

# Corporate Governance





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The effectiveness of GCG implementation is reflected in the governance of the earned outcomes. Bank Mandiri has a very good performance in 2017 for both operational performance and financial performance.

In addition, the implementation of GCG in the Company has been perceived to be beneficial by the stakeholders, which among other things can be seen from the high satisfaction of employees, customers and suppliers during 2017.

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Bank Mandiri's commitment to implementing good corporate governance (GCG) has resulted in a very satisfactory performance and has also been recognized by external parties. The effectiveness of good corporate governance (GCG) implementation is reflected through the achieved governance outcome. Bank Mandiri has recognized the benefits of GCG implementation, i.e. in the form of a very good financial result and non-financial result in 2017. In addition, the result of GCG implementation is also reflected through external parties' trust to the Company. Bank Mandiri received The Best Bank Service Excellence award for 10 consecutive years and The Most Trusted Company for 11 consecutive years, in addition to several other external awards.

## Company's Commitment to Implementing Corporate Governance and Governance Outcome

The effectiveness of corporate governance implementation is reflected through the harmony among the three aspects of governance systems, i.e. governance structure, governance process, and governance outcome. Governance structure is related to the adequacy of governance structure and infrastructure so as to allow the process of good governance implementation to produce outcomes that satisfy the stakeholders' expectations.

Governance structure includes the Board of Directors, Board of Commissioners, committees, and the Company's units. Governance infrastructure, on the other hand, includes policies and procedures, management information system, and principal tasks and functions of individual organizational structures.

Governance process is related to the process of implementing good governance principles supported by adequate governance structures and infrastructures so as to produce outcomes that satisfy the Stakeholders' expectations. As such, governance outcome reflects the extent to which governance process has been going and adequate support from governance structure. On the contrary, issues



in governance structure may lead to the emergence of weaknesses in governance process. In further extent, weaknesses in governance process will impact on governance outcome.

Bank Mandiri's commitment to implementing corporate governance is reflected through the effective existing governance structure and governance process, which results in satisfactory governance outcome in line with the stakeholders' expectations.

Bank Mandiri realized that good governance has made it possible for the Company to not only gain good financial results, but also to come up as a Bank that the stakeholders perceive as having good reputation. Bank Mandiri's longevity, by the trust from the stakeholders, will continue to improve Bank Mandiri's contribution to the entire society.

Therefore, Bank Mandiri is committed to always put the governance as the main foundation in running the business, and to maintain the Company's existence in facing the challenges and business competition in the future, especially in banking industry sector. Bank Mandiri always implements all governance principles namely Transparency,

Accountability, Responsibility, Independency and Fairness (TARIF) which has been agreed by all Board of Commissioners, Board of Directors and employees of Bank Mandiri.

By implementing governance in reference to the applicable corporate governance guidelines and standards, both nationally and internationally, Bank Mandiri aims at becoming Indonesia's leading, excellent Bank and achieving the defined long-term objectives, as well as always providing good contribution to all stakeholders..

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**All Board of Commissioners members, Board of Directors members, and Bank Mandiri Employees committed and had implemented good corporate governance principles and there were no violations on prevailing legislations. Besides, Bank Mandiri carried out the governance principles in accordance with the Asean Corporate Governance Scorecard, while the principles that had not been implemented yet by Bank Mandiri had been explained in the website of Bank Mandiri.**

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## Governance Framework

Bank Mandiri's commitment to implementing corporate governance was realized in the Corporate Governance Framework, as follows:



## Basis for Corporate Governance Implementation

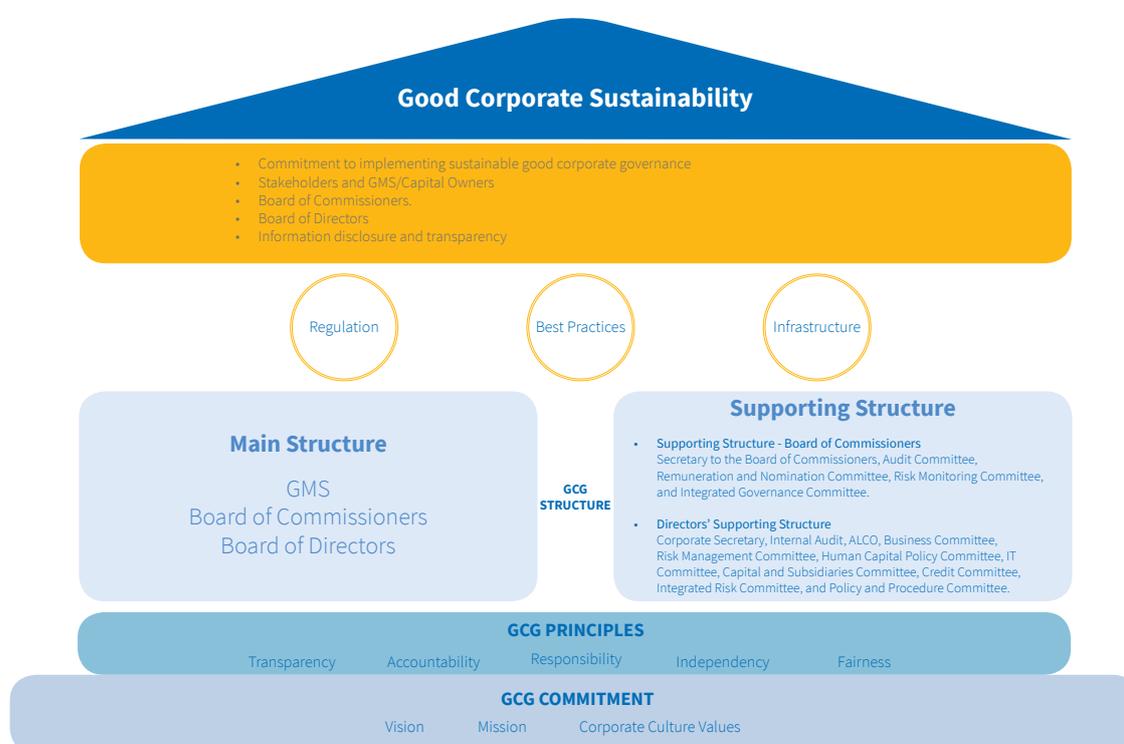
In implementing corporate governance, Bank Mandiri referred to a number of relevant regulations and guidelines for GCG (best practices) implementation developed by both national and international institutions. The legislative regulations used as the basis for corporate governance implementation are:

1. Law of the Republic of Indonesia No. 10 of 1998 on amendment to Law No. 7 of 1992 on Banking.
2. Law of the Republic of Indonesia No. 40 of 2007 on Limited Liability Company.
3. Financial Services Authority Regulation No.55/POJK.03/2016 on the implementation of Governance for Commercial Banks.
4. State Minister of State-Owned Enterprises (SOEs) Regulation No. PER-01/MBU/2011 on Implementation of Good Corporate Governance in State-Owned Enterprises as amended by State Minister of SOEs Regulation No. PER-09/MBU/2012 on Amendment of State Minister of SOEs Regulation No. PER-01/MBU/2011 on Implementation of Good Corporate Governance in State-Owned Enterprises.
5. Financial Services Authority's Circulating Letter No. 32/SEOJK.04/2015 on Corporate Governance for Public Listed Companies.
6. Financial Services Authority Regulation No. 17/POJK.03/2014 on Implementation of Integrated Risk Management for Financial Conglomerates.
7. Financial Services Authority Regulation No.18/POJK.03/2014 on Implementation of Integrated Governance for Financial Conglomerates.
8. Financial Services Authority Regulation No.8/POJK.04/2015 on Issuer or Public Company's Websites.
9. Financial Services Authority Regulation No.31/POJK.04/2015 on Disclosure of Material Information or Facts by Issuers or Public Companies.
10. Financial Services Authority's Circulating Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.

In addition to the provisions mandated by the abovementioned legislative regulations, the Company also used GCG implementation guidelines as a basis, i.e.:

1. Corporate Governance principles developed by the Organization for Economic Cooperation and Development (OECD).
2. ASEAN Corporate Governance Scorecard.
3. Indonesian GCG Guideline developed by the National Committee on Governance Policies (National Committee on Governance Policy/KNKG).
4. Indonesian Banking GCG Guideline developed by the National Committee on Governance Policies (KNKG).
5. Principles for Enhancing Corporate Governance issued by Basel Committee on Banking Supervision.

Internalization of the abovementioned legislative regulations and guidelines into the Company's internal policies is the commitment of the Board of Commissioners, Board of Directors, and all employees. The Company's commitment to implementing GCG is shown in the figure below.



Bank Mandiri's commitment to implementing GCG is reflected in the Company's vision, mission, and culture values. Bank Mandiri's 2020 long-term vision is to become **Indonesia's best, ASEAN's prominent**, and this is realized in its mission and is based on the Company's culture values. In realizing its vision and implementing its mission, the Company has always been holding on to governance principles, i.e. Transparency, Accountability, Responsibility, Independency, and Fairness (TARIF).

At Bank Mandiri, the implementation of the five governance principles is performed under the following main objectives:

1. To increase the management's seriousness in implementing the principles of transparency, accountability, responsibility, independency, fairness, and prudence in managing the Company.
2. To improve the Company's performance, efficiency, and service to the stakeholders.
3. To gain investors' interest and trust.
4. To meet shareholders' interest in improvement of shareholder values.
5. To protect the Company against political intervention a legal prosecution.

Through its commitment to operating its business based on GCG principles, Bank Mandiri expects to always provide positive, concrete contribution, among others, by improving the Company's competitiveness, performance, and stakeholders' trust. In running its business operation, Bank Mandiri has been implementing 5 (five) governance principles, i.e. Transparency, Accountability, Responsibility, Independency, and Fairness.

Table of Implementation of Governance Principles

Governance Principles	Description
Transparency	<ol style="list-style-type: none"> <li>The Company discloses its information in a timely, adequate, clear, accurate, comparable manner, as well as accessible by relevant parties (stakeholders).</li> <li>The Company discloses information that includes but is not limited to our vision, mission, business goals, strategy of the Company, the Company's financial and financial condition, the composition of the Board of Directors and Board of Commissioners, the controlling shareholder, the risk management, the internal control and supervision system, the compliance system implementation, the system and the implementation of good corporate governance as well information and material facts that may affect the decision of the financiers.</li> <li>The Company's policies should be in written form and should be communicated to the stakeholders who have the right to receive information on the policies.</li> <li>The principle of transparency still takes into account the Company's confidentiality provision, position confidentiality, and personal rights in accordance with the applicable regulations.</li> </ol>
Accountability	<ol style="list-style-type: none"> <li>The Company sets business goals and strategies in order for it to be accountable to the stakeholders.</li> <li>The Company defines clear tasks and responsibilities for each member structure of the Board of Commissioners and the Board of Directors and all the sub-ordinate personnel in the sub-levels, which are aligned to the Company's vision, mission, values, business goals, and strategies.</li> <li>The Company should believe that each member of the Board of Commissioners and the Board of Directors as well as all the sub-ordinate personnel possess competences in accordance with their respective responsibilities and that they understand their roles in the implementation of good corporate governance.</li> <li>The Company defines check and balance system in managing the Company.</li> <li>The Company has a performance measurement from all of the Company's Personnel based on the agreed measurement standard which is consistent with the Corporate Culture Values, the Company's business goals and strategies, as well as that the Company applies a rewards-and-punishment system.</li> </ol>
Responsibility	<ol style="list-style-type: none"> <li>The Company adheres to the principle of prudential banking practices and guarantees compliance with the applicable regulations.</li> <li>As a good corporate citizen, the Company cares about the environment and conducts its social responsibility reasonably.</li> </ol>
Independency	<ol style="list-style-type: none"> <li>The Company avoids unreasonable domination by any stakeholders, is not intervened by one-sided interests, and is free from conflict of interest.</li> <li>The Company makes decisions objectively and free from pressure from any parties.</li> </ol>
Fairness and Equality	<ol style="list-style-type: none"> <li>The Company takes into account the interest of all stakeholders based on the principles of fairness and equality (equal treatment).</li> <li>The Company provides opportunities for all stakeholders to give feedbacks and to express their opinions for the interest of the Company, as well as provides access to information as based on the principle of transparency.</li> </ol>

Based on governance principles, the Company develops GCG arrangement that includes GCG structure and GCG infrastructure so as to implement GCG mechanism in accordance with the applicable legislative regulations and best practices. By basing its business activities on GCG principles, Bank Mandiri expects to realize long-term business continuity.

## Governance Outcome

The effectiveness of GCG implementation was reflected in the governance outcome that had been obtained. The Company and its stakeholders had benefited from the GCG implementation with the achievement of good financial and operational performance in 2017 as follows..

- Credit Growth of 9.99%
- Third Party Fund Growth of 6.77%
- Asset Growth of 8.28%
- Equity Growth of 10.85%
- Current Year Profit Growth of 46.37%
- Decline of NPL (Non-Performing Loan) from 0.54% to 3.45%

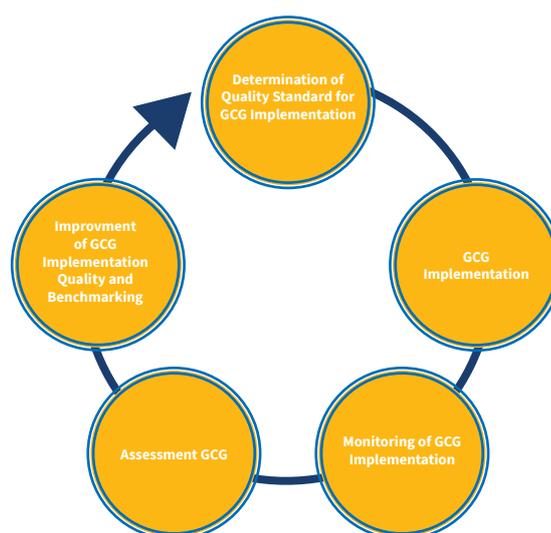
In addition, the effectiveness of GCG implementation can also be seen from compliance with the applicable legislative regulations and no imposition of sanction in legal cases faced by the Company. The Company also benefited from the GCG implementation with reduced audit findings, from 689 findings in 2016 to 349 findings in 2017.

The effectiveness of GCG implementation was also reflected in the acquisition of "The Most Trusted Company" in the assessment of CGPI (Corporate Governance Perception Index) in 2017. The award was Bank Mandiri's 11th (eleventh) consecutive award since 2007 to 2017 in a row.

## Implementation of Good Corporate Governance in Sustainable Manners

Basically, the process of GCG implementation at Bank Mandiri has run well and was performed by the Board of Commissioners, Board of Directors, and all bank personnel in every activities with the purpose of protecting the Company's and stakeholders' interest. Bank Mandiri continually evaluates the implementation of GCG in a sustainable manner, so that the implementation of GCG will always increase.

The mechanism of GCG implementation is illustrated in the implementation cycle below.



### Establishment of Good Corporate Governance Implementation Quality Standard

In order to realize its Vision and execute its Mission, the Company has defined GCG implementation standard that may serve as a basic reference. The basic reference includes criteria to achieve from different aspects related to GCG implementation. In addition, the determination of implementation standard also aims at enabling the Company to always improve the quality of GCG implementation. The standard is formulated based in reference to relevant regulations, feedbacks from the stakeholders, and result from assessment and benchmarking.

The scope of Bank Mandiri's GCG implementation standard uses as reference the Financial Services Authority Regulation No.55/POJK.03/2016 on the implementation of Governance for Commercial Banks and the Financial Services Authority's Circulating Letter No. 13/SEOJK.03/2017 on Implementation of Governance for Commercial Banks.

The evaluation standards for GCG execution includes 11 (eleven) aspects, as follows:

1. Execution of Duties and Responsibilities of the Board of Commissioners.
2. Execution of Duties and Responsibilities of the Board of Directors.
3. Comprehensiveness and Execution of Duties of Committees.
4. Handling of Conflict of Interest.
5. Implementation of Compliance Function.

6. Implementation of Internal Audit Function.
7. Implementation of External Audit Function.
8. Implementation of Risk Management, including Internal Control System.
9. Provision of Fund to Related Parties and Provision of Large Exposure.
10. Transparency of the Bank's Financial and Non-Financial Condition, GCG Implementation Report, and Internal Reporting.
11. Bank Strategic Plan.

Bank Mandiri also utilizes as reference the Guideline of Corporate Governance issued by the Financial Services Authority in 2015 as specified in the Financial Services Authority's Circulating Letter No. 32/SEOJK.04/2015 on Guidelines of Governance for Public Listed Companies as the standard for GCG implementation, which covers 5 (five) aspects broken down into 8 (eight) principles and 25 (twenty-five) recommendations. The aspects and principles are as follows:

#### Aspect 1.

##### Relationship between Public Listed Company and Shareholders in Guarantying Shareholders' Rights.

Which includes the following principles:

1. Improving the Value of General Meeting of Shareholders (GMS) Implementation.
2. Improving the Quality of Communication between Public Listed Company and Shareholders or Investors.

#### Aspect 2.

##### Functions and Roles of the Board of Commissioners

Which includes the following principles:

1. Strengthening the Membership and Composition of the Board of Commissioners.
2. Improving the Quality of the Execution of Duties and Responsibilities of the Board of Commissioners.

#### Aspect 3.

##### Functions and Roles of the Board of Directors

Which includes the following principles:

1. Strengthening the Membership and Composition of the Board of Directors.
2. Improving the Quality of the Execution of Duties and Responsibilities of the Board of Directors.

#### Aspect 4.

##### Stakeholder Engagement

Which includes the principle of: Improving Corporate Governance Aspects through Stakeholder Engagement.

#### Aspect 5.

##### Information Transparency

Which includes the principle of: Improving the Implementation of Information Transparency.

## Good Corporate Governance Implementation

The development of GCG implementation has been done in a structured manner with the following stages:

Table of GCG Implementation

Year	Corporate Governance Program
1998 Beginning of Merger	The awareness of GCG implementation emerged because there was a banking crisis caused by "bad governance" practices throughout banking industry. This led to many banks being bailed out and the Board of Directors and Board of Commissioners had to sign a Management Contract with the World Bank, in which it was stated that banks were obliged to implement GCG.
2000- 2001 Laying Down the Fundamental of Governance Commitment, Structure., and Mechanisms	<ul style="list-style-type: none"> <li>• Bank Mandiri responded to the Management Contract made with the World Bank by issuing, among others, the following provisions:               <ul style="list-style-type: none"> <li>- Joint Decree of Board of Directors and Board of Commissioners on GCG Principles.</li> <li>- Joint Decree of Board of Directors and Board of Commissioners on Code of Conduct that served as the guideline on the conducts when interacting with customers, associates, and colleagues.</li> <li>- Decree of Board of Directors on Compliance Policy that mandated all of Bank Mandiri's personnel to be fully accountable individually in performing the Bank's operational activities in their respective fields.</li> </ul> </li> <li>• Bank Mandiri has assigned independent consultant to perform diagnostic review of GCG implementation. Based on the implementation of GCG, the Independent Rating Agency gave a score of 6.2 for 2003, showing an increase when compared to 5.4 in the preceding year.</li> </ul>

Year	Corporate Governance Program
<p>2003</p> <p>Bank Mandiri's Initial Public Offering (IPO)</p>	<p>In order to conduct IPO, Bank Mandiri has enhanced GCG implementation by taking the following steps:</p> <ul style="list-style-type: none"> <li>• Formation of Committees at the Board of Commissioners level, i.e.:               <ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Risk Monitoring Committee</li> <li>- Remuneration and Nomination Committee</li> <li>- GCG Committee</li> </ul> </li> <li>• Formation of Corporate Secretary</li> <li>• Implementation of General Meeting of Shareholders in accordance with the applicable legislative regulations for public companies.</li> <li>• Implementation of timely information disclosure, e.g. In Financial Statement, and material information or events or facts.</li> <li>• Development of timely, adequate, clear, and accurate Annual Report.</li> <li>• Consideration of the interest of minority shareholders.</li> <li>• Participation in GCG implementation assessment by Independent Institution, i.e. The Indonesian Institute for Corporate Governance.</li> </ul>
<p>2005</p> <p>Cultural Transformation</p>	<ul style="list-style-type: none"> <li>• Bank Mandiri's transformation began by the determination of shared values and formulation of Bank Mandiri's key corporate behaviors (TIPCE) that reflects the Company's culture values.</li> <li>• Development of GCG Charter specified in Decree of Board of Commissioners, which rules the principal implementation of GCG at Bank Mandiri.</li> <li>• "Highly Trusted" GCG Rating for the first time in Corporate Governance Perception Index (CGPI).</li> </ul>
<p>2008 - 2010</p> <p>Continued Cultural Transformation</p>	<ul style="list-style-type: none"> <li>• Sustainably implementing enhancement of prudent banking, GCG, and internal control by developing GCG website, Compliance Risk Management System, procedure standards for Anti-Money Laundering and Combating the Financing of Terrorism, Risk-Based Audit Tools, and Audit Management Information System.</li> <li>• Business decisions or other managerial decisions were made by taking into account GCG principles while also considering all applicable provisions.</li> <li>• Implementation of continued culture internalization by, among others, organization of Culture Fair, Culture Seminar, and Recognition Program in the form of rewards to best work units and change agents in relation to the implementation of cultural programs.</li> </ul>
<p>2011 - 2013</p>	<ul style="list-style-type: none"> <li>• Bank Indonesia issued PBI No. 13/1/PBI/2011 on Assessment of the Soundness of Commercial Banks, which requires the Bank, either individually or in consolidation, to perform GCG evaluation using Risk-Based Bank Rating (RBBR) approach.</li> <li>• Bank Mandiri's consistent, ongoing implementation of GCG has received accolades from independent, professional institutions, both at national and international level, among others:               <ul style="list-style-type: none"> <li>- Bank Mandiri was rated the "Best Financial" in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD), in which the rating included 100 public listed companies with the largest capitalization value as recorded at the Indonesian Stock Exchange.</li> <li>- Since 2009, Bank Mandiri has always been rated the best company in terms of GCG implementation in GCG Rating by the Corporate Governance Asia (CGA) headquartered in Hong Kong.</li> </ul> </li> <li>• Implemented Gratification control by implementing Gift Disclosure reporting dated 2 July 2013 as a measure to prevent the receipt of gratification in accordance with the recommendation from the Corruption Eradication Commission (KPK).</li> <li>• Actively participated in order to continuously realize anti-corruption culture, e.g. by attending the 2013 Anti-Corruption Week organized by KPK.</li> </ul>
<p>2014</p>	<ul style="list-style-type: none"> <li>• Bank Mandiri was rated "The Best Overall" in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) in the ASEAN SG Scorecard.</li> <li>• Bank Mandiri was rated "The Best of Asia" as an Icon in Corporate Governance in GCG Rating by the Corporate Governance Asia (CGA) headquartered in Hong Kong.</li> <li>• Good Corporate Citizen (GCC) is in line with Bank Mandiri's 2015–2020 corporate plans, one of which is social economic impact with role model corporate citizen as one of its components. Bank Mandiri has completed diagnostic review of the implementation of GCG at Bank Mandiri.</li> <li>• Revised the provisions on the banning of gratification as set forth in the Operating Technical Guideline for Gift Disclosure Statement in accordance with KPK's recommendation.</li> </ul>
<p>2015</p>	<ul style="list-style-type: none"> <li>• Perform phase 3 transformation.</li> <li>• Bank Mandiri was rated in "The Best Financial Sector" in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) in the 2016 ASEAN CG Scorecard.</li> <li>• Bank Mandiri was rated "The Best of Asia" as an Icon in Corporate Governance in GCG Rating by the Corporate Governance Asia (CGA).</li> <li>• Implemented Integrated Corporate Governance               <ul style="list-style-type: none"> <li>- Implemented integrated governance and integrated units at Mandiri Group in accordance with the Regulation of the Financial Services Authority No. 18/POJK.03/2014 dated 18 November 2014 on Integrated Governance.</li> <li>- Established Compliance Unit, Integrated Risk Management Unit, Integrated Internal Audit Unit, and Integrated Governance Committee.</li> <li>- Developed Guideline on Integrated Governance.</li> </ul> </li> <li>• Refined the Operating Technical Guideline (OTG) for Gift Disclosure Statement into the OTG for Gratification Control effective as of 3 July 2015, and launched the Gratification Control Unit (GCU) on 9 July 2015. Bank Mandiri's GCU received the 2015 SOE with the Best Gratification Control Unit from the Corruption Eradication Committee.</li> </ul>
<p>2016</p>	<ul style="list-style-type: none"> <li>• Bank Mandiri was rated "The Best Overall" in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) in the 2016 ASEAN CG Scorecard.</li> <li>• Attended the National Gratification Control Unit Forum held from 31 October to 3 November 2016 in Bogor, West Java.</li> <li>• Attended the 2016 International Anti-Corruption Day Festival held from 8 to 10 December 2016 in Pekanbaru, Riau, where Bank Mandiri was awarded the SOE with the Best Gratification Control System.</li> </ul>

Year	Corporate Governance Program
2017	<ul style="list-style-type: none"> <li>Corporate Governance Perception Index (CGPI) is a GCG implementation research and rating program conducted by an independent institution known as The Indonesian Institute for Corporate Governance (IICG). Bank Mandiri has participated in CGPI assessment for 14 (fourteen) consecutive years since 2003. In 2017, Bank Mandiri was once again ranked "Highly Trusted", making it the 11th consecutive ranking.</li> <li>Bank Mandiri was rated "The Best Overall" in GCG Rating by The Indonesian Institute for Corporate Directorship (IICD) in the 2016 ASEAN CG Scorecard.</li> <li>Attended the 2016 International Anti-Corruption Day Festival held from 11 to 12 December 2017 at Bidakara Hotel, Jakarta. Bank Mandiri was awarded the SOE with the Best Gratification Control System.</li> </ul>

To ensure that governance implementation has been utilized as the fundament of all Mandiri personnel in performing its operational activities, Bank Mandiri has taken a number of specific measures in 2017, among others:

#### 1. GCG E-learning

Bank Mandiri developed GCG e-learning in order to improve all Bank Mandiri's personnel's understanding on GCG. The e-learning was assigned to all Bank Mandiri's personnel, where a post-test would be given at the end of the module to test personnel's understanding on GCG.

#### 2. Gratification Control E-learning

Bank Mandiri developed gratification control e-learning in order to internalize the value of integrity to all Bank Mandiri's personnel while also improving personnel's understanding on gratification banning. The e-learning was assigned to all Bank Mandiri's personnel, where a post-test would be given at the end of the module to test personnel's understanding on GCG.

#### 3. Revitalization of Whistleblowing System

Bank Mandiri revitalized its whistleblowing system so as to make the personnel more familiar with the system and thus allow them to proactively utilize the whistleblowing system media.

#### 4. GCG and Gratification Control Module Required for Officer Development Program (ODP) and Senior Development Program (SDP) trainings

Bank Mandiri's leadership candidates were given GCG module during class, as it is expected that personnels can utilize GCG as their future guideline in performing their duties.

#### 5. Redesigning of Bank Mandiri's Corporate Website

In 2017, Bank Mandiri has redesigned its corporate website in order to make it easier for all stakeholders to use as well as to improve transparency of Bank Mandiri's information.

## Implementation of Corporate Governance Aspects and Principles for Public Listed Companies in Accordance with the Provisions of the Financial Services Authority

In accordance with the Regulation of Financial Services Authority Number 21/POJK.04/2015 on Implementation of Corporate Governance for Public Listed Companies and the Financial Services Authority's Circulating Letter No. 32/SE.OJK.04/2015 on Guideline on Governance of Public Listed Companies, the guideline on Governance includes 5 aspects, 8 principles, and 25 recommendations for the implementation of good corporate governance aspects and principles. Recommendations for the implementation of good corporate governance aspects and principles as specified in the Guideline on Governance are the standards that should be implemented by the Company in its governance. This can be detailed as follows.

Table of Implementation of Aspects and Principles of Corporate Governance Open Based on OJK Provisions

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
<b>Aspect 1: Relationship between Public Listed Company and Shareholders in Guarantying Shareholders' Rights;</b>			
<b>Principle 1</b> Improving the Value of GMS Implementation	1. Public Listed Companies has a way or technical procedure of voting, either open or closed, that emphasize on independence and the interest of shareholders.	<ul style="list-style-type: none"> <li>– Each share issued with a voting right (voting stock) has one vote (one share one vote). Shareholders may exercise their voting rights during decision making, especially in decision making by voting. However, the mechanism of decision making by voting, either open or closed, has not been detailed.</li> <li>– Public Listed Companies are recommended to have their own voting procedure for decision making of GMS agenda. The procedure of voting should maintain shareholders' independence or freedom. For example, in open voting, votes are given by raising hand according to the instruction given by the GMS chairman for each option. On the contrary, closed voting is used for decisions that require confidentiality or as the shareholders may demand so, where votes are given using ballots or using electronic voting system.</li> </ul>	<p>In both Annual and Extraordinary General Meeting of Shareholders (GMS), Bank Mandiri has implemented voting procedure, either open or closed, as specified in the GMS Procedure.</p> <p>During the Annual and Extraordinary GMS for Fiscal Year 2016, which have been held on 14 March 2017 and 21 August 2017 respectively, open voting mechanism was implemented by raising hand and submitting ballots for those who disagree. Closed voting mechanism, on the contrary, was implemented in which an official approached all shareholders to collect their ballots into a box.</p> <p>The procedure for voting in GMS has been set forth in the Company's Articles of Association and GMS Procedure posted on the Company's website during the summon for GMS.</p> <p><b>Remarks: Comply</b></p>
	2. All members of the Board of Directors and Board of Commissioners of a Public Listed Company should be present in Annual GMS.	The presence of all members of the Board of Directors and Board of Commissioners of a Public Listed Company has the purpose of enabling all members of the Board of Directors and Board of Commissioners to pay attention to, explain, and respond directly to existing issues or questions asked by shareholders in relation to the corresponding GMS' agenda.	<p>In the 2016 Annual GMS held on 14 March 2017, all members of Bank Mandiri's Board of Directors were present. However, there were 2 (two) members of the Board of Commissioners who were absent, i.e. Mr. Askolani and Mr. Ardan Adiperdana, the Commissioners. Mr. Askolani was absent in the Annual GMS as, at the same time, he was attending the 158th Assembly of the Board of Governors of OPEC's Fund for International Development (OFID) in Vienna, Austria, under an assignment specified in the Assignment Letter of Minister of Finance of the Republic of Indonesia Number ST-99/MK.02/2017 dated 21 February 2017. The request for absence in the GMS has been submitted to all members of Bank Mandiri's Board of Commissioners and Board of Directors through a letter dated 07 March 2017 on Absence in Bank Mandiri (Persero) Tbk.'s 2017 General Meeting of Shareholders.</p> <p>On the other hand, Mr. Ardan Adiperdana was absent in the Annual GMS as, at the same time, he was attending a Closed Meeting chaired by the President of the Republic of Indonesia himself, based on an Assignment Letter issued by Cabinet Secretary of the Republic of Indonesia No. Und.42/Seskab/DKK/03/2017 dated 10 March 2017 on Invitation for Closed Meeting, No. Und.43/Seskab/DKK/03/2017 dated 10 March 2017 on Invitation for Closed Meeting, and No. Und.44/Seskab/DKK/03/2017 dated 10 March 2017 on Invitation for Closed Meeting. The request for absence in the GMS has been submitted to all members of Bank Mandiri's Board of Commissioners and Board of Directors through a letter dated 13 March 2017 on Absence in Bank Mandiri (Persero) Tbk.'s 2017 General Meeting of Shareholders.</p> <p>The Extraordinary GMS for Fiscal Year 2016 held on 21 August 2017, on the other hand, was attended by all members of the Board of Directors and Board of Commissioners.</p> <p><b>Remarks: Comply</b></p>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
	3. Summary of the GMS Overview is available on a Public Listed Company's Website for at least 1 (one) year.	Public Listed Company is required to make summary of GMS overview in Indonesian and foreign language (minimum in English) and to announce the summary by 2 (two) office days after the date of the GMS to the public society, the announcement of which should be made, among others, via the Public Listed Company's Website. Availability of summary of GMS overview on a Public Listed Company's Website provides opportunities for absent shareholders to quickly and easily receive important information delivered during the GMS. Therefore, the provision on the minimum duration of availability of GMS overview summary on the Website aims to provide sufficient time for shareholders to obtain such information.	<p>Bank Mandiri has provided Summary of GMS Overview in English and Indonesian, and has announced it 2 (two) days after the date of GMS on, among others, the Company's website. The Company's website has posted summary of GMS overview for the last 7 (seven) years.</p> <p>This was detailed under the provision on Corporate Secretary Guideline Standards (SCPS) Chapter III.A.2.b.1 Activities Following GMS.</p> <p>A) Summary of GMS review are required to be announced to the public by 2 (two) office days after the date of the GMS, at least on:</p> <p>(1) 1 (one) nationally-distributed daily newspaper in Indonesian language;</p> <p>(2) Stock Exchange Website; and</p> <p>(3) The Public Listed Company's Website in Indonesian language and foreign language, in which the foreign language used shall be at least English.</p> <p>Summaries of Bank Mandiri's Annual and Extraordinary GMS Overview have been posted in Bisnis Indonesia and The Jakarta Post, each of which was posted on 16 March 2017 and 23 August 2017, respectively.</p> <p>Announcement via Stock Exchange Website and Bank Mandiri's Website has also been made on the same days, i.e. 16 March 2017 and 23 August 2017, respectively. In addition, Bank Mandiri has also announced Highlights of the Annual General Meeting of Shareholders and Extraordinary GMS of each on March 15, 2017 and August 22, 2017 on the website of Bank Mandiri.</p> <p><b>Remarks: Comply</b></p>
<b>Principle 2</b> Improving the Quality of Communication between Public Listed Company and Shareholders or Investors.	4. Public Listed Company has a policy ruling communication with shareholders or investors.	<ul style="list-style-type: none"> <li>- Communication between Public Listed Company and the shareholders or investors aims at allowing the shareholders or investors to obtain clearer understanding on information that has been published to the public, such as periodic reports, information disclosure, business and performance condition or prospect, and Implementation of Public Listed Company Governance. In addition, shareholders or investors can also provide feedbacks and express their opinions to the Public Listed Company's management.</li> <li>- Policy on communication with shareholders or investors reflects Public Listed Company's commitment to implementing communication with its shareholders or investors. Such policy may include strategies, programs, and timeline of communication implementation, as well as guideline that supports shareholders or investors to engage in such communication.</li> </ul>	<p>Bank Mandiri has had its policy on communication with shareholders or investors, as set forth in the Corporate Secretary Guideline Standard (SCPS) Chapter III.A.I. Information Transparency.</p> <p>In addition to the abovementioned matters, Bank Mandiri also has Public Expose agenda implemented quarterly (every three months), which aims at delivering information to the public and investors, such as periodic reports, information disclosure, business and performance condition or prospect, and Implementation of Public Listed Company Governance.</p> <p>Bank Mandiri has also formed a dedicated work unit to manage relationship with investors, especially public investors, in which the work unit functions as, among others, a center of information to provide information regarding the Company's performance to investors, as well as functioning to maintain good relationship with investors.</p> <p>Information Disclosure to shareholders has been developed by referring to the provisions of Capital Market and Stock as well as other relevant legislative regulations, which can be categorized in brief into the following:</p> <p>a. Reporting, either periodic or incidental, to relevant institutions (the Financial Services Authority, Bank Indonesia, LPS, the Ministry of Justice and Human Rights, Stock Exchange), and reporting via the Company's website.</p> <p>b. General Meeting of Shareholders (GMS) Implemented in accordance with the applicable legislative provisions and Bank Mandiri's Articles of Association, which consists of annual GMS and other GMSs (Extraordinary GMS). Bank Mandiri has also implemented other activities related to corporation actions and/or information disclosure, which covers Public Expose (quarterly) and Analyst Meeting.</p> <p><b>Remarks: Comply</b></p>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
	5. Public Listed Company discloses its policy on communication between Public Listed Company and shareholders or investors on its Website.	Disclosure of communication policy is a form of transparency of Public Listed Company's commitment to providing equality to all shareholders or investors regarding the implementation of communication. Information disclosure also aims at improving shareholders' or investors' engagement and roles in the implementation of Public Listed Company's communication programs.	The Company has had its policy on communication between Public Listed Company and shareholders or Issuers, which is specified in the Corporate Secretary Guideline Standard and has been published on the Company's website.  <b>Remarks: Comply</b>
<b>Aspect 2: Functions and Roles of the Board of Commissioners</b>			
<b>Principle 3</b> Strengthening the Membership and Composition of the Board of Commissioners.	6. Determination of the number of Board of Commissioners members shall take into account the condition of the Public Listed Company.	The number of Board of Commissioners members may affect the effectiveness of the implementation of the Board of Commissioners' duties. Determination of the number of members of Public Listed Company's Board of Commissioners is required to use as reference the applicable legislative regulations, which at a minimum should consist of 2 (two) members in accordance with the Financial Services Authority's provision on Board of Directors and Board of Commissioners of Issuers or Public Listed Companies. In addition, it also needs to take into account the condition of the Public Listed Company, which includes, among others, characteristics, capacity, size, and achievement of business objectives and needs, which differs between one Public Listed Company and another. However, an excessive number of Board of Commissioners members may potentially interfere with the effectiveness of the implementation of the Board of Commissioners' functions.	Bank Mandiri has complied with this provision stated in Article 20 of POJK No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Listed Companies, i.e. that the number of Board of Commissioners member should be more than 2 (two) persons. Bank Mandiri's Board of Commissioners consisted of 8 (eight) members, 4 (four) of whom are Independent Commissioners and the other 4 (four) are Non-independent Commissioners.  <b>Remarks: Comply</b>
	7. Determination of the composition of Board of Commissioners takes into account the diversity of the required set of skills, knowledge, and experience.	Composition of Board of Commissioners reflects a combination of characteristics, either from the perspective of the Board of Commissioners' structure or the individual member of the Board of Commissioners, in accordance with the corresponding Public Listed Company's needs. Such characteristics may be reflected in the determination of the set of skills, knowledge, and experience required for the implementation of supervisory and advisory duties by the Public Listed Company's Board of Commissioners. Composition that has taken into account the respective Public Listed Company's needs is a positive thing, especially in relation to decision making in the implementation of supervisory function, which is implemented by taking into account different broader aspects.	Based on the Shareholders' discretion, determination of the Board of Commissioners' composition has been performed by taking into account Bank Mandiri's business needs and complexity, i.e. by taking into account the diversity of skills, educational background, and experience, as well as without gender prejudice. This is necessary to support the effectiveness of the Board of Commissioners' supervisory duties, and thus Bank Mandiri continued to maintain the combination of skills and experience of the Board of Commissioners' members.  <b>Remarks: Comply</b>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
<b>Principle 4</b> Improving the Quality of the Execution of Duties and Responsibilities of the Board of Commissioners	8. Board of Commissioners has a Self-Assessment policy for evaluation of the Board of Commissioners' performance.	<ul style="list-style-type: none"> <li>Board of Commissioners' Self-Assessment Policy is a guideline utilized as a form of accountability for collegiate evaluation of the Board of Commissioners' performance. Self-Assessment is intended to be performed by individual members to collegially evaluate the implementation of the Board of Commissioners' performance, and not to evaluate the individual performance of each member of the Board of Commissioners. By Self-Assessment, it is expected that individual members of the Board of Commissioners can contribute to continuously enhance the Board of Commissioners' performance.</li> <li>The policy may include assessment activities to perform, along with their intent and purpose, periodic implementation time, and assessment benchmarks or criteria to use in accordance with the recommendations provided by the Public Listed Company's remuneration and nomination function. The establishment of the function itself has been mandated in the Regulation of OJK on Remuneration and Nomination Committee in Issuers or Public Listed Companies.</li> </ul>	<p>The Board of Commissioners has had its self-assessment policy as set forth in the Board of Commissioners' Procedures. Assessment of the Board of Commissioners' Performance is performed by individual members of the Board of Commissioners using Self-Assessment mechanism and based on a set of assessment criteria related to the implementation of the Board of Commissioners' duties and responsibilities, which cover structure, direction, and supervision aspects.</p> <p><b>Remarks: Compliant</b></p>
	9. Self Assessment policy for evaluation of the Board of Commissioners' performance is to be disclosed in the respective Public Listed Company's Annual Report.	Disclosure of Self Assessment policy for evaluation of the Board of Commissioners' performance is made not only to adhere to the principle of transparency as a form of accountability of the implementation of its duties but also to provide assurance, especially to the stakeholders or investors, regarding the measures to take in order to enhance the Board of Commissioners' performance. The disclosure will allow shareholders or investors to obtain knowledge about the check and balance mechanism applied to evaluate the Board of Commissioners' performance.	Self assessment policy for evaluation of the Board of Commissioners' performance has been disclosed in the Company's Annual Report, under the Evaluation of the Board of Commissioners' Performance section.
	10. Board of Commissioners has policy(ies) for resignation of the Board of Commissioners' members due to involvement in financial crime.	<ul style="list-style-type: none"> <li>Policy for resignation of Board of Commissioners' members involved in financial crime is a policy that can enhance shareholders' trust to Public Listed Companies, allowing companies to maintain their integrity. The policy is required in order to support adequate legal processes and to prevent such legal processes from disrupting business activities. In addition, from morality perspective, such policy also builds an ethical culture within the environment of Public Listed Companies. The policy may be included in the Guideline or Code of Conduct applicable to the Board of Commissioners.</li> <li>Furthermore, involvement in financial crime is defined as any member of the Board of Commissioners being convicted by the authority. Financial crime as defined above includes manipulation and various forms of embezzlement in financial service activities, as well as Money Laundering as specified in Law Number 8 of 2010 on Prevention and Eradication of Money Laundering.</li> </ul>	<p>The Company has had its policy regarding resignation of any members of the Board of Committee due to involvement in financial crime as specified in Bank Mandiri's Articles of Association.</p> <p>In reference to Article 14 sub-article 26 letter f of the Company's Articles of Association, the tenure of the Board of Commissioners' members shall expire when the member(s) no longer qualifies as a member of the Board of Commissioners in accordance with the Articles of Association and other applicable legislative regulations.</p> <p>In the event that any member of the Board of Commissioners resigns, including when such resignation is due to involvement in financial crime, such member of the Board of Committee is required to provide a written notification regarding his/her intent of resignation to the Company, and the Company is required to organize a GMS to make decision regarding the resignation of the Board of Commissioners member by 90 (ninety) days upon receiving the resignation letter.</p> <p><b>Remarks: Comply</b></p>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
	11. Board of Commissioners or Committee handling Remuneration and Nomination function develops succession policy within the Board of Directors' members Nomination process.	In accordance with the provision of OJK on Remuneration and Nomination Committee in Issuers or Public Listed Companies, the committee responsible for nomination function is tasked with developing the set of policy and criteria required for Nomination of Board of Directors' members. One of the policies that can support Nomination process as specified herein is the policy on succession of Board of Directors' members. Succession policy aims at maintaining the continuity of leadership regeneration in a company in order to maintain the company's business continuity and long-term objectives.	<p>Bank Mandiri has had a Remuneration and Nomination Committee that assists the Board of Commissioners in providing recommendations to Dwiwarna A shareholders regarding, among others:</p> <ol style="list-style-type: none"> <li>1. Development, implementation, and analysis of nomination criteria and procedure for candidates for the Board of Commissioners and Board of Directors.</li> <li>2. Identification of candidates for the Board of Directors, either from inside or outside the Company, and candidates for the Board of Commissioners who qualify for nomination/appointment as Director(s) or members of the Board of Commissioners.</li> </ol> <p>In order to prepare for future leadership regeneration, Bank Mandiri has designed a Talent and Succession Management Program, a Board of Directors succession policy that has been aligned with the Regulation of State Minister of SOEs No. PER-03/MBU/2015 on Requirements, and Procedure for Appointment and Termination of SOE Board of Directors. In addition, as a Public Listed Company, the Company Policy also uses as reference the Regulation of Financial Services Authority No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Listed Companies. Appointment and termination of the Company's Board of Directors have been implemented in accordance with professionalism and GCG principles.</p> <p><b>Remarks: Comply</b></p>
<b>Aspect 3: Functions and Roles of the Board of Directors</b>			
<b>Principle 5</b> Strengthening the Membership and Composition of the Board of Directors.	12. Determination of the number of members of Board of Directors takes into account the condition of the Public Listed Company and effectiveness in decision making.	As an organizational structure with the authority in the administration of a company, determination of the number of members of Board of Directors strongly affects the performance of a Public Listed Company. As such, determination of the number of members of Board of Directors should be performed through a comprehensive consideration and should use as reference the provisions of the applicable legislative regulations where, in accordance with the OJK Regulation on Board of Directors and Board of Commissioners of Issuers or Public Listed Companies, should consist of a minimum of 2 (two) members. In addition, determination of the number of members of Board of Directors should be based on the existing needs and aimed at achieving the respective Public Listed Company's purpose and objectives and should be aligned with the Public Listed Company's condition, which includes characteristics, capacity, and size of the Public Listed Company, as well as taking into account how the Board of Directors can make decisions effectively.	<p>The determination of the number of Board of Directors members has been implemented by referring to the applicable legislative regulations where, in accordance with POJK 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Listed Companies, it is stated that the Board of Directors of an Issuer or Public Listed Company should consist of minimum 2 (two) members. Bank Mandiri's Board of Directors consists of 10 (ten) members, the determination of which has been in accordance with the existing needs in order to achieve the Company's purpose and objectives, and has been aligned with the Company's condition by also taking into account Bank Mandiri's needs and complexity.</p> <p><b>Remarks: Comply</b></p>
	13. Determination of the composition of Board of Directors takes into account the diversity of the required set of skills, knowledge, and experience.	Similar to what applies to Board of Commissioners, diversity of composition of Board of Directors members is a combination of the required set of characteristics, either from the perspective of Board of Directors' structure or individual members, in accordance with the respective Public Listed Company's needs. Such combination is defined by taking into account the set of skills, knowledge, and experience aligned with the delegation of positional duties and functions of the Board of Directors in achieving the Public Listed Company's objectives. This way, the consideration of the combination of characteristics will affect the accuracy of nomination and appointment of the members of the Board of Directors, both individually and as a team.	<p>It is expected that diverse composition of the Board of Directors will provide alternatives for resolution of increasingly complex issues the bank is facing, as compared to homogeneous composition, allowing the decisions made to be the best ones. In accordance with the Shareholders' discretion, the determination of composition of the Board of Directors has been implemented by aligning it with Bank Mandiri's business needs and complexity.</p> <p><b>Remarks: Comply</b></p>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
	14. Board of Directors members responsible for accounting or finance has adequate skills and/or knowledge in accounting.	<ul style="list-style-type: none"> <li>Financial Statement is the management's accountability report for the management of a Public Listed Company's resources, and should be developed and presented according to the Financial Accounting Standards commonly applied in Indonesia, in addition to related OJK regulations, such as legislative regulations on Capital Market sector that governs the presentation and disclosure of Public Listed Company's Financial Statement. In accordance with the applicable legislative regulation in Capital Market sector, which governs Board of Directors' responsibilities of Financial Statement, the Board of Directors, under a joint liability, is responsible for Financial Statement, which should be signed by the President Director and the Board of Directors member responsible for accounting and finance.</li> <li>As such, disclosure and development of financial information presented in the form of financial statement will be highly dependent on the Board of Directors' skill and/or knowledge, particularly the specific Board of Directors members responsible for accounting and finance. Accounting skills and/or knowledge possessed by member(s) of the Board of Directors can provide assurance regarding the development of Financial Statement, allowing stakeholders to rely on the Financial Statement as a basis for economic decision making related to the respective Public Listed Company. The skills and/or knowledge may be proved by educational background, certification from trainings, and/or work experiences in related fields.</li> </ul>	<p>The finance or accounting director is also the President Director, Mr. Kartika Wirjoatmodjo, who has the following brief resume: Obtained Bachelor of Economics in Accounting from the University of Indonesia, and an MBA from Erasmus University, Rotterdam.</p> <p>He joined Bank Mandiri and has served in different positions, including as the Group Head of Strategy &amp; Performance Management Group (2005–2008) and the Director of Finance &amp; Treasury (2015–2016). Currently, he is the President Director at Bank Mandiri.</p> <p><b>Remarks: Comply</b></p>
<b>Principle 6</b> Improving the Quality of the Execution of Duties and Responsibilities of the Board of Directors.	15. Board of Directors has a Self Assessment policy for evaluation of the Board of Directors' performance.	<ul style="list-style-type: none"> <li>Similar to what applies to the Board of Commissioners, Board of Directors' Self Assessment Policy is a guideline utilized as a form of accountability for collegiate evaluation of the Board of Directors' performance. Self Assessment is intended to be performed by individual members to collegiately evaluate the implementation of the Board of Commissioners' performance, and not to evaluate the individual performance of each member of the Board of Commissioners. By Self Assessment, it is expected that individual members of the Board of Directors can contribute to continuously enhance the Board of Directors' performance.</li> <li>The policy may include assessment activities to perform, along with their intent and purpose, periodic implementation time, and assessment benchmarks or criteria to use in accordance with the recommendations provided by the Public Listed Company's remuneration and nomination function. The establishment of the function itself has been mandated in the Regulation of OJK on Remuneration and Nomination Committee in Issuers or Public Listed Companies.</li> </ul>	<p>The Board of Directors has its own Valuation Policy (self assessment). Performance Appraisal by the Board of Directors each member of the Board of Directors through the Self mechanism Assessment to assess the performance of the Board of Directors collectively, rather than assessing individual performance each member of the Board of Directors. As it is described in the Annual Report on the Evaluation section Performance of Board of Directors.</p> <p><b>Remarks: Comply</b></p>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
	16. Self Assessment policy for evaluation of the Board of Directors' performance is to be disclosed in the respective Public Listed Company's Annual Report.	Disclosure of Self Assessment policy for evaluation of the Board of Directors' performance is made not only to adhere to the principle of transparency as a form of accountability of the implementation of its duties but also to provide important information regarding improvement measures in the management of Public Listed Companies. Such information is highly useful to provide assurance to shareholders or investors that the company management is continuously directed towards betterment. The disclosure will allow shareholders or investors to obtain knowledge about the check and balance mechanism applied to evaluate the Board of Directors' performance.	Self assessment policy to assess performance of the Board of Directors, disclosed in the Annual Report in the Performance Assessment of the Board of Directors. Self-assessment in order to assess the performance of the Board of Directors has been done. Self assessment of company management delivered within Annual Report set out in the Assessment section Performance of Board of Directors.  <b>Remarks: Comply</b>
	17. Board of Directors has policy(ies) for resignation of the Board of Directors' members due to involvement in financial crime.	<ul style="list-style-type: none"> <li>- Policy for resignation of Board of Directors' members involved in financial crime is a policy that can enhance shareholders' trust to Public Listed Companies, allowing companies to maintain their integrity. The policy is required in order to support adequate legal processes and to prevent such legal processes from disrupting business activities. In addition, from morality perspective, such policy also builds an ethical culture within the environment of Public Listed Companies. The policy may be included in the Guideline or Code of Conduct applicable to the Board of Directors.</li> <li>- Furthermore, involvement in financial crime is defined as any member of the Board of Directors being convicted by the authority. Financial crime as defined above includes manipulation and various forms of embezzlement in financial service activities, as well as Money Laundering as specified in Law Number 8 of 2010 on Prevention and Eradication of Money Laundering.</li> </ul>	The Company has had its policy regarding resignation of any members of the Board of Directors due to involvement in financial crime as specified in the Company's Articles of Association.  In reference to Article 11 sub-article 24 letter f of the Company's Articles of Association, the tenure of the Board of Directors' members shall expire when the member(s) no longer qualifies as a member of the Board of Commissioners in accordance with the Articles of Association and other applicable legislative regulations, including when such member is involved in financial crime. In the event that any member of the Board of Directors resigns due to involvement in financial crime, such member of the Board of Directors is required to provide a written notification regarding his/her intent of resignation to the Company, and the Company is required to organize a GMS to make decision regarding the resignation of the Board of Directors member by 90 (ninety) days upon receiving the resignation letter.  <b>Remarks: Comply</b>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
<b>Aspect 4: Stakeholder Engagement</b>			
<b>Principle 7</b> Improving Corporate Governance Aspects through Stakeholder Engagement.	18. Public Listed Company have policy(ies) in place to prevent insider trading.	Any individual in possession of insider information is prohibited from conducting Stock transactions using such insider information as specified in the Law on Capital Market. Public Listed Company can minimize the risk of insider trading by taking preventive measures, e.g. By explicitly separating confidential data and/or information from public data/information, and by making proportional, efficient delegation of duties and responsibilities related to the management of such information.	<p>Insider trading prevention policy has been set forth in the Human Resources Procedure Standard.</p> <ul style="list-style-type: none"> <li>- Chapter III.D. 2 regarding Code of Conduct and Business Ethics, which constitutes the ethical standards to be used as a guideline by all of the bank's personnel in carrying out their respective day-to-day duties and tasks and when conducting business dealings with customers, associates, or colleagues.</li> <li>- Chapter III.D.4 regarding Employee Discipline, which governs the obligations, prohibitions, and sanctions of employees.</li> </ul> <p>Standards Procedure Guidelines of Corporate Secretary Chapter III.A.5 regarding the Principle of Information Transparency, which governs the following matters:</p> <ul style="list-style-type: none"> <li>- Any Insider in possession of insider information is prohibited from influencing any parties, including any Insider's families, to perform share purchase or sales.</li> <li>- Any Insider other than the Board of Directors and Board of Commissioners who is found to violate the abovementioned provision and is proven to have conducted any transaction and/or provided insider information shall be charged with disciplinary action as specified in the Human Resources Guideline Standard.</li> <li>- Any member of the Board of Directors and Board of Commissioners and other parties who, due to their position or relationship with the Bank, is found to conduct insider trading shall be held accountable in accordance with the applicable provisions.</li> </ul> <p><b>Remarks: Comply</b></p>
	19. Public Listed Company has anti-corruption and anti-fraud policy in place.	Corruption policy serves to ensure that a Public Listed Company's business activities are carried out in a legal, prudent manner, and in accordance with good governance principles. Such policy may be a part of the code of conduct or set separately. The policy may include, among others, programs and procedures implemented to address corruption, kickback, fraud, bribery, and/or gratification within a Public Listed Company. The scope of the policy should reflect the respective Public Listed Company's prevention of any forms of corruption, either giving to or receiving from, any parties.	<p>Bank Mandiri has had an Anti-fraud Strategy policy in place, effective as of 2 May 2012, as a follow-up of Bi's Circulating Letter No. 13/28/DPNP dated 09 December 2011 on Implementation of Anti-fraud Strategy (SAF). The SAF governs, among others, organizations and 4 SAF Pillars within Bank Mandiri, i.e.:</p> <ul style="list-style-type: none"> <li>Pillar 1: Prevention</li> <li>Pillar 2: Detection</li> <li>Pillar 3: Investigation, Reporting, and Sanction</li> <li>Pillar 4: Monitoring, Evaluation, and Follow Up</li> </ul> <p>Bank Mandiri has delivered SAF Implementation Report to OJK regularly every semester, as well as incidental reports concerning any cases that may interfere with the Bank's operation, in accordance with the applicable provisions.</p> <p><b>Gratification Control</b></p> <p>Bank Mandiri has had a Gratification Control PTO and a Gratification Control Unit (GCU) in place to perform gratification control function in accordance with the Decree (SK) of the Board of Directors effective as of 3 July 2015.</p> <p><b>Remarks: Comply</b></p>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
	<p>20. Public Listed Company has a policy in place for supplier or vendor selection and capability improvement.</p>	<ul style="list-style-type: none"> <li>- Supplier or vendor selection policy is helpful to ensure that Public Listed Company receives the required goods or services at competitive prices and in good quality. Supplier or vendor capability improvement policy, on the other hand, is helpful to ensure that the supply chain operates efficiently and effectively. Supplier or vendor capability in supplying/providing the required goods or services will affect the quality of a company's output.</li> <li>- Implementation of such policies can guarantee supply continuity, either in terms of quantity or quality, as required by the respective Public Listed Company. The scope of the policy may include criteria for supplier or vendor selection, transparent procurement mechanism, measures to improve supplier or vendor capability, and fulfillment of rights related to the supplier or vendor.</li> </ul>	<p>Bank Mandiri has implemented specific Public Listed Company Governance Guideline regarding Supplier or Vendor Selection and Capability Improvement for vendors or associates, in the form of:</p> <ol style="list-style-type: none"> <li>1. Bank Mandiri's Operational Policy (KOBM), Article 420 on Procurement</li> <li>2. Basic Principles of Procurement</li> <li>3. Procurement Operational Guideline Standard (SPO), Chapter III.B. Goods and Services Procurement Provisions, which consist of: <ol style="list-style-type: none"> <li>a. Goods and services procurement methods</li> <li>b. Procurement process</li> <li>c. Procurement phases</li> <li>d. Job exeTaking a leaveon and job handover</li> <li>e. Specific provisions regarding job change (addition/reduction) for construction services</li> <li>f. Implementation of procurement activities to address specific conditions</li> <li>g. Payment documents and process</li> </ol> </li> <li>4. In the Procurement PTO, associate selection procedure is described in Chapter III.C.1 Provisions on Implementation of Accreditation for Associates (Goods and Services Providers)</li> <li>5. Selection Criteria for Goods and Services Providers (Associates) In implementing Goods and Services Provider selection, the Company has defined a set of aspects, which are reviewed periodically, as a platform for associate selection.</li> <li>6. The Company has defined criteria for associates recommended to invite into a specific goods and services procurement process.</li> <li>7. Evaluation of associates' performance has been performed through 2 (two) models, i.e. Project Performance Evaluation and Periodic Evaluation.</li> <li>8. Vendor gathering has also been carried out periodically with the purpose of, among others, obtaining feedbacks from associates for improvement of goods/services procurement process in order to achieve effective procurement process.</li> </ol> <p><b>Remarks: Comply</b></p>
	<p>21. Public Listed Company has policy(ies) in place regarding fulfillment of creditor's rights.</p>	<p>Policy(ies) regarding fulfillment of creditor's rights is used as a guideline in taking loans from any creditor. The policy aims at maintaining fulfillment of creditor's rights while also maintaining creditor's trust to the respective Public Listed Company. The policy may include considerations in setting up agreements and follow ups in fulfillment of a Public Listed Company's duties to creditors.</p>	<p>The policy on fulfillment of creditor's rights has been manifested in: Funds Product SPO, Product Manual, and Customer Complain Management SPO, which in brief governs:</p> <ol style="list-style-type: none"> <li>1. The right to obtain adequate explanation on product characteristics.</li> <li>2. The right to access funds product requirements and terms through Bank Mandiri's website.</li> <li>3. Ease of transaction through branch offices, e-banking service, or other means as specified by the Bank.</li> <li>4. The right to obtain interest at specific rates as applicable in the Company.</li> </ol> <p><b>Remarks: Comply</b></p>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
	22. Public Listed Company has a whistleblowing system in place.	Well-developed whistleblowing system policy will provide assurance regarding protection for witness or whistleblower of an indication of violation committed by the respective Public Listed Company's employee or management. Implementation of such system policy will impact on the realization of good corporate governance culture. Whistleblowing system policy may include, among others, type of violations reportable via the whistleblowing system, method of reporting, protection and confidentiality assurance of the whistleblower's identity, report handling, report managing party, and result of handling and follow up of report.	<ol style="list-style-type: none"> <li>1. Bank Mandiri has had a whistleblowing system in place under the name Letter To CEO (LTC). LTC is a facility used to submit reports regarding frauds or indications of fraud, either committed by employee or vendor, to the Group's CEO by emphasisPermission on the disclosure of the report in order to enhance the effectiveness of Bank Mandiri's internal control system.</li> <li>2. The Company has had a policy in place that governs whistleblowing system.</li> <li>3. LTC has been implemented since 2009 and revitalized in 2013.</li> <li>4. The types of violation reportable via LTC are corruption, fraud, theft, negligence, and violation.</li> <li>5. Reports can be submitted by the whistleblower using the media provided, such as: <ul style="list-style-type: none"> <li>- Via email to <a href="mailto:lettertoceo@bankmandiri.co.id">lettertoceo@bankmandiri.co.id</a></li> <li>- Via post to PO BOX 14000 JKTM 12700.</li> <li>- Via SMS to 0811900777.</li> <li>- Via the website, by clicking on <a href="#">lettertoceo</a> on the browser (intranet).</li> </ul> </li> <li>6. Bank Mandiri guarantees the confidentiality of the whistleblower's identity by providing the whistleblower with an option to submit the report anonymously. Bank Mandiri also guarantees protection for the whistleblower, as set forth in the Company's internal provisions.</li> <li>7. Incoming reports are handled and followed up by the Internal Audit Unit in accordance with the specified service level agreement (SLA).</li> </ol> <p><b>Remarks: Comply</b></p>
	23. Public Listed Company has policy(ies) in place regarding the provision of long-term incentive to the Board of Directors and employees.	<ul style="list-style-type: none"> <li>- Long-term incentive is a type of incentive provided based on long-term performance achievement. Long-term incentive plan is based on the idea that a company's long-term performance is reflected on share value growth or other long-term targets. Long-term incentive is useful to maintain loyalty and to motivate the Board of Directors and employees to improve their performance or productivity, which in turn will lead to improvement of the company's long-term performance.</li> <li>- The presence of long-term incentive is a Public Listed Company's concrete commitment to encouraging the implementation of long-term incentive for the Board of Directors and employees, under the conditions that the procedure and form is in accordance with the respective Public Listed Company's long-term objectives. The policy may include, among others, the purpose and objectives of the long-term incentive, incentive requirements and procedure, and the conditions and risks the Public Listed Company should take into account in providing incentive. Such policy may also be included in the respective Public Listed Company's existing remuneration policy.</li> </ul>	<p>During the General Meeting of Shareholders held on 14 March 2017, the shareholders have defined the provision of long-term incentive for the Board of Directors. The Company has implemented the provisions related to long-term incentive as set forth in the General Meeting of Shareholders and the applicable legislative regulations.</p> <p>Currently, the Company has had an internal policy in place regarding long-term incentive for the Board of Directors, in reference to the Regulation of State Minister of SOEs No. PER-04/MBU/2014 on Guideline on Determination of Remuneration for Board of Directors, Board of Commissioners, and Supervisory Board in State-Owned Enterprises, as last amended by the Regulation of State Minister of SOEs No. PER-01/MBU/06/2017, which is specified in the Decree of Board of Commissioners No. KEP.KOM/003/2014 on Benefits and Facilities and Other Benefits for Board of Directors and Board of Commissioners.</p> <p>In addition, the policy on long-term incentive for Board of Directors and Employees also use as reference OJK Regulation No. 45/POJK.03/2015 on Implementation of Remuneration for Commercial Banks. The policy on long-term incentive for employee related to Material Risk Taker has been prepared, the implementation of which shall be adjusted to the regulation on the implementation for Board of Directors and Board of Commissioners to issue by the Ministry of SOEs.</p> <p><b>Remarks: Comply</b></p>

Principle	Recommendation	Remarks of OJK's Recommendation	Elaboration of Implementation at Bank Mandiri
<b>Aspect 5: Information Transparency</b>			
Principle 8 Improving the Implementation of Information Transparency	24. Public Listed Company utilizes information technology in a broader extent other than website as a media for information transparency.	Utilization of information technology is helpful as a media for information transparency. Disclosure is made not only for information specified in the applicable legislative regulations, but also other information related to the respective Public Listed Company that is considered beneficial for the shareholders or investors. Broader utilization of information technology other than website is expected to enable companies to improve the effectiveness of company information distribution. However, utilization of information technology should take into account the benefits for the respective company and the cost required.	Bank Mandiri's website contains all information related to Information Transparency. Aside from the website, the Company has also utilized other forms of technology and social media, such as SMS Banking, Phone Banking, Mobile Banking, Instagram, Facebook, and Twitter.  <b>Remarks: Comply</b>
	25. Public Listed Company's Annual Report discloses the owner of end benefit in the respective company's share ownership by at least 5% (five percent), in addition to the disclosure of the owner of end benefit in the company's share ownership by the majority shareholders and controlling shareholders	Capital Market legislative regulations governing the disclosure of Public Listed Company's annual report has specified the duty of disclosure of information regarding shareholders with 5% (five percent) or more shares in the respective Public Listed Company, as well as the duty of disclosure of information regarding majority shareholders and controlling shareholders of the company, either directly or indirectly, up to the owner of end benefit in the share ownership. The Governance Guideline recommended disclosure of the owner of end benefit in Public Listed Company share ownership by at least 5% (five percent), in addition to the disclosure of the owner of end benefit in the company's share ownership by the majority shareholders and controlling shareholders.	The Company has disclosed information regarding the Shareholders with 5% or more shares in the Company in its Annual Report, under the Composition of Shareholders section.  <b>Remarks: Comply</b>

## Implementation of Corporate Governance in Accordance with the Guidelines of Corporate Governance Principles for Banks Issues by the Basel Committee on Banking Supervision

The Governance Guideline covers 12 corporate governance principles. Governance Guideline is a best practice standard to use as reference in implementing corporate governance in banking industry. This can be detailed as follows.

