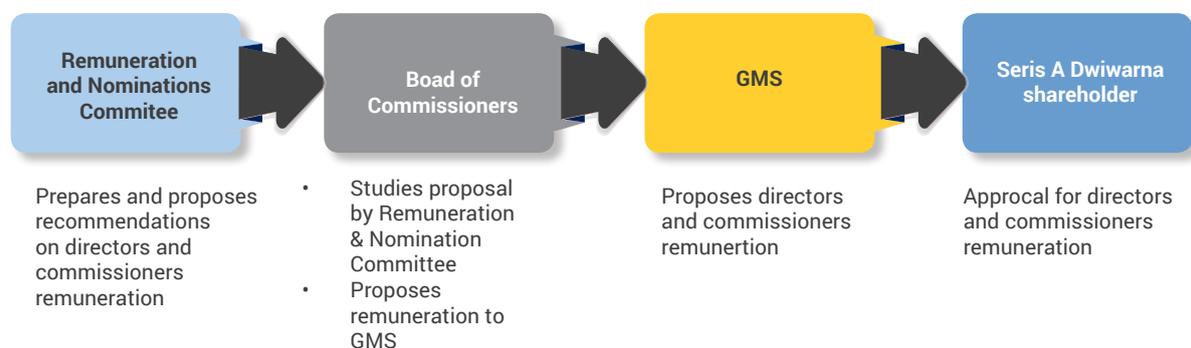
The determination of the remuneration of Directors, other than as reflected in the Bank Mandiri Business and Budget Plan (CBP), is also studied and proposed in accordance with the following procedures:

1. At the end of the year, a business plan is drafted and set out in the Bank Business Plan (RBB), which is then sent to stakeholders and regulators;
2. Key Performance Indicators (KPI) for the President Director are prepared and approved by the BOC, and are signed by the President Director and the Chief Commissioner;
3. KPI are prepared for the Vice President Director and individual Directors, covering the same areas as covered by the President Director's KPI;
4. Performance of each business unit is regularly evaluated and the key targets are evaluated on a monthly basis through performance reviews;
5. A comprehensive assessment is conducted at

the end of the year, which is then discussed at the BOD meeting;

6. The results of the assessment are reported to the BOC and the RUPS determines the performance bonuses (tantem) to be paid to the Directors based on the assessment, so that the bonus may differ from one Director to another.

The remuneration of the Directors is determined by the RUPS based on a formula set by the RUPS and the proposal of the BOC, as assessed by the Remuneration and Nominations Committee in consultation with the Minister of SOEs, as the holder of the Series A Dwiwarna share, having regard to the allowances and other facilities, as well as post-service allowances, payable to Directors.



Salaries, Allowances and Facilities for Directors in 2015:

No.	Type of Remuneration	Provision
1.	Honorarium	Office Weighting Factor President Director 100% Vice President Director, 95% of the President Director Director 90%
2.	Allowances	
	Religious Holiday Allowance	1 x salary
	Communication Allowance	At cost
	Post-Service Allowance	Maximum insurance premium of 25% of the salary p.a
	Clothing Allowance	May be granted if special event requires special clothing
	Annual Leave	12 days, excluding collective leave
	Housing Allowance	IDR 27,500,000/month including utilities, if not occupying official residence
	Utilities Allowance	At cost for those occupying official residences
3.	Facilities	
	Official Vehicle	- One rented vehicle provided - Vehicle specs and fuel allowance are regulated according to internal policy (KEP.KOM/003/2014)
	Health Benefits	Reimbursement of medical expenses as per internal policy (KEP.KOM/003/2014)
	Professional Membership Facility	- Maximum two memberships - Covering only registration and annual fees
	Legal Assistance	As required, as per KEP.KOM/003/2014
	Housing Facility	- Directors do not occupy official residence, but housing allowance will be provided, including utilities allowance. - Directors appointed before SOE Regulation No. PER-04/MBU/2014 came into force and have occupied official residences shall occupy them until their term comes to an end.

No.	Type of Remuneration	Provision
	Club Membership Facility	- Maximum two memberships - Covering only registration and annual fees
	Representative Expenses Facility	As required to represent Bank Mandiri

Remuneration Packages and Others Facilities for the BOD

Type of Remuneration and Other Facilities	Amount received in 2015 ¹	
	BOD ²	
	Members	IDR Million
Remuneration:		
Salary	16	30,789
Bonus	-	-
Routine Allowances ³	16	7,860
Tantiem	13	186,197
In-Kind Facilities		
Housing (ownership may not be acquired) ⁴	7	1,883
Transport (ownership may not be acquired)	-	-
Benefits (ownership may be acquired) ⁵	16	19,769
Total Remuneration per Director in One Year		
Above IDR 2 billion	16	
Above IDR 1 billion - IDR 2 billion	-	
Above IDR 500 million - IDR 1 billion	-	
Less than IDR 500 million	-	

Notes:

- Gross, including tax.
- In 2015, the remuneration was given to 16 people consisting of 11 Directors and 5 former Directors.
- The calculation of allowances includes religious holiday allowance, communication allowance, transport allowance, health benefit, fuel allowance and utilities allowance.
- Only housing allowance.
- Post-Service Allowance (net).



committees under the board of commissioners

As the organs responsible for supporting the Board of Commissioners (BOC), the committees under the BOC are continuously improved in order to enhance the effectiveness of BOC in performing its supervisory and advisory functions. Committees under the Board of Commissioners consists of the the Audit Committee, Remuneration and Nomination Committee as well as the Risk Monitoring Committee. Furthermore, Bank Mandiri established an Integrated Corporate Governance Committee not only to comply with the legislation in force, but also to fulfill its commitment to professional and viable implementation of good corporate governance (GCG).

The committees under BOC are the supporting organs that are collectively responsible for assisting BOC in carrying out supervision and advisory of the Board of Directors (BOD). Accordingly, the Bank has set up a number of committees under BOC that work professionally and independently to assist the Board in carrying out its duties and functions of supervision and providing advice so as to establish GCG. Such committees consist of: the Integrated Corporate Governance Committee, Audit Committee, Remuneration and Nominations Committee and Risk Monitoring Committee.

1. Integrated Corporate Governance Committee

In accordance with the Financial Services Authority (OJK) Regulation No. 18/POJK.03/2014, Integrated Corporate Governance refers to a governance practice that is based on the principles of transparency, accountability, responsibility, independence or professionalism and fairness in an integrated manner at a Financial Conglomerate. The Integrated Corporate Governance Committee was established

by and reports to the BOC in helping the Board carry out its supervisory functions and duties for the management of Good Corporate Governance practices at Bank Mandiri. The Committee has a role in comprehensively monitoring and assessing the policies regarding GCG implementation prepared by the BOD as well as conducting assessment for their consistent application.

Basis for Establishment of the Integrated Corporate Governance Committee

The establishment of Integrated Corporate Governance Committee was based on the effective laws and regulations and best practices that may be applicable in Indonesian banking establishments, including:

1. Regulation of the OJK (POJK) No. 18/POJK.03/2014 published on November 18, 2014 on the Implementation of Integrated Corporate Governance for Financial Conglomerate.

2. Law No. 21/2011 on the Financial Services Authority;
3. Bank Indonesia Regulation (PBI) No. 8/4/PBI/2006 issued on January 30, 2006 on the Implementation of Good Corporate Governance in Commercial Banks; and PBI No. 8/14/PBI/2006 dated October 5, 2006 on Amendment to PBI No. 8/4/PBI/2006 on the Implementation of Good Corporate Governance in Commercial Banks.
4. Regulation of the Minister of State Owned Enterprises No. PER-09/MBU/2012 dated July 6, 2012 on Amendment to Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2011 regarding the Implementation of Good Corporate Governance in State Owned Enterprises.
5. Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises.
6. Articles of Association of PT Bank Mandiri (Persero) Tbk along with its amendments.

Criteria for the Committee Members

To carry out the duties and functions of the Committee properly, members of the Integrated Corporate Governance Committee shall meet the following requirements:

1. Have good integrity, character and moral; sufficient competency, knowledge and work experience in the area pursuant to their educational background; and good communication skills.
2. Have sufficient knowledge about good corporate governance.
3. Have adequate knowledge of the laws and regulations concerning capital markets and on the banking, insurance, securities and financing businesses.
4. Do not own shares in Bank Mandiri and its subsidiaries, either directly or indirectly.
5. Do not have any affiliation with the Bank, its subsidiaries, BOC members of Bank Mandiri and/or its subsidiaries, BOD members of Bank Mandiri and/or its subsidiaries and major shareholders of Bank Mandiri and/or its subsidiaries.
6. Do not have business relationships, directly or indirectly, with Bank Mandiri and its subsidiaries.

Appointment and Discharge of the Committee Members

BOC may establish another committee whose name and duties are tailored to the needs of the Board which consists of a Chair and members as stipulated in Regulation of the Minister of State Enterprises No. PER-12/MBU/2012. The Chair and members of

the Integrated Corporate Governance Committee are appointed and dismissed by BOC, of which such matter is reported to the General Meeting of Shareholders (RUPS).

The Committee members may resign or be discharged, including prior to the expiry of their terms, in the following circumstances:

- 1) Resignation
- 2) Loss of citizenship
- 3) Death
- 4) Acting contrary to the interests of Bank Mandiri
- 5) Violating or failing to fulfill the requirements for serving as a member of the Integrated Corporate Governance Committee, as stipulated in the relevant Bank Indonesia Regulations.
- 6) Unable to carry out his or her duties and responsibilities, as certified by BOC.

Member of the Integrated Corporate Governance Committee who sits in BOC will be automatically dismissed when his/her term as commissioner comes to an end.

Committee Member's Term of Office

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 states that the term of office of other Committee members not serving as Commissioner is maximum three years and may be extended once for a term of two years, without prejudice to the right of the BOC to dismiss them at any time.

Membership of the Integrated Corporate Governance Committee

POJK No. 18/POJK.03/2014 issued on November 18, 2014 on the Implementation of Integrated Corporate Governance for Financial Conglomeration sets out that the number and membership of Independent Commissioners in an Integrated Corporate Governance Committee are tailored to the needs of Financial Conglomeration as well as the efficiency and effectiveness of the Committee's tasks while paying attention to the representation of each financial services sector. The Committee membership can be either permanent or temporary, subject to the needs of the Financial Conglomeration.

In reference to the regulations above, the Integrated Corporate Governance Committee shall at least comprise:

- a) An Independent Commissioner who chairs a committee at Bank Mandiri, as the chair and member concurrently.
- b) Independent Commissioners representing and appointed from subsidiaries under the Financial Conglomeration, as member.
- c) An independent party, as member.
- d) Member of the Sharia Supervisory Board of Bank Syariah Mandiri, as member.

Name	Role
Abdul Aziz	Chair and concurrent member (Independent Commissioner)
Goei Siau Hong	Member
Aviliani	Member
Bangun Sarwito Kusmuljono	Member
Ramzi A. Zuhdi	Member (PT Bank Syariah Mandiri)
M. Syafii Antonio	Member (PT Bank Syariah Mandiri-DP)
I Wayan D Ardjana	Member (PT Bank Mandiri Taspen Pos)
Frans A. Wiyono	Member (PT Mandiri AXA General Insurance)
I Ketut Sendra	Member (PT Asuransi Jiwa InHealth Indonesia)
D. Cyril Noerhadi	Member (PT Mandiri Sekuritas)
Jiantok Hardjiman*	Member (PT Mandiri Manajemen Investasi)
Hanifah Purnama	Member (PT Mandiri Tunas Finance)
Wihana Kirana Jaya	Member (PT AXA Mandiri)
Ridwan Dharmawan Ayub**	Member (Independent)
Budi Sulistio**	Member (Independent)

*) The membership ended on April 8, 2015 and was replaced by Mr. Anton H. Gunawan.

**) The membership ended after Mr. Goei Siau Hong and Mr. Bangun Sarwito Kusmuljono received approval from the Financial Services Authority (OJK) on Fit and Proper Test.

Profiles of the Committee Members

Some of the Integrated Corporate Governance Committee members are also BOC members, so that their profiles take after the ones presented in the BOC section. As for Independent Members of the Committee, their profiles are presented below:



Ridwan Dharmawan Ayub

Educational Background

- Master's Degree in Financial Management, Mercu Buana University (2008).
- Bachelor's Degree, Faculty of Social & Political Sciences, Parahyangan Catholic University (1985)

Employment History

- 2014-present : Audit Committee Member, PT Bank Mandiri (Persero) Tbk.
- 2006-2013: Risk Monitoring Committee Member, PT Bank Rakyat Indonesia (Persero) Tbk.
- 2002-2005 : Deputy Head of Operational Risk Division, PT Bank Internasional Indonesia Tbk.

Risk Monitoring Committee Members' Term of Office

June 24, 2014-present : Risk Monitoring Committee Member



Budi Sulistio

Risk Monitoring Committee Members' Term of Office

June 24, 2014-present : Risk Monitoring Committee Member

Educational Background

- Master of Business Administration, University of Illinois (1994)
- Bachelor's Degree, Faculty of Economics, University of Indonesia (1985)

Employment History

- February 2014-present :
Audit Committee Member, PT Bank Mandiri (Persero) Tbk.
- 2006-2010:
Group Head Accounting, PT Bank Mandiri (Persero) Tbk.
- 2005-2006 :
Regional Manager at Regional Office VII Semarang, PT Bank Mandiri (Persero) Tbk.

All members of the Integrated Corporate Governance Committee have good integrity, accomplished competencies and reputable financial standings.

Independence of the Corporate Governance Committee

In reference to the Integrated Corporate Governance Committee Charter:

1. The Committee shall consist of at least three persons.
2. Committee members shall comprise at least 1 (one) Independent Commissioner as Chair and member, 1 (one) Independent Member with expertise in finance and 1 (one) Independent Member with risk management expertise.
3. Former members of the Bank's BOD or Executive Officers or other parties related to the Bank that may affect their ability to act independently may not be an Independent Committee Member without prior "cooling off" period as stipulated under the applicable Bank Indonesia regulatory provisions.

4. Committee members from external parties must meet the following requirements:

- Do not have business relationships with the Bank.
- Do not have familial relationships with any member of the BOD and BOC as well as the Controlling Shareholders.
- Have high integrity, competency, knowledge and sufficient experience in their respective field, as well as have working knowledge on banking.

Have good integrity, sufficient knowledge and work experience in the areas for which the Corporate Governance Committee is responsible, and have an understanding of the banking sector.

Name	Criteria							Status
	1	2	3	4	5	6	7	
Abdul Aziz	v	v	v	v	v	v	v	Independen
Goei Siau Hong	v	v	v	v	v	v	v	Independen
Aviliani	v	v	v	v	v	v	v	Independen
Bangun Sarwito Kusmuljono	v	v	v	v	v	v	v	Independen
Ramzi A. Zuhdi	v	v	v	v	v	v	v	Independen
M. Syafii Antonio	v	v	v	v	v	v	v	Independen
I Wayan D Ardjana	v	v	v	v	v	v	v	Independen
Frans A. Wiyono	v	v	v	v	v	v	v	Independen
I Ketut Sendra	v	v	v	v	v	v	v	Independen
D. Cyril Noerhadi	v	v	v	v	v	v	v	Independen
Jiantok Hardjiman*	v	v	v	v	v	v	v	Independen
Hanifah Purnama	v	v	v	v	v	v	v	Independen
Wihana Kirana Jaya	v	v	v	v	v	v	v	Independen
Ridwan Dharmawan Ayub	v	v	v	v	v	v	v	Independen
Budi Sulistio	v	v	v	v	v	v	v	Independen

*) The membership ended on April 8, 2015 and was replaced by Mr . Anton H. Gunawan.

Note

Independence Criteria

1. Not sitting in the Bank's board of management
2. Not having business relationship and any other relationships that might influence discretion
3. Not the Company's majority shareholder or employee dealing directly with the majority shareholder
4. Not an employee or formerly an executive in the company or its affiliates, at least three years prior to sitting in the Committee
5. Not a key professional adviser or material consultant for the company or its affiliates, or employee dealing directly with service providers for at least three years prior to becoming a Committee member
6. Not a supplier or anchor of the company or its affiliates or an employee of/who directly or indirectly works with a supplier or anchor
7. Not having an agreement with the company or other affiliates as Director

Familial & Financial Relationships, Managerial Roles and Share Ownership of the Committee Members

Name	Role	Familial Relationship with			Financial Relationship with			Managerial Roles & Share Ownership in Other Companies		
		Other Committees	BOD	BOC	Other Committees	BOD	BOC	Other Committees	BOD	BOC
Abdul Aziz	Chair and Member (Independent Commissioner)	-	-	-	-	-	-	-	-	-
Goei Siauw Hong	Member	-	-	-	-	-	-	-	-	-
Aviliani	Member	-	-	-	-	-	-	-	-	-
Bangun Sarwito Kusmuljono	Member	-	-	-	-	-	-	-	-	-
Ramzi A. Zuhdi	Member (PT Bank Syariah Mandiri)	-	-	-	-	-	-	-	-	-
M. Syafii Antonio	Member (PT Bank Syariah Mandiri-DP)	-	-	-	-	-	-	-	-	-
I Wayan D Ardjana	Member (PT Bank Mandiri Taspen Pos)	-	-	-	-	-	-	-	-	-
Frans A. Wiyono	Member (PT Mandiri AXA General Insurance)	-	-	-	-	-	-	-	-	-
I Ketut Sendra	Member (PT Asuransi Jiwa InHealth Indonesia)	-	-	-	-	-	-	-	-	-
D. Cyril Noerhadi	Member (PT Mandiri Sekuritas)	-	-	-	-	-	-	-	-	-
Jiantok Hardjiman	Member (PT Mandiri Manajemen Investasi)	-	-	-	-	-	-	-	-	-
Hanifah Purnama	Member (PT Mandiri Tunas Finance)	-	-	-	-	-	-	-	-	-
Wihana Kirana Jaya	Member (PT AXA Mandiri)	-	-	-	-	-	-	-	-	-
Ridwan Dharmawan Ayub	Member (Independent Member)	-	-	-	-	-	-	-	-	-
Budi Sulistio	Member (Independent Member)	-	-	-	-	-	-	-	-	-

In 2015, all members of the Integrated Corporate Governance Committee had no familial and financial relationships with members of the BOC, BOD and other Committees.

The Integrated Corporate Governance Committee Charter

In carrying out its functions and roles, the Integrated Corporate Governance Committee has put in place a regulating several issues related to: (a) Duties and Responsibilities of the Committee, (b) Authorities of the Committee and (c) Meetings of the Committee.

Duties, Authorities and Responsibilities of the Integrated Corporate Governance Committee

The Committee has the following duties and responsibilities:

1. Evaluating the implementation of integrated corporate governance by assessing:

- a) The Adequacy of Integrated Internal Control
 - 1) To evaluate that Bank Mandiri and its subsidiaries have put in place an integrated internal control system which conforms to applicable best practice standards through the study of Integrated Corporate Governance Guidelines in Bank Mandiri.
 - 2) To monitor and evaluate the effectiveness of integrated internal control through reviews of Periodic Report and Audit Report published by the Integrated Internal Audit Unit.
 - 3) To hold periodic meetings with the Integrated Internal Audit Unit to discuss matters related to the integrated internal control system and its implementation.
 - 4) To monitor and evaluate the follow-up actions taken by BODs of the Bank and its subsidiaries on the findings of the Integrated Internal Audit Unit, Public Accounting Firm and the OJK resulted from its supervision of the weaknesses in the system and implementation of the integrated internal control.

The Integrated Corporate Governance Committee Charter is periodically reviewed to ensure that the scope of the guidelines always meet the existing needs, PBIs and/or other relevant regulations in force.

- 5) To periodically report the results of monitoring and provide input on matters related to integrated internal control that need the attention of the BOCs of Bank Mandiri and its subsidiaries.
- b) Implementation of Integrated Compliance Functions
 - 1) To monitor and evaluate the compliance of Bank Mandiri and its subsidiaries with the applicable laws and regulations on capital markets as well as the POJKs, PBIs and other regulations related to the banking, insurance, securities and financing businesses through coordination with the Integrated Compliance Work Unit.
 - 2) To study the periodic report and the audit report published by the Integrated Compliance Work Unit and external auditor for their compliance with regulations issued both internally and externally.
 - 3) To hold periodic meetings with the Integrated Compliance Work Unit to discuss matters concerning the compliance of Bank Mandiri and its subsidiaries with both internal and external regulations.
 - 4) To monitor and evaluate the follow-up actions taken by BODs of the Bank and its subsidiaries on the findings of the Integrated Compliance Work Unit, Public

Accounting Firm and the OJK resulted from its supervision of the weaknesses in the system and implementation of the integrated compliance functions.

- 5) To periodically report the results of monitoring and provide input on matters related to the compliance of the Bank and its subsidiaries with regulations issued both internally and externally that need the attention of the BOCs of both Bank Mandiri and its subsidiaries.

2. Providing the BOC of Bank Mandiri with recommendations on improving the Integrated Corporate Governance Guidelines.

The Chair has the duties and responsibilities for coordinating all activities conducted by the Integrated Corporate Governance Committee to meet its initial objectives, including:

1. Chairing the Integrated Corporate Governance Committee meetings.
2. In the event that the Chair for any reason is unable to attend the meeting, he/she may be represented by a committee member serving as Independent Commissioner of Bank Mandiri.

Along with the Committee members, Chair of the Committee is in charge of and responsible for:

1. Preparing the annual work plan of the Integrated Corporate Governance Committee.
2. Establishing meeting schedule for the Committee.
3. Attending the Integrated Corporate Governance Committee meetings.
4. Actively taking part in and contributing to any activity carried out by the Committee.
5. Writing regular reports on the activities of the Integrated Corporate Governance Committee and on matters deemed necessary to raise concerns on the part of the BOCs of Bank Mandiri and its subsidiaries.
6. Conducting self-assessment of the effectiveness of activities undertaken by the Committee.
7. In case the Committee members for any reasons are unable to attend the meeting, their authority cannot be, as regards the Committee meetings, delegated.

Remuneration of the Committee Members

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 also stipulates remuneration for the Committee members with honoraria at maximum 20% (twenty percent) of the salary of the Company's President Director, with taxes paid by the Company. The members are also not allowed to

receive any other income in addition to the honoraria and member of the BOC chairing the Integrated Corporate Governance Committee is not entitled to extra income from the role. The income of the Committee members is determined by the BOC with regard to the Company's financial capacity.

Honoraria for Independent Members of the Committee are as follows:

Honorarium	Budi Sulistio	Ridwan Darmawan Ayub
Honorarium maksimal sebesar 20% dari gaji Direktur Utama	v	v
Tunjangan Hari Raya	v	v

As of June 2, 2014 Mr. Budi Sulistio and Mr. Ridwan Darmawan Ayub have concurrently served as members of the Audit Committee and the Risk Monitoring Committee, and pursuant to KEP.DIR No. 136/2015 dated April 30, 2015 Mr. Budi Sulistio and Mr. Ridwan Darmawan Ayub have also served as Independent Members of the Integrated Corporate Governance Committee.

Work Plan of the Integrated Corporate Governance Committee

Before the current fiscal year, the Committee shall prepare and submit annual work plan and budget to be established the BOC and acknowledged by the BOD. The Integrated Corporate Governance Committee drew up the following work program for 2015:

1. Evaluate the implementation of Integrated Governance at least through the assessment

of the adequacy of internal controls and the integrated exercise of the compliance function.

2. Provide recommendations to the Board of Commissioners Primary Entity for the improvement of Integrated Governance Guidelines.

Execution of the Integrated Corporate Governance Committee's Duties

In 2015, the Integrated Corporate Governance Committee discussed and decided on the following matters:

1. In a meeting held on June 24, 2015, the Committee decided to recommend to BOC to approve the Integrated Corporate Governance Guidelines in line with the proposals submitted by the Director of Risk Management & Compliance and Director of Finance & Strategy with some minor improvements.
2. The Committee meeting taking place on August 25, 2015 decided to conduct a discussion on the follow-up of Integrated Corporate Governance implementation and follow-up meetings.

Integrated Corporate Governance Committee Meeting

Based on POJK No. 18/POJK.03/2014, the Integrated Corporate Governance Committee shall carry out at least 1 (one) meeting each semester and such meeting may be conducted through video conference. The Committee meeting at Bank Mandiri is held at least once in six months, led by the Chair of the Committee and deemed valid if attended by at least 51% of the members including an Independent Commissioner of the Bank and one Independent Member. Recommendations of the meeting are to be made through discussions to reach consensus. Any dissenting opinion that occurs in the meetings shall be clearly stated in the minutes equipped with the reasons for such dissent. The Committee Meeting must be recorded in a minutes signed by all the members present in the meeting and well documented.

The meeting agenda of the Integrated Corporate Governance Committee in 2015 was as follows:

Date of Meeting	Meeting Agenda
June 24, 2015	Discussion on Integrated Corporate Governance Guidelines
August 25, 2015	Presentation and Elaboration on the Assessment of Integrated Corporate Governance as at June 2015

Frequency and Attendance of the Integrated Corporate Governance Committee Meeting

The attendance of the Committee members is included in quarterly and annual reports. The number of the Committee meeting is as follows:

Name	Role	Total			% of Attendance
		Meeting	Attendance	Absence	
Abdul Aziz	Chair	2	2	0	100%
Goei Siau Hong	Member	2	2	0	100%
Aviliani	Member	2	2	0	100%
Bangun Sarwito Kusmuljono	Member	2	2	0	100%
Ramzi A. Zuhdi	Member (PT Bank Syariah Mandiri)	2	2	0	100%
M. Syafii Antonio	Member (PT Bank Syariah Mandiri-DP)	2	1	1	50%
I Wayan D Ardjana	Member (PT Bank Mandiri Taspen Pos)	2	2	0	100%
Frans A. Wiyono	Member (PT Mandiri AXA General Insurance)	2	1	1	50%
I Ketut Sendra	Member (PT Asuransi Jiwa InHealth Indonesia)	2	2	0	100%
D. Cyril Noerhadi	Member (PT Mandiri Sekuritas)	2	2	0	100%
Anton H. Gunawan*	Member (PT Mandiri Manajemen Investasi)	2	1	1	50%
Hanifah Purnama	Member (PT Mandiri Tunas Finance)	2	1	1	50%
Wihana Kirana Jaya	Member (PT AXA Mandiri)	2	2	0	100%
Ridwan Dharmawan Ayub	Member (Independent)	2	2	0	100%
Budi Sulistio	Member (Independent)	2	2	0	100%

*) Mr. Anton H. Gunawan replaced Mr. Jiantok Hardjiman whose membership ended on 8 April 2015

Report on the Execution of the Committee's Duties

The Committee reports to the BOC and must submit a report on every execution of duties, followed by recommendations if necessary, both on a quarterly and yearly basis which is signed off by the Chair and the Committee members.

Evaluation and Assessment of the Committee's Performance

Evaluation and assessment of the performance of the Committee are to be carried out every year by using the method determined by BOC. The activities and performance of the Committee are regularly evaluated and assessed by BOC for improving their effectiveness in the following year.

2. Audit Committee

The Audit Committee was formed with the aim of assisting and facilitating the Board to perform its supervisory duties and functions on matters related to financial information, internal control system,

effectiveness of internal and external audits, risk management effectiveness (together with the Risk Monitoring Committee) and compliance with the legislation in force.

Basis for Establishment of the Audit Committee

The Audit Committee was established based on:

1. PBI No. 8/4/PBI/2006 on the Implementation of Good Corporate Governance in Commercial Banks, as amended by PBI No. 8/14/PBI/2006 on Amendment to PBI No. 8/4/PBI/2006;
2. Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance in State Owned Enterprises, as amended by Regulation of the Minister of State Owned Enterprises No. PER-09/MBU/2012;
3. Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises;
4. Directive of the Chair of BAPEPAM No. KEP-643/BL/2012 on the Establishment and Implementation of Audit Committees.

Criteria for the Committee Members

Members of the Audit Committee are required to have good integrity, character and moral. Besides, they are required to meet the competency, experience and independence requirements:

Competency and Experience Requirements:

- 1) **Have good integrity, character and moral as well as good communication skills;**
- 2) **Independent Members shall have expertise in finance or accounting;**
- 3) **Independent Members shall have expertise in law or banking;**
- 4) **Have sufficient knowledge to read and understand financial statements;**
- 5) **Have adequate knowledge of the laws and regulations governing capital markets and banking sector.**

Independence Requirements:

- 1) Not a member of a public accounting firm, law firm or other party that provides audit services, non-audit services and/or other consulting services to the Bank within 1 (one) year prior to becoming a member of the Committee;
- 2) Do not own the Bank's stocks, either directly or indirectly;
- 3) Do not have affiliations with Bank Mandiri, BOC, BOD or the principal shareholders of Bank Mandiri;
- 4) Do not have business relationships, directly or indirectly, with the Bank.

Appointment and Discharge of the Committee Members

The Chair and members of the Audit Committee are appointed and dismissed by BOC, of which it is reported to the RUPS.

The 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) Death
- 4) Acting contrary to the interests of Bank Mandiri
- 5) Violating or failing to fulfill the requirements for serving as a member of the Audit Committee, as stipulated in the relevant Bank Indonesia Regulations.
- 6) Being unable to carry out his or her duties and responsibilities, as certified by BOC.

Member of the Audit Committee who sits in BOC will be automatically dismissed when his/her term of office as commissioner ends.

Committee Member's Term of Office

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 states that the term of office of the Audit Committee members not serving as Commissioner is maximum three years and may be extended once for a term of two years, without prejudice to the right of the BOC to dismiss them at any time.

Membership of the Audit Committee

In 2015, the Annual RUPS honorably discharged Mr. Anton Hermanto Gunawan, Mr. Krisna Wijaya and Mr. Pradjoto as Commissioners; accepted the resignation of Mr. Mahmuddin Yasin; and appointed Mr. Darmin Nasution, Mr. Imam Apriyanto Putro, Mr. Goei Siau Hong, Mr. Suwhono and Mr. Bangun Sarwito Kusmuljono as members of the BOC.

With this change in the BOC composition, the membership of the Audit Committee also changed as shown below:

Composition of the Audit Committee as of December 2015 is as follows:

Name	Role
Aviliani	Chair (Independent Commissioner)
Askolani	Member (Independent Commissioner)
Goei Siau Hong	Member (Commissioner)
Budi Sulistio	Member (Independent)
Ridwan Darmawan Ayub	Member (Independent)

Profiles of the Committee Members

The Audit Committee consists of BOC members and Independent Members. The profiles of the Committee Members who also sit in the BOC have been presented in the BOC section. As for Independent Members of

the Committee, their profiles are presented in the Integrated Corporate Governance Committee section.

Independence of the Audit Committee

In accordance with Article 12 paragraph 1 of PBI No. 8/4/PBI/2006 on the Implementation of Good Corporate Governance in Commercial Banks published on January 30, 2006, as amended by Regulation No. 8/14/PBI/2006 dated October 5, 2006; and Decree of the BOC No. KEP.KOM/001/2014 dated February 25, 2014 on Changes in Audit Committee Membership as

confirmed by Decree of the BOC No. KEP.DIR/64/2014 dated March 12, 2014 on Changes in Membership of the Audit Committee of PT Bank Mandiri (Persero) Tbk.:

1. The Audit Committee must consist of at least 1 (one) Independent Commissioner as the Chair

and concurrent member and 1 (one) Independent Member who has expertise in finance or accounting as well as 1 (one) Independent Member with in law or banking expertise.

- The Independent Commissioner and Independent Members of the Audit Committee, as referred to in paragraph 1 (a), must account for at least 51% of the total membership of the Committee.

- The Committee member who is an Independent Commissioner shall be appointed as Chair of the Audit Committee. In case more than one Independent Commissioner sits as member of the Audit Committee, one of them shall be appointed as the Chair.

Name	Criteria							Status
	1	2	3	4	5	6	7	
Aviliani	v	v	v	v	v	v	v	Independent
Askolani	v	x	x	v	v	v	v	Independent
Goei Siau Hong	v	v	v	v	v	v	v	Non-Independent
Budi Sulistio	v	v	v	v	v	v	v	Independent
Ridwan Dharmawan Ayub	v	v	v	v	v	v	v	Independent

Independence Criteria

- Not sitting in the Bank's board of management
- Not having business relationship and any other relationships that might influence discretion
- Not the Company's majority shareholder or employee dealing directly with the majority shareholder
- Not an employee or formerly an executive in the company or its affiliates, at least three years prior to sitting in the Committee
- Not a key professional adviser or material consultant for the company or its affiliates, or employee dealing directly with service providers for at least three years prior to becoming a Committee member
- Not a supplier or anchor of the company or its affiliates or an employee of/who directly or indirectly works with a supplier or anchor
- Not having an agreement with the company or other affiliates as Director

Familial & Financial Relationships, Managerial Roles and Share Ownership of the Committee Members

Name	Role	Familial Relationship with			Financial Relationship with			Managerial Roles & Share Ownership in Other Companies		
		Other Committees	BOD	BOC	Other Committees	BOD	BOC	BOD	BOC	Shareholder
Aviliani	Chair (Independent Commissioner)	-	-	-	-	-	-	-	-	-
Askolani	Member (Commissioner)	-	-	-	-	-	-	-	-	-
Goei Siauw Hong	Member (Independent Commissioner)	-	-	-	-	-	-	-	-	-
Budi Sulistio	Member (Independent)	-	-	-	-	-	-	-	-	-
Ridwan Darmawan Ayub	Member (Independent)	-	-	-	-	-	-	-	-	-

In 2015, all members of Bank Mandiri Audit Committee had no familial and financial relationships with members of the BOC, BOD and other Committees and did not serve as Commissioners, Directors and shareholders in other companies.

The Audit Committee Charter

In performing its functions and roles, the Audit Committee is guided by the Audit Committee Charter, which was signed jointly by Members of the Audit Committee and the BOC on May 2, 2014. The Charter, inter alia, includes: (a) General Purpose, (b) Authority, (c) Membership, (and) Membership Criteria, (e) Duties and Responsibilities, (f) Work Relationship, (g) Meeting, (h) Reporting, (i) Term of Office and Compensation, (j) Bank Confidentiality, (k) Closing.

The Audit Committee Charter is periodically reviewed to ensure that the scope of the guidelines always meet the existing needs, PBIs and/or other relevant regulations in effect.

Duties, Authorities and Responsibilities of the Audit Committee

The duties and responsibilities of the Audit Committee are to provide opinions to the BOC on reports and other matters raised by the BOD, as well as to identify matters that need to be taken into account by the BOC by:

1. Formulating the annual work plan.
2. Specifying the annual meeting schedule.
3. Writing regular reports on the activities of the Audit Committee and on matters deemed necessary to raise concerns on the part of the BOC.
4. Conducting self-assessment of the effectiveness of activities undertaken by the Committee.
5. Conducting monitoring and evaluation of the financial information, including financial statements, projections and other relevant information.
6. Conducting monitoring and evaluation of the effectiveness and the results of internal auditor work in respect of internal control.
7. Conducting monitoring and evaluation of the Bank's compliance with laws and regulations on capital markets and Bank Indonesia Regulations and other regulations related to banking.
8. Conducting monitoring and evaluation of the performance of the Internal Audit Unit.
9. Conducting monitoring and evaluation of the follow-up actions taken by the auditee with regard to the results of audit by the External Auditor.
10. Examining the independence and objectivity of the Public Accounting Firm participating in the bid and making recommendations on the appointment of Public Accountants and Public Accounting Firm to the BOC. In addition, the Audit Committee provides recommendations to the BOC on the replacement or termination of the public accounting firm.
11. Identifying matters requiring the attention of the BOC.
12. Developing concepts and analysis related to the functions of the Audit Committee.
13. Performing other duties as assigned by the BOC.

Remuneration of the Committee Members

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 also stipulates remuneration for the Committee members with honoraria at maximum 20% (twenty percent) of the salary of the Company's President Director, with taxes paid by the Company. The Committee members are also not allowed to receive any other income in addition to the honoraria and members of the BOC chairing

the Audit Committee/sitting as Committee member are not entitled to extra income from the role. The income of the Committee members is determined by the BOC with regard to the Company's financial capacity. Honoraria of the Independent Members of Audit Committee have been explained in the section discussing the Integrated Corporate Governance Committee.

Work Plan of the Audit Committee

Before the current financial year, the Committee shall prepare and submit annual work plan and budget to the BOC to be established and to the Board to be known. The Audit Committee has drawn up a work program in 2015 that covers the following areas:

1. Adequacy and correctness of the process in making financial reports.
2. Monitoring of the adequacy of internal controls.
3. The effectiveness of the work of internal and external auditors.
4. Monitoring and evaluation of the company's compliance with the regulations in the capital market, Bank Indonesia Regulation and the Financial Services Authority as well as other regulations related to the business of banking.

Execution of the Audit Committee's Duties

During 2015, the Audit Committee has been carrying out their duties by doing activities such as meetings and working visits as follows:

Date of Meeting/Visit	Agenda
18-01-2015	A visit to Jakarta 2 Region
20-01-2015	<ul style="list-style-type: none"> • Final Audit of Financial Statements BSM FY 2014 Book of KAB TWR and Partners (TWR-PwC) • The development of KAP Election 2015
26-01-2015	A visit to Jakarta 3 Region
28-01-2015	Development of Business and Consumer Banking Risk Management
18-02-2015	<ul style="list-style-type: none"> • Liquidity Position (USD & S) and the projection of the next 12 months • Position Trading (Forex, MM, Bond Recap/SUN along MTM, Derivatives) • Market Update & Outlook 2015 (related to fluctuations in fall/rise in fuel prices) • Risk Rating Base Bank in December 2014:
25-02-2015	<ul style="list-style-type: none"> • The development of KAP Selection for Bank Mandiri Financial Statements for Fiscal Year 2015 • Update GNC • Report to the Regulator Fines delay 2014 • Update the IAS Regulation
11-03-2015	<ul style="list-style-type: none"> • Significant findings and Quarterly Fraud Case IV/2014 • Follow-up Inspection Results FSA and CPC • Other things that need to be reported
11-03-2015	Developments Selection of KAP to the Financial Statements PT Bank Mandiri (Persero), Tbk for Fiscal Year 2015
02-04-2015	<ul style="list-style-type: none"> • Interviews Candidates Head of Internal Audit • Discussion of the Head of Internal Audit Approval
22-04-2015	<ul style="list-style-type: none"> • The position of Bank Mandiri between banks Competitors • Projects Implementation Progress Initiatives in Group-group • Organizational Structure Determination related KPI (SO) New

Date of Meeting/Visit	Agenda
29-04-2015	<ul style="list-style-type: none"> • Explanation Subsidiary Guidelines (Integrated Governance Guidelines) in order to comply with POJK No. 18/POJK.03/2014 Date 18 November 2014 concerning Governance Share Financial conglomeration • Risk Profile Bank Mandiri and Subsidiaries Consolidated TRW I 2015 • Updated Outstanding Legal Cases and Risk Mitigation his
29-04-2015	Sharing of Insider Trading of KAP EY
06-05-2015	Visits to Sumatra Regional 1
25-05-2015	Discussion about Clarification Procurement Financial Services Bank Mandiri for financial year 2015 by KAP Purwantono, Suherman & Surja (EY)
01-06-2015	<ul style="list-style-type: none"> • Development and Project Status Enterprise Data Management • Review of Risk Management of Electronic Channel Operations • Organization, Scope and Risk Management Data Recovery Center (DRC) BM • Review of Risk Management Customer Care
03-06-2015	<ul style="list-style-type: none"> • Significant findings and the first quarter of 2015 Fraud Case • The position of Bank Mandiri bank among competitors per March 31, 2015
17-06-2015	Bank Mandiri Credit Policy (KPBM)
17-06-2015	<ul style="list-style-type: none"> • Business Development and Risk Management Corporate Banking • Business Development Commodity (Steel, Mine, Coal, Oil, Rubber)
29-07-2015	<ul style="list-style-type: none"> • Significant findings and Fraud Case II quarter 2015 • Other things that need to be reported
12-08-2015	<ul style="list-style-type: none"> • Risk Rating Bank Base June 2015 • Development of Integrated Risk Management in order Conditions Fulfillment FSA no. 17/03/2014
18-08-2015	A visit to Java 3 Region
25-08-2015	Discussion of the Audit Plan Bank Mandiri Complete Financial Statements Financial Year 2015 with KAP Purwantono, Suherman & Surja (EY)
02-09-2015	Developments Subsidiary Performance per June 2015
16-09-2015	Visits to Regional Sulawesi and Maluku
19-10-2015	Projected Credit Risk Management and Credit Collectible BM until End of 2015
11-11-2015	<ul style="list-style-type: none"> • Significant findings and Fraud Case II quarter 2015 • Other things that need to be reported
02-12-2015	<ul style="list-style-type: none"> • Liquidity Position until End of 2015 • Anti-Fraud Detection System • Revised Management Policy Subsidiaries
29-12-2015	Discussion EY Audit Firm

Audit Committee Meeting

As explained in the Minister of SOE No. PER-12/MBU/2012 that the Committee held a meeting at least equal to the minimum requirements BOC meeting set out in the articles of association and documented in minutes of meetings are submitted in writing by the committee to the BOC.

Bank Mandiri's Audit Committee meeting held in accordance with the needs of the Bank, a minimum of once a month as set out in the Audit Committee Charter. The meeting was overseen by the Chair of the

Audit Committee or the Audit Committee members, when the Chair of the Audit Committee was unable to attend and can only be implemented if attended by a minimum of 51% of the number of members including an Independent Commissioner and Independent parties. Resolutions of the Committee are taken by consensus and consensus. In the event that consensus cannot be reached a decision, the decision taken by a majority vote, provided that the decisions are taken by majority vote.

Frequency and Attendance of the Audit Committee Meeting

The presence of the committee members at the meeting reported on quarterly reports as well as the annual report. The Audit Committee has conducted a meeting as much as 23 (twenty three) times until the end of December 2015. The number of meetings and level of attendance of members of the Audit Committee in 2015 as follows:

Name	Role	Total			% of Attendance
		Meeting	Attendance	Absence	
Krisna Wijaya*	Chair	6	5	1	83%
Aviliani	Chair/Member	23	22	1	96%
Anton. H Gunawan*	Member	6	6	0	100%
Askolani	Member	23	19	4	83%
Goei Siau Hong**	Member	8	7	1	88%
Budi Sulistio	Member (Independent)	23	23	0	100%
Ridwan D. Ayub	Member (Independent)	23	23	0	100%

Note:

- According KEP.KOM/005/2014 dated May 28, 2014 and KEP.KOM/006/2014 dated August 25, 2014 on the Amendment of the Audit Committee Member and Risk Monitoring Committee as follows: Mr. Krisna Wijaya (KW) as Chairman and member *), Ms. Aviliani (AV) as Members, Mr. Askolani (AS) as Members, Mr. Herman Anton Gunawan (AHG) as Members *), Mr. Budi Sulistio (BS) as Independent Member and Mr. Ridwan Darmawan Ayub (RDA) as Independent Member
 - *) Mr. Krisna Wijaya and Mr. Anton H. Gunawan according EGM results, per March 16, 2015 had not served as a Commissioner of Bank Mandiri
- According KEP.DIR/136/2015 dated 24-03-2015 on Membership Changes Under the Committees of the BOC as follows: Ms. Aviliani (AV) as Chairman concurrently Member, Mr. Askolani (AS) as Members, Mr. Goei Siau Hong (GSH) as Member *), Mr. Budi Sulistio (BS) as Independent Member and Mr. Ridwan Darmawan Ayub (RDA) as Independent Member.
 - **) Mr. Goei Siau Hong appropriate fit & proper test results, as of June 19, 2015 effectively served as a Commissioner of Bank Mandiri.
- Mr. Budi Sulistyo and Mr. Ridwan Darmawan Ayub per June 2, 2014 authorized concurrent positions as members of the Audit Committee and also a member of the Risk Monitoring Committee and in accordance KEP.DIR 136/2015 dated 30 April 2015 Mr. Budi Sulistio and Mr. Ridwan Darmawan Ayub has served as an independent member of the Integrated Governance Committee.

Report on the Execution of the Committee's Duties

The Committee reports to the BOD and must submit a report to the BOC on every execution of tasks, followed by recommendations if necessary both quarterly and annual and signed by the Chairman of the Committee and the Committee members.

Statement of the Audit Committee on the Effectiveness of Internal Control System



Internal control system carried out by the Bank is considered to be effective and adequately reflected in the effective discharge of the functions of internal control, among others, includes the functions of internal audit, risk management, compliance, and financial and operational controls.

Evaluation and Assessment of the Committee's Performance

Evaluation and assessment of the performance of the Committee carried out every year by using the method determined by the BOC. Implementation of the activities and performance of the Committees

under the BOC regularly evaluated and assessed by the BOC for the sake of increasing the effectiveness of implementation and performance of committees in the coming year.

3. Remuneration and Nominations Committee

Remuneration and Nomination Committee, established by and directly responsible to the BOC. Remuneration and Nomination Committee was formed to assist the Board in carrying out its duties and oversight on matters relating to the determination

of the qualifications and the nomination process as well as the remuneration of the BOC, BOD and Executive Officers in order to realize good corporate governance.

Basis for Establishment of the Remuneration and Nominations Committee

Remuneration and Nomination Committee established by reference to the Articles of Association, Law No. 19 of 2003 on SOEs and Bank Indonesia regulations specifically listed in Bank Indonesia Regulation Number 8/4/PBI/2006, 2006 on Implementation of Good Corporate Governance for Banks, as amended by Bank Indonesia Regulation No. 8/14/PBI/2006; set out in article 12, paragraph 1 stated the BOC shall establish a Remuneration and Nomination Committee in order to support the effective implementation of

duties and responsibilities, Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises, the Financial Services Authority (OJK) Regulation No. 34/POJK.04/2014 on Komite Nomination and Remuneration of Public Company, and POJK No. 45/POJK.03/2015 on Remuneration Procedures for Commercial Banks.

Criteria for the Committee Members

Remuneration and Nomination Committee is expected to perform its functions properly, the members of the Remuneration and Nomination Committee shall have integrity, good character and morals. In addition members of the Remuneration and Nomination Committee of the Bank is also required to meet the requirements of ability and experience as well as the requirements of Independence, namely:

Ability and Experience Requirements:

- 1) Have good integrity, sufficient knowledge and work experience in the areas for which the Remuneration and Nominations Committee is responsible, and have an understanding of the banking sector.
- 2) Free from personal interests/relationships that could result in adverse consequences or a conflict of interest.
- 3) Are able to provide sufficient time to properly perform their duties.
- 4) Are capable of working as a team and communicating effectively.

Independence Requirements:

- 1) Not the owner, executive or employee of a company, entity or institution that provides

services to Bank Mandiri or has a business relationship with the Bank;

- 2) Does not hold Bank stock, either directly or indirectly;
- 3) Is not affiliated with Bank Mandiri, Commissioners, Directors or the principal shareholder of Bank Mandiri ;
- 4) Does not have a business relationship, directly or indirectly, with the Bank;
- 5) Independent Members of the Audit Committee may concurrently serve as Independent Members of other Committees in the same company, and/or other companies, provided that those concerned
 - a. Satisfy all the required competencies;
 - b. Satisfy the independence criteria;
 - c. Are able to maintain the confidentiality of Bank secrets;
 - d. Adhere to the prevailing code of ethics; and
 - e. Do not neglect their duties and responsibilities as members of the Audit Committee

Appointment and Discharge of the Committee Members

BOC may establish another committee whose name and tasks are tailored to the needs of the Board which consists of a Chair and members as stipulated in Regulation of the Minister of State Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners at State Owned Enterprises. The Chair and other Committee members are appointed and dismissed by BOC.

The Committee members may resign or be discharged, including prior to the expiry of their terms, in the following circumstances:

- 1) Resignation
- 2) Loss of citizenship
- 3) Death
- 4) Acting contrary to the interests of Bank Mandiri
- 5) Violating or failing to fulfill the requirements for

serving as a member of the Integrated Corporate Governance Committee, as stipulated in the relevant Bank Indonesia Regulations.

- 6) Unable to carry out his or her duties and responsibilities, as certified by BOC.

Member of the Remuneration and Nominations Committee who sits in BOC will be automatically dismissed when his/her term of office ends.

Committee Member's Term of Office

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 states that the term of office of other Committee members not serving as Commissioner is maximum three years and may be extended once for a term of two years, without prejudice to the right of the BOC to dismiss them at any time.