Table of Implementation of Aspects and Principles of Corporate Governance Based on Guidelines of Corporate Governance Principles For Banks

Principle	Description	Implementation at Bank Mandiri
<b>Principle 1</b> Roles of the Board of Commissioners.	The Board of Commissioners is responsible for, among others: approval and supervision of business strategy implementation, governance structure and mechanism, and corporate culture.	The Board of Commissioners Charter Number KEP.KOM/005/2016 stated that the Board of Commissioners' responsibility is to provide feedbacks and recommendations regarding Annual Work Plan and Budget, and to provide recommendations for matters the Company deems important, including corporate culture.
<b>Principle 2</b> Qualification and Composition of the Board of Commissioners.	Members of the Board of Commissioners should possess the required qualities in accordance with their responsibilities, either individually or as a team. The Board of Commissioners should understand its roles in the supervision and implementation of corporate governance, and should be capable of implementing fair, objective decision making.	Bank Mandiri's Board of Commissioners should not have any financial, administrative, share ownership, or family relationship with other members of the Board of Commissioners, Board of Directors, and/or Controlling Shareholders, or any relationship with the Bank, which may potentially affect their capability to take independent actions as specified in the provisions on Implementation of Good Corporate Governance for Commercial Banks, and have signed the Statement of Independency.
<b>Principle 3</b> Structure and Mechanism of the Board of Commissioners.	The Board of Commissioners should define the correct governance structure and practices in execution of their duties, and periodically review the effectiveness.	The Board of Commissioners has had a set of Committees under to assist in the execution of the Board of Commissioners' duties, i.e. Audit Committee, Risk Monitoring Committee, Remuneration and Nomination Committee, and Integrated Governance Committee.
<b>Principle 4</b> Board of Directors.	Under the direction and supervision from the Board of Commissioners, the Board of Directors should be able to manage the Bank in accordance with the business strategy, risk appetite, remuneration policy, and other policies approved by the Board of Commissioners.	The Board of Directors has managed the Company under the direction and supervision from the Board of Commissioners, which is proven from the company's increasing business achievement compared to the preceding year. All policies serving as the basis for Bank Mandiri's operation were required to be pre-approved by the Board of Commissioners.
<b>Principle 5</b> Business Group Governance Structure.	In a business group, the Board of Commissioners of the holding company is fully responsible for the business group and for ensuring clean definition and implementation of governance practices in relation to the business group and entity's structure, business, and risks. The Board of Commissioners and Board of Directors should understand the organizational structure of the business group and the associated risks.	Bank Mandiri's Board of Commissioners and Board of Directors have possessed the required knowledge and understanding on the corporate main business and main risks, which is proven by all members of the Board of Commissioners and Board of Directors passing in the Fit and Proper Test. The Board of Commissioners and Board of Directors have also periodically attended trainings and development programs to improve their capability.
<b>Principle 6</b> Risk Management Function.	Bank should have independent, high-quality risk management function with high-quality resources and access to the Board of Commissioners.	Bank Mandiri has implemented Identification, Measurement, Monitoring, Risk Control, and Risk Management Information System through an Enterprise Risk Management (ERM) platform. Bank Mandiri has always improved the capability and knowledge of all its employees, particularly in terms of risk management, by organizing regular internal trainings through the Risk Management Academy. In addition, Bank Mandiri also regularly, minimum once a year, holds socialization, discussion forums, internship, or other programs related to risk management, which are in line with corporate culture internalization. Bank Mandiri communicates risk management to the Board of Commissioners via the Risk Monitoring Committee and the Integrated Governance Committee.
<b>Principle 7</b> Risk Identification, Monitoring, and Control.	Risks should be identified, monitored, and controlled for all Bank activities. The quality of risk management and internal control infrastructure should go in line with the changes of the Bank's risk profile, external risk factors, and industry practices.	In its Risk Management, Bank Mandiri has performed bankwide risk identification, measurement, and assessment by periodically developing risk profile. Risk measurement and assessment has been implemented well in accordance with the Risk Management Policy specified in accordance with the risks Bank Mandiri is facing.
<b>Principle 8</b> Risk Communication	Implementation of effective risk governance requires accurate risk communication within the Bank's environment, either between organizations or via reporting to the Board of Commissioners and Board of Directors.	Risk-Based Bank Rating (RBRR) per semester have been presented to the Integrated Risk Committee (URC) which consists of Bank Mandiri's Board of Directors and Subsidiaries. In addition, RBRR assessment results have also been presented to the Board of Commissioners via the Integrated Governance Committee.
<b>Principle 9</b> Compliance	The Board of Commissioners is responsible for the supervision of management related to Bank compliance risks. The Board should define compliance function and grant approval for policies and compliance risk identification, assessment, monitoring, and reporting, and should provide advices related to compliance risks.	The Board of Commissioners ensured that good corporate governance has been implemented throughout business activities and ensured corporate governance policies, including the implementation of compliance. Compliance risk assessment from RBRR has been reported to the Board of Commissioners every 6 (six) months for feedbacks.

Principle	Description	Implementation at Bank Mandiri
<b>Principle 10</b> Internal Audit	Internal audit function should report assurance independent activities to the Board of Commissioners and should support the Board of Commissioners and Board of Directors in encouraging the implementation of effective governance and long-term soundness of the Bank.	The function has conducted objective testing of evidence in order to provide independent assessment of the adequacy of the organization's internal control, risk management, and governance process. The Internal Audit function is directly responsible to the President Director, and communicates with the Board of Commissioners through the Audit Committee.
<b>Principle 11</b> Compensation	The Bank's remuneration structure should support the implementation of corporate governance and risk management.	Bank Mandiri's remuneration structure has been in accordance with POJK Number 45/POJK.03/2015 on Implementation of Governance in the Provision of Remuneration for Commercial Banks.
<b>Principle 12</b> Disclosure and Transparency	The Bank's governance implementation should be disclosed transparently to the Shareholders, Depositors, other relevant Stakeholders, and Market Participants.	Bank Mandiri always updates its website, www.bankmandiri.co.id, to ensure that the information provided for the stakeholders is the updated ones. In addition, Bank Mandiri's information is also disclosed through its Annual Reports, Sustainability Reports, and Public Expose.

## Monitoring of Good Corporate Governance Implementation

The monitoring function for GCG implementation was executed by a number of the Company's structures as follows:

1. Compliance Group, which has the main function of assisting the Director who leads the Compliance Function in identifying, measuring, monitoring, and controlling Compliance Risks by referring to Bank Indonesia's regulation regarding the Implementation of Risk Management for Commercial Banks. To support the achievement of Bank Mandiri's 2020 vision, the Bank has defined a set of compliance strategies, allowing the Bank to minimize compliance risk potentials and to enhance compliance culture throughout the Bank's activities.
2. Audit Committee, which is one of the committees under the Board of Commissioners, has the duties and responsibilities of assisting and facilitating the Commissioners in executing supervisory duties and functions over matters related to financial information, internal control system, effectiveness of assessment by external and internal auditor, implementation of risk management, and compliance with the applicable legislative regulations. One of the duties is to perform supervision and evaluation of the implementation of corporate governance in relation to negative information and complaints.
3. Integrated Governance Committee was established to assist and facilitate the Board of Commissioners in carrying out the duties and functions of supervision of Governance implementation in individual Financial Services Institutions in Bank Mandiri's Financial Conglomerates so as to comply with the Guideline on Integrated Governance, supervise the implementation of Bank Mandiri's Board of Directors' duties and responsibilities, and provide directives or advices to Bank Mandiri's Board of Directors regarding the implementation of the Guideline on Integrated Governance, and evaluate and direct the Guideline on Integrated Governance for refinement.

4. Internal Audit, which has the duties and responsibilities to, among others, test and evaluate risk management, internal control, and governance processes for adequacy and effectiveness.

## Good Corporate Governance Assessment

In order to continuously enhance its governance, Bank Mandiri has performed assessment of the implemented governance. Bank Mandiri has performed self assessment of its governance in accordance with POJK No. 55/POJK.03/2016 on Implementation of Governance for Commercial Banks and SEOJK No. 13/POJK.03/2017 on Implementation of Governance for Commercial Banks. In accordance with the abovementioned regulations, Bank Mandiri has performed self assessment of its governance biannually. In addition, Bank Mandiri has also performed external assessment of its governance implementation by attending the Corporate Governance Perception Index (CGPI) rating and ASEAN Corporate Governance Scorecard (ACGS).

### Self Assessment

Financial Services Authority Regulation No. 55/POJK.03/2016 and Financial Services Authority's Circulating Letter No. 13/SEOJK.03/2017 mandated Commercial Banks to perform assessment of the respective Bank's governance implementation.

### Criteria Employed

The criteria employed in performing self assessment is the Financial Services Authority's Circulating Letter No. 13/SEOJK.03/2017 on the Implementation of Good Corporate Governance for Commercial Banks. This self-assessment was intended to map the strengths and weaknesses of GCG implementation in Bank Mandiri in terms of three aspects:

### 1. Governance Structure

Assessment of governance structure aims at assessing the adequacy of the Company's governance structure and infrastructure so that the implementation of GCG principles result in outcome that satisfies the expectation of the Company's stakeholders. Governance structure includes the Board of Directors, Board of Commissioners, committees, and the Company's units. Governance infrastructure, on the other hand, includes policies and procedures, management information system, and principal tasks and functions of individual organizational structures.

### 2. Governance Process

Assessment of governance process aims at assessing the effectiveness of the implementation of GCG principles, which is supported by adequate Company governance structure and infrastructure to produce outcome that meets the stakeholders' expectation.

### 3. Governance Outcome

Assessment of governance outcome aims at assessing the quality of outcome that meets the stakeholders' expectation, which are resulted from the implementation of GCG principles and supported by adequate Company governance structure and infrastructure. The outcome includes both qualitative and quantitative aspects, i.e.:

- Adequacy of report transparency.
- Compliance with the applicable legislative regulations.
- Consumer protection.
- Objectivity in performing assessment/audit.
- Bank performance, e.g. rentability, efficiency, and capitalization.

- Increase/decrease of compliance with the applicable provisions and resolution of issues the Bank is facing, e.g. fraud, Lending Limit, violation of specific provisions related to bank report to the regulators.

Self assessment includes 11 (eleven) GCG implementation assessment factors, i.e.:

1. Execution of duties and responsibilities of the Board of Commissioners;
2. Execution of duties and responsibilities of the Board of Directors;
3. Comprehensiveness and execution of duties of Committees;
4. Handling of conflict of interest;
5. Implementation of compliance function;
6. Implementation of internal audit function;
7. Implementation of external audit function;
8. Implementation of risk Management, including internal control system;
9. Provision of funds to related parties and provision of large exposure;
10. Transparency of the Bank's financial and non-financial condition, GCG implementation report, and internal reporting; and
11. Bank Strategic Plan.

### Parties Performing Assessment

The self assessment of governance at Bank Mandiri involved all members of the Board of Commissioners, Board of Directors, and work units related to the specific governance assessment factors.

### Assessment Score

In semester I of 2017, Bank Mandiri has performed self assessment of its governance implementation, and has presented the results to OJK on 25 July 2017. OJK has provided feedback for the assessment, and Bank Mandiri's score is as follows:

Score	Definition of Composite
<b>2</b>	Means that the Company's management has implemented a generally good Governance. This was reflected on the adequate fulfillment of Governance principles. In terms of weaknesses in the implementation of GCG principles, the weaknesses were insignificant and have been resolved using reasonable actions by Bank Mandiri.

In the semester II of 2017, Bank Mandiri had conducted a governance assessment individually that had been delivered to OJK on 24 January 2017. The self assessment in the semester II of 2017 obtained the following values:

Score	Definition of Score
<b>1 (very good)</b>	Reflecting that the Bank's management had conducted Corporate Governance that was generally very good. It was reflected in the very adequate fulfillment of GCG principles. In the case of weaknesses in the implementation of the Governance Principles, the weaknesses were generally insignificant and could be promptly improved by the Bank's management.

From the two assessment results, the implementation of Bank Mandiri governance in 2017 can be summarized as follows:

Strength	Weakness
<b>Structure</b>	
<ul style="list-style-type: none"> <li>Based on the resolution of the AGMS on 21 August 2017, the composition of the members of Independent Commissioners in the period of Semester II/2017 had complied with the provisions of POJK no. 55/POJK.03/2016, whereby Independent Commissioners shall be at least 50% (fifty percent) of the total members of the Board of Commissioners.</li> <li>OJK had given the Fit &amp; Proper Test result of qualification and approved the appointment of Mr. Hartadi A. Sarwono, Mr. Makmur Keliat, and Mr. R. Widyo Pramono as a member of the Board of Commissioners of Bank Mandiri, and Mr. Darmawan Junaidi as a member of the Board of Directors of Bank Mandiri.</li> <li>The Board of Directors had adequate competence and the tasks of the Board of Directors had considered the relevance of competence with the position.</li> </ul>	-
<b>Process</b>	
<ul style="list-style-type: none"> <li>The Board of Commissioners and the Board of Directors had ensured and implemented the implementation of Good Corporate Governance principles at every level of the organization, among them were reflected on the Score Improvement of ASEAN CG Scorecard and Bank Mandiri's Success in maintaining "The Most Trusted Company" by The Indonesian Institute for Corporate Governance (IICG), for 11 times in a row.</li> <li>During 2017, the audit plan listed in the Annual Audit Plan (AAP) had been fully realized by the Bank.</li> <li>In order to improve the provision quality of information to Stakeholders, in 2017 Bank Mandiri website improvements were made, with the end of 2018 as the completion target.</li> <li>In 2017, Bank Mandiri initiated a revision of customer complaint forms, to facilitate the documentation of customer complaints and to speed up the follow-up of the complaints.</li> </ul>	There were still imposition of fine sanction in the current period, especially related to the accuracy of debtor data in Debtor Information System that still needed to improve.
<b>Outcome</b>	
<ul style="list-style-type: none"> <li>Bank Mandiri as SOE (State-Owned Enterprise) Bank committed and consistently served as the agent of development in terms of supporting development policies decided by the government, including through infrastructure development programs, development of entrepreneurship programs, and empowerment of TKI (Indonesian Migrant Worker).</li> <li>There was a 19.3% reduction in violation in the Semester II/2017 period compared to the Semester II/2016 period, where the fine was in the Semester II/2016 period. In addition, there was a 18% year-on-year reduction in violation in 2016 position compared to 2017.</li> <li>The performance achievement of Bank Mandiri in quarter III/2017 increased compared to the previous period. Among them were reflected in the increase in net profit by 25.4% and the decline in the ratio of non-performing loans to 3.74% in quarter III/2017.</li> </ul>	There are still penalties imposed in the current period

## Recommendation and Follow-Up Action

OJK provided a number of recommendations for the governance implementation at Bank Mandiri, which have been followed up by Bank Mandiri, as follows:

Table of Recommendations and Follow Up

Recommendation	Follow-Up Action
Composition of Independent Commissioners that have not complied with the minimum requirements.	<p>On 21 August 2017, through the Extraordinary GMS, Bank Mandiri appointed Mr. Hartadi A. Sarwono as President Commissioner / Independent Commissioner and Bpk. R. Widyo Pramono as Commissioner. With the appointment, the composition of the Board of Commissioners of Bank Mandiri is in conformity with the POJK no. 55 / POJK.03 / 2016.</p> <p>Mr. Hartadi A. Sarwono has obtained OJK approval on the result of the assessment of the Capability and Precision Test as stated in the Letter of the Financial Services Authority (OJK) no. SR-193 / PB.12 / 2017 dated November 15, 2017 regarding Submission of Copy of Decision on Appointment of Independent Commissioner of PT Bank Mandiri (Persero) Tbk. and Decision of OJK Commissioner Board No. KEP-205 / D.03 / 2017 dated 09 November 2017 on the Assessment of Ability and Suitability Results Br. Hartadi Agus Sarwono As Independent Commissioner of PT Bank Mandiri (Persero) Tbk., So that the appointment as the President Commissioner / Independent Commissioner is declared effective as of November 15, 2017 as stated in Bank Mandiri Letter No. RMC / 1412/2017 dated November 15, 2017 regarding the Effective Determination of Appointment of Independent Commissioner of PT Bank Mandiri (Persero) Tbk.</p>

## External Assessment

In addition to performing self assessment of its governance implementation in accordance with the provisions set by regulators, Bank Mandiri has also actively performed external assessment to obtain feedbacks for the implementation of governance at the Bank.

### Corporate Governance Perception Index (CGPI)

To assess the quality of its governance implementation, Bank Mandiri attended CGPI research and rating program organized by The Indonesian Institute of Corporate Governance (IICG). CGPI is attended by public listed companies (issuers), SOEs, banks, and other private corporates, and Bank Mandiri has attended CGPI rating for 14 (fourteen) consecutive years since 2003.

#### Approach Being Used

Until 2016, CGPI has been employing 4 (four) assessment phases, which include self assessment, documentation system, papers, and observation. In 2017, CGPI's assessment brought the theme of "Management of Changes within GCG Framework". Through the theme, Bank Mandiri explained the systems and mechanisms that the Company's structures have used in managing changes in the organization by orienting to the creation of values for stakeholders in order to realize long-term corporate sustainability.

Through the main theme of changes, changes were made to the assessment methods and aspects. In the previous assessment period, the assessment method that previously consisted of 4 (four) phases was changed into 2 phases, i.e. analysis by self-assessment and corporate document assessment, and observation methods. The assessment aspects employed in the 2017 CGPI included:

#### 1. Governance Structure

Aspects of governance structure were an assessment of the adequacy of corporate structures and infrastructure in change management based on the principles of good corporate governance. Assessment indicators of governance structure aspects included:

- a. The structure of corporate governance, which included the composition of Shareholders; the composition of Company Organs; person in charge structure and function related to GCG; person in charge structure of ethical enforcement; person in charge structure of information transparency; person in charge structure of supervisory and audit; person in charge structure of HC management; person in charge structure of operation/production; person in charge structure of marketing; person in charge structure of finance; structure of risk management; person in charge structure of information technology management; person in charge structure of stakeholder relations; person in charge structure of procurement of goods and services; as well as person in

charge structure management of management.

- b. Corporate governance policies, including guidelines and policies related to GCG, ethics enforcement, information transparency, supervision and audits of compliance, HC management, operation/production, marketing, finance and accounting, risk management, information technology governance, stakeholder relations, procurement of goods and services, and change management.
2. Governance Process
- Aspects of the governance process were an assessment of the effectiveness of systems and mechanisms in managing changes based on the principles of good corporate governance. Assessment indicators of the governance process aspects included:
- a. Corporate governance systems, including systems related to GCG, ethics enforcement, information transparency, monitoring and auditing as well as compliance, HC management, operation/production, marketing, finance and accounting, risk management, information technology governance, stakeholder relations, procurement of goods and services, and change management system.
  - b. Corporate governance mechanisms, including mechanisms and processes of GCG implementation, ethics enforcement, information transparency, monitoring and auditing as well as compliance, HC management, operation/production, marketing, finance and accounting, risk management, information technology management, stakeholder relations, services, and change management.
3. Governance Outcome
- Governance outcome aspects were an assessment of the quality of output, outcomes, impacts and benefits of change management based on the principles of good corporate governance. Assessment indicators of the governance outcome aspects included:
- a. Corporate governance output, including the output of the GCG implementation process, ethics enforcement, information transparency, monitoring and auditing as well as compliance, HC management, operation/production, marketing, finance and accounting, risk management, information technology management, stakeholders relations, procurement of goods and services, and change management.
  - b. Quality of corporate governance output, including the outcome of the GCG implementation process, ethics enforcement, information transparency, supervision and audit as well as compliance, HC management, operation/production, marketing, finance and accounting, risk management, information technology management,

- stakeholders relations, procurement of goods and services, and change management.
- c. Impacts of corporate governance output, including the impacts of the GCG implementation process, ethics enforcement, information transparency, supervision and audit as well as compliance, HR management, operation/production, marketing, finance and accounting, risk management, information technology management, stakeholders relations, procurement of goods and services, and change management.

### Party Performing Assessment

The CGPI assessment was performed by The Indonesian Institute of Corporate Governance (IICG).

### Assessment Score

Bank Mandiri utilized the result of CGPI assessment to perform evaluation and refinement of its GCG implementation. Bank Mandiri's CGPI score for the last 2 (two) years is as follows:

Table of CGPI Assessment Score Year 2015-2016

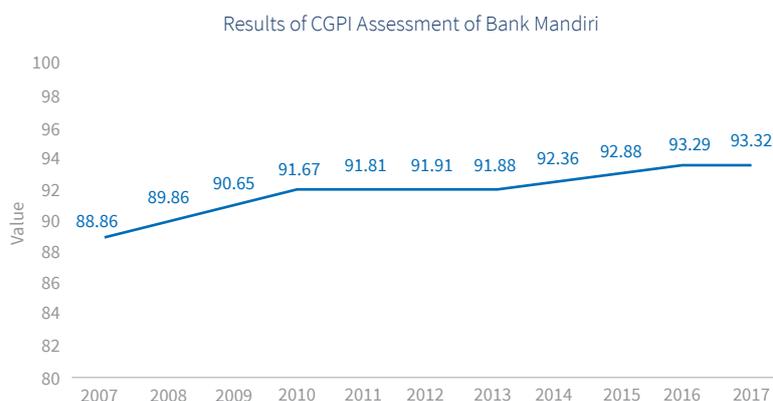
Phase	Bank Mandiri's Score	
	2016	2015
Self Assessment	27.74	19.86
Documentation System	24.17	25.05
Papers	14.22	22.87
Observations	27.17	25.10
<b>Score</b>	<b>93.29</b>	<b>92.88</b>

Bank Mandiri was rated "The Most Trusted Company" in the 2017 CGPI assessment, with the following score composition:

Table of CGPI Assessment Scores Year 2017

Phase	Bank Mandiri's 2017 Score
Governance Structure	30.66
Governance Process	31.40
Governance Outcome	31.26
<b>Score</b>	<b>93.32</b>

The award was Bank Mandiri's 11th (eleventh) consecutive award since 2007 to 2017. Bank Mandiri obtained a score of 93.32 in the 2017 CGPI Assessment, and was rated "The Most Trusted Company". Bank Mandiri's CGPI score for 11 consecutive years is as follows:



### Recommendations and Follow-Up Action

From the 2017 CGPI assessment result, IICG provided a number of recommendations for the implementation of GCG at Bank Mandiri. The recommendations would be utilized as material for refinement of governance implementation at Bank Mandiri.

Table of Recommendations and Follow-Up Action

No.	Recommendation	Follow Up
<b>Governance Structure</b>		
1	It was recommended that Bank Mandiri develop an integrated governance structure including quality improvements and initiatives for the implementation of integrated governance organs.	Bank Mandiri had had an Integrated Governance Committee under the Board of Commissioners and Integrated Compliance Work Unit, Integrated Risk Management Work Unit, Integrated Internal Audit Work Unit and a Committee under the Board of Directors involving the Main Entity and Subsidiary i.e., the Integrated Risk Committee. All these organs had performed their functions and tasks effectively.
2	It was recommended that Bank Mandiri develop and update the policies and guidelines for the GMS implementation and decision-making in the GMS that added values to the Company's shareholders.	Currently, Bank Mandiri is making improvements to the GMS implementation and decision-making in the GMS.
3	It was recommended that Bank Mandiri should develop policies and guidelines as well as systems for the implementation of corporate social responsibility in a sustainable manner.	Currently, Bank Mandiri is developing policies and guidelines as well as systems for the implementation of corporate social responsibility in a sustainable manner.
<b>Governance Process</b>		
1	It was recommended that Bank Mandiri develop and improve the Company's WBS (Whistle Blowing System) that was easy to access and use (user-friendly) for reporting violations, quick response and proper follow-up, and confidentiality guarantee and reporter protection.	Currently, Bank Mandiri is making improvements to the Company's WBS especially related to the reporting of violations to get quick response and proper follow-up, and the confidentiality guarantee and reporter protection.
2	It was recommended that Bank Mandiri develop and improve the change management systems and instruments, including the systems of change implementation, change communication and change evaluation.	Completion of change management systems and instruments including the systems of change implementation, change communication and change evaluation had been discussed by the Management in order to achieve the vision and mission, which had been determined.
<b>Governance Outcome</b>		
1	It was recommended that Bank Mandiri need to increase the Company's significant profit performance compared to the previous years.	Bank Mandiri continued to develop the strategies that were necessary to improve the Company's performance in a sustainable manner.
2	It was recommended that Bank Mandiri need to improve supervision and prudential aspects in credit disbursement to cope with the increase in non-performing loans (NPLs).	Bank Mandiri had implemented a crediting strategy that had resulted in a significant decline in NPLs.
3	It was recommended that Bank Mandiri develop and increase the number of employees attending training and competency development to support organizational changes and business needs.	Bank Mandiri had conducted employee training policies in accordance with the needs of the Company.
4	It was recommended that Bank Mandiri need to improve employee communication and understanding of ethical guidelines to reduce ethical violations.	Bank Mandiri had increased the effectiveness of ethical guideline socialization to employees, among others were through Knowledge Management System, training, meetings, Mandiri Magazine medium, gathering and so on.

### Asean Corporate Governance Scorecard

One of the conducted assessment forms related to the GCG implementation at Bank Mandiri was the ASEAN Corporate Governance Scorecard that was a parameter of measuring governance practices agreed upon by the ASEAN Capital Market Forum (ACMF). The parameter was created based on the OECD Principles and is expected to be capable of improving investors' trust to ASEAN's listing companies.

#### Criteria Employed

ASEAN Corporate Governance Scorecard employs the following assessment components:

1. Shareholders' Rights
2. Equal Treatment to Shareholders
3. Stakeholder Roles
4. Disclosure and Transparency
5. Accountability of the Boards

### Parties Performing Assessment

In Indonesia, the ASEAN Corporate Governance Scorecard assessment is performed by an independent institution, the Indonesian Institute of Corporate Directorship (IICD).

### Assessment Score

ASEAN Corporate Governance Scorecard assessment score over years is as follows:

Table of ACGS Assessment Score

Phase	Bank Mandiri's Score		
	2017	2016	2015
SCORE	104.09	103.55	85.68

With a score of 104.09, Bank Mandiri was awarded with the Leadership in Corporate Governance title, while its GCG implementation was rated the Best Overall.

### Recommendations and Follow-Up Action

Based on Bank Mandiri's 2017 ASEAN CG Scorecard score, the assessor has provided several recommendations for the implementation of GCG at Bank Mandiri. The recommendations were received in December 2017, and will be followed up in early 2018. The recommendations include, among others:

Table of Recommendations and Follow-Up Action

No.	Recommendation	Follow Up
1	Bank Mandiri to disclose transaction of corporate shares conducted by the Board of Commissioners or Board of Directors in 3 (three) business days.	Bank Mandiri is in the process of refining its internal provisions related to the reporting of transaction of shares conducted by the Board of Commissioners and Board of Directors.
2	Decision making during Meeting of the Board of Commissioners should be attended by 2/3 of the Board of Commissioners members to be deemed valid.	The Decree of Board of Commissioners No. KEP.KOM/005/2016 on Board of Commissioners Charter, CHAPTER III Article 7 regarding Type and Quorum of Meeting stated that "Meeting of the Board of Commissioners shall be deemed legitimate and is authorized to make binding decisions when attended by 2/3 of the number of members of the Board of Commissioner, either in person or by representatives."
3	Bank Mandiri's President Commissioner to double as Independent Commissioner.	Through the Extraordinary Meeting on 21 August 2017, Bank Mandiri has appointed Mr. Hartadi A. Sarwono as President Commissioner and Independent Commissioner.

### Excellent Performance Assessment Criteria

Excellent Performance Assessment Criteria is a Malcom Balridge-based method applied by the Ministry of State-owned Enterprises (SOE) to assess/measure all elements of corporate governance system, as well as factors of process and result improvements as part of the consideration. According to the Letter of the Secretary of the Ministry of State-owned Enterprise on the Submission of Criteria Guideline of Key Performance Indicator (KPI) and SOE, Excellent Performance Assessment Criteria is the basis and reference in governing SOE to achieve excellent performance.

### Criteria Being Used

The Assessment System on the Performance Evaluation of SOE was based on the method described in the document of Excellence Performance Assessment Criteria as determined by the Ministry of SOE through letter of the Secretary of the Ministry of SOE no. S-198/D7.MBU/10/2017 dated 7 October 2017 that adopted and adapted the "Malcolm Baldrige Criteria for Performance Excellence" in 2013-2014.

Reports on the fulfillment of requirements in a subcategory were assessed by considering; the subcategory requirements, key business factors reported in the Company Profile, perfection of the system implemented in the company, the breadth of the scope of system implementation, and the consistency of process quality and performance improvements as set out in the scoring system. The performance evaluation of SOE was based on two dimensions of assessment; process and outcome. The assessment factors for each of these dimensions are as follows:

### 1. Process Assessment Factor

Factors used to assess the process were Method/System (Approach), Deployment, Learning, and Integration or abbreviated ADLI.

- a. Method/System (Approach) is a method/system designed to carry out the work. Assessment refers to: (1) The compatibility of the method/system with the requirements of SOE Excellent Performance Assessment Criteria and the Company's operating environment, (2) The effectiveness of the use of the method/system, (3) The extent to which the method/system is repeatable and based on reliable data and information (for instance, structured and systematic).
- b. Deployment refers to the extent to which: (1) Method/System is applied in accordance with its design, (2) Method/System is applied consistently, (3) Method/System is carried out by all functions/work units that are relevant according to its design.
- c. Learning refers to: (1) Method/System refinement through evaluation and improvement cycles, (2) Method/System innovation to drive breakthrough changes, (3) Sharing of the refinement and innovation results of the Method/System, to other work units and other relevant process owners in the Company.
- d. Integration refers to: (1) Alignment of the system/method with the needs of the company described in Company Profile and other process subcategories, (2) Size, information and improvement system that had been complementary to each other across work units and across processes, (3) Work program, process, outcome, analysis, learning, and action that had been harmonized across processes and across work units to support the achievement of company's targets.

### 2. Assessment Factors used to evaluate company outcomes were Level, Trend, Comparison and Integration (LeTCI).

- a. Level refers to: the level of achievement of current performance/this year/latest year.
- b. Trend refers to: (1) The level of performance improvement or ability to maintain the good performance (i.e., data steepness of trend) over time (minimum of the last 3 years), (2) The breadth (implementation level) of the performance results.
- c. Comparison refers to: (1) Comparison of the company performance that is relative to appropriate comparators e.g., competitors or companies in a similar industry, (2) Comparison of the company performance that is relative to benchmarks or its industry leader, or with a world-class company.
- d. Integration refers to: (1) Size of results related to performance requirements of key customers, products, markets, processes and work programs described in the Company Profile and in subcategories of category 1 to 6. (2) Results that include valid indicators of future performance; (3) The results are harmonized in a cross-process and cross-unit manner to support the company's targets.

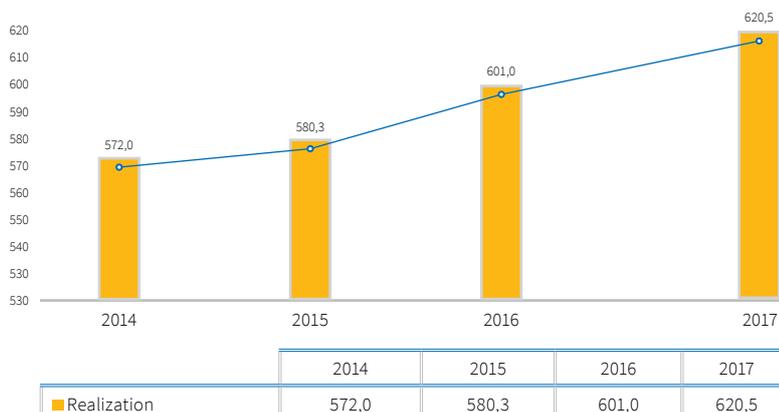
### Party Performing Assessment

Excellent Performance Assessment Criteria is performed by the Ministry of State-owned Enterprises.

### Assessment Score

Bank Mandiri had conducted an assessment with the Excellent Performance Assessment Criteria method since 2012. In the last three years, Bank Mandiri consistently updates its working processes and results, as reflected from the rise of the bank's KPKU score shown in the chart below.

Excellent Performance Assessment Criteria  
Score of Bank Mandiri Year 2014-2017



## Improvement of Good Corporate Governance Implementation Quality

Assessment results, together with inputs from all stakeholders, are taken into consideration in improving the implementation quality of GCG. There are two types of quality improvements, namely quality improvement to achieve the established quality standard, and quality improvement within the context of improving the already achieved quality standard through benchmarking.

Company improves the implementation quality of GCG by performing a follow-up action to the assessment results, audit findings, recommendations from both internal and external auditors, and

regulator (OJK) supervision results. The follow-up action takes the form of monthly discussion meeting between the Board of Directors, Compliance Group, as well as relevant Group and Committee.

Further, corrective action that is reflected in a work program will be performed. The implementation of work program is monitored for its conformity in order to improve the implementation quality of GCG. In addition to that, the Company also performs benchmarking to improve GCG quality by keeping up with the present development of best practices.

## Structure and Mechanism of Corporate Governance

Based on the Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Company, the Organs of the Company consists of General Meeting of Shareholders (Rapat Umum Pemegang Saham/RUPS), Board of Commissioners and Board of Directors. Its administration adopts a two-tier system, namely Board of Commissioners and Board of Directors, who have specific authority and responsibility based on their respective functions as specified in the Articles of Association and Legislation.

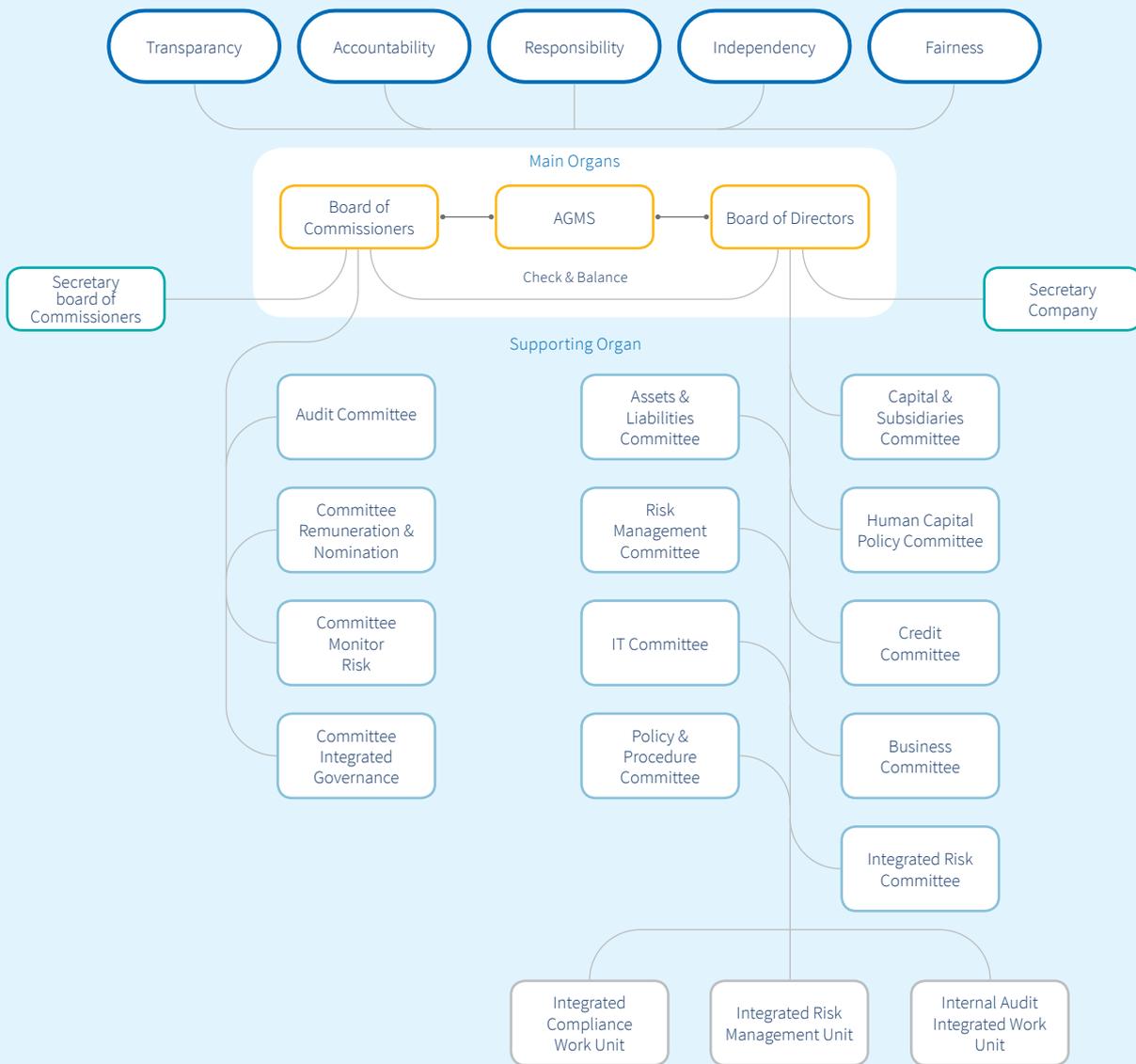
### Structure and Company Organs

According to the conditions in the Law of the Republic of Indonesia Number 40 of 2007, the structure of Bank Mandiri's GCG comprises of General Meeting of Shareholders, Board of Commissioners and Board of Directors. Good corporate governance is implemented systematically and continuously in order that the principles of GCG become the guideline in Bank Mandiri's daily course of actions.

In order to maximize its supervisory function, Board of Commissioners established committees such as Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee, and Integrated Governance Committee. In performing their duties and obligations, each committee of the Board of Commissioners works under the scope of relevant committee duties as certified by means of Decision of Board of Commissioners. In addition to that, Board of Commissioners is assisted by a Secretary who facilitates the administration of duties and responsibilities execution by the Board of Commissioners.

In managing, controlling, escorting, and taking responsibility for operational activities and implementation of corporate governance, Board of Directors is assisted by a committee under the Board of Directors and Corporate Secretary. Moreover, in line with POJK 18/POJK.03/2014 on Integrated Governance, Bank Mandiri established Integrated Compliance Work Unit, Integrated Risk Management Work Unit, and Integrated Internal Audit Work Unit, to build strong business synergy and alliance between Bank Mandiri and its Subsidiaries.

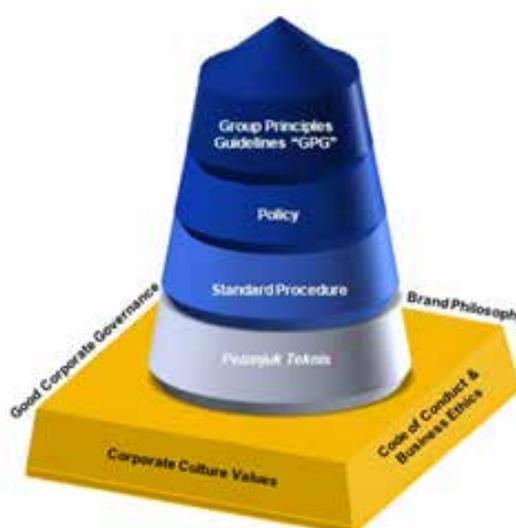
### Bank Mandiri Governance Structure



## Corporate Governance Infrastructure

In order to continuously improve the quality and scope of governance implementation, Bank Mandiri have formulated and implemented operational policies for all work units that are in line with principles of corporate governance, named Architecture of Bank Mandiri Policy. It is a hierarchy/arrangement of policies as the framework and governance in formulating policy as well as the Company's activities implementation. Bank Mandiri has a Group Principles Guideline which guides all parts of the company in the Bank Mandiri Finance Conglomeration.

The Order or Architecture of Bank Mandiri Policy is based on the following scheme:



Note: \* Petunjuk Teknis disusun jika diperlukan

GCG infrastructures that already exist in Bank Mandiri are:

1. Articles of Association of Bank Mandiri that is authorized by the Decree of Minister of Law and Human Rights of the Republic of Indonesia Number AHU-0010609.AH 01.02 of 2017 on the Approval to the Amendment of Articles of Association of Limited Liability Company (Company) PT Bank Mandiri Tbk dated 12 May 2017.
2. Architecture of Bank Mandiri Policy validated in 2016.
3. Code of Conduct of Bank Mandiri validated in 2016.
4. Business Ethic of Bank Mandiri validated in 2016.
5. Board of Directors Manual of Work Rules and Regulations as updated and approved by the Decision of Board of Directors No. KEP.KOM/005/2016 dated 21 December 2016.
6. Board of Directors Manual of Work Rules and Regulations as updated and approved by the Decision of Board of Directors No. KEP.DIR/211/2017 dated 13 September 2017.
7. Integrated Governance Guideline as approved by the Board of Commissioners on 30 June, 2015.
8. Standard of Risk Management Guideline as updated and approved on 9 February 2016.
9. Corporate Secretary Policy as validated on 1 July 2011.
10. Standard of Corporate Secretary Guideline as updated and approved on 24 February 2016.
11. Charter of Audit Committee as validated on January 2015.
12. Charter of Risk Monitoring Committee as validated on January 2015.
13. Charter of Remuneration and Nomination Committee as updated and approved on 15 July 2016.
14. Charter of Integrated Governance Committee as validated on 27 July 2016.
15. Policy and Procedure of Anti-money Laundering and Combating the Financing of Terrorism as updated and approved on 12 September 2017.
16. Standard Operational Procedure of Procurement as updated and approved on 1 December 2016.
17. Technical and Operational Guideline of Individual and Integrated Self-Assessment Good Corporate Governance as validated on 11 November 2016.
18. Standard Operational Procedure of Corporate Work Plan and Budget (Rencana Kerja dan Anggaran Perusahaan/RKAP) and Bank Business Plan (Rencana Bisnis Bank/RBB) as updated and approved on 6 July 2017.
19. Standard of Accounting Guideline as validated on 30 September 2015.
20. Standard of Operational Guideline of Credit Collection & Recovery as validated on 8 January 2014.
21. Standard of Operational Guideline of Information Technology as updated and approved on 8 June 2016.
22. Technical and Operational Guideline of Information Technology Security as updated and approved on 21 June 2016.
23. Standard of Internal Audit Guideline as updated and approved on 3 June 2016.
24. Human Resource Policy as updated and approved on 8 June 2017.
25. Standard of Human Resource Guideline as updated and approved on 13 October 2017.
26. Mandiri Subsidiary Management Principles Guideline as validated on 8 January 2016.

## Good Corporate Governance Mechanism

Mechanism of corporate governance is a process to implement corporate governance principles supported by the adequacy of bank governance structure and infrastructure, thus producing outcomes that are compatible with the expectation of the Company stakeholders. The process to implement corporate governance is inherent to the structure of corporate governance as follows.

### General Meeting of Shareholders

RUPS is the supreme organ of a limited liability company. This organ has rights and obligations that is not owned by Board of Directors and Board of Commissioners. This makes RUPS the most significant organ in a company. It plays crucial roles in a company. GMS is authorized to appoint and dismiss members of Board of Commissioners and Board of Directors, to evaluate the performance of both Boards, to approve amendment and validation of Articles of Association, to approve annual report, to specify the form and amount of remuneration of members of both Boards, to make decision regarding corporate action or other strategic decisions proposed by the Board of Directors, allocation of profit expenditure, dividend distribution.

The resolutions of the GMS are based on the interests of the Company. The GMS can not intervene on the duties, functions and authorities of the Board of Commissioners and the Board of Directors without prejudice to the power of the General Meeting of Shareholders to exercise their rights in accordance with the statutes and regulations. Bank Mandiri guarantees to provide any information regarding the Company to the shareholders, as long as it does not contradict the Company's interest and the legislation.

### Shareholders

Shareholder is an individual or a legal entity who lawfully owns one or more share in a Company. Shareholders are owners of the Company. Company's Share is a share on behalf of and is issued by the owners who are registered in the List of Shareholders and consist of:

1. Serial A Bicolor Share that may only be owned by the Republic of Indonesia.
2. Serial B Share that may be owned by the Republic of Indonesia and/or the Citizens.

### Rights of the Shareholders

Shareholders as owners of capital, have rights and responsibilities of the Company in accordance with the Company's Articles of Association and legislation. In exercising its rights and responsibilities, it is worth noting the following principles::

1. Shareholders should be aware that in exercising their rights and responsibilities should take account of the Company's survival as well; and
2. The Company guarantees the fulfillment of the rights and responsibilities of Shareholders on the basis of fairness principles in accordance with the Company's Articles of Association and the laws and regulations

Bank Mandiri Shareholders, both Holders of Serial A Bicolor Share and Holders of Serial B Share, have the same right in addition to the Special Right of Serial A Double Color Share above and as long as not regulated otherwise by the Company's Articles of Association, as follows:

1. Right to attend, express an opinion, and vote in GMS under one share.
2. Opportunity to propose an agenda in GMS.
3. Opportunity to grant authority to another party if a shareholder is unable to attend the GMS.
4. To propose questions in every agenda discussion and every decision of GMS agenda.
5. Opportunity to vote as agree, disagree, or abstain in every proposal of decision of GMS agenda.
6. Right to obtain information regarding the company in manners that are on time, correct, and regular, except for matters that are confidential.
7. Right to obtain part of the Company's profit that is allocated for Shareholder in the form of dividend and another distribution of profit, which is proportional to the number of owned shares.
8. Right to obtain comprehensive description and accurate information regarding procedure that needs to be executed in relation to the implementation of GMS.

### Responsibilities of Shareholders

In addition to the rights and authorities, Bank Mandiri Shareholders as the capital owners also have responsibilities that must be fulfilled to the Company.

Their responsibilities are as follows:

1. Controlling shareholders must be able:
  - a. To observe the interests of minority shareholders and stakeholders pursuant to the laws and regulations.
  - b. To disclose to law enforcement institution regarding the ultimate controlling shareholders, in the event of alleged violation to laws and regulations, or in the event of requested disclosure by relevant authorities.
2. For shareholders who are controlling shareholders in several companies, there needs to be an attempt which results in a transparent accountability and relationship between companies.
3. Minority shareholders are responsible to exercise their rights effectively pursuant to the Articles of Association of the Company as well as the laws and regulations.
4. Shareholders must be able:
  - a. To separate the ownership of Company's property and personal property.
  - b. To distinguish their functions as shareholders and members of Board of Commissioners or Board of Directors in the event that shareholders serve in one of those organs.

#### Policy of Relationship with Shareholders

As a Public Company, Bank Mandiri continuously attempts to provide accurate, periodic, and up-to-date information to Shareholders. Currently, communication activity to the Shareholders in Bank Mandiri is managed by the Corporate Secretary and Investor Relations Work Unit. Pursuant to Article 5 of Financial Services Authority Regulation Number 35/POJK.04/2014 on the Secretary of Issuer Company or Public Company, one of the functions of Corporate Secretary is a liaison between the Issuer and shareholders, Financial Services Authority, and other stakeholders.

Internal policies regulating the relationship between Bank Mandiri and Shareholders are Corporate Secretary Policy that was validated on 1 July 2011 and Standard of Corporate Secretary Guideline as last reviewed on 24 February 2016. Corporate Secretary Policy regulated corporate communication activities which include the following:

1. Activity to control the management of internal and external communication strategies with the entire stakeholders in manners that are open, full of responsibility, and building a positive image of the Company.

2. Communication liaison between the Company and the entire stakeholders, including shareholders, as well as the society in a cooperation with other work units.

In addition to that, the regulation on the relationship between Bank Mandiri and the Shareholders is also set out in the Standard of Corporate Secretary Guideline Section II.A.I which, among other this, specifies that activity within the scope of responsibility of Corporate Secretary is communication activity by the corporation to both internal and external stakeholders.

#### Reference of Regulation

GMS is an Organ of the Company having the authority that is not granted to Board of Directors or Board of Commissioners within a scope regulated in Law No. 40 of 2007 on the Company or Articles of Association. Pursuant to the Company's Articles of Association, GMS comprises of Annual GMS and Extraordinary GMS that may be conducted at any time when necessary. The steps to conduct GMS refers to the provisions in the Articles of Association and OJK Regulation Number 32/POJK.04/2014 dated 8 December 2014 on the Plan and Implementation of GMS in a Public Company

#### Quorum Provision

The quorum provisions regarding the attendance and resolutions of General Meeting of Shareholder, in relation to matters that must be resolved, were executed as follows:

1. The meeting is attended by shareholders who represent more than 1/2 (one half) of the entire shares with valid voting rights, and resolutions are valid when agreed by more than 1/2 (one half) of the entire amount of shares with voting rights which were present in the Meeting, unless the Law and/or Articles of Association of the Company determines a higher quorum.
2. In the event that presence quorum as specified is not achieved, the second GMS is valid and is entitled to make binding resolutions when attended by shareholders who represent minimum 1/3 (one third) of the entire shares with valid voting rights, and resolutions are valid when agreed by more than 1/2 (one half) of the entire amount of shares with voting rights which were present in the Meeting, unless the Law and/or Articles of Association of the Company determines a higher quorum.

3. In the event that presence in the second GMS as specified is not achieved, the third GMS can be held under the condition that it is valid and is entitled to make decisions when attended by shareholders of shared with valid voting rights, within a presence quorum and requirement to make decision that are determined by Financial Services Authority at the Company's request.

#### Implementation of GMS

GMS is conducted by means of Annual General Meeting of Shareholders (AGMS) and Extraordinary General Meeting of Shareholders (EGMS). The process of announcement and summons of GMS was done according to the applicable regulation on both AGMS and EGMS. In 2017, Bank Mandiri has conducted 1 (one) Annual GMS and 1 (one) Extraordinary GMS.



### Implementation and Realization of Annual GMS 2017

The steps of conducting the Company's Annual General Meeting of Shareholders in 2017 are depicted in the following table.

Table of Annual GMS Implementation in 2017

Information	Notification	Calling	Implementation	Summary of GMS Minutes	GMS Minutes
It was informed to Financial Services Authority by the means of Letter No. CEO/005/2017 dated 24 January 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. of Fiscal Year 2016 and was informed to the Ministry of State-owned Enterprises by means of Letter No. CEO/004/2017 dated 24 January 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. in 2017.	It was announced in Bisnis Indonesia and The Jakarta Post in their Friday, 3 February 2017 editions, and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day. RUPS announcement was informed to Financial Services Authority through Financial Services Authority Electronic Reporting System and Letter No. CEO.CSC/CMA.273/2017 dated 3 February 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk. and was informed to PT Bursa Efek Indonesia through IDXNet Electronic Reporting System and Letter No. CEO.CSC/CMA.272/2017 dated 3 February 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk.	It was announced in Bisnis Indonesia and The Jakarta Post on their Monday, 20 February 2017 editions, and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day. RUPS summons was informed to OJK through OJK Electronic Reporting System and Letter No. CEO.CSC/CMA.392/2017 dated 20 February 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk. & Letter No. CEO.CSC/CMA.532/2017 dated 6 March 2017 on the Submission of Newspaper Scrapbook of Annual Bank Mandiri GMS Advertisement, and was informed to PT Bursa Efek Indonesia through IDXNet Sistem Pelaporan Elektronik and Letter No. CEO.CSC/CMA.393/2017 dated 20 February 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk.	Annual GMS was held on Tuesday, 14 March 2017 at 15.15 - 17.50 pm, in Auditorium Plaza Mandiri, 3rd Floor, Gatot Subroto, St., Lots 36-38, South Jakarta.	Uploaded to the website of Bank Mandiri (www.bankmandiri.co.id) on 15 March 2017 and announced through Bisnis Indonesia and The Jakarta Post Wednesday edition, 16 March 2017 and Results of GMS were notified to OJK through OJK Electronic Reporting System and Letter No. CEO.CSC/CMA.624/2017 dated 16 March 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk. and was informed to PT Bursa Efek Indonesia through IDXNet Electronic Reporting System and Letter No. CEO.CSC/CMA.625/2017 dated 16 March 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk.	It was delivered to Financial Services Authority by means of Letter No. CEO.CSC/CMA.855/2017 dated 13 April 2017 on the Submission of the Minutes of the General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day.

### Meeting Resolution Mechanism

Meeting resolutions were resolved based on an amicable deliberation to reach a mutual consensus. In the event that the resolutions based on the amicable deliberation failed to be reached, the resolutions were resolved by way of voting. On the First to the Sixth Meeting Agenda, resolutions were resolved by way of open voting, whilst for the Seventh Meeting Agenda on the Change of Composition of the BOD and BOC of the Company, resolution was resolved by way of closed voting. Voting is performed by vote cards which calculation is performed electronically.

### Recapitulation of Attendance at the Extraordinary GMS Year 2017

Annual GMS was attended by members of Board of Commissioners and Board of Directors who served when the Meeting was conducted and attended by Institutions and Professions of Capital Market Supporter, namely:

1. Notary namely Ashoya Ratam SH., M.Kn as a notary.
2. Legal Consultant namely Melli Darsa & Co.
3. Securities Company Administration Bureau namely PT Datindo Entrycom as Independent Party in performing the calculation and validation of votes.

Board of Commissioners and Board of Directions who were present are listed in the following table:

Table of Presence Recapitulation in Annual GMS 2017

No.	Name	Designation	Present	Absent	Remarks
1.	Wimboh Santoso	President Commissioner	√		
2.	Imam Apriyanto Putro	Vice President Commissioner	√		
3.	Abdul Aziz	Independent Commissioner	√		
4.	Aviliani	Independent Commissioner	√		
5.	Askolani	Commissioner		√	Performing duties assigned by Minister of Finance of the Republic of Indonesia
6.	Goei Siau Hong	Independent Commissioner	√		
7.	Bangun S. Kusmulyono	Independent Commissioner	√		
8.	Ardan Adiperdana	Commissioner		√	Attending Limited Meeting
9.	Kartika Wirjoatmodjo	President Director	√		
10.	Sulaiman A. Arianto	Vice President Director	√		
11.	Ogi Prastomyono	Director of Operations	√		
12.	Pahala N. Mansury	Director of Finance & Treasury	√		
13.	Royke Tumilaar	Director of Corporate Banking	√		
14.	Hery Gunardi	Director of Distributions	√		
15.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance	√		
16.	Tardi	Director of Retail Banking	√		
17.	Kartini Sally	Director of Commercial Banking	√		
18.	Rico Usthavia Frans	Director of Digital Banking & Technology	√		

## Resolutions Of Annual GMS 2017

First Meeting Agenda	
Approval to Annual Report and Validation of Financial Statement of Company Consolidation, Approval to Supervisory Report of the Board of Commissioners, Validation of Annual Report on the Implementation of Partnership and Environmental Development Program for fiscal year which expires in 31 December 2016, including submission of Accountability Report on the expenditure of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase I in 2016, as well as amortization and release from full responsibility (volledig acquit et de charge) to the Board of Directors and Board of Commissioners of the Company for the actions of management and supervisor performed in a Fiscal Year which expires on 31 December 2016.	
<b>Number of Shareholders who submitted Questions and / or gave an opinion:</b> 3 persons	
<b>Voting Result</b>	
Agree	: 99,561% Includes one share of A Dwiwarna series
Disagree	: 0,078%
Abstain	: 0,362%
<b>Resolutions</b>	
1.	Approving the Company's Annual Report, including Report of Supervisory Duty of the Board of Commissioners for a Fiscal Year which expired on 31 December 2016, and validating Financial Statement of the Consolidated Company for a Fiscal Year which expired on 31 December 2016, that has been audited by a Public Accounting Firm Purwantono, Sungkoro, and Surja with an audit opinion that is without modification. Validating Annual Report of the Partnership and Environmental Development Program for the Fiscal Year which expired on 31 December 2016 and has been audited by a Public Accounting Firm Purwantono, Sungkoro, and Surja with an audit opinion that is without modification.
2.	Accepting Accountability Report on the expenditure of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase I in 2016 of Rp 5,000,000,000,000 (five trillion rupiahs).
3.	On the approval of the Company's Annual Report, including Report of the Duties of the Board of Commissioners for the Fiscal Year which expired on 31 December 2016, the report on the expenditure realization of fund obtained from Public Offering of Continuous Bonds I by Bank Mandiri Phase I in 2016 of Rp 5,000,000,000,000 (five trillion rupiahs), the validation of Financial Statement of Consolidated Company for a Fiscal Year which expired on 31 December 2016, as well as the Annual Report of Partnership and Environmental Development Program for the Fiscal Year which expired on 31 December 2016, thus the Meeting provided amortization and release from full responsibility (volledig acquit et de charge) to the entire members of the Board of Directors and Board of Commissioners of the Company for the acts of management and supervision performed in the Fiscal Year which expired on 31 December 2016, provided that the act is not a criminal act and is reflected in the Annual Report, Financial Statement of Consolidated Company, as well as Annual Report of Partnership and Environmental Development Program for a Fiscal Year which expired on 31 December 2016.
4.	The amortization and release from full responsibility were also granted to: <ul style="list-style-type: none"> <li>- Mr. Suwono who served as Company Commissioner as of 1 January 2016 to 29 March 2016.</li> <li>- Mr. Budi Gunadi Sadikin who served as Company President Director as of 1 January 2016 to 21 March 2016.</li> <li>- Mr. Sentot Achmad Sentausa who served as Company Director as of 1 January 2016 to 21 March 2016.</li> </ul>

**Follow-up Actions**

1. The Financial Statement and Annual Report have been submitted to Financial Services Authority and PT Bursa Efek Indonesia (BEI). The Financial Statement has been submitted to the Regulator by means of Letter dated 16 February 2017. Whereas the Annual Report has been submitted on 20 February 2016 by means of Letter No. CEO.CSC/CMA.387/2017 dated 20 February 2017 on the Submission of Annual Report of PT Bank Mandiri (Persero) Tbk. of Fiscal Year 2016.
2. Accountability report on the expenditure realization of fund obtained from Public Offering of Continuous Bonds Phase I Year 2016 has been submitted to the Board of Commissioners of Financial Services Authority and Head of Capital Market Supervisory Department 2B each by means of Letter No. CBG/1103/2016 and CEO.CSC/CMA.2969/2016.
3. The meeting has provided amortization and release from full responsibility (volledig acquit et de charge) to the entire members of the Board of Directors and Board of Commissioners for the acts of management and supervision performed in the Fiscal Year which expired on 31 December 2015.
4. The meeting has provided amortization and release from full responsibility (volledig acquit et de charge) to Mr. Suwhono as a Commissioner, Mr. Budi Gunadi Sadikin as President Director, and Mr. Sentot Achmad Sentaosa who served as Company Director.

**Status: Realized****Second Meeting Agenda**

Approval to of the expenditure of the Company's net profit for the fiscal year which expired on 31 December 2016.

**Number of Shareholders who asked questions and/or expressed opinions:****Voting Result**

Agree : 99.306% Including one serial A Bicolor share  
 Disagree : 0.359%  
 Abstain : 0.335%

**Resolutions**

To approve and determine the expenditure of the Company's Net Profit for the Fiscal Year which expired on 31 December 2016 of Rp 13,806,565,442,570.80 (thirteen trillion eight hundred and six billion five hundred and sixty five million four hundred and forty two thousand five hundred and seventy rupiah and eighty cent) as follows:

1. 30% of the Company's net profit, or Rp 4,141,969,632,771.24 (four trillion one hundred and forty one billion nine hundred and sixty nine million six hundred and thirty two thousand seven hundred and seventy one rupiah and twenty four cent), and is added by special addition dividend of 15% or Rp 2,070,984,816,385.62 (two trillion seventy billion nine hundred and eighty four million eight hundred and sixteen thousand three hundred and eighty five rupiah and sixty two cent), is distributed as cash dividend to the shareholders, and dividend particularly for the Government/Republic of Indonesia shall be paid pursuant to the laws and regulations, hence the percentage of distributed dividend is 45% of the Company's net profit.
2. To grant power and authority to the Board of Directors to regulate the procedure and implementation of cash dividend payment, and further to announce it pursuant to the applicable provision with the distribution allocation as follows:
  - Government/Republic of Indonesia Shareholder: 60%
  - Public Shareholders: 40%
3. 55% of the Company's net profit or Rp 7,593,610,993,413.94 (seven trillion five hundred and ninety three billion six hundred and ten million nine hundred and ninety three thousand four hundred thirteen rupiah and ninety four cent) is determined as Undistributed Profit.

**Follow-up Actions**

Bank Mandiri has announced the Schedule and Procedure of Cash Dividend Distribution for the Fiscal Year 2016 on 16 March 2017, and has paid cash dividend to the shareholders on 13 April 2017.

**Status: Realized****Third Meeting Agenda**

Appointment of a Public Accounting Firm to audit the Company's Financial Statement and Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year which expired on 31 December 2017.

**Number of Shareholders who asked questions and/or expressed opinions:****Voting Result**

Agree : 99.632% Including one serial A Bicolor share  
 Disagree : 3.221%  
 Abstain : 1.147%

**Resolutions**

1. Appointment of Public Accounting Firm Purwantono, Sungkoro & Surja as the Firm to audit the Financial Statement of Consolidated Company and Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year which expired on 31 December 2017.
2. Grant of authority to the Board of Commissioners to determine the honorarium and other requirements for the Public Accounting Firm, and to determine Substitute Public Accounting Firm in the event that Public Accounting Firm Purwantono, Sungkoro & Surja, by any means cannot complete the audit of the Financial Statement of Consolidated Company and Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year which expired on 31 December 2017.

**Follow-up Actions**

Public Accounting Firm Purwantono, Sungkoro & Surja (member of Ernst and Young) have completed auditing the Company on with an audit opinion as without modification.

**Status: Realized**

#### Fourth Meeting Agenda

Determination of salary of Board of Directors, honorarium of Board of Commissioners, tantiem, as well as determination of other allowance, facility, and benefit for all members of Board of Directors and members of Board of Commissioner of the Company.

**Number of Shareholders who asked questions and/or expressed opinions:** 2 people

#### Voting Result

Agree : 94.979% Including one serial A Bicolor share  
Disagree : 4.231%  
Abstain : 0.791%

#### Resolutions

To grant authority to Board of Commissioner of the Company, by firstly obtaining approval from the Holders of Serial A Bicolor Shares, to determine the salary of members of Board of Directors and honorarium of members of Board of Commissioners, to provide other facility, benefit, and/or allowance for fiscal year 2017, including to determine the method, mechanism, and the extent of performance-based long term incentive program, as well as tantiem for the performance of members of Board of Directors and Board of Commissioners for fiscal year which expired on 31 December 2016, pursuant to the Regulation of Minister of State-owned Enterprise Number PER-04/MBU/2014, as last amended by Regulation of Minister of State-owned Enterprise Number PER-02/MBU/06/2016 dated 20 June 2016 on the Guideline for Determination of Income for Board of Directors, Board of Commissioners, and Board of Supervisor of State-owned Enterprise.

#### Follow-up Actions

Shareholders have provided authority to the Board of Commissioners by firstly obtaining approval from Holders of Serial A Bicolor Share to determine the amount of tantiem for Fiscal Year 2016, to determine salary/honorarium, allowance, and facility to Board of Directors and members of Board of Commissioner for 2017. Provision of tantiem is pursuant to Regulation of Minister of State-owned Enterprises Number PER-01/MBU/06/2017 dated 20 June 2017, Letter of Ministry of State-owned Enterprises Number S-17/D5.MBU/06/2017 dated 21 June 2017, and Letter of Board of Commissioner Number KOM/070/2017 dated 22 June 2017.

**Status: Realized**

#### Fifth Meeting Agenda

Confirmation on the enforcement of Regulation of the Minister of State-owned Enterprises Number PER-03/MBU/12/2016 on the Amendment to the Regulation of the Minister of State-owned Enterprises Number Per-09/MBU/07/2015 on the Partnership and Environmental Development Programs of State-owned Enterprise dated 16 December 2016.

**Number of Shareholders who asked questions and/or expressed opinions:** -

#### Voting Result

Agree : 99.349% Including one serial A Bicolor share  
Disagree : 0%  
Abstain : 0.651%

#### Resolutions

Confirming the enforcement of Regulation of the Minister of State-owned Enterprises Number PER-3/MBU/12/2016 on the Amendment to the Regulation of the Minister of BUMN Number Per-09/MBU/07/2015 on the Partnership and Environmental Development Programs of State-owned Enterprise on the activity of Partnership and Environmental Development Programs of a Company.

#### Follow-up Actions

Regulation of the Minister of State-owned Enterprises Number PER-3/MBU/12/2016 on the Amendment to the Regulation of the Minister of State-owned Enterprises Number Per-09/MBU/07/2015 on the Partnership and Environmental Development Programs of State-owned Enterprise has been applied on Bank Mandiri's Partnership and Environmental Development Programs as specified in Standard of Guideline for Partnership and Environmental Development Programs.

**Status: Realized**

#### Sixth Meeting Agenda

Approval to the Amendment to the Company's Articles of Association.

**Number of Shareholders who asked questions and/or expressed opinions:** -

#### Voting Result

Agree : 75.908% Including one serial A Bicolor share  
Disagree : 23.194%  
Abstain : 0.898%

#### Resolutions

1. Approving the amendment to the Company's Articles of Association, under the program of Ministry of BUMN to perform standardization to open Articles of Association of State-owned Enterprise.
2. Approving to reformulate all provisions in the Articles of Association regarding the amendment as specified in point 1 (one) of the resolution above.
3. Granting power and authority to the Board of Directors, together with substitution rights to perform any necessary actions related to the resolution of this Meeting Agenda, including to formulate and restate the entire Articles of Association in a Notarial Deed, to inform the authorized institution to obtain approval and/or receipt of information on the Amendment to the Articles of Association, to perform any actions considered necessary and beneficial for such necessity by not excluding anything, as well as to perform addition and/or amendment to the Articles of Association as required by authorized institution.

#### Follow-up Actions

Bank Mandiri's Articles of Association have been amended as specified in the Deed No. 15 dated 12 April 2017 that has been approved by the Minister of Law and Human Rights of the Republic of Indonesia dated 12 May 2017 Number AHU-0010609.AH.01.02.TAHUN 2017 and information on the amendment to the Articles of Association has been received the Minister of Law and Human Rights of the Republic of Indonesia pursuant to a letter dated 12 May 2017 Number AHU-AH.01.03-0135829.

**Status: Realized**

### Seventh Meeting Agenda

Amendment to the Company's Management.

**Number of Shareholders who asked Questions and/or expressed opinions:** 1 questioner and 1 person expressing feedbacks.

#### Voting Result

Agree : 82.305% Including one serial A Bicolor share  
Disagree : 15.500%  
Abstain : 2.195%

#### Resolutions

- Confirming the dismissal of Mr. Suwhono as member of Board of Commissioner of the company takes place as of his appointment as President Director of PT BERDIKARI (Persero) based on the Decree of Minister of State-owned Enterprises No.SK-69/MBU/03/2016 dated 29 March 2016, together with an expression of gratitude for his physical and intellectual contribution during his tenure as member of Board of Commissioners.
- Honorably dismissing the following names from the members of Board of Commissioners of the Company:
  - Mrs. Aviliani from the position of Independent Commissioner
  - Mr. Abdul Aziz from the position of Independent Commissioner

The dismissal of members of the Board of Commissioners takes place as of the closing of Meeting, together with an expression of gratitude for their physical and intellectual contribution during their tenure as members of the Board of Commissioners of the Company.
- Appointing the names below as the members of Board of Commissioners of the Company:
  - Mrs. Destry Damayanti from the position of Independent Commissioner
  - Mr. Makmur Keliat from the position of Independent Commissioner

The appointment of the members of Board of Commissioner is effective after obtaining approval from financial Service Authority for Fit and Proper Test and complying with the applicable laws and regulations.

Tenure expiration of the appointed members of Board of Commissioners happens concurrently with the closing of the Company 5th Annual GMS since the appointment of the relevant members, which is the Annual GMS that will be held in 2022, by observing the laws and regulations in the field of Capital Market and without prejudice to the rights of Company GMS to dismiss them at any time.

- With the dismissal and appointment of the members of Board of Directors of the Company, the compositions of members of Board of Directors and Board of Commissioners of the Company are as follows:

#### Board of Directors

President Director : Mr. Kartika Wirjoatmodjo;  
Vice President Director : Mr. Sulaiman A. Arianto;  
Director : Mr. Ogi Prastomyono;  
Director : Mr. Pahala Nugraha Mansury;  
Director : Mr. Royke Tumilaar;  
Director : Mr. Hery Gunardi;  
Director : Mr. Ahmad Siddik Badruddin;  
Director : Mr. Tardi;  
Director : Mrs. Kartini Sally;  
Director : Mr. Rico Usthavia Frans;

#### Board of Commissioners

President Commissioner : Mr. Wimboh Santoso;  
Vice President Commissioner : Mr. Imam Apriyanto Putro;  
Independent Commissioner : Mr. Goei Siau Hong  
Independent Commissioner : Mr. Bangun S. Kusmulyono;  
Commissioner : Mr. Askolani;  
Commissioner : Mr. Ardan Adiperdana;  
Independent Commissioner : Mrs. Destry Damayanti;  
Independent Commissioner : Mr. Makmur Keliat..

- Granting authority to the Board of Directors, together with substitution rights to perform any necessary actions related to the resolution of this meeting agenda pursuant to the applicable laws and regulations, including to state in a specific Notarial Deed and to inform the amendment to the composition of members of Board of Commissioners to the Ministry of Law and Human Rights, and to inquire Financial Services Authority to perform Fit and Proper Test to member candidates of Board of Commissioners of the Company pursuant to the applicable laws and regulations.

#### Follow-up Actions

- Expiration of Mr. Suwhono's tenure from members of Board of Commissioner of the Company has been confirmed in Annual GMS.
- The tenures of Mrs. Aviliani and Mr. Abdul Aziz as Independent Commissioners have expired on 14 March 2017.
- Nomination of Mrs. Destry Damayanti as members of Board of Commissioner of Bank Mandiri is not effective, because she stated to maintain her position as member of Board of Commissioner of Deposit Insurance Corporation.
- Mr. Makmur Keliat has obtained approval from OJK regarding the result of Fit and Proper Test as specified in Letter of OJK No. SR-158/PB.12/2017 dated 22 September 2017 on the Submission of the Copy of the Decree to Appoint Independent Commissioner of PT Bank Mandiri (Persero) Tbk. and the Decree of OJK Board of Commissioners No. KEP-185/D.03/2017 dated 19 September 2017 on the Result of Fit and Proper Test of Mr. Makmur Keliat as Candidate of Independent Commissioner of PT Bank Mandiri (Persero) Tbk., hence the appointment of the person concerned as an Independent Commissioner is declared effective as of 25 September 2017 as specified in the Letter of Bank Mandiri No. OPS/1237/2017 dated 25 September 2017 on the Effective Enactment of the Appointment of Independent Commissioners of PT Bank Mandiri (Persero) Tbk.

**Status: Realized**

### Implementation and Realization of Extraordinary GMS Year 2017

The steps of implementing the Company's Annual General Meeting of Shareholders in 2017 are described in the following table.

Table of Extraordinary RUPS Implementation Year 2017

Information	Notification	Invitation	Implementation	Summary of GMS Minutes	RUPS Minutes
It was informed to Financial Services Authority by the means of Letter No. CEO/111/2017 dated 5 July 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. of Fiscal Year 2017 and was informed to the Ministry of State-owned Enterprises by means of Letter No. CEO/112/2017 dated 5 July 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. in 2017.	It was announced in Bisnis Indonesia and The Jakarta Post in their Thursday, 13 July 2017 editions, and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day. The GMS announcement was notified to Financial Services Authority through Financial Services Authority Electronic Reporting System and Letter No. CEO.CSC/CMA.1651/2017 dated 14 July 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk. and was informed to PT Bursa Efek Indonesia through IDXNet Electronic Reporting System and Letter No. CEO.CSC/CMA.1652/2017 dated 14 July 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk.	Announced through Bisnis Indonesia and The Jakarta Post on Friday, July 28, 2017 and uploaded to Bank Mandiri (www.bankmandiri.co.id) on the same day.	Extraordinary GMS was held on Monday, 21 August 2017, at 14.36 - 15.35 pm, in Auditorium Plaza Mandiri, 3rd Floor, Gatot Subroto, St., Lots 36-38, South Jakarta.	Uploaded to the website of Bank Mandiri (www.bankmandiri.co.id) on 22 August 2017 and announced through Bisnis Indonesia and The Jakarta Post Wednesday edition, 23 August 2017 and results of GMS were notified to Financial Services Authority through Financial Services Authority Electronic Reporting System and Letter No. CEO.CSC/CMA.2110/2017 dated 23 August 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk. and was informed to PT Bursa Efek Indonesia through IDXNet Electronic Reporting System and Letter No. CEO.CSC/CMA.2111/2017 dated 23 August 2017 on Information Transparency of PT Bank Mandiri (Persero) Tbk.	It was delivered to Financial Services Authority by means of Letter No. CEO.CSC/CMA.2401/2017 dated 20 September 2017 on the Submission of the Minutes of Extraordinary General Meeting of Shareholders (Rapat Umum Pemegang Saham/RUPS) of PT Bank Mandiri (Persero) Tbk. and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day.

### Meeting Resolution Mechanism

Meeting Resolution Mechanism Meeting resolutions were resolved based on an amicable deliberation to reach a mutual consensus. In the event that the resolutions based on the amicable deliberation failed to bereached, the resolutions were resolved by way of voting. In the First Meeting Agenda, the resolution was resolved by way of open voting, whilst for the Second Meeting Agenda on the Changes in the Management of the Company, the resolution was resolved by way of closed voting. Voting is performed by vote cards which calculation is performed electronically.

### Recapitulation of Attendance at the Extraordinary GMS of 2017

Extraordinary GMS was attended by Board of Commissioners and Board of Directors who served when the Meeting was implemented and attended by Institutions and Professions of Capital Market Supporter, namely:

1. Notary namely Ashoya Ratam SH., M.Kn as a notary.
2. Legal Consultant namely Melli Darsa & Co.
3. Securities Company Administration Bureau namely PT Datindo Entrycom as Independent Party in performing the calculation and validation of votes.

Board of Commissioners and Board of Directions who were present are listed in the following table:

Table of Presence Recapitulation in Annual GMS 2017

No.	Name	Designation	Present	Absent
1.	Imam Priyanto Putro	Vice President Commissioner	√	
2.	B. S. Kusmulyono	Independent Commissioner	√	
3.	Goei Siauw Hong	Independent Commissioner	√	

No.	Name	Designation	Present	Absent
4.	Askolani	Commissioner	√	
5.	Ardan Adiperdana	Commissioner	√	
6.	Makmur Keliat*	Independent Commissioner	√	
7.	Kartika Wirjoatmodjo	President Director	√	
8.	Sulaiman A. Arianto	Vice President Director	√	
9.	Ogi Prastomiyono	Operations Director	√	
10.	Royke Tumulaar	Wholesale Banking Director	√	
11.	Hery Gunardi	Director of Distributions	√	
12.	Tardi	Director of Retail Banking	√	
13.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance	√	
14.	Kartini Sally	Director of Government and Institutional	√	
15.	Rico Usthavia Frans	Director of Digital Banking & Technology	√	

## Remarks:

The appointment of the members of Board of Directors and Board of Commissioners is effective after obtaining approval from financial Service Authority for Fit and Proper Test and complying with the applicable laws and regulations.

## Resolutions of Extraordinary GMS 2017

First Meeting Agenda
To approve Stock Split of the Company from Rp 500,00 (five hundred rupiah) per share into Rp 250,00 (two hundred and fifty rupiah) per share and Amendment to the Articles of Association related to the stock split.
<b>Number of Shareholders who asked questions and/or expressed opinions:</b> 1 person
<b>Voting Result</b> Agree : 99.989% Including one serial A Bicolor share Disagree : 0% Abstain : 0.011%
<b>Resolutions</b> 1. Approving the implementation of Stock Split of the Company, namely: <ol style="list-style-type: none"> <li>Serial A Bicolor Share into 2 (two) shares with new values as follows:               <ul style="list-style-type: none"> <li>- 1 (one) Serial A Bicolor Share is maintained as Serial A Bicolor Share owned by the Republic of Indonesia with the value of Rp 250,00 (two hundred and fifty rupiah) per share; and</li> <li>- 1 (one) Serial A Bicolor Share shall be 1 (one) Serial B Share owned by Republic of Indonesia with the the value of Rp 250,00 (two hundred and fifty rupiah) per share.</li> </ul> </li> <li>Serial B Share from Rp 500,00 (five hundred rupiah) per share into Rp 250,00 (two hundred and fifty rupiah) per share.</li> </ol> 2. Approving the amendment to the Company's Articles of Association regarding Stock Split. 3. Approving to grant power and authority to the Board of Directors of the Company, together with the rights to substitution for: <ol style="list-style-type: none"> <li>Performing any necessary act in implementing Stock Split based on the applicable laws and regulation, including but not limited to, determining the procedure and schedule of Stock Split.</li> <li>Restating the resolution regarding Stock Split, as well as reformulating all provisions of the Company's Articles of Association in a Notarial Deed, informing the authorized institution to obtain approval and/or receipt letter of information regarding the Amendment to the Company's Articles of Association, performing any actions considered necessary and beneficial for such necessity by not excluding anything, as well as performing addition and/or amendment to the Articles of Association as required by authorized institution.</li> </ol>
<b>Follow-up Actions</b> Bank Mandiri has performed Stock Split with the ratio 1:2, from Rp 500,00 (five hundred rupiah) per share into Rp 250,00 (two hundred and fifty rupiah) per share which was effective as of 13 September 2017. Moreover, the Amendment to the Articles of Association regarding the Stock Split has been stated in the Deed of Extraordinary GMS Resolutions No. 36 dated 24 August 2017 that was made in the presence of Ashoya Ratam SH, Mkn, a Notary in South Jakarta, in relation to the implementation of stock split. The Amendment was informed to the Minister of Justice and Human Rights of the Republic of Indonesia as specified in Letter No. AHU-AH.01.03-0166888 on the Receipt of Information on the Amendment to the Articles of Association of the Company PT Bank Mandiri (Persero) Tbk., dated 29 August 2017, and was also listed in Company Register No. AHU-0107350.AH.01.11.Tahun 2017, dated 29 August 2017.
<b>Status: Realized</b>

## Second Meeting Agenda

Amendment to the Company's Management

**Number of Shareholders who asked questions and/or expressed opinions: -**

### Voting Result

Agree : 73.396% Including one serial A Bicolor share  
Disagree : 21.420%  
Abstain : 5.184%

### Resolutions

1. Annulling the resolutions of Annual GMS of the Company that was held on 14 March 2017 regarding the appointment of Mrs. Destry Damayanti as Independent Commissioner.
  2. Confirming the dismissal of Mr. Wimboh Santoso from the position of President Commissioner as of the appointment of the person concerned as Head of the Board of Commissioner of Financial Services Authority dated 20 July 2017, together with an expression of gratitude for his physical and intellectual contribution during his tenure as President Commissioner.
  3. Appointment of the below names as members of Board of Commissioners:
    - Mr. Hartadi A. Sarwono as President Commissioner/Independent Commissioner;
    - Mr. R. Widyopramono as Commissioner.
- Tenure expiration of the appointed members of Board of Commissioners happens concurrently with the closing of the 5th Annual GMS since the appointment of the relevant members, which is the Annual RUPS that will be held in 2022, by observing the laws and regulations in the field of capital market and without prejudice to GMS rights to dismiss them at any time.
4. To confirm the dismissal of Mr. Pahala Nugraha Mansury from the position of Director as of his appointment as the President Director of PT Garuda Indonesia (Persero) Tbk, on 12 April 2017, together with an expression of gratitude for his physical and intellectual contribution during his tenure as member of Board of Directors.

The nomenclature amendment to the composition of members of Board of Directors are as follows:

Past	Current
President Director	President Director
Vice President Director	Vice President Director
Director	Director of Wholesale Banking
Director	Director of Institutional
Director	Director of Treasury
Director	Director of Retail Banking
Director	Director of Distribution
Director	Director of Operations
Director	Director of Digital Banking & Technology
Director	Director of Risk Management & Compliance

6. Altering the position of members of Board of Directors into the following:
  - Mr. Royke Tumilaar from Director into Wholesale Banking Director;
  - Mrs. Kartini Sally from Director into Institutional Director.
  - Mr. Tardi from Director into Retail Banking Director;
  - Mr. Hery Gunardi from Director into Distributions Director;
  - Mr. Ogi Prastomiyono from Director into Operations Director;
  - Mr. Rico Usthavia Frans from Director into Digital Banking & Technology Director;
  - Mr. Ahmad Siddik Badruddin from Director into Risk Management & Compliance Director.
 by continuing the remaining tenure.
2. Appointing Mr. Darmawan Junaidi as Treasury Director.  
Tenure expiration of the appointed members of Board of Commissioners happens concurrently with the closing of the 5th Annual GMS since the appointment of the relevant members, which is the Annual RUPS that will be held in 2022, by observing the laws and regulations in the field of Capital Market and without prejudice to GMS rights to dismiss them at any time;  
With such cancellation, dismissal, and appointment of members of Board of Directors and Board of Commissioners of the Company, the composition of members of Board of Directors and Board of Commissioners are as follows:

### Board of Directors

President Director : Mr. Kartika Wirjoatmodjo;  
Vice President Director : Mr. Sulaiman Arif Arianto;  
Operations Director : Mr. Ogi Prastomiyono;  
Distributions Director : Mr. Hery Gunardi;  
Retail Banking Director : Mr. Tardi;  
Risk Management & Compliance Director : Mr. Ahmad Siddik Badruddin;  
Institutional Director : Mrs. Kartini Sally;  
Commercial Banking Director : Mr. Royke Tumilaar;  
Digital Banking & Technology Director : Mr. Rico Usthavia Frans;  
Treasury Director : Mr. Darmawan Junaidi\*;

**Board of Commissioners**

President Commissioner holding concurrent position: Mr. Hartadi A. Sarwono\*;

Independent Commissioner

Vice President Commissioner: Mr. Imam Apriyanto Putro;

Independent Commissioner: Mr. Goei Siau Hong;

Independent Commissioner: Mr. B.S. Kusmulyono;

Commissioner: Mr. Askolani;

Commissioner: Mr. Ardan Adiperdana;

Independent Commissioner: Mr. Makmur Keliat\*;

Commissioner: Mr. R. Widyopramono\*;

\*The appointment of the members of Board of Directors and Board of Commissioners is effective after obtaining approval from financial Service Authority for Fit and Proper Test and complying with the applicable laws and regulations.

With tenures:

Member of the Board of Directors:

- a. -Mr. Ogi Prastomiyono; and  
-Mr. Hery Gunardi;  
up to the closing of the Company's Annual GMS that shall be held in 2018.
  - b. -Mr. Kartika Wirjoatmodjo;  
-Mr. Sulaiman Arif Arianto;  
-Mrs. Kartini Sally;  
-Mr. Ahmad Siddik Badruddin; and  
-Mr. Tardi;  
up to the closing of the Company's Annual GMS that shall be held in 2020.
  - c. -Mr. Royke Tumilaar;  
-Mr. Rico Usthavia Frans;  
up to the closing of the Company's Annual GMS that shall be held in 2021.
  - d. Mr. Darmawan Junaidi;  
up to the closing of the Company's Annual GMS that shall be held in 2022;
- Member of the Board of Commissioners:
- a. Mr. Askolani;  
up to the closing of the Company's Annual GMS that shall be held in 2019;
  - b. -Mr. Imam Apriyanto Putro;  
-Mr. Goei Siau Hong; and  
-Mr. B.S. Kusmulyono;  
up to the closing of the Company's Annual GMS that shall be held in 2020;
  - c. Mr. Ardan Adiperdana  
up to the closing of the Company's Annual GMS that shall be held in 2021;
  - d. -Mr. Makmur Keliat.  
-Mr. Hartadi A. Sarwono; and  
-Mr. R. Widyopramono;  
up to the closing of the Company's Annual GMS that shall be held in 2022;

Granting authority to the Board of Directors of the Company, together with substitution rights to perform any necessary actions related to the resolution of this Meeting Agenda pursuant to the applicable laws and regulations, including to restate in a specific Notarial Deed and to inform the amendment to the composition of members of Board of Directors and Board of Commissioners of the Company to the Ministry of Law and Human Rights of the Republic of Indonesia, and to inquire Financial Services Authority to perform fit and proper test to member candidates of Board of Directors and Board of Commissioners of the Company pursuant to the applicable provisions.

**Follow-up Actions**

1. Nomination of Mrs. Destry Damayanti as members of Board of Commissioners of the Company has been annulled in Extraordinary GMS.
2. Dismissal of the tenure of Mr. Wimboh Santoso as President Commissioner has been confirmed in Extraordinary GMS.
3. Mr. Hartadi A. Sarwono obtained approval from OJK regarding the result of Fit and Proper Test as specified in Letter of OJK No. SR-193/PB.12/2017 dated 15 November 2017 on the Submission of the Copy of the Decree to Appoint Independent President Commissioner of PT Bank Mandiri (Persero) Tbk. and the Decree of OJK Board of Commissioners No. KEP-205/D.03/2017 dated 09 November 2017 regarding Result of Fit and Proper test of Mr. Hartadi Agus Sarwono as Independent President Commissioner of PT Bank Mandiri (Persero) Tbk., hence the appointment of the person concerned as President Commissioner/ Independent Commissioner is declared effective as of 15 November 2017 as specified in the Letter of Bank Mandiri No. RMC/1412/2017 dated 15 November 2017 on the Effective Enactment of the Appointment of Independent President Commissioners of PT Bank Mandiri (Persero) Tbk.
4. Mr. R. Widyopramono has obtained approval from OJK regarding the result of Fit and Proper Test as specified in the Letter of OJK No. No. SR-8/PB.12/2018 dated 12 January 2018 on the Submission of the Copy of the Decree on the Result of Fit and Proper Test on the Appointment of Members of Board of Commissioners of PT Bank Mandiri (Persero) Tbk. and the Decree of OJK Board of Commissioners No. KEP-6/D.03/2018 dated 8 January 2018 on the Result of Fit and Proper Test of Mr. R. Widyopramono as Member of Board of Commissioners of PT Bank Mandiri (Persero) Tbk., hence the appointment of the person concerned as a Commissioner is declared effective as of 15 January 2018 as specified in the Letter of Bank Mandiri No. RMC/xx/2018 dated 15 November 2017 on the Effective Enactment of the Appointment of Commissioner of PT Bank Mandiri (Persero) Tbk.
5. Dismissal of the tenure of Mr. Pahala N. Mansury as the Director has been confirmed in Extraordinary GMS.
6. The nomenclature amendment to the composition of members of Board of Directors have been implemented.
7. The composition of members of Board of Directors have applied the nomenclature.
8. Mr. Darmawan Junaidi has obtained approval from OJK regarding the result of Fit and Proper Test as specified in the Letter of OJK No. No. SR-7/PB.12/2018 dated 10 January 2018 on the Submission of the Copy of the Decree on the Result of Fit and Proper Test on the Appointment of Treasury Director of PT Bank Mandiri (Persero) Tbk. and the Decree of OJK Board of Commissioners No. KEP-7/D.03/2018 dated 8 January 2018 on the Result of Fit and Proper Test of Mr. Darmawan Junaidi as the Treasury Director of PT Bank Mandiri (Persero) Tbk., hence the appointment of the person concerned as Treasury Director is declared effective as of 12 January 2018 as specified in the Letter of Bank Mandiri No. RMC/37/2017 dated 24 January 2017 on the Execution of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk.
9. Board of Directors of the Company has performed any necessary actions related to the decree of this meeting agenda, pursuant to the applicable laws and regulations.

**Status: Realized**

### Implementation and Realization of Annual GMS Year 2016

The steps of executing Annual General Meeting of Shareholders in 2016 are described in the following table.

Table of Annual GMS Implementation Year 2016

Information	Notification	Invitation	Implementation	Summary of GMS Minutes	RUPS Minutes
It was informed to Financial Services Authority by the means of Letter No. CEO/005/2017 dated 24 January 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. of Fiscal Year 2016 and was informed to the Ministry of State-owned Enterprises by means of Letter No. CEO/004/2017 dated 24 January 2017 on the Implementation of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. in 2017.	It was announced in Bisnis Indonesia and The Jakarta Post in their Thursday, 11 February 2016 editions, and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day. RUPS announcement was informed to Financial Services Authority through Financial Services Authority Electronic Reporting System and Letter No. FST.CSC/CMA.211/2016 dated 11 February 2016 on the Submission of Newspaper Scrapbook of Annual Bank Mandiri RUPS Advertisement, and was informed to PT Bursa Efek Indonesia through IDXNet Sistem Pelaporan Elektronik and Letter No. CEO.CSC/CMA.212/2016 dated 11 February 2016 on Information Transparency of PT Bank Mandiri (Persero) Tbk.	It was announced in Bisnis Indonesia, Suara Pembaruan, and The Jakarta Post in their Friday, 26 February 2016 editions, and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day. RUPS summons was informed to Financial Services Authority through Financial Services Authority Electronic Reporting System and Letter No. FST.CSC/CMA.366/2016 dated 26 February 2016 on the Submission of Newspaper Scrapbook of Annual Bank Mandiri RUPS Advertisement, and was informed to PT Bursa Efek Indonesia through IDXNet Sistem Pelaporan Elektronik and Letter No. FST.CSC/CMA.367/2016 dated 26 February 2016 on Information Transparency of PT Bank Mandiri (Persero) Tbk.	Annual GMS was held on Monday, 21 March 2017 at 14.47 - 18.02 pm, in Auditorium Plaza Mandiri, 3rd Floor, Gatot Subroto, St., Lots 36-38, South Jakarta.	It was announced in Bisnis Indonesia, Suara Pembaruan and The Jakarta Post in their Wednesday, 23 March 2016 editions, and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day. RUPS resolutions was informed to Financial Services Authority through Financial Services Authority Electronic Reporting System and Letter No. FST.CSC/CMA.596/2016 dated 23 March 2016 on Information Transparency of PT Bank Mandiri (Persero) Tbk., and was informed to PT Bursa Efek Indonesia through IDXNet Sistem Pelaporan Elektronik and Letter No. CEO.CSC/CMA.597/2016 dated 23 March 2016 on Information Transparency of PT Bank Mandiri (Persero) Tbk.	It was delivered to Financial Services Authority by means of Letter No. CEO.CSC/CMA.794/2016 dated 18 April 2017 on the Submission of the Minutes of the Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. and was uploaded to Bank Mandiri website (www.bankmandiri.co.id) on the same day.

Annual GMS was attended by members of Board of Commissioners and Board of Directors who served when the Meeting was conducted and attended by Institutions and Professions of Capital Market Supporter, namely:

1. Notary namely Ashoya Ratam SH., M.Kn who also becomes Independent Party in performing the calculation and validation of the vote.
2. Legal Consultant namely Melli Darsa & Co.
3. The Company's Share Registrar, PT Datindo Entrycom.

Board of Commissioners and Board of Directions who were present are listed in the following table:

Table of Presence in Annual GMS 2016

No.	Name	Designation	Present	Absent
1.	Wimboh Santoso	President Commissioner	√	
2.	Imam Apriyanto Putro	Vice President Commissioner	√	
3.	Abdul Aziz	Independent Commissioner	√	
4.	Aviliani	Independent Commissioner	√	
5.	Askolani	Commissioner	√	
6.	Suwhono	Commissioner	√	
7.	Goei Siauw Hong	Independent Commissioner	√	
8.	Bangun S. Kusmulyono	Independent Commissioner	√	
9.	Budi G. Sadikin	President Director	√	
10.	Sulaiman A. Arianto	Vice President Director	√	
11.	Sentot A. Sentausa	Director of Distributions	√	
12.	Ogi Prastomiyono	Director of Technology and Operations	√	
13.	Pahala N. Mansury	Director of Treasury and Market	√	
14.	Royke Tumilaar	Director of Corporate Banking	√	
15.	Hery Gunardi	Director of Consumer Banking	√	
16.	Tardi	Director of Micro & Business Banking	√	
17.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance	√	
18.	Kartini Sally	Director of Commercial Banking	√	
19.	Kartika Wirjoatmodjo	Director of Finance and Strategy Director	√	

## Resolutions of Annual GMS Year 2016

First Meeting Agenda	
Approval to Annual Report, including Validation to Financial Statement of Consolidated Company, Supervisory Duties of Board of Commissioners for the fiscal year which expired on 31 December 2016, Validation to Annual Report including Annual Report of Partnership and Environmental Development Program for the fiscal year which expired on 31 December 2015, provision of amortization and release from full responsibility (acquit et decharge) to the Board of Directors and Board of Commissioners of the Company for the acts of management and supervision performed in the fiscal year which expired on 31 December 2015	
<b>Number of Shareholders who asked questions and/or expressed opinions:</b>	
<b>Voting Result</b>	
Agree	: 99.547% Including one serial A Bicolor share
Disagree	: 0.139%
Abstain	: 0.312%
<b>Resolutions</b>	
<ol style="list-style-type: none"> <li>Approving the Company's Annual Report, including Report of Supervisory Duty that has been performed by the Board of Commissioners for a Fiscal Year which expired on 31 December 2015, and validating Financial Statement of the Consolidated Company for a Fiscal Year which expired on 31 December 2015, that has been audited by a Public Accounting Firm Purwantono, Sungkoro, and Surja with an audit opinion that is without modification (previously unqualified opinion).</li> <li>Validating Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year which expired on 31 December 2015 and has been audited by a Public Accounting Firm Purwantono, Sungkoro, and Surja with an audit opinion that is without modification (previously unqualified opinion).</li> <li>On the approval of the Company's Annual Report, including Report of the Supervisory Duties of Board of Supervisors which have been performed by the Board of Commissioners for the Fiscal Year which expired on 31 December 2015, the validation of Financial Statement of Consolidated Company for the Fiscal Year which expired on 31 December 2015, as well as the Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year which expired on 31 December 2015, thus the Meeting provided amortization and release from full responsibility (volledig acquit et de charge) to the entire Board of Directors and Board of Commissioners of the Company for the acts of management and supervision performed in the Fiscal Year which expired on 31 December 2015, provided that the act was not a criminal act and was reflected in the Annual Report, Financial Statement of Consolidated Company, as well as Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year which expired on 31 December 2015. The amortization and release from full responsibility were also granted to: <ul style="list-style-type: none"> <li>Mr. Mahmuddin Yasin, Mr. Pradjoto, Mr. Anton H. Gunawan, Mr. Krisna Wijaya who served as Member of Company Board of Commissioners as of 1 January 2015 to 16 March 2015 and Mr. Darmin Nasution who served as Company President Commissioner as of 11 June 2015 to 12 August 2015; and</li> <li>Mr. Riswinandi, Mr. Abdul Rachman, Mr. Kresno Sediarsi, Mr. Sunarso dan Mrs. Fransisca N Mok who served as member of the Company Board of Directors as of 1 January 2015 to 16 March 2016.</li> </ul> </li> </ol>	

**Follow-up Actions**

- The Financial Statement and Annual Report have been submitted to Financial Services Authority (OJK) and PT Bursa Efek Indonesia (BEI). The Financial Statement was submitted to the Regulator by means of a Letter dated 24 February 2016. Whereas the Annual Report was submitted on 26 February 2016 by means of Letter No. CEO.CSC/CMA.364/2016 dated 26 February 2016 on the Submission of Annual Report of PT Bank Mandiri (Persero) Tbk. of Fiscal Year 2015.
- The meeting has provided amortization and release from full responsibility (volledig acquit et de charge) to the entire members of the Board of Directors and Board of Commissioners for the acts of management and supervision performed in the Fiscal Year which expired on 31 December 2015. The amortization and release from full responsibility were also granted to:
  - Mr. Mahmuddin Yasin, Mr. Pradjoto, Mr. Anton H. Gunawan, Mr. Krisna Wijaya who served as Member of Company Board of Commissioners as of 1 January 2015 to 16 March 2015 and Mr. Darmin Nasution who served as Company President Commissioner as of 11 June 2015 to 12 August 2015; and
  - Mr. Riswinandi, Mr. Abdul Rachman, Mr. Kresno Sediarsi, Mr. Sunarso dan Mrs. Fransisca N Mok who served as member of the Company Board of Directors as of 1 January 2015 to 16 March 2016.

**Status: Realized****Second Meeting Agenda**

Determination of the expenditure of the Company's net profit for the Fiscal Year which expired on 31 December 2015.

**Number of Shareholders who asked questions and/or expressed opinions:****Voting Result**

Agree : 99.086% Including one serial A Bicolor share  
 Disagree : 0.627%  
 Abstain : 0.286%

**Resolutions**

- Approving and determining the expenditure of the Company's Net Profit for the Fiscal Year which expired on 31 December 2015 of Rp 20,334,967,510,904.70 (twenty trillion three hundred and thirty four billion nine hundred and sixty seven million five hundred and ten thousand nine hundred and four rupiah and seventy cent) with the following allocation:
- 30% of the Company's Net Profit on the period of 1 January - 31 December 2015, or Rp 6,100,490,253,271.41, is distributed as cash dividend to the shareholders and particularly for the Government/Republic of Indonesia shall be paid pursuant to the laws and regulations. Granting power and authority to the Board of Directors to regulate the procedure and implementation of cash dividend payment, and further to announce it pursuant to the applicable provisions.
  - 11.2% of the Company's Net Profit on the period of 1 January - 31 December 2015, or Rp 2,277,516,361,221.33, is determined as Appropriated Reserves for the purpose of the Company's investment. Such Appropriated Reserves shall be utilized gradually, of which the implementation shall be adjusted to the condition and necessity of the Company.
  - 58.8% of the Company's Net Profit or Rp 11,956,960,896,411.96 is determined as Undistributed Profit. The amount of fund of Partnership and Environmental Development Programs (Program Kemitraan dan Bina Lingkungan/PKBL) for Fiscal Year 2016 was calculated as equivalent to ± (approximately) 0.5% of Net Profit of the Fiscal Year which expired on 31 December 2015, from which the fund source is the Company's charge and the remains of PKBL balance from previous year.

**Follow-up Actions**

Bank Mandiri has announced the Schedule and Procedure of Cash Dividend Distribution for the Fiscal Year 2016 on 23 March 2016, and has paid cash dividend to the shareholders on 22 April 2016.

**Status: Realized****Third Meeting Agenda**

Determination of the amount of salary and honorarium for the Fiscal Year 2016 and tantiem for the performance for Fiscal Year which expired on 31 December 2015 for members of Board of Directors and Board of Commissioners of the Company.

**Number of Shareholders who asked questions and/or expressed opinions:****Voting Result**

Agree : 96.601% Including one serial A Bicolor share  
 Disagree : 2.512%  
 Abstain : 0.885%

**Resolutions**

Granting authority to the Board of Commissioner of the Company by firstly obtaining approval from Holders of Serial A Bicolor Share to determine the salary of members of the Board of Directors, honorarium of members of the Board of Commissioners of the Company for fiscal year 2016, as well as tantiem for the performance of the members of Board of Directors and Board of Commissioners for fiscal year which expired on 31 December 2015 pursuant to the Regulation of Minister of State-owned Enterprise No. PER-04/MBU/2014 on the Guideline to Determine the Earnings of the Board of Directors, Board of Commissioners, and Board of Supervisors of State-owned Enterprises.

**Follow-up Actions**

Salary of members of Board of Directors, honorarium of members of Board of Commissioners of the Company for fiscal year 2016, as well as tantiem for the performance of members of Board of Directors and Board of Commissioners of the Company for fiscal year that expired on 31 December 2015 have been distributed.

**Status: Realized****Fourth Meeting Agenda**

Appointment of a Public Accounting Firm to audit the Company's Financial Statement and Annual Report of the Partnership and Environmental Development Program for the Fiscal Year which expired on 31 December 2016.

**Number of Shareholders who asked questions and/or expressed opinions:****Voting Result**

Agree : 95.279% Including one serial A Bicolor share  
 Disagree : 0.741%  
 Abstain : 3.978%

**Resolutions**

1. Appointment of Public Accounting Firm Purwantono, Sungkoro & Surja as the Firm to audit the Company's Financial Statement and Annual Report on the Implementation of Partnership and Environmental Development Program for the fiscal year which expired on 31 December 2016.
2. Grant of authority to the Board of Commissioners to determine the honorarium and other requirements for the Public Accounting Firm, and to determine Substitute Public Accounting Firm in the event that Public Accounting Firm Purwantono, Sungkoro & Surja, by any means cannot complete the audit of the Financial Statement of Consolidated Company and Annual Report on the Implementation of Partnership and Environmental Development Program for the Fiscal Year which expired on 31 December 2016.

**Follow-up Actions**

Public Accounting Firm Purwantono, Sungkoro & Surja (member of Ernst and Young) have completed auditing Financial Statement of Consolidated Company for the fiscal year which expired on 31 December 2016 pursuant to the Report of Independent Auditor No. RPC-2941/PSS/2017 dated 30 January 2017 with an audit opinion as without modification.

**Status: Realized**

### Fifth Meeting Agenda

To approve the amendment to the Ratio of Fund Adequacy (Rasio Kecukupan Dana/RKD) of Pension Fund of Bank Mandiri One, Pension Fund of Bank Mandiri Two, Pension Fund of Bank Mandiri Three, and Pension Fund of Bank Mandiri Four as specified in the resolution of the Company's Annual GMS dated 2 April 2013, which previously was a minimum of 115% into a minimum of 105%, of which the implementation of decree on the improvement of Pension Benefit and Other Benefits has been transferred to the Board of Commissioners.

**Number of Shareholders who asked questions and/or expressed opinions:****Voting Result**

Agree : 78.403% Including one serial A Bicolor share  
 Disagree : 19.564%  
 Abstain : 2.032%

**Resolutions**

Approving the provision of minimum requirement of RKD for Pension Fund of Bank Mandiri One, Pension Fund of Bank Mandiri Two, Pension Fund of Bank Mandiri Three, and Pension Fund of Bank Mandiri Four pursuant as specified in the resolution of the Company's Annual GMS dated 2 April 2013, which previously was a minimum of 115% into a minimum of 105%, of which the implementation of decree on the improvement of Pension Benefit and Other Benefits has been transferred to the Board of Commissioners, hence the transfer of authority to the Board of Commissioners of Founder relates to the Decree of Improvement of Pension Benefit and/or Provision of Other Benefits in Pension Fund of Bank Mandiri One to Pension Fund of Bank Mandiri Four. Further, the provision is amended into fulfilling the requirements at the minimum of:

1. RKD following the improvement of Pension Benefit and/or provision of Other Benefits at the minimum of 105% pursuant to mortality table determined by the Company as the Founder.
2. There was still some surplus and it does not incur any additional contribution obligation and accounting obligation pursuant to PSAK 24.

**Follow-up Actions**

The provision on the minimum requirement of RKD for Pension Fund of Bank Mandiri One, Pension Fund of Bank Mandiri Two, Pension Fund of Bank Mandiri Three, and Pension Fund of Bank Mandiri Four has been amended into a minimum of 105%.

**Status: Realized**

### Sixth Meeting Agenda

To approve the determination of shareholding programs by the management and employees aimed at providing performance-based long-term incentive.

**Number of Shareholders who asked questions and/or expressed opinions:4****Voting Result**

Agree : 77.309% Including one serial A Bicolor share  
 Disagree : 21.472%  
 Abstain : 1.217%

**Resolutions**

Approving the provision to the Company management, an Allowance in the form of shareholding program aimed at providing performance-based long-term incentive, and to provide authority and power to the Board of Commissioner by firstly obtaining approval from Holder of Serial A Bicolor Share to determine the method and mechanism, including the amount of shareholding program by the management in order to provide performance-based long-term incentive.

**Follow-up Actions**

In 2016, there was no Allowance in the form of shareholding program aimed at providing performance-based long-term incentive, because Bank Mandiri still reviewed such incentive provision.

**Status: Not yet realized**

### Seventh Meeting Agenda

Amendment to the Company's Management.

**Number of Shareholders who asked questions and/or expressed opinions:****Voting Result**

Agree : 75.354 % Including one serial A Bicolor share  
 Disagree : 22,910%  
 Abstain : 1.735%

**Resolutions**

1. Honorably dismissing the following names from the Board of Directors:
  - a. Mr. Budi Gunadi Sadikin from the position of President Director;
  - b. Mr. Sentot A. Sentaosa from the position of Director;
  - c. Mr. Royke Tumilaar from the position of Director.

The dismissal of members of the Board of Directors takes place as of the closing of meeting, together with an expression of gratitude for their physical and intellectual contribution during their tenure as members of the Board of Directors.

2. Altering the assignment of Mr. Kartika Wirjoatmodjo who was appointed pursuant to the resolution of the Company GMS in 2015, who previously held the position of Director and was altered into President Director by continuing the remaining tenure pursuant to the decree of the GMS.
3. To appoint the names below as the members of Company Board of Directors:
  - a. Mr. Rico Usthavia Frans as Director;
  - b. Mr. Royke Tumilaar as Director.

Tenure expiration of the appointed members of Board of Directors happens concurrently with the closing of the 5th Annual GMS since the appointment of the relevant members, which is the Annual RUPS that will be held in 2021, by observing the laws and regulations in the field of Capital Market and without prejudice to GMS rights to dismiss them at any time.
4. Appointing Mr. Ardan Adiperdana as the Commissioner of the Company. Tenure expiration of the appointed members of Board of Commissioners happens concurrently with the closing of the 5th Annual GMS since the appointment of the relevant members, by observing the laws and regulations in the field of Capital Market and without prejudice to GMS rights to dismiss them at any time.
5. Altering the assignment of Mr. Wimboh Santoso who was appointed pursuant to the resolution of Extraordinary GMS of the Company in 2015, who previously held the position of President Commissioner and was altered into President Commissioner concurrently as Independent Commissioner by continuing the remaining tenure pursuant to the decree of the Extraordinary GMS.
6. With the dismissal, appointment, and alteration of duties of members of Board of Directors and Board of Commissioners, the compositions of members of Board of Directors and Board of Commissioners are as follows:

**Board of Directors**

President Director	: Mr. Kartika Wirjoatmodjo;
Vice President Commissioner	: Mr. Sulaiman A. Arianto;
Director	: Mr. Ogi Prastomiyono;
Director	: Mr. Pahala N. Mansury;
Director	: Mr. Hery Gunardi;
Director	: Mr. Tardi;
Director	: Mr. Ahmad Siddik Badruddin;
Director	: Mrs. Kartini Sally;
Director	: Mr. Royke Tumilaar;
Director	: Mr. Rico Usthavia Frans.

**Board of Commissioners**

President Commissioner/Independent Commissioner	: Mr. Wimboh Santoso;
Vice President Commissioner	: Mr. Imam Apriyanto Putro;
Independent Commissioner	: Mrs. Aviliani;
Independent Commissioner	: Mr. Goei Siauw Hong.
Independent Commissioner	: Mr. Bangun S. Kusmulyono;
Independent Commissioner	: Mr. Abdul Aziz;
Commissioner	: Mr. Askolani;
Commissioner	: Mr. Suwhono;
Commissioner	: Mr. Ardan Adiperdana.

Grant of power and authority to the Company Board of Directors, together with substitution rights to perform any necessary actions related to the resolution of this Meeting Agenda pursuant to the applicable laws and regulations, including to state in a specific Notarial Deed and to inform the amendment to the composition of members of Board of Directors and Board of Commissioners of the Company to the Ministry of Law and Human Rights, and to inquire Financial Services Authority to perform Fit and Proper Test to member candidates of Board of Directors and Board of Commissioners of the Company pursuant to the applicable laws and regulations.

**Follow-up Actions**

1. The tenure of Mr. Budi Gunadi Sadikin as the President Director and Mr. Sentot A. Sentaosa as the Director have expired on 21 March 2016. Whereas Mr. Royke Tumilaar was reappointed as the Director, and his tenure shall expire on the closing of the 5th Annual GMS following the date of his appointment, which is Annual GMS in 2021.
2. Mr. Kartika Wirjoatmodjo has effectively served as the President Director of Bank Mandiri as of 17 May 2016 as specified in Letter of OJK No. SR-83/D.03/2016 dated 11 May 2016 on the Result of Fit and Proper Test of the Appointment of the Alteration of Position of Director to President Director of PT Bank Mandiri (Persero) Tbk. and Letter of Bank Mandiri No. DCO/330/2016 dated 17 May 2016 on the Effective Enactment of Position Transfer from Director into President Director of PT Bank Mandiri (Persero) Tbk.
3. Mr. Rico Usthavia Frans has effectively served as Digital Banking & Technology Director of Bank Mandiri as of 20 July 2016 as specified in Letter of OJK No. SR-126/D.03/2016 dated 18 July 2016 on the Result of Fit and Proper Test of the Appointment of the Director of Bank Mandiri (Persero) Tbk. and Letter of Bank Mandiri No. RMC/526/2016 dated 20 July 2016 on the Effective Enactment of the Appointment of Director of PT Bank Mandiri (Persero) Tbk.
4. Mr. Ardan Adiperdana has effectively served as the Commissioner of Bank Mandiri as of 3 October 2016 as specified in Letter of OJK No. SR-195/D.03/2016 dated 27 September 2016 on the Result of Fit and Proper Test of the Appointment of the Director of Bank Mandiri (Persero) Tbk. and Letter of Bank Mandiri No. RMC/794/2016 dated 3 October 2016 on the Effective Enactment of the Appointment of Director of PT Bank Mandiri (Persero) Tbk.
5. Alteration of duties of Mr. Wimboh Santoso from President Commissioner to President Commissioner concurrently as Independent Commissioner of Bank Mandiri has been followed up by means of Letter No. DCO/225/2016 dated 29 March 2016 on the Proposal of Fit and Proper Test to the Members of the Board of Directors and Members of the Board of Commissioners of PT Bank Mandiri (Persero) Tbk. However, the proposal could not be followed up by OJK, thus his status remained as Non-Independent President Commissioner.

**Status: Partly Realized**

## Board of Commissioners

Board of Commissioners are the Organ of the Company which serves to conduct supervision generally and/or specifically pursuant to the Articles of Association, to provide advice to the Board of Directors, as well as to ensure that the Company conducts the principles of GCG. Board of Commissioners are responsible to Shareholders in supervising the policy of the Board of Directors on the general operations of the Company, which refer to business plans that are approved by the Board of Commissioners and shareholders, and in ensuring compliance to all applicable laws and regulations.

Every member of the Board of Commissioners must have high integrity, knowledge, capability, and commitment to spare his/her time in performing his/her duties. This results a highly strategic role of the Board of Commissioners. Thus, the composition of Board of Commissioners of the Company must allow effective, accurate, and quick decision-making. In other words, Board of Commissioners are also demanded to act independently, meaning that there should be no conflict of interest that can disrupt its ability to perform their duties independently and critically, both in their internal relationship and in their relationship with the Board of Directors.

### Reference of Regulation

Laws No. 40 of 2007 on Limited Liability Company and Regulation of Financial Services Authority No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuer or Public Company, requires all companies under Indonesian law to have a Board of Commissioner which serves to monitor managerial policy and managerial process within the company, as well as to monitor and provide suggestion/advice to the Board of Directors.

### Charter of the Board of Commissioners

In details, the Guideline and work charter of the Board of Commissioners are regulated in the Charter of the Board of Commissioners that is already determined through the Decree of the Board of Commissioners Number: KEP.KOM/005/2016 dated 21 December 2016. Charter of the Board of Commissioners regulates the Work Governance of the Board of Commissioners which, among other things, contains guideline of work governance of the Board of Commissioners explaining steps of activities that are structured, systematic, easily understood, and can be consistently performed, and which can be the reference for the Board of Commissioners in performing their own duties to achieve the Company's vision and mission. With the Charter of the Board of Commissioners, it is expected to achieve high working standards, pursuant to GCG principles.

The contents of the Charter of the Board of Commissioners, among other things, are regulating the following matters.

1. General Provision
2. Duties, Responsibilities, and Authorities
  - a. Duties and Responsibilities
  - b. Obligations of the Board of Commissioners
  - c. Rights and Authorities of the Board of Commissioners
  - d. Information Transparency and Conflict of Interest
  - e. Committees
3. Board of Commissioners Meeting
  - a. Types and Quorums of the Meeting
  - b. Guest Participants of Board of Commissioners Meeting
  - c. Meeting Head
  - d. Meeting Materials
  - e. Meeting Resolutions
  - f. Meeting Minutes
  - g. Summons and Implementation of the Meeting
  - h. Secretary to the Board of Commissioners
4. Task Distribution
  - a. Task Divisions
  - b. Commissioners' Working Period
  - c. Document Execution
  - d. Official Travel
  - e. Evaluation to the Performance of the Board of Commissioners
5. Miscellaneous
  - a. Corporate Ethics and Culture
  - b. Continuous Education
  - c. Amendment
6. Closing

Several main points of working guideline for the Board of Commissioners as regulated in the Charter of the Board of Commissioners are described as follows.