Membership of the Remuneration and Nominations Committee

In accordance with the Bank Indonesia Circular Letter No. 15/15/DPNP Date 29 April 2013 on the Implementation of GCG for Commercial Banks, it was arranged that the number and composition of the Remuneration and Nomination Committee of Bank Mandiri set consist of at least 3 (three) people, with a composition of at least as follows an independent Commissioner as chairman, an independent party with expertise in the field of Accounting/Finance and an independent party with expertise in the field of law as well as other criteria according POJK No. 45/POJK.03/2015 is contained Executive Officer which is in charge of Human Resources or an employee representative.

In 2015, the Annual General Meeting dated March 16, 2015 had dismissed with respect Mr. Herman Anton Gunawan, Mr. Krisna Wijaya and Mr. Pradjoto as Commissioner; accepted the resignation of Mr. Mahmuddin Yasin and appointed Mr. Nasution, Mr. Imam Apriyanto Putro, Mr. Goei Siauw Hong, Mr. Suwhono and Mr. Bangun Sarwito Kusmuljono as a member of the BOC. With the change in the composition of the new BOC, the composition of the Remuneration and Nomination Committee members are also changing.

The composition per December 2015:

Name	Role
Bangun Sarwito Kusmuljono	Chair (Independent Commissioner)
Darmin Nasution	Member (Chief Commissioner)
Imam Apriyanto Putro	Member (Deputy Chief Commissioner)
Abdul Aziz	Member (Independent Commissioner)
Aviliani	Member (Independent Commissioner)
Askolani	Member (Commissioner)
Suwhono	Member (Commissioner)
Goei Siauw Hong	Member (Independent Commissioner)
Group Head Human Capital Strategy & Policy	Secretary (ex-officio)

Profiles of the Committee Members

Some of the Remuneration and Nominations Committee members are also BOC members, so that their profiles take after the ones presented in the BOC section. All the Committee members have good integrity, accomplished competencies and reputable financial standings.

Independence of the Remuneration and Nominations Committee

Based on the Remuneration and Nominations Committee Charter:

1. Members of the Remuneration and Nominations Committee must at least satisfy the following criteria:
 - a) Have good integrity, objectivity and ethics.
 - b) Have good competencies with:
 - sufficient knowledge, including knowledge of the rules and regulations, and the legislation in force.
 - Understanding of the concept of human resources management in a comprehensive manner and have knowledge of the provisions of the Bank's remuneration system and/or its nominations and succession plan.
2. The members of the Remuneration and Nominations Committee shall consist of at least 1 (one) Independent Commissioner, 1 (one) Commissioner as a voting member and the Group Head of Human Capital (ex officio) as a non-voting member.
3. The Remuneration and Nominations Committee shall be chaired by an Independent Commissioner.
4. Should the Remuneration and Nominations Committee have more than three (3) members, there shall not be less than 2 Independent Commissioners.
5. If necessary, the Remuneration and Nominations Committee may appoint members who are external parties that are independent of the Bank.
6. The members of the Remuneration and Nominations Committee shall be appointed by the BOD based on a Resolution of the BOC.

Name	Criteria							Status
	1	2	3	4	5	6	7	
Bangun Sarwito Kusmuljono	v	v	v	v	v	v	v	Independent
Darmin Nasution	v	v	v	v	v	v	v	Independent
Imam Apriyanto Putro	v	x	x	v	v	v	v	Non Independent
Abdul Aziz	v	v	v	v	v	v	v	Independent
Aviliani	v	v	v	v	v	v	v	Independent
Askolani	v	x	x	v	v	v	v	Non-Independent
Suwhono	v	x	x	v	v	v	v	Non Independent
Goei Siau Hong	v	v	v	v	v	v	v	Independent

Independence Criteria

1. Not sitting in the Bank's board of management
2. Not having business relationship and any other relationships that might influence discretion
3. Not the Company's majority shareholder or employee dealing directly with the majority shareholder
4. Not an employee or formerly an executive in the company or its affiliates, at least three years prior to sitting in the Committee
5. Not a key professional adviser or material consultant for the company or its affiliates, or employee dealing directly with service providers for at least three years prior to becoming a Committee member
6. Not a supplier or anchor of the company or its affiliates or an employee of/who directly or indirectly works with a supplier or anchor
7. Not having an agreement with the company or other affiliates as Director

Familial & Financial Relationships, Managerial Roles and Share Ownership of the Committee Members

Name	Role	Familial Relationship with			Financial Relationship with			Managerial Roles & Share Ownership in Other Companies		
		Other Committees	BOD	BOC	Other Committees	BOD	BOC	BOD	BOC	Shareholder
Bangun Sarwito Kusmuljono	Chair	-	-	-	-	-	-	-	-	-
Darmin Nasution	Member	-	-	-	-	-	-	-	-	-
Imam Apriyanto Putro	Member	-	-	-	-	-	-	-	-	-
Abdul Aziz	Chair	-	-	-	-	-	-	-	-	-
Aviliani	Member	-	-	-	-	-	-	-	-	-
Askolani	Member	-	-	-	-	-	-	-	-	-
Suwhono	Member	-	-	-	-	-	-	-	-	-
Goei Siau Hong	Member	-	-	-	-	-	-	-	-	-

In 2015, all members of Bank Mandiri Remuneration and Nominations Committee had no familial and financial relationships with members of the BOC, BOD and other Committees and did not serve as Commissioners, Directors and shareholders in other companies.

The Remuneration and Nominations Committee Charter

In carrying out its functions and roles, the Remuneration and Nominations Committee has a Charter which was adopted on May 29, 2012 and which governs matters related to (a) Duties and Responsibilities of Committee, (b) Authority of the Committee, (c) Meetings of the Committee and (d) Organization of the Committee.

Remuneration and Nomination Committee Charter on periodic review to ensure that the scope of these guidelines are always in line with the needs, the Regulation of Bank Indonesia and/or other related applicable regulations.

Functions, Authorities and Responsibilities of the Remuneration and Nominations Committee

Functions

Assisting the Commissioner to make suggestions to the shareholders of Series A Dwiwarna Share in:

1. Preparing, executing and analyzing the criteria and procedure of nomination for candidates of Commissioners and Directors
2. Identifying candidates of Directors, either from inside or outside, and candidates of Commissioners eligible to be nominated/appointed Directors or Commissioners.
3. Preparing the criteria for evaluation of the performance of the BOD.
4. Preparing, executing and analyzing the criteria and procedure of dismissal of Commissioners and Directors.
5. Assisting the Commissioners in proposing a remuneration system suitable for the Commissioners and BOD in the form of systems for payment of salary and allowances, evaluation on the system, the options given and the retirement system.

Authorities

1. To ask PT. Bank Mandiri (Persero) Tbk. to conduct survey according to the requirements of

the Nomination and Remunerations Committee

2. To ask from various parties for any required information, either internal or external of PT. Bank Mandiri (Persero) Tbk.

Duties and Responsibilities

The Chair and Committee Members have the following duties and responsibilities:

1. To prepare the concept and analysis relating to the functions of the Nomination and Remuneration Committee.
2. To assist the Commissioners in giving recommendation on the number of members of the Commissioners and Directors.
3. To assist the Commissioners in establishing the Personnel General Policy.
4. To recommend the approval of amendments to the organizational structure up to one level below the BOD.
5. To assist the Commissioners in obtaining and analyzing the data of prospective candidates of officials one level below the BOD quarterly and at any time in case of any alteration.
6. To assist the Commissioners in giving recommendation on option to the

- Commissioners, Directors and Employees, among others share options and the supervision of its implementation.
7. To hold the database of the candidates of Directors and Commissioners.
 8. To evaluate the remuneration policy and provide recommendation to the BOC, regarding:
 - Remuneration policy for the BOC and BOD to be presented at the RUPS.
 - Remuneration policy for the Executive Managements and all employees to be presented to the Directors.
 9. To develop and provide recommendations of appointments and replacement, systems and procedures, for members of the BOC and BOD, to the BOC to be presented at the RUPS.
 10. To develop and provide recommendations on the candidates for membership to the BOC and BOD, to the BOC to be presented at the General Meeting of Shareholders.
 11. To provide recommendation on independent parties that will be appointed to the Audit Committee and Risk Monitoring Committee.

Remuneration of the Committee Members

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 also stipulates remuneration for the Committee members with honoraria at maximum 20% (twenty percent) of the salary of the Company's President Director, with taxes paid by the Company. The members are also not allowed to

receive any other income in addition to the honoraria and member of the BOC chairing the Remuneration and Nominations Committee is not entitled to extra income from the role. The income of the Committee members is determined by the BOC with regard to the Company's financial capacity.

Work Plan of the Remuneration and Nominations Committee

Before the current financial year, the Committee shall prepare and submit annual work plan and budget to the BOC to be established and to the Board to be known. Remuneration and Nomination Committee has drawn up a work program in 2015 as follows:

1. Evaluate the performance of the Board of Directors and Board of Commissioners:
 - a. Evaluate the performance of Board of Directors and Board of Commissioners by self- assessment
2. Selection of Candidates for Board of Directors and Board of Commissioners
 - a. Conduct identification of candidate for Directors and Board of Commissioners from Internal (Talent Management)
 - b. Selecting candidates in conformity with the requirements as stated on the Charter
 - c. Propose name of candidates for Directors and Commissioners to the Board of Commissioners

3. Evaluation and remuneration proposal of Directors and the Board of Commissioners (salary / honorarium and other benefits):
 - a. Evaluate the industry benchmark
 - b. Propose adjustments to the remuneration of Directors and Board of Commissioners
4. Propose remuneration and Long Term Incentive (LTI) on the basis of Performance of Directors and Board of Commissioners:
 - a. Evaluate remuneration and Long Term Incentive (LTI) on the basis of Performance of Directors and Board of Commissioners:
 - b. Propose remuneration and Long Term Incentive (LTI) for the Board of Directors and the Board of Commissioners as well as their distribution

Execution of the Remuneration and Nominations Committee's Duties

During 2015 the Remuneration and Nomination Committee has conducted include the following:

Date of Meeting/Visit	Agenda
12-Jan-2015	<ol style="list-style-type: none"> 1. Interview with Proposed Candidate Directors of PT BM 2. Miscellaneous
4-Mar-2015	<ol style="list-style-type: none"> 1. Determining Remuneration and Bonus for BOD 2. Miscellaneous
13-Mar-2015	<ol style="list-style-type: none"> 1. Recommendation of Candidate Directors and Commissioners 2. Miscellaneous
10-Jun-2015	<ol style="list-style-type: none"> 1. Bonus Distribution on Performance for Fiscal Year 2014 2. Miscellaneous
29-Jul-2015	<ol style="list-style-type: none"> 1. Discussion on results of Fit & Proper Test of Directors and Commissioners 2. Miscellaneous
2-Sep-2015	<ol style="list-style-type: none"> 1. Discussion Criteria Candidates Commissioner 2. Miscellaneous
23-Sep-2015	<ol style="list-style-type: none"> 1. BOC Honorarium 2. Miscellaneous
6-Nop-2015	<ol style="list-style-type: none"> 1. Continued Discussion on CEO Succession 2. Miscellaneous
15-Des-2015	<ol style="list-style-type: none"> 1. Proposed Candidates for BOC Members for RUPSLB 2015
17-Des-2015	<ol style="list-style-type: none"> 1. Proposed Candidates for BOC Members for RUPSLB 2015

Remuneration and Nominations Committee Meeting

As explained in the Minister of SOE No. PER-12/MBU/2012 that the Committee held a meeting at least equal to the minimum requirements BOC meeting set out in the articles of association and documented in minutes of meetings are submitted in writing by the committee to the BOC.

In accordance with the Employment Guidelines for Remuneration and Nomination Committee, Remuneration and Nomination Committee meetings held in accordance with the needs of the Bank, a minimum of once a month. The meeting was chaired by the chairman of the Remuneration and Nomination

Committee or the Remuneration and Nomination Committee members, when the chairman of the Remuneration and Nomination Committee was unable to attend and can only be implemented if attended by a minimum of 51% of the number of members including an Independent Commissioner and Independent parties. Resolutions of the Committee are taken by consensus and consensus. In the event that consensus cannot be reached a decision, the decision taken by a majority vote, provided that the decisions are taken by majority vote.

Frequency and Attendance of the Remuneration and Nominations Committee Meeting

The presence of the committee members at the meeting is reported on quarterly and annual reports. Number of Meetings of the Remuneration and Nomination Committee during 2015 as many as 10 (ten) times and shown in the following table:

Name	Role	Total			% of Attendance
		Meeting	Attendance	Absence	
Mahmuddin Yasin*	Mamber	3	1	2	33%
Pradjoto*	Chief	3	3	0	100%
Krisna Wijaya*	Mamber	3	2	1	67%
Anton. H Gunawan*	Mamber	3	3	0	100%
Darmin Nasution**	Mamber	2	2	0	100%
Bangun Sarwito Kusmuljono***	Chief	6	6	0	100%
Imam Apriyanto Putro**	Mamber	6	3	3	50%
Abdul Aziz***	Mamber	9	9	0	100%
Aviliani	Mamber	9	8	1	89%
Askolani	Mamber	9	6	3	67%
Suwhono***	Mamber	5	4	1	80%
Goei Siau Hong***	Mamber	5	5	0	100%

Note:

- *) Mr. Mahmuddin Yasin, Mr. Pradjoto, Mr. Krisna Wijaya, Mr. Anton H. Gunawan according to EGM results, per March 16, 2015 no longer served as BOC Members
- ***) Based on appropriate fit & proper test results, Mr. Darmin Nasution, Mr. Imam Apriyanto Putro as of June 8, 2015 effectively served as Chief Commissioner and Deputy Chief Commissioner
- ***) Mr. Abdul Aziz, Mr. Bangun Sarwito Kusmuljono, Mr. Suwhono, Mr. Goei Siau Hong as per fit & proper test results effectively served as Commissioner as of June 19, 2015 (Mr. Abdul Aziz became Independent Commissioner from Non-Independent Commissioner served previously)

Report on the Execution of the Committee's Duties

The Committee is responsible to the BOD and must submit a report to the BOC on every execution of tasks, followed by recommendations if necessary both quarterly and annual and signed by the Chairman of the Committee and the Committee members.

Evaluation and Assessment of the Committee's Performance

Evaluation and assessment of the performance of the Committee carried out every year by using the method determined by the BOC. Implementation of the activities and performance of the Committees

under the BOC regularly evaluated and assessed by the BOC for the sake of increasing the effectiveness of implementation and performance of committees in the coming year.

Use of Appraisal Services Company to Select Candidates of BOC and BOD Members

The Remuneration and Nomination Committee establishes criteria for candidates of BOC and BOD members, and then make the selection of the candidates who conform to the criteria in the set. Furthermore, the Bank Mandiri in cooperation with the appraisal company to conduct an assessment of candidates for the BOC and BOD.

Bank Mandiri in cooperation with several appraisal company, one of them is PT . Daya Dimensi Indonesia. Candidates who have obtained a recommendation from the appraisal company will be reported by the Remuneration and Nomination Committee to BOC as candidates which would be submitted to the GMS for approval .

4. Risk Monitoring Committee

Risk Monitoring Committee was established by and reports to the BOC in monitoring and providing advice to the BOD to obtain reasonable assurance that the implementation of risk management remains the elements of the adequacy of risk management

procedures and methodologies. Risk Monitoring Committee has a role in the monitoring and assessment of risk management policies and the implementation of good corporate governance as a whole.

Basis for Establishment of the Risk Monitoring Committee

The establishment of Risk Monitoring Committee was pursuant to the effective laws and regulations and best practices that may be applied to Indonesian banking sector, including:

1. Regulation of the OJK (POJK) No. 18/POJK.03/2014 published on November 18, 2014 on the Implementation of Integrated Corporate Governance for Financial Conglomeration.
2. Law No. 21/2011 on the Financial Services Authority;
3. Bank Indonesia Regulation (PBI) No. 8/4/PBI/2006 issued on January 30, 2006 on the Implementation of Good Corporate Governance in Commercial Banks; and PBI No. 8/14/PBI/2006 dated October 5, 2006 on Amendment to PBI No. 8/4/PBI/2006 on the Implementation of Good Corporate Governance in Commercial Banks.
4. Regulation of the Minister of State Owned Enterprises No. PER-09/MBU/2012 dated July 6, 2012 on Amendment to Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2011 regarding the Implementation of Good Corporate Governance in State Owned Enterprises.
5. Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises.
6. Articles of Association of PT Bank Mandiri (Persero) Tbk along with its amendments.

The membership of the Risk Monitoring Committee is established by virtue of the BOC Decree No. KOM/038/2015 dated April 15, 2015 regarding Determination of Membership of the Committees under the BOC and KEP.DIR/136/2015 dated April 30, 2015 on the amendment to membership of committees under the BOC of PT. Bank Mandiri (Persero) Tbk.

Criteria for the Committee Members

In addition to be required to have good integrity, character and moral, the Committee members are required to meet the competency, experience and independence requirements as follows:

Competency and Experience Requirements:

- 1) Have good integrity, character and moral; sufficient competency, knowledge and work experience in the area pursuant to their educational background; and good communication skills;
- 2) Have sufficient knowledge to read and understand financial statements and related reports on monitoring of the implementation of risk management policy in banking sector;
- 3) Have adequate knowledge of the laws and regulations concerning capital markets and banking.

Independence Requirements:

- 1) Do not own the Bank's stocks, either directly or indirectly;
- 2) Do not have affiliations with Bank Mandiri, BOC, BOD or the principal shareholders of Bank Mandiri;
- 3) Do not have business relationships, directly or indirectly, with the Bank;
- 4) Members of BOD are prohibited from concurrently sitting in the BOC.

Appointment and Discharge of the Committee Members

BOC may establish another committee whose name and duties are tailored to the needs of the Board which consists of a Chair and members as stipulated in Regulation of the Minister of State Enterprises No. PER-12/MBU/2012. The Chair and members of the Integrated Corporate Governance Committee are appointed and dismissed by BOC, of which such matter is reported to the General Meeting of Shareholders (RUPS).

The 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) Death.
- 4) Acting contrary to the interests of Bank Mandiri.
- 5) Violating or failing to fulfill the requirements for serving as a member of the Integrated Corporate Governance Committee, as stipulated in the relevant Bank Indonesia Regulations.

- 6) Being Unable to carry out his or her duties and responsibilities, as certified by BOC.

Member of Risk Monitoring Committee who sits in BOC will be automatically dismissed when his/her term of office ends.

Committee Member's Term of Office

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 states that the term of office of other Committee members not serving as Commissioner is maximum three years and may be extended once for a term of two years, without prejudice to the right of the BOC to dismiss them at any time.

Membership of the Risk Monitoring Committee

In 2015, the Annual RUPS honorably discharged Mr. Anton Hermanto Gunawan, Mr. Krisna Wijaya and Mr. Pradjoto as Commissioners; accepted the resignation of Mr. Mahmuddin Yasin; and named Mr. Darmin Nasution, Mr. Imam Apriyanto Putro, Mr. Goei

Siauw Hong, Mr. Suwhono and Mr. Bangun Sarwito Kusmuljono as members of the BOC. With this change, the membership of the Risk Monitoring Committee also changed as shown below.

Composition of the Risk Monitoring Committee as of December 2015 is as follows:

Name	Role
Abdul Aziz	Chair & concurrent member (Independent Commissioners)
Imam Apriyanto Putro	Member (Deputy Chief Commissioner)
Askolani*	Member (Commissioners)
Suwhono	Member (Commissioners)
Budi Sulistio	Member (Independent)
Ridwan Darmawan Ayub	Member (Independent)
Group Head Operational Risk	Secretary (ex-officio) – Non-Voting Member

*) Keanggotaan Sdr. Askolani berakhir dengan sendirinya setelah seluruh anggota komite yang diangkat pada RUPS Tahunan mendapat persetujuan dari Otoritas Jasa Keuangan atas penilaian Uji Kemampuan dan Kepatutan

Profiles of the Committee Members

The Audit Committee consists of BOC members and Independent Members. The profiles of the Committee Members who are also BOC members have been presented in the BOC section. As for Independent Members of the Committee, their profiles are illustrated in the Integrated Corporate Governance Committee section.

Independence of the Risk Monitoring Committee

In reference to Article 4 of the Risk Monitoring Committee Charter:

- The Committee shall comprise at least three persons.
- Committee members shall consist of at least 1 (one) Independent Commissioner as Chair and member, 1 (one) Independent Member with expertise in finance and 1 (one) Independent Member with risk management expertise.
- Former members of the Bank's BOD or Executive Officers or other parties related to the Bank that may affect their ability to act independently may not be an Independent Committee Member without prior "cooling off" period as stipulated under the applicable Bank Indonesia regulatory provisions.
- Committee members from external parties must meet the following requirements:
 - Do not have business relationships with the Bank.
 - Do not have familial relationships with any member of the BOD and BOC as well as the Controlling Shareholders.
 - Have high integrity, competency, knowledge and sufficient experience in their respective field, as well as have working knowledge on banking.

Name	Criteria							Status
	1	2	3	4	5	6	7	
Abdul Aziz	v	v	v	v	v	v	v	Independent
Imam Apriyanto Putro	v	x	x	v	v	v	v	Non-Independent
Askolani	v	x	x	v	v	v	v	Non-Independent
Suwono	v	x	x	v	v	v	v	Non-Independent
Budi Sulistio	v	v	v	v	v	v	v	Independent
Ridwan Darmawan Ayub	v	v	v	v	v	v	v	Independent

Note

Independence Criteria

1. Not sitting in the Bank's board of management
2. Not having business relationship and any other relationships that might influence discretion
3. Not the Company's majority shareholder or employee dealing directly with the majority shareholder
4. Not an employee or formerly an executive in the company or its affiliates, at least three years prior to sitting in the Committee
5. Not a key professional adviser or material consultant for the company or its affiliates, or employee dealing directly with service providers for at least three years prior to becoming a Committee member
6. Not a supplier or anchor of the company or its affiliates or an employee of/who directly or indirectly works with a supplier or anchor
7. Not having an agreement with the company or other affiliates as Director

Familial & Financial Relationships, Managerial Roles and Share Ownership of the Committee Members

Name	Role	Familial Relationship with			Financial Relationship with			Managerial Roles & Share Ownership in Other Companies		
		Other Commit-	BOD	BOC	Other Commit-	BOD	BOC	BOD	BOC	Shareholder
Abdul Aziz	Chair/ Mamber	-	-	-	-	-	-	-	-	-
Imam Apriyanto Putro	Member	-	-	-	-	-	-	-	-	-
Askolani	Member	-	-	-	-	-	-	-	-	-
Suwhono	Member	-	-	-	-	-	-	-	-	-
Ridwan Darmawan Ayub	Member (Independent)	-	-	-	-	-	-	-	-	-
Budi Sulistio	Member (Independent)	-	-	-	-	-	-	-	-	-

In 2015, all members of the Integrated Corporate Governance Committee had no familial and financial relationships with members of the BOC, BOD and other Committees.

The Risk Monitoring Committee Charter

In carrying out its functions and roles, the Risk Monitoring Committee has a Charter which governs matters related to (a) Duties and Responsibilities of Committee, (b) Authority of the Committee, (c) Meetings of the Committee and (d) Organization of the Committee.

Remuneration and Nomination Committee Charter on periodic review to ensure that the scope of these guidelines are always in line with the needs, the Regulation of Bank Indonesia and/or other related applicable regulations

Authorities, Duties and Responsibilities of the Risk Monitoring Committee

Authorities

The Committee has the authority within the scope of responsibility of the Committee to:

1. Seek out and obtain a variety of information including documents required from:
 - a. The Bank (including the personnel)
 - b. Other interested parties
2. Obtain feedback and or suggestions from outsiders Bank relating to its duties.

Duties & Responsibilities

1. Evaluation of the compatibility between the Bank's risk management policies and risk management policies integrated with the implementing the policy.
2. Monitoring and evaluation of the implementation of the Risk Management Committee and the Integrated Risk Management Unit integrated.
3. To review the implementation of integrated risk management consists of:
 - a. The risk profile report both individually (Bank only) as well as the consolidation of the subsidiaries (integrated risk profile).
 - b. The report of the bank both individual risk-based (Bank only) as well as the consolidation of the subsidiaries (integrated risk profile).
 - c. Other reports related to the management of 10 (ten) types of risk are credit risk, market risk, operational risk, liquidity risk, legal risk, compliance risk, reputation risk, strategic risk, the risk of intra-group transactions and risk insurance.
4. Monitor the adequacy of the process of identification, measurement, monitoring, control and risk management information system.
5. To evaluate the compliance of the Bank's Articles of Association, the Bank Supervisory Authority regulations and the Capital Market, as well as per law regulations more related to risk management.
6. Develop guidelines and work rules committee (charter) and review as needed at least 2 (two) years.
7. Carry out the duties and responsibilities given by the BOC from time to time.

Remuneration of the Committee Members

Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 also stipulates remuneration for the Committee members with honoraria at maximum 20% (twenty percent) of the salary of the Company's President Director, with taxes paid by the Company. The Committee members are also not allowed to receive any other income in addition to the honoraria and members of the BOC chairing the

Committee/sitting as Committee member are not entitled to extra income from the role. The income of the Committee members is determined by the BOC with regard to the Company's financial capacity.

Honoraria of the Independent Members of Risk Monitoring Committee have been elaborated in the section discussing the Integrated Corporate Governance Committee.

Work Plan of the Risk Monitoring Committee

In order to contribute optimally focused and Risk Monitoring Committee has a work plan that includes management of 8 (eight) types of risk the Bank is aiming to obtain a full picture of the risks faced by the

Bank and believe that the BOD has taken the necessary steps to identify, measure, monitor and control it. The work plan of the Risk Monitoring Committee in 2015 essentially covers the management.

Execution of the Risk Monitoring Committee's Duties

During the period from January 2015 until December 2015, the Risk Monitoring Committee has held discussions with the BOD/Unit involved in order to evaluate the implementation and management of risk management as follows:

Date	Agenda
18-01-2015	A visit to Jakarta 2 Region
26-01-2015	A visit to Jakarta 3 Region
28-01-2015	Business Development and Risk Management in Commercial Banking
18-02-2015	<ul style="list-style-type: none"> Liquidity Position (USD & S) and the projection of the next 12 months Position Trading (Forex, MM, Bond Recap/SUN along MTM, Derivatives) Market Update & Outlook 2015 (related to fluctuations in fall/rise in fuel prices) Risk Rating Base Bank in December 2014:
04-03-2015	Commodity Business Developments and Updates Kalbe Farma development KAP Selection for Bank Mandiri Financial Statements for Fiscal Year 2015
31-03-2015	Business Development and Risk Management in Commercial Banking
15-04-2015	Important Matters/Key Findings on Compliance during Q4/2014
29-04-2015	<ul style="list-style-type: none"> Updated Outstanding Legal Cases and Risk Mitigation Explanation Subsidiary Guidelines (Integrated Governance Guidelines) in order to comply with POJK No. 18/POJK.03/2014 Date 18 November 2014 concerning Governance Share Financial conglomeration Risk Profile Bank Mandiri and Subsidiaries Consolidated TRW I 2015 Updated Outstanding Legal Cases and Risk Mitigation
06-05-2015	A visit to Sumatra 1 Region
01-06-2015	<ul style="list-style-type: none"> Development and Project Status Enterprise Data Management Review of Risk Management of Electronic Channel Operations Organization, Scope and Risk Management Data Recovery Center (DRC) BM Review of Risk Management Customer Care
17-06-2015	Bank Mandiri Credit Policy KPBM)
17-06-2015	<ul style="list-style-type: none"> Business Development and Risk Management Corporate Banking Business Development Commodity (Steel, Mine, Coal, Oil, Rubber)
03-08-2015	<ul style="list-style-type: none"> Business Development and Risk Management Business Banking Liquidity Position (USD & S) and projections up to the end of the year Position Trading (Forex, MM, Bond Recap/SUN along its MTM, Derivatives)

Date	Agenda
12-08-2015	<ul style="list-style-type: none"> Risk Rating Bank Base June 2015 Development of Integrated Risk Management Implementation in order to comply with POJK No. 17/03/2014
18-08-2015	A visit to Java 3 Region
02-09-2015	Developments Subsidiary Performance per June 2015
02-09-2015	Risk Management Policies and HR-related changes BM SO
16-09-2015	Visits to Regional Sulawesi and Maluku
19-10-2015	Projected Credit Risk Management and Credit Collectible BM until End of 2015
02-12-2015	<ul style="list-style-type: none"> Liquidity Position until End of 2015 Anti-Fraud Detection System Revised Management Policy Subsidiaries

Risk Monitoring Committee Meeting

As explained in the Minister of SOE No. PER-12/MBU/2012 that the Committee held a meeting at least equal to the minimum requirements BOC meeting set out in the articles of association and documented in minutes of meetings are submitted in writing by the committee to the BOC.

In accordance with the Employment Guidelines for Risk Oversight Committee, Risk Monitoring Committee Meetings held at least twelve (12) times a year. The calling of the meeting in writing and conducted by the Chairman of the Committee, except in urgent circumstances call can be done orally. Meetings can only be done if attended by at least 2/3

of the members of the Committee including one of the Independent Commissioners and Independent Parties. Resolutions of the Committee are taken by consensus and consensus. In the event that consensus cannot be reached a decision, the decision taken by a majority vote, provided that the decisions are taken by majority vote.

During 2015, the Risk Oversight Committee has held 15 (fifteen) meetings consisting of five (5) meetings of the Risk Oversight Committee and 10 (ten) joint meetings (Ragab) by the Audit Committee of the Bank. As for the implementation details of the meeting are as follows:

Agenda	Date	Joint Meeting	Kourum
Business development and risk management in Consumer Banking, etc.	28/01/2015	v	86%
a. Liquidity Position (USD & S) and the projection of the next 12 months	18/02/2015	v	71%
b. Position Trading (Forex, MM, Bond recap/SUN along its MTM, Derivatives)			
c. Market Update & Outlook 2015 (related to fluctuations in fall/rise in fuel prices)			
d. Risk Based Bank Rating December 2014			
Commodity Business Developments and Updates Kalbe Farma	03/03/2015	v	100%
Business Development and Risk Management of Commercial Banking and others	31/03/2015	-	100%
Important Matters/Key Findings re: Compliance during Q4/2014 and others	15/04/2015	-	67%
a. Implementation POJK No. 18/POJK.03/2014 dated 18 November 2014 on Integrated Governance for Financial conglomerate.	29/4/2015	v	100%
b. Risk Profile Bank Mandiri and Subsidiaries Consolidated First Quarter 2015			
c. Updated Outstanding Legal Cases and Risk Mitigation			
d. Reports Regarding Internal Control System Audit of Bank Mandiri			
a. Overview of Enterprise Data Management			
b. Electronic Risk Management Operations Chanel end to end	01/06/2015	v	100%
c. Data Center and Disaster Recovery Center Bank Mandiri			
d. Risk Customer Care Group			
Bank Mandiri Credit Policy,	17/06/2015	v	50%
a. Business Development and Risk Management in Corporate Banking	17/06/2015	v	75%
b. Business Developments Commodity (Steel, Mine, Coal, Oil, Rubber).			
a. Business Development & Credit Management Business Banking	03/08/2015	-	100%
b. Liquidity Position - Rupiah and USD Projections until the end of 2015 and Position Trading, Foreign Exchange (FX), Recap. Bond/Government Securities (SUN), & Money Market			

Agenda	Date	Joint Meeting	Kourum
Risk Based Bank Rating June 2015 (Integrated Risk Profile, GCG, Profitability, Capital, Other)	12/08/2015	-	100%
Performance Developments Subsidiary			
Risk management policies and HR Organizational Structure Changes Related to Bank Mandiri	02/09/2015	v	100%
Credit Risk Management and Credit Bank Mandiri			
Collectible projection until End of 2015	02/09/2015	-	80%
a. Liquidity position until End of 2015.	19/10/2015	v	80%
b. Anti-Fraud Detection System.	02/12/2015	v	60%
c. Revised Management Policy Subsidiaries			

Frequency and Attendance of the Risk Monitoring Committee Meeting

The presence of the committee members at the meeting is to be reported on quarterly and annual reports. Total Risk Monitoring Committee Meeting as follows:

Name	Role	Total			% of Attendance
		Meeting	Attendance	Absence	
Anton H. Gunawan*	Chair	3	3	0	100%
Pradjoto*	Member	3	1	2	33%
Krisna Wijaya*	Member	3	3	0	100%
Abdul Aziz**	Member /Chair	15	15	0	100%
Askolani	Member	15	12	3	80%
Budi Sulistio	Member	15	15	0	100%
Ridwan D. Ayub	Member	15	15	0	100%
Suwhono**	Member	6	5	1	83%
Imam Apriyanto Putro**	Member	8	2	6	25%

Note:

- According KEP.KOM/005/2014 dated 28-05-2014 and KEP.KOM/006/2014 dated 25-08-2014 on the Amendment of the Audit Committee Member and Risk Monitoring Committee as follows: Mr. Herman Anton Gunawan as Chairman concurrently Member *), Mr. Pradjoto as Members *), Mr. Krisna Wijaya as Members *), Mr. Abdul Aziz as Members, Mr. Ridwan Darmawan Ayub as Member (Independent Member), Mr. Budi Sulistio as Member (Independent Member).
 - *) Mr. Pradjoto, Mr. Krisna Wijaya and Mr. Anton H. Gunawan according the results of EGM per March 16, 2015 had not served as a Commissioner of Bank Mandiri.
- According KEP.DIR/136/2015 dated 24-03-2015 on Membership Changes Under the Committees of the BOC as follows: Ms. Aviliani (AV) as Chairman concurrently Member, Mr. Askolani (AS) as Members, Mr. Goei Siau Hong (GSH) as Member *), Mr. Budi Sulistio (BS) as Independent Member and Mr. Ridwan Darmawan Ayub (RDA) as Independent Member.
 - *) Mr. Imam Apriyanto Putro appropriate fit & proper test results, as of June 8, 2015 effectively served as a Commissioner of Bank Mandiri.
 - **) Mr. Abdul Aziz and Mr. Suwhono appropriate fit & proper test results, as of June 19, 2015 effectively served as a Commissioner of Bank Mandiri.
- Mr. Budi Sulistyo and Mr. Ridwan Darmawan Ayub per June 2, 2014 authorized concurrent positions as members of the Audit Committee and also a member of the Risk Monitoring Committee and in accordance KEP.DIR 136/2015 dated 30 April 2015 Mr. Budi Sulistio and Mr. Ridwan Darmawan Ayub has served as an independent member of the Integrated Governance Committee.

Report on the Execution of the Committee's Duties

The Committee is responsible to the BOD and must submit a report to the BOC on every execution of tasks, followed by recommendations if necessary both quarterly and annual and signed by the Chairman of the Committee and the Committee members.

Evaluation and Assessment of the Committee's Performance

Evaluation and assessment of the performance of the Committee carried out every year by using the method determined by the BOC. Implementation of the activities and performance of the Committees under the BOC regularly evaluated and assessed by the BOC for the sake of increasing the effectiveness of implementation and performance of committees in the coming year.

secretary to the board of commissioners

The Secretary to the Board of Commissioners (BOC) plays an important role in ensuring that the BOC complies with the laws and regulations as well as good corporate governance (GCG) principles, performing administrative duties regarding documents of the BOC and acting as liaison for the BOC with related parties within or outside the Company.

Pursuant to Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises, the BOC may form a Secretariat of the BOC led by the Secretary to the BOC (SBC) tasked with assisting smooth administration of the duties and responsibilities of the BOC. The SBC comes from outside the Company and is appointed, dismissed as well as reports to the BOC.

Requirements

The SBC must meet the following requirements:

1. Understand the management, supervision and development systems of a State Owned Enterprise;
2. Have good integrity;
3. Understand secretarial functions;
4. Possess ability to establish communication and coordination in an efficient manner.

Working Guidelines, Duties and Responsibilities of the SBC

In performing its duties, the Secretary of the Board of Commissioners and Board of Directors refers to the Employment Guidelines, called the Job Description For the Secretary of Commissioners and Board of Directors that was approved in the Decree.

Working guidelines regulate the duties and responsibilities of the SBC:

1. To make preparations for meetings, to provide materials and information for meetings or reports of the BOC, to draw up minutes of meetings,
2. To provide information required by the BOC in the decision making process and any required information periodically,
3. To prepare draft annual work and budget plan of the BOC and reports for the BOC,
4. To keep documents on the performance of the BOC's work and ensure that documents are properly kept in the Company as good administrative practices and GCG implementation,
5. To ensure that the BOC complies with the laws and regulations and implement GCG principles,

6. To coordinate with relevant internal and external parties so as to facilitate the effective performance of the duties of the BOC, to attend meetings of the BOC and meetings of its Committees,
7. To receive and convey reports from whistleblowers,

Profile of the SBC

The SBC in Bank Mandiri is appointed to accomplish a mission of conducting administrative activities and organizing dissemination of information required by the BOC which either relates to the Committees or the Board of Directors (BOD) and lesser managerial roles.

In addition, the Secretary to the BOC and BOD also assumes responsibility for holding meetings of the BOC and BOD, and to prepare materials of the meetings as well as writing minutes of the meetings. Therefore, the SBC is named by the BOC after selecting a candidate with sound integrity, ethics and morality as well as competencies to meet the requirements, or in possession of the experience needed for its duties and responsibilities.

The following is brief profile of the SBC:

Brief Profile



Andus Winarno

Education :
Earned bachelor's degree in accounting from Malang Merdeka University in 1994 and master of business law from University of Indonesia in 2011.

Career:
Starting his career in the Directorate General of State Owned Enterprises, as the Ministry of Finance in 1996, and currently serves as the Head of Primary Industry IIIC, the Ministry of State Owned Enterprises (SOEs).

In 2000 assigned as Staff at the Secretary to the Board of Commissioners of PT Bank Mandiri (Persero) and in 2011 appointed as Secretary to the Board of Commissioners of PT Bank Mandiri (Persero) Tbk until end of December 2015.

Work Programs and Execution of the SBC's Duties in 2015

Secretary to the Board of Commissioners has compiled the main points of the work program in 2015 as follows:

1. Prepare and compile materials and coordinate meetings related to the monitoring, evaluation and provision of feedback on the implementation of Bank Mandiri strategic wisdom in the Corporate Plan period 2015-2020, the Bank Business Plan (RBB) in 2015-2017, and CBP 2015 with due respect to liquidity, NPL, the achievement of market share, the value of market capitalization and profitability;
2. Prepare and draw up materials as well as coordinating meetings related to monitoring and providing feedback on the policy and strategy of the Board of Directors / management in the implementation of strategic objectives in the four perspectives under RKAP 2015 (the Company Budget Work Plan) and the 10 main focus of business development;
3. Prepare and compose materials as well as coordinating meetings related to monitoring and providing inputs / suggestions to the Board of Directors in the implementation of the non-organic company's development;
4. Prepare and compile materials as well as coordinating a meeting related to the monitoring of infrastructure development (IT and non IT) program, Human Capital and sustainable legal in compliance with the business strategy and the capacity of the Bank;
5. Prepare and draw up materials as well as coordinating a meeting related to monitoring the implementation of the principles of Good Corporate Governance, Compliance and Risk Management which is integrated with subsidiaries;
6. Prepare and compose materials as well as coordinating a meeting related to the monitoring and evaluation of the planning and execution of audit / internal control system as well as monitoring on the follow up of audit results / other examination, including subsidiaries;
7. Prepare and coordinate meetings related to training for refreshment in order to increase insight in the field of Risk Management and others to the Board of Commissioners;
8. Prepare and coordinate field trips for the Board of Commissioners;
9. Develop a refinement concept against The Board of Commissioners Rules of Conduct to conform with current/the latest legislation.

Secretary to the Board of Commissioners use this work program as a guideline in carrying out their duties in order to support and facilitate the work program of the Board of Commissioners. Outside the referred work program, Secretary of the Board of Commissioners also perform other duties to facilitate monitoring duties and providing inputs made by the Board of Commissioners.

In 2015, the SBC performed its function in assisting the Board of Commissioners as follows:

The Implementation of Duties of the SBC in 2015

Activities	Time
Prepare and compile materials and coordinate meetings of the Board of Commissioners .	Meeting on : 1. January 21, 2015 2. February 18, 2015 3. February 25, 2015 4. March 20, 2015 5. March 24, 2015 6. March 31, 2015 7. April 22, 2015 8. May 11, 2015 9. June 3, 2015 10. June 10, 2015 11. June 24, 2015 12. July 13, 2015 13. August 21, 2015 14. August 26, 2015 15. September 9, 2015 16. September 22, 2015 17. September 30, 2015 18. October 7, 2015 19. November 4, 2015 20. November 11, 2015 21. December 16, 2015
Prepare and compile materials and coordinate the joint meetings of the BOC and BOD.	Meeting on : 1. March 31, 2015 2. April 22, 2015 3. May 19, 2015 4. June 17, 2015 5. July 29, 2015 6. August 21, 2015 7. August 26, 2015 8. September 23, 2015 9. October 27, 2015 10. November 25, 2015 11. December 16, 2015
Prepare and coordinate training in order to refreshment and enhancing the knowledge and the BOC.	The Theme and date of training : 1. Investor Conference and Non Deal Road show (April 28-30, 2015); 2. Leadership Forum 2015 (May 28-31, 2015);

Activities	Time
	<ol style="list-style-type: none"> 3. The IIA's 2015 International Conference and On-Site Learning/ Benchmarking Visit (July 4 -12, 2015); 4. LPPI Workshop (August 5-7, 2015); 5. Training Corporate Credit Analyze (November 16-20, 2015); 6. Workshop of Commissioner (State- Owned Enterprise) (November 27, 15); 7. Training - Wharton Business School (December 1-3, 2015).
Prepare and coordinate the Working Visit of Board of Commissioners (BoC)	Implementation of the schedule of works visit: <ol style="list-style-type: none"> 1. Regional Office IV Jakarta (January 19, 2015) ; 2. Regional Office V Jakarta (January 26, 2016) ; 3. Terrain (May 6-8, 2015) ; 4. Surabaya (August 18-20, 2015) ; 5. Makassar (September 16-18, 2015).
Prepare and coordinate Concept BoC Rules of Conduct Amendment	Rules of Conduct of the Board of Commissioners has been signed by the Board of Commissioners dated December 21, 2015.

Remuneration of the Secretary to the Board of Commissioners

The remuneration packages for the SBC and Staff of the BOC are determined by the BOC as regards the Company's financial capacity. The amount and type of remuneration packages of the SBC are as follows:

- a) Honorarium of up to maximum 15% (fifteen percent) of the salary of the Company's President Director;
- b) Facilities;
- c) Allowances; and/or
- d) Bonus or incentives.

The remuneration package for SBC staff is determined by the BOC, subject to the provisions that the total remuneration per annum may not exceed the remuneration paid to other Support Organs of the BOC.

Evaluation of the Performance of the SBC in 2015

The evaluation of the performance of the SBC is conducted once a year using methods established by the BOC.

committee under board of directors

Committees under the Board of Directors (BOD) or called by the Executive Committee is the organ that is in charge of supporting the BOD and is collectively responsible to assist the BOD in performing certain functions that require special expertise. To support the effective implementation of the tasks and responsibilities of the BOD, the Bank has established committees as stipulated in Decrees of the BOD that have undergone several changes as follows:



Assets & Liabilities Committee (ALCO)

ALCO is one of the executive committee, which was established by Decree No. KEP.DIR/30/2015 on Assets & Liabilities Committee dated January 15, 2015 which have been adjusted in Decree of the BOD No. KEP.DIR/361/2015 on Assets & Liabilities Committee. ALCO duty to assist the BOD in performing the function of determining the strategy management of assets and liabilities, the determination of interest rates and liquidity, as well as other matters related to the management of assets and liabilities of the Company.

Structure and Membership of ALCO

Based on Decree of the BOD dated December 15, 2015 as stated in Decree of the BOD No. KEP.DIR/361/2015 on Assets & Liabilities Committee, the composition of the Assets and Liabilities Committee is as follows:

ALCO Membership

Chair	: President Director/Group CEO
Secretary	: Group Head Market Risk Alternate 1: Group Head Treasury Alternate 2: Group Head Strategy & Performance Management
Voting Member	: Anggota Tetap Dengan Hak Suara (Permanent Voting Member): 1. President Director/Group CEO 2. Vice President Director/Deputy Group CEO 3. Finance & Strategy Director 4. Commercial Banking Director 5. Corporate Banking Director 6. Treasury & Market Director 7. Micro & Retail Banking Director 8. Consumer Banking Director 9. Distributions Director 10. SEVP Transaction Banking 11. SEVP Wholesale Risk 12. SEVP Retail Risk
	: Non-Permanent Voting Member: Directors and SEVP related to the materials presented as invitees
Permanent Non-Voting Member	: Risk Management & Compliance Director*) or the Group Head of Compliance or Department Head or designated Compliance Group officials. *) In the case of the Director of Risk Management & Compliance is unable to attend not to exceed seven (7) working days in a row (temporarily unavailable), then the function of Director can be delegated to the Compliance Group Head or Department Head or official designated Compliance Group.
Invitee	: SEVP Internal Audit **) or the Group Head of Internal Audit Directorate or Internal Audit Directorate officials who attend the meeting as permanent non-voting members. **) In the case of the materials discussed in the committee is a matter proposed by SEVP Internal Audit, the SEVP Internal Audit acts as a Voting Member.
Contributing Non-Voting Member	: Group Head/other Group Head level officials who attend the meeting due to relevancy with the committee agenda.

Duties, Authorities and Responsibilities of ALCO

ALCO has the duties, authorities and responsibilities as follows:

1. Establishing, developing and reviewing strategies management of assets and liabilities.
2. Evaluating the position of assets and liabilities of the Company in accordance with the objectives of liquidity risk, interest rate and exchange rate.
3. Evaluating the Company's position and strategy of Assets & Liabilities Management (ALM) to ensure that the Company's risk taking position has been consistent with the objective of interest rate risk management, liquidity and exchange rate risk.
4. Reviewing the pricing of assets and liabilities to ensure that pricing can optimize the results of placement of funds by minimizing the cost of funds and maintain the balance sheet structure of the Company in accordance with the Company's ALM strategy.
5. Reviewing the deviation between actual with projected budgets and business plans of the Company.
6. Conducting a study limitation liquidity management, gap management, pricing management, and FX management.
7. Establishing a fund transfer pricing methodology.
8. Discussing the scope of ALM including subsidiaries/entities under the control of the Company.

In its capacity as a committee, ALCO has no authority to act on behalf of and on behalf of the Company, or signing of binding agreements with third parties, where all actions for and on behalf of the Company must be made in accordance with the Articles of Association of the Company.

Activities Conducted by ALCO

Since March 10, 2015 up to the present ALCO Committee has been carrying out such activities as ALCO meeting, with the discussion of the following matters:

- 1) Optimizing the Balance Sheet
Optimizing the Balance Sheet aims to: (i) improve the Net Interest Margin (NIM) to optimize revenues with minimal capital risk and (ii) Strategies Decrease Cost of Liabilities (iii) as guidance for BU in implementing the strategy in the Asset and Liabilities.
- 2) Liquidity Risk
In order to manage liquidity risk the Bank, ALCO has conducted a study that includes (i) a strategy of maintaining liquidity reserves (ii) the Bank's strategy to anticipate liquidity during Lebaran festive season
- 3) Pricing Management
ALCO will review and take decisions on:
 - a. Determination of Interest Rate Fund:
 - Special Rate for Rupiah and Foreign Currency Demand Deposit
 - Counter Rate for Rupiah Deposit
 - Special Rate for Rupiah and Foreign Currency Deposit and special rate for Rupiah DOC
 - b. Determination of Loan Rate:
 - Interest Rate and Foreign Currency Rupiah
 - Publication Lending Rate (prime lending rate), and
 - The establishment of a fixed rate loan pricing through the adjustment of the hedge ratio.

Meeting Frequency and Attendance Level of ALCO

During 2015, ALCO Committee had met 13 times ALCO Meeting with details as follows:

No.	Name	Total			% Attendance
		Meeting	Attendance	Absence	
Permanent Voting Member					
1.	Budi G. Sadikin	13	12	1	92%
2.	Sulaiman A. Arianto	13	9	4	69%
3.	Kartika Wirjoatmodjo	13	8	5	62%
4.	Kartini Sally	13	10	3	77%
5.	Royke Tumilaar	13	10	3	77%
6.	Pahala N. Mansury	13	12	1	92%
7.	Tardi	13	12	1	92%
8.	Hery Gunardi	13	11	2	85%
9.	Sentot A. Sentausa	13	11	2	85%
10.	Riyani T. Bondan	13	12	1	92%
11.	Rico Usthavia Frans	13	9	4	69%
12.	Kepas Antoni A. Manurung	13	12	1	92%
Permanent – Non Voting Member					
1.	Ahmad Siddik Badruddin	13	11	2	85%

Retail Business Committee (RBC)

Retail Business Committee (RBC) is a committee established under Decree of the BOD No. KEP. DIR/28/2015 dated January 15, 2015 on the Executive Committee to assist the BOD in determining the strategy of the Company is an integrated business

management, product management and/or activity of the Company and the determination of the strategy and effectiveness of marketing communication in the field of retail banking.

Structure and Membership of RBC

The members of the Retail Business Committee according to Decree No. KEP/DIR/35/2015 dated January 15, 2015 is as follows:

RBC Membership	
Chair	: President Director
Secretary	: Group Head Consumer Deposits Group Head Value Chain Solution (Alternate)
Voting Member	: <p>Permanent Voting Member:</p> <ol style="list-style-type: none"> 1. President Director 2. Consumer Banking Director 3. Micro & Business Banking Director 4. Distributions Director 5. SEVP Transaction Banking 6. SEVP Retail Risk 7. SEVP Chief Technology Officer <hr/> <p>Non-Permanent Voting Member: BOD Members/SEVP Coordinators related to material presented as invitees</p>
Permanent Non-Voting Member	: Director of Risk Management & Compliance*) or the Compliance Group Head or appointed officials of Compliance Group. *) In the case of the Risk Management & Compliance Director is unable to attend not to exceed seven (7) consecutive working days (temporarily unavailable), then the function of Director can be delegated to the Compliance Group Head or appointed officials.
Invitee	: SEVP Internal Audit **) or the Group Head of Internal Audit Directorate of the Internal Audit Directorate officials who attend the meeting as permanent non-voting members. **) In the case of the materials discussed in the committee is a matter proposed by SEVP Internal Audit, the SEVP Internal Audit acts as voting members.
Contributing Non-Voting Member	: Group Head/other Group Head level officials who attend the meeting due to relevancy with the committee agenda.

Duties, Authorities and Responsibilities of RBC

RBC is responsible for assisting the BOD in carrying out its functions which include:

1. Evaluating and establishing the Company's business strategy of the retail segment
2. Discussing and establishing an integrated development of retail business, including product development, business process, tariffs, infrastructure facilities and infrastructure as well as supporting technology businesses.
3. Discussing and establishing business strategies with Anchor Client Company
4. Monitoring and evaluating the performance of the business strategic initiatives/projects retail segment.
5. Discussing and resolving business issues including strategic alliances between units of the Company and Alliance with subsidiaries.
6. Delegating authority to designated officials to decide upon and implement the things that are the operational business.

Activities Conducted by RBC

During 2015, the Retail Business Committee has conducted activities including meetings, with agendas that are routine, strategic and ad hoc, as follows:

No.	Date	Agenda
1.	January 14, 2015	Update Progress Program Financial Literacy
2.	February 5, 2015	<ul style="list-style-type: none"> • Update SME Sector Solution on FMCG • Prioritisasi Inisiatif Corplan
3.	February 10, 2015	<ul style="list-style-type: none"> • SME Digital Platform & Merchant Solution Bank • Program Optimalisasi Collection & Recovery • Update Prioritisasi RBC
4.	February 18, 2015	<ul style="list-style-type: none"> • SME Digital Platform BCG • Portfolio Performance Dashboard • Retail Collection/Recovery Performance & Strategy
5.	February 24, 2015	<ul style="list-style-type: none"> • Rencana Implementasi Laku Pandai • Mobile Payment in Chatting Platform • Integrated Loyalty Program
6.	March 10, 2015	<ul style="list-style-type: none"> • Subsidiary Updates : BSM • SME Ready Branches • Acquiring Aggregator
7.	March 18, 2015	<ul style="list-style-type: none"> • WM Business & Service Model • Retail Marketing Updates Brand Health Check

No.	Date	Agenda
8.	March 25, 2015	<ul style="list-style-type: none"> Retail Business Performance Micro Branch Optimization Lean Branch Update IT Retail Program
9.	April 1, 2015	<ul style="list-style-type: none"> Subsidiary Updates : AMFS Subsidiary Updates : MAGI Retail Risk Performance Mortgage : Strategy for Secondary Market CC marketing engine
10.	April 7, 2015	<ul style="list-style-type: none"> Retail Business Dashboard SME Ecosystem Preparation for Acquiring Aggregator Negotiation
11.	April 14, 2015	<ul style="list-style-type: none"> HC Retail Recruitment Strategy Strategies for Achieving KPR Targets for June 2015 Strategies for Achieving Saving Account Targets
12.	April 21, 2015	<ul style="list-style-type: none"> Credit Card Segment Profiling WM Business & Service Model Strategies for Achieving Saving Account Targets Micro Lean Branches
13.	May 5, 2015	<ul style="list-style-type: none"> Retail Business Performance SME Ready Branches Mandiri Digital Transformation
14.	May 12, 2015	<ul style="list-style-type: none"> Update on Laku Pandai Implementation SME FMCG Program RBC Review
15.	19 Mei 2015	<ul style="list-style-type: none"> Update Design Template Promotion Retail Coll/Recovery Performance & Strategy Credit Card: Marketing Engine WM Cross Selling Strategy Pricing KPR
16.	May 26, 2015	<ul style="list-style-type: none"> Auto Loans Takeover & Auto Refinancing Micro Expansion Program
17.	June 3, 2015	<ul style="list-style-type: none"> KUR Mikro 2015 Program SME Digital Platform & Merchant Solution Bank Branch Re-Classification Update on HC Recruitment Program
18.	June 9, 2015	<ul style="list-style-type: none"> MTF Product Profitability Incentive Recovery Program Bank @Work : Retail Product Package Tabungan MU
19.	June 16, 2015	Retail Business Performance

No.	Date	Agenda
20.	June 23, 2015	<ul style="list-style-type: none"> • Cons Loan Pre Approved Strategy • Incentive Recovery Program • MTF Product Profitability
21.	June 30, 2015	<ul style="list-style-type: none"> • IT Retail Program Update • Region's Pricing Authority • Payment Collaboration with GOJEK • eMoney Principal
22.	July 31, 2015	<ul style="list-style-type: none"> • Micro CSR Program • HC Retail Update • Review on Calculation for Retail Products
23.	August 4, 2015	<ul style="list-style-type: none"> • Credit Line for insurance companies • Branchless Banking in Timor Leste • SMC New Design • Wealth - Business & Service Model
24.	August 11, 2015	<ul style="list-style-type: none"> • Sebangsa App Implementation • Retail Ready Brach & B2B Marketplace
25.	August 18, 2015	<ul style="list-style-type: none"> • Retail Product - Profitability & Product Program • Digital Marketing • FMCG
26.	September 1, 2015	<ul style="list-style-type: none"> • IT Retail Product Update • KUR Product Manual • PSKS Disbursement Strategies
27.	September 15, 2015	<ul style="list-style-type: none"> • Retail Business Performance • Credit Card: Update Marketing Engine
28.	September 22, 2015	<ul style="list-style-type: none"> • Credit Card SLA End to End Process • Cross Selling Strategy Implementation Update
29.	September 29, 2015	<ul style="list-style-type: none"> • Credit Improvement Process up to IDR 2 B • Distribution Card • Product Package Program
30.	October 6, 2015	<ul style="list-style-type: none"> • FMCG Implementation Strategy Update • Update on IT Retail Initiatives in 2016 • e-Money Principal
31.	October 13, 2015	<ul style="list-style-type: none"> • f.u. RBC 29 Sept Business Process Improvements BB • Wealth: Customized Pricing Model • Gen Y Product Package
32.	October 16, 2015	Retail Ready Branch Strategy
33.	October 20, 2015	<ul style="list-style-type: none"> • PoC of EDM • Retail Marketing Updates - Brand Health Check • Retail Business Performance

No.	Date	Agenda
34.	October 27, 2015	<ul style="list-style-type: none"> • Payments: E/M - commerce • Mikro Expansion Strategy • SimPel Product Manual • Complain Handling Credit Cards
35.	November 3, 2015	<ul style="list-style-type: none"> • Update HC Retail Strategy • Retail Collection Recovery Performance Review • Monitoring Risk Dashboard • Heat Area Function Change • Segment Business Banking Financing Strategy
36.	November 10, 2015	<ul style="list-style-type: none"> • Update on Retail People Development • Update on Supply Chain Financing • Update on Cooperation CoBranding BTN Credit Card
37.	November 24, 2015	<ul style="list-style-type: none"> • Secondary Mortgage Update • Telco Value Chain Update • Retail Ready Branches Update
38.	December 1, 2015	<ul style="list-style-type: none"> • Update IT Retail Program • CC Business Owner & Mass Affluent • MTF Portfolio Analysis
39.	December 11, 2015	<ul style="list-style-type: none"> • Distribution Card • Branding Private Banking
40.	December 16, 2015	<ul style="list-style-type: none"> • Loan Pre-Approved Strategy Personal • BTN CoBranding Collaboration
41.	December 23, 2015	<ul style="list-style-type: none"> • Micro Operating Platform • Distribution Card
42.	December 31, 2015	<ul style="list-style-type: none"> • Update Retail Ready Branch • Micro Installment Saving

Meeting Frequency and Attendance Level of RBC

Retail Business Committee Meeting was held at least three (3) times a year or every time attended by the committee members in accordance quorum and where necessary at the request of one or more members of the committee with voting rights (voting member), or

at the request of the BOD or above written proposals of the Group relating to convey the material to be covered and coordinate with the Secretary of the Committee.

No.	Name	Number			% Attendance
		Meeting	Attendance	Absence	
Permanent Voting Member					
1.	Budi G. Sadikin	42	31	11	73%
2.	Abdul Rachman*	6	6	0	100%
3.	Sentot A. Sentausa	42	33	9	78%
4.	Hery Gunardi	42	35	7	83%
5.	Rico Usthavia Frans	42	39	3	93%
6.	Tardi	42	26	16	61%
7.	Ahmad Siddik Badruddin	42	34	8	80%
8.	Joseph Giorgino Godong	42	34	8	80%
Permanent Non-Voting Member					
1.	Ogi Prastomiyono*	6	5	1	83%
2.	Riyani T. Bondan	42	29	14	68%
Invitee					
1.	Mustaslimah	42	25	16	61%

Note

*) From January to March prior to alteration in the structure and membership of the committee due to change in the Board of Directors at the Annual Shareholders General Meeting dated March 16th, 2015

Wholesale Business Committee (WBC)

Wholesale Business Committee (WBC) is a committee established by under Decree of the BOD No. KEP. DIR/34/2015 dated January 15, 2015 to assist the BOD in determining the strategy of the Company

is an integrated business management, product management and/or activity of the Company and the determination of strategies and effectiveness marketing communication for the wholesale banking segment.

Structure and Membership of WBC

The members of the Wholesale Business Committee according to Decree of the BOD No. KEP.DIR/34/2015 dated January 15, 2015 are as follows:

WBC Membership

Chair	: Vice President Director/Deputy Group CEO
Secretary	: Group Head Transaction Banking Product Development Alternate : Group Head Transaction Banking Sales
Voting Member	Permanent Voting Member: 1. Vice President Director/Deputy Group CEO 2. Corporate Banking Director 3. Commercial Banking Director 4. Treasury & Markets Director 5. SEVP Transaction Banking 6. SEVP Wholesale Risk
Permanent Non-Voting Member	Risk Management & Compliance*) Director or the Group Head of Compliance Group or Compliance Group appointed officials. *) In the case of the Director of Risk Management & Compliance unable to attend not to exceed seven (7) working days in a row (temporarily unavailable), then the function of Director can be delegated to the of the Compliance Group Head or appointed officials of Compliance Group.
Invitee	SVP Internal Audit **) or the Group Head of Internal Audit Directorate or Internal Audit Directorate officials who attend the meeting as permanent non-voting members. **) In the case of the material discussed in committee is a stamp duty proposed by SEVP Internal Audit, the SEVP Internal Audit acts as a Voting Member.
Contributing Non-Voting Member	: Group Head/other Group Head level officials invited due to material being related to the agenda of the committee.

Duties, Authorities and Responsibilities of WBC

Duties, authorities and responsibilities of Wholesale Business Committee include:

1. Evaluating and establishing the Company's business strategy Wholesale segment.
2. Discussing and establishing the wholesale segment of business development in an integrated manner, including the development of product development, business process, tariff, infrastructure facilities and infrastructure as well as supporting technology businesses.
3. Discussing and establishing a business strategy with the Company's anchor client.
4. Monitoring and evaluating the performance of the business strategic initiatives/projects the wholesale segment.
5. Discuss and resolving business issues including strategic alliances between units of the Company and alliances with subsidiaries.
6. Delegating authority to designated officials to decide upon and implement the things that are the operational business.

In its capacity as a committee, the WBC did not have the authority to act on behalf of and on behalf of the Company or signed binding agreements with third parties, which must be done in accordance with the provisions of the Articles of Association.

Activities Conducted by WBC

Wholesale Business Committee has been conducting several meetings with the following agenda:

Date	Agenda
February, 10 2015	<ul style="list-style-type: none"> • Application for Master Program Distributor Financing • Reporting and Renewal Application for Pilot Project Transaction Based Lending for Distributor Financing • Bond Market Deepening
April 7, 2015	<ul style="list-style-type: none"> • Change in Authorities over Wholesale Distribution Network Transformation • Change in Authorities over Company Limit, Global Intraday Limit and Intraday Facilities Utilization Limit
April 21, 2015	<ul style="list-style-type: none"> • Change in Authorities over Wholesale Distribution Network Transformation • Change in Authorities over Company Limit, Global Intraday Limit and Intraday Facilities Utilization Limit
June 16, 2015	Proposed Submission for Principle Approval of Structured Product to Financial Services Authority (OJK)
September 1, 2015	Crash Program for extracomptable credit arrangement with waivers of interest and penalties of 100%
November 3, 2015	<ul style="list-style-type: none"> • Revision to Warehouse Receipt MP KMK • Revision to Financing to Rural Banks MP • Revision to Mandiri Cash Management MP • Explanation on Revenues from Non-Loan Products
November 24, 2015	<ul style="list-style-type: none"> • Explanation on Revenues from Non-Loan Products of Wholesale Segment • Corporate & Large Commercial Debtor Classification • Credit Approval Process Re-engineering • Credit Monitoring Process Re-engineering • Business Products Management Update • Industrial Port Update
December 1, 2015	<ul style="list-style-type: none"> • Industry Health Care Update • Cash Top Debtor Transaction Analysis • Corporate Banking Debtor Risk Tiering • Business Opportunities with Incasi Group • Business Opportunities with Martabe Mine
December 17, 2015	<ul style="list-style-type: none"> • Business Process Re-engineering • Business Bond Treasury Potentials • Update to Cash Top Debtor Transaction Analysis

Meeting Frequency and Attendance Level of WBC

Wholesale Business Committee Meeting was held at least three (3) times a year or every time attended by the committee members in accordance quorum and where necessary at the request of one or more members of the committee with voting rights (voting member), or at the request of the Board of Directors or above written proposals of the Group relating to convey the material to be covered and coordinate with the Secretary of the Committee. Committee meetings may be held if they meet the quorum of presence, which was attended by more than ½ (one half) of the number of members of the Permanent Voting Member. For director/SEVP duplicate is only calculated for the Main posts.

No.	Name	Number			% Attendance
		Meeting	Attendance	Absence	
1	Budi G. Sadikin	3	3	0	100%
Permanent Voting Member					
1	Riswinandi*	1	1	0	100%
2	Sunarso*	1	1	0	100%
3	Sulaiman A. Arianto	8	7		88%
4	Pahala N. Mansury	8	6	1	75%
5	Royke Tumilaar	9	3	2	33%
6	Kartini Sally	8	7	6	88%
7	Rico Usthavia Frans	9	8	1	89%
8	Kepas Antoni A. Manurung	8	7	1	88%
Permanent Non-Voting Member				1	
1	Ahmad Siddik Badruddin	8	3	5	38%
Invitee					
1	Mustaslimah	8	6	2	75%

Note

*) Period January-March 2015

Risk Management Committee (RMC)

RMC is a committee established by Decree of the BOD No. KEP.DIR/170/2013 dated June 21, 2013 to assist the BOD to discuss and recommend policies and procedures in addition to human capital as well as monitor and manage the entire risk profile of the Company.

Structure and Membership of RMC

The members of the RMC according to the amended Decree of BOD Directors, No. KEP.DIR/29/2015, dated January 15, 2015 regarding Risk Management Committee are:

RMC Membership	
Chair	: Wakil Direktur Utama
Secretary	: Group Head Credit Portfolio Risk Group Head Operational Risk (Alternate)
Voting Member	Permanent Voting Member: 1. Vice President Director 2. Risk Management & Compliance Director 3. Technology & Operations Director 4. Finance & Strategy Director 5. SEVP Corporate Transformations 6. SEVP Retail Risk 7. SEVP Wholesale Risk <hr/> Non-Permanent Voting Members: Directors and SEVP relevant to materials presented as invitees.
Permanent Non-Voting Member	: Group Head Compliance or Compliance Group officials as appointed.
Invitee	SEVP Internal Audit or Internal Audit Directorate present as Permanent Voting Members. **: In the event the material covered in the committee is proposed by SEVP Internal Audit, the SEVP Internal Audit acts as voting members.
Contributing Non-Voting Member	: Group Head/other Group Head level officials invited in relation to materials relevant to the committee agenda.

Duties, Authorities and Responsibilities of RMC

Duties, authorities and responsibilities of the RMC in accordance with Decree of the BOD No. KEP.DIR/29/2015 dated January 15, 2015 regarding Risk Management Committee are as follows

1. Discussing, recommending policies and establishing procedures for the Company, outside the human capital policies and procedures.
2. Monitoring the risk profile and management of all risks in order to set risk appetite, integrated risk management strategy and capital adequacy.
3. Establishing methodology, scenarios, including the evaluation of the stress condition in the risk assessment and contingency plan.

4. Improving the implementation of risk management on a regular basis and incidental to follow up changes in internal and external conditions that affect capital adequacy and risk profile.
5. Conducting a strategic discussion within the scope of risk management, including subsidiaries.
6. Establishing matters related to business decisions that have special conditions (such as business expansion decision is significant

in comparison with the business plan of the Company are set).

7. Delegating authority to designated officials to decide upon and implement the things that are operational.

In its capacity as a committee, RMC does not have the authority to act on behalf of and on behalf of the Company or signing agreements with third parties, which must be done in accordance with the provisions of the Articles of Association.

Activities Conducted by RMC

The RMC conducted activities including meetings with the following agenda:

Date of the Meeting	Agenda
January 21, 2015	<ul style="list-style-type: none"> • Report Risk Profile Bank Mandiri (Bank Only & Consolidation) Q4-2014
March 13, 2015	<ul style="list-style-type: none"> • Approval of Proposed Initiative By External Rating Agencies (PEFINDO, ICRA or Fitch) Debtor CB-CBC For the calculation of RWA-SA • Approval of Proposed Risk Appetite Statement (RAS)
April 21, 2015	<ul style="list-style-type: none"> • Reporting Risk Profile Bank Mandiri Q1-2015 (Individual and Consolidated)
April 28, 2015	<ul style="list-style-type: none"> • Update of Risk Management Committee Work Plan 2015 • Approval Portfolio Guideline 2015 (Industry Classification and Industry Limit) • Agreement on a trial calculation of the LCR and LR Bank Mandiri and Consolidated Position March 2015 • Internal Control Reporting PWC 2014
May 26, 2015	<ul style="list-style-type: none"> • Approval of Proposed Risk Appetite Statement (RAS) • Approval of Proposed grading Debtor Bank Mandiri • Stress Testing Update Simulation Results Q1 2015 • Update Loan to Funding Ratio
July 1, 2015	<ul style="list-style-type: none"> • ICLS Implementation • Reporting Business Continuity Management Implementation
July 9, 2015 (circular)	<ul style="list-style-type: none"> • Approval of Proposed Management Unrealized Loss Ratio to Equity Securities AFS (Memorandum No. RIC/025/2015)
July 24, 2015	<ul style="list-style-type: none"> • Approval Risk Profile Bank Mandiri (Bank Only) Second Quarter 2015 • Update Trial Calculation Liquidity Coverage Ratio (LCR) and Leverage Ratio (LR) Second Quarter 2015 • Approval of Risk Appetite Statement

Tanggal Rapat	Agenda
August 13, 2015	<ul style="list-style-type: none"> Update Mandiri Investment Portfolio Performance Group Approval Guideline Value Chain Financing Approval Portfolio Guideline Territory
October 28, 2015	<ul style="list-style-type: none"> Bank Mandiri New Rating System & Implementation & Basel II IRB Implementation Preparation Update Trial Calculation Liquidity Coverage Ratio (LCR) and Leverage Ratio (LR) Third Quarter 2015
December 21, 2015 (circular)	<ul style="list-style-type: none"> Update Simulation Results Stress Testing Bank Only Q3 2015 (Memorandum No. RIC/043/2015) Approval of Proposed Banking Book Review Limit Management (Memorandum No. RIC/044/2015) Approval of Proposed Review of Market Risk Limit (Memorandum No. RIC/044/2015)

Meeting Frequency and Attendance Level of RMC

During 2015, the RMC has conducted a meeting as many as nine (9) times and Circular 2 (two) times the frequency of meetings and the level of presence of the board of management and SEVP (Meetings) as follows:

No.	Name	Number			% Attendance
		Meeting	Attendance	Absence	
Permanent Voting Member					
1	Riswinandi	2	2	0	100%
2	Sulaiman A. Arianto	4	4	0	100%
3	Ogi Prastomiyono	9	8	1	89%
4	Ahmad Siddik Badruddin	9	8	1	89%
5	Kresno Sediarsi	2	2	0	100%
6	Pahala N. Mansury	2	1	1	50%
7	Kartika Wirjoatmodjo	2	1	1	50%
8	Ventje Rahardjo	9	6	3	67%
9	Tardi	2	2	0	100%
10	Riyani T. Bondan	7	5	2	71%
11	Kepas Antoni A. Manurung	7	6	1	86%
Non-Permanent Voting Member					
1	Abdul Rachman	1	1	0	100%
2	Fransisca Nelwan Mok	1	1	0	100%
3	Sentot A. Sentausa	4	1	3	25%
4	Sunarso	1	0	1	0%
5	Hery Gunardi	3	0	3	0%
6	Pahala N. Mansury	2	1	1	50%

No.	Name	Number			% Attendance
		Meeting	Attendance	Absence	
Non-Permanent Voting Member					
7	Royke Tumilaar	6	1	5	17%
8	Joseph Georgino Godong	2	2	0	100%
9	Kartini Sally	4	1	3	25%
10	Tardi	1	0	1	0%
Permanent Non-Voting Member					
1	Chrisna Pranoto / (Pejabat Compliance)	9	7	2	78%
Non-Permanent Voting Member					
1	Mustaslimah / (Pejabat Dir. Internal Audit)	9	9	0	100%
2	Sulaiman A. Arianto	3	1	2	33%
3	Kartika Wirjoatmodjo	5	2	3	40%
4	Kartini Sally	2	2	0	100%
5	Tardi	2	1	1	50%

Notes

1. From the results of the RUPS in March 2015 there is a change of the Board of Directors/SEVP Permanent Voting Member of RMC as follows:

Directors/SEVP	Prior to RUPS Mar 2015	After RUPS Mar 2015
a. Wakil Direktur Utama	Riswinandi (Invited twice as a permanent voting member - Vice President Director)	Sulaiman A. Arianto (Invited 3x as an Invitee because still in the process of fit and proper test, and 4x as a permanent voting member - Vice President Director)
b. Dir. Risk Management & Compliance	Ogi Prastomiyono (Invited twice as a permanent voting member - RMC Dir.)	Ahmad Siddik Badruddin (Invited 7x as a permanent voting member - RMC Dir.)
c. Dir. Technology & Operations	Kresno Sediarsi (Invited twice as a permanent voting member - TOP Dir.)	Ogi Prastomiyono (Invited 7x as a permanent voting member - TOP Dir.)
d. Dir. Finance & Strategy	Pahala N. Mansury (Invited twice as a permanent voting member - FST Dir.)	Kartika Wirjoatmodjo (Invited 5x as an Invitee because still in the process of fit and proper test, and 2x as a permanent voting member - FST Dir.)
e. SEVP Corporate Transformations	Ventje Rahardjo (Invited twice as a permanent voting member - SEVP Change Management Office)	Ventje Rahardjo (Invited 7x as a permanent voting member - SEVP Corp. Transformations)
f. SEVP Retail Risk	Ahmad Siddik Badruddin (Invited twice as a permanent voting member - SEVP RTR)	Riyani T. Bondan (Invited 7x as a permanent voting member - SEVP RTR)
g. SEVP Wholesale Risk	Tardi (Invited twice as a permanent voting member - SEVP Wholesale Risk)	Kepas Antoni A. Manurung (Invited 7x as a permanent voting member - SEVP Wholesale Risk)

From the results of the RUPS in March 2015, there was a change of the BOD/SEVP as Permanent Non Voting Member and RMC Invitees:

Directors/SEVP	Prior to RUPS Mar 2015	After RUPS Mar 2015
a. SEVP Internal Audit	Riyani T. Bondan (Invited twice as a permanent voting member - SEVP IA)	Mustaslimah (Invited 7x as an invitee – SEVP IA)
b. Dir. Commercial Banking	Kartini Sally (Invited twice as a permanent voting member - Executive Official of Comm Banking)	Kartini Sally (Invited 4x as a non-permanent voting member - Comm Banking Dir.)
c. Dir. Micro & Business Banking	Tardi (Invited twice as a permanent voting member - Executive Official of MBB)	Tardi (Invited 1x as a non-permanent voting member - MBB Dir.)

Human Capital Policy Committee (HCPC)

Human Capital Policy Committee is a committee established under Decree of the BOD No. KEP.DIR/171/2013 dated June 21, 2013 to assist the BOD in setting up the Company's human capital management strategy.

Structure and Membership of HCPC

The membership of the Human Capital Policy Committee based on Decree of the BOD No. KEP.DIR/33/2015 dated January 15, 2015 concerning Human Capital Policy Committee is as follows:

HCPC Membership	
Chair	: President Director/Group CEO
Secretary	: Group Head Human Capital Strategy & Policy Group Head Human Capital Services (Alternate)
Voting Member	: Permanent Voting Member: 1. President Director/Group CEO 2. Vice President Director/Deputy Group CEO 3. Distributions Director 4. Technology & Operations Director 5. SEVP Human Capital
	: Non-Permanent Voting Member: BOD members or SEVP related to material presented as an invitee.

HCPC Membership

Anggota Tetap Tanpa Hak Suara (Permanent Non-Voting Member) : Direktur Risk Management & Compliance*) atau Group Head Compliance atau pejabat Compliance Group yang ditunjuk.
 *) Dalam hal Direktur Risk Management & Compliance berhalangan hadir tidak melebihi tujuh (7) hari kerja berturut-turut (berhalangan sementara), maka fungsi Direktur Kepatuhan dapat didelegasikan kepada Group Head Compliance atau pejabat Compliance Group yang ditunjuk.

Invitee : SVP Internal Audit or Group Head of Internal Audit Directorate of Internal Audit Directorate officials who attend the meeting as permanent voting members.

Anggota Pemberi Kontribusi Tanpa Hak Suara (Contributing Non-Voting Member) : Group Head/setingkat Group Head lainnya yang hadir sebagai undangan terkait dengan materi yang menjadi agenda komite

Duties, Authorities and Responsibilities of HCPC

HCPC has the duties, authorities and responsibilities as follows:

1. Discussing/recommending policies and establish procedures and operational systems Human capital management.
2. Establishing strategic direction and operational management of Human Capital, including the company's culture and values.
3. Establishing Human Resources management policies that are strategic in Subsidiary Companies, Financial Institutions Pension Fund (Pension Fund), the pension fund of Bank Mandiri (DPBM), Foundation second tier subsidiary.
4. Establishing strategic direction of development of information systems Human Capital
5. Establishing and developing organizations including compliance, development and training of Human Capital according to business needs of the company.
6. Establishing individual performance management and rewards, talent & succession management and employee relations.
7. Establishing limits of authority in Human Capital management
8. Discussing and resolving problems in the management of strategic Human Capital.

In its capacity as a committee, HCPC not have the authority to act on behalf of and in the name of the company or signing of binding agreements with third parties, which must be done in accordance with the provisions of the Articles of the Company.

Activities Conducted by HCPC

In 2015, Human Capital Policy Committee discussed the following matters:

Date	Discussion
February 25, 2015	<ul style="list-style-type: none"> Assessment of Mandiri Best Employee 2014 Assessment of Culture Excellence Award (CEA) 2014 (Bank Mandiri Work Unit and Subsidiaries) Series of events at Mandiri Excellence Award
May 12, 2015	<ul style="list-style-type: none"> L2 Position Evaluation & Implementation Result Presentation
April 2, 2015	<ul style="list-style-type: none"> Proposed Scheme of Car Ownership Program Proposed improvements on Bank Mandiri Human Resources Policy (KSDM) Accelerating Management Development program Proposed adjustments to the initial grade for the ODP Regional & SDP PPMM.
3 Juni 2015	<ul style="list-style-type: none"> Officer Development Program Policy Improvement Talent Development Program Culture Strategy
3 September 2015	<ul style="list-style-type: none"> Site Allowance

Meeting Frequency and Attendance Level of HCPC

During 2015, HCPC has conducted five (5) meetings with the level of attendance of committee members as in the following table:

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Permanent Voting Member					
1	Budi G. Sadikin	5	5	0	100%
2	Riswinandi*	1	1	0	100%
3	Sulaiman A. Arianto*	1	1	0	100%
4	Kresno Sediarsi*	1	1	0	100%
5	Sentot A. Sentausa	4	4	0	100%
6	Ogi Prastomiyono	4	4	0	100%
7	Sanjay N. Bharwani	5	5	0	100%
Non-Permanent Voting Member					
1	Pahala N. Mansury	1	1	0	100%
2	Sunarso*	1	1	0	100%
3	Royke Tumilaar	1	1	0	100%
4	Hery Gunardi	2	2	0	100%
5	Tardi	2	2	0	100%
6	Ahmad Siddik Badruddin	1	1	0	100%
7	Kartini Sally	1	1	0	100%

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Non-Permanent Voting Member					
8	Riyani T. Bondan	2	2	0	100%
9	Ventje Rahardjo	1	0	1	0%
10	Rico Usthavia Frans	2	1	1	50%
11	Joseph Georgino Godong	2	1	1	50%
12	Kepas A. A. Manurung	1	1	0	100%
Invitee					
1	Riyani T. Bondan*	1	1	0	100%
2	Mustaslimah	4	2	2	50%

Note

*) Total attendance included above are calculated after officials have effectively took office. Calculated for the position of director effective after graduating from the fit and proper test of the OJK.

Information Technology Committee (IT Committee)

IT Committee is a committee formed to assist the decision making process related to the management policy of the Company's operations in the field of Information Technology (IT). IT Committee assists the BOD in determining the IT Strategic Plan and

IT budgeting, the establishment of the Strategic IT projects and IT security. IT Committee was established based on Decree of the BOD of PT Bank Mandiri (Persero) Tbk. No. Kep.Dir/31/2015 dated January 15, 2015 of the Information Technology Committee.

Structure and Membership of IT Committee

The membership of IT Committee based on Decree of the BOD No. Kep.Dir/31/2015 dated January 15, 2015 of IT Committee is as follows.

Membership of IT Committee

Chair	:	President Director/Group CEO
Secretary	:	<ul style="list-style-type: none"> • Group Head IT Strategy & Architecture • Group Head IT Application Development (Alternate)
Voting Member	:	<p>Permanent Voting Member:</p> <ol style="list-style-type: none"> 1. President Director/Group CEO 2. Technology & Operations Director 3. Finance & Strategy Director 4. SEVP Corporate Transformations 5. SEVP Retail Risk 6. SEVP Chief Technology Officer <hr/> <p>Non-Permanent Voting Member: BOD member/SEVP related to material presented as invitees.</p>
Permanent Non-Voting Member	:	<p>Risk Management & Compliance*) Director or Compliance Group Head or appointed Compliance Group officials.</p> <p>*) In the case the Risk Management & Compliance Director is unable to attend exceeding seven (7) working days in a row (temporarily unavailable), then the function of Director can be delegated to the Compliance Group Head or Compliance Group officials appointed</p>
Invitee	:	<p>SEVP Internal Audit**) or Internal Audit Group Head or Internal Audit Directorate officials present as permanent non-voting members.</p> <p>**) In terms of the material covered is a material proposed by SEVP Internal Audit, the SEVP Internal Audit acts as voting member</p>
Contributing Non-Voting Member	:	Group Head/other Group Head level officials related to material in the committee agenda

Duties, Authorities and Responsibilities of IT Committee

Duties, authorities and responsibilities of IT Committee are:

1. Establishing IT Strategic Plan (ITSP) of PT Bank Mandiri (Persero).
2. Establishing strategic reference framework for managing IT Resources.
3. Establishing a strategy and plan of action on the projects and their budget.
4. Establishing IT security strategies and risk management of IT usage.
5. Ensuring and monitoring the implementation of IT projects in accordance with the ISP, IT budgets and IT project delivery.
6. Setting priorities and IT budget allocations have been decided by the Board of Directors.
7. Breaking or provide direction related to the planning, development and addition of strategic IT systems.

8. Discuss and resolve issues that are strategic in scope and direction of IT investment in IT including subsidiaries.
9. Delegating authority to designated officials to decide upon and implement the things that are IT operations.

In its capacity as a committee, IT Committee has no authority to act on behalf of and on behalf of the Company or signed binding agreements with third parties, which must be done in accordance with the provisions of the Articles of Association.

Activities Conducted by IT Committee

By 2015 the IT Committee has conducted activities as follows:

1. Approval of the alignment of technology for collaborative group-wide associated DC/DRC, Master Data Management, and operating models.
2. Approval of the change initiatives related to the cancellation of several IT 2015 IT initiatives in 2015 and the formation of strategic initiatives in 2015 new IT and the consequences of changes in the composition of the IT budget related changes.
3. Approval of the schedule for the implementation of infrastructure relocation Bank Mandiri and Subsidiaries.
4. Approval in principle on the proposed IT program for IT Architecture Roadmap.
5. Approval of the results of the review and adjustment of the budget plan proposed IT initiatives in 2015.
6. Acceptance of exposure to update the project's strategic initiatives IT Master Data Management

Meeting Frequency and Attendance Level of IT Committee

Selama tahun 2015, IT Committee telah melakukan rapat sebanyak 3 (tiga) kali dengan frekuensi rapat dan tingkat kehadiran anggota IT Committee sebagai berikut:

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Permanent Voting Member					
1.	Budi G. Sadikin	3	3	0	100%
2.	Ogi Prastomyono	3	3	0	100%
3.	Kartika Wirjoatmodjo	3	2	1	67%
4.	Riyani T. Bondan	3	2	1	67%
5.	Ventje Rahardjo	3	3	0	100%
6.	Joseph Georgino Godong	3	3	0	100%
Non-Permanent Voting Members					
1.	Sulaiman A. Arianto	1	1	0	100%
2.	Rico Usthavia Frans	2	2	0	100%
Permanent Non-Voting Member					
1.	Ahmad Siddik Badruddin	3	3	0	100%
Invitee					
1.	Mustaslimah	3	3	0	100%

Capital & Subsidiaries Committee (CSC)

Capital & Subsidiaries Committee is a committee established by Decree of the BOD No. KEP. DIR/32/2015 dated January 15, 2015 to assist the BOD in setting the strategic management of a subsidiary, investment and divestment recommendations as well as board remuneration and determination of subsidiaries.

Structure and Membership of CSC

Composition of Capital & Subsidiaries Committee (CSC) based on the Decree of the Board No. KEP.DIR/32/2015 dated January 15, 2015 is as follows:

CSC Committee

Chair	: President Director
Secretary	: Group Head Strategy & Performance Management
Substitute Secretary(Alternate)	: Head of Merger & Acquisition – Corporate Transformation (Alternate)
Voting Member	Permanent Voting Member:
	<ol style="list-style-type: none"> 1. President Director 2. Vice President Director 3. Finance & Strategy Director 4. SEVP Corporate Transformations 5. SEVP Wholesale Risk 6. SEVP Retail Risk
Permanent Non-Voting Member	Non-Permanent Voting Member:
	BOD member/SEVP related to material presented as invitees
Invitee	Risk Management & Compliance*) Director or Compliance Group Head or appointed Compliance Group officials.
	*) In the case the Risk Management & Compliance Director is unable to attend exceeding seven (7) working days in a row (temporarily unavailable), then the function of Director can be delegated to the Compliance Group Head or Compliance Group officials appointed.
Contributing Non-Voting Member	SEVP Internal Audit**) or Internal Audit Group Head or Internal Audit Directorate officials present as permanent non-voting members.
	**) In terms of the material covered is a material proposed by SEVP Internal Audit, the SEVP Internal Audit acts as voting member
Contributing Non-Voting Member	: Group Head/other Group Head level officials related to material in the committee agenda

Duties, Authorities and Responsibilities of CSC

Duties, authorities and responsibilities of CSC include:

1. Establishing strategy and restrictions management subsidiaries.
2. Discussing and recommending strategic initiatives equity business.
3. Evaluating and deciding on additional capital for subsidiaries to the extent not change the status of the majority owner.
4. Recommending equity and divestiture plans, and evaluate the financial performance of subsidiaries.
5. Recommending management strategies, remuneration and members of the BOD/BOC of the subsidiaries and the Work Plan and Budget (CBP) and the RUPS of subsidiaries.
6. Monitoring and evaluating strategies and financial management of Financial Institutions Pension Fund (Pension Fund) and the Pension Fund Investment strategy.

In its capacity as a committee, CSC does not have the authority to act on behalf of and on behalf of the Company or signed binding agreements with third

parties, actions represent the Company must be done in line with the provisions of the Articles of Association of the Company.

Activities Conducted by CSC

In 2015 CSC conducted policy implementation through activities and meeting with the following agenda:

1. Activities conducted:

- a. Doing prioritization on proposals to be submitted as CSC agenda, inventory of materials/topics to be scheduled.
- b. Creating and delivering CSC call invitation.
- c. prepare facilities and infrastructure required in the committee meeting.
- d. Ensuring that the attendance has reached quorum with the provisions of the quorum meeting.
- e. Administering, recording and writing Minutes of CSC Meeting.
- f. Delivering the minutes of meetings to all members of the committee.
- g. Writing notes and monitoring the follow-up of the minutes of the CSC and to submit a follow-up report of the committee members with voting rights.
- h. Ensure each unit leader that received a copy or citations from minutes of meetings providing security and storage properly.

2. CSC meetings and their agenda:

Minutes No.	Date	Agenda
CPC/01/2015	February 10, 2015	<ul style="list-style-type: none"> • Update on the implementation of the proposed acquisition of Admedika or Project Ganesha. • Appointment of PMV management of PT Mandiri Capital Indonesia.
CPC/02/2015	March 3, 2015	<ul style="list-style-type: none"> • Suggestion on the management of Venture Capital. • Suggestion on the management of Venture Capital bank.
CPC/03/2015	March 10, 2015	<ul style="list-style-type: none"> • Proposed Fiscal Year 2014 AGM agenda Subsidiary BSM, MTF, MMI and BSHB addition to agenda management, and remuneration. • Proposed and determination of the management and remuneration of the Board of Subsidiary MTF, BSM, MMI and BSHB.
CPC/04/2015	March 24, 2015	<ul style="list-style-type: none"> • Proposed Fiscal Year 2014 AGM agenda Subsidiary Mansek, AMFS, MAGI and Inhealth apart agenda management and remuneration • Proposed and determination of management to (MML, Mansek, AMFS and InHealth) and remuneration of the Board Subsidiary for BSM, Mansek, AMFS, MAGI and InHealth. • Capital Increase PT Mandiri AXA General Insurance

Minutes No.	Date	Agenda
CPC/05/2015	April 7, 2015	<ul style="list-style-type: none"> Proposal and the determination of the management board of the company Son Mansek, MMI, MAGI and BSHB Proposal of the Board of Trustees and the Independent Healthcare Advisory and Investment Manager Approval Authority
CPC/06/2015	May 13, 2015	Proposed Management on Subsidiary Bank Settled in BSHB, AMFS, MAGI and MIR
CPC/07/2015	August 18, 2015	Proposed establishment of Management of Subsidiary (AMFS, MAGI, InHealth, and MMI)
CPC/08/2015	August 25, 2015	Plan for Capital Bank Syariah Mandiri
CPC/09/2015	September 29, 2015	<ul style="list-style-type: none"> Proposed establishment of an Independent Commissioner MAGI Proposed Buyback Shares Steady Minority Bank Proposed establishment of Mandiri Sekuritas Singapore
CPC/10/2015	September 29, 2015	<ul style="list-style-type: none"> Proposed establishment of Mandiri Sekuritas Singapore Determination of Management of Subsidiary (AMFS, MMI and MIR)
CPC/11/2015	20 November 2015	Permohonan persetujuan pengambilan keputusan CSC sirkuler tentang Usulan Penyesuaian Gaji dan Tunjangan Direktur Operational Mandiri International Remittance
CPC/12/2015	October 5, 2015	CBP approval 2016 for InHealth, AMFS, MAGI
CPC/13/2015	10 Desember 2015	Persetujuan pengambilan keputusan CSC sirkuler tentang Usulan Penyesuaian Gaji dan Tunjangan Direktur Operational Mandiri International Remittance.

Meeting Frequency and Attendance Level of CSC

During 2015, CSC had met 11 (eleven) times, with the frequency of meetings and attendance rate of CSC members as follow:

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Permanent Voting Member					
1.	Budi G. Sadikin	11	10	1	91%
2.	Riswinandi*	3	3	0	100%
3.	Pahala N. Mansury*	3	3	0	100%
4.	Ventje Rahardjo	11	10	1	91%
5.	Ahmad Sidik Badruddin*	3	3	0	100%
6.	Tardi*	3	1	2	33%
7.	Sulaiman A. Ariyanto	5	4	1	80%
8.	Kartika Wirjoatmodjo	5	5	0	100%
9.	Riyani T. Bondan	8	6	2	75%
10.	Kepas A.A Manurung	8	8	0	100%

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Non Permanent Voting Members					
1.	Pahala N. Mansury	6	3	3	50%
2.	Hery Gunardi	7	7	0	100%
3.	Sulaiman A. Ariyanto	1	1	0	100%
4.	Kartika Wirjoatmodjo	1	1	0	100%
5.	Sentot A. Sentausa	2	1	1	50%
6.	Tardi	7	6	1	86%
7.	Sanjay N. Bharwani	7	6	1	86%
8.	Fransisca N. Mok*	1	1	0	100%
9.	Royke Tumilaar	4	4	0	100%
10.	Rico Usthavia Frans	3	3	0	100%
11.	Abdul Rachman*	1	1	0	100%
12.	Sunarso*	1	1	0	100%
Permanent Non-Voting Member					
1.	Ahmad Siddik Badruddin	8	5	3	63%
Invitee					
1.	Riyani T. Bondan	3	3	0	100%
2.	Mustaslimah	7	5	2	71%

Note

*) The composition of the permanent voting member change due to Reorganization of the Bank Mandiri based on the RUPS on March 16, 2015. Mr. Sulaiman A. Ariyanto has effectively served as of June 25, 2015 based on letter No. FST/528/2015. Mr. Kartika Wirjoatmodjo effectively served as of August 12, 2015 by letter No. FST/678/2015.

Credit Committee

Bank Mandiri has made improvements to the credit granting process is fundamental in order to ensure prudent lending and according to the principles of risk management best practices and to reinforce the application of the principles of corporate governance. Every credit in the wholesale segment must be made via the discussion forum Credit Committee Meeting as

a means of implementation of the four - eye principle and the process of checks and balances between the Business Unit as an initiator unit with Credit Risk Management as Risk Mitigation Unit. In these committees, Legal Group and Compliance Group also must always be present to give an opinion on the

legal and compliance aspects in order to strengthen the independence, avoid the domination of one unit, to avoid conflict of interest and ensure decisions are objective and free of pressure. To that end, the Bank has established a Credit Committee based on the

decision of the Directors No. KEP.DIR/168/2013 dated June 21, 2013. In the event that one member of the credit committee functioning credit recovery called Restructuring Credit Committee.

Structure and Membership of Credit Committee

Category A Credit Committee is the highest committee of the authority to decide on the structure of credit and loan restructuring with the members as follows:

No.	Hierarchical Structure of Category A Credit Committee	Category A Credit Committee Members
1.	Holders of authorities from Risk Management function	1. Budi G. Sadikin 2. Sulaiman A. Arianto, ¹⁾ 3. Ahmad Siddik Badruddin, ²⁾ 4. ogi Prastomiyono, ³⁾ 5. Kartika Wirjoatmojo, ⁴⁾ 6. Ventje Raharjo, 7. Riyadi T. Bondan, ⁵⁾ 8. Kepas Antoni A. Manurung, ⁶⁾ 9. Sulaeman, 10. Tatang Tabroni, 11. Karya P. Budi, ⁷⁾ 12. M. Sigit Pambudi, ⁷⁾
2.	Holders of authorities from Business function	1. Sentot A. Sentausa, ⁸⁾ 2. Pahala N. Mansury, ⁹⁾ 3. Royke Tumilaar, 4. Heri Gunardi, 5. Kartika Sally 6. Rico Ustavhia Frans, 7. Tardi ¹⁰⁾ 8. Sucipto Prayitno, 9. Indarto Pamungkas

1. Functions Business group since June 25th, 2015, turned into the group of Risk Function since November 2015
2. No longer a committee member since June 25, 2015
3. Become Risk function group since June 25, 2015
4. Become Risk function group since August 12, 2015
5. Become Risk function group since April 8, 2015
6. Become Risk function group since March 17, 2015
7. Effective from November 10, 2015
8. Initially Group Risk functions turned into groups of Business functions since June 25, 2015
9. Initially Group Risk functions turned into groups of Business functions since March 31, 2015
10. Initially Group Risk functions turned into groups of Business functions since March 31, 2015

Quorum for Credit Committee Category A:

- | | |
|--|--|
| 1. Quorum for Credit Committee Category A.1: 3 members of Risk Management + 3 members of Business | 3. Quorum for Credit Committee Category A.3 : 2 members of Risk Management + 2 members of Business |
| 2. Quorum for Credit Committee Category A.2 : 3 members of Risk Management + 2 members of Business | 4. Quorum for Credit Committee Category A.4 : 2 members of Risk Management + 1 members of Business |

Credit Committee Membership

Chair : The Committee does not have a chief

Secretary : Group Head Corporate Risk & Commercial Risk

Permanent Voting Member:

- | | |
|---------------|--|
| Voting Member | <ul style="list-style-type: none"> 1. Budi G. Sadikin 2. Sulaiman A. Arianto 3. Ahmad Siddik Badruddin *) 4. Ogi Prastomiyono 5. Kartika Wirjoatmodjo 6. Ventje Raharjo 7. Riyani T. Bondan 8. Kepas Antoni A. Manurung 9. Sulaeman 10. Tatang Tabroni 11. Karya P. Budi 12. M. Sigit Pambudi 13. Sentot A. Sentausa 14. Pahala N. Mansury 15. Royke Tumilaar 16. Hery Gunardi 17. Tardi 18. Kartini Sally 19. Rico Usthavia Frans 20. Sucipto Prayitno 21. Indarto Pamoengkas *) |
|---------------|--|

*) No longer a member of the committee since June 25, 2015

Non-Voting Member : Compliance & Human Capital Director or Compliance Group Head or Department Head or appointed Compliance Group officials.

Duties, Authorities and Responsibilities of Credit Committee

Duties, authorities and responsibilities of the Credit Committee in accordance with SPK per segment as follows:

A. Authorities of the Credit Committee

Credit Committee has the authority to recommend or decide on the granting of credit (new, additional, reduced, extension, and or restructuring) which is managed according to the authority limit Business Unit, including the establishment/change the credit structure. Credit structure including but not limited to credit limit, purpose/object financing, loan types, the nature of credit, the credit period, the grace period, the portion of the financing, credit conditions/agreement and collateral.