### Duties and Responsibilities of Board of Commissioners

Duties and responsibilities of the Board of Commissioners pursuant to the Charter of the Board of Commissioners are as follows:

1. Duties and responsibilities of the Board of Commissioners include:
  - a. To perform supervision to the management of the Company as performed by the Board of Directors, and to provide advice to the Board of Directors regarding work plan, Company development, implementation of the provisions of the Articles of Association, resolutions of GMS and/or Extraordinary GMS, and the applicable laws and regulations.
  - b. To ensure the implementation of Good Corporate Governance in every business activity of the Company, and

- to perform integrated evaluation to the policy of corporate governance.
- c. Protect the Company's interest by considering the interest of Shareholders and be responsible to GMS.
  - d. To research and review Annual Report prepared by the Board of Directors, as well as to execute the Annual Report.
  - e. To provide opinion and advice to Annual Work Plan and Budget proposed by the Board of Directors and to validate it pursuant to the provisions in the Articles of Association.
  - f. To monitor the development of the Company's activities.
  - g. To provide opinion and advice to shareholders regarding matters considered crucial for managing the Company.
  - h. To immediately report to GMS when there is an indication of performance decline in the Company, also to provide advice regarding corrective action that must be performed.
  - i. To inform the Financial Services Authority no later than 7 (seven) working days as of the findings of (a) violation to the laws and regulations in the field of finance and banking; and (b) condition or estimation of condition that may harm business continuity of the Company.
  - j. To propose to GMS regarding the appointment of Public Accountant that shall perform examination to the Company's accounting.
2. In performing its duties to supervise and to provide advice, the Board of Commissioners are responsible:
    - a. To provide opinion and advice to the management regarding the determination of vision, mission, culture, and values of the Company.
    - b. To conduct review and to provide opinion on business strategy applied by the Company.
    - c. To conduct review as well as to provide opinion and advice regarding the system of human resource management.
    - d. To perform assessment as well as to provide opinion and advice regarding the system of risk control.
    - e. To perform assessment as well as to provide opinion and advice regarding Business Plan and its description into Company Annual Work Plan and Budget.
    - f. To provide approval to draft of strategic business decisions or policies which comply to the laws and regulations, Articles of Association, GMS resolution, and prudential banking practices, as well as the commitment to avoid any form of conflict of interest.
    - g. To perform assessment on the reports from both internal and external auditor and to provide advice to the management regarding matters that need to be followed-up.
    - h. To perform periodical supervision and to give advice to the management regarding the implementation of good corporate governance.
    - i. To perform periodical supervision on the implementation of Company Work Plan and Budget and to provide input/ approval to the amendment to Company Work Plan and Budget pursuant to the applicable provision.
    - j. To submit supervisory report of the shareholders during Annual GMS and/or Extraordinary GMS.
    - k. To perform supervision on the Company's service quality to the customers and to provide necessary advice to the management.
    - l. To perform assessment, to give opinion and advice regarding the implementation of risk management, which includes matters related to fraud control.
    - m. To formulate work program of the Board of Commissioners which includes program of the Committees to support the Board of Commissioners.
  3. Each Commissioner must pay attention to the duties, responsibilities, and limits, including the ones regulated in the laws and regulations.

#### **Duties and Responsibilities of President Commissioner**

Pursuant to the Charter of the Board of Commissioners of Bank Mandiri, the duties and responsibilities of President Commissioner of Bank Mandiri, among others, are as follows:

1. Conducting written summons of Board of Commissioners Meeting that are delivered to all members of Board of Commissioners by specifying the event, date, time, and venue of the meeting.
2. Acting as Head of Meeting in Board of Commissioners Meeting.
3. Ensuring the implementation of Board of Commissioners Meeting and Meeting of Committees of Board of Commissioners, including the orderliness of Meeting Minutes.
4. Accepting reports from Committees under the Board of Commissioners.
5. Coordinating all duties of the Board of Commissioners that should be distributed as equally as possible.

#### **Obligations of Board of Commissioners**

Board of Commissioners are obliged:

1. To validate and supervise the implementation of Company Work Plan and Budget.
2. To supervise the follow-up action from the findings against deviation based on the laws and regulations, articles of association, and prudential banking practices.
3. To follow the development of the Company's activities, and in the event the Company shows signs of setback, if necessary, the Board of Commissioners may hold GMS to report to shareholders and to provide suggestion regarding corrective actions that must be performed.

4. To provide opinion and advice to GMS regarding every matters considered crucial for managing the Company.
5. To perform other supervisory duties as determined by the GMS as well as by the laws and regulations.
6. To nurture anti-fraud culture and concerns on all personnels of the Company.
7. To establish Audit Committee, Nomination Committee, Remuneration Committee, and other committee as required by the laws and regulations.

### Rights and Authorities of the Board of Commissioners

Rights and Authorities of the Board of Commissioners are as follows:

1. To make decisions on the acts of the Board of Commissioners as regulated in the Articles of Association of the Company.
2. Each Commissioner, individually or jointly, at any time is entitled to enter the premises or other places that are used or controlled by the Company, and is entitled to examine books, letters of proof, and supplies, as well as to examine and match the position of cash for verification requirement and securities, and to know any actions performed by the Board of Directors.
3. The actions must be performed in their capacity as Board of Commissioners and must be reported in Board of Commissioners meeting regarding such actions.
4. When necessary, Board of Directors are entitled to request expert assistance in performing their duties in a limited time at the Company's expense.
5. Each Commissioner is entitled to inquire explanation regarding any matters from the Board of Directors and all staff under him/her, and the Board of Directors must provide it.
6. Each Commissioner is entitled to attend meetings held by the Board of Directors or units below it without making any decision.
7. With the highest vote, the Board of Commissioners at any time may temporarily dismiss one or more member of the Board of Directors, when they were proved to act against the Articles of Association or to ignore their obligations, or other urgent reasons for the Company.
8. Such temporary dismissal must be informed in written to the party concerned together with reasons behind the action.
9. Within 90 (ninety) days after the date of the temporary dismissal, the Board of Commissioners is obliged to hold GMS which will decide whether the relevant member of the Board of Directors will be permanently dismissed or be reappointed in its position, where he/she will be provided an opportunity to attend the meeting and defend him/herself.

### Tenure of Board of Commissioners

The Company's Articles of Association specifies that the members of the Board of Directors are appointed and dismissed by GMS. The GMS is attended by Holders of Serial A Bicolor Share and the resolutions of the meeting must be approved by such Holders. Members of the Board of Commissioners are appointed by GMS from the candidates proposed by GMS, from the candidates proposed by Holders of Serial A Bicolor Share, and the candidacy is binding the GMS.

GMS resolutions on the appointment and dismissal of members of the Board of Commissioners also decide the time for the appointment and dismissal. In the event that GMS does not decide it, the appointment and dismissal of members of the Board of Commissioners are effective as of the closing of GMS by observing the laws and regulations.

Members of the Board of Commissioners were appointed for a period of time as of the date determined by GMS, who appointed them, and expired on the closing of the 5th (five) Annual GMS following the date of their appointment, provided that it may not exceed the 5 (five) years period of time, by observing the laws and regulations in the field of Capital Market, but without prejudice to the rights of GMS to dismiss members of the Board of Commissioners at any time before their tenures expires. After their tenure expires, members of the Board of Commissioners may be reappointed by GMS for one tenure.

### Criteria for Members of the Board of Commissioners

Criteria for the Board of Commissioners of Bank Mandiri that have been regulated in the Articles of Association of the Liability Company are as follows:

1. Having good character, morals, and integrity;
2. Is competent in performing legal acts;
3. Within 5 (five) years prior to appointment or during the office, he/she:
  - a. is never declared bankrupt;
  - b. never becomes a member of the Board of Directors and/or member of the Board of Commissioners who is declared as guilty and causes a company to be declared as bankrupt;
  - c. is never penalized for committing a criminal act which causes adverse impact to the country's finance and/or to anything related to financial sector; and
  - d. never becomes a member of the Board of Directors and/or member of the Board of Commissioners who, during his/her tenure:
    - never holds Annual GMS;
    - his/her responsibility as a member of the Board of Directors and/or member of the Board of Commissioners has never been; accepted by the GMS or has not given

- any responsibility as a member of the Board of Directors; and/or a member of the Board of Commissioners to the GMS; and
  - once caused the companies which obtains permission, approval, and registration from Financial Services Authority to fail in fulfilling their obligation to submit annual report and/or Financial Services Authority.
4. Is committed to comply to the laws and regulations;
  5. Has knowledge and/or expertise in the fields required by the Company; and
  6. Fulfills other specified requirements.

### Fit and Proper Test and Basis of Appointment of the Board of Commissioners

Based on the Financial Services Authority Regulation Number 27/POJK.03/2016 regarding Fit And Proper Test for Financial Services Institutions Primary Parties, Prospective Members of Board of Commissioners should have received FSA approval before undertaking their actions, duties, and functions as Board of Commissioners. The fit and proper test as well as the approval from the Financial Services Authority indicate sound integrity, competence, and good financial reputation of the Board of Commissioners members as illustrated in this following table:

Table of Fit and Proper Test of Board of Commissioners

Name	Designation	Period	Executor	Appointment Basis	Operational Effective Date
Wimboh Santoso	President Commissioner	16 February 2016 - 20 July 2017	Financial Services Authority	Extraordinary GMS (EGMS) on Friday, December 18, 2015	16 February 2016
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	15 November 2017 – 31 December 2017	Financial Services Authority	Extraordinary GMS (EGMS) on 21 Augustus 2017	15 November 2017
Imam Apriyanto Putro	Vice President Commissioner	11 June 2015 - 31 December 2017	Financial Services Authority	Annual GMS (AGMS) on 16 March 2015	11 June 2015
Abdul Aziz	Independent Commissioner	25 June 2015 - 14 March 2017	Financial Services Authority	Annual GMS (AGMS) on 02 April 2013	25 June 2015
Aviliani	Independent Commissioner	3 September 2014 - 14 March 2017	Financial Services Authority	Extraordinary GMS (EGMS) on 21 May 2014	3 September 2014
Askolani	Commissioner	3 September 2014 - 31 December 2017	Financial Services Authority	Extraordinary GMS (EGMS) on 21 May 2014	3 September 2014
Goei Siau Hong	Independent Commissioner	25 June 2015 - 31 December 2017	Financial Services Authority	Annual GMS (AGMS) on 16 March 2015	25 June 2015
Bangun Sarwito Kusmulyono	Independent Commissioner	25 June 2015 - 31 December 2017	Financial Services Authority	Annual GMS (AGMS) on 16 March 2015	25 June 2015
Ardan Adiperdana	Commissioner	3 October 2016 - 31 December 2017	Financial Services Authority	Annual GMS (AGMS) on 21 March 2016	03 October 2016
Makmur Keliat	Independent Commissioner	25 September 2017 – 31 December 2017	Financial Services Authority	Annual GMS (AGMS) on 14 March 2017	25 September 2017
R. Widyo Pramono*	Commissioner	21 August 2017 – 31 December 2017	Financial Services Authority	Extraordinary GMS (EGMS) on 21 Augustus 2017	15 January 2018*

**Remarks:**

\*Effective as of 15 January 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

### Orientation Program For New Commissioners

In the context of providing overview of the business activities, the Company's future plans, the working guidelines and other aspects under the responsibility of Board of Commissioners, Bank Mandiri conducted an orientation program for new members of Board of Commissioners which was prepared by the Corporate Secretary Group and involved a study of documents in both soft copy and hard copy form.

The documents included the Annual Report, the Work Plan, the Corporate Work Plan and Budget, Corporate Long Term Plan, Articles of Association of the Company, Corporate Governance Policy, Code of Ethics, the Work Program of the Board of Commissioners and its Committees, and Rules of the Board of Commissioners.

Given that at the AGMS held on March 14, 2017 and EGMS held on August 21, 2017 a change in the composition of the Company's BOD and BOC member(s) took place, Bank Mandiri required an orientation program for member(s) of BOC to provide the overview of the business activities, the Company's future plans, working guidelines and other aspects under the responsibility of Board of Commissioners which included:

1. The distribution of documents including the Annual Report, the Corporate Work Plan and Budget (CBP), Bank Business Plan, Corporate Long Term Plan (RJPP), Articles of Association of the Company, Corporate Governance Policy, Code of Ethics, the Work Program of the Board of Commissioners and its committee, Rules of the Board of Directors and Rules of the Board of Commissioner's Committees, as well as regulations related to the Bank's business process.
2. The on-site visits to regional offices to meet face to face with other member(s) of the Board of Commissioners and, for the new commissioner, to meet with the employees of the Bank in Regional Offices. On-site visits to regional offices aim at helping the commissioner to know, to understand, and to build good and solid relationship with other member(s) of BOC and Regional Offices.  
After the AGMS held on March 14, 2017 and EGMS held on August 21, 2017, the BOC has conducted several visits to Region XI which includes Bali and Nusa Tenggara (Lombok and Denpasar Areas) on October 16 and 17, 2017.
3. An explanation of organization, duties and authorities of Board of Commissioners and Directors, internal and external audit, internal system and policies, as well as roles of BOC's committees for new member of BOC is delivered through a presentation as follows:

Table of Commissioners New Orientation Program Implementation

No.	Material	Presenter	Date	Member(s) of Board of Commissioners
1.	Good Corporate Governance	Compliance Group	19 May 2017	Makmur Keliat
			05 October 2017	R. Widyo Pramono
2.	Company Performance	Strategic & Performance	5 May 2017	Makmur Keliat
			6 October 2017	R. Widyo Pramono
3.	Bank Health Level	Credit Portfolio Risk	26 May 2017	Makmur Keliat
			12 October 2017	R. Widyo Pramono
4.	Human Capital/Employment	Human Capital	13 October 2017	R. Widyo Pramono
5.	Segmentation in Bank Mandiri: Corporate Banking	Director of Wholesale Banking	09 November 2017	Makmur Keliat
6.	Internal Audit of Bank Mandiri	Director of Internal Audit	21 November 2017	R. Widyo Pramono

4. The update on current national and global banking condition as well as financial technology and macroeconomic topics to Board of Commissioners as follows:

Table of Commissioners New Orientation Program Implementation

No.	Material	Presenter	Date	Member(s) of Board of Commissioners
1.	Update Macro Economic	Office of Chief Economist	14 November 2017	All Members of Board of Commissioners
2.	Update on the Development of Financial Technology (Fintech)	Digital Banking & Technology Director	16 November 2017	

### Job Description of Supervisory Board of Commissioners

The division of the Board of Commissioners' duties is set based on its committee membership through the committees under the Board of Commissioner. According to POJK No.55/POJK.33/2016 regarding the Implementation of Corporate Governance for Commercial Bank, to effectively perform jobs and responsibilities, the Board of Commissioner may form at least: Audit Committee, Risk Oversight Committee, and Remuneration and Nomination Committee. In compliance of POJK No. POJK No. 18/POJK.03/2014 dated November 18, 2014 concerning the Implementation of Integrated Corporate Governance in Financial Conglomeration, the Bank's Board of Commissioner has also established an Integrated Corporate Governance Committee.

There have been several changes regarding the segregation of duties of Board of Commissioner in 2017 which include:

- According to the Letter of Board of Commissioner No. KOM/004/2016 dated 19 October 2016 on Changes to Membership of the Committee under the Board of Commissioners governing the distribution of membership of the Board of Commissioners as follows:

Table of Job Description of the Board of Commissioner

Name	Designation	Period	Job Description
Wimboh Santoso	President Commissioner	February 16, 2016 - July 20, 2017	<ul style="list-style-type: none"> <li>Member of Risk Oversight Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>
Imam Apriyanto Putro	Vice President Commissioner	June 11, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Remuneration and Nomination Committee</li> <li>Member of Integrated Corporate Governance Committee</li> </ul>
Abdul Aziz	Independent Commissioner	June 25, 2015 - March 14, 2017	<ul style="list-style-type: none"> <li>Chairman of Risk Oversight Committee</li> <li>Chairman of Integrated Corporate Governance Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>
Aviliani	Independent Commissioner	September 3, 2014 - March 14, 2017	<ul style="list-style-type: none"> <li>Chairman of Audit Committee</li> <li>Member of Integrated Corporate Governance Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>
Askolani	Commissioner	September 3, 2014 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>
Goei Siauw Hong	Independent Commissioner	June 25, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Risk Oversight Committee</li> <li>Member of Audit Committee</li> <li>Member of Remuneration and Nomination Committee</li> <li>Vice Chairman of Integrated Corporate Governance Committee</li> </ul>
Bangun Sarwito Kusmulyono	Independent Commissioner	June 25, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Risk Oversight Committee</li> <li>Chairman of Remuneration and Nomination Committee</li> <li>Member of Integrated Corporate Governance Committee</li> </ul>
Ardan Adiperdana	Commissioner	October 3, 2016 - Desember 31, 2017	<ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>

- According to the Letter of Board of Commissioner No. KOM/048/2017 dated April 19, 2017 regarding Changes in Membership of the Subordinate Committee of the Board of Commissioner, Board of Commissioner membership is incorporated as follows:

Table of Job Description of the Board of Commissioner

Name	Designation	Period	Job Description
Wimboh Santoso	President Commissioner	February 16, 2016 - July 20, 2017	<ul style="list-style-type: none"> <li>Member of Risk Oversight Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>
Imam Apriyanto Putro	Vice President Commissioner	June 11, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Remuneration and Nomination Committee</li> <li>Member of Integrated Corporate Governance Committee</li> </ul>
Askolani	Commissioner	September 3, 2014 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>
Goei Siauw Hong	Independent Commissioner	June 25, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Chairman of Risk Oversight Committee</li> <li>Member of Audit Committee</li> <li>Member of Remuneration and Nomination Committee</li> <li>Chairman of Integrated Corporate Governance Committee</li> </ul>
Bangun Sarwito Kusmulyono	Independent Commissioner	June 25, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Chairman of Audit Committee</li> <li>Member of Risk Oversight Committee</li> <li>Chairman of Remuneration and Nomination Committee</li> <li>Member of Integrated Corporate Governance Committee</li> </ul>

Name	Designation	Period	Job Description
Ardan Adiperdana	Commissioner	October 3, 2016 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>

- According to the Letter of Board of Commissioner No. KOM/101/2017 dated September 19, 2017 regarding on Changes to Membership of the Committee under the Board of Commissioners governing the distribution of membership of the Board of Commissioners as follows:

Table of Job Description of the Board of Commissioner

Name	Designation	Period	Job Description
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	November 15, 2017 – December 31, 2017	<ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Chairman of Remuneration and Nomination Committee</li> </ul>
Imam Apriyanto Putro	Vice President Commissioner	June 11, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Remuneration and Nomination Committee</li> <li>Member of Integrated Corporate Governance Committee</li> </ul>
Askolani	Commissioner	September 3, 2014 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Remuneration and Nomination Committee</li> <li>Member of Integrated Corporate Governance Committee</li> </ul>
Goei Siau Hong	Independent Commissioner	June 25, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Chairman of Risk Oversight Committee</li> <li>Member of Audit Committee</li> <li>Member of Remuneration and Nomination Committee</li> <li>Chairman of Integrated Corporate Governance Committee</li> </ul>
Bangun Sarwito Kusmulyono	Independent Commissioner	June 25, 2015 - December 31, 2017	<ul style="list-style-type: none"> <li>Chairman of Audit Committee</li> <li>Member of Risk Oversight Committee</li> <li>Member of Remuneration and Nomination Committee</li> <li>Member of Integrated Corporate Governance Committee</li> </ul>
Ardan Adiperdana	Commissioner	October 3, 2016 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Risk Oversight Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>
Makmur Keliat	Independent Commissioner	September 25, 2017 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Member of Remuneration and Nomination Committee</li> <li>Member of Integrated Corporate Governance Committee</li> </ul>
R. Widyo Pramono*	Commissioner	August 21, 2017 - December 31, 2017	<ul style="list-style-type: none"> <li>Member of Risk Monitoring Committee</li> <li>Member of Remuneration and Nomination Committee</li> </ul>

**Remarks:**

\*Effective as of January 15, 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

### The Delegation of Authority to the Board of Commissioner in the Meeting

The authority of a Board of Commissioner member may only be delegated to another member by virtue of a power of attorney arranged for specific purpose. This delegation of authority shall not replace one's collective responsibilities. In 2017, there was one delegation of authority from one BOC member to another member by virtue of a specific power of attorney. Therefore, the quorum for a decision making in the BOC meeting was achieved.

### Policy on the Diversity Composition of the Board of Commissioners and its Implementation

As stated in FSA Circular Letter No.32/SEOJK.04/2015 on Governance Guidelines of Public Companies, the Financial Services Authority recommended that the determination of BOC's composition must consider the diversity of BOC's composition. Composition diversity of the Board of Commissioners combines characteristics of either Board of Commissioner or members of Board of Commissioner at individual level tailored to the needs of the Public Company. Composition diversity is reflected from several elements including the assignment

of expertise, knowledge, and experience necessary for performing supervisory functions and providing advice. By considering composition diversity, a Public Company has indicated a positive signal, especially for decision making in its supervisory functions that involves more various aspects to consider.

The company Article of Association has accommodated the composition diversity of the Board of Commissioner in accordance with the provision regulated in Appendix of Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 regarding the Corporate Governance Guidelines for Public Companies. The appointment of the Board of Commissioner is conducted by considering integrity, dedication, understanding of the company's management problem related to one of management functions, knowledge and/or expertise in the field needed by the Company, time availability to perform duties and other requirements as set by the regulations. Current policy of diversity, however, regulates only elements including knowledge and/or expertise pursuant to the Board of Commissioner's job description. Bank Mandiri has not regulated any policy of diversity regarding age and gender since the Bank still prioritizes the nomination according to the need of the Company.

In 2017, some elements of diversity including education, work experience, age, and gender indicated composition diversity of the Board of Commissioner as illustrated in the following table:

Table of Diversity in Composition of the Board of Commissioner

Name	Designation	Period	Age	Gender	Education	Working Experience	Skills
Wimboh Santoso	President Commissioner	16 February 2016 - 20 July 2017	60 Years Old	Male	A Bachelor in Economics from Universitas Negeri Sebelas Maret, Solo in 1983, a Master of Business Administration from University of Illinois, USA in 1993, and a PhD in Financial Economics from University of Loughborough, London in 1999.	He began his 29-year career at Bank Indonesia since 1984 as a Bank Examiner (1984-1990) and continued becoming a Head of Section of Internal Research Bureau and Research Affairs & Internal Development (UPPN) of Bank Indonesia (1993-1994), Senior Research-Director of Research and Banking Development of Bank Indonesia (1999-2003), Head of the Banking Transformation Unit of Bank Indonesia (2001-2003), Executive Research-Director of Research and Banking Development (DPNP) of Bank Indonesia (2003-2005), Head of the Financial System Stability Bureau of Bank Indonesia (2006-2009), and Director of Research and Banking Development (DPNP) of Bank Indonesia (2010-2012). From 2012 to 2013, he served as Head of Bank Indonesia's Representative Office in New York. Finally, from 2013 to 2015, he served as Executive Director of IMF.	Banking, Macroeconomics

Name	Designation	Period	Age	Gender	Education	Working Experience	Skills
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	November 15, 2017 – December 31, 2017	65 Years Old	Male	Bachelor's Degree in Industrial Engineering from Institut Teknologi Bandung in 1979, Master of Arts in Macroeconomics in 1985 and a Doctorate's Degree of Monetary Theory and Policy in 1989, both degrees were obtained from the University of Oregon, United States of America.	He began his career at Bank Indonesia in 1980 as a logistic staff (1980-1983). After obtaining degrees of MA and PhD, he served as Junior Researcher of Economics in Research and Development Division (1989-1990), staff of the Governor of Bank Indonesia (1990-1993), Head of General Economics Division (1993-1994), Head of Monetary Division (1994-1996), Head of Policy Analysis and Planning Division (1996-1997), Deputy Director of Economic Research and Monetary Policy (1997-2000), Director of Economic Research and Monetary Policy (2000-2003), Director/ Head of Representative of Bank Indonesia-Tokyo (February 2003 – June 2003). His top career at Bank Indonesia was started in 2003 as a Deputy Governor for 2 consecutive periods (June 2003-June 2008 and June 2008-June 2013) and President Commissioner of PT Bank Negara Indonesia (Persero) Tbk (04 May 2016 - 21 August 2017).	Banking, Economic
Imam Apriyanto Putro	Vice President Commissioner	June 11, 2015 - December 31, 2017	54 Years Old	Male	A Bachelor of Economics in the field of Management from Diponegoro University, Semarang in 1988 and a Master of Management from Sekolah Tinggi Ilmu Ekonomi IBII, Jakarta in 2000.	He began his career as Head of Analyst Section in Funding and Resources at the Ministry of State-Owned Enterprise (1993-2010), Commissioner of PT Permodalan Nasional Madani (Persero) (2007-2011), Assistant of Research and Information Departments at the Ministry of State-Owned Enterprise (2010-2012), Commissioner of PT Petrokimia Gresik (Persero) (2011-2012), Commissioner of PT Bukit Asam (Persero) Tbk (2011-2013), Head of Planning and Human Capital Bureau at the Ministry of State-Owned Enterprise (2012-2013), Plh. Acting Deputy of Infrastructure and Logistics at the Ministry of State-Owned Enterprises (2013), Commissioner of PT Semen Indonesia (Persero) Tbk (2013-2014), Secretary of Ministry of State-Owned Enterprises (2013-present), and Commissioner of PT Telekomunikasi Indonesia (Persero) Tbk (2014-2015).	Governance

Name	Designation	Period	Age	Gender	Education	Working Experience	Skills
Abdul Aziz	Independent Commissioner	June 25, 2015 - March 14, 2017	56 Years Old	Male	A Bachelor in Fisheries/ Social Economics from Institut Pertanian Bogor in 1987 and a Master in the field of strategic management from Institut Pendidikan dan Pengembangan Manajemen in 1993.	His career began in 1987 while serving as staff at PT Aquatic Konsultan (1987-1988) and continued as Marketing at T Pusat Pengembangan Agribisnis (1988-1990), Business Developer at Majalah Ulumul Qur'an (1990-1993), Manager at PT Pasarini Padibumi (1993-1997), Commissioner at PT Panca Nugraha Paramitra (1997-2005), Commissioner at PT PLN (Persero) (2009-2013), President Director at PT Sarana Jasa Utama (2005-2015), and Non-Independent Commissioner at Bank Mandiri (2013-2015).	Banking
Aviliani	Independent Commissioner	September 3, 2014 - March 14, 2017	56 Years Old	Female	A Bachelor in Economic of Management from Atma Jaya University in 1985, a Master in Management of Social and Political Science from University of Indonesia in 1995, and a Doctor of Business Management from Institut Pertanian Bogor in 2012.	She served as Deputy Director of Development at INDEF (1997-1999), Deputy Director of Research and Services at Perbanas (1997-1999), Vice Chairman (PUREK II) at Perbanas (2000-2002), Chairman of the Department at Universitas Paramadina (2002-2005), Independent Commissioner of PT BRI (Tbk) (2005-2014), Secretary of the National Economic Committee (KEN) (2010-2014), Deputy Secretary of the Committee for the Acceleration and Expansion of Indonesia (KP3EI) (2012-2014).	Macroeconomics, Banking
Askolani	Commissioner	September 3, 2014 - December 31, 2017	51 Years Old	Male	A Bachelor of Economics and Development Studies from Universitas Sriwijaya in 1990 and a Master in Economics and Banking from University of Colorado, Denver-USA in 1999.	He served as Director of Non-Tax State Revenues (PNBP) in the Ministry of Finance (2011-2013), Commissioner of PT Indonesia Ferry (ASDP) (2007-2010), Commissioner of PT Pertamina Gas (2012-2013), Commissioner of PT Angkasa Pura I (2013-2014), and Governor of Indonesia at Opex Fund for International Development (OFID) (2015).	<i>Fiscal, Budget and Tax</i>

Name	Designation	Period	Age	Gender	Education	Working Experience	Skills
Goei Siauw Hong	Independent Commissioner	June 25, 2015 - December 31, 2017	53 Years Old	Male	A Bachelor in Agronomy from Institut Pertanian Bogor in 1988 and a Master of Business Administration (MBA) in Business, Finance, and Marketing from Indiana University, Bloomington, USA in 1993.	He began his career as a Systems Analyst at Astra Graphix (1988-1991), Equity Analyst and Senior Equity Analyst at WI Car Indonesia (1993-1995), Deputy Head of Research and Head of Research at CLSA Indonesia (1995-1996), Head of Research at Signe Crosby (1996-1998), Vice President of Research at Nomura Singapore (1998-1999), Head of Research at Nomura Indonesia (1999-2001), and Member of Risk Oversight Committee of Bank Permute (2006-2010).	Finance, Banking
Bangui Servitor Kasmulyono	Independent Commissioner	June 25, 2015 - December 31, 2017	74 Years Old	Male	A Bachelor in Chemical Engineering from Institute Technology Bandung in 1970, a Master of Business Administration from University Southern California, Los Angeles, USA in 1974, and a Doctor in Environmental Management from Institute Pertaining Bogor in 2007.	He initiated his career as an Operations Staff at the Investment Coordinating Board (BKPM) (1970-1972), then he worked at Chase Manhattan Bank (in New York and Hong Kong), Fincorinvest, and the Asian Development Bank from 1962 to 1985. Afterwards, he served as President Director of Bank Nusa International (1988-1998) and Lemhanas KSA V (1995). He also served as Member of Board of Commissioner of Maybank Nusa (1990-1997) and Member of Board of Commissioner of Bank Niaga (1998-1999). From 1999 to 2005, he served as President Director of Permodalan Nasional Madani (PNM) and Member of Board of Commissioner of Syarikat Takaful Indonesia. Before serving as Commissioner of Bank Mandiri, he was an Independent Commissioner of Bank Rakyat Indonesia (BRI) (2005-2010) and an Independent Commissioner of Bank Negara Indonesia (BNI) (2010-2015).	Banking
Ardan Adiperdana	Commissioner	October 3, 2016 - December 31, 2017	57 Years Old	Male	A Bachelor of Economics from STAN (1987), a Master in Business Administration from Saint Mary's University (SMU), Nova Scotia, Canada (1992), and a Doctor in Strategic Management from Universitas Indonesia (2013).	He served as Commissioner of PT Hotel Indonesia Natour (Persero) (2011-2013) and President Commissioner of PT Jasa Raharja (Persero) (2013-2015).	Accounting, Audit

Name	Designation	Period	Age	Gender	Education	Working Experience	Skills
Makmur Keliat	Independent Commissioner	September 25, 2017 - December 31, 2017	56 Years Old	Male	Bachelor's Degree in Economy from Universitas Pembangunan Nasional "Veteran" in 1984, the title of Bachelor of Art of Social Science and Political Science/ International Relations from Universitas Gadjah Mada in 1984, a Drs. Title in Social Science and Political Science/ International Relations from Universitas Gadjah Mada in 1986 and a Ph.d. title in School of International Studies from Jawaharlal Nehru University in 1995.	He initiated his career as a lecturer in the Department of international Relations, Social and Political Sciences Faculty of Universitas Indonesia in 1999, the he served as Chairperson of Post- Graduate Program in the Department of International Relations, Faculty of Social and Political Sciences of the Universitas Indonesia (2002-2004), Executive Director at the Center for Global Civil Society Studies (PACIVIS UI) (2002-2004), Executive Director of Center for East Asia Cooperation Studies the East Asian Studies (2005-2007), Manager of Research and Publications, Social and Political Sciences Faculty of Universitas Indonesia (2007- 2008), Chairperson of the Post-Graduate Program in the International Relations Department, Social and Political Sciences of Universitas Indonesia (2009-2012) and the last position prior to his service as Commissioner of Bank Mandiri was as Special Staff for Secretariat Kabinet Republic Indonesia (May - August 2015)	Macroeconomics

Name	Designation	Period	Age	Gender	Education	Working Experience	Skills
R. Widyo Pramono*	Commissioner	August 21, 2017 - December 31, 2017	60 Years Old	Male	A Bachelor of Law from Universitas Negeri Solo, Surakarta (1984), a Master of Management from STIE IPWI, Jakarta (2001), a Master of Law from Universitas Gadjah Mada, Yogyakarta (2007), and A Doctor in criminal law from Universitas Padjajaran, Bandung (2012). In 2015, he was inaugurated as Professor of Criminal Law at Universitas Diponegoro.	He commenced his career at the South Jakarta District Attorney Service as Administration staff (1986-1990), Attorney of Pre-prosecution for Crime (1990-1993), and Attorney of Economic Crime for Special Crime (1993-1995). He continued serving as Attorney for Prosecution at DKI Jakarta Provincial Attorney Service (1995), Head of Academy and Stratification Department at the Center for Education and Training Attorney General Office of Indonesia (1995-1996), Attorney for Other General Crime in Examination Division of Examination I (1996-1998), Head of Administrative Department under Junior Attorney General Crime Secretary (1998-1999), Solicitor Attaché for Republic of Indonesia Embassy in Thailand, Bangkok (1999-2003), Head of Sukabumi District Attorney Service (2003-2005). He served at Center for Education and Training RI Attorney General Office as Head of International Legal Cooperation Attorney General Office (2005-2006), Special Assistant to R.I Attorney General (2006-2007), and Head of General Affairs Department Attorney General Office (2007-2008). He continued his career at the Attorney General's Office of Indonesia as Head of Papua Provincial Attorney Office (2008-2009), Inspector IV for Junior Attorney General Supervision (2009-2010), Head of Central Java Provincial Attorney Office (2010-2011), Secretary Junior Attorney General Crimes (2011-2012), Expert Staff at General Crimes Division (2012-2013), Junior Attorney General Special Crimes (2013-2015), and Junior Attorney General Supervision (2015- Agustus 2017).	Law

**Keterangan:**

\*Telah efektif pada tanggal 15 Januari 2018 setelah mendapat persetujuan dari Otoritas Jasa Keuangan atas Penilaian Uji Kemampuan dan Kepatutan (*Fit and Proper Test*).

### Number and Composition of Board of Commissioner

In 2017, the number and composition of the Board of Commissioners of the Company experienced several changes as illustrated below.

#### Number and Composition of Board of Commissioner of the Company Before AGMS dated 14 March 2017

Before the AGMS dated 14 March 2017, the Board of Commissioner consisted of 8 (eight) Commissioners - 1 (one) President Commissioner, 1 (one) Vice President Commissioner, 2 (two) Commissioners, and 4 (four) Independent Commissioners. All members of the Board of Commissioner domiciled in the working scope of Bank Mandiri's Head Office.

No.	Name	Designation
1.	Wimboh Santoso	President Commissioner
2.	Imam Apriyanto Putro	Vice President Commissioner
3.	Abdul Aziz*	Independent Commissioner
4.	Aviliani *	Independent Commissioner
5.	Askolani	Commissioner
6.	Goei Siau Hong	Independent Commissioner
7.	Bangun Sarwito Kusmulyono	Independent Commissioner
8.	Ardan Adiperdana	Commissioner

#### Remarks:

\*Served until 14 March 2017. He was cordially dismissed as member of the Board of Commissioner of Bank Mandiri pursuant to the resolution of 2017 AGMS dated 14 March 2017.

#### Number and Composition of Board of Commissioner of the Company After AGMS Dated 14 March 2017

After the AGMS dated 14 March 2017, the Board of Commissioner consisted of 8 (eight) Commissioners - 1 (one) President Commissioner, 1 (one) Vice President Commissioner, 2 (two) Commissioners, and 4 (four) Independent Commissioners. All members of the Board of Commissioner domiciled in the working scope of Bank Mandiri's Head Office.

No.	Name	Designation
1.	Wimboh Santoso	President Commissioner
2.	Imam Apriyanto Putro	Vice President Commissioner
3.	Askolani	Commissioner
4.	Goei Siau Hong	Independent Commissioner
5.	Bangun Sarwito Kusmulyono	Independent Commissioner
6.	Ardan Adiperdana	Commissioner
7.	Makmur Keliat*	Independent Commissioner
8.	Destry Damayanti**	Independent Commissioner

#### Remarks:

\*A Commissioner effectively held position after receiving the approval from the FSA on the Fit and Proper Test and complying the regulations.

\*\*The nomination of Mrs Destry Damayanti as member of the Board of Commissioner of the Company at AGMS dated 14 March 2017 has been considered ineffective as she declared to still serve as member of the Board of Commissioner of Indonesia Deposit Insurance Corporation.

#### Number And Composition Of Board Of Commissioner Of The Company Before Extraordinary GMS Dated 21 August 2017

Before the EGMS dated 21 August 2017, the Board of Commissioner consisted of 7 (seven) Commissioners - 1 (one) President Commissioner, 1 (one) Vice President Commissioner, 2 (two) Commissioners, and 3 (three) Independent Commissioners. All members of the Board of Commissioner domiciled in the working scope of Bank Mandiri's Head Office.

No.	Name	Designation
1.	Wimboh Santoso*	President Commissioner
2.	Imam Apriyanto Putro	Vice President Commissioner
3.	Askolani	Commissioner
4.	Goei Siau Hong	Independent Commissioner
5.	Bangun Sarwito Kusmulyono	Independent Commissioner
6.	Ardan Adiperdana	Commissioner
7.	Makmur Keliat**	Independent Commissioner

#### Remarks:

\*The term of office for Mr Wimboh Santoso as President Commissioner of the Company ended since his appointment as the Board of Commissioner of the FSA on 20 July 2017.

\*\*The appointment of Mr Makmur Keliat was considered effective after receiving the approval from the FSA on the Fit and Proper Test and complying the regulations.

#### Number and Composition of Board of Commissioner of the Company After Extraordinary GMS dated 21 August 2017

After the EGMS dated 21 August 2017, the Board of Commissioner consisted of 8 (eight) Commissioners - 1 (one) President Commissioner, 1 (one) Vice President Commissioner, 3 (three) Commissioners, and 3 (three) Independent Commissioners. All members of the Board of Commissioner domiciled in the working scope of Bank Mandiri's Head Office.

No.	Name	Designation
1.	Hartadi A. Sarwono*	President Commissioner concurrently as Independent Commissioner
2.	Imam Apriyanto Putro	Vice President Commissioner
3.	Askolani	Commissioner
4.	Goei Siau Hong	Independent Commissioner
5.	Bangun Sarwito Kusmulyono	Independent Commissioner
6.	Ardan Adiperdana	Commissioner
7.	Makmur Keliat	Independent Commissioner
8.	R. Widyo Pramono**	Commissioner

#### Remarks:

\* Has been effective on 15 November 2017 after obtaining approval from the Authority Financial Services on the Fit and Proper Test (Fit and Proper Test).

\*\* Was effective on January 15, 2018 after obtaining approval from the Authority Financial Services on the Fit and Proper Test (Fit and Proper Test).

### Affiliate Relationship of the Board of Commissioner

The criteria for the affiliate relationship among members of the Board of Directors, Board of Commissioners, and Controlling Shareholders cover:

- Affiliations among Board of Directors members.

- Affiliations among Board of Directors members and Board of Commissioners members.
- Affiliations among Board of Directors members and Majority and/or Controlling Shareholders.
- Affiliations among Board of Commissioners members; and
- Affiliations among Board of Directors members and Majority and/or Controlling Shareholders.

The affiliate relationships among members of the Board of Directors, Board of Commissioners, and Controlling Shareholders are illustrated in the following table:

Table of Affiliate Relationship of the Board of Commissioners

Name of Commissioner	Designation	Period	Financial, Family, and Organizational Relationship													
			Financial Relationship With						Family Relationship With						Organizational Relationship With	
			Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Directors		Controlling Shareholders			
			Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Wimboh Santoso	President Commissioner	February 16, 2016 - July 20, 2017	√		√		√		√		√		√		√	
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	1 November 15, 2017 – December 31, 2017	√		√		√		√		√		√		√	
Imam Apriyanto Putro	Vice President Commissioner	June 11, 2015 - December 31, 2017	√		√		√		√		√		√		√	
Abdul Aziz	Independent Commissioner	June 25, 2015 - March 14, 2017	√		√		√		√		√		√		√	
Aviliani	Independent Commissioner	September 3, 2014 - March 14, 2017	√		√		√		√		√		√		√	
Askolani	Commissioner	September 3, 2014 - December 31, 2017	√		√		√		√		√		√		√	
Goei Siauw Hong	Independent Commissioner	June 25, 2015 - December 31, 2017	√		√		√		√		√		√		√	
Bangun Sarwito Kusmulyono	Independent Commissioner	June 25, 2015 - December 31, 2017	√		√		√		√		√		√		√	
Ardan Adiperdana	Commissioner	October 3, 2016 - December 31, 2017	√		√		√		√		√		√		√	
Makmur Keliat	Independent Commissioner	September 25, 2017 - December 31, 2017	√		√		√		√		√		√		√	
R. Widyo Pramono*	Commissioner	August 21, 2017 - December 31, 2017	√		√		√		√		√		√		√	

**Remarks:**

\*Effective as of 15 January 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

## Policy on Concurrent Positions of the Board of Commissioners and its Implementation

According to the Articles of Association, Members of the Board of Commissioners shall be prohibited from having concurrent positions as:

- a. Member of the Board of Directors at State-Owned Enterprises, Regionally-Owned Enterprises, and private enterprises.
- b. Committee of political party and/or candidate/member of the House of Representative, House of Regional Representative, Regional People's House of Representative Level I and II, and/or candidate of regional head/ vice head.
- c. Concurrent positions beyond which are admitted by the regulations.
- d. Concurrent positions that may cause a conflict of interest.

According to the Ministry of State-Owned Enterprises Regulations No PER-03/MBU/02/2015 and the Financial Service Authority Regulation No 55/POJK.03/2016 regarding the Implementation of Corporate Governance in Commercial Banks, concurrent positions of the Board of Commissioner are regulated as follows:

1. Members of the Board of Directors shall be prohibited from having concurrent positions as:
  - a. Member of the Board of Commissioners of other State-Owned Enterprises (SOE).
  - b. Member of the Board of Directors of State-Owned Enterprises, Regionally-Owned Enterprises, and Private Enterprises.

- c. Concurrent positions beyond which are admitted by the regulations.
- d. Concurrent positions that may cause a conflict of interest with respective SOE.
2. Members of the Board of Commissioners shall be prohibited from having concurrent positions as Directors, member of Board of Commissioners, or Executive Officers in:
  - a. financial institution or company, bank or non-bank.
  - b. more than 1 (one) non-financial institutions and companies domiciled in and outside of Indonesia.
3. However, the provision allows a Board of Commissioners member to serve concurrent position as:
  - a. Director, Board of Commissioners, or Executive Officer with oversight function on 1 (one) non-bank subsidiaries controlled by Bank Mandiri.
  - b. A non-independent member of the Board of Commissioners runs functional tasks of the shareholders which are legal entities in Bank's business group.
  - c. Member of the BoC in non-profit organizations.

The Members of Bank Mandiri BoC had disclosed their concurrent positions and did not serve in a concurrent position beyond which was admitted by the regulations and might cause a conflict of interest prohibited by legislations.

Concurrent position of Bank Mandiri BOC can be seen in the following table.

Table of Affiliate Relationship of the Board of Commissioners

Name	Designation	Period	Designation in Company/ Other Institution	Name of Company/
Wimboh Santoso	President Commissioner	February 16, 2016 - July 20, 2017	Director	Indonesian Banking Development Institute (IBDI/LPPI)
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	November 15, 2017 - December 31, 2017	President Director	Indonesian Banking Development Institute (IBDI/LPPI)
Imam Apriyanto Putro	Vice President Commissioner	June 11, 2015 - December 31, 2017	Secretary to Ministry	Ministry of State-Owned Enterprise
Abdul Aziz	Independent Commissioner	June 25, 2015 - March 14, 2017	-	-
Aviliani	Independent Commissioner	September 3, 2014 - March 14, 2017	Independent Commissioner	PT Dyandra Media Internasional, Tbk.
Askolani	Commissioner	September 3, 2014 - December 31, 2017	Director of General Budget	Ministry of Finance
Goei Siauw Hong	Independent Commissioner	June 25, 2015 - December 31, 2017	President Director	Gagas Prima Solusi
Bangun Sarwito Kusmulyono	Independent Commissioner	June 25, 2015 - December 31, 2017	-	-
Ardan Adiperdana	Commissioner	October 3, 2016 - December 31, 2017	Head of	Financial and Development Supervisory Agency (FDSA/BPKP)

Name	Designation	Period	Designation in Company/ Other Institution	Name of Company/
Makmur Keliat	Independent Commissioner	September 25, 2017 - December 31, 2017	Lecturer	International Relation Studies at Social and Political Science Faculty of Universitas Indonesia
		-	Commissioner	PT Kentara Indonesia International
R. Widyo Pramono*	Commissioner	Agustus 21, 2017 – Desember 31, 2017	-	-

**Remarks:**

\*Effective as of 15 January 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

### Management of the BOC's Conflict of Interest

The BOC's conflict of interest shall be managed referring to the Board of Commissioners Charter which has been set as follows:

1. Each Commissioner shall keep the information that shall be kept confidential by Bank and by legislation including policy/ internal meeting resolution of BOC and Committee under the BOC and shall not disclose any to the public without the approval of the BOC.
2. All information which has not been confirmed as information/facts or announced by the Board of Commissioners shall be kept confidential by all parties.
3. Each Commissioner is prohibited from using Bank's information for personal interest that could harm the Company directly or indirectly.
4. Each Commissioner must disclose his share ownership in the bank or in other company in accordance with Capital Market regulations.
5. Each Commissioner is prohibited to involve in decision making related to banking operations or to interfere in banking operational transactions in accordance with prevailing laws and regulations.
6. Each Commissioner is prohibited from recommending someone to become Bank Officer beyond which are admitted by prevailing laws and regulations.
7. The Board of Commissioners are forbidden to take advantage of the Company for personal, family, company or certain parties in a manner contrary to the laws and banking fairness principle.

### Stock Ownership of the Board of Commissioners

The Board of Commissioners have disclosed their stock ownership in Bank Mandiri, other banks, and other companies domiciled inside or outside the country. Share ownership of the Board of Commissioners of Bank Mandiri which reaches 5% (five percent) or more of the paid-up capital of Bank Mandiri, other banks, non-bank financial institutions and other companies domiciled at home and abroad as presented in the following table:

Table of Stock Ownership of the Board of Commissioners above 5%

Name	Designation	Period	Stock Ownership			
			Bank Mandiri	Other Banks	Non-Bank Financial Institution	Other Companies
Wimboh Santoso	President Commissioner	16 February 2016 - 20 July 2017	Nil	Nil	Nil	Nil
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	15 November 2017 – 31 December 2017	Nil	Nil	Nil	Nil
Imam Apriyanto Putro	Vice President Commissioner	11 June 2015 - 31 December 2017	Nil	Nil	Nil	Nil
Abdul Aziz	Independent Commissioner	25 June 2015 - 14 March 2017	Nil	Nil	Nil	Nil
Aviliani	Independent Commissioner	3 September 2014 - 14 March 2017	Nil	Nil	Nil	Nil
Askolani	Commissioner	3 September 2014 - 31 December 2017	Nil	Nil	Nil	Nil
Goei Siauw Hong	Independent Commissioner	25 June 2015 - 31 December 2017	Nil	Nil	Nil	Nil

Name	Designation	Period	Stock Ownership			
			Bank Mandiri	Other Banks	Non-Bank Financial Institution	Other Companies
Bangun Sarwito Kusmulyono	Independent Commissioner	25 June 2015 - 31 December 2017	Nil	Nil	Nil	Nil
Ardan Adiperdana	Commissioner	3 October 2016 - 31 December 2017	Nil	Nil	Nil	Nil
Makmur Keliat	Independent Commissioner	25 September 2017 - 31 December 2017	Nil	Nil	Nil	Nil
R. Widyo Pramono*	Commissioner	21 August 2017 - 31 December 2017	(30%)	Nil	Nil	Nil

## Remarks:

\*Effective as of 15 January 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

### Independent Commissioner

The composition of the members of the Board of Commissioners had fulfilled the provision of the Financial Services Authority Regulation Number 55/POJK.03/2016 dated 9 December 2016 on the Implementation of Good Corporate Governance for Commercial Banks.

And Circular Letter of Financial Services Authority Number 13/SEOJK.03/2017 on the Governance Implementation for Commercial Banks regulating that at least 50% (fifty percent) of the total members of the Board of Commissioners are Independent Commissioners. As per 31 December 2017, 4 (four) persons out of eight members of the Board of Commissioners have been appointed as Independent Commissioners indicating that Bank Mandiri's Independent Commissioners has reached 50% (fifty percent) as the regulation of FSA.

### Criteria for Independent Commissioner and Statement of Independent

The criteria of Independent Commissioners refer to the Financial Service Authority regulations No. 33/POJK.04/2014 dated 8 December 2014 regarding the Board of Directors and the Board of Commissioners of the Issuer or Public Company. The Independent Commissioner of Bank Mandiri shall meet the following criteria:

Criteria for Independent Commissioner	Independent Commissioner					
	Hartadi A. Sarwono	Abdul Aziz*	Aviliani*	Goei Siau Hong	Bangun Sarwito Kusmulyono	Makmur Keliat
Shall not become the person who works, has the authority over, or has responsibility to plan, lead, control, or monitor the Bank's activities in the last 6 (six) months except for reappointment as an Independent Commissioner of Public Company for the next period.	√	√	√	√	√	√
Shall not have shares either directly or indirectly in the Issuer or the Public Company.	√	√	√	√	√	√
Shall not have affiliate relationship with the Issuer or the Public Company, BOC member, BOD member, or majority shareholders of the Issuer or the Public Company.	√	√	√	√	√	√
Shall not have any business relationship either directly or indirectly in the Issuer or the Public Company.	√	√	√	√	√	√

## Remarks:

\*Serving as Independent Commissioner until 14 March 2017

Each Independent Commissioner of Bank Mandiri, namely Mr. Hartadi A. Sarwono, Mr. Abdul Aziz, Ms. Aviliani, Mr. Goei Siau Hong, Mr. Bangun Sarwito Kusmulyono, and Mr. Makmur Keliat, has made a statement of independent and submitted it to the FSA.

**SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) TBK.**

Saya yang bertanda tangan dibawah ini :

Nama : Hartadi Agus Sarwono  
 Tempat/tanggal lahir : [Redacted]  
 Alamat Domisili : [Redacted]  
 (copy KTP/SIM terlampir)  
 Telepon Rumah : [Redacted]  
 Jabatan : Komisaris Utama merangkap Komisaris Independen  
 Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
 Nomor telepon perusahaan : 021-71791565

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, hubungan kepemilikan, dan/atau hubungan keluarga dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Otoritas Jasa Keuangan yang mengatur mengenai Penerapan Tata Kelola Bagi Bank Umum.
2. Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada angka 1, maka saya bersedia melepaskan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian persyaratan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Mengetahui,  
PT Bank Mandiri (Persero) Tbk.



**Kartika Wirioatmodjo**  
Direktur Utama

Jakarta, 7 September 2017



**Hartadi Agus Sarwono**

**SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) TBK**

Saya yang bertanda tangan dibawah ini :

Nama : DR. Ir. Bangun Sarwito Kusmulyono MBA  
 Tempat/tanggal lahir : [Redacted]  
 Alamat Domisili : [Redacted]  
*(copy KTP/SIM terlampir)*  
 Nomor telepon rumah : [Redacted]  
 Jabatan : Komisaris Independen  
 Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
 Nomor telepon perusahaan : 021-52965045

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Dewan Komisaris lainnya, Direksi dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Pelaksanaan Good Corporate Governance bagi Bank Umum.
2. Apabila dikemudian hari, saya ditemukan memiliki hubungan-hubungan sebagaimana dimaksud pada butir 1 di atas, maka saya bersedia melepaskan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian persyaratan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Jakarta, 20 April 2015

Mengetahui,  
PT Bank Mandiri (Persero) Tbk



**Budi. G. Sadikin**  
Direktur Utama


**Bangun S. Kusmulyono**

**SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) TBK**

Saya yang bertanda tangan dibawah ini :

Nama : Goei Siauw Hong  
 Tempat/tanggal lahir : [Redacted]  
 Alamat Domisili : [Redacted]  
 (copy KTP/SIM terlampir)  
 Nomor telepon rumah : [Redacted]  
 Jabatan : Komisaris Independen  
 Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
 Nomor telepon perusahaan : 021-52965045

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Dewan Komisaris lainnya, Direksi dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Pelaksanaan Good Corporate Governance bagi Bank Umum.
2. Apabila dikemudian hari, saya ditemukan memiliki hubungan-hubungan sebagaimana dimaksud pada butir 1 di atas, maka saya bersedia melepaskan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian persyaratan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Mengetahui,  
PT Bank Mandiri (Persero) Tbk



**Budi G. Sadikin**  
Direktur Utama

Jakarta, 20 April 2015



**Goei Siauw Hong**

**SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) TBK.**

Saya yang bertanda tangan dibawah ini :

Nama : Makmur Keliat  
 Tempat/tanggal lahir : [Redacted]  
 Alamat Domisili : [Redacted]  
*(copy KTP/SIM terlampir)*  
 Telepon Rumah : [Redacted]  
 Jabatan : Komisaris Independen  
 Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
 Nomor telepon perusahaan : 021 - 526 5045

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, hubungan kepemilikan, dan/atau hubungan keluarga dengan anggota Direksi, anggota Dewan Komisaris lain, dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Otoritas Jasa Keuangan yang mengatur mengenai Penerapan Tata Kelola Bagi Bank Umum.
2. Apabila kemudian hari ditemukan bahwa saya memiliki hubungan sebagaimana dimaksud pada angka 1, maka saya bersedia melepaskan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian persyaratan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Mengetahui,  
PT Bank Mandiri (Persero) Tbk.



**Kartika Wirioatmodjo**  
Direktur Utama

Jakarta, 14 Agustus 2017



**Makmur Keliat**

**SURAT PERNYATAAN INDEPENDEN  
PT BANK MANDIRI (PERSERO) TBK**

Saya yang bertanda tangan dibawah ini :

Nama : Abdul Aziz  
 Tempat/tanggal lahir : [REDACTED]  
 Alamat Domisili : [REDACTED]  
*(copy KTP/SIM terlampir)*  
 Nomor telepon rumah : [REDACTED]  
 Jabatan : Komisaris Independen  
 Nama Perusahaan : PT Bank Mandiri (Persero) Tbk.  
 Nomor telepon perusahaan : 021-52965045

Dengan ini menyatakan bahwa saya :

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Dewan Komisaris lainnya, Direksi dan/atau Pemegang Saham Pengendali atau hubungan dengan Bank, yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Pelaksanaan Good Corporate Governance bagi Bank Umum.
2. Apabila dikemudian hari, saya ditemukan memiliki hubungan-hubungan sebagaimana dimaksud pada butir 1 di atas, maka saya bersedia melepaskan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian persyaratan independensi saya, yang telah saya buat dengan sebenar-benarnya.

Mengetahui,  
PT Bank Mandiri (Persero) Tbk



**Budi. G. Sadikin**  
Direktur Utama

Jakarta, 20 April 2015



**Abdul Aziz**

## SURAT PERNYATAAN

Yang bertanda tangan di bawah ini:

**Nama** : Aviliani  
**Identitas** : [REDACTED]  
**Alamat Rumah** : [REDACTED]  
**No. telp Rumah** : [REDACTED]  
**Jabatan** : Komisaris Independen  
**Nama Perusahaan** : PT Bank Mandiri Tbk

Dengan ini menyatakan bahwa saya:

1. Tidak memiliki hubungan keuangan, hubungan kepengurusan, kepemilikan, dan/atau hubungan keluarga dengan Anggota Dewan Komisaris lainnya Direksi dan/atau Pemegang Saham Pengendali, atau hubungan dengan Bank yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan pelaksanaan *Good Corporate Governance* bagi Bank Umum;
2. Apabila di kemudian hari, saya ditemukan memiliki hubungan-hubungan sebagaimana dimaksud pada butir 1 diatas, maka saya bersedia melepaskan jabatan Dewan Komisaris Independen saya dan bersedia untuk diganti

Demikian pernyataan independensi saya, yang telah saya buat dengan sebenar-benarnya

Mengetahui,  
PT Bank Mandiri (Persero) Tbk.

Jakarta, 21 Mei 2014



**Budi G. Sadikin**  
Direktur Utama



**Aviliani**  
Komisaris Independen

## Board of Commissioners Meeting

As set forth in the Financial Service Authority regulation No. 55/POJK.03/2016 regarding the Implementation of Corporate Governance for Commercial Bank and the Articles of Association of the Company, the Board of Commissioners shall convene a BOC meeting at least 1 (one) time in 2 (two) months and convene meetings with the Board of Directors periodically at least 1 (one) time in 4 (four) months.

The President Commissioner shall chair the Meeting of the Board of Commissioners and in case of his/her absence, it can be performed by the Vice President Commissioner, and if the Vice President Commissioner is unable to do so, it can be performed by a member of the Board of Commissioners. Meetings are valid and entitled to take binding decisions when attended or represented by more than 2/3 (two thirds) of the total members of the Board of Commissioners. The material of the meeting shall be conveyed to all meeting participants 5 (five) working days prior to the meeting. All decisions in the meeting are taken by deliberation for consensus, if there is no deliberation for consensus, then the decision of the meeting is taken with the most votes. All decisions of the meeting are binding on all members of the Board of Commissioners.

### Agenda, Date, and Participants of the BOC Meeting

The BOC Meeting comprises:

1. The internal meeting of the BOC and/or with the attendance of Directors in related field.
2. The Joint Meeting of BOC and BOD (RAKOMDIR) in which the BOC and the BOD held meeting together.

### Meeting of the BOCs

In 2017, the agenda, date, and participants of the BOC Meeting are presented as follows

Table of Meetings of the Board of Commissioners

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Present	Reason for Not Present
1.	Wednesday, 11 January 2017	<ol style="list-style-type: none"> <li>1. The 2016 Audit Report and Corrective Action Plan.</li> <li>2. The 2017 Action Plan</li> </ol>	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Absent	Permission
			Abdul Aziz	Present	
			Aviliani	Present	
			Askolani	Present (authorized to other BoC)	
			Goei Siauw Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
2.	Monday, 23 January 2017	Discussion on Schedule and Agenda of 2017 GMS	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present (authorized to other BoC)	
			Abdul Aziz	Present	
			Aviliani	Present	
			Askolani	Not Attending	Permission
			Goei Siauw Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Present	Reason for Not Present
3.	Wednesday, 01 February 2017	1. Organizational Changes in Commercial, Corporate, Wholesale Risk, Retail Risk, and Risk Management and Compliance. 2. Proposed provision of New Credit Facility for Related Party. 3. Miscellaneous	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present	
			Abdul Aziz	Present	
			Aviliani	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
4.	Wednesday, 22 February 2017	1. Approval of Extension of Credit Facility Validity Period and Addition in Credit Facilities for Related party. 2. Determination of members of the Board of Commissioners appointed as Chairman of Annual GMS	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present	
			Abdul Aziz	Present	
			Aviliani	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
5.	Wednesday, 28 February 2017	Approval of the BOC of Proposed Adjustment for Organizational Structure for Implementing the 2020 Long-Term Plan (Re-Start Corplan).	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present (authorized to other BoC)	
			Abdul Aziz	Present	
			Aviliani	Present	
			Askolani	Present (authorized to other BoC)	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
6.	Wednesday, 8 March 2017	1. The appointment of Public Accountant Firm (KAP) Mandiri DPLK Year 2016 2. The approval of Public Accountant Firm (KAP) Mandiri DPLK in Fiscal Year 2016 3. Approval of Plafond Addition in KMK Facilities to Related Party.	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present	
			Abdul Aziz	Present	
			Aviliani	Present	
			Askolani	Not Attending	Permission
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
7.	Wednesday, 22 March 2017	Discussion on Composition of Committee Members.	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Not Attending	Permission
			Askolani	Not Attending	Permission
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Present	Reason for Not Present
8.	Wednesday, 22 March 2017	1. Approval of Credit Facility. 2. Approval of Determination of Purwanto, Sungkoro & Surja Public Accounting Firm's honorarium 3. Approval of the Appointment of Mandiri DPLK Public Accountant Firm (KAP).	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Not Present	Permission
			Askolani	Present (authorized to other BoC)	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
9.	Wednesday, 5 April 2017	1. Approval of Extension of the Term and the Addition of Limit of Joint Financing Cooperation. 2. Approval of Capital Additions.	Wimboh Santoso	Absent	
			Imam Apriyanto Putro	Present (authorized to other BoC)	
			Askolani	Present	Permission
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
10.	Monday, 10 April 2017	Approval.	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
11.	Thursday, 27 April 2017	Approval of Adjustment on Organizational Structure of Transitioning Head Office (before Emergency GMS).	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present (authorized to other BoC)	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
12.	Wednesday, 3 May 2017	Approval of Bank Mandiri Benefit Pension One to Four Year 2017.	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present (authorized to other BoC)	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
13.	Wednesday, 10 May 2017	Approval of Credit Facility.	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Present	Reason for Not Present
14.	Wednesday, 14 June 2017	1. Approval of Working Capital Credit Facilities Injection for Related Party. 2. Approval of Revision of 2017 RKAP and RBB (2017-2019) of PT Bank Mandiri (Persero) Tbk.	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present (authorized to other BoC)	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Attending	
15.	Thursday, 22 June 2017	Approval of 2017 Remuneration and 2016 Performance Tantiem of the BOD and the BOC of Bank Mandiri in accordance with the Ministry of SOE Letter No. S-17/D5.MBU/06/2017 dated 21 June 2017.	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Not Attending	Permission
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
16.	Wednesday, 19 July 2017	Approval.	Wimboh Santoso	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
17.	Wednesday, 26 July 2017	1. Approval of Credit Facility under the name of PT Mandiri Sekuritas and Credit Line Facility Extension. 2. Approval of Stock Split of PT Bank Mandiri on 21 August 2017. 3. Determination of members of the Board of Commissioners appointed as Chairman of Bank Mandiri's EGMS dated 21 August 2017.	Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
18.	Wednesday, 2 August 2017	1. Approval of Period Extension, KMK & KI, and KI limit decrease for Related Party. 2. Approval. 3. Update on Vulcan Project	Imam Apriyanto Putro	Present	
			Askolani	Present (authorized to other BoC)	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
19.	Wednesday, 9 August 2017	Request of Support for Proposed Acquisition.	Imam Apriyanto Putro	Present	
			Askolani	Not Attending	Permission
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Present	Reason for Not Present
20.	Wednesday, 16 August 2017	Approval of Investment Credit Facilities for Related Party.	Imam Apriyanto Putro	Not Present	Permission
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
21.	Wednesday, 30 August 2017	Approval of Branches Establishment in Malaysia	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
22.	Wednesday, 06 September 2017	1. Approval of Credit Facility. 2. Update on the Plan for Establishment of Banking and Financial Service Holding SOE.	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
23.	Wednesday, 13 September 2017	1. Approval of Adjustment on Organizational Structure of Transitioning Head Office (after EGMS) 2. Approval. 3. Approval of Credit Facility. 4. Approval of Approval of The Company's Articles of Association Change which must be approved by the BOC and A Series Dwiwarna Shareholders.	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present (authorized to other BoC)	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
24.	Wednesday, 27 September 2017	Approval of Credit Line Facility Extension.	Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Present	Reason for Not Present
25.	Wednesday, 25 October 2017	Approval of Validity Period Extension and Credit Facility Addition.	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
26.	Rabu, 25 Oktober 2017	Approval of Extension of the Term and Addition of Credit Facility.	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
27.	Rabu, 1 November 2017	<ol style="list-style-type: none"> <li>1. Interview of Audit Committee Member Candidate.</li> <li>2. Approval of Credit Facility, and Approval of Issuing New Limit.</li> </ol>	Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
R. Widyo Pramono	Present				
28.	Rabu, 15 Nov 2017	<ol style="list-style-type: none"> <li>1. Approval of Extension and Additional Working Capital Loan Facility to Related Party.</li> <li>2. Approval of Addition of Budget Ceiling Remove Book 2017.</li> <li>3. Update results of meetings with the Ministry of SOEs and Himbara related Criteria of the act of Directors in the Articles of Association of Bank Mandiri.</li> </ol>	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
29.	Rabu, 22 Nov 2017	Approval of Proposed RKAP 2018 and Bank Business Plan 2018 - 2020 PT Bank Mandiri (Persero) Tbk.	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present (authorized to other BoC)	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			MakmurKeliat	Present	
			R. Widyo Pramono	Present	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Present	Reason for Not Present
30.	Rabu, 29 Nov 2017	Determination of Audit Committee Members PT Bank Mandiri (Persero) Tbk.	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Not Present	Permission
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
31.	Rabu, 06 Des 2017	<ol style="list-style-type: none"> <li>Update Progress Holding Banking.</li> <li>Approval of the Change of Availability Period and Grace Period.</li> <li>Approval of Additional Limit with Amendment to Terms and Extension of the Term of Commercial Line Facilities.</li> </ol>	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
32.	Rabu, 13 Des 2017	<ol style="list-style-type: none"> <li>Approval of Proposed Recovery Plan of Bank Mandiri</li> <li>Approval of Abandoned Property Settlement Through Auction Sales and / or Optimization Through Cooperation with Business Entities / Other Parties.</li> </ol>	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Not Present	Permission
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	
33.	Rabu, 20 Des 2017	Approval of the Proposed Facility.	Hartadi A. Sarwono	Present	
			Imam Apriyanto Putro	Present (authorized to other BoC)	
			Askolani	Present	
			Goei Siau Hong	Present	
			Bangun Sarwito Kusmulyono	Present	
			Ardan Adiperdana	Present	
			Makmur Keliat	Present	
			R. Widyo Pramono	Present	

### Joint Meeting of the Board of Commissioners and the Board of Directors

Throughout 2017, the agenda, date, and participants of Joint Meeting of the BOC and the BOD are presented as follows.

Table of BOC Joint Meeting

No.	Meeting Date	Meeting Agenda	Meeting Participants – The Board of Commissioners	Present/Not Present	Remarks	Board of Directors Meeting Participants	Present/Not Present	Remarks
1.	Tuesday, 24 January 2017	1. Financial and Performance Statement December 2016 2. Proposed Agenda of 2017 GMS	Wimboh Santoso	Present		Kartika Wirjoatmodjo	Present	
						Sulaiman Arief	Present	
			Imam Apriyanto Putro	Present		Ogi Prastomiyono	Present	
			Abdul Aziz	Present		Pahala N. Mansury	Present	
			Aviliani	Present		Royke Tumilaar	Present	
			Askolani	Not Attending	Permission	Hery Gunardi	Present	
			Goei Siau Hong	Present		Tardi	Present	
						Ahmad Siddik Badruddin	Present	
2.	Wednesday, 22 March 2017	Financial and Performance Statement February 2017	Bangun Sarwito Kusmulyono	Present		Kartini Sally	Present	
			Ardan Adiperdana	Not Attending	Permission	Rico Usthavia Frans	Present	
			Wimboh Santoso	Present		Kartika Wirjoatmodjo	Present	
			Imam Apriyanto Putro	Present		Sulaiman Arief	Present	
			Askolani	Present		Ogi Prastomiyono	Present	
			Goei Siau Hong	Present		Pahala N. Mansury	Present	
			Bangun Sarwito Kusmulyono	Present		Royke Tumilaar	Present	
						Hery Gunardi	Present	
3.	Wednesday, 24 May 2017	Financial and Performance Report April 2017	Ardan Adiperdana	Not Attending	Permission	Tardi	Present	
			Makmur Keliat	Present		Ahmad Siddik Badruddin	Present	
			Wimboh Santoso	Not Attending	Permission	Kartika Wirjoatmodjo	Present	
						Sulaiman Arief	Present	
			Imam Apriyanto Putro	Present		Ogi Prastomiyono	Present	
						Royke Tumilaar	Present	
			Askolani	Not Attending	Permission	Hery Gunardi	Present	
			Goei Siau Hong	Present		Tardi	Present	
Bangun Sarwito Kusmulyono	Present		Ahmad Siddik Badruddin	Present				
Ardan Adiperdana	Present		Kartini Sally	Present				
Makmur Keliat	Present		Rico Usthavia Frans	Present				

No.	Meeting Date	Meeting Agenda	Meeting Participants – The Board of Commissioners	Present/Not Present	Remarks	Board of Directors Meeting Participants	Present/Not Present	Remarks
4.	Wednesday, 21 June 2017	Financial and Performance Reports May 2017	Wimboh Santoso	Present		Kartika Wirjoatmodjo	Present	
			Imam Apriyanto Putro	Present		Sulaiman A. Arianto	Present	
			Askolani	Present		Ogi Prastomiyono	Present	
			Goei Siau Hong	Not Attending	Permission	Royke Tumilaar	Present	
			Bangun Sarwito Kusmulyono	Present		Hery Gunardi	Present	
			Ardan Adiperdana	Present		Tardi	Present	
			Makmur Keliat	Present		Ahmad Siddik Badruddin	Present	
						Kartini Sally	Present	
Rico Usthavia Frans	Present							
Agus Dwi Handaya	Present							
5.	Wednesday, 23 August 2017	Financial and Performance Report July 2017	Imam Apriyanto Putro	Present		Kartika Wirjoatmodjo	Present	
			Askolani	Present		Sulaiman A. Arianto	Present	
			Goei Siau Hong	Present		Ogi Prastomiyono	Present	
			Bangun Sarwito Kusmulyono	Present		Royke Tumilaar	Present	
			Ardan Adiperdana	Present		Hery Gunardi	Present	
			Makmur Keliat*	Present		Tardi	Present	
						Ahmad Siddik Badruddin	Present	
						Kartini Sally	Present	
Rico Usthavia Frans	Present							
6.	Wednesday, 25 October 2017	Financial and Performance Report September 2017	Hartadi A. Sarwono	Present		Kartika Wirjoatmodjo	Present	
			Imam Apriyanto Putro	Present		Sulaiman A. Arianto	Present	
						Ogi Prastomiyono	Present	
			Askolani	Present		Royke Tumilaar	Present	
			Goei Siau Hong	Present		Hery Gunardi	Present	
			Bangun Sarwito Kusmulyono	Present		Tardi	Present	
			Ardan Adiperdana	Present		Ahmad Siddik Badruddin	Present	
			Makmur Keliat	Present		Kartini Sally	Present	
R. Widyo Pramono*	Present		Rico Usthavia Frans	Present				
			Darmawan Junaidi	Present				

No.	Meeting Date	Meeting Agenda	Meeting Participants - The Board of Commissioners	Present/Not Present	Remarks	Board of Directors Meeting Participants	Present/Not Present	Remarks
7.	Wednesday, 22 Nov 2017	Financial and Performance Report October 2017	Hartadi A. Sarwono	Present		Kartika Wirjoatmodjo	Present	
						Sulaiman A. Arianto	Present	
			Imam Apriyanto Putro	Present		Ogi Prastomiyono	Present	
			Askolani	Not Attending	Permission	Royke Tumilaar	Present	
			Goei Siauw Hong	Present		Hery Gunardi	Present	
			Bangun Sarwito Kusmulyono	Not Attending	Permission	Ahmad Siddik Badruddin	Present	
			Ardan Adiperdana	Present		Kartini Sally	Present	
			Makmur Keliat	Present		Rico Usthavia Frans	Present	
			R. Widyo Pramono	Present		Darmawan Junaidi	Present	
8.	Wednesday, 20 Des 2017	Financial and Performance Reports November 2017	Hartadi A. Sarwono	Present		Kartika Wirjoatmodjo	Present	
						Sulaiman A. Arianto	Present	
			Imam Apriyanto Putro	Not Attending	Permission	Ogi Prastomiyono	Present	
			Askolani	Present		Royke Tumilaar	Present	
			Goei Siauw Hong	Present		Hery Gunardi	Present	
			Bangun Sarwito Kusmulyono	Not Attending	Permission	Tardi	Present	
			Ardan Adiperdana	Present		Ahmad Siddik Badruddin	Present	
			Makmur Keliat	Present		Kartini Sally	Present	
			R. Widyo Pramono	Present		Darmawan Junaidi	Present	

### Meeting Frequency and Attendance

The frequency and attendance of BOC meeting and Joint meeting of the BOD and the BOC are explained below.

Table of Frequency and Attendance of BOC Meeting

Name	Designation	Period	Meeting of The BOC			Joint Meeting of The BOC and The BOD		
			Number and (%) of Attendance			Number and (%) of Attendance		
			Number of Meetings	Number of Attendance	Percentage	Number of Meeting	Number of Attendance	Percentage
Wimboh Santoso	President Commissioner	16 February 2016 - 20 July 2017	15	15	100%	5	4	80%
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	15 November 2017 - 31 December 2017	6	6	100%	2	2	100%
Imam Apriyanto Putro	Vice President Commissioner	June 11, 2015 - December 31, 2017	27	17	82%	10	8	80%
Abdul Aziz	Independent Commissioner	June 25, 2015 - March 14, 2017	6	6	100%	1	1	100%

Name	Designation	Period	Meeting of The BOC			Joint Meeting of The BOC and The BOD		
			Number and (%) of Attendance			Number and (%) of Attendance		
			Number of Meetings	Number of Attendance	Percentage	Number of Meeting	Number of Attendance	Percentage
Aviliani	Independent Commissioner	September 3, 2014 - March 14, 2017	6	6	100%	1	1	100%
Askolani	Commissioner	September 3, 2014 - December 31, 2017	33	28	85%	10	8	80%
Goei Siau Hong	Independent Commissioner	June 25, 2015 - December 31, 2017	33	33	100%	10	9	90%
Bangun Sarwito Kusmulyono	Independent Commissioner	June 25, 2015 - December 31, 2017	33	33	100%	10	9	90%
Ardan Adiperdana	Commissioner	October 3, 2016 - December 31, 2017	33	33	100%	10	8	80%
Makmur Keliat	Independent Commissioner	September 25, 2017 - December 31, 2017	10	10	100%	4	4	100%
R. Widyo Pramono*	Commissioner	21 August 2017 - 31 December 2017	13	13	100%	4	4	100%

**Remarks:**

\*Effective as of 15 January 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

### Competence Development for the Board of Commissioners

Throughout 2017, the Board of Commissioners members of the Company have participated in various competence development programs including training, workshop, conference, and seminar as explained in the following table:

Table of Competence Development of the BOC

Name	Designation	Period	Development Materials Competence/ Training	Time and Venue Implementation	Type of Training and Organizer
Wimboh Santoso	President Commissioner	16 February 2016 - 20 July 2017	Executive Training	29 March -1 April 2017, New York - USA	Columbia Executive Education
			The Leadership Forum	21-22 April 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	15 November 2017 – 31 December 2017	International Risk Management Refreshment Programs for Executive	29 October – 05 November 2017, Spanyol	IBI MMUGM
Imam Apriyanto Putro	Vice President Commissioner	11 June 2015 – 31 December 2017	The Leadership Forum	21-22 April 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk
Abdul Aziz	Independent Commissioner	25 June 2015 – 14 March 2017	-	-	-
Aviliani	Independent Commissioner	03 September 2014 – 14 March 2017	-	-	-
Askolani	Commissioner	3 September 2014 – 31 December 2017	The Leadership Forum	21-22 April 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk
Goei Siau Hong	Independent Commissioner	25 June 2015 – 31 December 2017	Integrated Risk Management: SOUND PRACTICES IN ICAAP IMPLEMENTATION: "How to Pinpoint the Weak Spots in the Business Strategic Plan and Risk Management"	17-19 October 2017, Prague and Vienna	BARa Risk Program
			The Leadership Forum	21-22 April 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk

Name	Designation	Period	Development Materials Competence/ Training	Time and Venue Implementation	Type of Training and Organizer
Bangun Sarwito Kusmulyono	Independent Commissioner	25 June 2015 – 31 December 2017	Asean Global Leadership Program	11-15 September 2017, United Kingdom	University of Cambridge Judge Business School dan SRW&Co
			The Leadership Forum	21-22 April 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk
Ardan Adiperdana	Commissioner	3 October 2016 – 31 December 2017	The Leadership Forum	21-22 April 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk
			Policies of Anti-Money Laundering and Combating the Financing of Terrorism (AML and CFT) as well as Customer Protection in Banking Sector	07 December 2017, Jakarta	Forum Komunikasi Director Kepatuhan Perbankan (FKDKP)
Makmur Keliat	Independent Commissioner	25 September 2017 – 31 December 2017	The Leadership Forum	21-22 April 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk
			Risk Management Certification Level 1 for Commissioner	25 April 2017, Jakarta	Sertifikasi- LSPP
			Risk Management Certification Level 2 Commissioner	12 May 2017, Jakarta	Sertifikasi- LSPP
			Policies of Anti-Money Laundering and Combating	7 December 2017, Jakarta	Seminar
R. Widyo Pramono*	Commissioner	21 August 2017 – 31 December 2017	the Financing of Terrorism (AML and CFT) as well as Customer Protection in Banking Sector	20 September 2017, Jakarta	Sertifikasi- LSPP
			International Risk Management Refreshment Programs for ExeTaking a leaveves	29 October – 05 November 2017, Spanyol	IBI MMUGM
			Policies of Anti-Money Laundering and Combating	7 December 2017, Jakarta	Seminar

**Remarks:**

\*Effective as of 15 January 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

### Risk Management Certification

In addition to the above competence development programs, the Board of Commissioners have also participated in Risk Management Certification. In 2017, the following members of the BOC have successfully passed the Risk Management Certification.

- Mr. Makmur Keliat (Independent Commissioner)
  - Risk Management Certificate Level 1 Commissioner : On 25 April 2017
  - Risk Management Certificate Level 2 Commissioner : On 12 May 2017
- Mr. Widyo Pramono (Commissioner)
  - Certificate Level 1 Commissioner : on 20 September 2017

Name	Designation	Period	Institutions issuing the certificate	Level	Field/Area	Certificate Date of Issue Expiry Date	Tanggal Kadaluarasa
Wimboh Santoso	President Commissioner	16 February 2016 - 20 July 2017	National Professional Certification Agency / LSP	Level 1	Risk Management	15 January 2016	15 January 2020
Hartadi A. Sarwono	President Commissioner concurrently as Independent Commissioner	15 November 2017 – 31 December 2017	National Professional Certification Agency / LSP	Level 1	Risk Management	16 February 2016	16 February 2020
			Risk Management Certification Institution (BSMR)	Level 2	Risk Management	29 March 2016	29 March 2020
			Indonesian Bankers Association (IBI) and Master of Management UGM (MMUGM)	Refreshment	Intensive Wealth Management and Risk Management Refreshment Programs for ExeTaking a leaveves	26 August 2017	26 August 2019
			Indonesian Bankers Association (IBI) and Master of Management UGM (MMUGM)	Refreshment	International Risk Management Refreshment Programs for ExeTaking a leaveves in Spain	4 November 2017	4 November 2019
Imam Apriyanto Putro	Vice President Commissioner	11 June 2015 – 31 December 2017	Risk Management Certification Institution (BSMR)	Level 1	Risk Management	11 April 2015	11 April 2019
Abdul Aziz	Independent Commissioner	25 June 2015 – 14 March 2017	National Professional Certification Agency / LSP	Level 1	Risk Management	11 May 2013	11 April 2019
			National Professional Certification Agency / LSP	Level 2	Risk Management	11 April 2015	11 april 2019
			Bara Risk Forum	Refreshment	Refreshment: Revisit Enterprise Risk Management and Learning Best Practices of Credit Risk Management in Bandung	1-2 December 2016	30 November 2018
			National Professional Certification Agency / LSP	Level 2	Banking Risk Management	11 April 2015	24 June 2018
Aviliani	Independent Commissioner		Bank Indonesia	Level 2	Risk Management Training for Bank Commissioner	10 August 2005	10 August 2007
			Risk Management Certification Institution (BSMR)	Refreshment	Risk management in Retail Banking	22-25 February 2010	22-25 February 2012
			Bara Risk Forum	Refreshment	Seminar Senior Management Risk Summit 2010' Leadership for Sustainable Risk Management Framework	9 July 2010	9 July 2012
			Bara Risk Forum	Refreshment	Seminar Program Implement Best Practice Risk Management as a tool to mitigate systemic, Risk, and Support Nation Financial Stability	29 December 2011	29 December 2013

Name	Designation	Period	Institutions issuing the certificate	Level	Field/Area	Certificate Date of Issue Expiry Date	Tanggal Kadaluausa
			Bara Risk Forum	Refreshment	Bara Risk Forum: Enhancing Bank Strategy and Performance, Implanting BCM and Fraud Prevention Process	18 May 2012	18 May 2014
			Bara Risk Forum	Refreshment	Refreshment "How ICAAP and Fraud Prevention Implementation add Value to The Bank"	8 June 2013	8 June 2015
			Bara Risk Forum	Refreshment	Refreshment "Growing With Confidence : The Role of Enterprise Risk Management in Driving a Winning Strategy"	1 October 2013	1 October 2015
			Bara Risk Forum	Refreshment Level	Risk Management Certification Refreshment Program – Moscow	15 September 2014	15 September 2014
			National Professional Certification Agency / LSPP	Assessor Competence	Banking Risk Management	3 November 2014	3 November 2017
			BARa Risk Forum	Refreshment	Refreshment "Enhancing The Power of Enterprise Risk Management in Creating A Sound Bank and Financial Risk Integration in Stockholm 19 -21 September 2016	21 September 2016	21 September 2018
			IBI LSPP	Refreshment	Refreshment " Seminar Facing Global Challenges for Better Economic Growth in 2017, Managing Compliance Risk While Controlling Cost"	9 December 2016	9 December 2018
Askolani	Commissioner	03 September 2014 – 31 December 2017	National Professional Certification Agency / LSPP	Level 1	Banking Risk Management	24 June 2014	24 June 2018
Goei Siauw Hong	Commissioner Independen	25 June 2015 – 31 December 2017	National Professional Certification Agency / LSPP	Level 1	Banking Risk Management	11 April 2015	11 April 2019
			National Professional Certification Agency / LSPP	Level 2	Banking Risk Management	17 April 2015	17 April 2019

Name	Designation	Period	Institutions issuing the certificate	Level	Field/Area	Certificate Date of Issue Expiry Date	Tanggal Kadaluaarsa
Bangun Sarwito Kusmulyono	Commissioner Independen	25 June 2015 – 31 December 2017	National Professional Certification Agency / LSP	Level 2	Banking Risk Management	13 December 2016	16 December 2020
			National Professional Certification Agency / LSP	Refreshment	Refreshment : Managing Risk for a Healthy Credit Portfolio	16 November 2016	16 November 2018
			Risk Management Certification Institution	Refreshment	Risk Management Certification Refresher Course	14-15 May 2014	14-15 May 2016
			Risk Management Certification Institution	Refreshment	Risk management in Retail Banking	22-25 February 2010	22-25 February 2012
			Risk Management Certification Institution	Refreshment	Refreshment Program: Risk Management Certification	23 May 2008	23 May 2010
			Bank Indonesia	-	Risk Management Training for Bank Commissioner	10 August 2005	10 August 2007
Ardan Adiperdana	Commissioner	03 October 2016 – 31 December 2017	National Professional Certification Agency / LSP	Level 1 Commissioner	Risk Management	30 July 2016	30 July 2020
Makmur Keliat	Independent Commissioner	25 September 2017 – 31 December 2017	National Professional Certification Agency / LSP	Level 2 Commissioner	Risk Management	12 May 2017	12 May 2021
			National Professional Certification Agency / LSP	Level 1 Commissioner	Risk Management	25 April 2017	25 April 2021
R. Widyo Pramono*	Commissioner	21 August 2017 – 31 December 2017	National Professional Certification Agency / LSP	Level 1 Commissioner	Risk Management	20 September 2017	20 September 2021

**Remarks:**

\*Effective as of 15 January 2018 after successfully obtaining approval and passing the Fit and Proper Test administered by the Financial Services Authority.

### Policy and Remuneration of the Board of Commissioners

Remuneration for the Board of Commissioners refers to the Minister of State Owned Enterprises Regulations No. PER-02/MBU/06/2016 dated 20 June 2016 regarding Amendment to the Regulation of the Minister of State Owned Enterprise No. PER-04/MBU/2014 regarding Guidelines to Determine Income of Board of Directors, Board of Commissioners and Supervisory Board of State Owned Enterprise. Remuneration policy for the BOD and BOC is formulated by considering various aspects including short term and long term liquidity needs, strengthening the Bank's capital adequacy, financial stability, creating effectiveness of risk management and earnings potential in the future. Bank Mandiri focuses on prudent principles in providing both Fixed Remuneration and Variable-Dependent Remuneration.

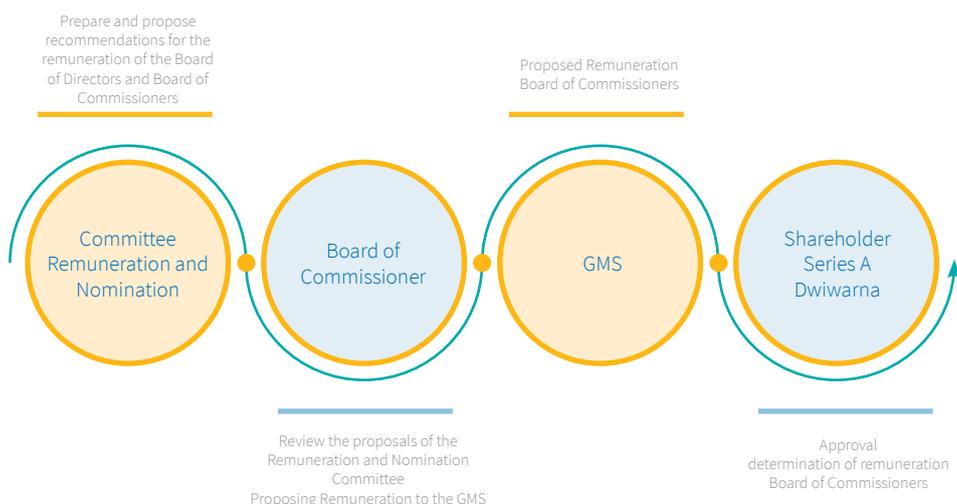
The remuneration determination of the Board of Commissioners also referred to the Financial Services Authority Regulation No.45/POJK.03/2015 on the Implementation of Good Corporate Governance in Remuneration for Commercial Banks, Bank Mandiri implemented Good Corporate Governance in Remuneration that had considered various aspects including the financial stability of banks, creation of risk management, short-term and long-term liquidity requirements, and potential future revenues. The Company might postpone the variable suspended remuneration (Malus) or withdraw the variable remuneration that had already been paid (Clawback) to the official classified as Material Risk Taker (MRT), subject to the following conditions:

1. The Company implemented Malus and/or Clawback for certain special conditions in the implementation of variable, remuneration by considering factors, among others:

- The amount of financial and non-financial losses of the Company.
  - The involvement of the employees concerned directly or indirectly in the losses incurred.
2. The variable remuneration shall be deferred to a certain percentage determined by the Company.
  3. This policy applied to officials classified as MRT, with the following criteria:
    - Causing financial and non-financial losses of the bank.
    - Performing fraud, law violation, unethical behavior, and/or falsification of records.
    - Violating bank policies, rules and procedures intentionally.
    - Causing significantly negative impacts on bank capital that are not caused by changes in the economic or industrial climate.
  4. In the implementation of MRT remuneration, Bank Mandiri adhered to the provision of OJK, SOE Regulation, and remuneration policy of the Company.

### The Procedures of Remuneration Determination

GMS decides the determination of remuneration for the Board of Directors with the basic formula mechanism set by the General Meeting of Shareholders is reviewed beforehand and then followed by the amount of remuneration which is suggested by the Board of Commissioners in collaboration with the Remuneration and Nomination Committee for conducting in-depth examination. In terms of allowances and other facilities as well as post-service allowance for the Board of Commissioners, the Nomination and Remuneration Committee will consult with the Minister of SOEs, as the holder of the Series A Dwiwarna share.



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

The structure of the Board of Commissioners' remuneration is as follows.

Table of Remuneration Structure of the BOC

No.	Type of Income	Regulation
1.	Honorarium	Amount of Position Factor President Commissioner 50% of President Director Chief Deputy Commissioner 47.5% Commissioner 45%
2.	Company's Strategic Initiative	
	Religious Holiday Allowance	1 (one) time of honorarium
	Communication Allowance	Not eligible
	Transportation Allowance	20% of honorarium
	Annual Leave Allowance	Not eligible
	Post-Employment Benefit	Insurance Premium not exceeding 25% of honorarium
	Suit Allowance	Eligible for any special occasion that need special suit

No.	Type of Income	Regulation
3.	Employees' Strategic Plan	
	Company Vehicle Facility	Transportation allowance 20% of honorarium
	Medical Facility	Medical reimbursement pursuant to Internal Policy KEP. KOM/003/2014
	Professional Collector Facility	Maximum two memberships for registration and annual fee only
	Legal Council Facility	As needed, regulated in KEP. KOM/003/2014

### Indicators For Determination of the BOC's Remuneration

The indicators for determining remuneration of members of the Board of Commissioners are as follows:

1. Key Performance Indicator (KPI)
2. Performance of the Company
3. Business Size
4. Remuneration Benchmarking of Banking Industry
5. Goals and Long-Term Plans of the Bank

### Nominal Amount/Remuneration Component of the Board of Commissioners

The disclosure of remuneration component of the BOC and the BOD is pursuant to the Financial Service Authority Circular Letter No.40/SEOJK.03/2016 regarding the Implementation of Corporate Governance in terms of Remuneration of Commercial Bank.

Table of Nominal Amount/Remuneration Component of the BOC

Amount of Remuneration and Other Facilities	Total Amount in 1 Year	
	Persons	In Million Rupiah
<b>ReRemuneration</b>		
Salary	12	16,624
Residence Allowance	-	-
Transportation Allowance	9	2,029
Religious Holiday Allowance	7	1,267
Tentem	9	60,937
<b>Fasilitas lain dalam bentuk Natura</b>		
Residence (cannot be owned)	-	-
Transportation (cannot be possessed)	-	-
Post-employment insurance (can be owned)	7	2,374
Medical (cannot be possessed)	11	318

Remarks: Including members who no longer served as the BOC in 2017

Total remuneration in one year is grouped and presented in the following table.

Table of Group of Total Remuneration of the BOC

Total Remuneration	Total Commissioner
Above Rp2 Billion	9
Above Rp1 Billion - Rp2 Billion	1
Above Rp500 Million - Rp1 Billion	2
Under Rp500 Million	1

### Focus of Board of Commissioners's Supervision In 2017

The Board of Commissioners provided direction and support to the Directors in re-focusing on Corporate and Consumer segments as the new core business of Bank Mandiri without prejudice to other business segments.

The Board of Commissioners emphasized the supervision of several matters that needed attention as follows:

1. Credit
  - a. Credit disbursement was always conducted by prioritizing prudential principles, improving the quality of internal controls and applying adequate credit risk management, being selective in choosing the industry segment, which became the target of credit expansion, and further optimizing the function of Credit Portfolio Group in determining the most appropriate credit portfolio mix for Bank Mandiri.
  - b. Related to the reorganization process that had been conducted in Semester I/2017, especially in terms of authority to terminate the credit facilities in the Commercial Segment, it needed to continue to monitor its progress and review its effectiveness.
  - c. It needed to consider a special unit performing independent monitoring and review of credit quality and not to have KPI (Key Performance Indicators) targets related to the NPL level, so as to provide an objective assessment of credit quality.
  - d. It needs to optimize the function of Special Asset Management (SAM) Directorate especially in performing the function of restructuring and collecting non-performing loans.

## 2. Fund Raising

The Board of Commissioners recommended that the Board of Directors can strengthen programs focusing on increasing low-cost funds, so as to maintain a competitive cost of fund level.

## 3. Risk Management

In relation to the increased risks associated with the addition of subsidiaries, office networks, increased human capital, the diversity of banking products and the higher operational dependence of the Bank on information technology, the Board of Commissioners recommended that the Board of Directors strengthen its risk management infrastructure and internal control system.

## 4. Internal Control

The Board of Commissioners recommended that the Board of Directors improve the quality of internal controls, among others:

- a. Improving supervision adhered to every operational process in the work unit.
- b. Optimizing the role and function of risk management in all work units.
- c. Improving monitoring by the work unit leader on the follow-up conducted by the work unit on internal and external audit findings.
- d. Internal Audit Unit needed to proactively socialize the lesson learned from its findings so that the audit findings that already had patterns and tended to repeat in the future could be avoided.

## 5. Information Technology

The Board of Commissioners recommended that the development of information technology focus on improving network and security reliability in order to provide excellent service to customers and optimize the role of information technology in supporting increased accuracy, speed and development of Bank products.

## 6. Human Capital

Human Capital had a central role in the Bank, therefore, the Board of Commissioners had always paid special attention to the Bank's HC management.

The Board of Commissioners recommended to the Board of Directors in relation to HC management by conducting strategic and integrated HC planning and Manpower Planning (MPP), which referred to the Corporate Plan, RBB (Business Plan Bank) and RKAP (Corporate Work Plan and Budget), and in accordance with the real needs of the Bank's business development. Fulfillment of HC was to keep the competency and integrity of HC constantly enhanced through education, training and internalization of corporate culture, so as to support the growth of the Bank's business.

## 7. Subsidiary Company

The Board of Commissioners recommended:

- a. It needed to develop the business in a non-organic way based on mutual support and beneficial considerations between holding and subsidiary companies, and accompanied by stricter supervision of the subsidiary company's business development.
- b. Each subsidiary company needed to optimize the use of capital provided by Bank Mandiri, so as to contribute positively to the financial performance of Bank Mandiri on a consolidated basis.

## Decision, Recommendation, and Performance of Duties of the Board of Commissioners

Throughout 2017, the BOC of Bank Mandiri has performed their duties and responsibilities in monitoring management policies and Company's management in general pursuant to the prevailing regulations, the Company's Articles of Association, and the Work Plan set in the beginning of the year.

Duties, obligations, and responsibilities of the BOC are conducted through, for instance, the meeting of the BOC, the joint meeting of the BOC and the BOD or the internal meeting of the BOC with the involvement of Directors of sectors, and meeting and evaluation of Committees under the BOC.

In general, throughout 2017, the BOC have performed the following duties including:

1. Reviewing the audit of Bank Mandiri's Financial Statement Fiscal Year of 2016 and The Financial Institutions Pension Fund conducted by the Public Accountant Firm or other external parties
2. Evaluating Bank Mandiri's Consolidated Financial Performance monthly and Subsidiaries' Financial Performance quarterly.
3. Reviewing financial information before being published by the Bank every quarterly.
4. Conducting supervision on the RKAP, including:
  - a. Reviewing the Revision of 2017 RKAP.
  - b. Providing directions, supervising the establishment, and giving approval on 2018 RKAP, as well as submitting the 2018 RKAP Report to the Ministry of SOEs.
5. Conducting supervision on Bank's Business Plan, including:
  - a. Providing directions, supervising, and evaluating the implementation of 2017 strategic policies of the Bank.
  - b. Conducting supervision on the efforts to implement the RBB especially in the achievement of several important aspects

- such as assets quality improvement, accumulation of third-party funds, productivity, and efficiency.
- c. Reviewing and giving approval on RBB Year 2018 - 2020.
  - d. Evaluating the realization of RBB being submitted to the Financial Service Authority every semester as well as submitting the RBB supervisory report to Financial Service Authority.
6. Conducting supervision on the implementation of prudent principles in the provision of loan facilities such as reviewing the decision made by the BOD to provide loan above certain amount of fund, giving approval on credit facility to related parties in reference to prevailing regulations, conducting regular review on the development of credits that need approval from the BOC as well as evaluating and giving approval on lending policies and strategies.
  7. Reviewing the Non-Performing Loan (NPL) rate of the Bank on a regular basis.
  8. Conducting supervisory function on Risk Management which includes:
    - a. Ensuring effectiveness of system and risk management process by monitoring the management of Bank's key risks, reviewing the Risk Profile on a regular basis, and evaluating the position and development of Bank's risk quarterly.
    - b. Ensuring and evaluating the implementation of Integrated Risk Management for Financial Conglomerate of the Bank as well as reviewing and providing directions for Integrated Risk Management policies.
    - c. Evaluating and giving approval on General Policy on Risk Management and General Policy on Integrated Risk Management.
  9. Monitoring and evaluating the development and management of human capital including the plan of Organizational Structure under the BOD especially in relation to the efforts to improve credit quality.
  10. Monitoring BOD's plan and strategy in preparing Bank Mandiri in the era of Financial Technology (Fintech) as well as ensuring that Bank Mandiri has been equipped with qualified and competent human capital and system.
  11. Monitoring, providing directions, and evaluating BOD's strategies in conducting corporate actions such as the acquisition and divestiture plans.
  12. Giving approval on aspects that need approval from the BOC pursuant to prevailing laws and the Articles of Association.
  13. Monitoring the Implementation of Corporate Governance in each Financial Service Institution in Financial Conglomerate of the Bank.
  14. Monitoring and evaluating BOD's policies to create synergy and to strengthen subsidiaries' business as well as reviewing the performance of subsidiaries quarterly.
  15. Monitoring the Internal Audit Working Unit (SKAI) as an Internal Supervisory Unit of Bank Mandiri which involves:
    - a. Evaluating the internal control or Internal Supervisory Unit of Bank Mandiri annually.
    - b. Conducting review of plan and implementation of audit as well as monitoring the result of audit follow-up from the Internal Supervisory Unit of Bank Mandiri.
    - c. Ensuring that the BOD have followed-up on the audit findings and the recommendation from the Internal Supervisory Unit of Bank Mandiri, the monitoring result of Financial Service Authority and/or other supervisory authorities, BPK and external auditor findings, as well as audit findings from the KAP by, for instance, requesting the BOD to follow-up the audit findings in written or verbally.
  16. Ensuring the implementation of GCG principles and practices in all level of the organization, monitoring the GCG self assessment results, encouraging the refinement of GCG practices in accordance with the international best practices as well as reviewing the GCG implementation report including the assessment using ASEAN CG Scorecard.
  17. Reviewing the Performance of Bank Mandiri The Financial Institutions Pension Fund Investment.
  18. Reviewing the remuneration of the BOD and the BOC.
  19. Performing visits to the branches/regions to perform their supervisory function.
  20. Ensuring the implementation of GCG principles and practices in all level of the organization, monitoring the GCG self assessment results, encouraging the refinement of GCG practices in accordance with the international best practices as well as reviewing the GCG implementation report.
  21. Providing directions and monitoring the process of appointing the KAP that will audit Bank Mandiri's 2018 Financial Statement to be proposed to the AGMS and the 2017 Financial Statement for Bank Mandiri DPLK.
  22. Conducting 43 (forty-three) BOC regular meetings either internally or by involving the Directors of related field in order to discuss specific aspects such as business, organization, human capital, etc.
- Throughout 2017, the BOC have provided recommendations and implemented duties and responsibilities by holding several forums as follows:
1. Meeting of the BOC
  2. Meeting with the Committees under the BOC
  3. On-Site Visits of the BOC

The BOC's approval letters in 2017 are as follows:

Table of the BOC's Approval Letter

No.	Date	Subject
1.	28 February 2017	Approval of Proposed Adjustment for Organizational Structure for Implementing the 2020 Long-Term Plan (Re-Start Corplan).
2.	22 March 2017	Approval on Audit Service Procurement for Consolidated Financial Statement of PT Bank Mandiri and its Subsidiaries as well as PBKL Financial Statement of PT Bank Mandiri dated and for Fiscal Year ended on 31 December 2017.
3.	24 March 2017	Approval of the Appointment of Public Accountant Firm (KAP).Year 2016
4.	05 April 2017	Approval of Plan for Capital Injection of PT Mandiri Utama Finance.
5.	10 April 2017	Approval of Plan for Capital Injection of PT Mandiri Capital Indonesia.
6.	22 June 2017	Determination of Remuneration and Tantiem of BOD and BOC of PT Bank Mandiri (Persero) Tbk.
7.	2 August 2017	Supports on Stock Split Plan of PT Bank Mandiri.
8.	22 September 2017	Approval of Plan for Capital Injection of PT Bank Mandiri Taspen Pos (Bank Mantap).
9.	02 October 2017	Approval on Additional Capital Investment of PT Bank Syariah Mandiri.
10.	22 November 17	Approval of the BOC on 2018 RKAP and RBB Year 2018-2020 of PT Bank Mandiri (Persero) Tbk.
11.	29 November 17	Approval on the Appointment of KAP for Financial Statement and Financial Report of Partnership and Community Development PT Bank Mandiri as well as Financial Statement and Report on Bank Mandiri The Financial Institutions Pension Fund Investment Fiscal Year 2018
12.	06 December 2017	Approval of Limit Increase, Requirement Changes, and Extension of Commercial Line Facility Validity Period under the name of Jasindo.
13.	15 December 2017	Approval on Proposed Recovery Plan of Bank Mandiri in the compliance of OJK regulations.

In addition to issuance of approval letters, BOC also issued several decrees. The BOC's decrees in 2017 are as follows:

Table of the BOC's Decrees

No.	Number of Commissioner Decision	Date	Subject
1.	KEP.KOM/001/2017	22 February 2017	Term of Office Extension of Member of Audit Committee PT Bank Mandiri (Persero) Tbk.
2.	KEP.KOM/002/2017	03 April 2017	Dismissal and Appointment of Staff of Secretary to the BOC PT Bank Mandiri (Persero) Tbk.
3.	KEP.KOM/003/2017	27 April 2017	Term of Office Extension of Member of Risk Monitoring Committee and Integrated Corporate Governance Committee PT Bank Mandiri (Persero) Tbk.
4.	KEP.KOM/004/2017	18 September 2017	Member of Audit Committee, Risk Monitoring Committee, Corporate Governance Committee, and Remuneration and Nomination Committee PT Bank Mandiri (Persero) Tbk.

## Performance Assessment of the Board of Commissioners

Performance Assessment of the BOC is conducted in several procedures which include:

### Performance Assessment of the BOC by the GMS

The Shareholders assess the performance of BOC in the Annual GMS according to BOC's supervisory report submitted to the GMS as mentioned in the Annual Report of the Company in which the GMS will grant full release and discharge (acquies et decharge) to the Board of Commissioners for the relevant Fiscal Year.

### Procedure of Conducting Performance Assessment of the BOC

Performance of the BOC is reported to the Shareholders in the GMS.

### Criteria For Performance Evaluation of the Board of Commissioners

Performance of the BOC is reported to the Shareholders in the GMS according to several criteria related to the implementation of duties and responsibilities of the BOC which involve structural, operational, directional, supervisory, and reporting aspects as well as achievement in the realization of 2017 Work Plan/Annual Work Plan of the BOC.

### Parties to Conduct Assessment

Assessment of the BOC's performance is conducted by the Shareholders in the GMS.

### Performance Assessment Of The Board Of Commissioners Results

For Year 2017, the BOC have established Annual Work Plan of the BOC with regard to duties, authorities, and obligations, of the Board of Commissioners in accordance with the prevailing regulations and laws. Throughout 2017, the Annual Work Plan of the BOC served as guidelines of each member of the BOC in implementing his/her supervisory function for the Company.

### Self Assessment of the Board of Commissioners Performance

In reference to the Financial Service Authority No.55/POJK.03/2016 regarding the Implementation of Integrated Corporate Governance, the BOC performance assessment is held by using the Self Assessment.

### Procedure of Conducting Performance Assessment of the BOC

Performance assessment of the BOC which include the GCG self assessment of the Company is conducted every semester.

### Criteria for Performance Evaluation of the Board of Commissioners

The indicators to evaluate the performance of the BOC are as follows:

1. Implementation of duties and supervisory function of the BOC.
2. Compliance to the prevailing regulations
3. Bank Soundness Level
4. Attendance level of the BOC members in the meeting of BOC or meeting with Committees under the BOC
5. Involvement of the BOC in specific assignments.

### Parties to Conduct Assessment

Implementation of an individualized governance assessment that includes implementation of duties and responsibilities of the Board of Commissioners through self assessment by the Board of Commissioners.

### Performance Assessment of The Board of Commissioners Results

The self-assessment result of GCG of Bank Mandiri in the first semester 2017 composite 1 ("Very Good"), but nevertheless on 2 October 2017, OJK provides feedback on the assessment with a composite rating of 2 ("Good").

In addition, the results of self assessment in the second half of 2017 is composite 1 ("Very Good"). Assessment results are supported by assessment the performance of the Board of Commissioners in applying the principles of governance.

### Performance Assessment of The Board of Commissioners by Using Asean CG Scorecard

Bank Mandiri had aligned the implementation of its GCG with the standard of ASEAN Corporate Governance (CG Scorecard) held by Indonesian Institute for Corporate Directorship (IICD). Score achievement in ASEAN CG Scorecard was one of Key Performance Indicator (KPI) of the Board of Commissioners of Bank Mandiri.

### Procedure of Conducting Performance Assessment of The BOC

Implementation procedures for performance assessment of the Board of Commissioners based on ASEAN CG Scorecard criteria conducted on the basis information and public documents relating to the practices GCG conducted by the Board of Commissioners.

### Criteria for Performance Evaluation of the Board of Commissioners

The criteria used to assess the performance of the Board of Commissioners through ASEAN CG Scorecard referring to the ASEAN Cross Reference CG Scorecard in this Annual Report.

### Parties Assessment

Parties conducting CG Scorecard Assessment at Bank Mandiri is the Indonesian Institute for Corporate Directorship, an independent provider of advocacy, training and research services in the bidng of corporate governance

### Performance Assessment of the Board of Commissioners Results

ASEAN CG Scorecard score from Bank Mandiri on performance appraisal Board of Commissioners each year has increased.

### Performance Assessment of the Committees Under the Board of Commissioners

In order to improve the role of the Board of Commissioners in performing the supervisory function, the Board of Commissioners had established 4 (four) committees, namely:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Risk Monitoring Committee
4. Integrated Governance Committee

Audit Committee had the duty and responsibility of conducting supervision on matters related to financial information, internal control system, and effectiveness of audits by external and internal auditors, effectiveness of risk management implementation and compliance with the applicable laws and regulations. During 2017, Audit Committee had monitored and evaluated the planning and implementation of audits and follow-up audit results in order to assess the adequacy of internal controls.

Remuneration and Nomination Committee had the duty and responsibility to assist the Board of Commissioners in performing its functions and duties in areas related to nomination and remuneration of members of the Board of Directors and Board of Commissioners. During 2017, Remuneration and Nomination Committee had assisted the Board of Commissioners to obtain and analyze data of prospective candidates for the Board of Directors from the talent pool of officials that was one level below the Board of Directors and to identify qualified candidates for Board of Commissioners as well as to propose an appropriate remuneration system for the Board of Directors and Board of Commissioners in the form of payroll/honorarium, facility/allowance, tantiem systems.

Risk Monitoring Committee had the duty and responsibility in conducting supervision on the implementation of risk management. The Company remained in compliance with adequacy elements of the risk management procedure and methodology, so the Company's business activities were kept under control at acceptable and profitable limits. During 2017, Risk Monitoring Committee had evaluated the credit provision and fund provision to related parties, the recovery plan of Bank Mandiri and the review of the implementation of risk management at Bank Mandiri.

Integrated Governance Committee had the duty and responsibility to monitor the implementation of Good Corporate Governance at the Financial Services Institution (LJK) in Bank Mandiri Financial Conglomeration, evaluate the integrated internal control system and its standard in accordance with the best practice applicable through the review of the Guideline on Integrated Governance that was enforced at Bank Mandiri. In 2017, Integrated Governance Committee delivered the evaluation results of the implementation of the Integrated Governance to Bank Mandiri and Subsidiary Company as well as monitored the follow-up conducted by all integrated work units on an on-going basis.

The Board of Commissioners periodically (annually) assessed the performance effectiveness of the committees under the Board of Commissioners. The Board of Commissioners considered that during 2017, the committees had performed their duties and responsibilities quite effectively in terms of achieving the Key Performance Indicator (KPI) of each committee.

### The Mechanism of Resignation and Dismissal of The Board of Commissioners

The mechanism of resignation and dismissal of the Board of Commissioners in accordance with the Articles of Association is as follows:

1. Board of Commissioners member(s) is appointed and dismissed through GMS, in which the GMS is attended by Series A Dwiwarna Shareholders and the GMS Resolutions must also be approved by Series A Dwiwarna Shareholders. Board of Commissioners member(s) is appointed and dismissed through GMS from candidates proposed by Series A Dwiwarna Shareholders, the candidacy is binding for the GMS.
2. Board of Commissioners member(s) can be dismissed at any time pursuant to GMS Resolutions by stating the reason.
3. The reason for the dismissal of Board of Commissioners member(s) as mentioned in the paragraph (15) is carried out if in reality, the concerned Board of Commissioners member(s):
  - a. Cannot perform their duties well;
  - b. Violate the provisions of Articles of Association and/or the laws and regulations;
  - c. Get involved in an act that causes loss for the Company and/or country;
  - d. Perform an act violating the ethics and/or compliance which must be respected by the Board of Commissioners;
  - e. is declared guilty by the Court's decision that has permanent legal force;
  - f. Resign.
4. The Board of Commissioners can be dismissed by GMS based on other reasons deemed appropriate by GMS for the interest and purpose of the Company.
5. The dismissal decision due to the mentioned reasons, is taken after the concerned is given a chance to defend themselves during GMS.
6. The dismissal due to the mentioned reasons is a dishonorable dismissal.
7. Fellow Board of Commissioners members, the Board of Commissioners and the Board of Directors members should not have familial relationship up to the third degree, either in a vertical or horizontal, including marital relationship.
8. In the event that the matter occurs, GMS has the authority to dismiss one of them.

9. A member of the Board of Commissioners is entitled to resign from his/her position prior to the expiration of the term of office by submitting written notice regarding his/her intention to the Company.
10. The Company shall hold GMS to decide the resignation proposal of a Board of Commissioners member within at the latest 90 (ninety) days after the acceptance of the resignation letter.
11. The Company shall openly share the information to the public and inform the Financial Services Authority within 2 (two) days after the acceptance of resignation proposal from a Board of Commissioners member.
12. Before the resignation is declared effective, the concerned Board of Commissioners member still has the obligations to complete his/her tasks and responsibility in accordance with the Articles of Association and applicable laws and regulations.
13. The Board of Commissioners member who proposes his/her resignation as mentioned above still holds a responsibility as a Board of Commissioners member until his/her resignation is approved in GMS.
14. The resigning Board of Commissioners member will be released and discharged from his/her responsibility after the annual GMS states its release and discharge decision.
15. In the event that a Board of Commissioners member resigns and there will be less than 3 (three) Board of Commissioners members, the resignation is valid after it has been decided by the GMS and a new Board of Commissioners member has been appointed, so that the requirement for minimum number of Board of Commissioners members has been met.
16. The term of the Board of Commissioners member ends if:
  - a. The resignation has been effective;
  - b. Deceased;
  - c. Expired tenure;
  - d. Dismissed through GMS; or
  - e. Declared bankrupt by Commercial Court with a permanent legal force; or put under guardianship based on a Court decision;
  - f. No longer meets the requirement as a Board of Commissioners member in accordance with the Articles of Association and applicable laws and regulations.
17. For a Board of Commissioners member who quits before, when, or after his/her tenure has ended except for the decease ones, the concerned member is responsible for the acts that the GMS has not received the accountability.

### **Policies Related to the Resignation of Board of Commissioners Getting Involved in Financial Crime**

The Articles of Association of Bank Mandiri has regulated the resignation policy of the members of the Board of Directors and the Board of Commissioners if they are involved in financial crimes. If the members are no longer legally qualified, including engaging in financial crime, then the members' term of office shall automatically expire.

### **Board of Directors**

Board of Directors is an Organ of the Company that has the authority and are fully responsible for management of the Company for the benefits of the Company, in accordance with the interest and purpose of the Company, and represents the Company either before or outside the court in accordance with provisions of Articles of Association. In performing their duty, the Board of Directors is obliged to fully devote his/her energy, thought, attention and dedication to the tasks, liabilities and the achievement of the Company.

The Board of Directors must comply the Articles of Association and applicable laws and regulations as well as is obliged to perform professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness principles. Each Board of Directors member is obliged to carry out his/her tasks and responsibilities with good will, responsibility, and caution, in compliance with the applicable laws and regulations.

### **Reference of Regulation**

In accordance with the Law No. 40 of 2007 on Limited Liability Companies and Regulation of Financial Services Authority No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Company, the Board of Directors has the authority and full accountability on the Company, and represents the Company, either before or outside the court in accordance with provisions of Articles of Association.

### **Guidelines and Codes of Conduct for Board of Directors (Board Charter)**

Guidelines and Codes of Conduct for Board of Directors were ratified by the Decree of Board of Directors Number: KEP.DIR/211/2017 on 13 September 2017 regarding Guidelines and Codes of Conduct for Board of Directors PT Bank Mandiri (Tbk). Guidelines and Codes of Conduct for Board of Directors regulates on the Working Procedure of the Board of Directors about working procedure of the Board of Commissioners which explains the stages of activity in structured and systematic way, understandable and can be implemented

consistently, can be used as a reference for the Board of Directors in performing their duties in order to achieve the vision and mission of the Company. With the Guidelines and Codes of Conduct for Board of Directors, it is expected to achieve high working standards, pursuant to GCG principles.

The content of Guidelines and Codes of Conduct for Board of Directors regulates the following things.

1. General Provision
2. Organization, Stewardship, Authority to Act, and General Policy
3. Board of Directors Meeting
4. Working Time and Ethics
5. Committee
6. Correspondence
7. Board of Directors Shareholding
8. Performance Evaluation of the Board of Directors
9. Miscellaneous
10. Changes
11. Closing

### Duties and Responsibilities of the Board of Directors

The main duties of the Board of Directors of the Company in accordance with Articles of Association are as follows:

1. Carrying out and having full accountability for management of the Company for the benefits and in accordance with the interest and purpose of the Company that is specified in the Articles of Association and act as the head in the management.
2. Maintaining and managing the Company wealth.

The Board of Directors has full accountability in carrying out the tasks for the interest of the Company in achieving the objectives and goals of the Company.

### Rights and Authorities of The Board of Directors

The Board of Directors has the following rights and authorities:

1. To establish applicable policies in the Company management.
2. To arrange the delegation of authority of the Board of Directors to represent the Company before and outside the Court to a person or some people particularly assigned including the employee of the Company whether alone or in a team and/or to other entity.
3. To arrange provisions on Company employment including the establishment of wage, pension fund, or old age insurance and other income to Company's employees in accordance with the applicable laws and regulations.
4. Mengangkat dan memberhentikan pegawai Perseroan berdasarkan peraturan ketanagakerjaan dan peraturanperundang-undanganlainnya.

5. To appoint and dismiss Corporate Secretary and/or Head of Internal Control Unit with an approval from the Board of Commissioners.
6. To write off any non-performing receivables in accordance with the Articles of Association and to report it to the Board of Commissioners then to report and take the accountability in the Annual Report.
7. Not to collect non-performing receivables, fines, fees, and other receivables for restructuring and/or resolutions of account receivables as well as to do other acts to the settlement of Company's receivables with obligation to report to the Board of Commissioners in which the terms and the ways to report be decided by the Board of Commissioners.
8. To perform any acts and other behaviors on the management and ownership of the Company's wealth, to bind the Company with other parties and/or other parties with the Company, and to represent the company before and outside the Court on every matter and every event, with limitations in accordance with the applicable laws, Articles of Association and/or the GMS Regulations.

### Tenure of The Board of Directors

In accordance with the Articles of Association, policies on the Tenure of the Board of Directors is as follows:

1. The Board of Directors members are appointed for the tenure starting from the GMS closing or other dates specified by the appointing GMS and ends after the closing of the 5th (fifth) Annual GMS after the appointing date, on condition no more than 5 (five) years, by considering the applicable laws and regulations including in the field of Capital Market, without lessening the rights from the GMS to dismiss the Board of Directors members at any time before the tenure ends.
2. The dismissal is effective after the closing of the GMS, unless defined otherwise by the GMS.
3. After the tenure ends, the Board of Directors members can be reappointed by the GMS for another tenure.

### Criteria of the Board of Directors

The candidates of the Board of Directors members are individuals, who meet the requirement when appointed or in the tenure:

1. having good character, morals, and integrity;
2. having competencies in legal action;
3. Within 5 (five) years prior to appointment or during the office, he/ she:
  - a. is never declared bankrupt;
  - b. never been a member of the Board of Directors and/or a member of the Board of Commissioners who has been declared guilty to cause a Company bankrupt;

- c. never been sentenced due to a crime causing loss for the country and/or related to financial service;
- d. never becomes a member of the Board of Directors and/or member of the Board of Commissioners who, during his/her tenure:
- has skipped to hold the annual GMS;
  - his/her responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners has ever been; unaccepted by the GMS or has ever given no responsibility as a member of the Board of Directors; and/or a member of the Board of Commissioners to the GMS; and
  - once causing the company receiving permit, agreement, or registration from the Financial Services Authority does not fulfill the obligation to report the Annual Report and/or financial report to the Financial Services Authority.
- e. having commitment to comply with the applicable laws and regulations; and
- f. having knowledge and/or skill in the fields needed by the Company.

### Fit and Proper Test and Basis of Appointment of The Board of Directors

The appointment of the Board of Directors member is effective after gaining the approval from the Financial Services Authority for the Fit and Proper Test in accordance with the Regulation of Financial Services Authority Number 27/POJK.03/2016 regarding the Fit and Proper Test for the Main Party of the Financial Services Authority and in compliance with the applicable laws and regulation. To participate in the process of the Fit and Proper Test, the Company shall propose to gain approval of the candidate of the Board of Directors member to the Financial Services Authority.

Table for the Fit and Proper Test

Name	Designation	Period	Executor	Appointment Basis	Operational Effective Date
Kartika Wirjoatmodjo	President Director	May 17, 2016 - December 31, 2017	Financial Services Authority	Annual GMS dated 21 March 2016	17 May 2016
Sulaiman Arif Arianto	Vice Director	June 25, 2015 - December 31, 2017	Financial Services Authority	Annual GMS dated 16 March 2015	25 June 2015
Ogi Prastomiyono	Operations Director	December 24, 2008 - December 31, 2017	Bank Indonesia	Annual GMS dated 29 May 2008	24 December 2008
Pahala N. Mansury	Director of Finance and Treasury	16 July 2010 -12 April 2017	Financial Services Authority	Annual GMS dated 17 May 2010	16 July 2010
Royke Tumilaar	Wholesale Banking Director	July 25, 2011 - December 31, 2017	Financial Services Authority	Annual GMS dated 23 May 2011	25 July 2017
Hery Gunardi	Distributions Director	July 4, 2013 - December 31, 2017	Financial Services Authority	Annual GMS dated 2 April 2013	4 July 2013
Tardi	Retail Banking Director	September 22, 2015 - December 31, 2017	Financial Services Authority	Annual GMS dated 16 March 2015	22 September 2015
Ahmad Siddik Badruddin	Risk Management & Compliance Director	June 25, 2015 - December 31, 2017	Financial Services Authority	Annual GMS dated 16 March 2015	25 June 2015
Kartini Sally	Institutional Director	June 10, 2015 - December 31, 2017	Financial Services Authority	Annual GMS dated 16 March 2015	10 June 2015
Rico Usthavia Frans	Digital Banking & Technology Director	July 20, 2016 - December 31, 2017	Financial Services Authority	Annual GMS dated 21 March 2016	20 July 2016
Darmawan Junaidi*	Director of Treasury	21 Agustus 2017 – 31 Desember 2017	Otoritas Jasa Keuangan	Extraordinary GMS dated August 21, 2017	12 Januari 2018

**Remarks:**

\*Effective since 12 January 2018 after gaining approval from the Financial Services Authority for the Fit and Proper Test.