B. Credit Committee - Restructuring has the authority to recommend or decide on:

1. Restructuring and settlement of loans collectibility 3, 4, 5 and collectability 1 and 2 after the restructuring is still manageable Credit Recovery Unit.
2. Restructuring credit collectibility 1 and 2 category watch list established by the Credit Risk Management Unit.

3. Rescuing/resolving extracomptable credit including deciding foreclosed assets.
4. Removing the book and removing credit bill.

C. Credit Committee/Credit Committee - responsible for the Restructuring of loans recommended or disconnected according to the authority limit, including the determination/change of the credit structure, as mentioned above by doing the following:

1. Ensuring any loans granted in compliance with the general norms of banking and in accordance with the principles of a healthy credit.
2. Ensuring the implementation of the provision of credit in accordance with basic provisions/guidelines applicable lending in the Bank.
3. Ensuring the provision of credit has been based on an assessment of honest, objective, accurate, and thorough as well as from the influence of parties with an interest in credit applicants.
4. Ensuring credit to be given can be repaid on time, and will not develop into a credit crunch.

Activities Conducted by Credit Committee

In 2015, the Credit Committee made several decisions related to the Company's credit portfolio.

Meeting Frequency and Attendance Level of Credit Committee

During early 2015 until December 31, 2015, the Credit Committee held meetings as many as 556 times with the frequency and attendance level as follows:

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Fungsi Risk Management					
1	Budi G. Sadikin	16	16	0	100%
2	Sentot A. Sentausa	31	31	0	100%
3	Ogi Prastomiyono	129	129	0	100%
4	Tardi	199	199	0	100%
5	Ahmad Siddik Badruddin	85	85	0	100%
6	Kartika Wirjoatmodjo	14	14	0	100%
7	Riyani T. Bondan	36	36	0	100%
8	Ventje Rahardjo	33	33	0	100%
9	Kepas A. A. Manurung	293	293	0	100%
10	Sulaeman	107	107	0	100%
11	Tatang Tabroni	263	263	0	100%
12	Karya P. Budi	5	5	0	100%
13	M. Sigit Pambudi	7	7	0	100%
Fungsi Business Unit					
1	Sulaiman A. Arianto	176	176	0	100%
2	Pahala N. Mansury	96	96	0	100%
3	Royke Tumilaar	337	337	0	100%
4	Hery Gunardi	66	66	0	100%
5	Kartini Sally	228	228	0	100%
6	Rico Usthavia Frans	153	153	0	100%
7	Sucipto Prayitno	12	12	0	100%
8	Indarto Pamoengkas	4	4	0	100%

Integrated Risk Committee (IRC)

Integrated Risk Committee is a committee established based on Decree No. KEP.DIR/37/2015 dated January 15, 2015 to assist the Directors in the preparation of, among others, Integrated Risk Management policy and revision or improvement of Integrated Risk Management policy based on evaluation of the implementation.

Structure and Membership of IRC

The composition of the IRC is as follows:

IRC Membership	
Chair	: Risk Management & Compliance Director
Secretary	: Group Head Credit Portfolio Risk Group Head Operational Risk (Alternate)
Permanent Member	: Permanent Member (Bank Mandiri): 1. Risk Management & Compliance Director 2. Finance & Strategy Director 3. Technology & Operations Director 4. SEVP Corporate Transformation 5. SEVP Wholesale Risk 6. SEVP Retail Risk Permanent Member (Subsidiaries) 1. Risk Management Director of Bank Syariah Mandiri 2. Risk Management Director of Mandiri Sekuritas 3. Risk Management Director of Mandiri Tunas Finance 4. Risk Management Director of AXA Mandiri Financial Services
Non-Permanent Member	: 1. Bank Mandiri Directors/SEVPs other than the permanent members 2. Directors of subsidiaries other than the permanent members 3. Group Head/other Group Head level officials of Bank Mandiri 4. Group Head/other Group Head level officials of subsidiaries
Invitee	: SEVP Internal Audit**) atau Group Head Internal Audit atau Pejabat Direktorat Internal Audit yang hadir sebagai undangan tetap tanpa hak suara. **) Dalam hal materi yang dibahas pada Komite merupakan materi yang diusulkan oleh SEVP Internal Audit, maka SEVP Internal Audit bertindak sebagai Voting member.
Anggota Pemberi Kontribusi Tanpa Hak Suara (Contributing Non-Voting Member)	: Group Head/setingkat Group Head lainnya yang hadir sebagai undangan terkait dengan materi yang menjadi agenda komite

Duties, Authorities and Responsibilities of IRC

Duties, authorities, and responsibilities of the Integrated Risk Management Committee are:

IRC provides recommendations to the BOD which include among others:

1. Adequacy of identification, measurement, monitoring, controlling risks in an integrated manner, and Integrated Risk Management information systems;
2. Adequacy of the internal control system and comprehensive response to the implementation of the Integrated Risk Management;
3. Implementation of Risk Management in their respective Subsidiaries;
4. Other necessary recommendations in order to construct or evaluate the Integrated Risk Management policy.

Activities Conducted by IRC

In 2015 the IRC held the following meetings (from the IRC's meeting agenda):

No.	Date	Agenda
1.	June 16, 2015	Preparing Guidelines for ICG and SMPG
2.	July 15, 2015	ICG Implementation
3.	August 5, 2015	<ul style="list-style-type: none"> • ICG Report • SMPG changes on Investment and Corporate Culture • Integrated Risk Profile for Q2 2015
4.	October 19, 2015	<ul style="list-style-type: none"> • a. Integrated Risk Profile for Q3 2015 • b. SMPG changes on IT Collaboration

Meeting Frequency and Attendance Level of IRC

During 2015, IRC had met four times with the frequency of meetings and attendance level as follows:

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Permanent Member (Bank Mandiri)					
1.	Ahmad Siddik Badruddin	4	4	0	100%
2.	Ogi Prastomiyono	4	2	2	50%
3.	Kartika Wirjoatmodjo	4	1	3	25%
4.	Riyani T. Bondan	4	4	0	100%
5.	Ventje Rahardjo	4	1	3	25%
6.	Kepas A. Manurung	4	2	2	50%

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Permanent Member (Subsidiaries)					
1.	Risk Management Director of Bank Syariah Mandiri	4	4	0	100%
2.	Risk Management Director of Mandiri Sekuritas	4	4	0	100%
3.	Risk Management Director of Mandiri Tunas Finance	4	4	0	100%
4.	Risk Management Director of AXA Mandiri Financial Services	4	4	0	100%
Non-Permanent Member					
1.	Risk Management Director of Mandiri AXA General Insurance	4	4	0	100%
2.	Risk Management Director of Mandiri InHealth	4	4	0	100%
3.	Risk Management Director of Bank Mandiri Taspen Pos (due to location, only attended the 1st meeting)	1	1	0	100%
4.	Risk Management Director of Mandiri Manajemen Investasi	4	4	0	100%
5.	Risk Management Director of Mandiri Utama Finance (only attendd the last meeting as it only just commenced operations)	1	0	1	0%
Invitee Bank Mandiri					
1.	Mustaslimah	4	3	1	75%
Invitee from Subsidiaries (related to materials presented for one meeting)					
1.	IT Director of Bank Syariah Mandiri	1	1	0	100%
2.	IT Director of Mandiri Sekuritas	1	1	0	100%
3..	T Director of AXA Mandiri Financial Services	1	1	0	100%
4.	IT Director of Mandiri InHealth	1	1	0	100%
5..	Direktur IT Mandiri Utama Finance	1	1	0	100%

Policy & Procedure Committee(PPC)

Policy & Procedure Committee is a committee established by the Board of Directors Decision No. KEP.DIR/36/2015 dated January 15, 2015 and was then adjusted according to Decree of the BOD No. KEP.DIR/226/2015 dated August 18, 2015 with the task to assist the Board of Directors to discuss

and recommend adjustments/improvement of the Company's policies and establish procedures including human capital policies and procedures and to discuss and decide on the granting of authority to an officer of the Company (ex-officio) included in the management of human capital.

Structure and Membership of PPC

The membership of PCC is as follows:

PPC Membership

Chair	:	Risk Management & Compliance Director
Secretary	:	Group Head Policy & Procedure Group Head Operational Risk (Alternate)
Voting Member	:	Permanent Voting Member: 1. Risk Management & Compliance Director 2. Technology & Operations Director 3. Distributions Director 4. SEVP Corporate Transformations
		Non-Permanent Voting Member: BOD member/SEVP related to material presented as invitees.
Permanent Member	Non-Voting :	Compliance Group Head or Compliance Group officials appointed or invited must attend the meeting.
Invitee	:	SEVP Internal Audit**) or Internal Audit Directorate Group Head or Internal Audit Directorate officials invited as permanent non-voting members. **) In the event the material discussed is proposed by SEVP Internal Audit, SEVP Internal Audit acts as a Voting Member
Contributing Non-Voting Member	:	Group Head/other Group Head level officials invited in relation to the committee agenda.

Duties, Authorities and Responsibilities of PPC

Duties, authorities, and responsibilities of PPC include:

1. Discussing and making recommendations to the BOD on adjustments/improvements of corporate policies including human capital policies.
2. Establishing adjustments/improvements of the Company procedures including procedures for human capital.
3. Discussing and deciding on the granting of authority to the Company ex-officio officers included in the management of human capital.

Activities Conducted by PPC

In 2015 Policy & Procedure Committee conducted a meeting related to adjustments/improvements Liability Policy, Standards Guidelines/Procedures including the delegation of authority to discuss and decide upon the appropriate company official meeting agenda Policy & Procedure Committee:

1. Rekapitulasi keputusan Policy & Procedure Committee tahun 2015

No.	Description	# of Decisions
1.	Adjustments to Company Policies	7
2.	Adjustments to Standard Guidance/Procedure	29
3.	Operational Technical Guideline Reports	2
4.	Delegation of authority to the Company officials	2

2. Agenda of Policy & Procedure Committee conducted in 2015

No.	Date	Agenda	Presenting Group
1.	February 17, 2015	Revision to Corporate SPK	Policy & Procedure
		Revision to Credit Collection & Recovery SPO	Retail Credit Recovery
		Revision to Treasury SP	Market Risk
		Revision to Investment in & Management of Subsidiaries SP	Wholesale Credit Recovery
2.	March 13, 2015	Revision to Financial Institution SPK	Policy & Procedure
		Revision to Business Banking SPK	Policy & Procedure
		Revision to Treasury SP	Market Risk

No.	Date	Agenda	Presenting Group
3.	March 27, 2015	Delegation of Authority to Regional Offices (Distribution Network Transformation)	Policy & Procedure
		Revision to Bank Mandiri Credit Policy	Policy & Procedure
		Revision to Corporate SPK	Policy & Procedure
		Revision to Commercial SPK	Policy & Procedure
4.	April 15, 2015	Revision to Accredited Credit Partner SPO	Policy & Procedure
		Revision to Micro SPK	Policy & Procedure
5.	April 30, 2015	Revision to Fixed Assets & Other Properties SPO	Corporate Real Estate
6.	May 20, 2015	Revision to Segmentation & Customer Management SPO	Strategy & Performance Management
		Revision to Consumer SPK	Policy & Procedure
		Revision to Data Quality Management SPO	Enterprise Data Management
7.	June 12, 2015	Revision to Office Network SPO	Distribution Strategy
		Revision to Branch SPO	Distribution Strategy
		Revision to Business Continuity Management SPO	IT Strategy & Architecture
8.	June 19, 2015	Revision to Asset & Liability Management SP	Market Risk
		Revision to Fund Products SPO	Consumer Deposits
		Revision to Other Services SPO	Consumer Deposits
9.	June 26, 2015	Delegation of Non-Credit Authority to Regional Offices	Policy & Procedure
		Revision to Bank Mandiri Compliance Policy	Compliance
		Revision to Compliance SP	Compliance
		Gift Disclosure PTO Report	Compliance
10.	July 10, 2015	Revision to Performance Management SPO	Strategy & Performance Mgt
		Revision to Anti-Money Laundering and Combating Financing of Terrorism (APU & PPT) SPO	Compliance
11.	August 14, 2015	Revision to Electronic Money Management SPO	Transaction Banking Retail
		Revision to Company Budget Plan (RKAP) and Bank Business Plan (RBB) SPO	Strategy & Performance Mgt
		Revision to Bank Mandiri Risk Management Policy	Credit Portfolio Risk

No.	Date	Agenda	Presenting Group
12.	September 22, 2015	Revision to Treasury SP	Market Risk
13.	September 30, 2015	Revision to Procurement SP Revision to Bank Mandiri Accounting Policy Revision to Accounting SP Revision to Bank Mandiri Corporate Secretary Policy	Strategic Procurement Accounting Accounting Corporate Secretary
14.	October 13, 2015	Revision to Investment & Management of Bank Mandiri Subsidiaries Revision to Risk Model SPO	Strategy & Performance Mgt dan Corp. Transformation Credit Portfolio Risk
15.	December 11, 2015	Revision to Trade Service & Finance SPO Revision to Treasury SP	Cash & Trade Operations Market Risk
16.	December 17, 2015	Revision to (Corporate, Commercial, Business Banking, FI) SPK & Credit Standard Procedure of Bank Mandiri Shanghai Branch PTO Report from Branches in relation to Changes of Area Organizational Structure Revision to Internal Audit Policy & IA Charter Revision to Internal Audit SP	Policy & Procedure Distribution Strategy dan Policy & Procedure Retail Audit Retail Audit

Meeting Frequency and Attendance Level of PPC

During 2015, PPC had met 16 (sixteen) times the frequency of meetings and the attendance rate of members of Policy & Procedure Committee as follows:

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Permanent Voting Member					
1.	Ahmad Siddik Badruddin	16	15	1	94%
2.	Ogi Prastomiyono	16	15	1	94%
3.	Sentot A. Sentausa	16	15	1	94%
4.	Ventje Rahardjo	16	14	2	88%

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Non-Permanent Voting Member					
1.	Pahala N. Mansury	8	5	3	63%
2.	Royke Tumilaar	6	5	1	83%
3.	Hery Gunardi	6	5	1	83%
4.	Tardi	6	4	2	67%
5.	Kartini Sally	4	3	1	75%
6.	Kartika Wirjoatmodjo	8	6	2	75%
7.	Riyani T. Bondan	7	7	0	100%
8.	Rico Usthavia Frans	2	1	1	50%
9.	Sanjay N. Bharwani	2	2	0	100%
10.	Joseph Georgino Godong	2	2	0	100%
11.	Kepas Antoni A. Manurung	9	8	1	89%
Invitee					
1.	Mustaslimah	13	13	0	100%

Assessment of Committees under the BOD

Activities and performance of the Committees under the BOD are regularly evaluated and assessed by the BOD for the sake of increasing the effectiveness of implementation and performance of committees in the coming year. Based on the assessment, the performance of Committees under the BOD is rated Good.

corporate secretary

The Corporate Secretary of Bank Mandiri assumes an important role as a liaison officer between the Bank and external parties, particularly in connection with capital markets, the public and internal policies pertaining to good corporate governance (GCG) implementation.

Frame of Reference

The Bank's Corporate Secretary was established in view of, among others, the following regulations:

- Regulation of the Financial Services Authority (POJK) No. 35/POJK.04/2014 concerning Corporate Secretary of Issuers or Public Companies.
- Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2011 as amended by PER-09/MBU/2012, Chapter Nine concerning Corporate Secretary.

Corporate Secretary Profile

The Corporate Secretary is appointed and dismissed based on a decree of the Board of Directors (BOD). The appointment of Corporate Secretary has met the requirements set out under, among others, the relevant regulations issued by the OJK and Minister of State Owned Enterprises.

In 2014, by virtue of Decree of the Senior Executive Vice President (SEVP) No. KEP.SEVP/272/2014 concerning the Appointment and Designation of a Bank Mandiri Official, Mr. Rohan Hafas was named the Corporate Secretary. The appointment was announced on October 2, 2014 in national newspapers, i.e. Media Indonesia and Bisnis Indonesia.

www.bankmandiri.co.id



PEMBERITAHUAN No. FST.CSC/019/P/X/2014

Berdasarkan Peraturan Bapepam-LK No. X.K.1 tentang Keterbukaan Informasi Yang Harus Segera Diumumkan Kepada Publik serta Peraturan BEI No. I-E tanggal 19 Juli 2004 tentang Kewajiban Penyampaian Informasi, dengan ini kami sampaikan bahwa Direksi Perseroan telah mengangkat Sdr. Rohan Hafas sebagai Sekretaris Perusahaan Perseroan yang baru menggantikan pejabat sebelumnya terhitung sejak pelaksanaan serah terima jabatan pada hari Rabu, tanggal 1 Oktober 2014.

Jakarta, 2 Oktober 2014
PT Bank Mandiri (Persero) Tbk.
Direksi

mandiri call 14000

Terdepan, Terpercaya, Tumbuh bersama Anda.

Notification Ads of the Corporate Secretary Substitution



Rohan Hafas

An Indonesian citizen, 54 years old, Rohan Hafas earned his Bachelor's degree from the Faculty of Economics, the University of Indonesia in 1987.

He began his career at Bank Susila Bakti in 1987 as Assistant Manager. During the course of his career, he served as Communication Division Team Leader, Communication Division Group Head and Communication Division Head at the Indonesian Bank Restructuring Agency (BPPN) and as Corporate Secretary Division Head at PT Bank Mutiara Tbk. On October 1, 2014, Rohan Hafas was appointed as Corporate Secretary Group Head of PT Bank Mandiri (Persero) Tbk

Corporate Secretary Work Guidelines

In performing its duties, the functions, duties and responsibilities of Corporate Secretary are carried out by the Corporate Secretary Group as internally regulated under Bank Mandiri Corporate Secretary Policy adopted and approved by the Board of

Commissioners (BOC) and BOD on July 1, 2011 along with its amendments, by taking into consideration applicable regulations put in place by the competent authorities.

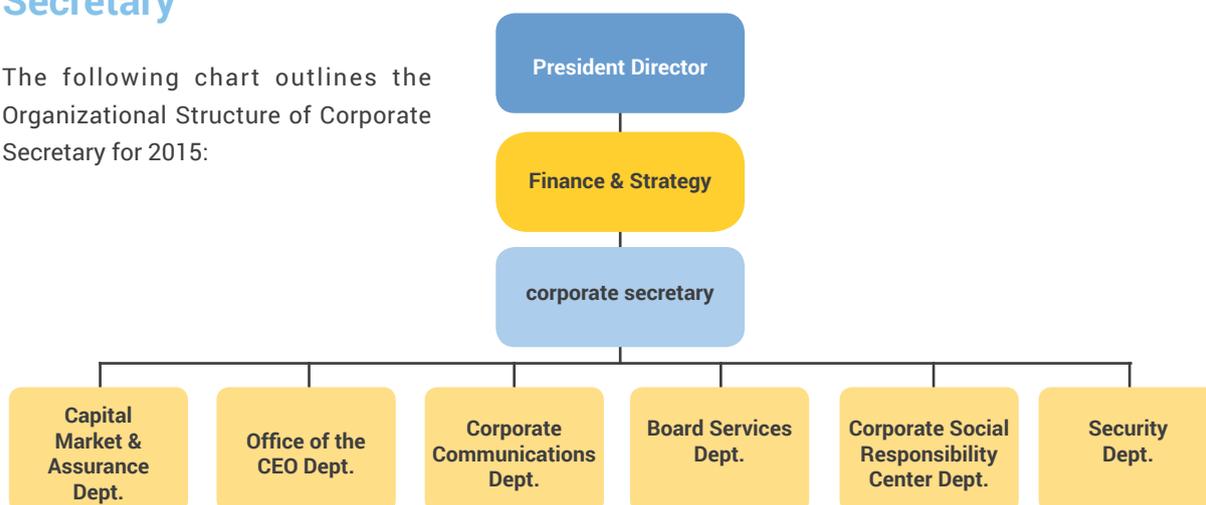
Duties and Responsibilities of Corporate Secretary

The Corporate Secretary has the duties and responsibilities as follows:

1. To lead, administer, develop and carry out corporate communication strategies and programs.
2. To meet the obligations of the Company as a public company based on GCG principles.
3. To support the BOC, BOD, SEVP and other executive officers.
4. To maintain the reputable image of the Bank.
5. To exercise the Bank's security system control.
6. To carry out Corporate Social Responsibility (CSR) activities through Partnership and Environmental Development Program (PKBL) in accordance with the appropriate targets so as to give positive contribution to improving the image of Bank Mandiri.

Organizational Structure of Corporate Secretary

The following chart outlines the Organizational Structure of Corporate Secretary for 2015:



In reference to the organizational structure, the Corporate Secretary reports directly to the President Director. The Corporate Secretary has a number of subordinate departments, such as the Capital Market &

Assurance Department, Office of the CEO Department, Corporate Communications Department, Board Services Department, Corporate Social Responsibility Department and Security Department.

Activities of Corporate Secretary in 2015

Throughout 2015, the Corporate Secretary held several activities and submitted a periodic report at least 1 (once) a year as regards the implementation of its functions to the BOD Board of Directors, copied to the BOC.

The activities of the Corporate Secretary which engaged with the stakeholders in 2015 are as follows:

1. Implementation of the General Meeting of Shareholders dated March 16, 2015
2. Implementation of the Extraordinary General Meeting of Shareholders dated December 18, 2015
3. Release reports as the obligation of the Bank as a public company to Regulator
4. Organize the activity of annual Public Expose
5. Organize the activity of Mandiri Jakarta Marathon 2015
6. Carry out secretarial functions during the Board of Directors meetings
7. Conduct company's ceremonial coverage activities as many as 200 coverage.
8. Publish corporate advertising materials during 2015.

9. Extends Partnership Program and monitor levels of repayment
10. Organize and disseminate the Environmental Development Program
11. Supports the working visit of the House of Representatives and Hearings
12. Carry out service function, order and securing the offices and assets of Bank Mandiri

Classification and Development of Corporate Secretary Competencies

In line with its classification set forth under the Corporate Secretary Guidelines, the Corporate Secretary must have sound knowledge in legal, accounting and secretarial affairs. In addition to that, it must be able to maintain confidentiality related to the Bank's internal information. This is intended to maximize the Corporate Secretary's role in providing advice to the BOD, BOC and other executives in the interest of the Company.

During 2015, the Corporate Secretary participated in various training/workshop/seminar events in order to enhance the skills or update knowledge in connection with corporate secretary know-how, particularly

concerning GCG. The activities are documented (Training Subject: Legal, Accounting and Secretarial Affairs) as follows:

1. Seminar on Gratuities Control
2. Focus Group Discussions on development of breakthrough financing schemes for creative industry
3. Seminar on Introduction of PKBL and Road Map of the Ministry of State Owned Enterprises for Deputies in State Owned Enterprises
4. National Anti-Fraud Conference (NACF) 2015

Assessment of Corporate Secretary Performance

Assessment of the Corporate Secretary's performance is carried out by the President Director based on the level of achievement of Corporate Secretary work programs. The performance assessment encompasses the following criteria:

1. Financial Aspects
 - a. Cost Effectiveness
2. Customer Aspects
 - a. Application of public disclosure pursuant to the regulations
3. Internal Business Process Aspects
 - a. Management of comprehensive internal communication programs
 - b. Management of Calendar of Event
4. People Development Aspect
 - a. Development of Employee Competencies
 - b. Improvement of the Bank's reputation as the Top of Mind Bank for customers

internal control system

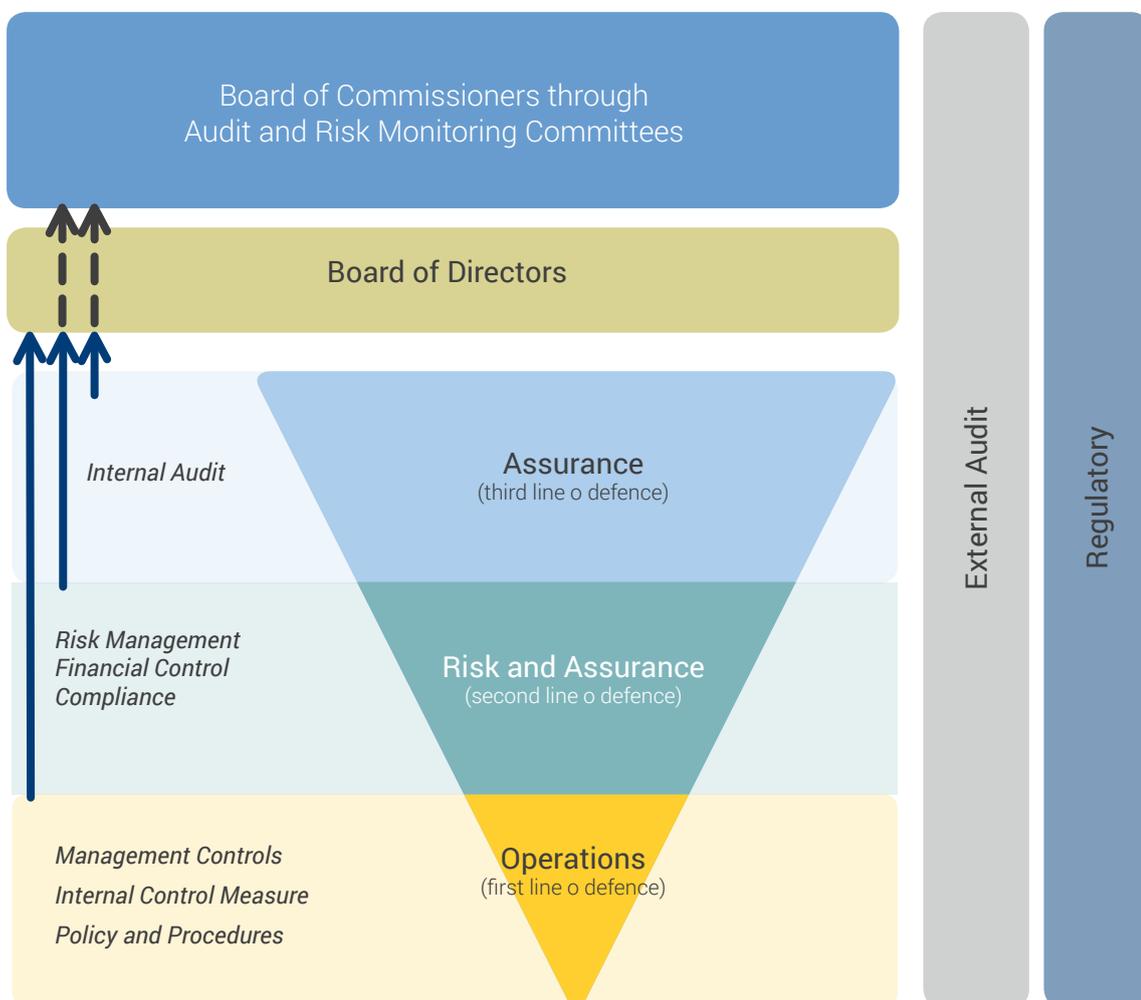
Implementation of Good Corporate Governance sustainable and prudential principles in the organization and management of the Bank strengthened with the Bank's commitment to improve work ethics and integrity as well as creating a culture that emphasizes the importance of the implementation of the Internal Control System (SPI), a reliable and effective.

Implementation of Internal Control System effectively that help the Bank in maintaining assets, ensure the availability of accurate information and reporting, increasing the Bank's compliance to the rules and regulations in force, as well as reduce the risk of loss, fraud and violation of the principle of prudence.

Internal Control System Framework

The internal control system framework is implemented in all the processes and decisions that include the process of planning, execution and evaluation of the implementation of the Code of Conduct, the division of duties, powers, procedures which included a risk assessment, risk mitigation, limits, approval, and the presence of adequate reporting.

The internal control system framework adopted by Bank Mandiri is a **Three Lines of Defense** concept which represents a recent implementation of a control strategy in accordance with **COSO – Internal Control Framework system**. This concept refers to a collaboration of the roles in on-going monitoring and separate monitoring by involving the business unit as a manager of internal control aspects in the work unit and point unit that acts as Quality Assessment, comply unit, inspection, Risk Management as well as Internal Audit in a series of defense of control.



Notes:

- 1) Business/Operational Unit (first line of defense): As the owner of the risks that play a role managing the internal control aspects in their work unit, ensuring a conducive environment to exerting control and consistency in the implementation of risk management policies and procedures.
- 2) Risk and Compliance Unit (second line of defense): Develop and monitor the implementation of the risk management of companies overall, the supervision order business function to implement risk management policies and procedures standard operating according to the corridors which have been established as well as monitor and report the risks companies thoroughly to the organ that has the highest accountability in the Company.
- 3) Internal Audit Unit (third line of defense): As an Independent Assurance role is to conduct the Review and evaluation of the design and implementation of an overall risk management as well as ensure that the defense of the first layer and the second layer goes as expected

With the implementation of the three lines of defense are expected to strengthen the internal control system of the Bank Mandiri as a result of cooperation across the lines of the Bank ranks ranging from first, second and third lines of defense.

In addition, the Bank has set the Internal Control System Policy Bank Mandiri (KSPIBM) as a cornerstone in the implementation of the Internal Control System, which is a control mechanism established by the Board of Directors with the approval of the Board of Commissioners on an ongoing basis (on-going basis) for the following purposes:

1. Maintaining and securing the assets of the Bank,
2. Ensuring the availability of more accurate reports,
3. Improving compliance with applicable regulations,
4. Reducing financial impacts/losses, irregularities including fraud, and violation of the precautionary principle, and
5. Improving organizational effectiveness and cost efficiency.

As the process is being run by all levels of the Bank, the Internal Control System applied in determining the strategy throughout the organization and is designed to be able to identify the potential for an occurrence that may affect the company, and to manage risk in order to remain within the limits of tolerance (risk appetite), for provide reasonable assurance in order to achieve company goals. Internal Control System consists of eight components that are interrelated with each other and determine the effectiveness of the application, namely

1. **Internal Environment**

Internal environment is the basis for assessing the risk management and control as well as how to

react. This forms the basis and the driving factor goes seven other components of the Internal Control System.

2. **Objective Setting**

The Bank set a target (objective setting) as a requirement for the event identification, risk assessment and risk response is effective.

3. **Event Identification**

The management identifies events that could potentially affect the Bank's ability to implement strategies and achieve goals effectively. Such identification is carried out on the events of the estimated negative impact (risk) which requires assessment and response to the Bank. Identification is also made to the events that are expected to positively impact opportunities for management in the preparation of strategies to achieve the goals of the Bank. The management also considers all aspects of the organization in identifying potential events.

4. **Risk Assessment**

Risk assessment is a series of actions starting from the identification, analysis and risk measurement Bank to achieve the goals set. The risk assessment was conducted on all types of risks inherent in any process/activity that could potentially harm the Bank.

5. **Risk Response**

The Management establishes measures to respond to the risks based on an assessment of risks and the relevant control.

6. **Control Activities**

Control activities cover the activities in control and segregation of duties.

7. Information & Communication

- a. The Bank has information system that can generate reports or provide data/information that is sufficient and comprehensive information regarding the business, financial condition, risk management practices, adherence to rules and regulations, market information or external circumstances and conditions necessary in order decision right.
- b. The Bank has information system that can generate reports or provide data/information that is sufficient and comprehensive information regarding the business, financial

condition, risk management practices, adherence to rules and regulations, market information or external circumstances and conditions necessary in order decision right.

8. Monitoring

Monitoring activities include monitoring and corrective weakness and aberration correction action.

Control over the Execution Of Operations and Financial Reporting

The operational execution and financial reporting in general has been done by system. Control over the implementation of operational and financial reporting is conducted through:

1. Preparation of Bank Accounting Policies, Standards Guidelines / Technical Guidelines and other Standards Accounting Guideline / Operational Guidelines
2. Review and supervise the accuracy and completeness of the data / bookkeeping transaction in stages, starting from the business / operating unit as owner of the transactions, accounting and the reviewer unit (second line of defense).
3. Regulatory reporting is the subject audit of the third line of defense (Internal Audit)

In the preparation of financial statements, the Accounting unit perform analytical procedures to the fairness of financial statements which is prepared before it is submitted to the Management, Board of Commissioners and Regulators and to the public. To ensure data accuracy, a program is executed in Data Quality Assurance (DQA) and data cleansing as well as monitoring the reasonableness of account balances of Financial Statements by the second line of defense in the region and other work units as well as audits by the Internal Audit.

Internal Control System Evaluation

Management is responsible for the implementation of the Internal Control System is a reliable and effective and is obliged to promote effective risk culture and shall ensure that it has been embedded at every level of the organization.

Internal Audit is responsible to evaluate and take an active role in improving the effectiveness of the Internal Control System on an ongoing basis with regard to the implementation of the operations of the Bank in achieving the goals that have been established by the Bank. Internal Audit conducted a review and

periodic inspection of all activities in the Unit of Work and subsidiaries.

The evaluation results submitted to management for follow up and monitor their implementation to ensure the Internal Control System was effective. In order to strengthen the Internal Control System, in particular to control fraud, the Bank adopted a strategy of comprehensive anti-fraud and integrated as part of a strategic policy

Challenges in Improving the Quality of Internal Control System

Organizational development and both the volume and complexity of transactions and increased competition, coupled with an increased risk of the Bank, so as to demand the Bank to continue to improve the quality of its internal control system so that the Bank's operation can be carried out effectively and efficiently.

Internal control system that effectively gives confidence to all stakeholders that the Bank's operation is run by good governance and in accordance with the precautionary principle.

The efforts undertaken by the Bank to improve the quality of the Bank's internal control system, among others by integrating assurance function to create synergies for the implementation of assurance to operate more effectively.

In addition, the Bank also continuously improve risk and control awareness to the whole range of the Bank so as to create the control environment and culture of effective control and support the achievement of the Bank.

compliance function report

Implementation of compliance is certainly a necessary part getting considerable attention in the Bank's activities, in which every failure of compliance can be a source of other risks that may happen. Bank Mandiri managing compliance risk according to Bank Indonesia Regulation Number 13/2/PBI/2011 dated 12 January 2011 on the Implementation of Bank General Compliance Function. The regulation implies

that compliance is one Good Corporate Governance aspects, which became one of the important factors in the assessment of the Bank. The compliance function itself should consist of a series of strategies used by the Bank to ensure that policies, regulations, systems and procedures, as well as business activities conducted Bank in accordance with Bank Indonesia and the legislation in force.

Organizational Structure of Compliance Unit

The structure and status of the Compliance Unit is set out in the Bank Mandiri Compliance Policy (KKBM), which contains detailed Compliance Standards (SPKP). The organizational structure of the Compliance Unit is as follows:

1. Director responsible for compliance function;
2. Compliance Unit in Head Office;
3. Compliance Unit in Business Units.

Director Responsible for Compliance Function

Director in charge of compliance function is Ahmad Siddik Badruddin as Risk Management & Compliance Director. Brief profiles can be seen on the profiles of Directors.

The Process of Director Appointment, Dismissal and/or Resignation

The process of appointment, dismissal and/or resignation of Director in charge of compliance function in the bank has been set as follows:

- 1) The appointment, dismissal and/or resignation of the Director of the Compliance Function in charge of the bank has reference to the provisions on the appointment, dismissal and/or resignation of members of the Board of Directors as stipulated in Bank Indonesia regulating commercial banks, and Bank Indonesia Regulation (PBI) No. 13/2/PBI/2011 dated January 12, 2011 on the Implementation of Compliance Function.
- 2) If the Director is in charge of the Compliance function remains incapacitated, resigns, or outgoing, the Bank immediately appoint a successor Director in charge of Compliance Function.

- 3) During the process of replacing the Director in charge of Compliance Function, designated one of the other Directors to temporarily carry out the duties Director in charge of Compliance Function.
- 4) Directors who carry out duties temporarily as Director in charge of the Compliance function, either because absent temporary or permanent, is not held by Director and/or Deputy Director and the Director in charge of functions that may affect independence. In the case of other directors who concurrently post of executive

director in charge of compliance function does not exist, then the post of executive director in charge of compliance functions while concurrently by another Director in charge of operational functions.

- 5) Any replacement post of executive director in charge of Compliance Function is always reported to Bank Indonesia.

Appointment of Director in charge of Compliance Function has been through the Fit and Proper Test in accordance with the provisions of Bank Indonesia.

Compliance Unit at Head Office

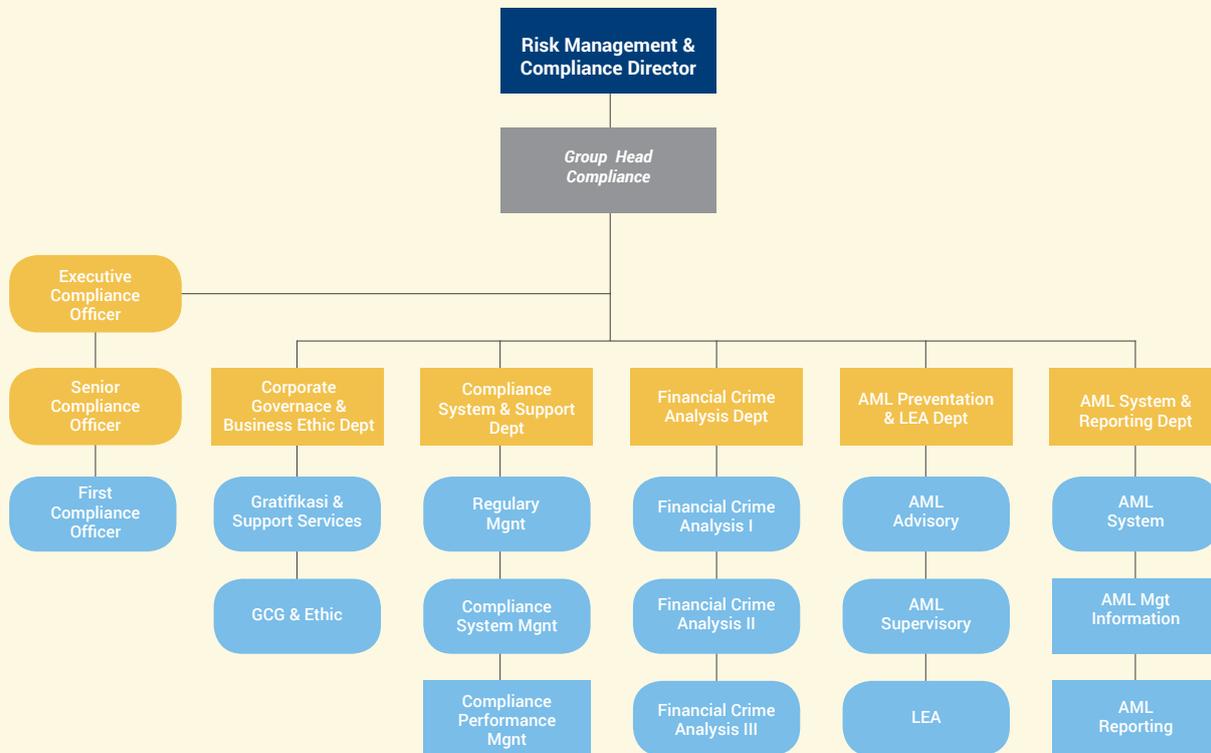
Compliance Group is a Compliance Unit at the Head Office of Bank Mandiri. Compliance Unit at Head Office directly reports to the Director in charge of Compliance functions. Compliance Unit at Head Office does not take over the responsibility of each Head of Work Unit at the Bank for the implementation of compliance in each unit.

At the beginning of 2015, the bank also performs reorganization that affected the Compliance Unit. The changes in the Organizational Structure Compliance Unit at the Central Office intended to further optimize the execution of the duties and responsibilities of the Compliance Function. The change lies in their functional position of Compliance Officer alongside structural position.

Functional Position is an implementation of the concept of personal responsibility, in which Compliance Officer is given inherent authority on individuals in order to provide advice/opinions compliance.

Moreover, in line with the implementation POJK No. 18/POJK.03/2014 on the Application of Integrated Governance For conglomeration of Finance, Bank Mandiri has set Compliance Group as Integrated Compliance Unit (SKKT) which oversees the implementation of the compliance function in Mandiri.

Here is an organizational structure Compliance Unit at Head Office



Compliance Group Head Profile

Every appointment and/or dismissal of the Head of Compliance Unit, Bank Mandiri has referred to the Compliance Policy Bank Mandiri and Bank Indonesia is always reported to the following criteria:

- 1) Meeting the requirements of the independent;
- 2) Mastering Bank Indonesia regulations and legislation in force;
- 3) Not performing other duties outside of the compliance function;
- 4) Having a strong commitment to implement and develop compliance culture.



Chrisna Pranoto

Mr. Chrisna Pranoto was born in Jakarta December 28, 1962. Graduated from the Bogor Agricultural University Department of Agronomy in 1986 and Magister International Business University of Gajah Mada in 1998 and followed various training at home and abroad related to risk management, trading, leadership, finance and training related to other banking business.

Mr. Chrisna Pranoto has experience as a Branch Manager Employees Medan City Hall (1989-1992), Branch Semarang (1992-1995), P. International (1995-1996), PJ KA. Section JPD Headquarters & LN; Eczema & FX; EKSIM Forex Foreign Exchange Services (1996-1997), the head of the International P. Head Office; EXIM-FX; Currency EXIM- exports (1997-1999), SRM: Group Head Trade Services Operation; Trade Service (1999-2001), SRM: Department Head Central Operations; Trade Service Operations (2001-2003), AVP: DH-Trade Service Operations Central Operations; Trade Service Operations (2003-2005), AVP: DH-Trade Service Operations Central Operations; Trade Service Operations (2005-2006), DH Trade Service Operations Central Operations Group; Trade Service Operations (2006), PJ Group Head Credit Operations (2006-2007), Group Head Credit Operations (2007-2012), Group Head Distribution Network II (2013-2014), Servant Leadership Change Management Office (2014) and PJ Group Head Policy, System & Procedure (2014-2015).

Mr. Chrisna Pranoto also been carrying out other duties as a member of the team merged Bank Mandiri of Operations (1998-2002), Application Systems Implementation Team Trade, Member of the Supervisory Board of Bank Mandiri Pension Fund (2006-2009), Member of the Supervisory Board of Bank Mandiri Pension Fund (2009-2010), Program Manager Solutions Development Loan Factory (2010-2013), Management Representative during CLA Negotiation (2013), Commissioner of PT. Mandiri Manajemen Investasi (2013-2014), Secretary of the RCC-RMC (2014) and President Commissioner of PT. Mandiri Manajemen Investasi (2014- present).

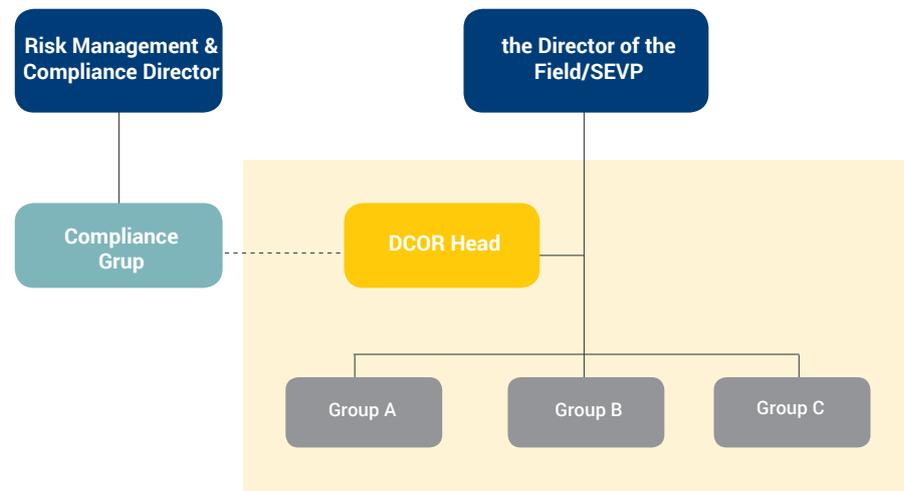
Appointment of Mr. Chrisna Pranoto as Group Head of Compliance by the Decree of the Senior Executive Vice President of PT Bank Mandiri No. KEP.SEVP/338/2014 on Appointment and Position Determination in the Context of Changes in Organizational Structure.

Duties and responsibilities of the Compliance Unit at the Central Office in relation to the implementation of the compliance function are as follows:

- 1) Making the steps in order to support the creation of a Culture of Compliance in all bank business activities at every level of the organization.
- 2) Performing the identification, measurement, monitoring, and control of the Compliance Risk with reference to Bank Indonesia regulation concerning Risk Management Implementation for Commercial Banks.
- 3) Assessing and evaluating the effectiveness, adequacy and suitability of policies, regulations, systems and procedures that are owned by the Bank with the legislation in force.
- 4) Conducting a review and/or recommend updating and refinement of policies, regulations, systems and procedures that are owned by the Bank to comply with Bank Indonesia regulations and legislation in force.
- 5) Taking measures to ensure that policies, regulations, systems and procedures, as well as the business activities of the Bank in accordance with Bank Indonesia and the legislation in force.
- 6) Performing other tasks related to the Compliance Function.

Compliance Unit at Business Units

Compliance Unit at the Unit of Work is the technical implementation of operational functions at Directorate level. Compliance Units at Work Units report directly to the Director of the Field/SEVP. Compliance Unit in the Work Unit is a unit of the Decentralized Compliance & Operational Risk (DCOR).



Compliance Work Guidelines

Compliance Unit has been equipped with a so-called Working Guidelines Standards Compliance Guidelines (SPKP) and in detail described in the Technical Instructions Compliance (PTKP). Documents are constantly reviewed regularly. The scope of the Code of Compliance Standards, among others:

1. Setting out the matters related to the implementation of the compliance function which includes organization, duty, authority and responsibility, compliance risk management, administration and reporting.
2. SPKP applies to the entire line of Compliance well SKK at head office and in the Work Unit in implementing the Compliance Function.
3. For Overseas Branch, SPKP adapted to legislation and regulations in the local country.
4. For the implementation of the compliance with the relevant provisions of the Anti-Money Laundering and Combating the Financing of Terrorism (AML and CFT), the applicable Guidelines Standard Anti-Money Laundering and Combating the Financing of Terrorism

Compliance Strategy in 2015

Bank Mandiri has done some compliance strategies so that the compliance function can work well as mandated by regulation, namely:

1. Increased Support and Quality of Service to the Work Unit

To support each Bank Mandiri work unit to achieve Vision 2015 - 2020 takes an active role on the Board Compliance, thereby achieving the vision and targets have been planned can be achieved by staying in the corridor of the applicable regulations. In an effort to realize and to implement an effective compliance function, an active role to develop the Culture of Compliance and improve the implementation of the compliance function as mandated by PBI No. 13/2/PBI/2011 dated January 12, 2011, the Board of Directors and Board of Commissioners consistently set the principles of the implementation of the Compliance Function in Compliance Policy Bank Mandiri as follows:

- a. Supervisory function carried out with the aim of ensuring that all Bank activities/ transactions are conducted in accordance with laws and regulations.
- b. Oversight function built in control is done by every individual at every level of the organization and activities of the bank in accordance their respective fields.
- c. Oversight of the implementation of the Compliance Function in the Unit of Work is done through the evaluation made by the Compliance Unit to ensure effective implementation of the Compliance Function in the Bank's Work Units.

- d. Supervision also includes a review by the Internal Audit Unit to assess the adequacy and effectiveness of the planning/work program for implementation by the Compliance Function and Compliance Unit.

Compliance ranks is done by doing the following:

- a. Improving work mechanism in providing review compliance
- b. Completion of the methods/tools for risk management in compliance

2. Supporting for Activities Business Unit and strategic initiatives Bank Mandiri

Along with business development companies increasingly extensive and competitive, the Bank continued to perform continuous improvement to enhance and improve every function within the organization to achieve its targets in 2020, which is to become the Best Bank in ASEAN.

In order to support sustained business growth, then one defined work plan is to conduct a review on the aspect of compliance with the Bank's business growth both organic and inorganic growth of the business stated in the Bank Business Plan (RBB). This is done so that the strategic plan of action that is run continuously in accordance with applicable regulations.

3. Strengthening Compliance Function

To support the acceleration of business and corporate organizations, we need a device capable implementing compliance function. Some steps have been made in order to

strengthen the ranks of compliance, among others, by:

- a. Harmonization of Compliance Unit
Optimizing the compliance function and the task of implementing application-PPT APU which includes supervisory, review/examination, consultation and regulatory.
- b. Preparation of Compliance Risk Methodology with its subsidiaries
In line with POJK No. 18/POJK.03/2014 on

the Application of Integrated Governance Share Financial conglomerate, the authors carried out a program of initiatives to prepare for the implementation of monitoring will be conducted by the Financial Services Authority (OJK). Some aspects of the implementation of the compliance function should be integrated with its subsidiaries, one of which is the preparation of Compliance Risk methodology.

Compliance Work Plan in 2015

Compliance ranks has drawn up a work plan for 2015 compliance, which refers to Bank Mandiri's corporate plan and in line with the strategies of compliance have been set. The compliance work plan is as follows:

1. Keeping so that no violation of compliance (Non Compliance Event/NCE) is included into Top Risk (bankwide and each Directorate).
2. Decreasing regulator fines of 20% of the nominal amount of the fine on average five years earlier.
3. Performing identification of compliance risks, both to new risks as well as improvements to the risks identified in advance and ensure that in the event of compliance violations, then 90% of the NCE have been identified in the Risk Compliance Statement (CRS).

Controlling and preventing the increased risk of compliance, Compliance Unit has implemented steps that need to be done as follows:

1. Identifying the compliance risks that have a significant impact.
Having done the preparation of the Top 10 Compliance Risk bankwide taken by the highest compliance risk in each Directorate. In relation to

regulations that have large penalties and which have a significant impact, Compliance Unit (Compliance Group) conduct prudential meeting along with relevant work units and unit DCOR. Besides, updating the Register of Regulations with significant effect on the Bank and its subsidiaries is also performed.

2. The Introduction of new regulations to all units affected the working of the regulation in question.

Entire new regulations published continuously introduced to the ranks of obedience and working units of unrelated certain regulations that have significant impact or impact bankwide, Compliance Unit to actively disseminate to the work units are affected.

3. Obligation to report to the regulator.
Routinely Compliance Unit perform monitoring and alerting on fulfillment of obligations to the Reporting Authority/Regulator by work units that include Reporting type, frequency of reporting, Deadlines, Working Unit Reporting and Legal Basis Reporting.

Implementation of Compliance Function

Bank Mandiri in complying with the legislation in force in the field of Banking, and Commitment Agreement with Bank Indonesia or other authorities, has sought to enforce the implementation of the precautionary principle - caution in the management of the Bank and to achieve this compliance function has been implemented in accordance with applicable regulations.

To run the compliance function can work well as mandated by regulation, one of the members of the Board of Directors is Director of Risk Management & Compliance assigned to establish the steps - the steps necessary to ensure compliance with the Bank in carrying out its duties and responsibilities assisted by Compliance Group.

Compliance with Laws and Regulations

The details of those commitments are as follows:

- a. Cultivating and realizing Compliance Culture at all levels of the organization and activities of the Bank.
- b. Implementing compliance in total so that all the activities in line with the provisions of the Banking, legislation and regulations and apply the precautionary principle.
- c. Compliance is not just limited to what is written literally, but also to the soul and spirit of the underlying. It is important to maintain the Bank's reputation as an institution that is engaged in financial services.
- d. The whole range of the Bank shall be fully responsible for implementing compliance in each of the activities in their respective fields.
- e. In addition subject to the laws and regulations in force in Indonesia, offices abroad are also subject to the laws and regulations in force in the country concerned. In the event of any conflict between the provisions in force in Indonesia with applicable regulations abroad, then taken a more prudent step.

In line with this, the Bank has established principles of compliance as follows:

1. The Bank always obeys the laws and regulations and applies the precautionary principle in implementing all the activities (mandatory).
2. The Board of Commissioners and Board of Directors to be an example (role model) that is based on honesty and integrity so that the implementation of a culture of compliance Bank (starts from the top).
3. The whole range of the Bank shall be fully responsible for implementing compliance in each of the activities each.

Bank Mandiri is responsive follow-up of any rules issued by the agency or authority relating to the management and business processes of Bank Mandiri. Bank Mandiri in adherence to the legislation in force can be seen in part related Management Analysis and Discussion on Regulatory Changes and Their Impacts on the Company.

Fulfillment of Commitments to the Competent Authority

Bank Mandiri is committed to fulfill all commitments to Bank Indonesia and authorities. To ensure compliance with the commitments made to Bank Indonesia, the Compliance Unit Bank is continuously monitoring the entire commitment is outlined in the form function of supervisory services, Review/Examination (who is ex-ante and ex-post), consultation services and Regulatory services.

During 2015, all the commitments to regulators and authorities have been completed/fulfilled properly.

Application of Anti-Money Laundering (APU) and Combating the Financing of Terrorism (PPT)

PBI No 14/27/PBI/2012 on December 28, 2012 regarding the Implementation of Anti-Money Laundering (APU) and Combating the Financing of Terrorism (PPT) followed the Bank among others, with the active supervision of the Board of Commissioners on the implementation of the responsibilities of the Board of Directors related to APU and PPT, and establishment of the Special Working Unit (UKK) in

order to implement the APU and PPT. UKK is structurally under the Compliance Unit Head Office and directly responsible to the Director of Risk Management & Compliance in charge of the compliance function in the bank. It is a form of commitment of the Board of Commissioners and Board of Directors in support of anti-corruption policy and terrorism.

APU and PPT Policies

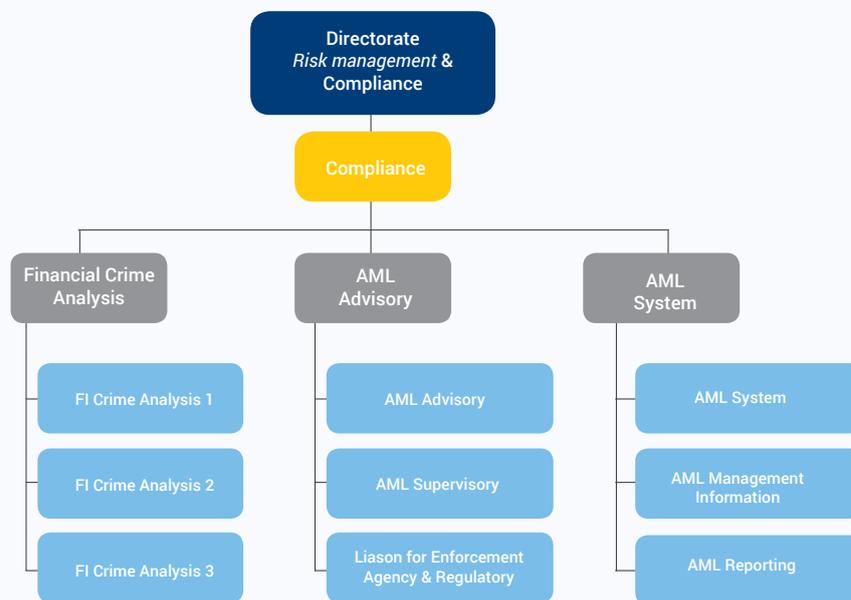
According to PBI No. 14/27/PBI/2012 dated December 28, 2012 on the Implementation of APU and PPT, the implementation of such part of the Bank's overall risk management at least includes:

1. Active supervision by the Board of Directors and the Board of Commissioners;
2. Policies and procedures;
3. Internal control;
4. Management information system; and
5. Human resources and training.

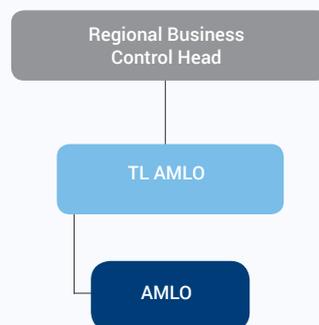
Organizational Structure

The Bank is required to establish a special unit and/or appoint an officer of the Bank is responsible for implementing APU and PPT program. A special unit and/or officer of the Bank reports to the Compliance Director. As stipulated by Bank Indonesia under PBI No. 14/27/PBI/2012 dated December 28, 2012.

Structure of the organization based upon the Bank dated January 2, 2015 UKK APU and PPT from one department was restructured into three departments with a membership of 29 (twenty nine), as shown in the following chart:



In addition, Bank Mandiri also has a special unit that serves, among others, as the executor of APU PPT in the region, namely the Anti Money Laundering Officer. The organizational structure of the business unit is as follows:



APU and PPT Program

Bank Mandiri seeks to comply with the provisions and strengthen implementation of APU and PPT program in 2015 to implement the program of work as follows:

1. Increased understanding (awareness) of APU and PPT bankwide through regular and ongoing training. Improved understanding of the APU and PPT through several media that in-class training, e-learning and socialization to Branch/Work Unit in Bank Mandiri, as well as the related employee participation in the certification Compliance & AML.
2. Implementation of New Anti-Money laundering system that Live Domestic/Phase I in August 18, 2015 that includes Suspicious Activity Monitoring. The next phase will be implemented on July 31, 2016, related to:
 - (i) KYC/CDD Module
 - (ii) Filter Screening
 - (iii) Link Analysis
 - (iv) Support data outside the BoS system
 - (v) Overseas Office.
3. Increasing the effectiveness of the implementation of APU and PPT program, among others improved systems and reporting procedures to the Center for Financial Transaction Reporting and Analysis (PPATK) and perform enhancement system from AMSOL into New AML System. Implementation of APU and PPT program associated with the implementation of Risk Based Approach (RBA) system through the establishment of the risk profile for qualifying customers through customer profile conditions. Implementation of New AML System is targeted for completion by the end of July 2016.

4. Supporting regime Anti-Money Laundering and Combating the Financing of Terrorism and supports the regulatory authority (OJK/BI & PPATK) as well as law enforcement (police, KPK, BNN and AGO) in accordance with the provisions and the applicable legislation.
5. Establishing and fostering cooperation and coordination with the authorities, law enforcement agencies and between other banking institutions through communication forums and training forums.
6. Initiatives

The Bank has done a number of new initiatives to strengthen the implementation of APU and PPT, among others:

1. Bank Mandiri has been designated as one of the pilot banks for the development and application system GRIPS CTR client improvement and is currently in the process of trial reporting, and Go Live on November 30, 2015 at the latest.
2. Development of APU and PPT Department
 - a. Bank undertakes organizational development and effective since January 2015, APU and PPT Department into three (3) Departments.
 - b. Along with the development of the organization is also the addition of a number of employees of existing human resources as much as 21 (twenty-one) to 29 (twenty nine) persons.
3. Determination of dedicated Anti-Money Laundering Officer in each Regional Office.

Anti-Fraud Strategy

Bank Mandiri has anti-fraud strategy that is set on each Policies, Standard Operating Procedures, Technical Instructions Operation and other settings were adjusted accordingly. This strategy refers to Bank Indonesia Circular No. 13/28/DPNP dated December 9, 2011 regarding Implementation of Anti-Fraud Strategy for Banks, at every Policies, Standard Operating Procedures, Technical Instructions Operations held to comply with Bank Indonesia regulation in question. It also becomes one part of the improvement of the Internal Control System Policy Bank, the Anti-Fraud Strategy formulated Bank Mandiri, which has been adapted to the provisions of Bank Indonesia.

Adjustments might include things that are stipulated in the Anti-Fraud Strategy Formulation, namely:

1. Prevention Function
It becomes the responsibility of all employees of Bank (work unit) and is part of the Fraud Control System in order to reduce the potential for fraud.
2. Detection Function
It becomes the responsibility of the entire unit,

both 1st line of defense, 2nd of defense, and the 3rd of defense and is part of the Fraud Control System in order to identify and locate fraud in banking operations.

3. Investigation, Reporting & Sanction Functions
It is the responsibility of the Directorate of Internal Audit and Control System is part of the fraud in the handling of fraud that occurred through the investigation and the results are reported to the Director, the Board of Commissioners, and Bank Indonesia, including the proposed imposition of sanctions for the perpetrators of fraud.
4. Monitoring, Evaluation & Follow-Up Function
It is the responsibility of the Directorate of Internal Audit and Control System is part of the monitoring of fraud in order to follow up the results of the investigation and evaluation of the incidence of fraud to correct weaknesses and strengthen the Internal Control System in order to prevent the re-occurrence of similar fraud in weakness.

Evaluation of Effectiveness of the Compliance Function

Implementation of the activities and performance of the Compliance Function regularly evaluated and assessed by the Director of Risk Management, and Compliance for the sake of increasing the effectiveness of the implementation of the activities and performance of the Compliance Function in the years to come. Compliance Function assessment criteria based on the Annual Work Plan, Key

Performance Indicator (KPI) and the Work Program/ Work Activity Non Key Performance Indicator (Non KPI). The assessment is based on KPIs including Financial Perspective, perspective Customer, Internal Business Perspective and Development Perspective aspects. The evaluation is expected to reduce the risks that may occur as a result of noncompliance with applicable regulations.

legal unit

As a support unit in order to achieve the vision and mission of Bank Mandiri in 2020, the Legal unit is a business unit of strategic partner in creating a compliant business but to continue working to maintain and be alert to the emergence of Legal Risk in Bank Mandiri. Legal sector previously under the auspices of the Directorate of Compliance & Legal, however, in the framework of harmonization with the organizational development, Legal unit is currently under the auspices of the Directorate of Risk Management & Compliance.

Along with the increasing scope of Bank Mandiri business, in order to realize a compliant business and increase the awareness of the level of legal risk, the Legal unit has holistically performed the following strategic initiatives in order to strengthen and safeguarding the legal position of the Bank as well as to prevent the emergence of various legal issues / mitigation of potential operational risks in Bank Mandiri:

1. Give support from the legal aspects, by way of preventive and repressive in order to strengthen and safeguard the legal position of the Bank, including to develop a culture of law-abiding (Law as a Second Nature) through a Method of Learning and Prevention, among others:
 - a. Preventive measures
 - 1) Legal Awareness Forum (LAF)

A sustainable program which is held annually in order to provide sufficient knowledge of the legal basis for frontliner (teller, customer service, RBC, Verificator). It is expected that the employees have the competency and understanding of the basic laws in the process of banking operations. Through the LAF program it is expected to be able to assist in elim-

inating or minimizing the emergence of various problems / case of law.

- 2) Legal Review On Site.

Is a review of the judicial aspect of the loan documents by examining, ensuring the conformity and juridical adequacy of disbursing credit facilities, assess whether there is a juridical advantages in the preparation of the provisions in loan documents, including collateral documents following the provision of mitigation.

- 3) Legal Advice On Site.

An interactive discussion with participants in order to provide legal advice and direct assistance against the actual legal issues in the field operations / business units related to credit proposed by the participants or based on the results of the Legal Review On Site.

- b. Repressive measures

- 1) Lowering outstanding legal cases

In addition to prevent the emergence of new cases, the Bank constantly taking measures for legal solutions that has litigation characteristic, among others by lowering the outstanding legal matters.

2) Out of court settlement

By solving the case settlement through alternative dispute resolution outside the court (out of court settlement).

3) Fostering good relations

Fostering good relations with the related agencies in an effort encourage the acceleration of the verdict of the case, as well as with customers to get a balanced dispute resolution (win win solution).

4) Legal action

Keeping the prestige and reputation of the Bank by conducting a strict legal efforts against those who harm the Bank both in the settlement of credit, fraud actions or the act of a third party that has a bad faith and unlawfully.

2. Develop solutions legal aspects of litigation in the bank operations.

The Legal Unit always making a maximum effort in eliminating or minimizing a Legal Risk that result in the occurrence of Reputation Risk and compensation payments in the matter of, or cases, faced by Bank Mandiri. Such efforts are made by means of seeking a decrease in criminal cases and civil cases as well as keeping the Legal Risk Exposure of the court decisions that have permanent legal force / inkracht which punish Bank Mandiri to indemnify. In 2011 the Legal unit has managed to significantly conduct court decline Ex. Legacy 4 (four) Bank, and since then the Legal Unit more focus and discipline in maintaining the legal position of Bank Mandiri.

3. Mandiri Legal Clinic

To implement the process of compliance business quickly, a quick and simple legal advice is needed by using modest amenities that is easy to find (phone) or email. Mandiri Legal Clinic is based on the problems caused by simple legal issues derived from the business units that need by promoting Bank Mandiri Life Service . Forms of service provision of legal information, legal advice and legal solutions to the problems that are simple law which can be accessed through telephone number 1-500-555 extension 5 or via face to face at the counter of Mandiri Legal Clinic which can be served on the 9th (ninth) floor of Plaza Mandiri building during work hours.

4. Strengthening and improving the competence of personnel in the Legal Unit and Legal Officer.

Bank Mandiri's Legal Unit is supported by professional and competent individuals in the field of law. The Legal unit personnels and Legal Officer have been selected based on their background of legal education with accreditation that is recognized nationally and internationally in addition to keep fulfilling the standardization of profession which is nationally recognized. Efforts to strengthen and increase the understanding and expertise of Legal profession continuously conducted by the Legal Unit, by including the Legal Unit personnels in certifying legal competency resulted from a cooperation between Bank Mandiri, academicians and legal practitioners, as well as with the Association of Professional, including Perhimpunan Advokat Indonesia (the Indonesian Advocates Association), Himpunan Konsultan Hukum Pasar Modal (the Association of Capital Market Legal Consultant), and Asosiasi

Kurator dan Pengurus Indonesia (the Association of Indonesian Receivers and Administrators). Additionally, increase the capacity and capability in soft skills and hard skills are also sought to be obtained by involving Legal units personnel through internship held by domestic and overseas companies and law firms.

Specifically on the Legal Officer who has duties outside the Legal unit, the Legal Unit routinely continues to establish a National Forum Legal Officer (FNLO) as a means for Legal Officer (LO) to develop insight and knowledge and a place to get training and sharpening legal issues guided by legal practitioners who are competent in their field. In addition, to improve the protection and legal support against Bank Mandiri business development in conformity with Bank Mandiri Corporate Plan 2015 - 2020, starting from January 1st, 2015, which has been done through reorganization of Legal Group and the alignment legal function through:

- a. The Formation of Executive Legal Counsel (ELC)
- b. The incorporation of regulatory function advise on Legal Group and Compliance Group
- c. The Establishment of Regional Legal Team. The scope of duties and responsibilities of the Regional Legal Team has included legal issues that occur throughout all work units in the Region.
- d. The Formation of Legal Officer in the Directorate
The scope of duties of Legal Officer at the Directorate is not restricted to certain jobs as long as related to the provision of opinions, solutions and legal aid of the problems faced by all Group in the concerned Directorate .
- e. The increased function and role of the Legal Group in the decision process and the preparation of business policy/strategic operational, by ctively engaging in the BOD meeting, committee meeting at the Board of Directors level and the handling of the whole process of litigation.
- f. Additional authority in order to optimize the function of developing the Regional Legal Team and Legal Officer in the Directorate.

internal audit report

Internal Audit is fully committed to support the continued transformation of the Bank to the Corporate Plan 2020 through a more comprehensive audit approach to innovation, consistency and synergies as a key. Role as a third line of defense, Internal Audit in the implementation of the reorganization to make sure that the first step towards the vision of the transformation of Bank Mandiri in 2020 along with getting stronger and cultural maturation internal control in every line of defense.

Audit approach applied to the Internal Audit in 2015 involving all levels of the internal audit units and other related work, as well as considering other key inputs are considered significant, the Corporate Plan 2015-2020, past events/loss, internal and external audit findings in previously, concern the Board of Directors and Audit Committee, rules and compliance with regulations and best practices.

Related to the implementation of Regulation of the Financial Services Regulation (POJK) No. 18/

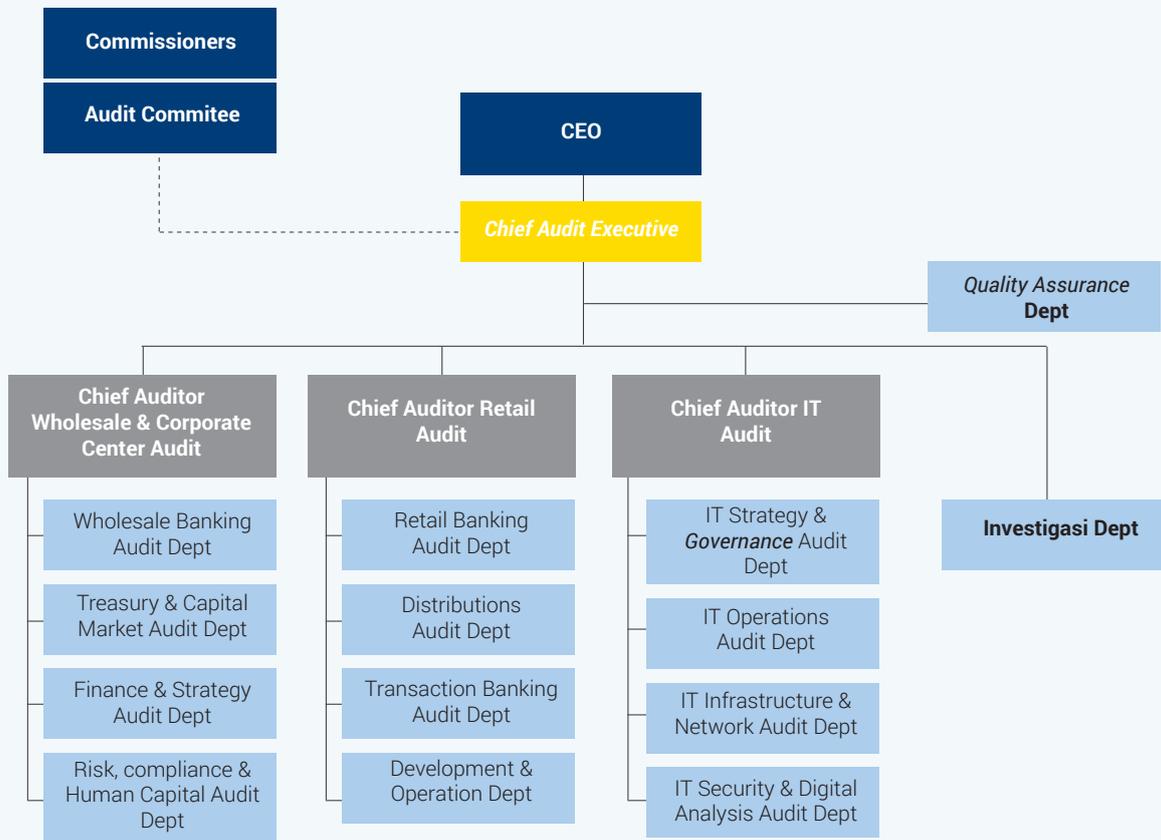
POJK.03/2014 on the Application of Integrated Governance Share Financial conglomerate, as the main entity in the financial conglomerate, the bank is required to have Integrated Internal Audit Unit (SKAI Integrated) are independent, which in this case the task was carried out by the Internal Audit Unit Integrated Internal audit of Bank Mandiri. Internal Audit also has collaborated with the 1st line, 2nd line and Subsidiaries Internal Audit function to ensure the implementation of internal control is effective in Mandiri Group.

Organizational Structure and Position of Internal Audit

Internal Audit Function in the organization at the level of the Directorate and is directly responsible to the President Director and can communicate with the Board of Commissioners through the Audit Committee. Internal Audit organizational structure

tailored to the organization's business strategy of the Bank. Internal Audit since December 18, 2014 which has three Group Wholesale & Corporate Center Audit Group, Retail Group Audit and IT Audit Group.

Following the organizational structure of Internal Audit of Bank Mandiri:



In the structure of the organization, Chief Audit Executive in charge of the Chief Auditor Wholesale & Corporate Center Audit, Chief Auditor Retail Audit, IT Audit Chief Auditor, Quality Assurance, Investigation and Development & Operations.

Appointment and Dismissal of Chief Audit Executive

Chief Audit Executive (CAE) shall be appointed and removed from office and is responsible directly to the Managing Director with the approval of the Board

of Commissioners and/or Audit Committee and subsequently reported to Bank Indonesia and the OJK, the Capital Market Supervisory Agency and Financial Institution.

Profile of the CAE

Internal Audit is led by Mrs. Mustaslimah as Chief Audit Executive (CAE) since 2015 under Decree No. SK.DIR/161/2015 dated March 17, 2015. Here is a summary profile Chief Audit Executive Internal Audit:



Mustaslimah

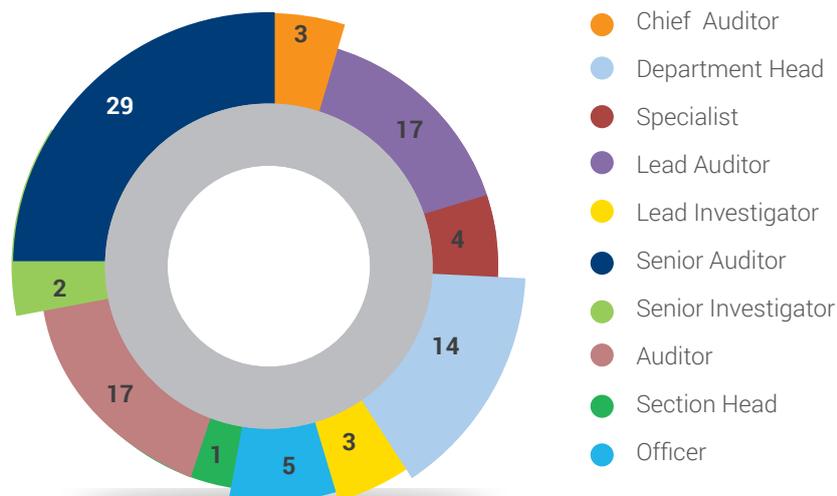
Graduated from the Bogor Agricultural University in 1988. Mrs. Mustaslimah has experience in the field of compliance, procurement, and human capital.

Some positions that had been occupied by Mrs. Mustaslimah include Group Head of Compliance, Group Head Procurement & Fixed Assets and Group Head of Human Capital Services.

The Number and Quality of Internal Auditor

Internal Audit is supported by 95 employees, with the details as shown in the following diagram:

The Composition of Bank Mandiri Internal Audit in 2015



Internal Audit always seeks to provide continuing education for all personnel of the Internal Audit for qualifications and adequate competencies. The education provided in the form of a certified professional education both nationally and internationally, attachment programs and trainings at home and abroad.

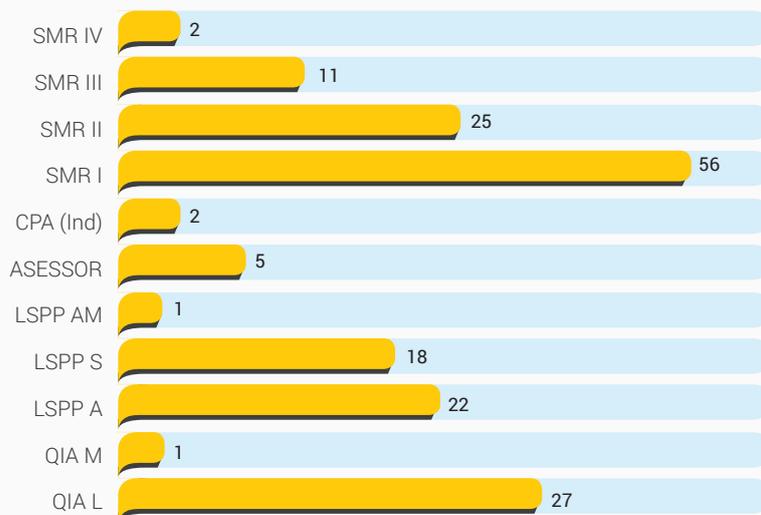
Internal audit assign an auditor qualifications as follows:

1. Having integrity by building confidence (trust), which became the basis for making judgments (judgment) is reliable.
2. Demonstrating a high objectivity in accordance with professional standards in collecting, evaluating, and communicating information about the activity or process being examined.
3. Conducting an assessment (judgment) is balanced (balanced) by taking into account all the relevant circumstances and are not influenced by personal interests or others.
4. Respecting the value and ownership of information received and does not disclose such information without the authorization of the authorities unless there is a legal or professional obligation to disclose such information.
5. Using the knowledge, skills, and experience necessary to carry out the audit assignment.

Internal Audit develops programs to increase the competencies of auditors long term with reference to the Internal Audit Competency Framework (IACF) to ensure appropriate employee development program objectives and as required. IACF is a framework that shows a good level of mastery of the competence of auditors and technical competency behavior that needs to be owned by every level position in Internal Audit. Based IACF assessment done to determine the level of competence of auditors as well as the gap existing competencies. Subsequently created a development program for each auditor. Employee development programs implemented in the various approaches such as: e-learning, training, professional certification national and international, internships/ attachments, and special assignment project. The program is constantly monitored and measured its success in supporting employee performance and organizational performance.

The following data on certification has been obtained by the auditor in the internal audit until the end of 2015 as follows (1 person has more than one certification):

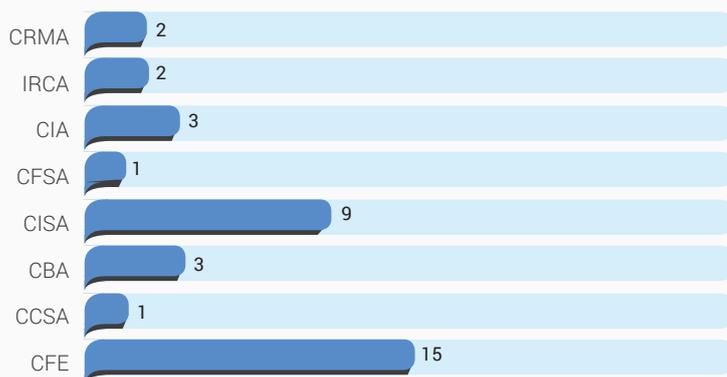
National Certification



Note: SMR (Risk Management

Certification), CPA (Certified Public Accountant), QIA (Qualified Internal Audit), LSPP/Banking Profession Certification Institute (certifying the competence of auditors from the level of auditor to assessor).

International Certification



Note: CFSA (Certified Financial Services Auditor), CBA (Certified Bank Auditor), (Certified Fraud Examiner), CRMA (Certification on Risk Management Assurance), CA (Certified Accountant), IRCA (International Register of Certificated Auditor), CIA (Certified Internal Auditor), CISA (Certified Information System Auditor).

Internal Audit Charter

Internal Audit Internal Audit Charter has authorized the Director and the Board of Commissioners with the latest revisions per the December 5, 2014. The Internal Audit Charter is prepared to provide guidance on the purpose, authority, responsibility and scope of internal audit work.

Position, authority and responsibility of Internal Audit (IA) formally defined in the Internal Audit

Charter, in accordance with the Audit Standards Internal Bank (SPFAIB) and the Chairman of Capital Market Supervisory Agency and Financial Institution (Bapepam-LK) on the Establishment and Guidelines Internal Audit Charter as well as the best practice standard refers to the IPPF (International Professional Practice Framework) by IIA (the Institute of Internal Auditors).

Scope, Duties and Responsibilities of Internal Audit

The scope of Internal Audit work covers all areas of operation the Bank and subsidiary/affiliates (appropriate governance applicable), to determine the adequacy of internal quality control, the application of risk management and governance processes. Internal Audit helps the organization achieve its objectives through the Internal Audit Activity (assurance and consulting) and Activity Investigation.

Assurance

Objectively testing of the evidence in order to provide an independent assessment on internal control, the application of risk management and governance processes within the organization.

Consulting

Providing advisory services related to the activity of a client (auditee/unit) where the nature and scope agreed with the client and aims to provide added value and improve the internal control, the application of risk management and governance processes, without taking over operational responsibility.

Investigation

Activities collection of evidence by using the technique of investigation on the results of the initial analysis of the indications and/or fraud occurred. Investigation aims to reveal the modus operandi, the causes, the potential losses, actors and other parties involved. Investigations include the acquisition of evidence and statements, report writing, testifying on their findings and follow-up monitoring is required.

The Authority of Internal Audit

- 1) Conducting internal audit activities of all organizational units within the Bank, its subsidiaries and affiliates which apply the appropriate governance.
- 2) Communicating directly with the Director, the Board of Commissioners, and/or the Audit Committee.
- 3) Communicating with external parties including regulators.
- 4) Holding regular meetings and incidental to the Director, the Board of Commissioners, and/or the Audit Committee.
- 5) Accessing all information, notes, employee, and including but not limited to accounts/records of employees and resources as well as other matters as may be necessary related to its duties and functions.

Activity investigation into the case/problem on every aspect and element of activities that indicated fraud and breach of code of conduct.

Responsibility of Internal Audit

- 1) Planning and executing internal audit activities with an emphasis on areas/activities are high risk and evaluate procedures/control system to gain confidence that the Bank's goals and objectives can be achieved in an optimal and sustainable.
- 2) Conducting investigation, report and make recommendations/conclusions on fraud to the Management.
- 3) Developing and running programs to evaluate and improve the quality of Internal Audit.

- 4) Providing recommendations on the audit results and the follow-up and monitor the activity results of the internal audit and investigative activities.
- 5) Working closely with the Audit Committee in carrying out oversight functions.
- 6) Coordinating its activities with the activities of the external audit and the units/functions other assurance providers, in order to achieve a comprehensive audit results and optimal. Coordination can be done through periodic meetings to discuss matters of importance to both parties.

Related to the implementation of POJK No. 18/POJK.03/2014 concerning integrated Governance For conglomeration of Finance, Internal Audit function as an Integrated Internal Audit.

In the implementation of the Internal Audit function as an integrated, duties and responsibilities of Internal Audit Governance refers to the Integrated Guidelines, namely:

- a. Monitoring the implementation of internal audit at each of its subsidiaries in the financial conglomerate. In the implementation of its duties the Internal Audit:
 - 1) Evaluates the internal audit plan audit of subsidiaries in the conglomeration of Finance in the framework of the alignment of the integrated audit plan.
 - 2) Evaluates the results of internal and external audits of subsidiaries in financial conglomeration its follow-up in the framework of integrated internal audit report preparation.

- b. Carrying out audits in subsidiaries in the financial conglomerate either individually, or based on a joint audit of the internal audit reports of subsidiaries in the financial conglomerate.

Internal Audit delivers integrated internal audit reports to the Director/SEVP appointed to conduct oversight of the entire conglomerate of subsidiaries in Finance and Board of Commissioners of Bank Mandiri and Director/SEVP is in charge of the compliance function of Bank Mandiri.

Internal Audit Work Plan

After finishing second transformation in 2014, the bank continues to finalize and reach new targets in 2015. Every achievement has been achieved, even exceeded the target. Each line of the Bank makes innovation, consistency and synergies as a key element in realizing the aspirations of becoming the best financial institution. With the continued transformation of the Bank to the Corporate Plan 2020, the Bank established itself to be the best bank in ASEAN through a reorganization that focuses on expanding the functions and Regional Distribution.

Internal Audit continues to innovate and to use a more comprehensive audit approach. In 2015, Internal Audit has developed a Long Term Plan (RJP) Internal Audit from 2015 to 2020 with the theme "Creating Value Through Sustained Long Term Assurance to be The Best in Class IA Function" with 14 strategic initiatives which will be implemented in the years 2015-Internal Audit Bank Mandiri in 2020 to oversee the implementation of the reorganization to the Corporate Plan 2020.

During 2015, several initiatives that were taken by Internal Audit are:

1. Development of the Internal Audit Charter drafting instructions that apply groupwide
2. Development of methodologies Audit Planning and Closing Process
3. Preparation of Root Cause Analysis methodology
4. Development of Internal Audit Competency Framework
5. Development and implementation of Rating Methodology Control Subsidiary
6. Development of Internal Audit tools consisting of SIMA TR access via the Internet, the implementation of resource management, the data analytic software tools and dashboards.
7. Development of Integrated Risk Library (framework, cleansing & implementation) in collaboration with the Risk Management and Compliance unit, in order to implement GRC in Bank Mandiri

Internal Audit has also established the Annual Audit Plan (AAP) 2015 conducted by the Internal Audit involving all levels and units of other related work, as well as considering other key input is considered significant. Internal Audit also collaborated with the 1st line, 2nd line and Subsidiaries Internal Audit function to ensure the implementation of internal control is effective in Mandiri Group.

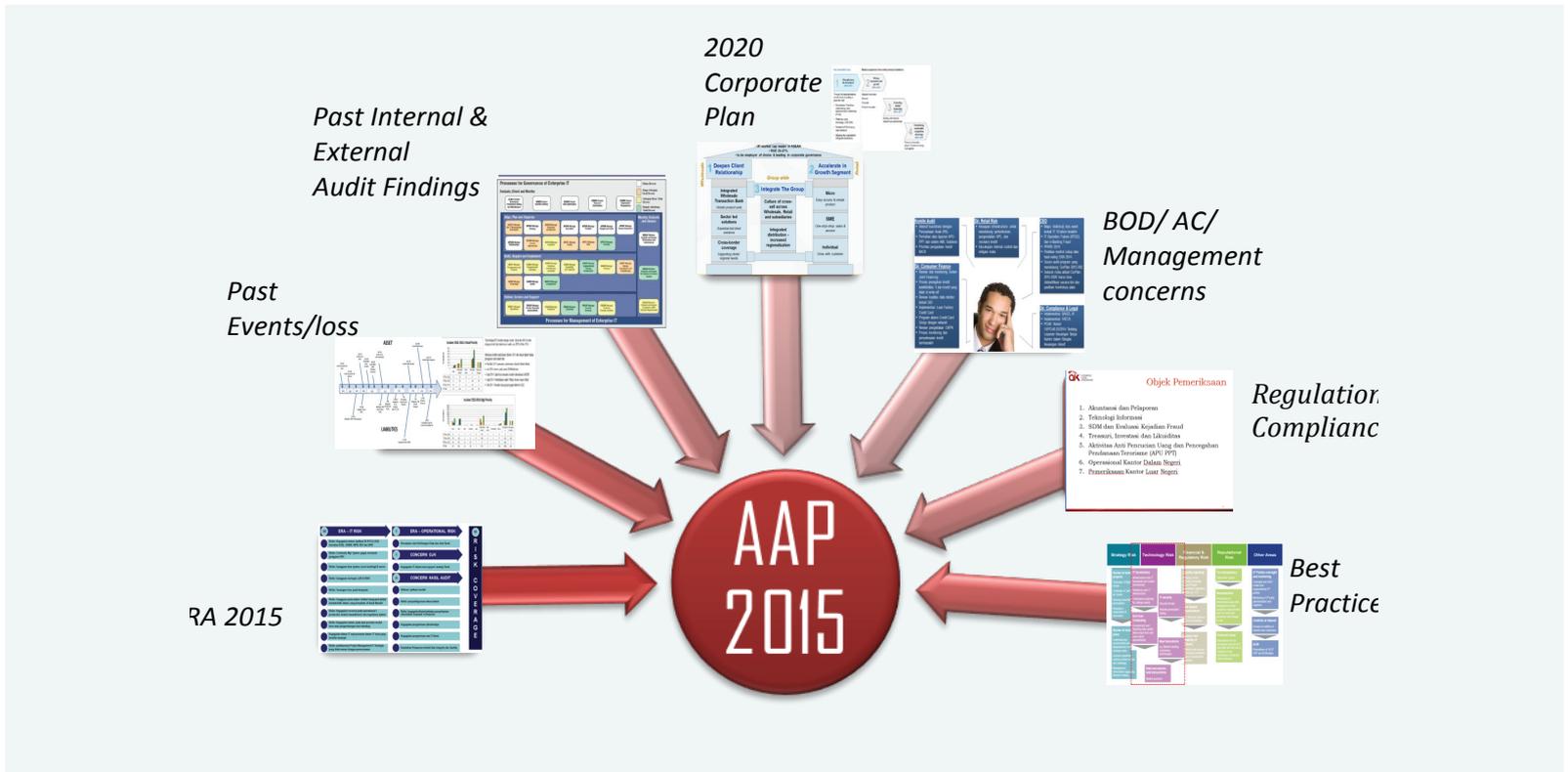
AAP according to 2015 which have been prepared, Internal Audit carry out an audit of the 37 subjects covering all directorates in Bank Mandiri and eight subsidiaries covering Assurance and Consulting, whether conducted by the Internal Audit itself or co-sourced and outsourced to other parties.

AAP 2015 prepared with the theme "Strengthen IA Foundation for Greater Assurance in 2020" to ensure that the first step towards the vision of the transformation of Bank Mandiri in 2020 was followed by the more robust and cultural maturation internal control in every line of defense. With the theme of Internal Audit would like to believe that the bank's business growth is based on the foundation of a solid business and control as well as a solid alliance between units and subsidiaries so as to create sustainable Mandiri Group. Furthermore, Mandiri Group is expected to be more confident entering the continued transformation to become the best bank in ASEAN by 2020.

Bank Mandiri Annual Audit Plan (AAP) 2015 is based on seven key inputs as follows:

1. Results of Enterprise Risk Assessment (ERA) in 2014 for forward looking to 2015.
2. Loss Events: Data on event/loss that is significant during the last three years.
3. Internal and External Findings 2014: Internal and external audit findings are significant previous year.
4. Bank Mandiri Corporate Plan 2020: alignment with long-term plans which are Corporate Plan 2020.
5. Management and Audit Committee Concern of the Board of Directors, Audit Committee and Management of Bank Mandiri.
6. Regulation and Compliance: Compliance with internal and external regulations (Regulation/ Compliance).
7. Best Practices: Emerging topics in the banking world today is in accordance with best practices.

Seven key inputs are analyzed through workshops, benchmarking and focus group discussion and then used to determine audit subjects in 2015.



Based on seven key inputs preparation of SAP, Internal Audit has set priorities audit coverage by 2015 as many as 37 subjects of the audit conducted by the activity of Assurance and Consulting with a focus on the following:

- Assurance: focus on an objective test on the evidence to provide an independent assessment of the design and implementation of internal controls, the application of risk management and governance processes for the audit area concerned.
- Consulting: focus on providing added value and improve the internal control, the application of risk management and governance processes without taking over operational responsibility for the audit area concerned.

Division of Internal Audit activity to 37 subjects of audit by the Bank and eight subsidiaries are as follows:

AUDIT ENGAGEMENT			
Bank Mandiri	Assurance:	28 Audit Subjects	Total : 37 Audit Subjects
	Consulting:	8 Audit Subjects	
	Assurance/Consulting:	1 Audit Subject	
Subsidiaries	Assurance:	8 Subsidiaries	
	Consulting:		

In carrying out its duties and responsibilities, Internal Audit liaises with External Auditor. Internal Audit is responsible for coordinating activities with external audit activities. Through such coordination is expected to achieve a comprehensive audit results and optimal. Coordination is done through periodic meetings to discuss matters of importance to both parties.

2015 Audit Report

In an effort to improve the effectiveness and efficiency of the audit, the Internal Audit has implemented Audit Management Information System (SIMA) to ensure the security of information assets of the Bank. It is becoming urgent to mitigate the risk of information leakage given the role of internal audit as an assurance provider that is close to Bank of confidential information. All stages of the audit carried out by SIMA so that the review process can be done remotely. Documenting audit process is reviewed on an ongoing basis by the Quality Assurance to ensure compliance and quality of the audit process is implemented. SIMA is also utilized as a knowledge center for the auditor.

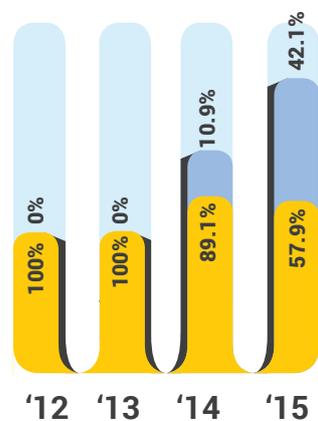
Internal Audit is committed to develop SIMA as part of the development concept implementation of Risk Based Audit in order to facilitate the process of integration and collaboration functions of audit, risk management unit and unit compliance in order to minimize duplication in the implementation of assurance functions.

The audit using SIMA improves efficiency and effectiveness of Internal Audit in achieving the target of an assignment that has been set by the work plan annually. The following is the realization of audit in 2013-2015

The audit using SIMA improves efficiency and effectiveness of Internal Audit in achieving the target of an assignment that has been set by the work plan annually. The following is the realization of audit in 2013-2015:

Type of Assignment	2013			2014			2015		
	Target	Realization	Achievement (%)	Target	Realization	Achievement (%)	Target	Realization	Achievement (%)
Rutin	234	239	101.26 %	12	60	123.6 %	20	20	108.1
Mandatory	13	13		22	22		12	12	
Thematic	3	3		157	158		110	110	
Khusus	68	67		80	95		80	98	

Internal Audit constantly monitors the implementation of the follow-up of audit findings. The following table shows the follow-up status of Internal Audit:



	Completed	In Process
2015	285	207
2014	293	36
2013	188	0
2012	173	0

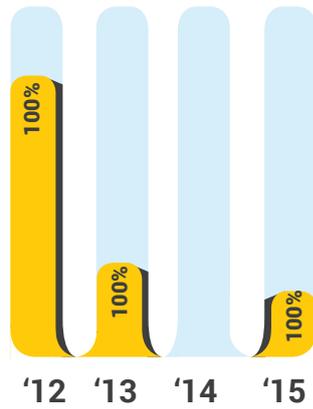
● Completed ● In Process

In carrying out its duties and responsibilities, Internal Audit liaises with External Auditor. Internal Audit is responsible for coordinating activities with external audit activities. Through such coordination is expected to achieve a comprehensive audit results and optimal. Coordination is done through periodic meetings to discuss matters of importance to both

parties. In addition, the Internal Audit evaluates the performance of the external auditor, especially public accounting firm covering the aspects: the understanding of the issues faced by the Bank, cooperation, communication, experience, expertise, and deliverables (output is given).

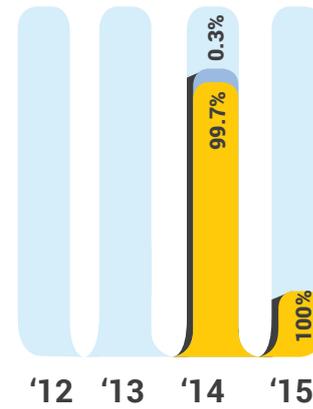
The following table shows the follow-up status of External Audit:

Bank Indonesia



In Process	0	0	0	0
Completed	541	187	0	45

Financial Service Authority (OJK)



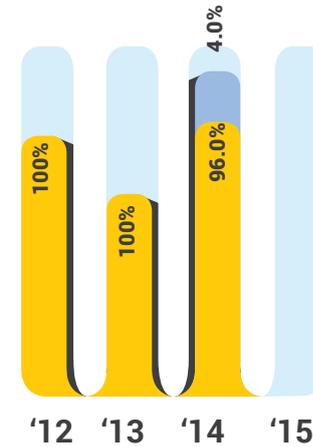
In Process	0	0	2	0
Completed	0	0	763	146

State Audit Board (BPK)



In Process	0	0	2	0
Completed	38	0	87	9

Public Accountant



In Process	0	0	2	0
Completed	41	29	48	0

In addition to be responsible for dealing with external auditors, Internal Audit also has other responsibilities, namely:

1) Corporate Social Responsibility (CSR)

As part of the CSR and the Spirit for the prosperity of the Interior, Internal Audit actively transfer knowledge in the management of internal audit in particular the application of risk based audit, not only to subsidiaries but also to companies/ organizations including Bank BNI, the Ministry of Finance of the Republic of Indonesia- Inspectorate General and also to the regulator is the OJK.

2) Application of Anti-Fraud Strategy (SAF)

Bank has implemented the Anti-Fraud Strategy as part of the Bank's internal control system, according to Bank Indonesia Circular No. 13/28/DPNP dated December 9, 2011, regarding the Anti-Fraud Strategy Implementation for Commercial Banks. Anti-fraud strategy is a commitment to control the management of the Bank Fraud applied in the form of fraud control

system that is part of the Bank's internal control system. Improvements to SAF programs both in Pillar I "Prevention", pillar II "Detection" pillar III "Investigating, Reporting and Sanctions" and pillar IV "Monitoring, Evaluation and Follow-up" continued. Internal Audit as a coordinator in the application of the Anti-Fraud Strategy consistently monitoring the implementation of SAF. With the implementation of SAF is consistently expected to reduce the incidence of fraud.

Whistleblower Reporting Received by Internal Audit

Bank Mandiri implements the whistleblower program "Letter to CEO (LTC)" as part of the Anti-Fraud Strategy, coordinated by the Risk Management Unit. Internal Audit role in following up the letters that go through the LTC program. Besides, Internal Audit also helps socialized LTC programs in conjunction with the audit conducted on site and encourage improvements such as expanded LTC program to a third party (vendor).