### Orientation Program for the new Board of Directors

As the Annual GMS of Bank Mandiri on 14 March 2017 and the EGMS on 21 August 2017 have a meeting agenda of the changes in the members of Company Board of Director and Board of Commissioners with various background, Bank Mandiri considers that it is necessary to hold an orientation program for new members of the Board of Directors to give them overview on the business activities, the Company's future plan, the working guidelines and other things which will become the responsibility of the new members of the Board of Directors, as follows:

- Submission of the Company's documents i.e. Articles of Association, Annual Report, Work Plan and Budget (RKAP), Bank Business Plan, Company Long-term Plan, Company Articles of Association, Good Corporate Governance Principles, Company Code of Conduct, Work Programs of the Board of Directors and Committee below the Board of Directors, Guidelines and Procedures for the Board of Directors, as well as applicable laws and regulations related to the business process of Bank Mandiri.
- On site visit to the work unit in the head and regional offices to have face-to-face meeting with the Board of Directors and Bank Mandiri Officials in the head and regional offices. This visit aimed at promoting mutual acquaintance, understanding, and solid team work. After the Annual GMS Bank Mandiri on 14 March 2017 and the EGMS on 21 August 2017, the Board of Directors has paid a visit to Regional VII, i.e. Yogyakarta on 25-27 August 2017.
- Explanation related to the Company risk profile, implementation of Good Corporate Governance, vision and mission of the Directorate of Treasury as well as Company Performance highlights are carried out with the following details:

No.	Material	Presenter	Date
1.	Risk Management	Credit Portfolio Risk Group	13 October 2017
2.	Good Corporate Governance	Compliance Group	13 October 2017
3.	Treasury	Treasury Group	17 October 2017
4.	Company Performance	Strategy & Performance Management Group	17 October 2017

- Updates on the current banking condition of the Directorate of Treasury nationally and globally to the new Director of Treasury with the following materials:

No.	Material	Presenter	Date	Members
1.	Employee development plan of the Directorate of Treasury	International Banking & Financial Institutions Group	September 13, 2017	Director of Treasury, Group Head of Treasury, Department Head of Treasury and Decision Support of Treasury
2.	Performance of the Treasury Group	Treasury Group		
3.	Performance of the International Banking & Financial Institutions Group	International Banking & Financial Institutions Group		
4.	Performance of the Transaction Banking Wholesale Sales Group	Transaction Banking Wholesale Sales Group		
5.	Update Strategic Investment & Subsidiaries Management Group	Strategic Investment & Subsidiaries Management Group		

## The Board of Directors Job Description

In carrying out his task, the Board of Directors is divided in the following task field.

Table of the Board of Directors Job Description

Name	Designation	Period	Job Description
Kartika Wirjoatmodjo	President Director	May 17, 2016 - December 31, 2017	<ol style="list-style-type: none"> <li>Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> </ol>

Name	Designation	Period	Job Description
Sulaiman Arif Arianto	Vice Director	June 25, 2015 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> </ol>
Ogi Prastomiyono	Operations Director	December 24, 2008 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> <li>5. Coordinating and directing the preparation for Company operations strategy, consolidating communication and programs to improve the quality of customer service.</li> <li>6. Coordinating and directing the optimization of the customer data usage to support the Company business activities.</li> <li>7. Coordinating and directing the preparation and management of complaint handling procedure and customer disputes.</li> <li>8. Directing and developing Regional to reach market share target and improve business volume target in the Regional as the Director of Regional Development.</li> </ol>
Pahala N. Mansury	Director of Finance and Treasury	16 July 2010 -12 April 2017	<ol style="list-style-type: none"> <li>1. Directing, evaluating, and coordinating Company management in Finance &amp; Treasury in accordance with the Articles of Association, Resolutions of the Company GMS, and applicable laws and regulations.</li> <li>2. Directing, evaluating, and coordinating work units and subsidiaries in Finance &amp; Treasury, as well as coordinating with other Directors.</li> <li>3. Leading, directing, and coordinating the development and offers of products</li> <li>4. The best Finance &amp; Treasury products and making sure that the development and offers is qualified and highly competitive products.</li> <li>5. Aggressively leading and coordinating the management of Finance &amp; Treasury products while considering the Company policies and prudential principle.</li> <li>6. Effectively leading and coordinating the promotion for Finance &amp; Treasury products in accordance with market research and customer segments.</li> <li>7. Providing assistance on customer relation through periodic on the spot visit and customer project monitoring.</li> <li>8. Maintaining the Company image and assisting good relationship with the regulators and stakeholders.</li> <li>9. Supporting the role of the Regional CEO in running the coordination function to create an alliance with another Strategic Business Unit.</li> </ol>

Name	Designation	Period	Job Description
Royke Tumilaar	Wholesale Banking Director	July 25, 2011 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> <li>5. Coordinating and directing the preparation for Company Wholesale Banking strategy, consolidating communication and programs to improve the quality of customer service.</li> <li>6. Aggressively leading and coordinating the management of Corporate Banking and Commercial Banking products while considering the Company policies and prudential principle.</li> <li>7. Effectively leading and coordinating the promotion for Corporate Banking and Commercial Banking products in accordance with market research and customer segments.</li> <li>8. Leading and directing the front liner marketers to be able to run the Standard Procedure in Corporate Banking and Commercial Banking well.</li> <li>9. Providing assistance on customer relation through periodic on the spot visit and customer project monitoring.</li> <li>10. Directing and developing Regional to reach market share target and improve business volume target in the Regional as the Director of Regional Development.</li> </ol>
Hery Gunardi	Distributions Director	July 4, 2013 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> <li>5. Coordinating and directing the preparation for Company Distributions strategy, consolidating communication and programs to improve the quality of customer service.</li> <li>6. Aggressively leading and coordinating the marketing the Company products in the regional while considering the Company policies and prudential principle.</li> <li>7. Leading and directing the front liner marketers to be able to run the Standard Procedure of the Company products well.</li> <li>8. Providing assistance on customer relation through periodic on the spot visit and customer project monitoring.</li> <li>9. Directing and developing Regional to reach market share target and improve business volume target in the Regional.</li> </ol>

Name	Designation	Period	Job Description
Tardi	Retail Banking Director	September 22, 2015 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> <li>5. Coordinating and directing the preparation for Company Retail Banking strategy, consolidating communication and programs to improve the quality of customer service.</li> <li>6. Aggressively leading and coordinating the management of Retail Banking products while considering the Company policies and prudential principle.</li> <li>7. Effectively leading and coordinating the promotion for Retail Banking products in accordance with market research and customer segments.</li> <li>8. Leading and directing the front liner marketers to be able to run the Standard Procedure in Retail Banking well.</li> <li>9. Providing assistance on customer relation through periodic on the spot visit and customer project monitoring.</li> <li>10. Directing and developing Regional to reach market share target and improve business volume target in the Regional as the Director of Regional Development.</li> </ol>
Ahmad Siddik Badruddin	Risk Management & Compliance Director	June 25, 2015 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> <li>5. Coordinating and directing the implementation of good corporate governance principles.</li> <li>6. Approving the steps needed to ensure that the Bank is compliance with the applicable laws and regulations as well as maintaining so that the Bank business activities do not violate the applicable laws and regulations.</li> <li>7. Supervising and maintaining the Bank compliance to every agreement and commitment between the Bank and external parties.</li> <li>8. Developing work organization of Risk Management &amp; Compliance so that the Company has reliable policies, procedures and methods in implementing the Risk Management &amp; Compliance.</li> <li>9. Monitoring the compliance and supervisory implementation inherent in every Risk Management &amp; Compliance organization work unit.</li> <li>10. Coordinating, directing, and monitoring the legal cases handling that is complex and/or bankwide by giving legal advice to the work unit, management or by optimizing the legal officer.</li> <li>11. Effectively coordinating, directing, and monitoring legal actions by integrated case handling with clear targets.</li> <li>12. Ensuring the implementation of Human Resources (HR) policies in the work unit below his supervision, including every HR functions (Architect to Adieu) coordinated by/with the SEVP Human Capital.</li> </ol>

Name	Designation	Period	Job Description
Kartini Sally	Institutional Director	June 10, 2015 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> <li>5. Coordinating and directing the preparation for Company Government &amp; Institutional strategy, consolidating communication and programs to improve the quality of customer service.</li> <li>6. Aggressively leading and coordinating the management of Government &amp; Institutional products while considering the Company policies and prudential principle.</li> <li>7. Effectively leading and coordinating the promotions of Government &amp; Institutional products.</li> <li>8. Leading and directing the front liner marketers to be able to run the Standard Procedure in Government &amp; Institutional well.</li> <li>9. Providing assistance on customer relation through periodic on the spot visit and customer project monitoring.</li> <li>10. Directing and developing Regional to reach market share target and improve business volume target in the Regional as the Director of Regional Development.</li> </ol>
Rico Usthavia Frans	Digital Banking & Technology Director	July 20, 2016 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> <li>5. Coordinating and directing the preparation for Company Digital Banking &amp; Technology strategy, consolidating communication and programs to improve the quality of customer service.</li> <li>6. Aggressively leading and coordinating the management of Digital Banking &amp; Technology products while considering the Company policies and prudential principle.</li> <li>7. Effectively leading and coordinating the promotions of Digital Banking &amp; Technology products.</li> <li>8. Leading and directing the front liner marketers to be able to run the Standard Procedure in Digital Banking &amp; Technology well.</li> <li>9. Developing Information Technology to work as business partner with every Company organization work unit and ensuring that the Company owns the most suitable technology solutions for the current situation and future business needs through effective and efficient information technology plans, development, achievement, implementation, maintenance and sustainable supports.</li> <li>10. Coordinating and directing the optimization of the customer data usage to support the Company business activities.</li> <li>11. Providing assistance on customer relation through periodic on the spot visit and customer project monitoring.</li> <li>12. Directing and developing Regional to reach market share target and improve business volume target in the Regional as the Director of Regional Development.</li> </ol>

Name	Designation	Period	Job Description
Darmawan Junaidi*	Director of Treasury	August 21, 2017 - December 31, 2017	<ol style="list-style-type: none"> <li>1. Conducting Company management in accordance to the task fields specified in the General Meeting of Shareholders or the Board of Directors Meeting.</li> <li>2. Directing and implementing the strategies and policies for the task fields in his accountability by considering the specified Company vision, strategy and policy.</li> <li>3. Preparing and approving work plan, development plan the business and human resources in the task field in his accountability for the benefits of the Company in order to achieve the interest and purpose of the Company.</li> <li>4. Supervising the smooth process of the Company in accordance with the specified strategy and policy.</li> <li>5. Coordinating and directing the preparation for Company Treasury, Institutional Banking &amp; Financial Institution and Subsidiaries Management strategy, consolidating communication and programs to improve the quality of customer service.</li> <li>6. Aggressively leading and coordinating the management of Treasury and Institutional Banking &amp; Financial Institution products while considering the Company policies and prudential principles.</li> <li>7. Effectively leading and coordinating the promotion for Treasury and Institutional Banking &amp; Financial Institution products in accordance with market research and customer segments.</li> <li>8. Directing and developing Regional to reach market share target and improve business volume target in the Regional as the Director of Regional Development.</li> </ol>

**Information:**

\* Effective from January 12, 2018 after obtaining approval from the Financial Services Authority for Fit and Proper Test.

### Board Of Directors Authority Delegation In Meetings

The authority delegation by a member of Board of Directors to another member of Board of Directors can only be done with an authorization letter specified for the purpose and the authority delegation does not release the accountability of the Board of Director collectively. Practically, in 2017 there was an authority delegation of another member of the Board of Directors with an authorization letter. Therefore, the quorum of the Board of Directors Meeting for a decision making is fulfilled. Thus, the quorum of the Board of Directors Meeting for decision-making can be fulfilled.

### Diversity in Board of Directors Policies and Its Implementation

In the recommendation of the Financial Services Authority in the Attachment of Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 regarding Public Corporate Governance, it is stated that the composition of the Board of Directors members shall concern diversity in the members of Board of Directors. Diversity in the members of Board of Directors is combination of intended characteristics from the organ of Board of Directors as well as the members of the Board of Directors as individuals, in accordance with the Public Company needs. The combination is determined by considering the skills, knowledge and experience in accordance with the distribution of tasks and function of the Board of Directors in achieving the purpose of the Public Company. Therefore, the

consideration of the characteristic combination shall impact accuracy of candidacy and appointment process for individual members of the Board of Directors or the Board of Directors in collegial manner.

Diversity in the members of Board of Directors as specified in the Attachment of Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 regarding Public Corporate Governance has been accommodated in the Company's Article of Association. The appointment of the Board of Directors is carried out by considering the integrity, dedication, understanding on a Company management issue related to one management function, possessing knowledge and/or skill in the fields needed by the Company and being able to provide sufficient time to carry out his tasks as well as other requirements in accordance to the applicable laws and regulations. However, the diversity policy only regulates diversity in knowledge and/or skills in accordance with the task field of the Board of Directors. Bank Mandiri has not possessed diversity policy related to age and gender because the nomination is prioritized on the Company needs.

In 2017, the diversity in the Board of Directors in education, working experience, age and gender is shown in the table below:

Table of Diversity of The Board of Directors

Name	Designation	Period	Age	Gender	Education	Working Experience	Skill
Kartika Wirjoatmodjo	President Director	17 May 2016 – 31 December 2017	44 years old	Male	Bachelor of Economics majoring accounting from Universitas Indonesia in 1996 and Master of Business Administration from Erasmus University in Rotterdam in 2001.	He starts his career as a Tax and Accounting Consultant in RSM AAJ (1995-1996), Credit Analyst in Industrial Bank of Japan (1996-1998), Senior Consultant in PwC Financial Advisory Services (1998-1999), Senior Consultant in The Boston Consulting Group (2000-2003). Then he started his career in Bank Mandiri in some important positions such as Dept. Head Strategy and Performance Management Group (2003-2005), Group Head of Strategy and Performance Management Group (2005-2008), and Managing Director in Mandiri Sekuritas (2008-2011). He continues his career as President Director and CEO in Indonesia Infrastructure Finance (2011-2013), Chief Executive and Board of Commissioners in Deposit Insurance Agency (LPS) (2014-2015). Before his current position, he was a Director of Finance and Strategy Bank Mandiri (2015-2016).	Accounting, Business and Banking
Sulaiman Arif Arianto	Vice President Director	25 June 2015 – 31 December 2017	58 years old	Male	Bachelor of Animal Husbandry of Institut Pertanian Bogor in 1981 and Master of Business Administration in Finance of University of New Orleans, USA in 1991.	He starts his career in banking in 1991, as an Assistant Manager of Corporate Financing in BRI (1991-1992), Vice Chairman of Corporate IV in BRI (1992-1994), Section Head of Corporate Financing in BRI (1994-1999), Deputy Head of Corporate Financing Division in BRI (1999), Head of Medium Credit Division (1999-2002), Head of Agribusiness Division in BRI Head Office (2001-2002), Regional Leader of Denpasar in BRI (2002-2003), Regional Leader of Jakarta in BRI (2003-2006), Director of Micro and Small Business in BRI (2006-2009) and Director of Commercial Banking in BRI (2009-2015).	Credit Analyst, MSME and Corporate and Special Asset Management
Ogi Prastomiyono	Director of Operations	24 December 2008 – 31 December 2017	56 years old	Male	Bachelor of Agricultural Technology of Institut Pertanian Bogor in 1984 and Master of Business Administration of University of Notre Dame in 1994.	His banking career is started as a General Manager of Planning and Development in Indonesian Export Import Bank (Exim Bank) in 1998-1999, and his career in Bank Mandiri started since 1999 as a Head of Compliance Division in Bank Mandiri (1999-2001), Project Head of IPO Working Team Bank Mandiri (2001-2003), Director of Compliance, Risk Management, Product Development, Planning and Development Bank Syariah Mandiri (2004-2005), Group Head Compliance in Bank Mandiri (2005-2006), Group Head Internal Audit in Bank Mandiri (2006-2008), Director of Compliance and Human Capital (2008-2014) in Bank Mandiri, Director of Risk Management & Compliance in Bank Mandiri (2014-2015), and Director of Technology and Operations (2015-2016).	Human Capital, Kredit, Planning and Strategic Management, Asset and Liability Management, IT and Operations, Internal Audit, Risk Management, Compliance, Perbankan Syariah

Name	Designation	Period	Age	Gender	Education	Working Experience	Skill
Pahala N. Mansury	Director of Finance and Treasury	16 July 2010-12 April 2017	46 years old	Male	Bachelor of Economics majoring Accounting from Universitas Indonesia in 1994 and Master of Business Administration from in Finance from Stern School of Business, New York University, USA in 1999. He is a CFA Charter holder from CFA Institute since 2003.	He starts his career as a consultant including Financial Advisory Services in PwC (1994), Consultant of Change Management in Anderson Consulting Indonesia (1994-1997), Senior Consultant in Booz Allen Hamilton (1999-2000) and Project Leader in The Boston Consulting Group (2002-2003). Then he starts his career in Bank Mandiri since 2003 with some positions such as SVP of Economic and Financial Research (2003-2005), SVP of Accounting as well SVP of Change Management Office Bank Mandiri (2005), SVP of Corporate Development Bank Mandiri (2005-2006), EVP Coordinator of Finance and Strategy Bank Mandiri (2006-2010). Prior to serving in this position, he was entrusted with the position of Director of Finance and Strategy (2010-2015) and Director Treasury and Markets (2015-2016).	Banking, Finance, Treasury
Royke Tumilaar	Director Wholesale Banking	25 July 2011 – 31 December 2017	53 years old	Male	Bachelor of Economics in Management of Universitas Trisakti in 1987 and Master of Business in Finance of University of Technology, Sydney in 1999.	He started his banking career in 1998 as a Credit Analyst in Supervision and Research of Credits in BDN. Then he started his career in Bank Mandiri since 2005 with various positions such as Dept. Head Corporate Banking in Bank Mandiri (2005), Credit Authority Holders (Group Head Level) Commercial Banking (2006), Group Head Regional Commercial Sales of Bank Mandiri (January 2007), Group Head Regional Commercial Sales I of Bank Mandiri (November 2007). He was also in a position of President Commissioner in PT Staco Jasapratama (General Insurance (2008) and Commissioner in Mandiri Sekuritas (2009). Before he was in this position, he was entrusted with the position of Director of Treasury, Finance Institutions and Special Asset Management Bank Mandiri (2011-2015).	Treasury & International Banking, Procurement, Special Asset Management, Commercial Banking, Corporate Banking
Hery Gunardi	Director Distributions	4 July 2013 – 31 December 2017	55 Tahun	Laki-laki	Bachelor of Business Administration Universitas 17 August 1945 (1987) and Master of Business Administration in Finance and Accounting of University of Oregon, USA in 1991.	He started his career in banking in 1993 as a Non-Performing Loan Analyst in	Micro & Retail Banking, Consumer Banking, Micro & Business Banking, Distributions, Credit Risk Management, Special Asset Management, Branding & Strategic Marketing

Name	Designation	Period	Age	Gender	Education	Working Experience	Skill
Tardi	Director of Retail Banking	22 September 2015 – 31 December 2017	53 years old	Male	Bachelor of Agronomy of Universitas 11 Maret in 1987 and a Master in Finance of Universitas Padjajaran 1999.	Special Debtor in Bapindo (1993 – 1996), Head of Sub Section of IOU Syndication in Treasury in Bapindo (1996-1998). Then he started his career in Bank Mandiri since 1998 in various positions such as a Merger Team Member of Bank Mandiri (1998-1999), Regional Marketing Manager of Bank Mandiri Regional Jakarta City (1999-2002), Area Manager of Bank Mandiri Daan Mogot (2002), Dept. Head Bank Assurance and Director of Joint Insurance Company Establishment Project with AXA (2002-2003), Director of PT AXA Mandiri Financial Services (2003-2006), Group Head Wealth Management Mandiri as well as President Commissioner PT AXA Mandiri Financial Services (2006-2009), Group Head of Jakarta Network in Bank Mandiri (2009-2011) as well as President Commissioner PT Mandiri Manajemen Investasi (2009-2013), Group Head Distribution Network 1 in Bank Mandiri (2011-2013), EVP Coordinator Consumer Finance (2013). Before he was in the position of Director of Distribution, he was once appointed as Director of Micro and Retail Banking Bank Mandiri (2013-2015), Director of Micro and Business Banking Bank Mandiri (2015) and Director of Consumer Banking Bank Mandiri (2015-2016).	Corporate Banking (Forestry Sector, Trade and Industry Plantation, Business Development and Recovery Management, Retail Banking Segment, Micro Segment, Medium Business Segment (UMKM)
Ahmad Siddik Badruddin	Director of Risk Management & Compliance	25 June 2015 – 31 December 2017	52 years old	Male	Bachelor of Chemical Engineering in 1988 and a Master of Business Administration in management of information system in 1990, of Universitas of Texas, Austin, USA.	He started his career in banking in 1989 as a Professional Staff in PT Bank Bumi Daya	Credit risk management, risk management strategy, risk analysis, collection management and strategy, fraud risk management, acquisition and closure / sale of business and portfolio, scorecard portfolio management, operational risk management, self-assessment process for risk control, external collection agency management, and various training programs related to risk management.

Name	Designation	Period	Age	Gender	Education	Working Experience	Skill
Kartini Sally	Director of Institutional	10 June 2015 – 31 December 2017	52 years old	Female	Bachelor of Dentistry of Universitas Indonesia in 1988, Magister Program of "Wijawiyata Management" of IPPM Jakarta in 1990 and Magister Management program of Universitas Jayabaya, Jakarta in 1998.	(1989-1998). He started his career in Bank Mandiri in 1998 with various positions such as Group Head Credit Operation and Control Credit Administration (1998-1999), Group Head Credit Operation and Control Loan Operations Development (2000), Dept. Head Loan Disbursement (2001-2005), Dept. Head Jakarta Disbursement and Dept. Head Loan Collection I (2006), Group Head Credit Recovery II (2006-2008), Member of the Board of Commissioners of Investama Mandiri (2007-2009), Group Head Micro Business Development in Bank Mandiri (2008-2013), Member of Board of Commissioners of Bank Syariah Mandiri (2008-2013), SEVP Consumer Finance in Bank Mandiri (2013-2015), SEVP Wholesale Risk in Bank Mandiri (2015). Before his current position, he was entrusted as a Director of Micro Banking Bank Mandiri (2015-2016).	Corporate Banking, Commercial Banking, Risk Management, Investment Banking, Sharia Banking, Financing, financial transaction solutions for Ministries / Agencies and employees, implementation of financial inclusion through Government Assistance Project
Rico Usthavia Frans	Director of Digital Banking & Technology	20 July 2016 – 31 December 2017	47 years old	Male	Bachelor of Electrical Engineering of Institut Teknologi Bandung in 1992.	He started his career in banking in 1990 as a Management Associate of Citibank (1990-1995), Regional Risk Officer of Global Consumer Bank (AVP) of Citibank, Singapore (1995-1997), Retail Bank Risk Director of Global Consumer Bank (VP) of Citibank, Jakarta (1997-1998), Head of Risk Management of ABN AMRO Bank, Hong Kong (1999-2001), Country Risk Director of Citibank (2001-2004), Country Risk Director and Deputy Country Risk Director of Citibank, Germany (2004-2008), Regional Senior Credit Officer for Central & Eastern Europe and Middle East Africa Region of Citibank, London (2008-2011), Global Unsecured Product Risk Management of Citibank, New York (2011-2014). Before he was in the position of Director of Risk Management & Compliance, he was a SEVP Retail Chief Risk Officer of Bank Mandiri (2014-2015).	Digital Banking & Technology, Transaction Banking/ Payment System/ Financial Technology, Information Technology, Data Analytics/ Enterprise Data Management
Darmawan Junaidi*	Director of Treasury	21 August 2017 – 31 December 2017	51 years old	Male	He got his Bachelor of Law of Universitas Sriwijaya, Palembang in 1990.	She started her career in banking in 1990 as a Loan Officer Corporate Banking in Export Import Bank	Treasury

\*Effective since 12 January 2018 after gaining approval from the Financial Services Authority for the Fit and Proper Test.

### The Number And Composition Of The Board Of Directors

In 2017, the number and composition of the Board of Directors has changed several times with the following composition.

#### The Number And Composition Of The Board Of Directors Before Annual GMS Dated 14 March 2017

The number and composition of the Board of Directors before annual GMS dated 14 March 2017 is 10 members of the Board of Directors consisting of 1 President Director, 1 Vice Director and 8 Directors.

No.	Name	Designation
1.	Kartika Wirjoatmodjo	President Director
2.	Sulaiman Arif Arianto	Vice Director
3.	Ogi Prastomiyono	Director of Operations
4.	Pahala N. Mansury	Director of Finance & Treasury
5.	Royke Tumilaar	Director of Corporate Banking
6.	Hery Gunardi	Director of Distributions
7.	Tardi	Director of Retail Banking
8.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance
9.	Kartini Sally	Director of Commercial
10.	Rico Usthavia Frans	Director of Digital Banking & Technology

#### **NUMBER AND COMPOSITION OF THE COMPANY'S BOARD OF DIRECTORS AFTER THE ANNUAL GMS ON 14 MARCH 2017 UP TO EXTRAORDINARY GMS ON 21 AUGUST 2017**

Based on the General Meeting of Shareholders of PT Garuda Indonesia (Persero) Tbk. which was held on April 12, 2017, was decided that Br. Pahala N. Mansury was appointed President Director of PT Garuda Indonesia (Persero) Tbk. In connection with this, accordingly with the Regulation of the Minister of BUMN and the Articles of Association of the Company, the position of Mr. Pahala N. Mansury as a member of the Board of Directors with itself expires and the termination of its term of office shall be confirmed at the nearest General Meeting of Shareholders of the Company.

So that the number of Directors of the Company becomes 9 (nine) persons consisting of 1 (one) President Director, 1 (one) Vice President Director and 7 (seven) Directors.

No.	Name	Designation
1.	Kartika Wirjoatmodjo	President Director
2.	Sulaiman Arif Arianto	Vice Director
3.	Ogi Prastomiyono	Director of Operations
4.	Pahala N. Mansury	Director of Finance & Treasury
5.	Royke Tumilaar	Director of Corporate Banking
6.	Hery Gunardi	Director of Distributions
7.	Tardi	Director of Retail Banking
8.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance
9.	Kartini Sally	Director of Commercial
10.	Rico Usthavia Frans	Director of Digital Banking & Technology

#### **COMPOSITION OF MEMBERS OF THE BOARD OF DIRECTORS BEFORE EGMS ON 21 AUGUST 2017**

The number and composition of the Board of Directors of the Company before the Extraordinary GMS on 21 August 2017 is the Board of Directors of 9 (nine) persons comprising from 1 (one) President Director, 1 (one) Vice President Director and 7 (seven) Directors.

No.	Name	Designation
1.	Kartika Wirjoatmodjo	President Director
2.	Sulaiman Arif Arianto	Vice Director
3.	Ogi Prastomiyono	Director of Operations
4.	Royke Tumilaar	Director of Wholesale Banking
5.	Hery Gunardi	Director of Distributions
6.	Tardi	Director of Retail Banking
7.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance
8.	Kartini Sally	Director of Government & Institutional
9.	Rico Usthavia Frans	Director of Digital Banking & Technology

#### THE COMPOSITION OF THE COMPANY BOARD OF DIRECTORS MEMBERS AFTER THE EXTRAORDINARY GMS DATED 21 AUGUST 2017

One of the Extraordinary GMS Resolutions dated 21 August 2017 is appointing Mr. Darmawan Junaidi that is effective after gaining the approval of Financial Services Authority for the Fit and Proper Test and in compliance with the applicable laws and regulation.

Therefore, the number and composition of the Company Board of Directors after the extraordinary GMS dated 21 August 2017 is 10 members consisting of 1 President Director, 1 Vice Director and 8 Directors

No.	Name	Designation
1.	Kartika Wirjoatmodjo	President Director
2.	Sulaiman Arif Arianto	Vice Director
3.	Ogi Prastomiyono	Director of Operations
4.	Royke Tumilaar	Director of Wholesale Banking
5.	Hery Gunardi	Director of Distributions
6.	Tardi	Director of Retail Banking
7.	Ahmad Siddik Badruddin	Director of Risk Management & Compliance
8.	Kartini Sally	Director of Institutional
9.	Rico Usthavia Frans	Director of Digital Banking & Technology
10.	Darmawan Junaidi	Director of Treasury

#### Affiliations of Board of Directors

The Board of Directors shall always be independent, meaning that they do not have conflict of interest which interferes their ability to carry out their tasks independently and critically, whether among the Board of Directors members or the relation with the Board of Commissioners.

The Board of Directors have no financial relations, management relations, shareholding and/or family relations with other members of the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or relation with the Bank, therefore they are able to carry out their duties and responsibilities independently.

The Board of Directors is prohibited from having double post as a President Director or other Directors in other State, Region and Public Owned Enterprise or other positions related to Company management, as well as structural position, and functional position in the central and regional government institutions/organization, and other positions in accordance with the Company Articles of Association and applicable laws and regulations.

Affiliations among the members of Board of Directors, Board of Commissioners, and Majority and/or Controlling Shareholders, including:

- Affiliations among Board of Directors members.
- Affiliations among Board of Directors members and Board of Commissioners members.

- Affiliations among Board of Directors members and Majority and/or Controlling Shareholders.
- Affiliations among Board of Commissioners members; and
- Affiliations among Board of Directors members and Majority and/or Controlling Shareholders.

The independency of the Board of Directors is shown in the following table:

Table of Affiliations The Board of Directors

Name	Designation	Period	Financial, Family, and the Board of Directors Management Affiliations													
			Financial Affiliations with						Family Affiliations with						Other Company Management Affiliations	
			The Board of Commissioners		Directors		Controlling Shareholders		Board of Commissioners		Directors		Controlling Shareholders		Yes	No
			Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Kartika Wirjoatmodjo	President Director	17 May 2016 - 31 December 2017		√		√		√		√		√		√		√
Sulaiman Arif Arianto	Vice President Director	25 June 2015 - 31 December 2017		√		√		√		√		√		√		√
Ogi Prastomiyono	Director of Operations	24 December 2008 - 31 December 2017		√		√		√		√		√		√		√
Pahala N. Mansury	Director of Finance & Treasury	16 July 2010 - 31 December 2017		√		√		√		√		√		√		√
Royke Tumilaar	Director of Corporate Banking	25 July 2011 - 31 December 2017		√		√		√		√		√		√		√
Hery Gunardi	Director of Distributions	4 July 2013 - 31 December 2017		√		√		√		√		√		√		√
Tardi	Director of Retail Banking	22 September 2015 - 31 December 2017		√		√		√		√		√		√		√
Ahmad Siddik Badruddin	Director of Risk Management & Compliance	25 June 2015 - 31 December 2017		√		√		√		√		√		√		√
Kartini Sally	Director of Commercial	10 June 2015 - 31 December 2017		√		√		√		√		√		√		√
Rico Usthavia Frans	Director of Digital Banking & Technology	20 July 2016 - 31 December 2017		√		√		√		√		√		√		√
Darmawan Junaidi*	Director of Treasury	21 August 2017 - 31 December 2017		√		√		√		√		√		√		√

**Information:**

\* Effective from January 12, 2018 after obtaining approval from the Financial Services Authority for Fit and Proper Test.

## Policies on The Board of Directors Concurrent Positions

Policies on the Board of Directors concurrent positions is specified in the following regulations.

1. In accordance with Minister of State Enterprises Regulation NO. PER-03/MBU/02/2015, the Board of Directors member(s) is prohibited to have concurrent positions as:
  - a. the Board of Directors member(s) of State Enterprises, Region Enterprises, Public Enterprises; and/or
  - b. the Board of Commissioners member(s) of State Enterprises; and/or
  - c. other structural and functional positions in the central and regional government institutions/organization;
  - d. political party officials and/or legislative candidates/members; and/or regional head/deputy head candidates;
  - e. positions causing conflict of interests and/or other positions in accordance to applicable laws and regulations;
  - f. becoming legislative candidates or regional head/deputy head candidates.
2. In accordance with Regulation of Financial Services Authority No. 55/POJK.03/2016, the Board of Directors member(s) is prohibited from having concurrent positions as the Board of Directors member(s), the Board of Commissioners members or Executive Officers in other banks, companies and/or institutions. However, it does not include positions of the Board of Directors responsible for auditors of the Bank additional investment to subsidiaries, carrying out functional tasks as the Board of Commissioners members in subsidiaries that is not a bank controlled by the Bank, as long as it does not make the concerned disregard his tasks and responsibilities as the Bank Board of Commissioners member.

## The Board of Directors Concurrent Positions Table

Name	Designation	Period	Designation in Company/ Other Institution	Name of Company/ Other Institution
Kartika Wirjoatmodjo	President Director	17 May 2016 - 31 December 2017 December 2017	-	-
Sulaiman Arif Arianto	Vice President Director	25 June 2015 - 31 December 2017	-	-
Ogi Prastomiyono	Director of Operations	24 December 2008 - 31 December 2017	-	-
Pahala N. Mansury	Director of Finance & Treasury	16 July 2010 - 31 December 2017	-	-
Royke Tumilaar	Director of Corporate Banking	25 July 2011 - 31 December 2017	-	-
Hery Gunardi	Director of Distributions	4 July 2013 - 31 December 2017	-	-
Tardi	Director of Retail Banking	22 September 2015 - 31 December 2017	-	-
Ahmad Siddik Badruddin	Director of Risk Management & Compliance	25 June 2015 - 31 December 2017	-	-
Kartini Sally	Director of Commercial	10 June 2015 - 31 December 2017	-	-
Rico Usthavia Frans	Director of Digital Banking & Technology	20 July 2016 - 31 December 2017	-	-
Darmawan Junaidi*	Director of Treasury	21 August 2017 - 31 December 2017	-	-

### Remarks:

\*Effective since 12 January 2018 after gaining approval from the Financial Services Authority for the Fit and Proper Test.

## Management of the Board of Directors Conflict of Interest

Management of the Board of Directors conflict of interest is specified in Bank Mandiri Policy Architecture in 2016. Bank Mandiri Policy Architecture is a policy hierarchy/structure as a framework and guidelines in policy preparation and implementation of Bank activity. The Management of the Board of Directors conflict of interest is as following:

1. The Board of Commissioners, the Board of Directors, and Executive Officers shall commit to avoid any forms of conflict of interest.
2. In the event that the Board of Directors member(s) has a personal Interests in a transaction, contract or contracts proposed in which one of the party is the Bank, the interest shall be mentioned in the Board of Directors Meeting and the concerned Board of Directors member has no authority to take a vote.
3. Periodically in at least 1 (once) in a year, every member of the Board of Commissioners, the Board of Directors and the Executive Officers is obliged to make a statement regarding whether or not they have conflict of interests with the Bank activities they carry out.

4. Members of the Board of Commissioners, the Board of Directors and the Executive Officers is prohibited from having concurrent positions as specified in the applicable regulations.

### Board of Directors Shareholding

By 31 December 2017, no members of the Bank Board of Directors owns shares of Bank Mandiri of 5% or more from the capital deposited by Bank Mandiri, or other banks or companies whether domestic or foreign country.

### Board of Directors Shareholding Table

Name	Designation	Period	Stock Ownership			
			Bank Mandiri	Other Banks	Non-Bank Financial Institution	Other Companies
Kartika Wirjoatmodjo	President Director	17 May 2016 - 31 December 2017	Null	Null	Null	Null
Sulaiman Arif Arianto	Vice President Director	25 June 2015 - 31 December 2017	Null	Null	Null	Null
Ogi Prastomiyono	Director of Operations	24 December 2008 - 31 December 2017	Null	Null	Null	Null
Pahala N. Mansury	Director of Finance & Treasury	16 July 2010 - 31 December 2017	Null	Null	Null	Null
Royke Tumilaar	Director of Corporate Banking	25 July 2011 - 31 December 2017	Null	Null	Null	Null
Hery Gunardi	Director of Distributions	4 July 2013 - 31 December 2017	Null	Null	Null	Null
Tardi	Director of Retail Banking	22 September 2015 - 31 December 2017	Null	Null	Null	Null
Ahmad Siddik Badruddin	Director of Risk Management & Compliance	25 June 2015 - 31 December 2017	Null	Null	Null	Null
Kartini Sally	Director of Commercial	10 June 2015 - 31 December 2017	Null	Null	Null	Null
Rico Usthavia Frans	Director of Digital Banking & Technology	20 July 2016 - 31 December 2017	Null	Null	Null	Null
Darmawan Junaidi*	Director of Treasury	21 August 2017 - 31 December 2017	Null	Null	Null	Null

**Remarks:**

\*Effective since 12 January 2018 after gaining approval from the Financial Services Authority for the Fit and Proper Test.

### Board of Directors Meeting

A meeting of the Board of Directors is a meeting attended by the Board of Directors that may be held at least once every month or at any time when deemed necessary upon the request of one or more members of the Board of Directors, or upon a written request from the Board of Commissioners. The Meeting of the Board of Directors shall be held with the Board of Commissioners on a periodical basis of at least 1 (one) time in 4 (four) months. Meetings are legitimate and is entitled to take binding decisions when attended or represented by more than 2/3 (two thirds) of the members of the Board of Directors.

The President Director is the chairman for the Board of Directors Meeting, and in the event that the President Director is absent or unavailable, the Vice Director shall be the chairman. If the Vice Director is absent or unavailable, the Meeting Chairman is the Substitute Director of the President Director or the Substitute Director of the Vice Director as specified in the Board of Directors regulations regarding Job Description and Authority of the Board of Directors as well as the Establishment of Substitute Director list. If the assigned Substitute Director is also unavailable, the Board of Directors Meeting will be conducted by a member of the Board of Directors Meeting that is present and assigned at the meeting.

### The Board of Directors Meeting Agendas, Dates and Participants

In 2017, the agendas, dates and participants of the Board of Directors meeting is as follows.

Board of Directors Meeting Table

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
1.	4 January 2017	1. Discussion on Project Agent of Development. 2. Updates on Credit Collectability.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Not Attending	Taking a leave
			Hery Gunardi	Not Attending	Taking a leave
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
Rico Usthavia Frans	Not Attending	Taking a leave			
2.	10 January 2017	1. Updates on Initiative Strategic of Distribution. 2. Proposal from Corporate Real Estate Group. 3. Discussion on Human Capital. 4. Credit Portfolio Management Strategy. 5. Plan and Strategies on Online Mandiri Marketing. 6. Updates on Micro Business. 7. Updates on Lunar New Year 2568 Celebration.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Not Attending	On Business Trip
Rico Usthavia Frans	Attending				
3.	17 January 2017	1. Updates on Annual GMS. 2. Performance Review - Performance of Work Units in 2016.	Kartika Wirjoatmodjo	Not Attending	On Business Trip
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
Rico Usthavia Frans	Attending				
4.	24 January 2017	1. Approval on Audit Financial Statement on 31 December 2016. 2. Updates on Initiative Implementation of Corporate Plan 3. Portfolio Management of SME. 4. Updates on National Projects and Subsidiaries 5. Reports on Individual Bank Soundness Level in December 2016 Period.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Not Attending	Taking a leave
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Not Attending	Taking a leave
			Kartini Sally	Attending	
Rico Usthavia Frans	Attending				

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
5.	31 January 2017	<ol style="list-style-type: none"> <li>Updates on IT Development.</li> <li>Proposals of Bank Mandiri Sponsorship.</li> <li>Discussion on Human Capital</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
6.	7 February 2017	<ol style="list-style-type: none"> <li>Updates on Office Network Initiative 2017.</li> <li>Updates on SAM Debtor Development.</li> <li>Discussion on Human Capital.</li> <li>Updates on Performance Management</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
7.	14 February 2017	<ol style="list-style-type: none"> <li>Reports on the Consolidated Bank Soundness Level in 31 December 2016 period.</li> <li>Updates on Annual GMS Fiscal Year 2016.</li> <li>Preparation for Public Expose and Analyst Meeting Q4 2016.</li> <li>Updates on Initiative Strategic of Distribution.</li> <li>Update Corporate Real Estate Group.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
8.	21 February 2017	<ol style="list-style-type: none"> <li>Discussion on Human Capital.</li> <li>Updates on Initiative Corporate Plan</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
9.	28 February 2017	<ol style="list-style-type: none"> <li>Proposals on the Use of a Budget Platform for Bookkeeping Deletion.</li> <li>Updates on Initiative Corporate Plan</li> <li>Proposals on Procurement.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Not Attending	On Business Trip
10.	3 March 2017	Discussion on Human Capital.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Not Attending	On Business Trip
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Not Attending	On Business Trip
11.	7 March 2017	<ol style="list-style-type: none"> <li>Updates on Procurement of Audit LK Bank Mandiri Fiscal Year 2017.</li> <li>Updates on Wholesale Customer Development.</li> <li>Updates on Initiative Corporate Plan</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
12.	14 March 2017	<ol style="list-style-type: none"> <li>Update Perkembangan Debitur SAM.</li> <li>Update Perkembangan IT.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
13.	15 March 2017	1. Follow up of Annual GMS Resolutions. 2. Update on Legal.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Not Attending	On Business Trip
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
14.	22 March 2017	1. Alignment of Organizational Structure. 2. Financial Performance on February 2017. 3. Updates on SAM Debtor Development	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Not Attending	On Business Trip
			Tardi	Attending	
			Ahmad Siddik Badruddin	Not Attending	On Business Trip
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
15.	29 March 2017	1. Updates on Initiative Corporate Plan 2. Proposals on the Use of a Platform for Bookkeeping Deletion Q1/2017. 3. Alignment of Organizational Structure. 4. Updates on Collection Development. 5. Updates on Transaction Banking Development. 6. Discussion on Project Agent of Development. 7. Authority Proposals.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
16.	4 April 2017	1. Alignment of Organizational Structure. 2. Discussion on Human Capital. 3. Updates on Project Vulcan Development. 4. Updates from the Corporate Secretary.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
17.	10 April 2017	<ol style="list-style-type: none"> <li>General Discussion: Official Briefing.</li> <li>Updates on Risk Management.</li> <li>Financial Performance on March 2017.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Pahala N. Mansury	Attending	
			Royke Tumilaar	Not Attending	Taking a leave
			Hery Gunardi	Attending	
			Tardi	Not Attending	Taking a leave
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
18.	17 April 2017	<ol style="list-style-type: none"> <li>General Discussion</li> <li>Updates on Directorate of Internal Audit.</li> <li>Updates from Legal Group.</li> <li>Updates on Marvel Projects Development.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			19.	25 April 2017	<ol style="list-style-type: none"> <li>Preparation of Analyst Meeting Q1 2017.</li> <li>Updates on Wholesale Customer Development.</li> <li>Updates on Transaction Banking Initiative.</li> <li>Discussion on Human Capital.</li> <li>Proposals on the Use of a Budget Platform for Bookkeeping Deletion.</li> </ol>
Sulaiman A. Arianto	Attending				
Ogi Prastomiyono	Attending				
Royke Tumilaar	Attending				
Hery Gunardi	Attending				
Tardi	Attending				
Ahmad Siddik Badruddin	Attending				
Kartini Sally	Attending				
Rico Usthavia Frans	Attending				
20.	2 May 2017	<ol style="list-style-type: none"> <li>Discussion on Human Capital.</li> <li>Update on KLN Business Development.</li> <li>Updates on Project Vulcan Development.</li> <li>Proposals on the Benefits of the Year.</li> </ol>			
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Not Attending	On Business Trip
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
21.	12 May 2017	<ol style="list-style-type: none"> <li>1. Updates on IT Development.</li> <li>2. Financial Performance on April 2017.</li> <li>3. Updates on Credit Portfolio Risk Group.</li> <li>4. Authority Proposals.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Not Attending	Taking a leave
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
22.	23 May 2017	<ol style="list-style-type: none"> <li>1. Updates from the Corporate Secretary Group.</li> <li>2. Proposals from Directorate of Special Asset Management.</li> <li>3. Updates on Initiative Corporate Plan</li> <li>4. Updates on Corporate Real Estate Group.</li> <li>5. Discussion on Human Capital.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
23.	29 May 2017	<ol style="list-style-type: none"> <li>1. Revision of the Work Plan and Budget (RKAP) in 2017.</li> <li>2. Updates on Wealth Business Development.</li> <li>3. Updates on Subsidiaries Business Development.</li> <li>4. Updates on IT Development.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Not Attending	Taking a leave
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
24.	13 June 2017	<ol style="list-style-type: none"> <li>1. Financial Performance on May 2017.</li> <li>2. Proposals from Directorate of Special Asset Management.</li> <li>3. Updates from Legal Group.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Not Attending	Permission
			Rico Usthavia Frans	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
25.	20 June 2017	<ol style="list-style-type: none"> <li>Updates on KLN Business Development.</li> <li>Credit Portfolio Risk Group</li> <li>Updates on Extraordinary GMS.</li> <li>Proposals on the Use of a Platform for Bookkeeping Deletion Q2/2017.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Not Attending	On Business Trip
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
26.	3 July 2017	<ol style="list-style-type: none"> <li>Updates on IT Development.</li> <li>Proposals on Authority Evaluation.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Not Attending	Taking a leave
27.	4 July 2017	<ol style="list-style-type: none"> <li>Updates from Directorate of Corporate Transformation.</li> <li>Key Performance Indicators (KPI).</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Not Attending	Permission
			Rico Usthavia Frans	Attending	
28.	18 July 2017	<ol style="list-style-type: none"> <li>Financial performance of June 2017.</li> <li>Wholesale Transaction Dashboard.</li> <li>Update Sponsorship Bank Mandiri.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Not Attending	Taking a leave
			Hery Gunardi	Not Attending	On Business Trip
			Tardi	Not Attending	Taking a leave
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
29.	25 July 2017	<ol style="list-style-type: none"> <li>Updates on Directorate of Internal Audit.</li> <li>Discussion on Human Capital.</li> <li>Authority Proposals.</li> <li>Updates on Project Vulcan.</li> <li>Proposals on the Use of a Budget Platform for Bookkeeping Deletion.</li> <li>Strategies of Portfolio Management.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Not Attending	Sick
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
30.	1 August 2017	<ol style="list-style-type: none"> <li>Bank Mandiri's Score</li> <li>Updates from Directorate of Corporate Transformation.</li> <li>Updates from Accounting and Legal Group.</li> <li>Proposals from Corporate Secretary Group.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
31.	8 August 2017	<ol style="list-style-type: none"> <li>Updates on SAM Debtor Development.</li> <li>Discussion on Human Capital.</li> <li>Updates on Appreciation Thread on Mandiri Excellent Award.</li> <li>Discussion on Human Capital.</li> <li>Updates on Marvel Projects.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
32.	15 August 2017	<ol style="list-style-type: none"> <li>Updates on IT Development.</li> <li>Financial Performance on July 2017.</li> <li>Discussion on Human Capital</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Not Attending	On Business Trip
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
33.	23 August 2017	<ol style="list-style-type: none"> <li>Follow up of Extraordinary GMS 2017 Resolutions.</li> <li>Discussions on Authority.</li> <li>Reports on the Consolidated Bank Soundness Level on 30 June 2017.</li> <li>Credit Portfolio Risk Group</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Not Attending	On Business Trip
34.	29 August 2017	<ol style="list-style-type: none"> <li>Discussion on Organizational Structure.</li> <li>Discussion on Human Capital.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Not Attending	Taking a leave
			Kartini Sally	Not Attending	On Business Trip
			Rico Usthavia Frans	Not Attending	On Business Trip
			Darmawan Junaidi	Attending	
35.	5 September 2017	<ol style="list-style-type: none"> <li>Financial Performance on August 2017.</li> <li>Discussion on Human Capital.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Not Attending	On Business Trip
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Not Attending	On Business Trip
			Darmawan Junaidi	Attending	
36.	12 September 2017	<ol style="list-style-type: none"> <li>Indonesia Economic Updates 2017.</li> <li>Updates from Accounting Group.</li> <li>Updates on Initiative Corporate Plan</li> <li>Proposals on Changes of Pension Funds Regulations (PDP) Financial Institution Pension Fund (DPLK).</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Not Attending	On Business Trip
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Not Attending	On Business Trip
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
37.	19 September 2017	<ol style="list-style-type: none"> <li>Updates on Strategy and Performance Group.</li> <li>Updates on Initiative SAM</li> <li>Discussion on Human Capital.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Not Attending	Permission
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Not Attending	On Business Trip
38.	26 September 2017	<ol style="list-style-type: none"> <li>Updates on Initiative Corporate Plan</li> <li>Updates on IT Development.</li> <li>Proposals from Corporate Secretary Group.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
39.	03 October 2017	<ol style="list-style-type: none"> <li>Kick off of Work Plan and Budget (RKAP) 2018 and Bank Business Plan (RBB) 2018-2020.</li> <li>Updates on SME Business Development.</li> <li>Discussion on Project Agent of Development.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Not Attending	On Business Trip
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
40.	10 October 2017	<ol style="list-style-type: none"> <li>Financial Performance on September 2017.</li> <li>Updates on Initiative Corporate Plan</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Not Attending	On Business Trip
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
41.	18 October 2017	1. Proposals on MEA. 2. Discussion on Human Capital.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Not Attending	On Business Trip
			Kartini Sally	Attending	
			Rico Usthavia Frans	Not Attending	On Business Trip
			Darmawan Junaidi	Attending	
42.	24 October 2017	1. Preparation for Public Expose and Analyst Meeting Q3 2017. 2. Updates on Micro Business Development. 3. Updates on Consumer Business Development. 4. Updates on Directorate of Risk Management.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Not Attending	On Business Trip
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
43.	31 October 2017	1. 2017 Financial Projection. 2. Updates on Initiative Corporate Plan	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Not Attending	On Business Trip
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Not Attending	On Business Trip
			Darmawan Junaidi	Not Attending	On Business Trip
44.	07 November 2017	1. Updates on Initiative Corporate Plan 2. Discussion on Human Capital.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
45.	14 November 2017	<ol style="list-style-type: none"> <li>1. Discussion on Human Capital.</li> <li>2. Financial Performance on October 2017.</li> <li>3. Proposals on RKAP and Initiative Corporate Plan.</li> <li>4. Updates on Commercial Business Development.</li> <li>5. Updates on SME Development.</li> <li>6. Updates on Initiative Corporate Plan</li> <li>7. Updates on Wholesale Customer Development.</li> <li>8. Authority Development.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
46.	28 November 2017	<ol style="list-style-type: none"> <li>1. Proposal from Corporate Real Estate Group.</li> <li>2. Updates on IT Development.</li> <li>3. Update on Bank Mandiri Recovery Plan.</li> <li>4. Updates on Directorate of Risk Management.</li> <li>5. Updates on Lafite Project.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Not Attending	On Business Trip
			Rico Usthavia Frans	Not Attending	On Business Trip
			Darmawan Junaidi	Not Attending	On Business Trip
47.	05 December 2017	<ol style="list-style-type: none"> <li>1. Discussion on Human Capital.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Attending	
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	
48.	11 December 2017	<ol style="list-style-type: none"> <li>1. Discussion on Human Capital.</li> <li>2. Proposals on the Approval of Bank Mandiri Recovery Plan.</li> </ol>	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Attending	
			Hery Gunardi	Attending	
			Tardi	Not Attending	On Business Trip
			Ahmad Siddik Badruddin	Not Attending	On Business Trip
			Kartini Sally	Not Attending	Taking a leave
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	

No.	Date of Meeting	Meeting Agenda	Meeting Participant	Attending/Not Attending	Reason for Not Attending
49.	19 December 2017	1. Financial Performance on November 2017. 2. Updates on RKAP on Subsidiaries. 3. Performance Evaluation. 4. Updates and Proposals from Treasury Group. 5. Updates on Initiative SAM 6. Proposals on Changes of Mandiri Pension Funds Regulations Financial Institution Pension Fund. 7. Branchless Banking.	Kartika Wirjoatmodjo	Attending	
			Sulaiman A. Arianto	Attending	
			Ogi Prastomiyono	Attending	
			Royke Tumilaar	Not Attending	Taking a leave
			Hery Gunardi	Not Attending	Taking a leave
			Tardi	Attending	
			Ahmad Siddik Badruddin	Attending	
			Kartini Sally	Not Attending	On Business Trip
			Rico Usthavia Frans	Attending	
			Darmawan Junaidi	Attending	

### Joint Meeting of the Board of Directors Inviting the Board of Commissioners

Agenda, dates and participants of the Joint Meeting of the Board of Directors inviting the Board of Commissioners are as follows.

No.	Meeting Date	Meeting Agenda	Meeting Participants – The Board of Commissioners	Present/Not Present	Remarks	Board of Directors Meeting Participants	Present/Not Present	Remarks
1.	Thursday, 27 April 2017	1. Updates on Economic Condition 2. Updates on Corporate Social Responsibility Program	Wimboh Santoso	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Not Attending	Permission	Sulaiman Arif Arianto	Attending	
			Abdul Aziz	Attending		Ogi Prastomiyono	Attending	
			Aviliani	Attending		Royke Tumilaar	Attending	
			Askolani	Attending		Hery Gunardi	Attending	
			Goei Siau Hong	Attending		Tardi	Attending	
			Bangun Sarwito Kusmulyono	Attending		Ahmad Siddik Badruddin	Not Attending	Permission
			Ardan Adiperdana	Attending		Kartini Sally	Not Attending	Permission
MakmurKeliat*	Attending		Rico Usthavia Frans	Not Attending	Permission			
2.	Wednesday, 27 September 2017	1. Explanation on Economic Outlook 2. Financial Performance on August 2017 3. A Comprehensive Look At Bank Mandiri	Hartadi A. Sarwono	Attending		Kartika Wirjoatmodjo	Attending	
			Imam Apriyanto Putro	Attending		Sulaiman Arif Arianto	Attending	
			Askolani	Attending		Ogi Prastomiyono	Attending	
			Goei Siau Hong	Attending		Royke Tumilaar	Attending	
			Bangun Sarwito Kusmulyono	Attending		Hery Gunardi	Attending	
			Ardan Adiperdana	Attending		Tardi	Attending	
			MakmurKeliat	Attending		Ahmad Siddik Badruddin	Attending	
			R. Widyo Pramono*	Attending		Kartini Sally	Attending	
			Rico Usthavia Frans	Attending				
				Not Attending	Permission			

\*Effective since 12 January 2018 after gaining approval from the Financial Services Authority for the Fit and Proper Test.

## Meeting Frequency and Attendance

The frequency and attendance level of each member of the Board of Directors is as follows.

### Frequency and Attendance Level of the Board of Directors Meeting Table

Name	Designation	Period	Board of Directors Meeting			Joint Meeting of the Board of Directors with the Board of Commissioners Table		
			Number and (%) of Attendance			Number and (%) of Attendance		
			Number of Meetings	Number of Attendance	%	Number of Meetings	Number of Attendance	%
Kartika Wirjoatmodjo	President Director	17 May 2016 – 31 December 2017	51	50	98%	10	9	90%
Sulaiman Arif Arianto	Vice President Director	25 June 2015 – 31 December 2017	51	48	94%	10	9	90%
Ogi Prastomiyono	Director of Operations	24 December 2008 – 31 December 2017	51	48	94%	10	10	100%
Pahala N. Mansury	Director of Finance and Treasury	16 July 2010-12 April 2017	17	16	94%	2	2	100%
Royke Tumilaar	Director of Wholesale Banking	25 July 2011 – 31 December 2017	51	45	88%	10	10	100%
Hery Gunardi	Director of Distributions	4 July 2013 – 31 December 2017	51	46	90%	10	10	100%
Tardi	Director of Retail Banking	22 September 2015 – 31 December 2017	51	45	88%	10	10	100%
Ahmad Siddik Badruddin	Director of Risk Management and Compliance	25 June 2015 – 31 December 2017	51	42	82%	10	9	90%
Kartini Sally	Director of Institutional	10 June 2015 – 31 December 2017	51	42	82%	10	9	90%
Rico Usthavia Frans	Director of Digital Banking and Technology	20 July 2016 – 31 December 2017	51	41	80%	10	9	90%
Darmawan Junaidi*	Director of Treasury	21 August 2017 – 31 December 2017	18	14	77%	5	4	80%

#### Remarks:

\*Effective since 12 January 2018 after gaining approval from the Financial Services Authority for the Fit and Proper Test.

## The Board of Directors Competency Development

Throughout 2017, the Company Board of Directors members have participated various competency programs such as trainings, workshops, conferences, seminars, as shown in the following tables.

### The Board of Directors Competency Development Table

Name	Designation	Period	Development Materials Competence/ Training	Time and Venue Implementation	Type of Training and Organizer
Kartika Wirjoatmodjo	President Director	17 May 2016 – 31 December 2017	Refreshment of Banking Risk Management Handling Fraud in banking	16 August 2017, Financial Club, Graha Niaga-Jakarta	Banking Professional Certification Agency (LSPP)
			World Economic Forum Annual Meeting 2017	14 - 21 August 2017, Davos	World Economic Forum
			CEO Dialogue Conference	06 April 2017, Vietnam	APEC Business Advisory Council

Name	Designation	Period	Development Materials Competence/ Training	Time and Venue Implementation	Type of Training and Organizer
Sulaiman Arif Arianto	Vice Director	25 June 2015 – 31 December 2017	Refreshment of Banking Risk Management Strengthening The Resilience Of Islamic Banking	04 May 2017, Hotel Fairmont-Jakarta	Banking Professional Certification Agency
Ogi Prastomiyono	Director of Operations	24 December 2008 – 31 December 2017	Supply Chain Strategy And Management and Developing A Leading Edge Operations Strategy	07 - 10 November 2017, Boston	Massachusetts Institute of Technology, Sloan School of Management
			Executive Leadership Program, Batch 2	28 April 2017, Bandung	Ministry of State-Owned Enterprises
Pahala N. Mansury	Director of Finance and Treasury	16 July 2010-12 April 2017	-	-	-
Royke Tumilaar	Director of Wholesale Banking	25 July 2011 – 31 December 2017	Strategic Investment Management Program	02 - 06 October 2017, London	IMD Business School
			Workshop Strategic Review	23 August 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk
Hery Gunardi	Director of Distributions	4 July 2013 – 31 December 2017	Deeper Understanding On IFRS 9 & BASEL IV and Progress of Basel III Implementation	18 - 19 May 2017, Bali	Bankers Association for Risk Management
			Non Deal Roadshow (NDR)	03 - 10 June 2017, Los Angeles	(BARa)
Tardi	Director of Retail Banking	22 September 2015 – 31 December 2017	Workshop Micro Banking	03 August 2017, Denpasar	Bank of America Merrill Lynch
			Refreshment of Banking Risk Management	26 April 2017, Graha Niaga-Jakarta	PT Bank Mandiri (Persero) Tbk
Ahmad Siddik Badruddin	Director of Risk Management & Compliance	25 June 2015 – 31 December 2017	Executive Training Financial Strategies for Value Creation	11-15 December 2017, London	Banking Professional Certification Agency
			Sound Practice in ICAAAP Implementation	17 - 19 October 2017, Prague	Bankers Association for Risk Management (BARa)
			Unsecured Retail Credit Risk Management	14 September 2017 dan 28 July 2017, Assembly Hall 9 floor Menara Mandiri dan Financial Hall-Jakarta	Bankers Association for Risk Management (BARa)
			Refocusing on Credit Risk Management, Credit Risk Model, Pricing, and Being Prepared for Upcoming Regulations	23 March 2017, Four Seasons Hotel-Jakarta	Bankers Association for Risk Management (BARa)
			Risk Management in Mortgage Banking	10 March 2017, Auditorium Plaza Mandiri-Jakarta	Bankers Association for Risk Management (BARa)
Kartini Sally	Institutional Director	10 June 2015 – 31 December 2017	Risk Management Framework for a Successful Transaction Banking Business	19 January 2017, Financial Hall-Graha Niaga, Jakarta	Bankers Association for Risk Management (BARa)
			Cambridge -Leadership in a Transformational Digital Era	11 - 15 September 2017, United Kingdom	SWA & Co
			Government Institutional Workshop	13 July 2017, Batam	PT Bank Mandiri (Persero) Tbk
			BARa Risk Program	17 May 2017, Denpasar	Bankers Association for Risk Management (BARa)
			Executive Leadership Program, Batch 2	27 April 2017, Bandung	Ministry of State-Owned Enterprises

Name	Designation	Period	Development Materials Competence/ Training	Time and Venue Implementation	Type of Training and Organizer
Rico Usthavia Frans	Digital Banking & Technology Director	20 July 2016 – 31 December 2017	Leading In Digital Age	18 - 20 October 2017, Laussane-Swiss	IMD Business School
			ASEAN Strategy Forum Banking	17 May 2017, Singapura	International Forum, Management Events ASEAN
			Forum of Digital Banking	17 February 2017, Batam	PT Bank Mandiri (Persero) Tbk
Darmawan Junaidi*	Director of Treasury	21 August 2017 – 31 December 2017	Risk Management Certification Level 5	07 October 2017, Jakarta	Banking Professional Certification Agency (LSPP)

## Remarks:

\*Effective Since 12 January 2018 After Gaining Approval From The Financial Services Authority For The Fit And Proper Test.