Bank's business development continues to increase rapidly and internal fraud also rose but growth may be in the press effectively, as the table below:

Type of Fraud	Number of Events		
	2013	2014	2015
Internal	26	27	33
External	15	12	7
Internal and External	8	13	23
Number	49	52	63

By 2015, there were reports of complaints of violations in through the channel LTC either by phone, email, fax or mail box.

The number of complaints received during 2015 is as follows:

Year	Media			Classification		Report Followed Up	Report Declared Completed
	Surat	Email	Website	Fraud	non Fraud		
2013	33	6	2	11	30	21	10
2014	8	6	0	14	5	1	13
2015	3	4	0	4	3	7	6

Internal frauds have been resolved entirely in the current year. Here is the handling of internal fraud in 2015:

Internal Fraud in 1 Year	Committed by					
	BOC and BOD Members		Permanent Employee		Non-Permanent Employee	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Total Fraud	-	-	28	22	10	13
Resolved	-	-	28	22	10	13
Ongoing Internal Resolution Process	-	-	-	-	-	-
Haven't Been Resolved	-	-	-	-	-	-
Followed Up Legally	-	-	7	6	1	4

Anti-Fraud Strategy

Bank Mandiri has anti-fraud strategy that is set on each Policies, Standard Operating Procedures, Technical Instructions Operation and other settings were adjusted accordingly. This strategy refers to Bank Indonesia Circular No. 13/28/DPNP dated December 9, 2011 regarding Implementation of Anti-Fraud Strategy for Banks, at every Policies, Standard Operating Procedures, Technical Instructions Operations held to comply with Bank Indonesia regulation in question. It also becomes one part of the improvement of the Bank's Internal Control System Policy, the Anti-Fraud Strategy is formulated by Bank Mandiri, which has been adapted to the provisions of Bank Indonesia.

Adjustments might include things that are stipulated in the Anti-Fraud Strategy Formulation, namely:

1. Prevention Function

It becomes the responsibility of all employees of Bank (work unit) and is part of the Fraud Control System in order to reduce the potential for fraud.

2. Detection Function

It becomes the responsibility of the entire unit, both 1st line of defense, 2nd of defense, and the 3rd of defense and is part of the Fraud Control System in order to identify and locate fraud in banking operations.

3. Investigation, Reporting & Sanction Functions

It is the responsibility of the Directorate of Internal Audit and Control System is part of the fraud in the handling of fraud that occurred through the investigation and the results are reported to the Director, the Board of Commissioners, and Bank Indonesia, including the proposed imposition of sanctions for the perpetrators of fraud.

4. Monitoring, Evaluation & Follow-Up Function

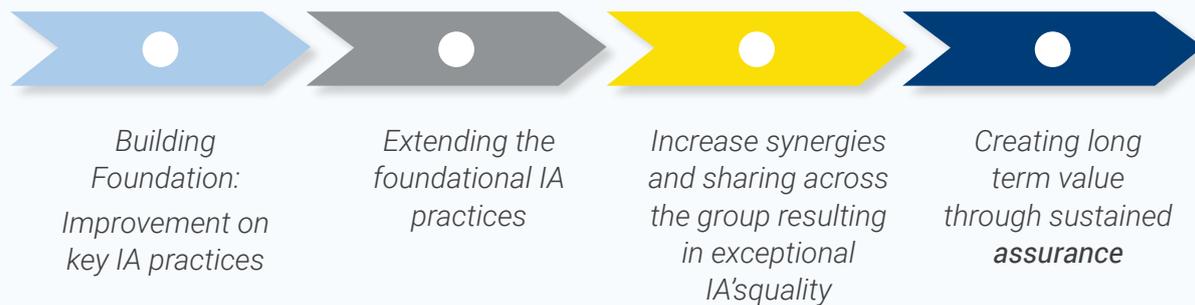
It is the responsibility of the Directorate of Internal Audit and Control System is part of the monitoring of fraud in order to follow up the results of the investigation and evaluation of the incidence of fraud to correct weaknesses and strengthen the Internal Control System in order to prevent the re-occurrence of similar fraud in weakness.

Towards Mandiri 2020

Bank Mandiri has entered a new phase in the struggle to build Indonesia. The new vision of becoming the best bank in ASEAN by 2020 has been implemented. The ambition helped accompanied by changes in the competitive landscape will be ongoing in line with the free market in the banking industry in 2020. This new challenge requires all employees of Bank Mandiri prepare themselves to face global competition.

In connection with its function as the guardian of the achievement of the vision of Mandiri in 2020, the Internal Audit helped prepare for the challenges that move dynamically. Internal Audit has developed a Long Term Plan 2015-2020 which is aligned with Bank Mandiri Corporate Plan 2015-2020, IA Global Best Practice and Regulatory views and the results of the Quality Assurance Review of Internal Audit in 2014.

Roadmap Internal Audit in safeguarding the achievement of the vision of New Horizon 2020 has been organized in four phases:



With long experience and a commitment to continuous learning, Internal Audit has confidence to successfully achieve Mandiri 2020 vision.

risk management report

The principle of risk management at Bank Mandiri is to proactively support the Bank in achieving healthy and sustainable growth as well as maintain the optimal level of risk-adjusted return in line with the desired risk appetite.

Bank Mandiri risk management has the mission of creating and executing a comprehensive approach to identify, measure, prioritize, manage and monitor any risk that affects its business, operations and organization, as well as to look for business opportunities capable of maximizing the risk-adjusted return and shareholder value. Bank Mandiri develops its policies, processes, competencies, accountability, reporting and supporting technology in support of the effective and efficient risk management.

The implementation of Bank Mandiri risk management refers to Bank Indonesia Regulation (PBI) No. 5/8/PBI/2003 as amended by PBI No. 11/25/PBI/2009 and Bank Indonesia Circular No. 13/23/DPNP dated October 25, 2011 on the Amendment to Bank Indonesia Circular No. 5/21/DPNP concerning the Implementation of Risk Management for Commercial Banks. Looking at the development of risk management in Indonesia, the Financial Services

Authority (OJK) issued a Regulation of the OJK (POJK) under document number: No. 17/POJK.03/2014 regarding the Implementation of Integrated Risk Management for Financial Conglomeration. Bank Mandiri adopts the Enterprise Risk Management (ERM) approach which constitutes an integrated risk management framework to maximize shareholder value founded on the four building blocks, namely Organization & Human Resources, Policy & Procedure, System & Data and Methodology/Model & Analytics.

This section briefly describes Risk Management at Bank Mandiri, including Bank Mandiri risk management system, risk management practices, types of risk and their management, evaluation of the effectiveness of the risk management system and strategic objectives of risk management for 2016. Bank Mandiri Risk Management is further elaborated in a separate section on the Overview of Business Support Functions - Integrated Risk Management.

Bank Mandiri Risk Management System

Risk management plays an important role for Bank Mandiri in handling risks to support its sustainable business activities. With proper risk management, the Bank will be able to prevent loss or minimize any potential loss. Additionally, through proper and

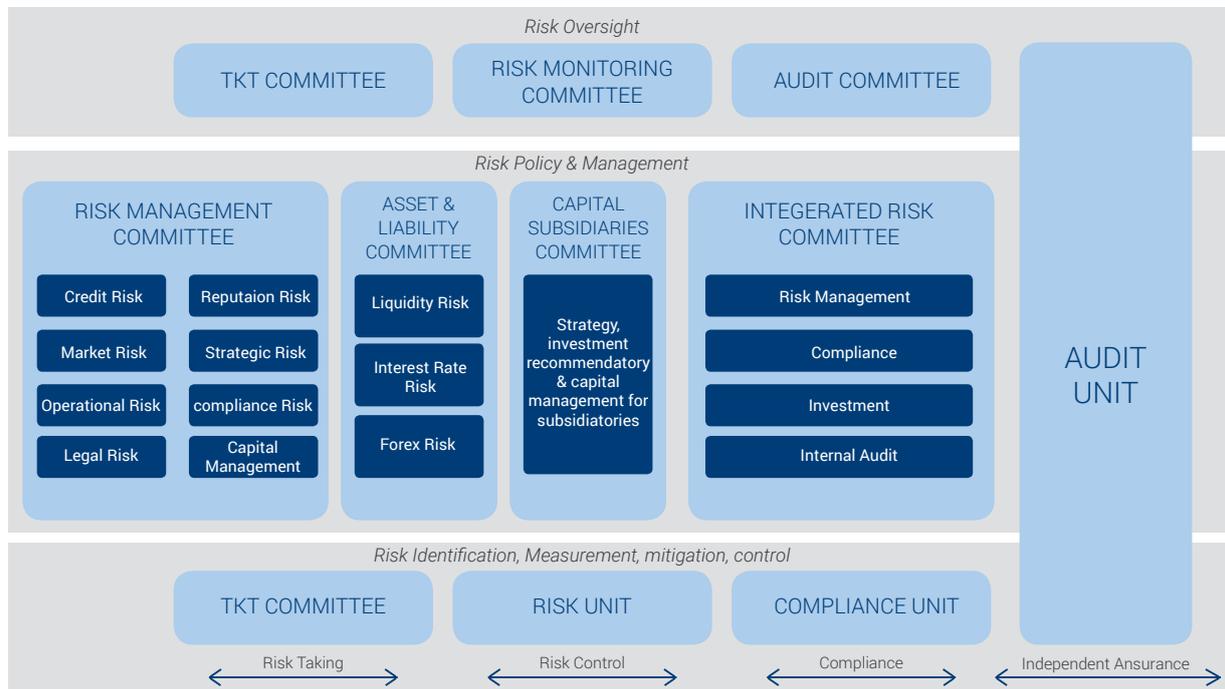
effective risk management Bank Mandiri has added values to offer to the shareholders through the provision of the latest information on potential risks so that measures to mitigate those risks can be taken promptly.

The proper application of prudential principle and risk management does not only occur in Bank Mandiri, but is also performed in subsidiaries. This is based on the ground that the Bank's business viability is affected by exposure to risks arising both directly from its activities and indirectly from the operations of its subsidiaries.

Bank Mandiri risk management framework and implementation adhere to the principle of Three Layers of Defense. This consists of the Board of Commissioners (BOC) in charge of the risk oversight

function through the Risk Monitoring Committee, the Integrated Corporate Governance Committee and the Audit Committee; the Board of Directors (BOD) performing the risk policy function through Executive Committees related to risk management, namely Risk Management Committee, Asset & Liability Committee and Capital & Subsidiaries Committee and Integrated Risk Committee; and at operational level, the Risk Management line unit with the Business and Compliance line units serving the functions of risk identification, risk measurement, risk mitigation and risk control.

Bank Mandiri Risk Management Framework and Risk Governance Structure



The Bank's Risk Management Framework is developed based internal and external factors which include but are not limited to regulatory provisions, development of methodologies and best practices, banking business, risk data and loss data.

The Operational Risk Management (ORM) is developed and implemented aiming in particular at Development of Processes and Procedures, Development of ORM Toolkit, Development of ORM Information System, Development of Risk Monitoring & Reporting and Development of an Internal Model for Calculating Operational Risk Capital Expenses.

Each of the Bank's Operational Risk Management Unit shall refer to standard procedures/guidance/operating technical guidelines, conduct ORM according to its business targets, implement the ORM toolkit and deliver report on the Operational Risk Profile.

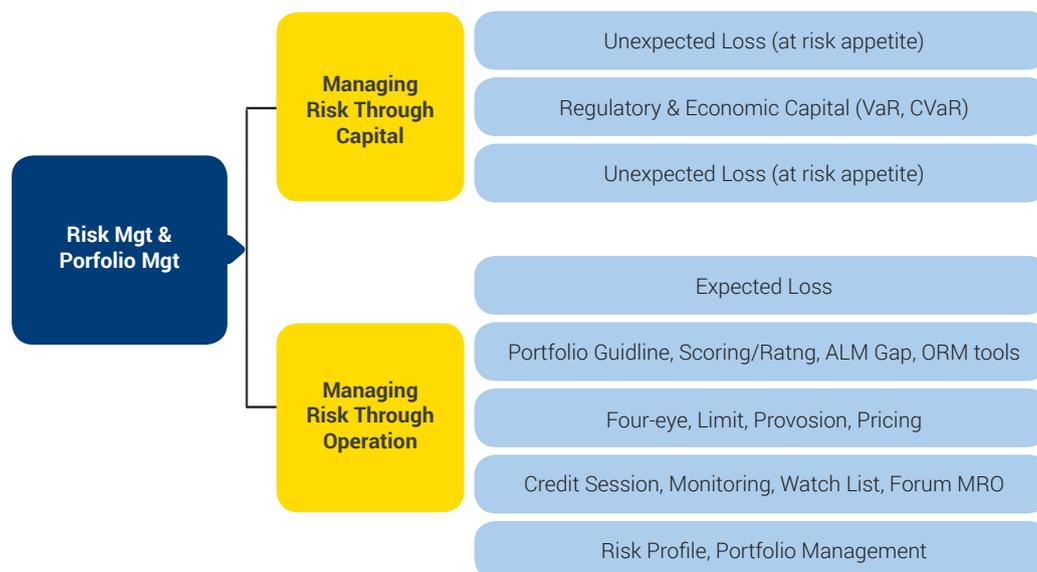
Bank Mandiri has put in place an ERM policy used as a guideline for implementing integrated risk management, linking strategic planning, risk appetite, business execution, risk assessment and performance evaluation. ERM application also provides a vehicle for the implementation of Basel II and III at the Bank gradually in compliance with the regulations of Bank Indonesia.

Bank Mandiri Enterprise Risk Management

With ERM, Bank Mandiri has the ability to accurately determine the capital required to cover risks in the Bank, ensure that capital is allocated to all business lines

efficiently and rationally and identify opportunities for portfolio diversification and optimization.

Bank Mandiri ERM Framework Scheme



The application of risk management at Bank Mandiri through ERM framework uses a two-prong approach, namely risk management through capital and risk management through operational activities. In doing so, it is expected to achieve hierarchical risk management in the overall management of the business. The four principal components supporting the application of this approach are:

1. Organization & Human Resources

Bank Mandiri's Risk Management Unit is responsible for the management of risks encountered by the Bank, including developing supporting tools needed for business processes and risk management. In addition, there is a line unit that acts as the risk counterpart for business units in the four-eye lending process.

Essential to the successful implementation of the risk management function are risk awareness and sufficient technical capabilities on the part of all line units in Bank Mandiri. This is the common responsibility of, and involves all units in, Bank Mandiri. Consequently, regular internal training is provided through the Governance, Risk & Compliance (GRC) Academy, both for the staff of the Risk Management Directorate and of other Directorates. In addition, every year the Bank organizes risk management information campaigns, discussion forums, internships, and programs that are consistent with the internalization of the Bank Mandiri corporate culture.

2. Policies & Procedures

Bank Mandiri has adopted the Bank Mandiri Risk Management Policies (KMRBM) to serve as the principal guideline for the application of risk management. At the more specific level, the Bank has adopted separate policies and procedures, for example, specific policies and procedures for credit, treasury and operations. All the policies and procedures that have been adopted by Bank Mandiri in this respect are

based on hierarchical risk management in all of the Bank's operations, and are reviewed as well as updated at least once a year.

The application of risk management in Bank Mandiri involves optimizing the use of business judgment along with an analysis of historical conditions with the aim of applying hierarchical risk management processes to our business.

3. System & Data

The risk management system has been developed to support greater efficiency in business processes so as to speed up the decision-making process while at the same time adhering to prudential principles. In order to maintain the integrity and quality of data, Bank Mandiri has established an Integrated Processing System and Loan Origination System which is designed to improve the efficiency of the lending process and maintain data quality in the corporate, commercial and retail segments. The system also includes an Integrated Collection System to improve collection productivity, particularly in the consumer and retail segments.

Bank Mandiri uses the Summit System and the Sendero System to manage its trading book and banking book risks for treasury and asset & liability management. To provide an accurate overview of its risk profile as parent company and as consolidated and integrated with its subsidiaries, the Bank has established the Bank Mandiri Risk Profile System (RPX) which refers to a web-based system designed to expedite access and simplify control.

To integrate risk management bank-wide, Bank Mandiri has adopted the ERM system so as to facilitate the holistic monitoring of risk management, including calculating the capital needed to cover all types of risk. The ERM system has the capacity to calculate capital charges (using the Standardized Approach and Advanced Approach), and apply operational risk

management tools, active portfolio management, stress testing and value-based management.

4. Methodology/Models & Analytics

Bank Mandiri consistently conducts risk assessment based on international best practices using both the quantitative and qualitative modeling approaches through the development of risk models such as rating, scoring, value at risk (VaR), portfolio management, stress testing and other models so as to support judgmental decision making. The Bank's risk models are regularly recalibrated and validated by the independent Risk Model Validator Unit, whose function is to maintain the reliability and validity of models and ensure that they satisfy the regulatory requirements.

In order to align the application of Basel II and ERM with the Basel II regulations and best practices, the Bank has worked closely with one of the leading consultants in the field of risk management for the adoption and implementation of the Basel II framework and ERM. The implementation of Basel II and ERM in Bank Mandiri covers Credit Risk, Market Risk, Liquidity Risk, Interest Rate Risk in the Banking Book Position, Operational Risk, Capital Management and the Internal Capital Adequacy Assessment Process (ICAAP).

The scope of the implementation of the Basel II

framework for Credit Risk includes improvements in the development of Basel II risk parameters as part of the preparations for the application of the Internal Ratings-Based Approach (PD, LGD, EAD). For Market Risk, it includes improvements on the validation of the front office model and market risk measurement model. As regards Liquidity Risk and Interest Rate Risk, the implementation of Basel II and ERM includes the development of liquidity limits, intergroup liquidity risk management, liquidity stress testing and development of a management framework for interest rate risk in the banking book. In relation to operational risks, the implementation stresses the development of an Operational Risk Framework and Operational Risk Governance (ORM) and development of related models in accordance with Advanced Measurement Approaches (AMA). In terms of managing its capital, Bank Mandiri has made improvements on the Economic Capital model along with the Portfolio Optimization and Capital Optimization frameworks. With regard to ICAAP, Bank Mandiri has developed the application of ICAAP so as to cover, among other things, the preparation of risk appetite statements, development of a comprehensive risk assessment, application of stress testing, capital planning and synchronization with relevant regulations such as Risk-Based Bank Rating (RBRR).

Risk Management Application

The risk management and internal control of Bank Mandiri are implemented in all lines (three layers of defense) and at all levels as explained below:

1. Active Supervision of the BOC and BOD

- a. The BOC and BOD understand the risks faced by the Bank and have provided clear direction, carried out active supervision and mitigation as well as developed Risk Management culture in the Bank.

- b. The BOD establishes an organization structure that clearly reflects the limits of authority, responsibility and functions, as well as independency between the Bank's business units and line units of risk management.
 - c. The BOC assumes the responsibility for the approval and periodical observation of the risk strategy and policy that covers the Bank tolerance levels toward risk, the cyclic trends of domestic and international economy, as well as the design for long-term requirements.
 - d. The BOD is responsible for implementing risk strategy and policy by clearly outlining and communicating risk strategy policy, monitoring and controlling risks and evaluating the implementation of the related policy and strategy.
 - e. The BOD monitors the internal and external conditions to ensure the execution of the Bank strategy has taken into account the risk impacts and ensure that the line units have the authority and responsibility that support the formulation and monitoring of strategy implementation, including the corporate plan and business plan.
 - f. The BOD establishes the procedure for adequate review on the accuracy of risk assessment methodology, risk management information system implementation adequacy, as well as risk limit and procedure policy.
2. The Adequacy of Policy, Limit Establishment and Procedure
- a. Risk Management application at Bank Mandiri is supported by a framework that covers policies and procedures for Risk Management and risk limits which are clearly defined in line with the vision, mission and business strategy of the Bank.
 - b. Bank Mandiri has written policies and procedures that fulfill the principles of transparency, improving service quality towards customers and stakeholders, and the policy must comply with the prevailing legislation.
 - c. Bank Mandiri risk management policies are prepared according to the Bank's mission, business strategy, capital adequacy, human resource capacity and risk appetite.
 - d. Bank Mandiri conducts evaluation and updates the risk management policies by taking into consideration development in internal and external conditions.
 - e. The establishment of risk limits, which include limits per product/transaction, per type of risk and per functional activity, has been sufficient and monitoring limit is carried out periodically.
3. The Adequacy of Identification Process, Measurement, Monitoring and Risk Control as well as the Risk Management Information System
- a. The Bank undertakes accurate risk identification and measurement processes on every product or transaction deemed to be having risks.
 - b. Risk identification is proactive, covers all business activities of the Bank and is conducted to analyze the sources and the possibility of risk incidence and its impact.
 - c. The Bank already has adequate risk exposure monitoring systems, including the existence of independent functions to routinely monitor risk exposure, provide accurate and timely information, feedback and follow-up on corrective actions and improvements.
 - d. The Bank develops a management information system tailored to the characteristics, activities and complexities of the Bank business activities.

4. A Comprehensive Internal Control System

- a. The Bank implements internal control systems into Bank Risk Management application in reference to the established policies and procedures.
- b. There are delegation of authority and responsibility for monitoring the compliance with the policies, procedures and limits.
- c. There are clear reporting line and separation of functions between operational line units and line units assuming control functions.
- d. Bank Mandiri has established sufficient procedures for ensuring compliance with the prevailing laws.
- e. The Bank conducts an effective, independent and objective review of the policies, framework

and procedures for Bank operations of which the frequency/intensity of these procedures can be improved based on the risk exposure, market movements, measurement methods and risk management.

- f. Internal Audit line unit conducts the audit on a regular basis with adequate coverage, documenting the findings and the management's feedbacks on audit results and reviewing the follow-up on such findings.
- g. A comprehensive description of the risk factors and efforts to manage each risk may also be consulted in the Overview of Business Support Functions, in Risk Management section.

Types of Risk and Risk Mitigation

Bank Mandiri focuses its risk management on the types of risks determined by the OJK, such as credit risk, market risk, liquidity risk, operations risk, strategic risk, reputational risk, legal risk, compliance risk and insurance as well as intragroup transactions. However, the Bank also manages other risks, such as those associated with information technology.

In line with the global economic slowdown, the impact of rising fuel prices, high volatility of foreign exchange rates, trend in declining commodity prices and the volatile growth of the Indonesian economy, Bank Mandiri conducts risk management in an a proactive and anticipatory manner including, inter alia, through stress testing, intensive monitoring of each business segment and the preparation of contingency plan.

Bank Mandiri conducts a bank-wide integrated evaluation of the risks encountered. Some of the uncertainty faced by the Bank following mitigation undertaken as follows:

Uncertainty	Description	Mitigation
Credit concentration	Overexposure to one individual or entity, a related entity group, a geographical region, certain products and the likes with common systematic criteria, with a potential of highly material loss.	<ul style="list-style-type: none"> Use a tool called Portfolio Guidance on all credit risk management stage Limit exposure by limit policy (industrial limit and debtor limit)
Complexity of business processes and extensive network coverage	In line with the aggressive and non-organic business growth, Bank Mandiri has a diverse and complex business as well as an extensive network encompassing overseas offices and subsidiaries.	<ul style="list-style-type: none"> Apply the ERM to risk management Carry out consolidated risk management with subsidiaries engaged in the financial sector in a gradual and viable manner
Internal & external fraud	Deliberate acts of deviation and omission to deceive, defraud, or manipulate the Bank, customers or other parties, which occur in the Bank domain and/or use Bank facilities thus causing the Bank, customers or other parties to suffer a loss and/or the fraud perpetrators to obtain direct or indirect financial benefits.	<ul style="list-style-type: none"> Operational risk management by all work units Increase risk awareness through a series of publication programs including the "NO Surprise" program to all work units Operational risk management which is periodically monitored by operational risk management forum in central and regional offices Complete due diligence and risk management processes to customers by referring to regulations of Bank Indonesia and using risk-based approach principles
Global crisis and slowdown in economic growth	<p>European sovereign debt crisis has caused slowdown in economic growth and financial market volatility. Economic growth slowdown in China and India threatens commodity demand.</p> <p>A significant increase in BI key reference rate to reduce financial market volatility due to tapering off by the Federal Reserve.</p>	<ul style="list-style-type: none"> Perform regular and comprehensive stress testing, and prepare a contingency plan Close monitoring to industrial sectors with strong crisis and recession potentials, including mining, commodity and textile Develop special watchlist tools for coal mining and oil palm plantation sectors to monitor debtors in these two sectors
National economic slowdown	Oil fuel price adjustment which supports higher inflation and interest rates.	<ul style="list-style-type: none"> Conduct active portfolio management to obtain loan portfolio in the prospective sectors
Bank liquidity	Financial market volatility caused tighter banking liquidity, thus increasing market interest rates and competition to obtain funds.	<ul style="list-style-type: none"> Proactive and prudent liquid assets management and increasing market access

Ketidakpastian	Deskripsi	Mitigasi
Changes in government regulations and regulator	Changes in regulations concerning regulator which increases the Bank's exposure.	<ul style="list-style-type: none"> Adjust the risk portfolio or exposure for the Bank thus reducing the impact of changes in regulator/ government regulations, including by Bank portfolio diversification, higher capital and the likes
Greater competition in banking industry	Better economic conditions support higher competition in banking industry, including in interest rate pricing and credit processing time.	<ul style="list-style-type: none"> Implement market leader strategy in funding pricing Implement risk-based pricing, which is different credit interest rates based on credit risk level Develop cash flow-based lending method/approach for financing distributor Implement new credit process for credit with a limit from IDR200 million to IDR500 million

The types of risk and risk mitigation of Bank Mandiri can be seen in the Overview of Business Support Functions - Integrated Risk Management.

Evaluation of the Effectiveness of the Risk Management System

The risk management system applied by Bank Mandiri is useful for analyzing risks or potential risks to be faced at the moment and in the future, and finding mitigation of such risks. The system in place needs to be evaluated in order to evaluate its effectiveness. Through this evaluation, Bank Mandiri is able to analyze whether the strategies employed to handle the risks have complied with what has been determined.

To determine the effectiveness of the Risk Management System and its implementation, evaluation and reviews are conducted both internally and externally. Internally, the Risk Monitoring and Integrated Corporate Governance and Audit Committees have the duty and

responsibility of conducting studies and evaluation of policies and implementation of risk management, as well as providing input and recommendations to the BOC as part of the oversight functions carried out. Internal audit, on a regular basis, reviews and audits the implementation of risk management based on the principle of risk-based auditing, with the aim of not only ensuring internal control, but also continuously improving risk management. Externally, the evaluation of risk management is performed by external auditors and Bank Indonesia auditors. In 2015, the Bank worked closely with international external consultants to carry out the implementation of Basel II and Enterprise Risk Management (ERM) in the Bank.

Strategic Objectives of Risk Management in 2016

In order to support business growth and anticipate changes in macroeconomic conditions and newly published regulations, Bank Mandiri will continuously develop the infrastructure and capabilities of risk management which, among other things, include:

1. Managing the level of risks within Bank Mandiri
 - a. Implementing Risk Appetite Statement (RAS).
 - b. Developing a framework and system that integrate stress testing measurements into credit risk, liquidity risk, market risk, impact on the profit/loss and capital adequacy ratio (CAR) for Bank Mandiri and its Subsidiaries.
 - c. Enhancing credit stress testing system to meet the needs of credit stress testing in a specific and efficient manner for the implementation of Basel II and III.
2. Developing portfolio management that is more proactive which encompasses improvements on portfolio guidelines, industry classification, portfolio alerts through effective collaboration with the Office of the Chief Economist (OCE) and Mandiri Sekuritas.
3. Improving end-to-end credit process in the wholesale segment through:
 - a. Business process improvements for wholesale segment with limits set for anchor client and specific sectors.
 - b. Optimizing the use of ICLS.
 - c. Fulfillment of the DRC in the context of sustainability of the Risk Management System.
4. Efficient use of capital through:
 - a. Implementing IRBA Phase II.
 - b. Developing ERM System for the Implementation of Basel II and III: Calculation of Risk Weighted Assets for Capital Allocation Credit Risk.
 - c. Enhanced Modeling of Basel II Risk Parameters for Retail Portfolio.
 - d. Implementing the New Operational Risk Reporting System.
 - e. Enhancement of Operational Risk Capital Expense Calculation, from adopting the Basic Indicator Approach (BIA) to taking Advanced Measurement Approach (AMA).
 - f. Intensification and Extension of Validation Functions.
5. Optimizing the Management of Assets & Liabilities by managing yield of earning assets and cost of liabilities, Pricing Strategy and Implementation of New ALM Solutions.

external auditor

Bank Mandiri Financial Statements are supervised by the Internal Auditor through the Internal Audit Directorate and External Auditor through an Independent Auditor or External Auditor. External Auditor plays a role to contribute to credibility by providing reasonable and correct opinions. This provides the Bank's shareholders and stakeholders with useful information and insights. The audit of Financial Statements for 2015 of Bank Mandiri was attested by a Public Accounting Firm (KAP).

Functions of External Auditor

External Auditor functions to perform audit of the Bank's Financial Statements, to formulate and express opinion regarding the Financial Statements and to test internal audit work, including re-testing of

returned items that have been tested by the internal audit, testing the same item as well as observing the procedures followed by the internal audit.

Appointment of External Auditor

The 2015 Financial Statements was audited by KAP Purwantono, Sungkoro & Surja as Public Accounting Firm appointed under a resolution of the Annual General Meeting of Shareholders (RUPS) on March 16, 2015, of which it has conformed to the regulations of Bank Indonesia, Financial Services Authority (PJK) and other relevant regulations. The year 2015 was the first time this firm audited Bank Mandiri Financial Statements.

The process of appointing the External Auditor was as follows:

1. The BOC submitted a request to the Board of Directors (BOD) to conduct pitching of KAP to audit the 2015 Financial Statements.
2. Bank Mandiri did a procurement process to select a KAP, started with the formation of a

Procurement Team for KAP in relation to the procurement of audit service for the 2015 Financial Statements to the evaluation of technical and financial aspects of the proposals submitted by the Bidders.

3. The BOD submitted the result of evaluation of technical and financial aspects of the proposals submitted to the Audit Committee.
4. The Audit Committee gave recommendation on the appointment of a KAP that would audit the 2015 Financial Statements to the BOC for presentation at the Annual RUPS.
5. The BOC proposed to the Annual RUPS the KAP that would audit the 2015 Financial Statements.
6. The Annual RUPS held on March 16, 2015 resolved:

- a. To appoint KAP Purwantono, Sungkoro & Surja as the KAP that would audit the 2015 Financial Statements.
 - b. To confer power upon the BOC to determine the fees and other requirements for the selected KAP.
7. Bank Mandiri delivered Notice to Bidders regarding the resolution of the Annual RUPS.

Bank Mandiri made the appointment after verifying that the External/Independent Auditor complied with the principles of professional ethics including:

1. Professional responsibility;
2. Public interest;
3. Integrity;
4. Objectivity;
5. Professional competency and prudence;
6. Confidentiality;
7. Professional conduct; and
8. Technical standards.

Public Accounting Firms and Audit Period

The following list contains Public Accounting Firms that have audited Bank Mandiri's Financial Statements during the period 2010-2015:

Fiscal Year	Name of KAP	Period/ Firm	Name of Accountant	License Number	Period/ Accountant
2015	Purwantono, Sungkoro & Surja (E&Y)	1	Danil Setiadi Handaja, CPA	No. AP.0686	1
2014	Tanudiredja, Wibisana & Rekan (PwC)		Drs. Haryanto Sahari, CPA	No.AP0223	2
2013	Tanudiredja, Wibisana & Rekan (PwC)		Drs. Haryanto Sahari, CPA	No.AP0223	
2012	Tanudiredja, Wibisana & Rekan (PwC)	5	Lucy Luciana Suhenda, SE, AK, CPA	No.AP0229	1
2011	Tanudiredja, Wibisana & Rekan (PwC)		Drs. Haryanto Sahari, CPA	No.AP0223	2
2010	Tanudiredja, Wibisana & Rekan (PwC)		Drs. Haryanto Sahari, CPA	No.98.1.0286	

Conduct of Audit

In conducting external audits, Bank Mandiri always strives to improve communication with the KAP, where the Internal Audit Directorate was responsible for coordinating activities of the External Auditor and the Audit Committee supervised the course of audit

conducted by the Public Accounting Firm with the Directorate of Internal Audit. This coordination was established to achieve comprehensive and optimal audit results.

Coordination between External Auditor and the Audit Committee

The coordination between the KAP and the Audit Committee began with selecting a KAP to conduct audit of the Bank's financial statements in a beauty contest of the bidders. Thereafter, the KAP communicated the plan for conducting the audit.

Furthermore, the Audit Committee would regularly monitor the performance of the KAP together with the Internal Audit Directorate through monthly meeting of the Audit Committee. The meeting also discussed follow-ups on audit findings by the External Auditor.

Coordination between External Auditor and the Internal Audit Directorate

Internal Auditor was responsible for coordinating its activities with that of the External Auditor. Likewise, this was meant to achieve comprehensive and optimal audit results. The coordination was established through, among others, periodic meetings to discuss important matters for both parties. In addition, the

Internal Auditor evaluated the performance of the External Auditor which included understanding of issues encountered by the Bank, cooperation, communication, experience, expertise and output provided.

Audit Results

Opinion on the results of the Financial Statements for Fiscal Year 2010-2015 are as follows:

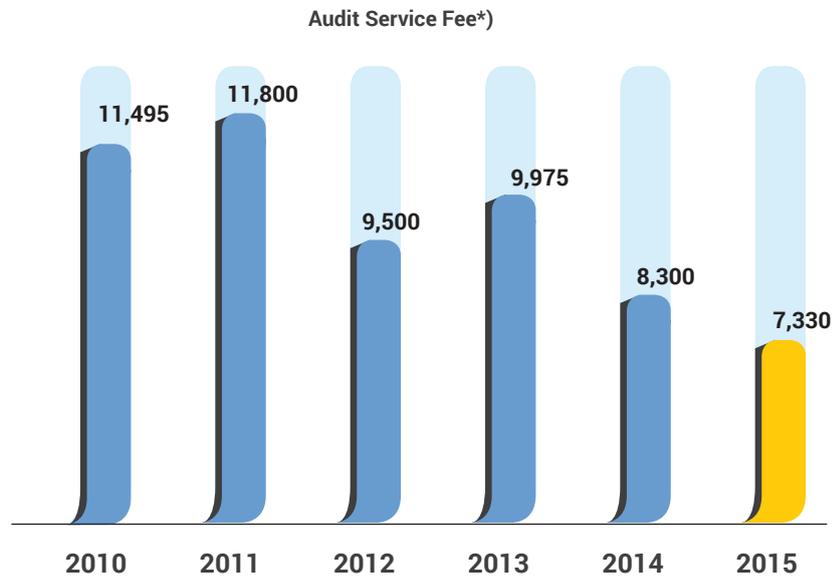
Year	Opinion on Financial Statements
2015	The consolidated financial statements were presented unqualified, pursuant to the Indonesian Financial Accounting Standards
2014	The consolidated financial statements were presented unqualified, pursuant to the Indonesian Financial Accounting Standards
2013	The consolidated financial statements were presented unqualified, pursuant to the Indonesian Financial Accounting Standards
2012	The consolidated financial statements were presented unqualified, pursuant to the Indonesian Financial Accounting Standards
2011	The consolidated financial statements were presented unqualified, pursuant to the Indonesian Financial Accounting Standards
2010	The consolidated financial statements were presented unqualified, pursuant to the Indonesian Financial Accounting Standards

Audit Fee

The amount of fee for audit services by External Auditor KAP Purwantono, Sungkoro & Surja for the financial year 2015 amounting Rp 7,330 billion, consists of audit services fee amounting Rp 5,736 billion and other attestation services fee amounting Rp 1,594 billion.

For information, following is a chronology of service fees for the 2010 fiscal year audit up to 2015 as follows:

Year	The Amount of Fee for Audit Services (in IDR million)
2015	7,330
2014	8,300
2013	9,975
2012	9,500
2011	11,800
2010	11,495



*) inclusive fee for other attestation services

Other Services Provided

Other non-audit services provided by the firm in addition to audit services were audit on the Compliance of Bank with Laws and Regulations and implementation of the agreed procedures for PT Bank Mandiri (Persero) Tbk. reporting to Bank Indonesia, Custodian Services, Scripless Security Settlement System (S4), Bank Performance Evaluation and Performance Evaluation of the Partnership and Environmental Development.

During the audit, KAP Purwanto, Sungkoro & Surja (EY) did not provide other services to PEPC other than auditing services; the audit process was managed independently and there was no conflict of interest.

Code of Conduct

The code of ethics is a code of conduct Board of the Bank in performing official duties and everyday as well as in the conduct of business relationships with customers, partners and colleagues. The existence of the basic rules contained in the Code of Conduct (Code of Conduct), makes one of the Bank's commitment to the principles of good corporate governance, which support the Bank is to achieve the vision and mission that has been set out.

The work ethic is an elaboration of the basic principles of personal and professional behavior that is expected to be done by the Board of the Bank in performing their duties. Business ethics is the moral principle related to the behavior of individuals, protection of property bank, and the conduct of business bank one of them in interacting with stakeholders, as the basis of the behavior of Bank's Board in running business activity. It is a standard of behavior that must be applied by all levels of the organization.

The Presence Code of Conduct

Bank Mandiri has a code of conduct since 2000 by the Joint Decree of the Board of Directors and Board of Commissioners No. 002/KEP.DIR.KOM/2000 on Code of Conduct PT Bank Mandiri (Persero) Tbk. The Bank's code of conduct was revised in 2013. The code of ethics Bank explains the basic principles of personal and professional behavior conducted by the Bank Board. Therefore, the existence of a reference code of ethics and conduct responsibilities for the Board of Commissioners, Directors and all employees of the Bank at all levels of the organization as part of efforts in achieving the vision and mission of the Bank.

The application of the code of conduct is expected to promote the establishment of professional behavior, responsible, fair, decent and trustworthy in doing business with fellow colleagues and business partners.

Contents of the Code of Conduct

Bank Mandiri's payload contains a code of conduct setting the work ethic and business ethics. The work ethic governing Board of the Bank in performing their acts includes the following aspects:

1. Conflict of interests

Conflict of interest is a condition in which the Board of the Bank in carrying out its duties and responsibilities have interests beyond the interests of the service, both concerning personal, family or the interests of other parties so that the Board of the Bank of the possible loss of objectivity in making decisions and policies appropriate authority that the Bank has given. Therefore, the entire personnel of the Bank:

- a. shall avoid activities that may create conflicts of interest and report to the direct superior if it cannot avoid.
- b. shall be prohibited from giving consent or request approval for the loan, as well as preferential rates or other specificity to:
 - i. themselves
 - ii. their family.
 - iii. a company in which he and his family have a controlling interest.
- c. shall be prohibited from being employed by another company, unless the assignment or have obtained written permission from the Bank. Board of Commissioners and the Board of Directors following the regulatory provisions.
- d. shall be prohibited from being partner directly or indirectly, a good partner for the goods or services to the Bank.
- e. shall be prohibited from taking goods belonging to the Bank for its own interests, the interests of the family or other outside parties.
- f. shall be only allowed to conduct securities transactions, foreign exchange, precious metals, derivatives and other goods for their own interests if there is no conflict of interest, breach of insider trading rules of the Capital Market Authority, and other regulations.

2. Confidentiality

- a. shall be required to understand and maintain the confidentiality of any information, in accordance with prevailing regulations.
- b. shall use the information received only for the banking activities.
- c. in providing information, must act in accordance with applicable regulations.
- d. to prevent abuse, shall spread customer information internally within the Bank carefully and only to interested parties.
- e. shall be prohibited from disseminating information to outsiders about:
 - i. Bank activities with the Government of the Republic of Indonesia.
 - ii. Internal policies and procedures of the Bank.
 - iii. Management of Information Systems, Data and Reports
 - iv. Data on employees, whether active or not
 - v. Bank's business activities, including activities with customers and partners.
 Except with the consent of the authorized officer of the Bank or for command by applicable legislation.
- f. shall keep the special things that should be kept secret, remains in effect for former employees of the Bank.

3. Misuse of Position and Gratuity
- a. shall be prohibited from abusing their authority and taking advantage, either directly or indirectly, from the knowledge gained from the Bank's business activities:
 - i. Personal gain.
 - ii. Benefits for family members.
 - iii. Benefits for other parties.
 - b. shall be prohibited from soliciting or accepting, allowing, or agreeing to receive gratuities associated with his position and contrary to its obligations under the legislation in force. The types of gratuities and reporting mechanism will be regulated in separate provisions
 - c. shall be prohibited from soliciting or accepting, approving or agreeing to accept a gift or remuneration from third parties obtaining or trying to get a job related to the procurement of goods and services of the Bank.
 - d. In terms of customers, partners, and others, shall be prohibited from giving gifts in the form of goods or in any other form at certain moments such as the Hari Raya celebrations, disasters and others, if:
 - i. As a result of acceptance of the gift is believed to have a negative impact and influence the bank's decision, and
 - ii. The parcel prices beyond reasonable limits,
 the Board of the Bank who receives the gift should immediately return the gift with a polite explanation that the Bank Board are not allowed to receive gifts.
 - e. In terms of gift giving as mentioned in paragraph (d) above for one reason or another hard-refundable, Bank Board member who receives the gift should be immediately reported to his superior for further action.
 - f. In terms of customers, partners and other parties provide goods sale, then throughout the campaign due to the receipt of goods does not cause negative impact, then they are allowed to be accepted.
 - g. In order to procure goods and services from third parties for official purposes Bank, should try to get the best price by the maximum price cuts price cuts accounted for the profit of the Bank.
 - h. shall be prohibited from recourse to borrowing from clients or owed to customers.
 - i. shall not take the opportunity to use the facilities at the Bank for its own advantage beyond that provided by the Bank.

4. Insiders Actions
- a. The Bank personnel which has confidential information are not permitted to use such information to take advantage for himself, his family or any other third party.
 - b. prohibited from using internal information to make a purchase, or trade in securities, unless the information is already known by the public.
 - c. shall not abuse their position and take advantage, either directly or indirectly, for themselves or others that may influence the decision.
 - d. The decision to sell or buy the assets of the Bank as well as other services to do with the interests of the Bank.

- | | |
|-------------------------------------|---|
| 5. Bank Data Integrity and Accuracy | <ul style="list-style-type: none"> a. must present data that is accurate and reliable. b. not allowed to record and/or modify and/or delete bookkeeping, with the intent to obscure the transaction. c. only allowed to make any changes or deletion of data based on the authorization of the competent authorities according to the procedures that have been established by the Bank. d. not allowed to manipulate the document. |
| 6. Banking System Integrity | <ul style="list-style-type: none"> a. must always introspective and avoid the Bank's involvement in criminal activities in the field of finance and banking. b. mandatory suspect unusual transactions and required preventive action in detecting suspected accounts have been used for activities such as money laundering, terrorism financing, corruption and other crimes. |

As for business ethics as the basis of the behavior of the Bank Board in running the business, covering the following aspects:

- | | |
|--------------------------------|---|
| 1. Individual Behavior | <ul style="list-style-type: none"> a. Personal integrity <ul style="list-style-type: none"> i. upholding moral, self-esteem and a strong discipline. ii. maintaining personal integrity according to the rules, regulations, policies and systems in place. iii. committed to maintaining the image and reputation of the Bank. iv. leaning toward pure conscience in all the acts and behavior. v. acting in a responsible and respectable and free from the influence that allows the loss of objectivity in the discharge of the Bank or cause loss of business or reputation. vi. refraining from activities associated with an organization or individual that allow conflicts of interest. vii. both individually and together constantly strive to not get involved in things that can weaken or degrade the integrity of the banking system in Indonesia. b. Discriminative Treatment/Action <ul style="list-style-type: none"> i. upholding human rights. ii. discouraging the practice of discrimination in all its forms. iii. Harassment the Board of Bank action required to avoid any action that violate public order and morality. c. Harassment shall avoid any action that violate public order and morality |
| 2. Protection of Bank Property | <ul style="list-style-type: none"> a. Bank Property <ul style="list-style-type: none"> i. always maintaining and protecting all assets of the Bank both tangible and intangible. ii. Banks use the property only for activities related to the interests of the Bank. iii. using possessions Bank with full responsibility, including the suitability of its designation. b. Protection of Confidential Information <ul style="list-style-type: none"> i. protect and prevent the information is valuable and confidential from loss, misuse, leakage and theft. ii. not disseminate reports/information regarding the Bank which are not intended for the public. c. Bank's Intellectual Property <ul style="list-style-type: none"> i. safeguarding the Bank's intellectual property rights. ii. dedicating their competence for the benefit of the Bank as the Bank of intellectual property rights. d. Recording and Reporting responsible for the accuracy and completeness of records and reports presented. |

3. Bank Mandiri Business

- a. Mis-representation
 - i. The Bank's employees who represent the Bank in dealings with third parties acting according to the capacity and authority.
 - ii. The Bank's employees who represent the Bank to provide information, documents and reports are correct in the right way.
 - iii. Bank ranks refrain from actions that could lead to a misunderstanding of the other party.
- b. Relationships with Partners
 - i. always prioritizing the interests of the Bank in dealing with business partners.
 - ii. preventing corruption, collusion, and nepotism as well as a negative image in dealing with business partners.
 - iii. in collaboration with partners to apply the principles of professionalism and fairness are based on good faith.
- c. Competitive Behavior
 - i. being responsible for creating and maintaining healthy competition in running the business.
 - ii. shying away, avoiding and preventing ways unhealthy competition in developing his career.
- d. Relations with Other Organizations
 - i. capable of making business contacts with other organizations including competitors all benefit the Bank
 - ii. refraining from all forms of collaboration/partnership is inappropriate to others.
- e. Obtaining and Using Third Party Information
 - i. avoiding the acquisition of confidential information from third parties/competitors in a way that is inappropriate.
 - ii. not recruiting employees of a competitor in order to obtain confidential information from a competitor company.
- f. Relations with Regulators
 - upholding the principles of ethics and regulations in developing relationships with regulators.

Dissemination of the Code of Conduct

The code of conduct has been communicated and disseminated to the Board of Commissioners and supporting organ, the Board of Directors and senior officers under the Board of Directors and all employees, including through:

1. The company's website.
2. Email administrator communicated to all employees of the company.
3. At the signing of the collective agreement made between the union and company management company.
4. Standing banners, flyers and other advertising media at the company's office area.

Implementation and Enforcement Code of Ethics

Employees can report alleged violations of the implementation of the code of conduct to superiors, through the mechanism of Letter to CEO (LTC) . All these reports should have data and/or accurate evidence so that violations can be processed further. Any violation of the code of conduct will be penalized in accordance with applicable regulations. Throughout 2015, complaints of violations of the code of conduct documented integrated on LTC mechanism.

Efforts implementation and enforcement of the code of conduct of Bank Mandiri done mindfully continuously in the form of attitudes, actions, commitments and provisions, among others by:

1) **Statement of Compliance with Bank Mandiri Code of Conduct**

To implement an effective Code of Ethics, Board of the Bank is required to read and understand the fine and required to sign a "Statement of Compliance with the Bank of the Code of Conduct", the code of ethics and corporate culture.

2) **Commitment of the Management and the Entire Bank Mandiri Employee**

The commitment of management and all employees of the Bank not to accept money and/or goods Gratuities and/or gifts associated with the obligations or duties. Commitment published through the mass media and the company's website.

3) **Annual Disclosure of Conflict of Interests**

Each Board of the Bank is required to make an annual statement (annual disclosure) related to conflicts of interest every year, and each unit must report transactions/decisions which conflict of interest every quarter, in line with the formulation of policies derived Code of the Bank in the form of Guidelines for Handling Conflict of Interest Mandiri Bank.

4) **The Integrity Pact**

The integrity pact signed by the holders of authority and all Bank Mandiri partners, which is involved in the loan process, procurement of goods and services, as well as accreditation partner. In addition there is also the Annual Integrity Pact signed by the Board of Commissioners, Board of Directors, Executive Officers of the Bank and all employees of the Bank in order to control the implementation of gratuity control.

5) **Awareness Program**

Bank Mandiri for new employees will be held induction program of the Code of Bank Mandiri through Bank Mandiri jump start education and socialization of continuous and consistent policy. In addition, also be disseminated to the entire unit of the Bank Mandiri related codes of conduct include anti-fraud strategy of Bank Mandiri, compliance culture, and a culture of service.