### Risk Management Certification

Besides the aforementioned competency development program, the Board of Directors also participated in Risk Management Certification program. In 2017, the Board of Directors that have passed the risk management certification are as follows.

Table of Risk Management Certification The Board of Director

Name	Designation	Period	Institutions issuing the certificate	Level	Field/Area	Certificate Date of Issue	Expiry Date
Kartika Wirjoatmodjo	President Director	17 May 2016 – 31 December 2017	Badan Nasional Sertifikasi Profesi/ LSPP	Level 5	Banking Risk Management	17 April 2015	17 April 2017
			LSPP	-	Refreshment of Banking Risk Management Handling Fraud in Banking, Financial Club, Graha Niaga, Jakarta	16 August 2017	16 August 2019
Sulaiman A. Arianto	Vice President Director	25 June 2015 – 31 December 2017	BARa-LSPP	-	Risk Management Certification Refreshment Program – Jakarta	1-2 April 2015	1-2 April 2017
			BARa-LSPP	-	Risk Management Certification Refreshment Program – Frankfurt	10 July 2012	9 July 2014
			LSPP	-	Refreshment of Banking Risk Management Strengthening the resilience of islamic banking, Hotel Fairmont, Jakarta	4 May 2017	4 May 2019
Ogi Prastomiyono	Director of Operations	24 December 2008 – 31 December 2017	IBI-LSPP-MMUGM	-	Refreshment Program – International Risk Management Refreshment Program for Executives Europe Class 2016 (Milan)	21 October 2016	21 October 2018
			LSPP, IBI dan Standard Chartered Bank Ltd. (Hongkong)	-	Refreshment – Banking Risk Management level 5 – Hong Kong	27 October 2014	27 October 2016
			BARa-LSPP	-	Risk Management Certification Refreshment Program – Tokyo	12 November 2012	12 November 2014
			BSMR	-	Program of Risk Management Certification Executive Program - Bali	19 February 2008	19 February 2010
			Indonesian Risk Professional Associaton	-	Risk Management Certification Executive Program	20 August 2004	20 August 2006

Name	Designation	Period	Institutions issuing the certificate	Level	Field/Area	Certificate Date of Issue	Expiry Date
Pahala N. Mansury	Director of Finance and Treasury	16 July 2010-12 April 2017	Badan Nasional Sertifikasi Profesi/ LSPP	Level 5	Banking Risk Management	17 December 2011	17 December 2013
			BARa Risk Forum	-	Risk Management Certification Refreshment Program in Bandung	5 March 2015	5 March 2017
Royke Tumilaar	Director of Corporate Banking	25 July 2011 – 31 December 2017	Badan Nasional Sertifikasi Profesi/ LSPP	Level 5	Banking Risk Management	12 June 2012	12 June 2014
			BARa Risk Forum	-	Refreshment at Stockholm 19 – 21 September 2016	21 September 2016	21 September 2018
Hery Gunardi	Director of Distributions	4 July 2013 – 31 December 2017	BARa Risk Forum	Level 5	Banking Risk Management	13 April 2013	13 April 2015
			Badan Nasional Sertifikasi Profesi/ LSPP	-	Banking Risk Management Refreshment	2 July 2015	13 April 2017
			BARa Risk Forum	-	BARa Risk Program : Deeper understanding on IFRS 9 & BASEL IV and Progress of Basel III Implementation, Bali	18 - 19 May 2017	18 - 19 May 2019
Tardi	Director of Retail Banking	22 September 2015 – 31 December 2017	Badan Nasional Srtifikasi Profesi/ LSPP	Level 5	Banking Risk Management	4 April 2015	4 April 2017
			LSPP	-	Banking Risk Management Refreshment, Graha Niaga	26 April 2017	26 April 2019
Ahmad Siddik Badruddin	Director of Risk Management & Compliance	25 June 2015 – 31 December 2017	Badan Nasional Sertifikasi Profesi/ LSPP	Level 5	Banking Risk Management	11 April 2015	11 April 2017
			BARa Risk Forum	-	Refreshment at Stockholm 19 – 21 September 2016	21 September 2016	21 September 2018
Kartini Sally	Director of Institutional	10 June 2015 – 31 December 2017	Badan Nasional Sertifikasi Profesi/ LSPP	Level 5	Banking Risk Management	11 April 2015	11 April 2017
			BARa Risk Forum	-	BARa Risk Program, Denpasar	17 May 2017	17 May 2019
Rico Ushtavia Frans	Director Digital Banking & Technology	20 July 2016 – 31 December 2017	Badan Sertifikasi Manajemen Risiko (BSMR)	Level 5	Banking Risk Management	7 May 2016	7 May 2018
			Badan Sertifikasi Manajemen Risiko (BSMR)	Level 4	Banking Risk Management	25 April 2010	25 April 2012
			Badan Sertifikasi Manajemen Risiko (BSMR)	Level 2	Banking Risk Management	2 June 2007	2 June 2011
			Badan Sertifikasi Manajemen Risiko (BSMR)	Level 1	Banking Risk Management	9 August 2007	9 August 2011
Darmawan Junaidi*	Director Treasury	21 August 2017 – 31 December 2017	LSPP	Level 5	Banking Risk Management	7 October 2017	7 October 2019

**Remarks:**

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## Policy and Remuneration for the Board of Directors

The remuneration for the Board of Directors refers to the Minister of State-Owned Enterprise (SOEs) Regulation No. PER-02/MBU/06/2016/ dated 20 June 2016 regarding the Amendment to the Minister of State-Owned Enterprise (SOEs) Regulation No. PER-04/MBU/2014 regarding the Guidelines on the Income Establishment of the Board of Directors, Board of Commissioners, and Board of Supervisors for State-Owned Enterprise. The formulation of the Remuneration Policy for the Board of Directors was arranged by various consideration that consisted of the short-term and long-term of liquidity requirements, capital adequacy and capital appreciation, financial stability aspect, the effectiveness of risk management, and the potential revenue in the future. Bank Mandiri prioritized the principle of prudential in providing permanent remuneration and variable remuneration allotments.

The remuneration determination of the Board of Directors also referred to the Financial Services Authority Regulation No.45/POJK.03/2015 on the Implementation of Good Corporate Governance in Remuneration for Commercial Banks, Bank Mandiri implemented Good Corporate Governance in Remuneration that had considered various aspects including the financial stability of banks, creation of risk management, short-term and long-term liquidity requirements, and potential future revenues. The Company might postpone the variable suspended remuneration (Malus) or withdraw the variable remuneration that had already been paid (Clawback) to the official classified as Material Risk Taker (MRT), subject to the following conditions:

1. The Company implemented Malus and/or Clawback for certain special conditions in the implementation of variable remuneration by considering factors, among others:
  - The amount of financial and non-financial losses of the Company.
  - The involvement of the employees concerned directly or indirectly in the losses incurred.
2. The variable remuneration shall be deferred to a certain percentage determined by the Company.
3. This policy applied to officials classified as MRT, with the following criteria:
  - Causing financial and non-financial losses of the bank.
  - Performing fraud, law violation, unethical behavior, and/or falsification of records.
  - Violating bank policies, rules and procedures intentionally.
  - Causing significantly negative impacts on bank capital that are not caused by changes in the economic or industrial climate.
4. In the implementation of MRT remuneration, Bank Mandiri adhered to the provision of OJK, SOE Regulation, and remuneration policy of the Company.

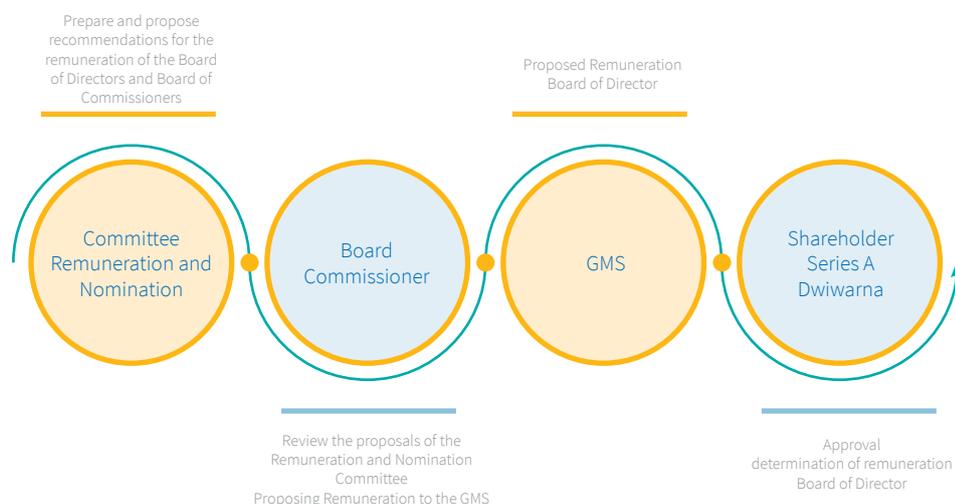
In addition it should not conflict with legislation in effect, a remuneration policy of a nature still have to pay attention to business scale, business complexity, peer group, inflation rate, condition, and financial ability. While the remuneration policy is variable other than must put forward the things related to the remuneration policy which are fixed, must also be aware of the existence of prudent risk taking.

## THE PROCEDURES OF REMUNERATION DETERMINATION

Not only recorded in the realization of the Company's Work and Budget Plan, the determination of remuneration for the Board of Directors also requires procedures as proposed based on the following matters:

1. The submission of Bank Business Plan (BBP) to the Stakeholders and regulators conducted at the end of the year;
2. The establishment of President Director's Key Performance Indicators (KPI) approved by the Board of Commissioners and signed by the President Director and the President Commissioner;
3. The preparation of the Vice President Director and Director of Department's Key Performance Indicators (KPI) in order to cover the President Director's Key Performance Indicators (KPI);
4. The evaluation of performance in each business unit is conducted periodically and the primary target is evaluated monthly through the performance review;
5. The comprehensive assessment discussed in the Board of Directors' meeting is conducted at the end of the year;
6. The assessment result was reported to the Board of Directors. The tantiem sharing for the Board of Directors was conducted based on the assessment after the General Meeting of Shareholders, so that tantiem 1 (one) Director could be different from others directors.

GMS decides the determination of remuneration for the Board of Directors with the basis formula mechanism set by the General Meeting of Shareholders is reviewed beforehand and then followed by the amount of remuneration which is suggested by the Board of Commissioners in collaboration with the Remuneration and Nomination Committee for conducting in-depth examination. Remuneration and Nomination Committee consulted with the Minister of State-Owned Enterprise as the Seri A Dwiwarna shareholder in establishing the allowance and other facilities as well as the supplemental executive retirement plan for the Board of Directors.



### Structure of Remuneration for the Board of Directors' Members

No.	Type of Income	Terms
1.	Honorarium	Number of Position Factor President Director 100% Vice President Director 95% Director 90%
2.	Allowance Holiday Allowance Communication Allowance Post-Employment Benefit Residence Allowance Annual Leave Allowance Uniform Allowance	1 (one) time salary At cost Insurance premium at maximum 25% of salary/year Rp27,500,000/month including the utility cost, if the official residence is unoccupied Not provided (12 days of annual leave, collective leave excluded) Provided in the case of special events in which uniform is needed.
3.	Facilities Company Vehicle  Health Facility Professional Facility Collector Legal Council Facility Residence Facility	1 (one) vehicle is provided, rented Vehicle specification and fuel allowance are in accordance with the internal policy (KEP.KOM/003/2014) Medical reimbursement in accordance with the internal policy KEP KOM/003/10 At maximum 2 (two) membership received registration fee and annual contribution As needed, regulated in KEP. KOM/003/2014 Members of Board of Directors are not eligible for company housing facility nevertheless provided official residence allowance included utility allowance. For the members appointed before the Regulation of State Owned Enterprises No. PER-04/MBU/2014 and already occupy the official residence, they shall utilize the official residence to the end of their term of office.

### Indicators of Remuneration Determination for the Board of Directors

The indicators used in determining the remuneration for the Board of Directors in accordance with the remuneration policy are as follows:

1. Key Performance Indicator (KPI)
2. Company Performance
3. Business Size
4. The benchmarking of the Banking Industry's remuneration
5. The consideration in the Company's target and long-term strategy

### Total Nominal/ Component of Remuneration for the Board of Directors

The disclosure of remuneration component of the BOC and the BOD is pursuant to the Financial Service Authority Circular Letter No.40/SEOJK.03/2016 regarding the Implementation of Corporate Governance in terms of Remuneration of Commercial Bank.

Total of Remuneration and Others Facilities	Total received in 1 year	
	Employee	Million of Rupiah
Remuneration		
Salary	11	41.399
Residence Allowance	8	2.184
Transportation Allowance	-	-
Religious Holiday Allowance	9	3.241
Tentem	12	156.892
Other in-kind facilities		
Residence (can not be owned)	3	-
Transportation (cannot be possessed)	10	-
Post employment insurance (can be owned)	10	6.945
Medical (cannot be owned)	10	1.137

Remarks: Including the members of Board of Directors whose term of office expires in 2017

The following table provides the remuneration in one year categorized by income rate.

Table of Total Remuneration Category

Total Remuneration	Total Employee
Above Rp 2 Billion	12
Above Rp 1 Billion - Rp 2 Billion	1
Above Rp 500 Billion - Rp 1 Billion	-
Rp 500 Million below	-

### The Board of Directors' Decisions and Implementation of Duties

In 2017, the Board of Directors has performed its duties, obligations, and responsibilities in managing the Company as regulated by the applicable laws, the Articles of Association, and Work Plan

established in the beginning of the year. The Board of Directors' duties carried out in 2017 are presented as follows:

1. Preparation of Company's planning.
2. Fulfilling the Company's performance target.
3. Managing the assets and finance because in 2017 Bank Mandiri focused on rectifying the fundamentals of Company by minimizing the Non Performing Loan (NPL).
4. Organizing the Board of Directors' meeting, comprising 51 (fifty-one) Board of Directors' meeting and 10 (ten) joint meetings in 2017.
5. Attending the Board of Commissioners' meeting.
6. Organizing the General Meeting of Shareholders, which was held two times in 2017, comprising Annual General Meeting of Shareholders on 14 March 2017 and the Extraordinary General Meeting of Shareholders on 21 August 2017.
7. Supervising and rectifying the internal business process, in which Bank Mandiri become more selective in loan distributions in the entire segment.
8. Implementing and supervising Good Corporate Governance in every business activities.
9. Issuing the Sustainable Bond I of Bank Mandiri Phase II in 2017 amounted to Rp6 Trillion.
10. Implementing the Stock Split by ratio of 1:2 from Rp500.00 (five hundred rupiah) per share to Rp 250.00 (two hundred rupiah) per share.
11. Having active participation as one of the First Movers in the Pilot Project of Sustainable Finance entitled "First Movers on Sustainable Banking" set by the Financial Services Authority and the WWF Indonesia.
12. Implementing other duties related to the Company's management.

The Board of Directors' Decisions in 2017 are presented as follows:

Table of the Board of Directors' Decisions

No.	Date of Meeting	Subject
1.	2 January 2017	Designation of members of Audit Service Procurement Team for Consolidated Financial Statements of PT Bank Mandiri (Persero) Tbk and Subsidiary Entities along with the Financial Statement for Partnership and Environmental Development Program of PT Bank Mandiri (Persero) Tbk, and ended on 31 December 2017.
2.	13 February 17	The establishment of Management team and Executive team for the General Meeting of Shareholders fiscal year 2016 PT Bank Mandiri (Persero) Tbk.
3.	1 March 2017	The approval of Implementation for IT and Non IT Initiatives of 2017.
4.	21 March 2017	The establishment of Committee Structure for the Procurement of Public Auction for the Construction of Mandiri University Type A building in Wijayakusuma Jakarta Area.
5.	21 March 2017	Alteration in Organizational Structure
6.	21 March 2017	Appointment and Designation of Senior Executive Vice President PT Bank Mandiri (Persero) Tbk.
7.	10 April 2017	Job Description for the Board of Directors.
8.	26 May 2017	The establishment of Establishment team for the Bank Mandiri's Subsidiary in Malaysia.
9.	26 May 2017	Audit Committee Members Designation
10.	26 May 2017	Risk Monitoring Membership Designation
11.	26 May 2017	Remuneration and Nomination Committee Membership Designation
12.	15 June 2017	Integrated Governance Committee Membership Designation
13.	23 August 2017	Guidelines and Procedures for the Board of Directors's Performance
14.	13 September 2017	Designation as The Treasury Executive Officer
15.	13 September 2017	Organizational Structure
16.	13 September 2017	Duties and Authorities Descriptions for the Board of Director's members as well as the substitute Director and SEVP Designation.
17.	11 October 2017	Director of Regional Builder Designation as well as the Duties and Authorities
18.	11 October 2017	Audit Committee Membership Designation
19.	11 October 2017	Risk Monitoring Committee Membership Designation
20.	11 October 2017	Remuneration and Nomination Committee Membership Designation
21.	1 November 2017	Integrated Governance Committee Membership Designation
22.	13 November 2017	Government Project Assignment
23.	21 November 2017	Executive Committee
24.	21 November 2017	Business Committee
25.	21 November 2017	Capital & Subsidiaries Committee
26.	21 November 2017	Human Capital Policy Committee
27.	21 November 2017	Integrated Risk Committee
28.	21 November 2017	Information & Technology Committee
29.	21 November 2017	Policy & Procedure Committee
30.	21 November 2017	Risk Management Committee

### Review of Company Annual Strategy

The Board of Directors sought to encourage the Company's performance for the following year by reviewing the Company's annual strategy conducted at the end of the current year. In 2017, the review of the Company's annual strategy was conducted through the Board of Directors' meeting.

### Evaluation of Company Strategy

Evaluation of the Company's strategy in line with the Company's Vision and Mission as well as current business environment was constantly conducted periodically and involved all Directors and executive officials at Bank Mandiri in the annual Corporate Work Plan and Budget (RKAP) discussion forum and the Company's Long-Term Plan (RJPP) to find out the achievement level and business direction.

In the process of preparing the Annual Work Plan and Corporate Budget (RKAP) each year referring to RJPP, it must be submitted to the Board of Commissioners for approval.

### Performance Assessment of Board of Directors

Performance Assessment of the Board of Directors was conducted in several procedures, among others:

#### Performance Assessment of the Board of Directors by the GMS

The process of assessing the performance of the Board of Directors by the Shareholders was conducted through the General Meeting of Shareholders (GMS) by referring to Key Performance Indicators (KPI) previously agreed by the Shareholders, Board of Commissioners and Board of Directors.

#### Procedure of Performance Assessment of the Board of Directors

Performance of the Board of Directors is reported to the Shareholders in the GMS.

#### Performance Evaluation Criteria of the Board of Directors

Performance evaluation criteria of the Board of Directors based on Key Performance Indicator (KPI), namely:

1. Financial and market perspectives
2. Focus on Customers
3. Effectiveness of products and processes
4. Focus on Manpower
5. Leadership, governance and CSR

#### Party Performing Assessment

Parties performing performance assessment of the Board of Directors were the Board of Commissioners and GMS. In assessing the performance of the Board of Directors, the Board of Commissioners referred to the KPI indicators. Subsequently, the Board of Commissioners and Board of Directors would be responsible for the achievement of their performance in the period of 2017, including the implementation of the duties and responsibilities of the Board of Commissioners and Board of Directors in the GMS to be held in 2018.

#### Performance Assessment Result of the Board of Directors

The performance assessment result of the Board of Directors based on KPI can be seen in the table below.

STRATEGIC TARGET		Weight	Size	Score
Financial And Market Perspectives		24%		
1.	Increasing Profitability	5,0%	EAT (Earning After Tax) is higher than last year (Rp billion)	6,50
		5,0%	ROE Ratio (Av. Equity) is better than Bank Industry	6,50
2.	Increasing Company Value	5,0%	Market Cap Growth is higher than Bank Industry (%)	4,33
3.	Maintaining Asset Quality	4,0%	NPL Ratio is better than Bank Industry (%)*	3,34
4.	Increasing Efficiency	5,0%	Cost to Income Ratio is better than last year (%)	4,65
				25,32
Focus on Customer		22,0%		
5.	Increasing the Satisfaction of External Customers and Regulators.	11,0%	The minimum rating of the Bank is in the top 10 industries.	11,00
		11,0%	Minimum 80% PAB approved by OJK has "DONE" status.	11,14
				22,14
Effectiveness of Product And Process		20,0%		
6.	Increasing the HIMBARA (Association of State-Owned Banks) synergy	5,0%	ATM and EDC Merah Putih are implemented according to the project target (unit).	
			a. ATM Implementation of 9,900 units	2,50
			b. EDC Implementation of 50,000 units	2,56
7.	Increasing inclusion and financial literacy	5,0%	The number of branchless banking agents is achieved according to the bank target (unit).	5,32
8.	Increasing the disbursement of non-oil export credit	5,0%	The disbursed non-oil export credit is achieved according to bank target (% total credit).	6,50
9.	Increasing the profitability of subsidiaries.	5,0%	Profit of Subsidiaries (PA) (Rp billion)	4,82
				21,70
Focus On Manpower		17,0%		

STRATEGIC TARGET		Weight	Size	Score
10.	Increasing Human Capital capability and competence.	9,0%	Employee productivity is better than last year (Rp million/Worker).	11,70
		8,0%	Human Capital Score lebih baik dibandingkan tahun lalu.	
		a.	Attrition Rate max 2%.	2,74
		b.	Talent Development Program.	2,71
		c.	Employee Development Coverage.	3,47
				20,62
LEADERSHIP, GOVERNANCE AND CSR		17,0%		
11.	Increasing excellent performance and competitiveness	6,0%	KPKU Score is better than last year.	6,19
12.	Increasing the bank's contribution to the welfare improvement of society.	5,0%	PKBL Realization of minimum 80% of RKAP budget (%)	6,50
13.	Increasing the implementation of Good Corporate Governance (GCG)	6,0%	CGPL Score is better than last year.	6,00
				18,69
Total		100,0%		108,47

### Performance Self Assessment of the Board of Commissioners

In reference to the Financial Service Authority (POJK) No.55/POJK.03/2016 on the Implementation of Integrated Corporate Governance, the performance assessment of the Board of Directors was held by using the Self Assessment.

### Procedure of Performance Assessment of the Board of Directors

Performance assessment of the BOC including the GCG self assessment of the Company was conducted every semester.

### Performance Evaluation Criteria of the Board of Directors

Self-Assessment Criteria of the Board of Directors related to GCG implementation were divided into 3 (three) groups, namely Governance Structure, Governance Process and Governance Outcome. Governance structure consisted of 16 indicators, Governance Process consisted of 14 indicators while governance outcome consisted of 10 indicators.

### Party Performing Assessment

Implementation of an individualized governance assessment that includes execution of duties and responsibilities of the Board of Directors through self assessment by the Board of Directors

### Performance Assessment Result of the Board of Directors

The results of GCG self-assessment of Bank Mandiri in the first semester The year 2017 is Composite 1 ("Very Good"), nevertheless on dated October 2, 2017, OJK provides feedback on the assessment referred to as Composite 2 ("Good").

In addition, the results of self assessment in the second half of 2017 is Composite 1 ("Very Good"). The results of this assessment are supported by assessment of Board of Directors' performance on the implementation of governance principles.

### Performance Assessment of the Board of Directors by Using Asean CG Scorecard

Bank Mandiri has aligned governance practices in line with ASEAN Corporate Governance (CG Scorecard) standards.

### Procedure of Conducting Performance Assessment of the Board of Directors

Procedures for conducting a performance assessment based on the Board of Directors ASEAN CG Scorecard criteria are based on information and public documents relating to GCG practices conducted by the Board of Directors.

### Performance Evaluation Criteria of The Board of Directors

The following are the criteria to conduct evaluation on the performance of the Board of Directors by using the ASEAN CG Scorecard:

### Party Performing Assessment

Parties conducting the ASEAN CG Scorecard assessment at the Bank Mandiri is the Indonesian Institute for Corporate Directorship (IICD), an Independent Institute of Advocates, Training and Service Providers research in corporate governance.

### Performance Assessment Result of The Board of Directors

The score of ASEAN CG Scorecard from Bank Mandiri on the performance assessment of the Board of Commissioners or the fifth main component for 2016 was 36.75 or with good predicate. It indicated that the Board of Commissioners and Board of Directors of Bank Mandiri had given efforts and been consistent to fulfill GCG principles in every activity of the Board of Commissioners and Board of Directors.

### Performance Assessment Result of the Board of Directors

ASEAN CG Scorecard score from Bank Mandiri on performance appraisal The Board of Directors continues to increase every year.

### Performance Assessment Criteria of the Board of Directors

Assessment criteria of KPKU are adopted and adapted from Malcolm Baldrige Criteria for Performance Excellence that have been firstly applied by BUMN since 2012 by means of the Letter of the Ministry of SOEs No. S-153/S.MBU/2012, dated 19 July 2012. Assessment criteria of KPKU consist of several questions representing fundamental aspects of organization/corporate management within the context of achieving excellent performance.

### Performance Assessment of The Committees Under The Board of Directors

In performing its stewardship duties, the Board of Directors was also assisted by a Committee under the Board of Directors or also called the Executive Committee of 9 (nine) Committees, namely:

1. Assets And Liabilities Committee (ALCO)
2. Business Committee (BC)
3. Risk Management Committee (RMC)
4. Human Capital Policy Committee (HCPC)
5. Information Technology Committee (ITC)
6. Capital And Subsidiaries Committee (CSC)
7. Credit Committee/Credit Committee Meeting (RKK)
8. Integrated Risk Committee (IRC)
9. Policy And Procedure Committee (PPC)

The Board of Directors assessed that during 2017, committees under the Board of Directors had performed their duties and responsibilities well.

Assets And Liabilities Committee (ALCO) was the committee assigned to assist the Board of Directors in performing the function of determining the strategy of asset and liabilities, interest rate and liquidity, and other matters related to the management of the Company's assets and liabilities. During 2017, ALCO had conducted 8 (eight) meetings and had performed its duties well.

Business Committee was the committee assigned to assist the Board of Directors in determining the Company's integrated business management strategy, product arrangement and/or activity of the Company as well as determining the marketing communication strategy and effectiveness in the field of wholesale banking and retail banking. During 2017, BC had conducted 18 (eight) meetings and had performed its duties well.

Risk Management Committee (RMC) was the committee assigned to assist the Board of Directors in monitoring and managing the Company's risk profile, evaluating the Company's performance in stressful conditions, and improving the implementation of risk management due to internal and external changes. During 2017, RMC had conducted 9 (eight) meetings and had performed its duties well.

Human Capital Policy Committee (HCPC) was the committee assigned to assist the Board of Directors in determining the human capital management strategy of the Company. During 2017, HCPC had conducted 2 (eight) meetings and had performed its duties well.

Information Technology Committee (ITC) was the committee assigned to assist the Board of Directors in the decision-making process related to the Company's operational management policy in the field of Information Technology (IT). During 2017, ITC had conducted 6 (eight) meetings and had performed its duties well.

Capital and Subsidiaries Committee (CSC) was the committee assigned to assist the Board of Directors in determining subsidiaries' management strategies, recommendations for equity participation and divestments as well as remuneration and management establishment of subsidiaries. During 2017, CSC had conducted 11 (eight) meetings and had performed its duties well.

Credit Committee/Credit Committee Meeting (RKK) was the committee assigned to assist the Board of Directors in deciding whether to grant credit (new, additional, decreasing and/or renewals) managed by the Business Unit within the limits of authority, including the establishment/alteration of credit structure. During 2017, Credit Committee had conducted 484 meetings for the Corporate segment and 426 meetings for the Commercial segment Commercial as well as had performed its duties well.

Integrated Risk Committee (IRC) was the committee assigned to assist the Board of Directors in the preparation of, among others, Integrated Risk Management policy and improvement or refinement of Integrated Risk Management policy based on the results of implementation evaluation. During 2017, IRC had conducted 5 (eight) meetings and had performed its duties well.

Policy and Procedure Committee (PPC) was the committee assigned to assist the Board of Directors in discussing and recommending adjustments/improvements to policies and determining Company procedures including the human capital policy and procedure as well as discussing and deciding the granting of authority to Company officials (ex officio). During 2017, PPC had conducted 16 (eight) meetings and had performed its duties well.

### Resignation and Dismissal Mechanism for the Board of Directors

Resignation and dismissal mechanism for the Board of Directors is regulated by the Articles of Association are as follows:

1. GMS may dismiss the Board of Director's members at any time by stating the explanations.
2. The dismissal of a member of Board of Directors is called for if, based on the factual circumstance, the said member:
  - a. is unable/inadequate to fulfill the obligations as agreed in the management contract;
  - b. is unable to perform duties appropriately;
  - c. violates the provisions of the Articles of Association and/or the applicable laws;
  - d. engages in actions that harm the Company and/or country;
  - e. conduct actions that violate ethics and/or propriety that should be valued as the member;
  - f. is declared guilty by the Court's decision that has permanent legal force;
  - g. resigns;
  - h. other reasons deemed appropriate by the GMS for the company's purposes;
3. The dismissal by the reasons aforementioned is conducted after the person(s) concerned in the event of dismissal is given the opportunity to state defenses, excluding the dismissal specified in the reason in the article (2) letter f and g.
4. The reasons of dismissal as referred to in the article (2) letter d and f are considered dishonorable discharge.
5. Among the Board of Director's members and between the Board of Directors' members and the Board of Commissioners' members There shall not be any blood relationship of three generation, either vertical or horizontal in the family tree, including the familial relationship arising from marriage.
6. In the event of the circumstances as referred to in the article (17), the GMS has authority to dismiss the member.
7. A member for the Board of Directors may resign from his/her position before his/her term of office expires. In the event that a member for the Board of Directors resign, the said member shall submit a written request for resignation to the Company.
8. The Company conducts the GMS to approve the resignation of a member for the Board of Directors no later than 90 (ninety) days after receiving the letter of resignation.
9. The Company is obliged to provide transparency of information to the public and submit it to the Financial Service Authority no later than 2 (two) working days after:
  - a. The approval of the resignation application from the Board of Directors
  - b. The outcome of GMS
10. Before the resignation is effective, the concerned member of the Board of Directors shall assume responsibility to complete the duties and the responsibilities in accordance with the Articles of Association and the applicable laws.
11. The resigning member will be released from any responsibility after obtaining discharge of duty by the annual GMS.
12. A member of the Board of Directors is dismissed if:
  - a. effectively resigned;
  - b. passed away;
  - c. the term of office expires;
  - d. dismissed by the decision of GMS;
  - e. Declared bankrupt by Commercial Court with a permanent legal force; or put under guardianship based on a Court decision;
  - f. no longer fulfilling the requirements as a member of the Board of Directors based on the provisions of the Articles of Association and the applicable laws.
13. For the member of the Board of Directors dismissed before or after the term of office, unless unable to resume the position due to deceased, the concerned member shall therefore be held responsible for their actions that have not been approved by the GMS;
14. The Board of Director's members may at any time be temporarily dismissed by the Board of Commissioners if they conduct a contrary action to the Articles of Association or there are indications of actions that harm the Company or neglect the obligations or there are crucial explanations for the Company, by paying attention to the following provisions:
  - a. Temporary dismissal shall be notified in written to the said member along with the rationale, then forwarded to the Board of Directors;
  - b. the notification as referred to in the letter "a" shall be submitted no later than 2 (two) working days after the temporary dismissal is effective;
  - c. the member who is subject to temporarily dismissal has no authority to conduct the Company's management for the sake of the Company in relation with the purposes and

objectives of the Company or to represent the Company either within or outside the Court;

- d. within a period of at most 90 (ninety) days after the temporary dismissal has been done, the Board of Commissioners shall organize the GMS to revoke or reinforce the temporary dismissal;
- e. with the organization period of the GMS as referred to in letter d or the GMS cannot make any decision, the temporary dismissal shall be canceled;
- f. the limitation of authority in point c of this article shall be effective since the effective date of temporary dismissal by the Board of Commissioners until:
  - there is a decision of the GMS which reinforce or revoke the temporary dismissal in letter d of this article; or
  - the overdue of the due date stated in the letter d.
- g. in the GMS as referred to in the letter d of this article, the member concerned shall be given an opportunity to state defenses;
- h. temporary dismissal cannot be extended or re-established by the same rationale if the temporary dismissal is declared void as referred to in letter e of this article;
- i. if the GMS revoke the temporary dismissal or the circumstances referred to in letter e of this article, then the concerned member shall perform his/her duties properly;
- j. If GMS outcome reinforces the decision of the temporary dismissal, then the member is dismiss permanently;
- k. if the member who is subjected to temporary dismissal does not attend the GMS after being summoned in written, the member shall be considered neglects his/her rights to defend himself/herself in the GMS and agree to the GMS decision
- l. The Company obliged to conduct transparency of information to the public and submit it to the Financial Services Authority regarding:
  - the decision of temporary dismissal; and
  - the decision of the GMS to revoke or reinforce the temporary dismissal decision as referred to in the letter d of this article, or information regarding the cancellation of the temporary dismissal by the Board of Commissioners due to the absence of the GMS until the due date as referred to in the letter e of this article, shall be no later than 2 (two) working days after the event happened.

#### **Policy Related to The Resignation of the Board of Directors' Members Due to Their Involvement in Financial Crimes**

The Articles of Association of Bank Mandiri has regulated the resignation policy of the members of the Board of Directors and the Board of Commissioners if they are involved in financial crimes. If the members are no longer legally qualified, including engaging in financial crime, then the members' term of office shall automatically expire.

## The Relationship Between the Board of Commissioners and The Board of Directors

As regulated in the Articles of Association of Bank Mandiri and the applicable laws, the Board of Commissioners and the Board of Directors have duties and responsibilities in managing the Company. The Board of Directors is responsible in managing the Company while the Board of Commissioners have the duty to supervise the management policy implemented by the Board of Directors

In 2017, the relationship between the Board of Commissioners and the Board of Directors in Bank Mandiri consisted but not limited to the following matters:

1. Supervising the implementation of the principle of prudential in offering the credit facility such as review the Board of Directors' decree in offering credit facility above a certain amount.
2. Guiding, giving instructions and evaluating the Board of Directors' strategy in conducting corporate actions such as acquisition plan or the disposal of subsidiary.
3. Monitoring and Evaluating the Board of Directors' policy regarding the creation of synergy and improving the business of subsidiary company, as well as review on the Subsidiary Company Performance quarterly.
4. Conducting periodic supervising and offering advices to the Board of Directors on the well-implemented corporate governance.
5. Offering suggestions regarding the study of Company's Vision and Mission conducted by the Board of Directors.
6. Offering instructions, monitoring the preparation as well as giving approval for the Company's work and budget plan in 2018 proposed by the Board of Directors and ratifying it in accordance with the provisions of Articles of Association.
7. Examining, reviewing, and approving the Annual Report and the Sustainability Report of the Fiscal Year 2017 compiled by the Board of Directors.
8. Organizing the Board of Commissioners Meeting with the Board of Directors that was held for 10 (ten) times in 2017.
9. If necessary, the Board of Commissioners, assisted by the Board of Directors, takes the role in:
  - a. The appointment of an external auditor candidate in accordance with the provisions of the procurement of goods and service.
  - b. The appointment of independent assessor to assess the GCG implementation within the Company.
10. Other matters as stated in the Codes of Commissioners and the Codes of Directors as well as in the Articles of Association, and the applicable laws.

## Organ and Committee Under the Board of Commissioners

In conducting the duties, the Board of Commissioners is assisted by the Secretary to the Board of Commissioners, and the Supporting Committees such as Audit Committee, Risk Monitoring Committee, Nomination and Remuneration Committee, as well as the Integrated Governance Committee. The Organs and Committees under the Board of Commissioners are elaborated as follows.

### Secretary to the Board of Commissioners

According to the Minister of State-Owned Enterprise Regulations No. PER-12/MBU/2012 regarding the Supporting Organs for the Board of Commissioners/the Board of Supervisors for State-Owned Enterprise, Board of Commissioners may establish the Secretariat for the Board of Commissioners, chaired by the Secretary to the Board of Commissioners whose duty is to assist the smoothness of the administration of duty and responsibility of the Board of Commissioners. Secretary to the Board of

Commissioners is selected from external party appointed, dismissed by, and responsible to the Board Commissioners.

### Duties and Responsibilities of the Secretary to the Board of Commissioners

According to the KEP.KOM/005/2016 regarding the Codes of the Board of Commissioners, the Secretary to the Board of Commissioners has the following duties and responsibilities:

1. Preparing all the meeting needs, from providing the meeting materials to preparing the minutes.
2. Periodically ensuring the availability of information required by the Board of Commissioners either in the decision-making process or other information required.
3. Assisting the Board of Commissioners in arranging reports as well as the draft of Annual Budget and Work plan.

### Profile of The Secretary to the Board of Commissioners

The Secretary to the Board of Commissioners is currently hold by Dini Desvalina who was appointed in accordance with the Board of Commissioners' Decree No. 001/2016/ dated 13 January 2016.



**Dini Desvalina**

Secretary of the Board of Commissioners

Age	: 33 years old
Place and date of birth	: Palembang, 1984
Domicile	: Kelapa Gading, Jakarta
Educational background	: - Bachelor degree in Accounting from University of Indonesia in 2009. - Postgraduate degree in Sharia Financial Management from University of Indonesia in 2013.
Position History	: - Currently also serves as Head of Bureau of Bureaucratic Reform Subdivision of Ministry of SOEs. - Financial Analyst Ministry of SOE in 2007 - Head of Logistic and Industrial Zone IIb of the Ministry of SOEs in 2014 - Head of Bureau of Bureaucracy Reform Ministry of SOEs 2015 until now.

### Competency Development of Secretary to the Board of Commissioners

In 2017, the Secretary to the Board of Commissioners attended a training program aimed at developing the following competencies:

Training	Date/Place Implementation	Organizer
Executive Education Directorship Program	Jakarta, 5 – 6 October 2017	Pertamina Training and Consulting
Leadership Training – Reform Leader Academy	Jakarta, 20 April – 30 August 2017	State Administration Institute

### Duties Implementation of Secretary to the Board of Commissioners in 2017

The Secretary to the Board Commissioners has arranged the fundamentals of work programs and realized them in 2017, mentioned as follows:

1. Preparing And Arranging Materials As Well As Organizing Meeting In Relation With Monitoring, Evaluation, And Offering Suggestions On The Implementation Of The Company's Strategic Policy In The Bank Business Plan (Rbb) In 2018-2020 And Cbp In 2018 With Consideration Of Liquidity, Npl, Market Share Achievement, Value Of Market Capitalization, And Profitability
2. Preparing And Arranging Materials As Well As Organizing Meetings Related To Supervising, And Offering Suggestions On Policy And Strategy Of The Board Of Directors/ Management For The Implementation Of The Strategic Objectives Discussed In The Cbp In 2018 And Business Development Programs.
3. Preparing And Arranging Materials As Well As Organizing Meeting In Relation To Monitoring And Offering Suggestions To The Board Of Directors On The Implementation Of Non-Organic Company Development Programs.
4. Preparing And Arranging Materials As Well As Organizing Meeting In Relation To The Monitoring Of Infrastructure Development Programs (It And Non It), Human Capital, And Legal Sustainability In Accordance With The Business Strategy And Company's Capacity.
5. Preparing And Arranging Materials As Well As Organizing Meetings In Relation To Monitoring The Implementation Of The Good Corporate Governance, Compliance, And Risk Management Principles Integrated To The Subsidiary Company
6. Preparing And Arranging Materials As Well As Organizing Meeting In Relation To Monitoring And Evaluation Of The Planning And Implementation Of Audit/Other Internal Control Systems As Well As Monitoring On The Follow-Up Action For The Audit/Other Inspections, Including Subsidiary Companies.
7. Preparing And Organizing Meeting In Relation To The Training In Order To Refresh And Enrich Knowledge In Risk Management And Other Fields For The Board Of Commissioners.
8. Preparing And Organizing Site Visits For The Board Of Commissioners.
9. Arranging The Concept Of Refinement For The Codes Of The Board Of Commissioners To Be In Accordance With The Current Applicable Laws.

Secretary to the Board of Commissioners used the work program as guidelines in carrying out its duties in order to support and expedite the Board of Commissioners' work program. Besides that, the Secretary of Commissioners' Board also performs other duties to expedite the monitoring and advisory tasks conducted by the Board of Commissioners.

### Audit Committee

Audit Committee was established by the Board of Commissioners of Bank Mandiri based on the Decree No.013 / KEP / KOM / 1999 on 19 August 1999 with the objective of assisting and facilitating the Board of Commissioners in performing duties and function in monitoring other matters related to financial information, internal control system, audit effectiveness by external and internal auditors, effectiveness of risk management implementation (together with Risk Monitoring Committee) and compliance to the applicable laws

#### Basis of Audit Committee Establishment

The establishment of the Committee refers to the following regulation:

1. The Financial Services Authority Regulation No.55/POJK.03/2016 regarding the Implementation of Governance for Commercial Banks
2. The Financial Services Authority Regulation No.55/POJK.04/2015 on the Establishment and Implementation Guidelines of the Audit Committee.
3. Regulation I-A stated in the Attachment I of the Decree of the Board of Directors of PT Bursa Efek Indonesia No: KEP-00001/BEI/01-2014 on 20 January 2014 regarding Shares Listing and Non-Share Equity Securities Issued by Listed Company.
4. Decree of the Board of Commissioners Number KEP. KOM//004/2016 on 19 October 2016 regarding the Change of Audit Committee, Risk Monitoring Committee, Integrated Governance Committee, and Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk, confirmed by Decree of the Board of Directors KEP.DIR/374/2016 regarding the establishment of Audit Committee Membership

#### Charter of Audit Committee

Audit Committee has a work guideline, i.e. the Charter of Audit Committee ratified on 2 May 2014, which clearly defines the roles, responsibilities, and work scopes to enhance the effectiveness, responsibility, transparency, and objectivity of the Board of Commissioners in carrying out its functions. The Charter of Audit Committee contains general objectives, authority, membership, membership requirements, duties and responsibilities, employment relationships, meetings, reporting, term of duty and compensation, and confidentiality of Bank.

#### Duties And Responsibilities Of Audit Committee

The duties and responsibilities of the Audit Committee are as follows:

1. The Committee Chairman is responsible for coordinating all audit committee activities to meet the objectives of the committee in accordance with its establishment, among others are:

- a. Preparing the annual work plan.
  - b. Scheduling the annual meeting.
  - c. Making periodic reports on the activities of the audit committee as well as of other things that require the consideration of the Board of Commissioners.
  - d. Making Self-Assessment on the effectiveness of audit committee activities.
2. The members of the Committee shall be responsible for:
    - a. Organizing meetings regularly.
    - b. Examining the meeting material in advance
    - c. Attending the meeting
    - d. Taking an active role and contributing in every committee activity
    - e. Drawing up meeting minutes
    - f. Conducting site working visit.
  3. The Chairman and members of the Audit Committee assigned to and should be responsible for monitoring the adequacy of internal controls, adequacy and correctness of the process in the preparation of the financial statement, the effectiveness of the internal and external auditors work, identifying other matters that require the Board of Commissioners' concern, arranging the concept and analysis related to the function of audit committee and perform other duties given by the Board of Commissioners, which include:
    - a. Financial Statements  
Monitoring and evaluating the financial information to be released by Bank Mandiri, such as financial statement, projections, and other financial information.
      - Profoundly examining the Work Plan and Budget as well as the Long-term Plan of Bank Mandiri.
      - Profoundly examining both audited and unaudited interim and annual financial statement.
      - Profoundly examining the significant change of Balance Sheet and Loss/Profit accounts.
      - Profoundly examining the accounts of other assets and liabilities.
      - Profoundly examining the realization of work plan and budget statement as well examining the accounts with significant differences.
      - Periodically conducting meetings with the related work unit and the External Auditors who examine Bank Mandiri to obtain additional information and clarifications in accounting and finance.
      - Periodically reporting the monitoring outcome and offering suggestions on matters that require the concern of the Board of Commissioners.
    - b. Internal Control  
Monitoring and evaluating the effectiveness of the implementation and examination outcomes by internal auditors on the implementation of internal control.
      - Examining and ensuring that Bank Mandiri has the standard internal control system in accordance with the prevailing practices.
      - Profoundly examining the audit statement by the Internal Audit Work Unit and the External Auditor examined Bank Mandiri to ensure that internal control is properly implemented.
      - Conducting periodic meetings of work units related to the internal control systems and the implementation.
      - Monitoring and evaluating the implementation of the follow-up actions by the Board of Directors upon the findings from the Internal Audit Work Unit, public accountant, and the outcome of Bank Indonesia supervision.
      - Periodically reporting the monitoring outcome and offering feedbacks on other matters that require the concern of the Board of Commissioners.
    - b. Compliance  
Monitoring and evaluating on company's compliance with the applicable laws in Capital Market and Bank Indonesia regulations and other regulations related to banking business through coordination with Risk Monitoring Committee.
      - Examining the periodic report issued by Compliance Group.
      - Examining the audit outcome related to the compliance with the internal and external regulations that issued by the Internal and External Audit Unit.
      - Conducting periodic meetings with the Compliance Group in order to discuss the compliance-related matters.
      - Monitoring and evaluating the suitability of audit implementation by Public Accounting Firm with the applicable audit standard
      - Monitoring and evaluating the suitability of financial statements with the applicable accounting standards.
      - Periodically reporting the monitoring outcome and offering suggestions on other matters that need to be the concern for the Board of Commissioners.

### c. Internal Audit

Monitoring and evaluating the implementation of the duties of the Internal Audit Unit.

- Evaluating the annual work plan of the Internal Audit Unit.
- In-depth examining on the significant findings as a result of examination conducted by the Internal Auditor.
- Evaluating the program and the audit scope in the framework of the implementation of the Annual Internal Audit Working Unit's work plan.
- Evaluating the audit that conducted by the Internal Audit Unit to ensure that the audit program works in the right scope.
- Conducting periodic meetings with the Internal Audit Unit to discuss the significant audit findings and offering necessary suggestion on the implementation of audit conducted by the Internal Audit Unit.
- Requesting the assistance from the Internal Audit Unit to conduct a special investigation in case if the audit findings and / or information related to the violation of applicable laws.
- Periodically reporting the monitoring outcome and offering suggestions on other matters that need to be the concern for the Board of Commissioners.
- Giving recommendations in indicating and terminating the head of Internal Audit.

### d. External Audit

Monitoring and evaluating on auditee's follow-up to the outcome of examination conducted by External Auditor. Bank Mandiri would appoint the Public Accounting Firm, so the Audit Committee reviewed the independency and objectivity of the Public Accounting Firm who would participate in the tender.

- Upon the results of the review, the Committee recommends the appointment and termination of Public Accountant and Public Accounting Firm to the Board of Commissioners to be submitted to the GMS.
- Examining the significant findings as a result of examination conducted by the external auditor and other examining institute.
- Examining the name and/or reputation of the Public Accounting Firm (PAF) that will be invited to participate in the tender.
- Examining the possible relation of PAF that will be invited to participate in the tender, including the Officials and staff of the Public Accounting Firm with Bank Mandiri, which includes:

- a) Relationships as non-audit services partner for Bank Mandiri.
- b) Relationship as a shareholder of Bank Mandiri in material amount/
- c) Close family relationships with the main employees of accounting and finance at Bank Mandiri
- d) One of the officials and/or auditors of the Public Accounting Firm invited to participate in the tender is a former of main employee in accounting and finance at Bank Mandiri who resigned less than 1 (one) year
- e) One of the main employees of accounting and finance at Bank Mandiri is a former of official/ auditor of Public Accountant invited to participate in a tender who resigned less than 1 (one) year.
- Examining and ensuring that Bank Mandiri has standard procedures and in accordance with the applicable regulation for the appointment of Public Accounting Firm.
- Examining and ensuring that the appointment of Public Accounting Firm run correctly in accordance with the standard procedures.
- Examining the Request for Proposal and Terms of Reference submitted to the Public Accounting Firm that had been established as a candidate for external auditors of Bank Mandiri.
- Examining the planning and scope of the audit submitted by the selected Public Accounting Firm, in order to ensure that the planning and scope of the audit in accordance with the Request for Proposal and the Terms of Reference and have considered all the risks deemed important.
- Conducting periodic communication with the Public Accounting Firm who examining Bank Mandiri, in order to discuss the matters that need to be communicated as follows:
  - a) Progress of the examination.
  - b) Important findings
  - c) The change of the regulations/provisions in the accounting and financial recording from the authorized institutions.
  - d) Adjustments that occur based on the examination.
  - e) Constraints/obstacles encountered in conducting the examination.
- Report periodically on the results of its monitoring and provide advices on other matters that need to be concerned of the Commissioners' Board. Periodically reporting the monitoring outcome and offering

suggestions on other matters that need to be the concern for the Board of Commissioners.

e. Good Corporate Governance

Negative information and complaints

Monitoring and evaluating as well as reporting the negative information and complaints related to Bank Mandiri in coordination with the Risk Monitoring Committee.

- Examining every negative information and complaints received, either from a source with authentic and explicit identity or inauthentic and implicit identity (anonymous letter).
- Requesting clarification from the work unit associated with the negative information and complaints.
- Requesting the Internal Audit Unit (IAU) to conduct a special investigation if the negative information and complaints involve manipulation and/or violation of the applicable laws.
- Requesting assistance from a competent party with the approval and/or through the Board of Commissioners to conduct investigation into the negative information and complaints if they are related to the very specific and technical matters.
- Periodically reporting the monitoring outcome and offering suggestions on matters that require the concern of the Board of Commissioners.

f. Risk Management

Monitoring and evaluating as well as reporting the various potential risks that will occur and the risk management conducted by the Board of Directors in coordination with the Risk Monitoring Committee.

- In-depth examining in the Risk Management Policy set by the Board of Directors.
- In-depth examining in the statement issued by the Credit Risk & Portfolio Management Group.
- Examining the outcome statement issued by the Internal and External Audit Unit, especially the findings related to the significant risks that occurred and the follow-up conducted for securing risks in the future.
- Conducting a periodic meeting with the Head Office's work units, as the executive for the credit and operational policy, to discuss the possibility of risks that will arise and its handling efforts.
- Examining every information regarding the potential risks and, if necessary, requesting assistance from the Internal Audit Unit to investigate the information
- Periodically reporting the monitoring outcome and offering suggestions on matters that should be the Board of Commissioners' concern.

### Authorites of Audit Committee

The Audit Committee had the authority to conduct the following things:

1. Offering opinions to the Board of Commissioners regarding the financial statements and/or others matters presented by the Board of Directors.
2. Communicate with the Head of Work Unit and other parties in Bank Mandiri, and the Public Accounting Firm who audited Bank Mandiri to obtain information, clarification, and requesting the documents and statements as needed from the firm.
3. Requesting the audit statement of the Internal and External Audit Unit, and the supervisor institutions/other.
4. Requesting the Internal and External Audit Unit to conduct a special audit/investigation into the violation of the laws and applicable laws if there is a strong conjecture of fraud.
5. Having access to the record or information about the employees, funds, assets, and other sources related to the duty implementation.

### Reporting of Audit Committee

Audit Committee must make a periodic report to the Board of Commissioners regarding the activities of the Audit Committee, at least once in 6 (six) months. The Audit Committee must prepare a report to the Board of Commissioners on any given assignment and or for any issues identified to require the concern of the Board of Commissioners.

### Structure, Membership and Expertise of the Audit Committee

Structure, membership and expertise of the Audit Committee were regulated in the Charter Audit Committee, as follows:

1. The members of Audit Committee consists of at least 1 (one) member of the Independent Commissioner as a head (concurrent Member), 1 (one) member of the Independent Party whose expertise in law and banking.
2. As refers to the item 3.1, at least 51% from the total members of the Audit Committee was the Independent Commissioner and Independent Party.
3. The Independent Commissioner was appointed as the Chairman of the Audit Committee. In the case, if the members of Audit Committee consisted of more than one member of the Independent Commissioner then one of them appointed as the Head of Audit Committee.

The establishment of the Audit Committee (formerly as the Board of Audit) of PT Bank Mandiri (Persero) Tbk initially based on the Decree No: 013/KEP/KOM/1999 dated on 19 August 1999 then in accordance with the applicable laws and the best practices that can be implemented in the Banking Institute in Indonesia.

The period of the Audit Committee's duties from a member of the Board of Commissioners shall not be longer than the term of office of the Board of Commissioners and may be re-appointed for only one (1) subsequent period.

The membership composition of the Audit Committee in 2017, presented as follows:

#### Period Of 1 January 2017 - 25 May 2017

The membership composition of the Audit Committee in the period of 1 January 2017 - 25 May 2017 was appointed by the Board of Commissioners and validated by the Board of Directors Decree No. KEP.DIR/374/2016 date 20 October 2016 as presented in the following:

No.	Name	Designation	Remarks	Expertise
1.	Aviliani*	Chairman concurrently as member	Independent Commissioner	Macroeconomics, Banking
2.	Goei Siau Hong	Member	Independent Commissioner	Finance, Banking
3.	Askolani	Member	Commissioner	Fiscal, Budget and Tax
4.	Ardan Adiperdana	Member	Commissioner	Accounting, Audit
5.	Budi Sulistio	Member	Non Commissioner Independent Party	Accounting, Audit
6.	Lista Irna	Member	Non Commissioner Independent Party	Banking

**Remarks:**

\*Term of office of Mrs. Aviliani ended on 14 March 2017.

#### Period Of 26 Mei 2017 - 10 October 2017

The membership composition of Audit Committee of period 26 May 2017 - 10 October 2017 was appointed by the Board of Commissioners on 19 April 2017 and validated by the Board of Directors Decree No. KEP.DIR/125/2017 date 26 May 2017, as presented in the following table:

No.	Name	Designation	Remarks	Expertise
1.	Bangun Sarwito Kusmulyono	Chairman concurrently as member	Independent Commissioner	Finance, Banking
2.	Goei Siau Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
3.	Askolani	Member	Commissioner	Accounting, Audit
4.	Ardan Adiperdana	Member	Commissioner	Accounting, Audit
5.	Budi Sulistio	Member	Non Commissioner Independent Party	Accounting, Audit
6.	Lista Irna	Member	Non Commissioner Independent Party	Banking

#### Period Of 11 October 2017 - 31 December 2017

The membership composition of Audit Committee of period 11 October 2017 - 31 December 2017 was appointed by the Board of Commissioners on 19 September 2017 and validated by the Board of Directors Decree No. KEP.DIR/214/2017 date 11 October 2017, as presented in the following table:

No.	Name	Designation	Remarks	Expertise
1.	Bangun Sarwito Kusmulyono	Chairman concurrently as member	Independent Commissioner	Finance, Banking
2.	Hartadi A. Sarwono*	Member	Board of Commissioners/ Independent Commissioner	Banking, Economic
3.	Goei Siau Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
4.	Makmur Keliat	Member	Commissioner	Macroeconomic
5.	Budi Sulistio	Member	Non Commissioner Independent Party	Accounting, Audit
6.	Lista Irna	Member	Non Commissioner Independent Party	Banking

**Remarks:**

\*Effective as a member of the Audit Committee from the date of approval of the relevant appointment by the OJK of the Capability Assessment and the Fit and complies with the rules applicable law on 15 November 2017.

### The Profile of Audit Committee

The profile of Audit Committee per 31 December 2017, presented in the following table.



#### Bangun S. Kusmulyono

Chairman concurrently  
Member of the Audit Committee

Profiles can be seen in the Board of Commissioners section



#### Hartadi A. Sarwono

Member of the Audit Committee

Profiles can be seen in the Board of Commissioners section



#### Goei Siauw Hong

Member of the Audit Committee

Profiles can be seen in the Board of Commissioners section



#### Makmur Keliat

Member of the Audit Committee

Profiles can be seen in the Board of Commissioners section



#### Budi Sulistio

Member of the Audit Committee

Age: 62 Years old  
Citizenship: Indonesian citizen  
Educational background:

- Bachelor degree in Economics from University of Indonesia in 1985.
- Master of Business Administration at the University of Illinois in 1994.

Appointment Date: February 25, 2014.  
Position History:

- Regional Manager of Regional Office of VII of Bank Mandiri Semarang (2005-2006)
- Group Head Accounting of Bank Mandiri (2006-2010)
- Member of Risk Monitoring Committee of Bank Mandiri (2014-2016).



#### Lista Irna

Member of the Audit Committee

Age: 50 Years.  
Citizenship: Indonesian citizens.  
Educational background:

- Bachelor degree in Mining Engineering from Sriwijaya University in 1990.
- Master of Business Administration at Swiss German University - Serpong Indonesia in 2005.

Appointment Date: October 19, 2016.  
Position History:

- National Head of Telemarketing, Shared Distribution Standard Charter Bank (2006-2007)
- Credit Planning, MIS Reporting and QA Head, Standard Chartered Bank's Credit - Consumer Banking (AVP) (February 2007 - August 2007)
- Standard Chartered Bank's Head of Consumer Risk Credit Operations (2007-2010)
- Enterprise Risk and Policy Integrated Risk Bank Danamon Indonesia (2010-2014)
- Chief Credit Officer (CCO) Consumer and Mass Market of Bank Danamon Indonesia (2014-2016).

### Educational Qualifications and Work Experience of Audit Committee

In general the terms of the Audit Committee are as follows

1. The members of Audit Committee required to have high integrity, morals and good moral, as well as the adequacy of ability, knowledge and experience in accordance with educational background as well as capable to communicate well.
2. Have adequate knowledge to read and understand the financial statements.
3. Have adequate knowledge about the laws and regulations of the Capital Market and the regulations related to the banking business.
4. Not a member of the Public Accounting Firm who offers the audit and non audit services at Bank Mandiri within 1 (one) last year before appointed as a member of the Audit Committee.
5. Has no Bank Mandiri stocks, either direct or indirect.
6. Has no affiliation with the Bank Mandiri, Commissioners, Directors and major shareholders of Bank Mandiri.
7. Has no business relationship either direct or indirect with Bank Mandiri.