Corporate Culture Internalization

In order to support the achievement of the Bank's vision to become the best bank in ASEAN in 2020, the Bank has a corporate culture known as the "Culture of Excellence". The "Culture of Excellence" is a manifestation of the spirit of the Bank to grow and develop together in the context of Mandiri Group. "SUPERIOR WORK CULTURE, CULTURE OF EXCELLENCE" is based on the 5 TIPCE Cultural Values and 11 Key Behaviors of Mandiri Personnel.

The process of internalizing and socializing Working Culture of Excellence "Culture of Excellence" in Bank Mandiri made to all levels in the organization of the Bank, including the Board of Commissioners, Directors and employees through various media such as in-class training, discussion and direction of management during a visit to the region, sms/email blast, article in Mandiri magazine, materials teleconference/video tape, and others. In addition to the conventional way as described above, to enhance the enthusiasm of Mandiri personnel at excelling in performing work culture, the bank made a system called culture of excellence scoreboard as described in the company's profile.

With their superior work culture internalization process, expected the bank would have the advantage not only on the financial side, but also has superior Mandiri personnel to achieve the vision of the Bank became the best bank in ASEAN in 2020.

accesses to company data and information

Bank Mandiri has presented all financial and non-financial reports in a transparent manner to the public through various print and electronic media, including publication of financial statements in the websites of Bank Mandiri, Bank Indonesia, Indonesia Stock Exchange and the Ministry of State Owned Enterprises in a timely, complete and accurate manner.

Bank Mandiri facilitates accesses to company data and information for the public through:

1. Mandiri Call Center 62-21 5299 7777, 14000;
2. Company website: www.bankmandiri.co.id;
3. Investor Relations website: ir.bankmandiri.co.id;
4. Email: ir@bankmandiri.co.id;
5. Mass media;
6. Mailing lists, bulletins, periodic analyst meetings; and/or
7. Through Bank Mandiri branches.

Information Media and Corporate Communication

Based on the media used, information and data concerning Bank Mandiri can be obtained through:

Website

Through <http://www.bankmandiri.co.id>, stakeholders can find a wealth of information on the Company, such as Bank Mandiri Profile, products and services, 24 hours services, corporate governance information, including the Annual Report, organizational structure, management team, financial and stock information, news updates about the bank and so on. In an effort to improve the quality of the information and provide the latest news on the Company to the public, the Company consistently updates the content on a regular and ongoing basis.



Page on the Website

Print Media

Bank Mandiri provides information to shareholders and stakeholders using posters and Bank Mandiri magazines and through other means so as to provide comprehensive information on internal company activities to shareholders, stakeholders and the public at large.



Bank Mandiri Magazine

Electronic Media

Bank Mandiri uses electronic media, e.g. email, to disseminate or communicate information such as sending/receiving mails and receiving data from stakeholders. In addition, Bank Mandiri always advertises its activities and products on national private TV stations in Indonesia and on YouTube channel.



Bank Mandiri Promotion on YouTube

Internal Communication Forum

Bank Mandiri provides various means of communication to serve as discussion forums for employees and management regularly in each working unit, such as family gatherings, meetings, morning briefings and various competitions (sports and other events held by the Company).





Event Photographs (family gathering, morning briefings, sports, etc.)

Annual Report

Bank Mandiri provides information through its Annual Report, which is prepared each year. The Annual Report is submitted to shareholders, regulators, mass organizations, the media and the society.

Sustainability Report

Sustainability Report contains information regarding overall corporate activities published concurrently with the Annual Report. The Sustainability Report will be submitted to shareholders, regulators, mass organizations, the media and the public at large.



Front Cover of Bank Mandiri Annual Report 2014



Front Cover of Bank Mandiri Sustainability Report 2014

As regards access to confidential information, Bank Mandiri can only disclose any of it if there are valid reasons as required under governing laws and regulations. All Mandiri Personnel must maintain the Bank's and job confidentiality as good as possible.

Information confidentiality policies are established to protect the security of information and to ensure that Bank Mandiri discloses information to interested parties in a transparent and fair manner, pursuant to the applicable regulatory provisions.

Media Engagement Program

In the effort to improve communication and relationship with stakeholders, during 2015 Bank Mandiri conducted Media Engagement Program with various parties, specifically media partners. The following list outlines the activities conducted:

1. Media Briefing

One of the communication channels used by the Bank to interact with stakeholders, particularly mass media, to discuss a specific subject.

2. Press Conference

One of the communication channels used by Bank Mandiri to interact with stakeholders through mass media to announce news, such as the Bank's financial conditions, legal issues encountered by the Bank and achievements recorded by the Bank.

3. Dinner with Editor in Chiefs

This activity is held in order to maintain good relationships with mass media.

4. Informal Meeting with Media

Bank Mandiri conducts this activity as an effort to strengthen its relationships with mass media through informal activities that have been programmed.

5. Gathering with Managing Editors

An event conducted by Bank Mandiri with Managing Editors in the form of positive activities with the aim of maintaining good relationships with every Managing Editor of the media.

6. Lunch Meeting

Lunch meeting conducted by Bank Mandiri for maintaining good communications with mass media.

7. Media Visit

A communication event held by Bank Mandiri with mass media in a constructive and mutually beneficial manner.

8. Joint Fast-breaking

A communication event held by Bank Mandiri with mass media during the month of Ramadan.

9. Media Training

An activity conducted by Bank Mandiri to provide training (on Bank issues), whose materials are decided by the Bank, for mass media, e.g. promoting Bank Mandiri vision for 2020.

Berikut uraian kegiatan Media Engagement Program dengan berbagai pihak:

Month	Activity	Target Media	Information
Jan	1. Media Briefing on Mandiri Investment Forum 2015	Journalists from national media outlets, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri together with Barclays and Mandiri Institute would hold Mandiri Investment Forum on January 27, 2015 to promote investment in the country, an event which would be attended by 700 investors and business players.
	2. Press Conference on the Performance in Q4/2014	Journalists and photographers from national media outlets such as Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri continued to consolidate its role as an intermediary institution in developing the national economy. This was indicated by the annual loan growth of 12.2% by the end of 2014, increasing from IDR 472.4 trillion to IDR 530.0 trillion YoY, with NPL ratio at 2.15%.
	3. Press Conference on the Launching of Secure Parking e-Payment 2015	Journalists of national media, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri and Secure Parking Indonesia worked together in implementing e-payment system for parking using Mandiri e-Money. As the initial step, Mandiri e-Money could be used in parking areas of Kelapa Gading Mall and La Piazza Kelapa Gading. Further, Mandiri e-Money would be able to be used for parking payment in more than 20 parking areas managed by Secure Parking.
	4. Press Conference on Mini MRA by Bank Mandiri and International Banks	Journalists from national media outlets, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri entered into cooperation with three foreign banks, namely Bank of Tokyo-Mitsubishi UFJ, JP Morgan Chase Bank and Hong Kong Shanghai Bank & Corp (HSBC), to strengthen financial market through the use of repurchase (repo)/reverse transaction services. This marked the first instance where foreign banks used Mini Master Repo Agreement (MRA) as a standard contract in executing transactions.
	5. Press Conference on Mandiri Investment Forum 2015	Journalists and photographers from national media outlets, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, ANTARA and Detik.com	Bank Mandiri together with Mandiri Sekuritas and Barclays conducted the 2015 Mandiri Investment Forum (MIF) to encourage private sector's participation in the national development through investment. The increased investment could support the efforts to achieve much better economic growth.

Month	Activity	Target Media	Information
Feb	1. Dinner with Chief Editors 2015	Chief editors of national media, including Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri wanted to strengthen constructive and mutually beneficial relationships with media in order to obtain support to the Company's business agendas.
	2. Press Tour on Remittance Collaboration with 7-Eleven in Hong Kong, 2015	Journalists and photographers from national media, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, ANTARA and Detik.com as well as foreign wirenews	Bank Mandiri is committed to facilitating Indonesian people abroad to send money back home. In Hong Kong, Bank Mandiri cooperated with the Dairy Farm Company Limited, the management of 7-Eleven, to deliver remittance services for Indonesian in Hong Kong.
	3. Press Tour covering the 2015 Mandiri Young Entrepreneur (WMM) Workshop Goes to Islamic Boarding School in Medan	Republika, Tempo, Media Indonesia and Antara photographers, Bisnis Indonesia, Kontan, Indonesia Finance Today, Media Indonesia and Kompas	In collaboration with Al Kautsar Al Akbar Islamic Boarding School Medan, Bank Mandiri conducted a workshop to foster entrepreneurial spirit of Islamic seminarians and resilient entrepreneurs who can contribute to the economy. The workshop attended by about 500 Islamic seminarians discussed materials on entrepreneurial opportunities in Islamic boarding schools as well as some tips on entrepreneurship and business ethics.
Mar	1. Press Conference on WMM 2015	Bisnis Indonesia, The Jakarta Post, Dow Jones, SWA and Indonesia Finance Today	Mandiri Young Entrepreneur Expo in 2014 produced 20 winners of potential young entrepreneurs and innovators ready to contribute actively to developing the nation. In addition to the award, the winners received assistance in business development as well as financial management and marketing.
	2. Press Conference on the 2015 General Meeting of Shareholders (RUPS)	Journalists from such national media as Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	The shareholders approved and resolved the Company's Financial Statements for the fiscal year ending on December 31, 2014. The resolution confirmed the Bank status of Mandiri as the biggest bank in Indonesia with assets amounting to IDR 855 trillion and signalled its preparedness to target the ASEAN market. By the end of 2015, Mandiri targeted the achievement of IDR 1,000 trillion in assets to be able to pick up the pace at ASEAN level.

Month	Activity	Target Media	Information
	3. Press Tour on Makassar Laku Pandai Services 2015	Photographers from national media outlets like Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia and Republika	Bank Mandiri strengthens banking services without a physical office or Branchless Banking in order to support Financial Inclusion (Laku Pandai) through Mandiri e-cash, and to improve access to banking services for all levels of the society in Indonesia.
April	1. Press Conference on HAPE Account 2015	Journalists and photographers from national media outlets, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, and Detik.com	Bank Mandiri established collaboration with telecommunications operators, namely PT Telekomunikasi Indonesia (Persero) Tbk., PT Telekomunikasi Cellular Tbk., PT Indosat Tbk. and PT XL-Axiata Tbk., to strengthen financial inclusion. This synergy also supports the Government's spirit to keep improving access to financial and non-cash transactions.
	2. Press Conference on the Performance in Q1/2015	National media journalists from Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Early 2015 was a difficult period for business due to tough economic challenges. Nevertheless, the Bank continued to see loan growth above the industry average, i.e. by 13.3% from IDR 470.4 trillion in the first quarter of 2014 to IDR 532.8 trillion in Q1 of 2015.
	3. Press Tour Report on Coastal Home Renovation 2015	Journalists of national media outlets such as Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri continued to increase financing for fishermen either through schemes KUR and the Food Security Credit-Energy (KKP-E). By the end of 2014, Bank Mandiri disbursed up to IDR 1.765 trillion for loans to fishermen, 15% higher from the previous year.
	4. Media Briefing and PressCon on the 2015 World Economic Forum	Reporters from national media, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri seriously explored the potential of Indonesian financial inclusion to increase financial access in the country.
May	1. Press Tour on Mandiri Sahabatku Event 2015 in Hong Kong	Journalists and photographers from national media such as Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri delivered educational course and shared entrepreneurial skills with 1,000 Indonesian migrant workers in Hong Kong, Sunday (10/3). The program dubbed as "Mandiri Sahabatku" was the Company's effort to help shape a better future for the migrant workers after working abroad.

Bulan	Activity	Target Media	Information
	2. Press Conference on the 2015 Indonesia Investment Forum	National media journalists including from Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri and the Institute of International Finance (IIF) held a meeting forum of leaders in the world's financial business at Ritz Carlton Pacific Place Jakarta, Wednesday-Friday (6-8/5). More than 300 financial business leaders attended the forum to discuss a variety of issues related to the financing of infrastructure and financial access.
	3. Press Conference on the 2015 Global Partnership of Bank Mandiri with Accor Group	National media journalists including from Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com as well as business desk photographers	Bank Mandiri and Accor agreed to forge a global partnership to provide added values and greater benefits to the loyal customers of both companies, both debit and credit card holders of Bank Mandiri and guests of Accor hotels.
June	1. 2015's Fast-breaking Event with Chief Editors and Reporters	Chief editors and journalists of national media, including Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri's readiness to welcome the fasting month and Lebaran holiday season of 2015
	2. Press Tour covering the 2015 Bali Mandara e-Toll initiative	Journalists and photographers of national media outlets, including Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com, as well as business desk photographers	State owned banks under Himbara worked in synergy with Jasa Marga for developing toll road e-payment. To begin with, Bank Mandiri, BNI and BRI would implement the electronic payment system at toll booths of Bali Mandara to facilitate users in making payment for the toll road.
	3. Papua Bike Journey 2015 with Kompas	Editorial Board of Kompas Group	Bank Mandiri wanted to strengthen constructive and mutually beneficial relationships with media in order to obtain support to the Company's business agendas.

Month	Activity	Target Media	Information
July	1. 2015 Lunch Meeting with Managing Editors	Managing editors of national media, including Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com, as well as business desk photographers	Bank Mandiri wished to continue to optimize the role of media in communicating its latest development to the stakeholders.
	2. 2015 Kompas Media Visit	Editorial Board of Kompas	Bank Mandiri wanted to strengthen constructive and mutually beneficial relationships with media in order to obtain support to the Company's business agendas.
	3. Press Conference on the Performance of Q2/2015	Journalists and photographers from national media outlets, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	The Bank posted loan growth of 13.8% to IDR 552.8 trillion during the first six months. Following such performance, Bank Mandiri assets at the end of June 2015 grew by 19.5% to IDR 914.1 trillion YoY.
August	1. Informal discussions with Kompas and the business community about the current economic conditions in 2015	Editorial Board of Kompas	Bank Mandiri had prepared itself to meet the implementation of the ASEAN Economic Community (AEC) by maintaining active contribution to the improvement of public welfare.
	2. Press Conference on the Signing of MoU with Marina Bay Sands in 2015	National media journalists, including from Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com, as well as business desk photographers	Bank Mandiri established cooperation with Marina Bay Sands to create a joint marketing promotion program as a step to strengthening the loyalty of customers that hold Bank Mandiri credit card.

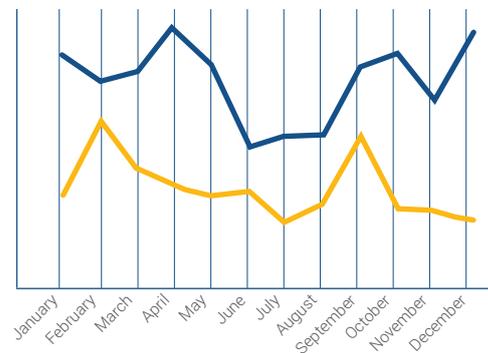
Month	Activity	Target Media	Information
	3. Press Tour of Journalist's Mountain Biking to Bandung 2015	Journalists and photographers from national media, like Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, ANTARA, and Detik.com	Bank Mandiri wished to strengthen constructive and mutually beneficial relationship with media in order to obtain support to the Company's business agendas.
Sept	1. Press Conference on Mandiri Financial Deepening Seminar 2015	Journalists from national media, such as Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, ANTARA and Detik.com	Mandiri Institute in collaboration with a global management consulting firm, i.e. Oliver Wyman, held an International Seminar on Financial Sector Deepening to increase financial support for the creation of economic stability in Indonesia. A total of 250 participants from various stakeholders, such as government representatives, regulators, financial institutions, economists, academics and market associations were present to discuss effective solutions and rapid deepening of financial sector
	2. The 2015 Media Training for Journalists	Journalists from national and local media outlets, including Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, ANTARA and Detik.com	Bank Mandiri was on the right track to realize its vision to become the best in ASEAN by 2020.
	3. Pres Confeence on Mandiri Simpel Product 2015	National media journalists, including from Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri and Bank Syariah Mandiri (BSM) introduced Simpanan Pelajar (Simpel) to get students to inculcate the money saving culture as early as possible.
Oct	1. Mandiri Karnaval Nusantara and Mandiri Jakarta Marathon 2015	Journalists and photographers from national media, including Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, ANTARA and Detik.com	Bank Mandiri supports development of national sports, especially athletics, as a sport that has the potential to win achievements in international events.

Month	Activity	Target Media	Information
	2. Press Conference on the Performance of Q3/2015	Journalists and photographers from national media, such as Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, ANTARA and Detik.com	Bank Mandiri managed to record business growth despite the unstable macroeconomic conditions. This was indicated by operating profit which grew by 21.19%, from IDR 22.5 trillion to IDR 27.3 trillion during the third quarter of 2015.
Nov	1. Press Conference on Mandiri Gandeng Indomaret to Expand Financial Inclusion in 2015	Journalists of national media such as Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri engaged Indomaret in expanding digital financial services using e-cash. Under this partnership, Indomaret would be an agent of Bank Mandiri to provide financial services through cash deposit transaction receipt, cash withdrawal and shopping using mandiri e-cash.
	2. Press Conference on Coverage on Dissemination of Digital Financial Services (LKD) in West Sumatra	Journalists of national media, including Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Bank Mandiri continued to expand access to banking transactions to improve public welfare and develop local economy. To that end, the Company disseminated information on LKD with Mandiri e-cash product to oil palm smallholders under the Koto Besar Padang Bungur and Bonjol Oil Palm Cooperative (Koskopabo), West Sumatra.
Dec	1. Press Conference on Himbara ATM Launching 2015	National media journalists, including from Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika and Detik.com	Monday, December 21, 2015 became one of the important milestones in terms of synergy between state owned banks in Indonesia. For the first time, state owned banks under Himbara officially launched a HIMBARA Automatic Teller Machine (ATM). During the inception, 50 ATM machines owned by four state owned banks were consolidated with the initial locations spread throughout Jakarta and its surrounding areas. Further, 800 ATM machines would be consolidated in 2016. "We decided to operate it under the brand name 'Link ATM HIMBARA,'" said Asmawi Syam, the President of HIMBARA serving also as the President Director of BRI.

Month	Activity	Target Media	Information
	2. Photo exhibition commemorating One Year of Jokowi'S Administration with PFI 2015	Journalists and photographers from national media including Kompas, Bisnis Indonesia, Kontan, Investor Daily, Media Indonesia, Koran Tempo, Jakarta Post, Republika, ANTARA and Detik.com	
	3. Mandiri Sahabatku Press Tour 2015	Kontan, Bisnis Indonesia, LKBN Antara and Detik.com	Bank Mandiri continued to support the spirit of entrepreneurship. This time, through Mandiri Sahabatku program, Bank Mandiri trained entrepreneurship for Indonesian migrant workers. The program was held in collaboration with Mandiri University, and attended by 7,200 migrant workers working in Hong Kong and Malaysia since 2011.

All activities under Media Engagement Program conducted by Bank Mandiri for the stakeholders, particularly mass media, were aimed at consolidating its relationship with the media so that the Bank would be able to communicate good and clear objectives to all stakeholders, specifically the public, through dissemination of information in the media.

Data on the publication of "positive" and "neutral" reports on Bank Mandiri during 2015 are as shown in the following chart:



procurement of goods and services

With the growing size of the Bank's business activities, the greater the funds needed by the Bank in the procurement of goods and services to support the Bank's business wheel. It is necessary to get attention and special handling by the Bank so as not to incur losses and violate the applicable laws. At the moment, the Bank has had a Work Unit that manages the process of procuring goods and services as well as provisions in the form of SPOs (Standard Operating Procedures) as guidelines for carrying out procurement activities.

Procurement of Goods and Services

The provisions on Procurement of Goods and Services, i.e. Procurement SPO, are determined by the Board of Directors (BOD) of Bank Mandiri. SPO Procurement Bank Mandiri is a guideline in the process of procurement of goods and services that are strategic and non-strategic to support the Bank's operations according to the quality, quantity and time are set at the best price as well as applying the principles of risk control management.

To realize the procurement activities with the procurement principles of effective, efficient, open, competitive, transparent, fair and not discriminatory, accountability, responsibility and independent, the Bank implemented the following matters:

1. Separation of duties with the Procurement Unit that is, units which selects candidate partners/vendors, the unit undertaking the procurement process, the unit making up the Own Cost Estimate; and Compliance Unit

2. Always subject to and comply with internal and external regulations.
3. Application of the principles of risk management includes the identification, assessment, mitigation and monitoring and measurement of operational risk.
4. Guided by the work culture of the Company, which is based on the values TIPCE (Trust, Integrity, Professionalism, Customer Focus, and Excellence), GCG, and adhere to the Code of Conduct and to implement the precautionary principle.

Procurement officials are required to sign the Integrity Pact to be able to implement the Goods and Services Procurement.



Bank Mandiri Procurement Basic Principles

In carrying out procurements, the Bank refers to the basic principles for the implementation of procurement as follows:

Effective	Procurement activities are conducted in accordance with the needs/plans that have been established and provide optimal benefits for the Company.
Efficient	Procurement activities are carried out to achieve quality in accordance with the specifications, at the agreed time and at the best price level.
Transparent & Competitive	Procurement must be implemented in a transparent manner and provides opportunities for providers of goods and services that meet the requirements, and be carried based on the principle of healthy competition among providers of goods and services that fulfill the requirements based on clear and transparent terms.
Transparent	All conditions and information on the procurements, including technical and administrative requirements, evaluation procedures, evaluation results and determination of potential goods and service providers, are open in nature.
Fair and Non-Discriminatory	Provides equal treatment to all providers of goods and services and does not benefit a particular party in any manner or for any reason.
Accountable	The procurement process, outcome, and payment must be accountable.
Responsible	The procurement process is carried out carefully and in compliance with the applicable regulations.
Independent	Procurement decisions are taken objectively and are free from third party intervention.

Bank Mandiri Procurement Ethics

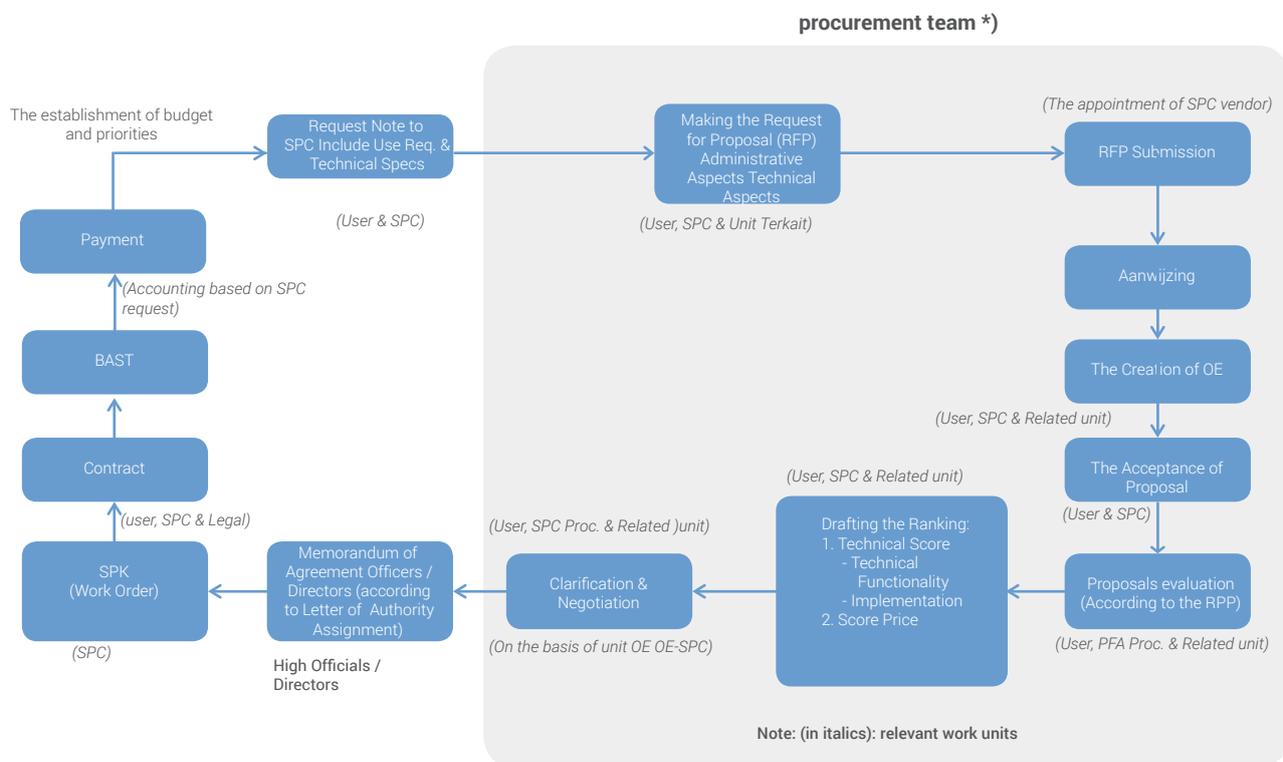
All parties involved in the procurement process in Bank Mandiri, including the Procurement Implementation Unit, Goods and Services Users and providers of goods and services, must adhere to the following set of ethics:

- a. Carry out their respective obligations in an orderly manner with a sense of responsibility so as to achieve smoothness and accuracy in the procurement process.
- b. Working in a professional and independent manner on the basis of honesty and maintaining the confidentiality of documents, such as Own Cost Estimated Price, in order to prevent the occurrence of irregularities in the implementation of procurement activities.
- c. No mutual influence, directly or indirectly, so as to prevent and avoid unfair competition.
- d. Accepting and accounting for all decisions made in accordance with the agreement of the parties.
- e. Avoiding and preventing conflicts of interest between the parties.
- f. Avoiding and prevent waste in the implementation of procurement activities.

- g. Avoiding and prevent abuse of authority for the purpose of personal, group or third party gain so as directly or indirectly be prejudicial to the Company.
- h. Avoiding and preventing corruption, collusion and nepotism in the procurement process.
- i. Not accepting gifts or benefits of any kind, either directly or indirectly.

Bank Mandiri Procurement Procedures

Bank Mandiri has guidelines for the procurement of goods and services as illustrated by the three process flows below:



*) the procurement team is formed for complex procurement, IT Solution and other strategic procurement

Goods and Services Procurement Authority and Responsibility

Procurement Authority and Responsibility

	User	Group PFA
Budget/Preliminary Approval	v	-
Product Policy	v	-
Procurement Policy	-	v
Procurement Request Nota	v	
User Requirement/Technical Specs	v	-
Procurement Documents	v	v
Vendor Qualification	-	v
OE/ HPS	-	v
Sending of RFP/Procurement Documents	-	v
Sending of Proposal	-	v
Technical Evaluation	v	-
Sign Off SOW	v + IT *)	-
Administrative Evaluation	-	v
Technical Evaluation	v + IT*) +IT ²⁾	
Price Evaluation	-	v
Negotiations	v	v
Proposal Memorandum	v + IT **)	v
Contract	V**)	v
License & Services Agreement	v + IT **)	v
Implementation	v	-
BAST	v	-
Recomendation on Payment		v
Payment	-	v + Accounting

*) : specifically for IT procurement **) If it is considered

Notes:

- Compliance Group may be asked to get involved in the team when needed or before proposed to the Board of Directors

Rules Governing Goods and Services Procurement

The rules governing goods and services procurements in Bank Mandiri cover the following aspects:

Implementation of Procurement	<p>a. Through supplier of goods and services: This type of procurement can be undertaken if the specifications of the goods/services are clear, it is more efficient, the timeframe is appropriate.</p> <p>b. Self-Managed: The procurement of goods services is planned, carried out and supervised by the Bank itself using its own personnel and equipment, or contract manpower.</p>
Elements in Procurement of Goods and Services	<p>a. Procurement Implementation Unit</p> <p>b. User</p> <p>c. Relevant Unit</p> <p>d. Approval Officer</p>
Procurement Planning	Each Procurement process to be carried out should be preceded by careful planning that includes clear specifications, the number of work packages to be undertaken, budget and implementation time. The planning in question must be well coordinated between the relevant work units, among others, work unit owner's budget, the work unit administrating system and work units responsible for the implementation of the procurement process.
Handover	Every unit that will use the goods or services (User) must check the conformity of the goods/services that are delivered with all the requirements, scope and specifications set out in the agreement and the supporting documentation.
Warranties in Goods and Services Procurement	So as to control the risks that may arise in connection with the procurement of goods/services as a result of non-performance, the supplier must provide a warranty.
Procurements in Response to Specific Circumstances	<p>In certain circumstances that require an immediate response, such as in the case of a natural disaster or other pressing exigency, the following mechanisms shall be permitted:</p> <ol style="list-style-type: none"> 1. Direct appointment without issuing of HPS/receipt of offers/Issuance of SP/SPK/contract, based on reimbursable real cost without margin, supplier's fee to be based on agreement and sensibleness. 2. Should a review reveal that the price is not reasonable; the procurement unit must conduct clarifications and negotiations with the supplier, which shall be set out in an Official Report on Clarifications & Negotiations. 3. The head of the Procurement Unit must monitor the implementation of the work and prepare an accountability report for his immediate supervisor and/or the Disaster Response Team.
Payment Process and Documentation	<p>Payment Process includes:</p> <ol style="list-style-type: none"> 1. Review of payment documents, 2. Approval of payment by the competent authority, 3. Payment shall be made in rupiah or in other currency in accordance with the amount stated on the SPK or contract, 4. Every expense component in a payment price shall be recorded in line with the relevant budget items.

Procurement of Goods and Services in 2015

Below are the details of Bank Mandiri procurements in 2014 and 2015:

Unit	Procurement Value (IDR) (Million)		Forex-Denominated Procurement Value (USD) (Million)		Total Value (Eq. IDR) (Million)		Total Procurement	
	2014	December 2015	2014	December 2015	2014	December 2015	2014	December 2015
PFA (Head Office)	3,245,456	5,596,203	281	89	6,051,222	6,404,031	2,050	1,833
Regional Offices	256,388	310,203	-	-	256,388	310,203	968	1,098
Unit	700,857	1,183,209	7	13	792,360	1,368,628	2,719	2,898

Until December 2015, the total value Procurement conducted by the Bank in the Head Office (PFA) was IDR 5,596,203 million while the Regional Office added up to IDR 310,203 million and for Work Unit IDR 1,183,209 million.

Total procurement conducted by the Bank until December 2015 at the PFA was 1,833. Meanwhile, the Regional Office contributed to 1,098. As for Work Unit, the number of procurements during the period was 2,898.

Auditing of Goods and Services Procurement

To ensure SOP Procurement and Bank policies have been implemented in accordance with the provisions, the Bank continues to do audits periodically and at any time, through the Internal and External Audit.

In 2015, there were no audit findings (by either internal or external auditors) of procurements that prejudiced or caused losses to Bank Mandiri, or protests by suppliers in respect of goods and services procurement by Bank Mandiri.

Supplier's Competency Development Program

Bank Mandiri has implemented training and development activities to improve the quality of vendor Bank Mandiri. Such activity includes certification and vendor meetings, with details as follows:

CERTIFICATION

Certification has been implemented in the field of construction supervising consultant to supervising consultants who oversaw renovation projects of regional branches of the Bank during the year 2014 with the aim of having the same qualifications to carry out the construction supervisory work in the branches.

VENDOR MEETING

During the course of 2015, the Bank carried out four vendor meetings whose agenda was sharing values between Bank Mandiri with vendors as well as listening to feedback and opinions from related vendor associated with the procurement of goods/services at PFA Group at Bank Mandiri. Details of the vendor meeting are as follows:

Date	Location	Invitees
April 7, 2015	Bank Mandiri Head Office 10th Floor	IT (System integrator, software/hardware, IT maintenance)
April 14, 2015	Bank Mandiri Head Office 10th Floor	ATM, EDC, CFRLM
April 28, 2015	Bank Mandiri Head Office 10th Floor	Construction (Planning Consultant, Contractor, Supervisor)
May 5, 2015	Bank Mandiri Head Office 10th Floor	Advertising agency, souvenir, offset & security printing, office vehicle

material cases involving members of the board of directors and the board of commissioners, bank mandiri and subsidiaries

Material Cases Involving Serving Directors and Commissioners

During 2015, no serving members of the Board of Directors (BOD) or the Board of Commissioners (BOC) of Bank Mandiri were involved in any legal issue, whether civil or criminal.

Legal Issues

In 2015 Bank Mandiri faced legal problems in the form of important lawsuit/ accusation and have been filed through the legal process, as the following table:

Legal Issues	Civil		non-criminal case	
	2014 ¹⁾	2015 ¹⁾	2014	2015
Has been completed (already own a permanent legal force)	103 lawsuit	90 lawsuit	N/A ³⁾	N/A ³⁾
In the Resolution Process	148 lawsuit ²⁾	115 lawsuit ²⁾	N/A ³⁾	N/A ³⁾

1. Lawsuit data for GCG reporting using cut-off date as of December 31, 2014 and December 31, 2015, consequently for the reporting of GCG 2014 and 2015, the applied lawsuit data are those cases/lawsuits which finished during the period of 1 January to 31 December of the concerned year.
2. Legal issues in the form of a civil case / non-criminal / lawsuit against Bank Mandiri decreased from the position by December 31, 2014, from the original 148 cases to 115 cases/lawsuits.
Of the 115 cases in 2015, there were six (6) cases which can be categorized as a matter of importance. Cases / non criminal accusation such significant matters related to the proposed issues in a number of Bank Mandiri Assets, which is claimed as the property of others, the restructuring credits plan that can not be realized by Ex Legacy Bank as the debtor can not meet the requirements demanded by Ex Legacy Bank and related to cash collateral disputed that are not recognized by the owner of the funds.
3. Significant criminal lawsuit faced by Bank Mandiri, Member of the Board of Directors, and the Board of Commissioners as well as subsidiaries in 2015 was zero.

Disclosure of Administrative Sanctions from OJK

Throughout 2015, no significant administrative sanctions that would hinder the business viability of Bank Mandiri were imposed, and no administrative sanctions were imposed on members of the BOC and BOD too.

Impact on the Company

The impact of civil and criminal cases where Bank Mandiri was involved in the legal proceedings was insignificant as the Bank had taken mitigation measures through its Legal Unit under the Risk Management & Compliance.

Whistleblowing System (WBS)

Bank Mandiri implements the Whistle Blowing Policy System (WBS) namely Letter to CEO (LTC) which is referred to:

- 1) Bank Indonesia Regulation No. 5/8 / PBI / 2003 amended by Regulation No. 11/23 / PBI / 2009;
- 2) Bank Indonesia Circular Letter No. 13/28 / DPNP concerning the Anti Fraud Policy;

LTC is a means in reporting fraud complaints or indications of fraud, from employees and vendors to the Managing Director with emphasis on the disclosure of complaints to improve the effectiveness of internal control systems within Bank Mandiri.

LTC Status

The management team of LTC are at Risk Management Unit. The mechanism of LTC has gone through changes and was invigorated in 2013. This was meant to improve the effectiveness of its implementation as outlined in the following scheme:

2009

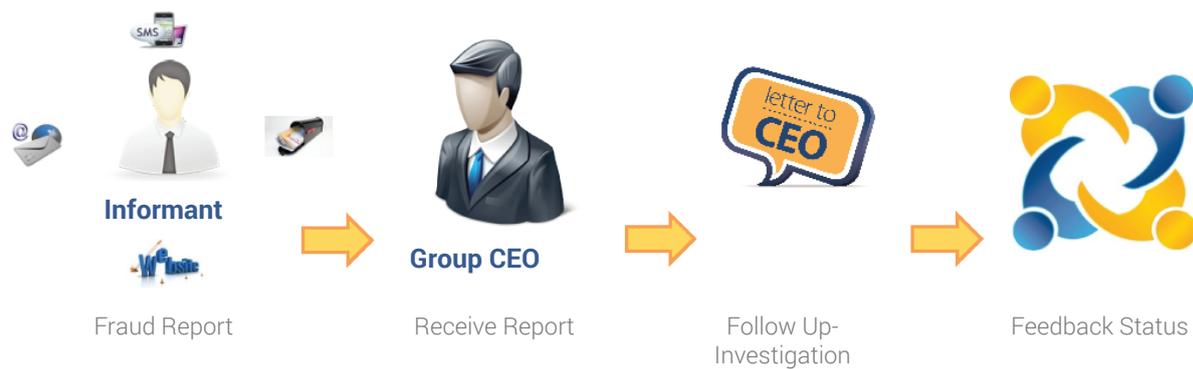
- LTC was introduced in 2009
- Whistleblower must state his/her identity
- Only available to employees
- LTC reports may be submitted by mail, email and sms
- LTC was aimed at fraud/indications of fraud and excellence/improvement

2013

- Media pelaporan ditambah dengan website LTC
- Laporan yang disampaikan melalui LTC adalah yang terkait dengan laporan fraud/indikasifraud
- Revitalization of LTC mechanism in 2013
- Whistleblower not required to state his/her identity in the report
- Not only for employees, but also for vendors
- Reporting media include an LTC website
- LTC now focuses on reports of fraud/indications of fraud

LTC Mechanism

Reporting Procedure



Manner of LTC submission and processing

The rapporteur can report indications fraud / fraud by using the following mechanism :

- a. rapporteur could deliver complaints through the media reporting:
 - 1) E-mail to lettertoceo@bankmandiri.co.id
 - 2) Mail to PO BOX 14000 JKTM 12700
 - 3) SMS to 0811900777
 - 4) Website by typing lettertoceo on the browser (intranet).

Rapporteur will get a Random Unique Number (RUN)

- b. Reports on complaints received directly by the CEO Group and followed up by the Internal Audit Group according to Service Level Agreement (SLA) that has been established.
- c. Rapporteur will get feedback on the status of complaints reported.

Protection for whistleblowers

Bank Mandiri guarantees protection to any reporting on complaint / disclosure by keeping the confidentiality of the identity of rapporteur (name, address, telephone number, email and work unit / company) and or allowing the rapporteur for not stating their the identity (remains anonymous).

LTC Objectives

It is expected that the LTC program will bring benefits to Bank Mandiri through:

Improvements including: (a) fulfilling customer needs, (b) developing the business, (c) increasing market share, (d) increasing revenue & reducing cost, (e) reducing process time and (f) improving employee engagement.

Prevention of violations (anti-fraud) including: (a) increased employee participation in control measures, (b) establishing early warning systems of fraud and (c) reducing the risk of bank losses.

Scope of LTC Policy

The scope of the LTC reporting system in Bank Mandiri governs many aspects, including the management unit, confidentiality and protection of whistleblowers, reporting procedures and sanctions as well as punishments.

Matters that can be reported pursuant to Bank Mandiri LTC policy are the reporting of fraud as defined below:

1) Definition of fraud

- a. A deviant act or purposeful omission undertaken in order to deceive, cheat or manipulate the Bank, a customer or a third party, that occurs inside the Bank; and/or

- b. uses the Bank's facilities so as to incur loss on the Bank, a customer or a third party; and/or
- c. results in financial benefit enjoyed by the fraudster, whether directly or indirectly.

2) Types of fraud

- a. Corruption, namely receiving/asking for reward and/or misappropriation or misuse of the Bank's money for one's personal interest or the interest of others and/or making or causing others to make plans that harm the Bank.

- b. Deceit, namely deceiving the Bank, its customers or third parties and/or forging documents, signatures, physical evidence and/or any authentic proof.
- c. Theft, namely taking part and/or all of the Bank's assets or data illegally.
- d. Omission, namely intentionally and deliberately ignoring procedures or responsibilities as a Bank employee.
- e. Violation, namely violating the Bank's internal regulations or external regulations or defrauding the Bank using technology (cyber crime) and/or not using technology, including manipulating financial statements or committing banking crimes as stipulated in the Banking Law or any other acts equivalent thereto.

LTC Development Plan

as a commitment of the Bank to the LTC policy, the Bank continues to make improvements for LTC policy. This is done so that the Bank Mandiri's LTC policy can adapt to a dynamic Bank business environment.

The Results of LTC Management

The complaints report of violations that are received through the channel LTC either by phone , email , fax or mail box is as follows :

Year	Media			Classification		Report Followed Up	Report Declared Completed
	Mail	Email	Website	Fraud	Non Fraud		
2015	3	4	0	4	3	7	

6

gratuity control program

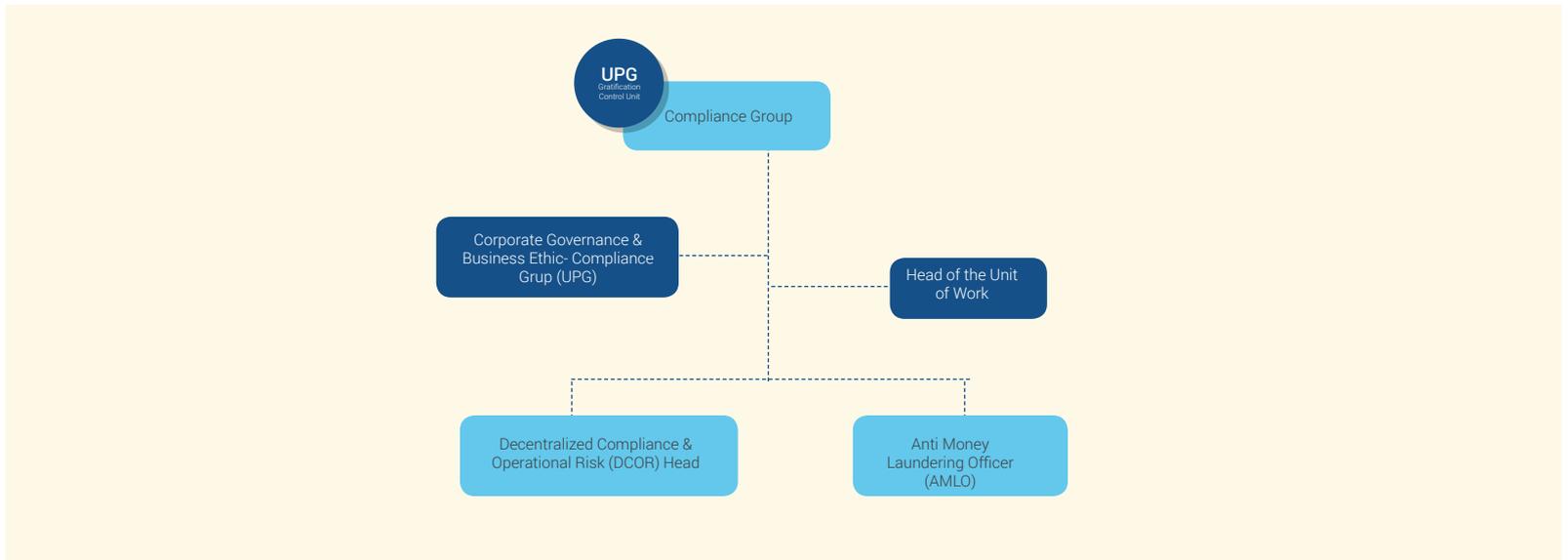
Bank Mandiri is aware that gratuity control is important to ensure that business processes are done in harmony with business ethics that uphold integrity. Therefore, since 2013 Bank Mandiri has established Operating Technical Guideline (PTO) for Gift Disclosure Statement that regulates the prohibition of receiving gratuity applicable to all Bank Mandiri employees. In addition, the gratuity control aims at establishing Good Corporate Governance (GCG) values and instilling the value of integrity into all the employees so that daily business activities with customers, vendors, partners and all stakeholders are based on ethics, mutual trust and responsibility. Therefore, business interests will be served in a good and ethical manner without violating the provisions regarding prohibition of gratuities. Up to date, Bank Mandiri maintains its effort to make continuous improvements on the implementation of its gratuity control.

As the embodiment of Bank Mandiri's commitment, as a strategic partner of the Corruption Eradication Commission (KPK), to constructing the National Integrity System as signed on November 4, 2014 and complying with Regulation of the KPK No. 2/2014 dated December 9, 2014 on Guidelines for Reporting and Determining Gratuity Status, gratuity control in Bank Mandiri has been implemented through changes in Gift Disclosure Statement PTO into Gratuity Control PTO, and the formation of Gratuity Control Unit (UPG) based on a Decree of the Board of Directors (BOD) as well as gratuity control through continuous dissemination of information, signing of integrity pacts and centralization of gratuity control through Bank Mandiri's UPG.

Gratuity Control Unit

The UPG of Bank Mandiri is under Compliance Group of the Corporate Governance & Business Ethic (CGB) Department. UPG functions to exercise gratuity control within Bank Mandiri environment and executes its tasks with the assistance from DCOR and AMLO.

The organizational structure of Bank Mandiri UPG is as follows:



Gratuity Control in Bank Mandiri

A. Integrity Pact

As a commitment to not giving and receiving gratuity, all ranks at Bank Mandiri and the Bank's partners signed an Integrity Pact. The integrity pact is a declaration that highlights a commitment to not solicit or accept or offer or give monies and/or gifts and/or parcels associated with the position served and conflicts with the obligations or duties, either directly or indirectly, either within or outside the country, either with or without electronic means from any individual or institution as prohibited by laws and regulations in force.

Until December 2015, two integrity pacts were signed off at the Head Office and followed by signings in 12 Regions.

The signings of integrity pacts were attended and carried out by as many as 1,026 partners and 36,225 employees of Bank Mandiri.

B. Dissemination on Gratuity Control

Dissemination on gratuity control was carried out continuously by UPG in coordination with the Heads of DCOR and AMLO to Working Unit at the Head Office, Regional Offices or through regular classes of ODP/SDP/Basic Branch Manager (BM)/Intermediate BM/BM Advance.

Until December 2015, direct sessions were conducted with 12 Groups in the Head Office, 12 Regions and 26 times in regular classes. The dissemination was carried out to approximately 6,523 employees of Bank Mandiri. In addition to that, other efforts included installing Gratuity Control Posters in Regions (Banking Hall) and the Head Office (Plaza Mandiri), sending Email Blasts and displaying Screen Savers on this issue.

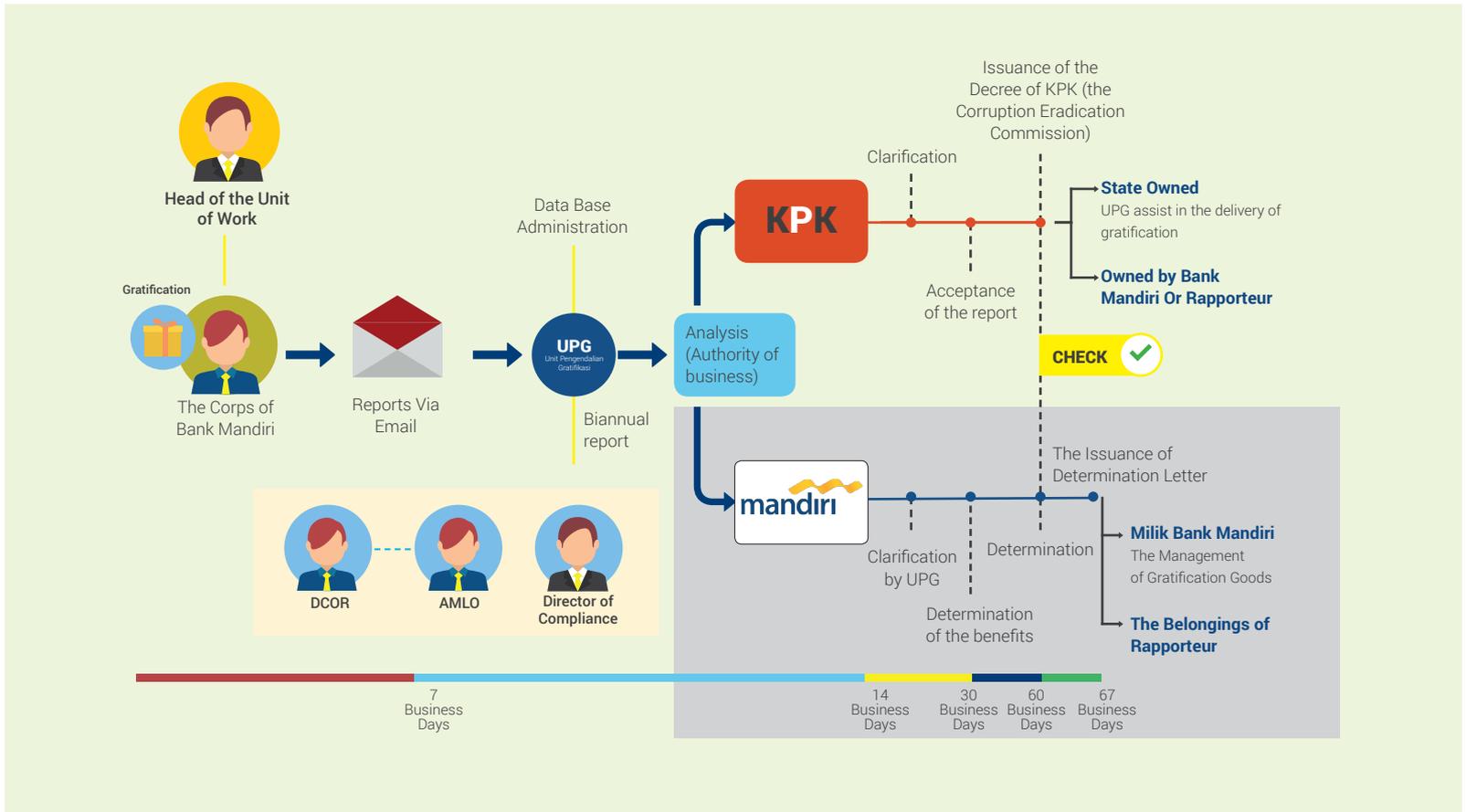
C. Gratuity Reporting

Gratuity reporting in Bank Mandiri is performed by sending an email to UPG. Employees of Bank Mandiri who accept/refuse a gratuity must report their acceptance/refusal to the UPG by e-mail no later than 7 working days after receipt of such gratuity or 3 working days after refusing such gratuity by sending a gratuity report form that can be obtained from the office or website of the KPK or from Gratuity Control PTO file with supporting documents such as photos of goods, evidence of the handover documents,

invitations and other supporting documents. After receiving the report, UPG will review and categorize the relevant gratuity and decide whether it is within its competency to handle such gratuity or the competency lies with the KPK. Until December 2015, the number of reports concerning acceptance/refusal of gratuity were 60 reports. The gratuities accepted included honoraria, electronic goods, souvenirs and food.

D. Gratuity Report Mechanism

Bank Mandiri has a gratuity reporting mechanism adapted to reporting mechanisms set by the KPK. Such mechanism can be seen in the following figure:



E. Raksa Culture Program

As an effort to put in place gratuity control in Bank Mandiri, Gratuity Control Program has been incorporated into the program of the Central Cultural Internalization Team through Raksa Badges - Culture Excellent Scoreboard, which is a reward from fiestapoin program and Excellent Work Culture of Bank Mandiri in relation to the Governance theme. The aim of this program is to develop GCG values and to instill into all Bank Mandiri employees the value of integrity.

other important information

Funding for Social and Political Activities

Funding for Social Activities in 2015

Bank Mandiri has set aside some of the profits to help develop communities and their environments as a form of social responsibility. This has become one of the evidence to the stakeholders that the Bank is not only concerned with (financial) profit alone, but also considers the interests of society and the communities in which the Bank carries on business across Indonesia.

A description of these activities is set out in “Corporate Social Responsibility” and the Bank’s 2015 Sustainability Report, which forms an integral and inseparable part of the Annual Report.

Funding for Political Activities in 2015

During the course of 2015 Bank Mandiri did not provide any funding for political activities or to political parties.

Provision of Funds to Related Parties and Large Fund Exposures

In order to avoid a bank failure as a result of the concentration of funding provision and to increase the independence of bank management in respect of potential intervention from related parties, the Bank applies prudential principles and risk management in the provision of funds, including through funding

portfolio diversification. Bank Mandiri has policy guidelines and procedures in place related to the provision of funds to related parties and/or large exposures in accordance with the Bank Indonesia regulations on lending limits for commercial banks.

The following are the details of Bank Mandiri's exposure to related parties and large fund exposures as of December 31, 2015:

No.	Provision of Funds	Amount	
		Borrower (Individuals)	Amount (IDR million)
1	To related parties	311*)	7,723
2	To key borrowers:		
	a. Individual	8	28,690
	b. Group	17	102,028
	Total key borrowers	25	130,718

*) 547 executive officials and 9 subsidiaries

Provision of funds to related parties (dhi . Individual or group , including executive officers , Directors and Commissioners bank) has been implemented fairly with favorable conditions and conducted through the approval of the Board of Commissioners with reference to the internal policy of Bank Mandiri regarding the provision of credit

Conflict of Interest Transaction

A conflict of interest is a difference between the financial interest of the Bank and the personal financial interests of the owner, a commissioner, a director, an executive officer and/or another party related to the Bank. To protect the interests of shareholders, Bank Mandiri has set out a policy on conflicts of interest in its corporate governance guidelines.

No conflict of interest transactions, as defined in Bapepam-LK Regulation No. IX.E.1 on "Conflict of Interests", were conducted in 2014.

Buyback of Bank Mandiri Securities

Throughout 2015, Bank Mandiri did not buy back any of its shares and/or bonds.

Highest to Lowest Salary Ratios

In 2015, the ratios of highest to lowest salaries were as follows: (update jika ada perubahan)

1. Ratio of the highest employee's salary to lowest: 52.02 : 1 (SEVP salary : employee salary)
2. Ratio of the highest director's salary to lowest: 1.1 : 1 (President Director salary : Director salary)
3. Ratio of the highest Commissioner's salary to lowest : 1.1 : 1 (Chief Commissioner salary : Commissioner salary)
4. Ratio of highest Director's salary to highest employee's salary: 1.35 : 1 (President Director salary : SEVP salary)

Bank Mandiri Internal Disputes

During 2015, there are no internal strife/disputes in Bank Mandiri with regard to intervention by owners, remuneration policy or other causes.

Press Release 2015

Month	Date	Title
January	9	Mandiri Serves PGN Payment Transaction
	14	Developing Repo Market, Mandiri Collaborates with Three Foreign Banks
	15	Mandiri DPLK Increase Funds Under Management
	22	Promoting Investment, Mandiri Investment Forum to Take Place
	27	Bank Mandiri Encourages Private Sector Participation in Development
	28	Bank Mandiri and Secure Parking in Collaboration for Payment with Mandiri e-Money
February	1	Bank Mandiri to Boost Syndicated Loan for Infrastructure
	3	Bank Mandiri Leads the Way with Assets of IDR 855 T
	10	Bank Mandiri and Jasa Marga to Serve e-Money Refill at Toll Gates
	11	Bank Mandiri Credit Grows 12.2%, Driving Asset Growth to IDR 855.0 T
	16	Making Remittance Easier, Bank Mandiri Collaborates with 7-Eleven in Hong Kong
	20	Mandiri Builds Entrepreneurship among Islamic School Students in Medan
	20	Bank Mandiri Strengthens Digital Financial Services
	23	Innovation: e-Money Refill Through Mobile Phone
	24	Working with Pegadaian, Bank Mandiri Strengthens Remittance Business
	26	Bank Mandiri to Issue Debit Card Co-branding with Forestry Cooperative
March	6	Bank Mandiri Continues to Build Entrepreneurship Spirit
	12	Mandiri Entrepreneurship Event Introduce 20 Potential Young Entrepreneurs
	16	Bank Mandiri Continues to Transform into ASEAN's Best Bank Shareholders Approved IDR 4.96 T Dividends
	20	Mandiri the Best Retail Bank in Indonesia
	27	Mandiri Serves Financial Transactions in Mitra Keluarga Hospital
	28	Mandiri Encourages Financial Services Access with Laku Pandai
April	7	Bank Mandiri Strengthens Financing for Fishermen
	9	Driving Transactions, Mandiri Works with Johnny Andrean and Kawan Lama
	10	Bank Mandiri Provides Hedging Facility to PLN
	13	Mandiri Serves Tax Payments in Foreign Currency
	13	Mandiri Expands Online Payment Network for State University Selection Test
	15	Mandiri Works with Sushi Tei Indonesia to Strengthen Transactions
	16	Bank Mandiri Supports Increased Investments Through WEF
	20	Mandiri Focuses on Financial Access Improvements
	23	Bank Mandiri Sets the Toll Roads Green
	24	Bank Mandiri Credit Grows 13.3%, Posting IDR 532.8 T

Month	Date	Title
	25	Developing Its Business, Bank Mandiri and Bank Jateng Issued Credit Card Co-Branding
	27	Bank Mandiri Cooperates with Telecommunication Operators to Strengthen Financial Inclusion
	29	World Finance Industry Leaders Will Gather in Indonesia
	30	Bank Mandiri and AXA Mandiri Launched Credit Card Protection Product
May	7	World Finance Industry Leaders Gathered in Indonesia
	10	Mandiri Trained about 1,000 Indonesian Migrant Workers on Entrepreneurship
	11	Bank Mandiri Service to Come to JCB Credit Card Holders
	11	Through JARING Program, Mandiri Pushes Credit in Maritime Business
	12	Accelerating Infrastructure Procurement, Mandiri to Disburse IDR 3 T to Pelindo IV
	12	Mandiri Art Gave Rise to 13 Potential Painters
	13	Bank Mandiri Gave Hedging Transaction Facility to Pertamina
	13	Bank Mandiri Issued Premium NCD
	20	Bank Mandiri Collaboration with Accor Strengthened Customer Loyalty
	22	Bringing On Indonesia Connectivity, Mandiri Supports Makassar New Port Development
	22	Mandiri to Facilitate Electronic Transactions for Street Vendors
	27	Mandiri Strengthens Its Wealth Management Business
June	4	Bank Mandiri to Strengthen Quality of Service
	11	Mandiri Expands Priority Service Network
	15	Increasing Participants, Bank Mandiri Disseminates BPJS-Related Info
	16	Mandiri Donates Water Distillers to 30 Villages in Bengkalis, Riau
	19	Strengthening Business Synergies, Himbara and Jasa Marga to Initiate Toll Payment Access
July	2	Mandiri Supports Revitalization of Cikapundung
	7	Bank Mandiri Provided Low-Cost Groceries in the Air Force Base
	8	Himbara Aided 1,200 Orphans in Medan
	10	Bank Mandiri to Act as Payment Bank for the Stock Settlement Bureau KSEI
	10	Bank Mandiri Dispatched 285 Micro Clients to Hometowns
	12	Lebaran Trip with Mandiri and Garuda Indonesia
	13	Mandiri to Operate 274 Branch Offices During Lebaran 2015
	14	Mandiri to Strengthen e-Cash Penetration to Market Vendors
	30	Bank Mandiri Assets Reached IDR 914.1 T
August	5	Strengthening Customer Loyalty, Mandiri Cooperates with Marina Bay Sands
	7	British Council and Mandiri to Develop Bajo Mola Wakatobi Tourism
	8	Mandiri Donates Clean Water Supply of 50 Tanks to Pandeglang Community
	13	Mandiri to Unify Indonesia Migrant Workers via Sebangsa Sahabat BMI Application
	16	Mandiri Spurs Micro Business in West Nusa Tenggara

Month	Date	Title
	17	Mandiri with SOEs Commemorated Indonesian Anniversary of Independence in West Nusa Tenggara
	25	Strengthening Human Resource Quality, Bank Mandiri Works with Lemhanas
	27	Mandiri Builds Entrepreneurship among Islamic School Students in Makassar
	31	SOEs Agreed Synergy in Toll Payment
September	2	Bank Mandiri Cooperates with IFC to Finance Infrastructure
	4	Strengthening Services, Mandiri to Operate a Contact Center in Yogyakarta
	7	Mandiri Institute & Oliver Wyman: Financial Exploration Will Create Space for Development Financing
	9	Bank Mandiri to Strengthen National Plantation Industry, Credit Disbursement to Palm Oil Industry Reached IDR 57.4 T
	16	Mandiri Launched Student Savings
	16	Three State Owned Banks Received USD 3 Billion in Loans from CDB
	17	Bank Mandiri Strengthens Treasury Services Named as the Best Bank and Best FX Bank
	21	Bank Mandiri Improves Credit for SMEs
	24	Bank Mandiri Employees Donated Qurban Meat for the Disadvantaged
	29	Bank Mandiri Disbursed IDR 1.15 T in Credit to Prima Container Terminal
	30	Mandiri Disbursed Allowances for Teachers
October	2	Develop PPOB Network, Bank Mandiri to Expand Payment Access of BPJS Premiums
	5	Working on the Business Client, Bank Mandiri Launched Fiestapoin for Business Program
	15	Accelerating Eastern Indonesia's Economies, Mandiri Supports Pelindo IV to Build a New Port in Makassar
	22	Developing Small Business, Mandiri Boosts KUR
	22	Mandiri Develops Entrepreneurial Leaders
	22	Mandiri Holds a Carnival
	24	Targeting Fee Based Income Growth, Bank Mandiri Presents New Features in Cash Management Services
	29	Operating Income Increased by 22.79%, Bank Mandiri Enforces Backup
November	4	Mandiri Works with Indomaret for Expanding Financial Inclusion
	5	Simplifying Pharmacy Distribution, Bank Mandiri Funds Drug Stores
	6	Pushing Credit Card Business, Mandiri to Present Visa Signature
	9	Mandiri Focused on Maintaining Asset Quality to Strengthen Its Business
	12	Mandiri Facilitates Transactions for Alfamidi and Lawson Customers
	12	Mandiri to Develop Marine Fisheries Credit through Jaring Program
	16	Mandiri Young Entrepreneur Competition 2015 to Start
	18	Mandiri Introduced Digital Financial Services to Farmers
	20	Bank Mandiri and Pelni Work in Synergy for Financial Management
	26	Mandiri Builds Entrepreneurship among Islamic School Students in Pati

Month	Date	Title
December	27	Mandiri to Internalize Saving Culture at School Student Levels
	30	Mandiri Serves Payment Transactions for Bumiputera Life Insurance
	4	Bank Mandiri Taking a Day Off on the Election Day
	7	Bank Mandiri to Strengthen Secondary Mortgage Business
	8	Strengthening Retail Business, Bank Mandiri Cooperates with Synnex Metrodata Retailer
	10	Working with Boku, Mandiri Takes On Online Gaming Transactions on Facebook
	13	As Many As 8,377 Indonesian Migrant Workers Received Entrepreneurial Training
	14	Mandiri to Collaborate with Alfa Group to Receive Payment for BPJS Premiums
	15	Supporting Tax Optimization, Bank Mandiri to Serve Tax Payments via EDC
	15	Mandiri Launched World Elite MasterCard Credit Card
	18	Bank Mandiri Continues to Transform into the Best Bank
	20	Anticipating Christmas and New Year 2016, Mandiri Sets Up IDR 17.5 T
	29	Mandiri Runs the Cash Management of PT Pos Indonesia

Bank Mandiri Strategic Plan for 2015-2020

Future challenges which are more complex and the need to keep improving business performance and provide best quality services to customers are the reason for continuous business transformation and organizational management in Bank Mandiri. Therefore, Bank Mandiri has initiated the transformation phase III of 2015-2020. Bank Mandiri has the long term vision "To be the Best Bank in ASEAN by 2020". Such vision can be elaborated as follows:

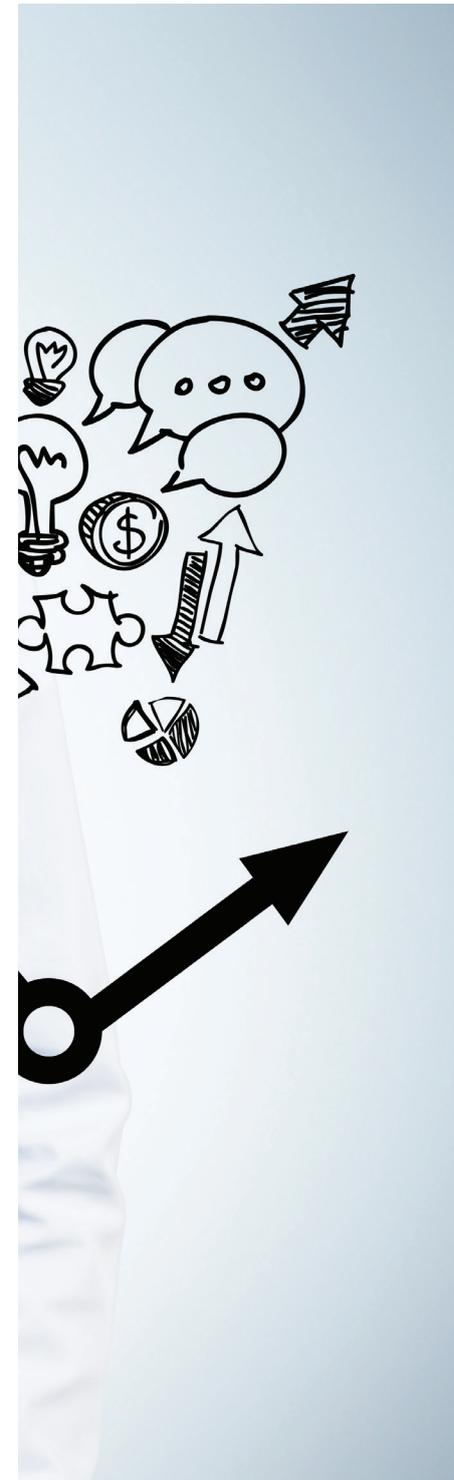
1. Bank Mandiri is committed to be the best financial institution in ASEAN, in service, product and yields to shareholders, and in benefits to the public at large. This is achievable by providing integrated products and services, financial solutions which are based on extensive industrial comprehension and supported by technological advance, quality human resources and business synergy down to subsidiary level.
2. Bank Mandiri aims to be the pride of the country and every person working at the Bank assumes responsibility to be met through proper management and good corporate governance.
3. With the targets of USD 55 billion in market capitalization and Return on Equity of 23%-27% by 2020, Bank Mandiri is committed to be an Indonesian banking icon in ASEAN.

To achieve the vision, Bank Mandiri's future growth strategy will focus on the three main sectors as follows:

1. Strengthening leadership in the wholesale segment by improving relationship with customers. This strategy aims to allow the Bank to increase the share of wallet and cross-sell revenue ratio from Bank Mandiri wholesale customers, through the provision of integrated wholesale product solutions, expertise-based solutions in the customer's business sector and active support to the activities of Bank Mandiri's customers which expand their business to other countries with cross-border solutions.
2. Becoming the customer's choice bank in retail segment, with business acceleration in main segments that drive business growth for Bank Mandiri, including:
 - In the micro segment, Bank Mandiri aspires to be the strongest challenger with easy micro customer access to the Bank's distribution network.
 - In the Small Medium Enterprise (SME) segment, Bank Mandiri aspires to be the bank of choice for SME customers through penetration and customer acquisition focusing on potential sectors, to meet all the SME customers' needs.

- In the individual segment, Bank Mandiri will focus on building leadership by complete and competitive product offerings, and innovation to strengthen domination in retail payment.
3. Integrating business in all segments of the Bank, including with subsidiaries. Through this strategy, the Bank wishes to support cross-sell culture between work units that handle wholesale and retail segments, including with subsidiaries, and support business regionalization and optimize distribution network in sub-national regions.

The three focus sectors will be supported by organizational strengthening for integrated service solutions, infrastructure improvements (branch office, IT, operations, risk management) and human resources development.



the implementation of integrated corporate governance

the implementation of integrated corporate governance

The banking business has grown very rapidly. Business development is a consequence to the potential increase in the risk of banking activities, including in relation to the risks faced by financial conglomerate/business group.

In an effort to mitigate risk in a financial conglomerate/group business, the Financial Services Authority (OJK) issued the OJK Regulation (POJK) No. 18/POJK.03/2014 concerning the implementation of Integrated Corporate Governance for financial conglomerate (POJK about Integrated Corporate Governance). The regulation was issued with the aim of creating the financial services sector to grow in a sustainable and stable and has high competitiveness.

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In order to implement the Integrated Corporate Governance (ICG), as mandated by the POJK, Bank Mandiri as the main entity has prepared guidelines as a reference for the Bank and all its subsidiaries that are in the Group of Bank Mandiri.

Aim and Objective

In order to meet the provisions of POJK No.18/POJK.03/2014 on ICG implementation for financial conglomerate, Bank Mandiri has set up ICG guidelines for Bank Mandiri and its subsidiaries. Bank Mandiri ICG Guideline had been disseminated to subsidiaries on June 30, 2015. The guideline provides guidance for how Bank Mandiri and its subsidiaries could apply the principles of integrated transparency, accountability, responsibility, independence, professionalism and fairness in a financial conglomerate. The intent and purpose of ICG Guidelines are as follows:

- a. There are guidelines for implementing ICG and meeting the perceptions between Bank Mandiri and all its subsidiaries to the improvement of good governance in the financial conglomerate.
- b. Build synergies and strong business alliances between the Bank and all its subsidiaries through

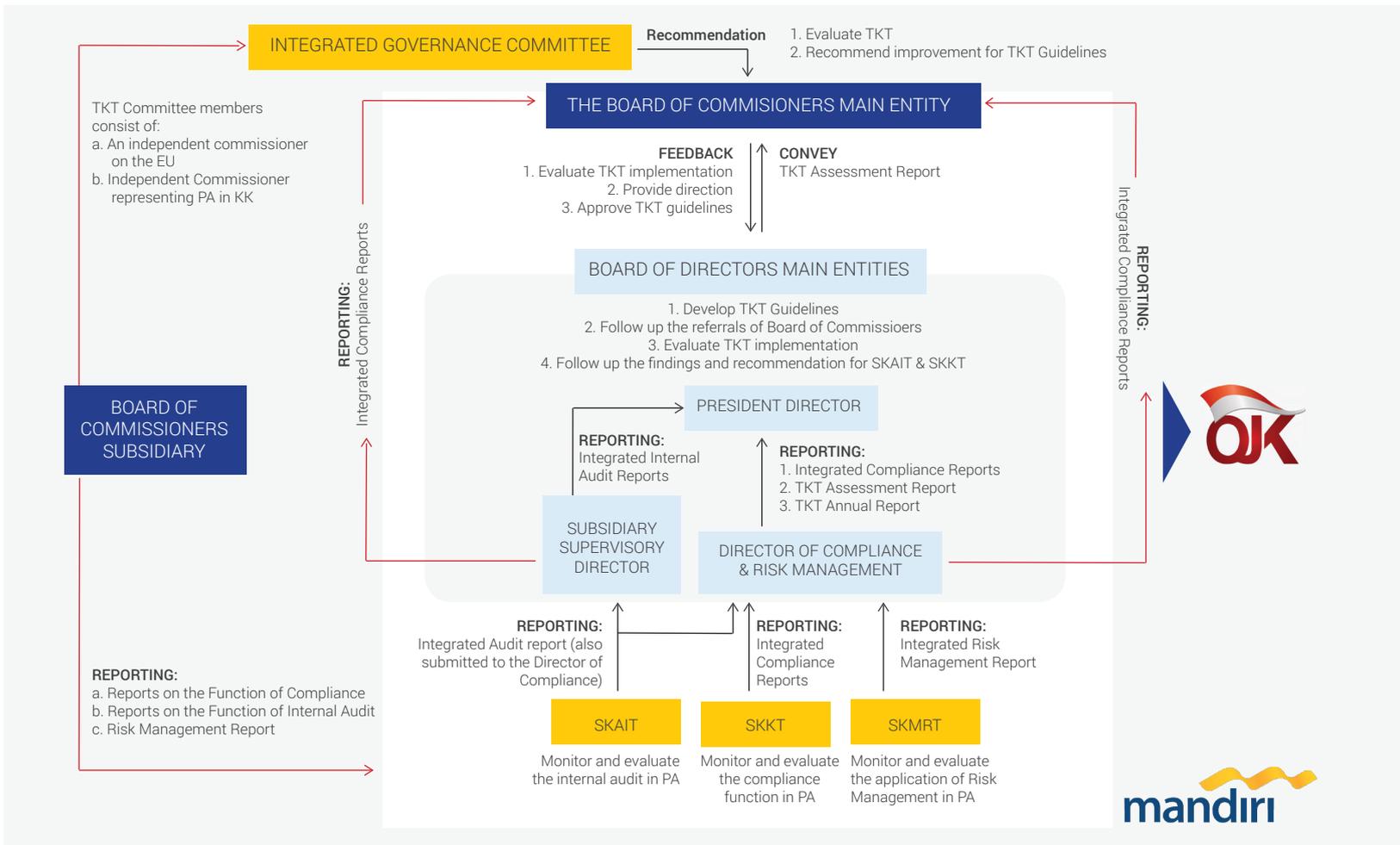
ICG in order to create added value for sustainable financial conglomerate, through:

- 1) Implementation of integrated compliance functions.
- 2) Implementation of integrated internal audit functions.
- 3) Implementation of integrated risk management.

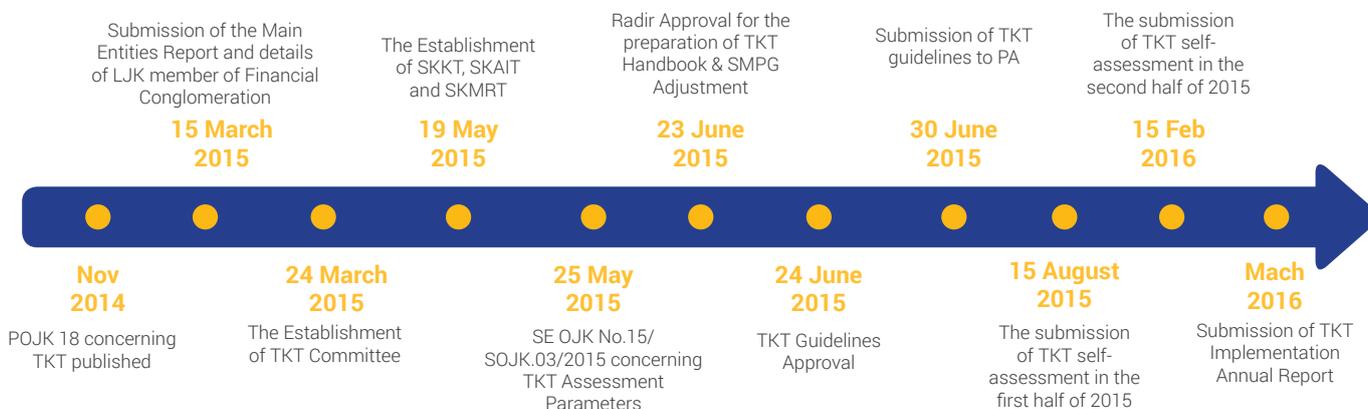
As the main entity in the financial conglomerate, Bank Mandiri is obliged to comply with POJK on ICG by forming an Integrated Corporate Governance Committee, application function Compliance Unit Integrated, Internal Audit Unit Integration and Risk Management Unit Integrated, All of these functions have been implemented in Bank Mandiri and its subsidiaries in 2015.

Bank Mandiri Integrated Corporate Governance Framework

In accordance with POJK No. 18/POJK.03/2014 concerning ICG implementation for financial conglomerate, the following is an ICG framework of Bank Mandiri and its subsidiaries:



Timeline of ICG implementation for Financial Conglomerate at Bank Mandiri



Guideline for Integrated Corporate Governance

The framework which provides the basis on which the Bank applies the ICG principles is divided into Corporate Governance Framework for Bank Mandiri and that of the subsidiaries.

Corporate Governance Framework for the Main Entity

The basic framework of the Bank in implementing the ICG principles is as follows:

No. ICG Framework for the Main Entity

- 1 Requirements for the Board of Directors (BOD) and Board of Commissioners (BOC).
- 2 Duties and Responsibilities of the BOD and BOC.
- 3 Duties and Responsibilities of the Integrated Corporate Governance Committee.
- 4 Duties and Responsibilities of the Integrated Compliance Unit (SKKT).
- 5 Duties and Responsibilities of the Integrated Internal Audit Unit (SKAIT).
- 6 Application of Integrated Risk Management.

ICG Framework for Member of Financial Conglomerate

The basic framework of a subsidiary (financial conglomerate member) in applying the ICG principles is as follows:

No. ICG Framework for Subsidiary

- 1 Requirements for the Candidates of BOD and BOC Members
- 2 Requirements for the Candidates of Sharia Supervisory Board (DPS) Members
- 3 Structure of the BOD and BOC
- 4 Structure of the DPS
- 5 Independence of the BOC
- 6 Implementation of Managerial Functions by the BOD
- 7 Implementation of Supervisory Functions by the BOC
- 8 Implementation of Supervisory Functions by DPS
- 9 Implementation of Compliance, Internal Audit and External Audit Functions
- 10 Implementation of Risk Management Functions
- 11 Remuneration Policy
- 12 Managing Conflict of Interests

The subsidiaries in carrying out their governance should refer to the ICG Guidelines and legislation in force. In the event that the legislation provisions are looser than the guidelines, the subsidiaries are subject to the ICG Guidelines. Bank Mandiri manages its subsidiaries professionally and does not interfere with the operations of its subsidiaries.

Integrated Corporate Governance Organs

Integrated Corporate Governance Committee

Bank Mandiri has formed an Integrated Corporate Governance Committee consisting of Independent Commissioners with representatives from each of its subsidiaries on February 25, 2015. However, on April 30, 2015 the membership composition changed in reference to the Integrated Corporate Governance Guidelines LJK as informed to all members of Bank Mandiri financial services subsidiaries on June 30, 2015. The Committee has at least the following duties and responsibilities:

- 1) Evaluating internal implementation of integrated compliance functions. In conducting such evaluation, the Committee obtains information in the form of an evaluation of the implementation of internal audit and compliance functions of each Subsidiary of the Commissioners of each Subsidiary from the Committee.

- 2) Providing recommendations to the BOC of Bank Mandiri on:
 - a) The results of ICG evaluation;
 - b) Revision of the ICG Guidelines.

Bank Mandiri ICG Committee is chaired by Mr. Abdul Aziz which is also an Independent Commissioner of the Bank. During 2015, the Integrated Corporate Governance Committee conducted two (2) meetings as follows: The ICG Committee conducted the first meeting on June 24, 2015 that discussed the ICG guidelines with the recommendation to the Commissioners of the Main Entity and the second meeting took place on August 25, 2015 regarding the results of Assessment on the Integrated Corporate Governance as of June 2015.

Integrated Compliance Unit

In line with the implementation of POJK No. 18/POJK.03/2014, Bank Mandiri has set out Compliance Group as the Integrated Compliance Unit (SKKT) which oversees the implementation of compliance functions in Mandiri Group. The roles and responsibilities of the SKKT are as follows:

- 1) Monitoring and evaluating the implementation of compliance functions at all subsidiaries.

- 2) Drafting and submitting reports on the implementation of its duties and responsibilities to the Compliance Director of Bank Mandiri or the Director appointed to oversee all subsidiaries.
- 3) Holding a forum with its subsidiaries regarding the implementation of integrated compliance functions.

Integrated Audit Unit

The Main Entity has established Internal Audit as an Integrated Audit Unit (SKAIT) which is independent from the operational work units. SKAIT, in this case the Internal Audit, has also collaborated with the first line, second line and the Internal Audit of subsidiaries to ensure effective implementation of internal control Mandiri Group. SKAIT has the following duties and responsibilities as set forth under the ICG Guidelines:

- 1) Conducting audit of the subsidiaries either individually, or based on a joint audit report of the Internal Audit Unit of subsidiaries;
- 2) Monitoring the implementation of internal audit at each subsidiary by performing:
 - a. Evaluation of the audit plan of the Internal Audit Unit of subsidiaries for alignment with the integrated audit plan;
 - b. Evaluation of the results of internal and external audits of subsidiaries along with its follow-ups for preparation of integrated internal audit report.

Integrated Risk Management Unit

Integrated Risk Management Unit operates independently from other operational unit and has adequate policies, procedures and risk limits in place. Integrated Risk Management Unit has the duties and responsibilities set out in the ICG Guidelines as follows:

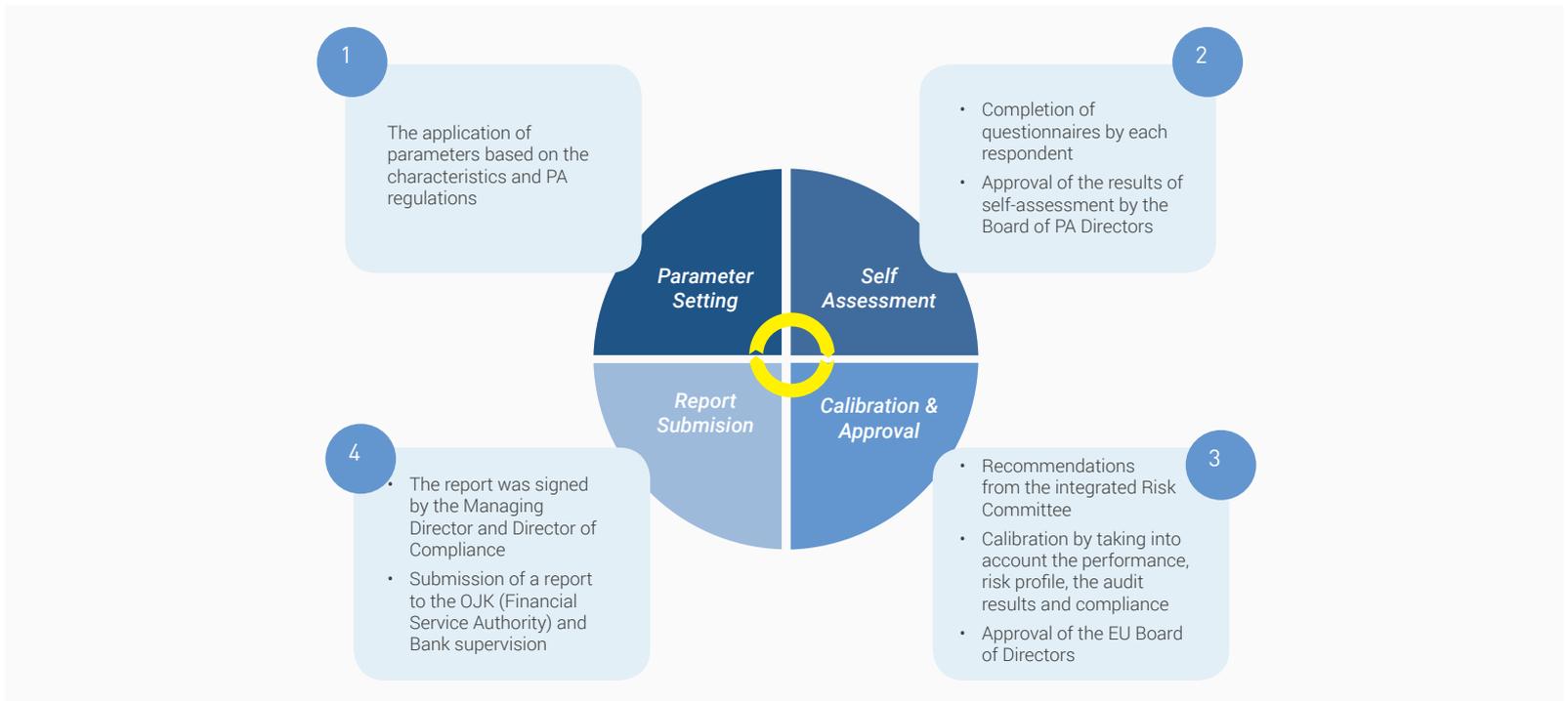
- 1) Providing input to the BOD in preparing integrated risk management policy;
- 2) Monitoring the implementation of integrated risk management policies including developing procedures and tools for the identification, measurement, monitoring and risk control;
- 3) Monitoring risk in the financial conglomerate based on the results of the assessment:
 - a. The risk profile of each subsidiary in the financial conglomerate;
 - b. The level of each risk in an integrated manner;
 - c. Integrated risk profile.

Integrated Corporate Governance Report

Integrated Corporate Governance Assessment

Self-assessment of integrated corporate governance of Bank Mandiri and its subsidiaries refers to the OJK Circular No. 15/SEOJK.03/2015 on the Implementation of Integrated Corporate Governance in Financial Conglomerate and refer to sectoral regulations of the subsidiaries.

The self-assessment was carried out in stages as follows:



Semester I/2015

The ICG implementation at Bank Mandiri in the first half of 2015 was rated "1" by the ICG assessment or generally the ICG implementation was very good. This is reflected in a very adequate fulfillment of the application of the principles of Integrated Corporate Governance. If there are weaknesses in the implementation of Integrated Corporate Governance, in general, these weaknesses are not significant and can be immediately addressed by the Main Entity and/or its financial services subsidiaries.

Generally, Bank Mandiri conglomerate has implemented Integrated Corporate Governance excellently, having fulfilled all three aspects of Integrated Corporate Governance consisting of structure, process and outcome. Fulfillment of sufficient structural aspects

as well as the effectiveness of the process for the ICG implementation of produce outcomes that both the conglomeration of Bank Mandiri; it can be seen, among others, from the performance, transparency of the financial statements and the implementation of audit and compliance functions.

ICG assessment conducted by Bank Mandiri involved all subsidiaries. Of the seven parameters set out in the OJK Circular No. 15/SEOJK.03/2015, it can be said that all of these parameters have been implemented very well. However, specifically, the assessment parameters of ICG Committee and ICG Implementation Guidelines still need to be improved in view of the newly formed Committee.

Semester II/2015

The ICG implementation at Bank Mandiri in the second half of 2015 was rated “1” by the ICG assessment or generally the ICG implementation was very good. This is reflected in a very adequate fulfillment of the application of the principles of Integrated Corporate Governance. If there are weaknesses in the implementation of Integrated Corporate Governance, in general, these weaknesses are not significant and can be immediately addressed by the Main Entity and/or its financial services subsidiaries.

Generally, Bank Mandiri conglomerate has implemented Integrated Corporate Governance excellently, having fulfilled all three aspects of Integrated Corporate Governance consisting of structure, process and outcome.

Fulfillment of sufficient structural aspects as well as the effectiveness of the process for the implementation

of produce outcomes that both the conglomeration of Bank Mandiri; it can be seen, among others, from the performance, Application of the functions of Integrated Compliance Unit, Integrated Internal Audit function and Integrated Risk Management Unit .

Assessment of the TKT implementation conducted by Main Entity by involving all of its subsidiaries, namely Mandiri International Remittance, Bank Mandiri TASPEN Pos, Mandiri Tunas Finance, Mandiri Utama Finance, Mandiri AXA General Insurance, BMEL, AXA Mandiri Financial Services, Mandiri Investment Management, Mandiri Inhealth, Mandiri Securities and Bank Syariah Mandiri.

Of the seven (7) parameters set out in the Circular of OJK (Financial Services Authority) No. 15 / SEOJK.03 / 2015 confirms that all of these parameters have been well implemented.

Membership Structure of the Financial Conglomerate



Ownership Structure of the Financial Conglomerate

Up to December 2015, the Bank's financial conglomerate comprised Bank Mandiri as the Main Entity and 10 subsidiaries and a second-tier subsidiary as follows:

Status		Company's Name	% of Ownership	
Main Entity	1	PT Bank Mandiri (Persero) Tbk		
Member	1	PT Bank Syariah Mandiri	Bank Mandiri	99.9%
			Mandiri Sekuritas	0.1%
	2	Bank Mandiri (Europe) Limited	Bank Mandiri	100%
	3	PT Bank Mandiri Taspen Pos	Bank Mandiri	58.25%
			Taspen	20.20%
			Pos	20.20%
			Lainnya	1.35%
	4	PT AXA Mandiri Financial Services	Bank Mandiri	51%
			AXA	49%
	5	PT Mandiri AXA General Insurance	Bank Mandiri	60%
			AXA	40%
	6	PT Asuransi Jiwa Inhealth Indonesia	Bank Mandiri	80%
Kimia Farma			10%	
Jasindo			10%	
7	PT Mandiri Tunas Finance	Bank Mandiri	51%	
		Tunas Ridean	49%	
8	PT Mandiri Sekuritas	Bank Mandiri	99.9%	
		Koperasi Mandiri	0.1%	
9	Mandiri International Remittance Sdn Bhd	Bank Mandiri	100%	
10	PT Mandiri Utama Finance	Bank Mandiri	51%	
		Tunas Ridean	12%	
		Asco	37%	
11	PT Mandiri Capital Indonesia*	Bank Mandiri	99%	
		Mandiri Sekuritas	1%	
12	PT Mandiri Manajemen Investasi**	Mandiri Sekuritas	99.9%	
		Koperasi Mandiri	0.1%	

*) Has not been in full operational

**) The subsidiary of PT Mandiri Sekuritas

Management Structure of the Financial Conglomerate

Company's Name	ICG Committee	Compliance Function	Internal Audit Function	Risk Management Function
PT Bank Mandiri (Persero) Tbk	v	v	v	v
PT Bank Syariah Mandiri	v	v	v	v
Bank Mandiri (Europe) Limited	-	v	v	v
PT Bank Mandiri Taspen Pos	v	v	v	v
PT AXA Mandiri Financial Services	v	v	v	v
PT Mandiri AXA General Insurance	v	v	v	v
PT Asuransi Jiwa Inhealth Indonesia	v	v	v	v
PT Mandiri Tunas Finance	v	v	v	v
PT Mandiri Sekuritas	v	v	v	v
Mandiri International Remittance Sdn Bhd	-	v	v	v
PT Mandiri Utama Finance*	-	-	-	v
PT Mandiri Manajemen Investasi	v	v	v	v

*) Not fully operational yet, ratification of Legal Entities took place on January 26, 2015

Intra-group Transaction Policy

Intra-Group Transaction Risks mean the risk of reliance an entity either directly or indirectly to other entities within a conglomerate of Finance in order to fulfill its contractual obligation written or unwritten agreements followed either a transfer of funds and/or not. Bank Mandiri intra-group transaction policy includes the identification process, risk management and risk mitigation.

Implementation of risk management of intra-group transactions carried out with reference to the Bank's business strategy and they are set in separate provisions that include the identification and analysis of the activity-activity that could increase risk exposure.

The risk management process considering the complexity of the transaction and can be done by combining qualitative or quantitative approach with reference to the provisions of the regulator or the application of best practice.

To ensure that the risk exposure under control then the risk management unit to monitor risk exposure on a regular basis and in cooperation with other units if there are transactions intra-group that should get special attention.

Subsidiary Management Principle Guideline (SMPG)

Mandiri Subsidiary Management Principle Guidelines (MSMPG) is prepared as a guideline for the Bank and the Company Children in building an ecosystem of business collaboration through a performance culture to create added value for the Bank and its subsidiaries on an ongoing basis, by sticking to the principles of good corporate governance and Articles of Association of the respective subsidiaries.

The MSMPG was set out before POJK No. 17/POJK.03/2014 on the Implementation of Integrated Risk Management in Financial Conglomerates dated November 18, 2014 and POJK No. 18/POJK.04/2014 dated November 18, 2014 on the Implementation of Integrated Corporate Governance in Financial Conglomerates came into effect.

MSMPG is one form of Bank Mandiri's commitment to constantly implement Good Corporate Governance and Risk Integrated even before POJK related to the implementation of the Integrated Risk Management is applied.

MSMPG the management principle of Subsidiary Bank Mandiri, which includes activities consolidation assistance and risk management, financial reporting,

Good Corporate Governance, Compliance and Anti-Money Laundering and Combating the Financing of Terrorism (AML PPT), the management of human capital, procurement, the activity of assistance to the implementation of the audit company, business synergy and strategy and performance.

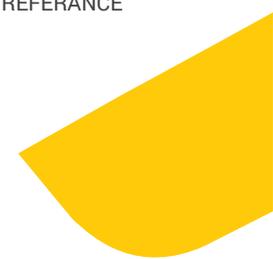
MSMPG applied to adhere to the basic principles of the management of its subsidiaries as follows:

- a. Subsidiary is a separate entity from Bank Mandiri.
- b. Management of subsidiaries is conducted professionally and without interference with their operations.
- c. Management of subsidiaries aims at obtaining optimization of sustainable profits, reduce risk and regulatory compliance.

Management of subsidiaries for Business Development is geared toward aligning business strategy Subsidiary with the Bank's business strategy, and develops alliances/synergies between the Subsidiary Bank and between subsidiaries with stay put subsidiaries as separate entities, each of which has different business characteristics.

Activities in Integrated Corporate Governance at Bank Mandiri and Its Subsidiaries

Time	Activities	
February 12, 2015	Integrated Implementation of APU and PPT between Bank Mandiri and its subsidiaries	
February 16-20, 2015	Forum Enterprise Risk Management (FERMA) Q4 2014	
March 30-31, 2015	FRONTIR (Risk Profile Outlook and Communications Forum) Q1 2015	
May 8, 2015	Integrated Risk Committee	
May 12, 2015	ICG Workshop	
May 8-13, 2015	FERMA Q1 2015	
May 19, 2015	Prudential Meeting	
May 26, 2015	IRC Working Group	
June 16, 2015	IRC	
June 24, 2015	ICG Committee	



	Notes	Subsidiary's Name
	Dissemination of Standard Operating Procedure on Mandiri Group Compliance Dissemination on Integrated APU-PPT framework and related issues	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, Dana Pensiun, Mandiri DPLK
	A forum for communication and discussion between the work unit associated with a risk profile report both the Bank and its subsidiaries are carried out periodically (quarterly)	Bank Syariah Mandiri, Mandiri Tunas Finance, Mandiri Sekuritas, AXA Mandiri, Mandiri AXA General Insurance, Mandiri InHealth, Mandiri Manajemen Investasi
	Includes looking forward regarding risks and controls on Bank Mandiri and the subsidiaries.	Bank Syariah Mandiri, Mandiri Tunas Finance, Mandiri Sekuritas, AXA Mandiri, Mandiri AXA General Insurance,
	Includes looking forward regarding risks and controls on Bank Mandiri and the subsidiaries.	Mandiri InHealth, Mandiri Manajemen Investasi AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance,
	Integrated risk profile of Q2 2015 Discussion of the parameters for ICG self-assessment	Mandiri Tunas Finance, Mandiri InHealth AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, Bank Mandiri Taspen Pos
	A forum for communication and discussion between the work unit associated with a risk profile report both the Bank and its subsidiaries are carried out periodically (quarterly)	Bank Syariah Mandiri, Mandiri Tunas Finance, Mandiri Sekuritas, AXA Mandiri, Mandiri AXA General Insurance, Mandiri InHealth, Mandiri Manajemen Investasi
	Discussion of the fulfillment of obligations related to POJK 1/POJK.05/2015 and No. 2/POJK.05/2015	Mandiri AXA General Insurance
	Discussion of the parameters for ICG self-assessment	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, Bank Mandiri Taspen Pos
	Guidelines for ICG and MSMPG	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, Bank Mandiri Taspen Pos
	ICG Guidelines	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, Bank Mandiri Taspen Pos

Time	Activities	
June 24, 2015	FIRC - Treasury	
June 29, 2015	IRC Forum - Policy & Procedure	
July 7-8, 2015	IRC Forum - Credit Portfolio Risk	
July 15, 2015	IRC	
August 4, 2015	IRC Working Group	
August 25, 2015	ICG Committee	
September 15, 2015	IRC Operational Risk Forum	
March 23 and 28-30, 2015	IRC Forum – Credit Portfolio Risk	
October 19, 2015	IRC	
November 25, 2015	IRC Forum - Compliance	
December 21-22, 2015	IRC Forum - Risk Profile	



	Notes	Subsidiary's Name
	Discussion regarding investments	AXA Mandiri, Bank Syariah Mandiri, Mandiri Sekuritas, INH, Mandiri AXA General Insurance, Mandiri Manajemen Investasi
	Synchronization of policy architectures with Bank Mandiri and its subsidiaries	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth
	Discussing risk profile outlook	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth
	Discussing ICG Implementation Plan	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, IA, OPR, MKR
	Discussing ICG assessment	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, Bank Mandiri Taspen Pos
	Discussing Self-Assessment Findings for Semester I - 2015	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, Bank Mandiri Taspen Pos
	Dissemination of operating risk profile parameter	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth
	Discussing risk profile outlook	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, IA, OPR, MKR
	Discussion of integrated risk profile for Q3 2015 SMPG changes related to IT	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth
	Discussion on sharing risk register ICG, APU PPT APU PPT	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth, Bank Mandiri Taspen Pos
	Discussing risk profile	AXA Mandiri, Bank Syariah Mandiri, Mandiri Manajemen Investasi, Mandiri Sekuritas, Mandiri AXA General Insurance, Mandiri Tunas Finance, Mandiri InHealth