Educational qualifications and work experience of the Head and Members of Audit Committee are as follows.

Table of Educational Qualifications and Work Experience of Audit Committee

Name	Designation	Period	Education	Work Experience
Aviliani	Head	1 January 2017 – 14 March 2017	Bachelor's Degree in Economic Management from Universitas Atma Jaya in 1985, Master's Degree in Management in social and political science from Universitas Indonesia in 1995, and Doctorate's Degree in Business Management from Institut Pertanian Bogor in 2012.	Served as Vice-President for Development at INDEF (1997-1999), Vice-Director for Research and Devotion in Perbanas (1997-1999), Associate Chair (PUREKII) in Perbanas (2000-2002), Chairperson of Department at Universitas Paramadina (2002-2005), Independent Commissioner of PT BRI (Tbk) (2005-2014), Secretary of the National Economic Committee (KEN) (2010-2014), Deputy Secretaries of Acceleration and Expansion of Indonesia Development Committee (KP3EI) (2012-2014).
Bangun S. Kusmulyono	Chairman	26 May 2017 – 31 December 2017	Bachelor's Degree in Chemical Engineering from Teknologi Bandung in 1970, Master's Degree of Business Administration from the University of Southern California, Los Angeles, USA in 1974 and Doctorate's Degree in Environmental Management from Institut Pertanian Bogor in 2007.	He initiated his career as a Managing Staff in the Investment Coordinating Board (BKPM) (1970-1972), then he worked at Chase Manhattan Bank (in New York and Hong Kong), Fincorinvest, and the Asian Development Bank from 1962 to 1985. He served as President Director of Bank Nusa International (1988-1998), the national resilience Institute KSA V (1995). He also worked as Member of Board of Commissioner at Maybank Nusa (1990-1997) and Member of Board of Commissioner at Bank Niaga (1998-1999). In 1999 to 2005 he worked as President Director at Permodalan Nasional Madani (PNM) and as Member of Board of Commissioner at Syarikat Takaful Indonesia. Prior to his position as Commissioner of Bank Mandiri, he held the position as Independent Commissioner of Bank Rakyat Indonesia (BRI) (2005-2010) and Independent Commissioner of Bank Negara Indonesia (BNI) (2010-2015).
Askolani	Member	1 January 2017 – 10 October 2017	Bachelor of Economics and Development Studies from Universitas Sriwijaya in 1990 and Master's Degree in Economics and Banking from the University of Colorado, Denver-USA in 1999.	He served as Director of Non-Tax Revenues (PNBP) at the Ministry of Finance (2011-2013), Commissioner of PT Indonesia Ferry (ASDP) (2007-2010), Commissioner of PT Pertamina Gas (2012-2013), Commissioner of PT Angkasa Pura I (2013-2014), Governor of Indonesia on Opex Fund for International Development (OFID) (2015).
Goei Siauw Hong	Member	1 January 2017 – 31 December	Bachelor's Degree in Agronomy from Institut Pertanian Bogor in 1988 and Master of Business Administration (MBA) in Business, Finance and Marketing from Indiana University, Bloomington USA in 1993.	He initiated his career as a System Analyst in the Astra Graphia (1988-1991), Equity Analyst and Senior Equity Analyst at WI Carr Indonesia (1993-1995), the Deputy Head of the Research and the Head of Research at CLSA Indonesia (1995-1996), Head of research at SocGen Crosby (1996-1998), Vice President of Research at Nomura Singapore (1998-1999), Head of Research at Nomura Indonesia (1999-2001) and as a Member of the Risk Monitoring Committee of Bank Permata (2006-2010).

Name	Designation	Period	Education	Work Experience
Ardan Adiperdana	Member	1 January 2017 – 10 October 2017	Bachelor of Economics from STAN in 1987, Master in Business Administration from Saint Mary's University (SMU), Nova Scotia, Canada in 1992 and Doctoral degree in Strategic Management from Universitas Indonesia in 2013.	He used to hold the position as Commissioner of PT Hotel Indonesia Natour (Persero) (2011-2013) and of President Commissioner at PT Jasa Raharja (Persero) (2013-2015).
Hartadi A. Sarwono	Member	15 November 2017 – 31 December 2017	Bachelor's Degree in Industrial Engineering from Institut Teknologi Bandung in 1979, Master of Arts in Macroeconomics in 1985 and a Doctorate's Degree of Monetary Theory and Policy in 1989, both degrees were obtained from The University of Oregon, United States.	He initiated his career in Bank Indonesia since 1980 as a staff in logistics (1980-1983), then after obtained the MA and Ph. D he served as Junior Economics Researcher at the Desk Research and Development (1989-1990), the Governor's Staff of Bank Indonesia (1990-1993), Head of Public Economics Department (1993-1994), Head of Monetary Department (1994-1996), Head of the Policy Planning and Analysis (1996-1997), Deputy Director of the Economic Research and Monetary Policy (1997-2000), Director of Economic Research and Monetary Policy (2000-2003), Director/Head of Bank Indonesia's Representative-Tokyo (February 2003 – June 2003) and the peak of his career in Bank Indonesia as Deputy Governor for 2 periods, June 2003-June 2008 and June 2008-June 2013 and President Commissioner of PT Bank Negara Indonesia (Persero) Tbk (4 May 2016 – 21 August 2017).
Makmur Keliat	Member	10 October 2017 – 31 December 2017	Bachelor's Degree in Economy from Universitas Pembangunan Nasional "Veteran" in 1984, the title of Bachelor of Art of Social Science and Political Science/International Relations from Universitas Gadjah Mada in 1984, a Drs. Title in Social Science and Political Science/International Relations from Universitas Gadjah Mada in 1986 and a Ph.d. title in School of International Studies from Jawaharlal Nehru University in 1995.	He initiated his career as a lecturer in the Department of International Relations, Social and Political Sciences Faculty of Universitas Indonesia in 1999, the he served as Chairperson of Post-Graduate Program in the Department of International Relations, Faculty of Social and Political Sciences of the Universitas Indonesia (2002-2004), Executive Director at the Center for Global Civil Society Studies (PACIVIS UI) (2002-2004), Executive Director of Center for East Asia Cooperation Studies the East Asian Studies (2005-2007), Manager of Research and Publications, Social and Political Sciences Faculty of Universitas Indonesia (2007-2008), Chairperson of the Post-Graduate Program in the International Relations Department, Social and Political Sciences of Universitas Indonesia (2009-2012) and the last position prior to his service as Commissioner of Bank Mandiri was as Special Staff for Sekretariat Kabinet Republic Indonesia (May - August 2015)
Budi Sulistio	Member	1 January 2017 – 31 December	Bachelor's Degree in Economy from Universitas Indonesia in 1985 and Master of Business Administration from the University of Illinois in 1994.	He served for various positions in Bank Mandiri namely Regional Manager Kanwil VII Semarang (2005-2006), Group Head Accounting (2006-2010) and Member of the Risk Monitoring Committee (20014-2016).
Lista Irna	Member	1 January 2017 – 31 December	Bachelor's Degree in Mining Engineering from Universitas Sriwijaya in 1990 and earned Master of Business Administration in Swiss German University-Serpong Indonesia in 2005.	She served for various positions namely National Head of Telemarketing, Shared Distribution Standard Charter Bank (2006-2007), Credit Planning, MIS Reporting and QA Head, Credit-Consumer Banking (AVP), Standard Chartered Bank (February 2007 - August 2007), Head of Consumer Risk Credit Operation (VP), Standard Chartered Bank (2007-2010), Enterprise Risk and Policy Integrated Risk Bank Danamon Indonesia (2010-2014), Chief Credit Officer (CCO), Consumer and Mass Market Bank Danamon Indonesia (2014-2016).

### Audit Committee Independence

All members of the Audit Committee from independent parties have no relationship in financial, management, shareholders and/or family relations with the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or relationships with the Bank, which can affect their ability to perform independently.

Table of Independency of Audit Committee

Aspect of Independency	Aviliani	B.S. Kusmulyono	Hartadi A. Sarwono	Askolani	Goei Siauw Hong	Ardan Adi Perdana	Makmur Keliat	Budi Sulistio	Lista Irna
Has no financial relationship with the Board of Commissioners and Board of Directors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not having relationship of management in the company, subsidiary, or affiliate companies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not having a relationship of shares-holding in the company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has no family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Audit Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not serving as administrator of political parties and government officials	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

### Competency Development of Audit Committee

Competency Development of Audit Committee can be seen in the section Company Profile sub chapter Competency Development of Audit Committee in the current year annual report.

### Audit Committee Meeting

The Audit Committee meeting held at least once in 1 (one) month. The Audit Committee meeting is considered legitimate if attended by at least 51% of the total membership including a Commissioners and Independent Party. The meeting was led by the Head of Audit Committee or a member designated in written, if the Chairman of Audit Committee was unable to attend.

### Meeting Agenda of Audit Committee

Throughout 2017, the date of implementation, meeting agenda and the participants of Audit Committee meeting, as follows.

Table of Meeting Agenda of Audit Committee

No.	Meeting Date	Meeting Agenda	Meeting Participant
1.	Wednesday, 18 January 2017	<ol style="list-style-type: none"> <li>Progress in Audit Outcome KAP PSS - EY on Financial Statement of Bank Mandiri per 31 December 2016.</li> <li>Description of IFRS 9 (ED PSAK NO. 71 – Financial Instruments), its impact on the Financial Statements of Bank Mandiri and Bank Mandiri's preparation in its implementation.</li> </ol>	<ol style="list-style-type: none"> <li>Aviliani</li> <li>Goei Siauw Hong</li> <li>Ardan Adiperdana</li> <li>Budi Sulistio</li> <li>Lista Irna</li> </ol>
2.	Wednesday, 8 March 2017	<ol style="list-style-type: none"> <li>Annual Audit Plan 2017.</li> <li>Significant findings and Fraud Case Quarter IV/2016.</li> <li>Report of Progress and the proposal of KAP election for the audit of Bank Mandiri's Financial Statement fiscal year 2017.</li> <li>The proposal of KAP Mandiri DPLK appointment in 2016</li> </ol>	<ol style="list-style-type: none"> <li>Aviliani</li> <li>B.S. Kusmulyono</li> <li>Ardan Adiperdana</li> <li>Budi Sulistio</li> <li>Lista Irna</li> </ol>

No.	Meeting Date	Meeting Agenda	Meeting Participant
3.	Wednesday, 22 March 2017	The proposal of Honorarium establishment for Public Accounting Firm Purwanto, Sungkoro & Surja.	1. Askolani 2. Goei Siau Hong 3. Ardan Adiperdana 4. Budi Sulistio 5. Lista Irna
4.	Wednesday, 12 April 2017	Financial Performance of Bank Mandiri per March 2017.	1. Askolani 2. Goei Siau Hong 3. Budi Sulistio 4. Lista Irna
5.	Monday, 17 April 2017	The management and the allocation of Credit Growth, Review Collection, Problem-solving Progress in Non-Performing Loan, including its projections until the end of the year compared to the target segment of the Wholesale and Retail.	1. Askolani 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adiperdana 5. Budi Sulistio 6. Lista Irna
6.	Wednesday, 26 April 2017	1. Submission of Management Letter and KAP PSS D 16 EY of Audit outcome of Bank Mandiri's Financial Statements fiscal year 2016. 2. Significant findings and Case Fraud Quarter I/2017	1. Askolani 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Budi Sulistio 5. Lista Irna
7.	Wednesday, 3 May 2017	Update NPL and Progress Collection (follow-up of Audit Committee's Meeting on 17 April 2017).	1. Askolani 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adiperdana 5. Budi Sulistio 6. Lista Irna
8.	Wednesday, 10 May 2017	1. Performance of Bank Mandiri's Subsidiary Quarter I/2017. 2. Bank Mandiri's position Against Competitors Quarter I/2017	1. Askolani 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adiperdana 5. Budi Sulistio 6. Lista Irna
9.	Wednesday, 24 May 2017	Growth Strategy, Liquidity Management, BMPK Issues dan Update Progress Collection Top 10 Debtor.	1. Goei Siau Hong 2. B.S. Kusmulyono 3. Ardan Adiperdana 4. Budi Sulistio 5. Lista Irna
10.	Wednesday, 7 June 2017	Update Progress Collection Top 10 Debtor.	1. Askolani 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adiperdana 5. Budi Sulistio 6. Lista Irna
11.	Wednesday, 14 June 2017	The proposal of RKAP Revision 2017 and the revision of the business plan 2017 – 2019 Bank Mandiri	1. Goei Siau Hong 2. B.S. Kusmulyono 3. Budi Sulistio 4. Lista Irna
12.	Wednesday, 12 July 2017	Update Progress Collection Top 10 Debtor.	1. Askolani 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adiperdana 5. Makmur Keliat 6. Budi Sulistio 7. Lista Irna
13.	Wednesday, 19 July 2017	Financial Performance of Bank Mandiri per June 2017.	1. Askolani 2. Goei Siau Hong 3. Ardan Adiperdana 4. Makmur Keliat 5. Budi Sulistio 6. Lista Irna

No.	Meeting Date	Meeting Agenda	Meeting Participant
14.	Wednesday, 26 July 2017	Implementation Update of the Stock Split Bank Mandiri.	1. Askolani 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. Budi Sulistio 7. Lista Irna
15.	Wednesday, 16 August 2017	Update Progress Collection Top 10 Debtor.	1. Askolani 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Makmur Keliat 5. Budi Sulistio 6. Lista Irna
16.	Wednesday, 6 September 2017	Scope of Work and Audit Program of Bank Mandiri's Financial Statement per December 31, 2017.	1. Hartadi A. Sarwono 2. Askolani 3. Goei Siau Hong 4. B.S. Kusmulyono 5. Ardan Adipermana 6. Makmur Keliat 7. Budi Sulistio 8. Lista Irna
17.	Wednesday, 27 September 2017	Update Progress Collection Top 10 Debtor.	1. Hartadi A. Sarwono 2. Askolani 3. Goei Siau Hong 4. B.S. Kusmulyono 5. Ardan Adipermana 6. Makmur Keliat 7. Budi Sulistio 8. Ridwan Ayub 9. Lista Irna
18.	Wednesday, 4 October 2017	1. The information about Bank Mandiri' Fine Imposition 2. ASEAN Good Governance Scorecard.	1. Hartadi A. Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. Budi Sulistio 7. Lista Irna
19.	Wednesday, 11 October 2017	1. The agreement process for DMTL extension to the President Director and the Board of Commissioners/Audit Committee. 2. DMTL Shanghai Branch (Caraway Xinghui Paper Debtor).	1. Hartadi A. Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Makmur Keliat 5. Budi Sulistio 6. Lista Irna
20.	Wednesday, 1 November 2017	1. Significant findings and Fraud Cases and Quarter III/2017. 2. Progress on Quality Assessment Review (QAR) of the Internal Audit activities.	1. Goei Siau Hong 2. B.S. Kusmulyono 3. Makmur Keliat 4. Budi Sulistio 5. Lista Irna
21.	Wednesday, 8 November 2017	Update of Strategic Initiatives of Bank Mandiri.	1. Hartadi A. Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Budi Sulistio 5. Lista Irna
22.	Wednesday, 15 November 2017	Update Progress Collection of Top 10 Borrowers and Chronological Information.	1. Hartadi A. Sarwono 2. Goei Siau Hong 3. B. S. Kusmulyono 4. Makmur Keliat 5. Budi Sulistio 6. Lista Irna
23.	Wednesday, 22 November 2017	The proposal of RKAP 2018 and the Business Plan 2018 - 2020 PT Bank Mandiri (Persero) Tbk.	1. Hartadi A. Sarwono 2. Goei Siau Hong 3. B. S. Kusmulyono 4. Makmur Keliat 5. Budi Sulistio 6. Lista Irna

### The Attendance Frequency and Rate of Audit Committee Meeting

The attendance frequency and level of Audit Committee Meeting can be seen in the table below.

Table of Attendance Frequency and Rate of Audit Committee Meeting

Name	Designation	Period	Total Number of Meetings	Number of Meeting	Percentage
Aviliani	Head	1 January 2017 – 14 March 2017	7	6	86%
Bangun S. Kusmulyono	Chairman	26 May 2017 – 31 December 2017	18	18	100%
Askolani	Member	1 January 2017 – 10 October 2017	16	12	75%
Goei Siauw Hong	Member	1 January 2017 – 31 December	23	23	100%
Ardan Adiperdana	Member	1 January 2017 – 10 October 2017	16	12	75%
Hartadi A. Sarwono	Member	15 November 2017 – 31 December 2017	7	6	86%
Makmur Keliat	Member	10 October 2017 – 31 December 2017	7	6	86%
Budi Sulistio	Member	1 January 2017 – 31 December	23	23	100%
Lista Irna	Member	1 January 2017 – 31 December	23	23	100%

### Performance Assessment of Audit Committee

Performance assessment of Audit Committee was seen from the achievement of the Key Performance Indicator (KPI) of the Audit Committee in 2017. The achievement of KPI is as follows.

No.	Key Performance Indicator (KPI)	Indicators Value (%)	Achievement Value (%)	Indicator Value x Achievement Value
1.	Realization Number of Committee meeting and Work Plan	30	100,00	30,00
2.	Assessment on attendance level and participation in the Meetings	20	100,00	20,00
3.	Submission of Review Outcome to the Board of Commissioners	20	95,00	19,00
4.	On-time Preparation and Submission of Committee Report	30	95,00	28,50
TOTAL KPI KOMITE		100		97,50

### Remuneration for Audit Committee

Remuneration for Audit Committee from Independent Party Non-Commissioner regulated in Letter of the Board of Commissioners No: KOM/113/2016

No.	Description	Non-Commissioner Committee Members
1.	Salary/Honorarium	Maximum 20% of the President Director's salary
2.	Post-Employment Benefit	Not given
3.	Religious Holiday Allowance	In accordance with the terms of Bank Mandiri employees
4.	Bonus/Tantiem	Not eligible
5.	Facilities	
	a. Transportation Allowance	Not eligible
	b. Health	Not eligible
	c. Official travel	In accordance with the employee provision/ equivalent of Group Head

### Brief Report of Audit Committee's Activities Implementation

Throughout 2017, the Audit Committee offered some recommendations or suggestions to the Board of Commissioners, as follows:

1. Proposal of Public Accounting Firm (PAF) by a comprehensive procurement procedure, who will conduct the Financial Statements audit for Bank Mandiri and Pension Fund of Bank Mandiri's Finance Institution in 2017.
2. The Audit Committee offered suggestions related to the selected Internal Audit Unit or PAF, as presented in the following:
  - The need for an intensive audit to the debtor's accounts, especially in the business units that have high rate of Non-Performing Loan (NPL).
  - In relation with audit findings over the existence of fraud that occurred in the branch company, so that internal audit can do reinforcement against implementation of the whole procedure that requires dual control.
  - Related to the audit sample by the PAF, it is expected that the selected sample can be fairly presented the actual conditions.
  - For the audit of IT, it is expected that the audit which conducted by Internal Audit or the PAF, can prevent the repetition of system failure.
  - So, the conducted audit could lead to the preventive action upon the occurrence of an event. For the Bank's NPL, the audit is expected to not only acknowledge the reasonableness of the NPL rate, but it can be an early warning signal/detection before becoming into NPL.
3. Proposal approval of CBP of 2018 and Bank Business Plan of 2018 – 2020 presented by the Board of Directors.

### Statement of Audit Committee on the Effectiveness of Internal Control System and Risk Management

The internal control system performed by Bank Mandiri was considered effective and adequate, reflected in the effectiveness of the implementation of internal control functions, including internal audit function, risk management, compliance, financial and operational controls.

### Remuneration and Nomination Committee

Remuneration and Nomination Committee is one of the complementary instrument for the Board of Commissioners that serves to assist the Board of Commissioners in conducting its duties and functions relating to the Nomination and Remuneration for the Board of Directors and Board of Commissioners' members.

Bank Indonesia regulations/Financial Services Authority require the Bank to form the Remuneration Nomination Committee as the implementation of good corporate governance so that Banks can be managed based on the principles of transparency, accountability, responsibility, independence and reasonableness so that the management of the bank can be accounted for.

### The Formation Basis of Remuneration and Nomination Committee

The formation basis of Remuneration and Nomination Committee refers to:

1. The Company's Articles of Association.
2. Laws No. 19 tahun 2003 regarding SOEs.
3. FSAR No. 55/POJK.03/2016 regarding the implementation of Governance for Commercial Banks.
4. State Minister of State-Owned Enterprises (SOEs) Regulation No. PER-12/MBU/2012 regarding the Supporting Organs for the Board of Commissioners/ the Board of Supervisors for State-Owned Enterprise.
5. Financial Services Authority Regulation (FSAR) No. 34/POJK.04/2014 regarding the Remuneration and Nomination Committee of Emiten or Company, and the Financial Services Authority Regulation (FSAR) No. 45/POJK.03/2015 regarding the implementation of Governance for Commercial Banks.
6. Decree of the Board of Commissioners No. KEP.KOM/004/2016 dated 19 October 2016 regarding the Amendment to the Audit Committee, Risk Monitoring Committee, Integrated Governance Committee and Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk, confirmed by Decree of the Board of Directors No. KEP.DIR / 374/2016 regarding the establishment of Remuneration and Nomination Committee Membership

### Charter of Remuneration and Nomination Committee

In order for the Remuneration and Nomination Committee can work effectively, then the Remuneration and Nomination Committee must have a guideline that clearly set roles and responsibilities of the committee and the scope of work. Pedoman kerja Komite Remunerasi dan Nominasi diatur dalam Charter Komite Remunerasi dan Nominasi yang telah disahkan pada 29 Mei 2012. Charter Komite Remunerasi dan Nominasi berisi fungsi, wewenang dan tanggung jawab, keanggotaan dan tata tertib serta sistem nominasi dan remunerasi.

### Duties and Responsibilities of Remuneration and Nomination Committee

The Remuneration and Nomination Committee was assigned and responsible for conducting the following things:

1. Arranging the concept and analysis related to the functions of the Remuneration the Nomination Committee
2. Assisting the Board of Commissioners to offer recommendations on the number of members of the Board of Commissioners and Board of Directors.
3. Assisting the Board of Commissioners in establishing the general policy of Human Capital
4. Offering recommendation on the agreement of alteration in organizational structure up to one level below the Board of Directors.
5. Identify candidate of the Board of Directors either from internal or external and candidate of the Board of Commissioners who has met the requirements to be proposed for the appointment as Director or the Board of Commissioners which is adjusted to the Company strategy.
6. Assisting the Board of Commissioners in offering recommendations on options to the Board of Commissioners, Board of Directors and Employees, namely stock options as well as the supervision of its implementation.
7. Having data base and talent pool of prospective members of the Board of Directors and Board of Commissioners.
8. Evaluating on remuneration policy and offering recommendations to the Board of Commissioners regarding:
  - The remuneration policy for the Board of Commissioners and Board of Directors to be submitted to the General Meeting of Shareholders.
  - The remuneration policy for the Executive Officers and employees overall to be conveyed to the Board of Directors.
9. Arranging and offering recommendations regarding the system as well as the procedure of selection and/or replacing members of the Board of Commissioners and Board of Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders.
10. Offering recommendations on prospective members of Commissioners and/or Directors to the Board of Commissioners to be submitted to the General Meeting of Shareholders and Regulators.
11. Offering recommendations regarding the independent parties who will become the members of the Audit Committee, Risk Monitoring Committee and Good Corporate Governance.

### Authorities of Remuneration and Nomination Committee

Remuneration and Nomination Committee had the authorities as follows:

1. Asking Bank Mandiri to conduct a survey in accordance with the needs of the Remuneration and Nomination Committee.
2. Requesting information of necessary things from various parties both internal and external Bank Mandiri.

### Reporting of Remuneration and Nomination Committee

Remuneration and Nomination Committee must report the execution of duties, responsibilities, and the Nomination and Remuneration procedures carried out on each assignment provided and/or for any issues identified to require the concern of the Board of Commissioners or at least 2 (two) times in 1 (one) year.

### Structure, Membership and Expertise of the Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee at least fulfill the following qualifications:

1. Having high integrity, objectivity and ethical.
2. Having high competency in terms of:
  - a. Having adequate knowledge including the provisions and regulations as well as the applicable laws.
  - b. Understand the management concept of human capital comprehensively and having knowledge about the provisions of remuneration and/or nomination system as well as the succession plan of Bank.
  - c. Capable to be independent, such as capable to conduct the duties professionally without any conflicts of interest and influence/pressure from any party that not in line the applicable laws and the principles of healthy Corporation.
3. Members of the Remuneration and Nomination Committee consisted of at least one (1) person of the Board of Independent Commissioners, one (1) person of the Board of Commissioners as a voting member and Group Head of Human Capital (ex officio) as a non-voting member.
4. Remuneration and Nomination Committee is chaired by an Independent Commissioner.
5. The members of Remuneration and Nomination Committee consisted of more than three (3) person, then the members of the Board of Independent Commissioners consisted at least amount 2 (two) person.
6. If necessary, the remuneration Committee and the nomination can appoint the members from independent parties toward Bank Mandiri.
7. Members of Remuneration and Nomination Committee appointed by the Board of Directors based on the outcome of the meeting of the Board of Commissioners.

As for the structure, membership and the expertise of the Remuneration and Nomination Committee, as follows.

#### Period of 1 Januari 2017 - 25 May 2017

The membership composition of the Remuneration and Nomination Committee in the period of 1 January 2017 - 25 May 2017 was appointed by the Board of Commissioners and validated by the Board of Directors Decree No. KEP.DIR/376/2016 date 20 October 2016, as presented in the following:

No.	Name	Designation	Remarks	Expertise
1.	Bangun Sarwito Kusmulyono	Chairman concurrently as member	Independent Commissioner	Banking
2.	Wimboh Santoso	Member	President Commissioner	Banking, Macroeconomics
3.	Imam Apriyanto Putro	Member	Vice President Commissioner	Governance.
4.	Abdul Aziz*	Member	Independent Commissioner	Banking
5.	Askolani	Member	Commissioner	Fiscal, Budget and Tax
6.	Aviliani*	Member	Independent Commissioner	Macroeconomics, Banking
7.	Goei Siau Hong	Member	Independent Commissioner	Finance, Banking
8.	Ardan Adiperdana	Member	Commissioner	Accounting, Audit
9.	Sanjay N. Bharwani	Secretary concurrently as member	SEVP Human Capital (VP Human Capital (the party who hold the Managerial under the Board of Directors for human capital)	Digital Banking, Business, Human Capital, Information Technology, Operational Developments

**Remarks:**

\*Term of office of Mr. Abdul Aziz and Mrs. Aviliani ended on 14 March 2017.

#### Period Of 26 Mei 2017 - 10 October 2017

The membership composition of Remuneration and Nomination Committee of period 26 May 2017 - 10 October 2017 was appointed by the Board of Commissioners on 19 April 2017 and validated by the Board of Directors Decree No. KEP.DIR/376/2017 date 20 May 2017, as presented in the following table:

No.	Name	Designation	Remarks	Expertise
1.	Bangun Sarwito Kusmulyono	Chairman concurrently as member	Independent Commissioner	Banking
2.	Wimboh Santoso*	Member	President Commissioner	Banking, Macroeconomics
3.	Imam Apriyanto Putro	Member	Vice President Commissioner	Governance.
4.	Askolani	Member	Commissioner	Fiscal, Budget and Tax
5.	Goei Siau Hong	Member	Independent Commissioner	Finance, Banking
6.	Ardan Adiperdana	Member	Commissioner	Accounting, Audit
7.	Sanjay N. Bharwani	Secretary concurrently as member	SEVP Human Capital (VP Human Capital (the party who hold the Managerial under the Board of Directors for human capital)	Digital Banking, Business, Human Capital, Information Technology, Operational Developments

**Remarks:**

\*Term of office of Mr. Wimboh Santoso ended on 19 July 2017.

**Period of 11 October 2017 - 31 December 2017**

The membership composition of Remuneration and Nomination Committee of period 11 October 2017 - 31 October 2017 was appointed by the Board of Commissioners on 19 September 2017 and validated by the Board of Directors Decree No. KEP.DIR/216/2017 date 11 October 2017, as presented in the following table:

No.	Name	Remarks	Position	Expertise
1.	Hartadi Agus Sarwono*	Chairman concurrently as member	President Commissioner/ Independent Commissioner	Banking, Economic
2.	Imam Apriyanto Putro	Member	Vice President Commissioner	Governance
3.	Bangun Sarwito Kusmulyono	Member	Independent Commissioner	Banking
4.	Askolani	Member	Commissioner	Fiscal, Budget and Tax
5.	Goei Siau Hong	Member	Independent Commissioner	Finance, Banking
6.	Ardan Adiperdana	Member	Commissioner	Accounting, Audit
7.	Makmur Keliat	Member	Independent Commissioner	Macroeconomic
8.	R. Widyo Pramono**	Member	Commissioner	Hukum
9.	Sanjay N. Bharwani	Secretary concurrently as member	SEVP Human Capital (VP Human Capital (the party who hold the Managerial under the Board of Directors for human capital)	Digital Banking, Pengembangan Bisnis, Human Capital, Teknologi Informasi, Operasional

**Remarks:**

- \* Effectively serve as a member of the Audit Committee counted from the date of approval of the relevant appointment by the OJK of the Assessment of Capacity and the Interaction amidst the rules of the law covering the date of November 15, 2017.
- \*\* Effectively serve as a member of the Audit Committee counted from the date of approval of the relevant appointment by the OJK of the Assessment of Capacity and the Interaction amidst the rules of the law covering the date of January 15, 2018.

### Remuneration and Nomination Committee Profile

The following Remuneration and Nomination Committee profiles per 31 December 2017.



#### Hartadi A. Sarwono

Chairman concurrently  
Member of Remuneration and Nomination  
Committee

Profiles can be seen in the Board of Commissioners  
section



#### Bangun Sarwito Kusmulyono

Member of Remuneration and Nomination  
Committee

Profiles can be seen in the Board of Commissioners  
section



#### Imam Apriyanto Putro

Member of Remuneration and Nomination  
Committee

Profiles can be seen in the Board of Commissioners  
section



#### Askolani

Member of Remuneration and Nomination  
Committee

Profiles can be seen in the Board of Commissioners  
section



#### Goei Siau Hong

Member of Remuneration and Nomination  
Committee

Profiles can be seen in the Board of Commissioners  
section



#### Ardan Adiperdana

Member of Remuneration and Nomination  
Committee

Profiles can be seen in the Board of Commissioners  
section



#### **Makmur Keliat**

Member of Remuneration and Nomination Committee

Profiles can be seen in the Board of Commissioners section



#### **R. Widyo Pramono**

Member of Remuneration and Nomination Committee

Profiles can be seen in the Board of Commissioners section



#### **Sanjay N. Bharwani**

Member of Remuneration and Nomination Committee

**Age:** 48 Years.

**Citizenship:** Indonesian citizen. **Date of Appointment:** May 28, 2014.

**Education History:** Bachelor in Technology and Business from University of Australia - Victoria in 1993.

**Employment history:**

- Senior Manager Consulting at Accenture, Jakarta (1997-2004)
- Country Head Watson Wyatt, Mumbai India (2004-2005)
- Senior Consultant at Gyann Consultant Jakarta and Australia (2006-2007)
- Senior Vice President of HR Centers of Expertise and Operation at Bank Permata (2007-2008)
- Group Head of Human Capital Strategy and Policies at Bank Mandiri (2008-2012)
- Human Capital Director of PT Rajawali Corpora.
- Joined Bank Mandiri in 2008 as Group Head of Human Capital Strategy and Policies.
- Since 2015 he has served as Senior Executive Vice President / SEVP Human Capital based on Directors Decree No. KEP.DIR / 009/2015 dated January 2, 2015.

#### **Educational Qualifications and Work Experience of Remuneration and Nomination Committee**

Members of the Remuneration and Nomination Committee at least fulfill the following qualifications:

1. Having high integrity, objectivity and ethical.
2. Having high competency in terms of:
  - a. Having adequate knowledge including the provisions and regulations and the legislation in force.
  - b. Understand the management concept of human capital comprehensively and having knowledge about the provisions of remuneration and/or nomination system as well as the succession plan of Bank.
3. Capable to be independent, such as capable to conduct the duties professionally without any conflicts of interest and influence/pressure from any party that not in line the applicable laws and the principles of healthy Corporation.

Educational qualifications and work experience of the Chairman and Members of Remuneration and Nomination Committee are as follows.

Table of Educational Qualifications and Work Experience of Remuneration and Nomination Committee

Name	Designation	Period	Education	Work Experience
B.S. Kusmulyono	Chairman	1 January 2017 – 10 October 2017	Bachelor's Degree in Chemical Engineering from Teknologi Bandung in 1970, Master's Degree of Business Administration from the University of Southern California, Los Angeles, USA in 1974 and Doctorate's Degree in Environmental Management from Institut Pertanian Bogor in 2007.	He initiated his career as a Managing Staff in the Investment Coordinating Board (BKPM) (1970-1972), then he worked at Chase Manhattan Bank (in New York and Hong Kong), Fincorinvest, and the Asian Development Bank from 1962 to 1985. He served as President Director of Bank Nusa International (1988-1998), the national resilience Institute KSA V (1995). He also worked as Member of Board of Commissioner at Maybank Nusa (1990-1997) and Member of Board of Commissioner at Bank Niaga (1998-1999). In 1999 to 2005 he worked as President Director at Permodalan Nasional Madani (PNM) and as Member of Board of Commissioner at Syarikat Takaful Indonesia. Prior to his position as Commissioner of Bank Mandiri, he held the position as Independent Commissioner of Bank Rakyat Indonesia (BRI) (2005-2010) and Independent Commissioner of Bank Negara Indonesia (BNI) (2010-2015).
	Member	11 October 2017 – 31 December 2017		
Hartadi A. Sarwono	Chairman	11 October 2017 -31 December 2017	Bachelor's Degree in Industrial Engineering from Institut Teknologi Bandung in 1979, Master of Arts in Macroeconomics in 1985 and a Doctorate's Degree of Monetary Theory and Policy in 1989, both degrees were obtained from the University of Oregon, United States of America.	He initiated his career in Bank Indonesia since 1980 as a staff in logistics (1980-1983), then after obtained the MA and Ph. D he served as Junior Economics Researcher at the Desk Research and Development (1989-1990), the Governor's Staff of Bank Indonesia (1990-1993), Head of Public Economics Department (1993-1994), Head of Monetary Department (1994-1996), Head of the Policy Planning and Analysis (1996-1997), Deputy Director of the Economic Research and Monetary Policy (1997-2000), Director of Economic Research and Monetary Policy (2000-2003), Director/ Head of Bank Indonesia's Representative-Tokyo (February 2003 – June 2003) and the peak of his career in Bank Indonesia as Deputy Governor for 2 periods, June 2003-June 2008 and June 2008-June 2013 and President Commissioner of PT Bank Negara Indonesia (Persero) Tbk (4 May 2016 – 21 August 2017).
Imam Apriyanto Putro	Member	1 January 2017 – 31 December 2017	Bachelor of Economics in Management from Universitas Diponegoro, Semarang, in 1988 and Master's Degree in management from Sekolah Tinggi Ilmu ekonomi IBII, Jakarta, in 2000.	Beliau mengawali karir sebagai Pjs. Kepala Seksi Analisis Pendanaan dan Sumber Daya di Kementerian BUMN (1993-2010), Komisaris di PT Permodalan Nasional Madani (Persero) (2007-2011), Asisten Departemen Riset dan Informasi di Kementerian BUMN (2010- 2012), Komisaris di PT Petrokimia Gresik (Persero) (2011-2012), Komisaris di PT Bukit Asam (Persero) Tbk (2011-2013), Kepala Biro Perencanaan dan SDM di Kementerian BUMN (2012-2013), Plh. Deputy Bidang Usaha Infrastruktur dan Logistik di Kementerian BUMN (2013), Komisaris di PT Semen Indonesia (Persero) Tbk (2013-2014), Sekretaris Kementerian BUMN (2013–sekarang), Komisaris di PT Telekomunikasi Indonesia (Persero) Tbk (2014-2015).
Askolani	Member	1 January 2017 – 31 December 2017	Bachelor of Economics and Development Studies from Sriwijaya University in 1990 and a Master's degree in Economics and Banking from the University of Colorado, Denver-USA in 1999.	He served as Director of Non-Tax Revenues (PNBP) at the Ministry of Finance (2011-2013), Commissioner of PT Indonesia Ferry (ASDP) (2007-2010), Commissioner of PT Pertamina Gas (2012-2013), Commissioner of PT Angkasa Pura I (2013-2014), Governor of Indonesia on Opex Fund for International Development (OFID) (2015).
Goei Siauw Hong	Member	1 January 2017 – 31 December 2017	Bachelor's Degree in Agronomy from Institut Pertanian Bogor in 1988 and Master of Business Administration (MBA) in Business, Finance and Marketing from Indiana University, Bloomington USA in 1993.	He initiated his career as a System Analyst in the Astra Graphia (1988-1991), Equity Analyst and Senior Equity Analyst at WI Carr Indonesia (1993-1995), the Deputy Head of the Research and the Head of Research at CLSA Indonesia (1995-1996), Head of research at SocGen Crosby (1996-1998), Vice President of Research at Nomura Singapore (1998-1999), Head of Research at Nomura Indonesia (1999-2001) and as a Member of the Risk Monitoring Committee of Bank Permata (2006-2010).
Ardan Adiperdana	Member	1 January 2017 – 31 December 2017	Bachelor of Economics from STAN in 1987, Master in Business Administration from Saint Mary's University (SMU), Nova Scotia, Canada in 1992 and Doctoral degree in Strategic Management from Universitas Indonesia in 2013.	He used to hold the position as Commissioner of PT Hotel Indonesia Natour (Persero) (2011-2013) and of President Commissioner at PT Jasa Raharja (Persero) (2013-2015).

Name	Designation	Period	Education	Work Experience
Makmur Keliat	Member	11 October 2017 – 31 December 2017	Bachelor's Degree in Economy from Universitas Pembangunan Nasional "Veteran" in 1984, the title of Bachelor of Art of Social Science and Political Science/International Relations from Universitas Gadjah Mada in 1984, a Drs. Title in Social Science and Political Science/International Relations from Universitas Gadjah Mada in 1986 and a Ph.d. title in School of International Studies from Jawaharlal Nehru University in 1995.	He initiated his career as a lecturer in the Department of international Relations, Social and Political Sciences Faculty of Universitas Indonesia in 1999, he served as Chairperson of Post-Graduate Program in the Department of International Relations, Faculty of Social and Political Sciences of the Universitas Indonesia (2002-2004), Executive Director at the Center for Global Civil Society Studies (PACIVIS UI) (2002-2004), Executive Director of Center for East Asia Cooperation Studies the East Asian Studies (2005-2007), Manager of Research and Publications, Social and Political Sciences Faculty of Universitas Indonesia (2007-2008), Chairperson of the Post-Graduate Program in the International Relations Department, Social and Political Sciences of Universitas Indonesia (2009-2012) and the last position prior to his service as Commissioner of Bank Mandiri was as Special Staff for Sekretariat Kabinet Republic Indonesia (May - August 2015)
R. Widyo Pramono	Member	11 October 2017 – 31 December 2017	Law degree from the State University in Solo, Surakarta in 1984, a master's degree Manajemendari STIE IPWI Jakarta in 2001, master of law from University of Gadjah Mada, Yogyakarta in 2007 and a doctorate in the field of criminal law University of Padjajaran, Bandung in 2012. Then, in 2015 he was confirmed as Professor of Criminal Law at Universitas Diponegoro.	He initiated his career at State Attorney South Jakarta as Administrative Staff (1986-1990), Attorney/Section Chairman of Pre Prosecution on Criminal Case (1990-1993), Attorney/section Chairman of Economic Crime on Criminal Case of Special Crime (1993-1995). Then, he served as Attorney/Section Chairman of Prosecution at Attorney General's Office in DKI Jakarta (1995), Section Chairman of Academic and Penjenjangan at the Pusdiklat Attorney RI (1995-1996), Attorney/Dir TPUL in Kasi Eksaminasi I in Kasubdit Ekseminasi (1996-1998), the KTU Pidum in Secretary Jam Pidum Attorney General of Republic Indonesia (1998-1999), military attaché of embassy in Thailand at the Attorney General of Indonesia Embassy in Bangkok, Thailand (1999-2003), Kajari Sukabumi in Attorney General's Office in West Java (2003-2005). Furthermore, he had a career in Young Attorney Coaching of General Attorney RI as Chairman of the Kahlu law firm (2005-2006), Special Assistant of Attorney General of RI (2006-2007) and as Chairman of the Public Bureau (2007-2008). He later had career in the Attorney General of RI as the Head of Attorney General's Office of Papua (2008-2009), Inspector Pidum On Jamwas (2009-2010), the head of Attorney General's Office of Central Java (2010-2011), Secretary of the Young Attorney General of General Crime (2011-2012), the expert staff of Attorney RI of General Crime (2012-2013), the young Attorney General Special Crime (2013-2015) and as a Young Attorney General Supervision (2015-August 2017).
Sanjay N. Bharwani	Member	1 January 2017 – 31 December 2017	Bachelor's Degree in Technology and Business from the University of Australia-Victoria	He has served as a Senior Manager of Consulting at Accenture, Jakarta (1997-2004), Country Head of Watson Wyatt, Mumbai India (2004-2005), Senior Consultant Gyann Consultant in Jakarta and Australia (2006-2007), Senior Vice President of HR Centres of Expertise and Operation in Bank Permata (2007-2008), Group Head of Human Capital Strategy and Policies at Bank Mandiri (2008-2012) and Director of the Human Capital PT Rajawali Corpora.

### Remuneration and Nomination Committee Independence

All members of the Remuneration and Nomination Committee from independent parties have no relationship in financial, management, shareholdings and/or family relations with the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or relationships with the Bank, which can affect their ability to perform independently.

Table of Remuneration and Nomination Committee Independence

Aspect of Independensi	B.S. Kusmulyono	Hartadi A. Sarwono	Imam Apriyanto Putro	Wimboh Santoso	Abdul Aziz	Askolani	Aviliani	Goei Siauwhong	Ardan Adiperdana	Makmur Keliat	R. Widyo Pramono	Sanjay N. Bharwani
Has no financial relationship with the Board of Commissioners and Board of Directors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not having relationship of management in the company, subsidiary, or affiliate companies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not having a relationship of shares-holding in the company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has no family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Remuneration and Nomination Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not serving as administrator of political parties and government officials	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

### Competency Development of Remuneration and Nomination Committee

Competency Development of Remuneration and Nomination Committee can be seen on the section of Company Profile sub chapter Competency Development of Remuneration and Nomination Committee in the current year annual report.

### Remuneration And Nomination Committee Meeting

Provisions of Remuneration and Nomination Committee meetings regulated in the Remuneration and Nominations Committee is as follows:

1. Meeting is attended by all members and if necessary can only be attended by voting member.
2. Meetings can only be held if attended by at least 51% (fifty one per hundred) of the number of members, included the Board of Independent Commissioners and Group Head of Human Capital Group.
3. Remuneration and Nomination Committee meetings are held in accordance with the needed and assignment of Board of Commissioners, at least 2 (two) times within 1 (one) year.
4. The meeting is chaired by the Chairman or a member appointed by the members who attend the meeting, if the Chairman was unable to attend.
5. Meeting's decisions were taken on the basis of deliberation consensus. In the case of there is no consensus discussion, the decision-making is conducted on the basis of the most votes.
6. Dissenting opinions that occur in the meeting is mandatory to be listed clearly in the meeting treatise along with the explanation of different opinion.
7. The Committee should make a report, at least 2 (two) times within 1 (one) year, to the Board of Commissioners about every assignment given and/or about every problems which identified must become the concern of the Board of Commissioners.

### Meeting Agenda of Remuneration and Nomination Committee

Throughout 2017, the date of implementation, meeting agenda and the participants of Audit Committee meeting, as follows..

Table of the Remuneration and Nomination Committee Meeting Agenda

No.	Meeting Date	Meeting Agenda	Meeting Participant
1.	Monday, 30 January 2017	<ol style="list-style-type: none"> <li>Explanation about Market Data Executive Compensation</li> <li>Discussion on the Proposal of the Board of Directors and Board of Commissioners Remuneration of PT. Bank Mandiri (Persero) Tbk at the Annual Meeting of Shareholders 2017.</li> <li>Explanation about Financial Services Authority Regulation (Peraturan Otoritas Jasa Keuangan/POJK) No. 45 concerning Material Risk Taking and its summary.</li> </ol>	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Abdul Aziz</li> <li>Askolani</li> <li>Aviliani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Sanjay N. Bharwani</li> </ol>
2.	Monday, 13 February 2017	Discussion on Remuneration Proposal for Board of Directors and Board of Commissioners of Bank Mandiri at Annual Meeting of Shareholders 2017.	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Abdul Aziz</li> <li>Imam Apriyanto Putro</li> <li>Askolani</li> <li>Aviliani</li> <li>B.S. Kusmulyono</li> <li>Sanjay N. Bharwani</li> </ol>
3.	Wednesday, 22 February 2017	Follow-up to the Meeting on 13 February 2017 and the Explanation about Draft of the Board of Commissioners' Letter to Minister of State-Owned Enterprises (BUMN).	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Abdul Aziz</li> <li>Imam Apriyanto Putro</li> <li>Aviliani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Sanjay N. Bharwani</li> </ol>
4.	Monday, 6 March 2017	Discussion on the Recommendation of Proposed Candidate for Director of Finance and Strategy of PT Bank Mandiri.	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Abdul Aziz</li> <li>Imam Apriyanto Putro</li> <li>Aviliani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Sanjay N. Bharwani</li> </ol>
5.	Selasa, 14 March 2017	Proposed Candidate for Commissioners of PT Bank Mandiri (Persero) Tbk at General Meeting of Shareholders for the fiscal year of 2016.	<ol style="list-style-type: none"> <li>B.S. Kusmulyono</li> </ol>
6.	Wednesday, 17 May 2017	<ol style="list-style-type: none"> <li>Progress in the Follow-up of the Resolution of the 4th Agenda of the Annual Meeting of Shareholders on 14 March 2017 (Remuneration and LTI).</li> <li>Progress in the Follow-up of the Resolution of 7th Agenda of the Annual General Meeting of Shareholders on 14 March 2017 (Appointment of Ms. Destry Damayanti and Mr. Makmur Keliat).</li> <li>Survey of the Remuneration for the Board of Directors and Board of Commissioners of Bank Mandiri with other Banks</li> </ol>	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Imam Apriyanto Putro</li> <li>Askolani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Makmur Keliat</li> <li>Sanjay N. Bharwani</li> </ol>
7.	Wednesday, 24 May 2017	Discussion on the Board of Commissioners' comments on the Letter of Ms. Destry Damayanti, LPS No.S-3/DK-DD/2017 dated 16 May 2017.	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Makmur Keliat</li> <li>Sanjay N. Bharwani</li> </ol>
8.	Wednesday, 22 June 2017	Discussion on the Remuneration of the Year 2017 and Performance Tantiem of 2016 for the Board of Directors and Board of Commissioners of Bank Mandiri.	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Makmur Keliat</li> <li>Sanjay N. Bharwani</li> </ol>
9.	Wednesday, 26 July 2017	Recommendation on the Boards' Candidate of PT Bank Mandiri (Persero) Tbk.	<ol style="list-style-type: none"> <li>Askolani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Makmur Keliat</li> <li>Sanjay N. Bharwani</li> </ol>
10.	Monday, 31 July 2017	<ol style="list-style-type: none"> <li>Discussion on the Boards' Candidate Recommendation of PT Bank Mandiri (Persero) Tbk.</li> <li>Interview of the Boards' Candidate of PT Bank Mandiri (Persero) Tbk.</li> </ol>	<ol style="list-style-type: none"> <li>Askolani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Makmur Keliat</li> <li>Sanjay N. Bharwani</li> </ol>

No.	Meeting Date	Meeting Agenda	Meeting Participant
11.	Selasa, 15 August 2017	Interview of Boards' Candidates of PT Bank Mandiri (Persero) Tbk.	1. Goei Siau Hong 2. B.S. Kusmulyono 3. Ardan Adipermana 4. Makmur Keliat 5. Sanjay N. Bharwani
12.	Monday, 21 August 2017	1. Proposed Candidate for Board of Commissioners of PT. Bank Mandiri (Persero) Tbk in the Extraordinary Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. 2. Proposed Candidate for the Board of Directors of PT. Bank Mandiri (Persero) Tbk in the Extraordinary Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk	1. Imam Apriyanto Putro 2. Askolani 3. Goei Siau Hong 4. B.S. Kusmulyono 5. Ardan Adipermana 6. Makmur Keliat

### Frequency and Level of Attendance of Remuneration and Nomination Committee Meetings

Throughout 2017, Remuneration and Nomination Committee has held 12 (twelve) meetings with the frequency and attendance level of the Remuneration and Committee members as follows:

Table of Attendance Level of Remuneration and Nomination Committee Meetings

Name	Designation	Period	Number of Meetings	Attendance	Percentage
B.S. Kusmulyono	Chairman	1 January 2017 – 10 October 2017	11	11	100%
	Member	11 October 2017 – 31 December 2017			
Hartadi A. Sarwono	Chairman	11 October 2017 – 31 December 2017	-	-	-
Imam Apriyanto Putro	Member	1 January 2017 – 31 December 2017	11	6	55%
Wimboh Santoso	Member	1 January 2017 – 19 July 2017	7	7	100%
Abdul Aziz	Member	1 January 2017 – 14 March 2017	4	4	100%
Askolani	Member	1 January 2017 – 31 December 2017	11	7	64%
Aviliani	Member	1 January 2017 – 14 March 2017	4	4	100%
Goei Siau Hong	Member	1 January 2017 – 31 December 2017	11	9	82%
Ardan Adiperdana	Member	1 January 2017 – 31 December 2017	11	8	73%
Makmur Keliat	Member	11 October 2017 – 31 December 2017	7	7	100%
R. Widyo Pramono	Member	11 October 2017 – 31 December 2017	-	-	-
Sanjay N. Bharwani	Member	1 January 2017 – 31 December 2017	10	10	100%

### Performance Assessment of Remuneration and Nomination Committee

Performance assessment of Audit Committee was seen from the achievement of the Key Performance Indicator (KPI) of the Audit Committee in 2017. The achievement of KPI is as follows.

Table of Performance Appraisal Remuneration and Nomination Committee

No.	Key Performance Indicator	Indicators Value (%)	Achievement Value (%)	Indicator Value x Achievement Value
1.	Realization Number of Committee meeting and Work Plan	30	100,00	30,00
2.	Assessment on attendance level and participation in the Meetings	20	100,00	20,00
3.	Submission of Review Outcome to the Board of Commissioners	20	95,00	19,00
4.	On-time Preparation and Submission of Committee Report	30	95,00	28,50
TOTAL		100		97,50

### Remuneration for Remuneration and Nomination Committee

Remuneration for Remuneration and Nomination Committee derived from Non Commissioner Independent party is regulated in the Letter of Board of Commissioners Number: KOM/113/2016

No.	Description	Member Komite Non-Komisaris
1.	Salary/Honorarium	Maximum 20% of the President Director's salary
2.	Post-Employment Benefit	Not given
3.	Religious Holiday Allowance	In accordance with the terms of Bank Mandiri employees
4.	Bonus/Tantiem	Not eligible
5.	Facilities	
	a. Transportation Allowance	Not eligible
	b. Health	Not eligible
	c. Office travel	In accordance with the employee provision/ equivalent of Group Head

### Brief Report on Remuneration and Nomination Committee Activities in 2017

In 2017, as the duties and function of Remuneration and Nomination Committee as stated in Remuneration and Nomination Committee Charter of PT. Bank Mandiri (Persero) Tbk. regarding Nomination system, Remuneration and Nomination Committee has provided recommendation/proposal of eligible candidate for Board of Directors members and Board of Commissioners members PT Bank Mandiri (Persero) Tbk. to the Board of Commissioners to be delivered to the General Meeting of Shareholders. The proposal was attained through a series of process conducted by Remuneration and Nomination Committee which included the making of policies, criteria, and qualifications required for the nomination process of the candidates for members of Board of Directors and Board of Commissioners that suites the strategic policy of the Company. Remuneration and Nomination Committee also assisted the Board of Commissioners to obtain and analyze the data of the Board of Directors candidate from the talent pool of direct report of the Board of Directors and identify the eligible candidate for Board of Commissioners.

Other than the nomination system, Remuneration and Nomination Committee has also assisted Board of Commissioners in proposing suitable remuneration system for the Board of Directors and Commissioners of PT Bank Mandiri (Persero) Tbk. in the form of payroll/honorarium system, facilities/allowances, royalties, etc for 2017.

Throughout 2017, Remuneration and Nomination Committee has also issued several recommendations to the Board of Commissioners, as follows:

1. Proposed Candidate for Director of Finance and Strategy of PT. Bank Mandiri, Tbk.
2. Proposed Candidate for Board of Commissioners of PT. Bank Mandiri (Persero) Tbk in the Extraordinary Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk.
3. Proposed Salary/Honorarium of 2017 for the Board of Directors and Commissioners of PT Bank Mandiri (Persero) Tbk.
4. Proposed Remuneration and Tantiem Determination for Board of Directors and Board of Commissioners of Bank Mandiri (Persero) Tbk.
5. Proposed facilities and allowances determination for Board of Directors of Bank Mandiri (Persero) Tbk.

### Board of Directors Succession Policy

The Board of Directors succession policy of Bank Mandiri refers to the Minister of State Owned Enterprises Regulation No. PER-03/MBU/02/2015 concerning Requirements, Appointment, and Dismissal of Members of Board of Directors of State-Owned Enterprises. The sources of Directors candidate are from:

1. Board of Directors of State Owned Enterprises;
2. Board of Commissioners/Board of Supervisors of State-Owned Enterprises;
3. Talents of State Owned Enterprises proposed through the Board of Commissioners, consisting of:
  - a. Direct report of the Board of Directors or other officials with special achievements;
  - b. Board of Directors of State-Owned Enterprises subsidiaries/ State-Owned Enterprises Joint Venture Companies.
4. Talents of Ministry of State Owned Enterprises;
5. Other sources, consisting of:
  - a. Other State Owned Enterprises' officials; and
  - b. Other sources.

One of the duties of Remuneration and Nomination Committee is to prepare a nomination system for members of Board of Directors and Commissioners of the Company which will be part of Good Corporate Governance Policy of the Company and will be a guidance for Board of Commissioners and General Meeting of Shareholders to determine remuneration and nomination of the members of Board of Directors and Commissioners.

The succession policies of the Company's Board of Directors as stipulated in Remuneration and Nomination Committee Charter, are as follow:

#### Basic Principles

1. Requirements for Board of Directors and Board of Commissioners  
Candidates for Board of Directors and Commissioners have to meet the requirements determined in the Company's Articles of Association and the applicable laws and regulations such as Law on Limited Liability Companies, Law on Banking, and Law on Capital Market and other provisions.
2. Candidacy and Candidate Proposal for Board of Directors and Board of Commissioners  
Candidates for Board of Directors and Board of Commissioners were proposed through a selection and with due regards to the above requirements.

#### Selection Procedure

1. Remuneration and Nomination Committee identifies eligible candidates.
2. Board of Commissioners based on Remuneration and Nomination Committee suggestions will delivery proposed candidates to the Seri A Dwiwarna Shareholders.
3. The selection implementation is conducted before the end of the term of office or, as requested by the Board of Commissioners, or in the event of vacancy.

#### Requirements and Criteria

The requirements and criteria for candidates of Board of Directors and/or Commissioners are in accordance with the Company's Articles of Association and other applicable provisions, which are as follows:

1. The person who can be proposed as a member of Board of Directors and/or Commissioners is the individual capable of performing legal actions and has never been declared bankrupt or convicted which cause bankruptcy of a company, or someone who has never been sentenced for criminal offense which harm the finances of the State within 5 (five) years prior to his/her appointment, one or the other with due regards to the applicable laws and regulations.

2. The person is not related by blood to third degree, both horizontally or vertically nor by marriage (in laws) with other members of Board of Directors or Commissioners.
3. The person is not in the banking black list as determined by bank supervisory authorities.
4. The person has excellent integrity, in terms of:
  - a. Has good character and morals.
  - b. Comply with applicable laws and regulations.
  - c. Has high commitment to the development of healthy bank operations.
  - d. Deemed fit and proper to be a member of Board of Directors and/or Commissioners.
5. Integrity assessment is conducted by evaluating the candidates in terms of non performance of the following actions:
  - a. Banking engineering and practices that deviate from banking regulations.
  - b. Actions categorized as non fulfillment of commitments agreed with Bank Indonesia or Government.
  - c. Actions categorized as beneficial to Owner, Management, Employees, and or other parties that may harm or reduce bank's profit.
  - d. Actions categorized as violation of the provisions related to banking prudential principles.
  - e. Actions by Management and Executive Officers categorized as not independent.
6. Meeting the competence criteria, in terms of having:
  - a. Adequate knowledge in Banking.
  - b. Experience and expertise in Banking and or Financial Institution
  - c. Ability to perform strategic management for the development of healthy Banks.
7. Other than the above criteria, it is better to meet the following additional criteria:
  - a. Having leadership skill supported by knowledge in economics, accounting and law.
  - b. For Board of Commissioners, there is another criterion of having experience in banking or other financial institution supervisory.
  - c. For Board of Directors, there are other criteria of having at least 3 (three) years experience as Senior Management in banking or other financial institutions.

A candidate for the Board of Directors may be proposed from the Board of Commissioners after assessing the concerned person and if eligible, he/she needs to be proposed to the Minister of SOEs. The candidate to be nominated to become members of the Board of Directors must also meet the formal requirements and other

requirements specified in PER-03/MBU/02/2015 and the Regulation of the Financial Services Authority No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company and has passed the Fit and Proper Test conducted by the Financial Services Authority.

In 2017, Bank Mandiri is working with the Company Assessment Service of PT Daya Dimensi Indonesia to conduct assessment against candidates for the Board of Commissioners and Board of Directors. The names are obtain recommendation from the Appraisal Service Company will be reported by the Remuneration and Nomination Committee to the Board of Commissioners names of candidates to be submitted in the GMS.

#### Procedure for Appointment of The Board of Commissioners

In addition to those set forth in the charter of Remuneration and Nomination Committee, the procedure for appointment of the Board of Commissioners of Bank Mandiri also referred to the Finance Service Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of the Issuer or Public Company and the Regulation of the Minister of SOEs Number PER-02/MBU/02/2015 on the Requirement and Procedure for Appointment and Dismissal of Members of the Board of Commissioners and Board of Supervisors of State-Owned Enterprises. The procedure for appointment of the Board of Commissioners is as follows:

1. The source of candidates for the Board of Commissioners/Board of Commissioners of SOEs comes from:
  - a. Former Board of Directors of SOEs.
  - b. Board of Commissioners/Board of Supervisors of SOEs.
  - c. Structural Officials and Government Functional Officials.
  - d. Other sources.
2. The prospective candidate to be nominated as a candidate for the Board of Commissioners is a person who has been declared to comply with the Formal Requirements, Material Requirements, and Other Requirements.
3. Assessment of the fulfillment of the Material Requirements is conducted through: i. assessing curriculum vitae and supporting documents; and ii. specifically assessing the integrity carried out by a written statement of the concerned candidate as specified in Appendix II of this Ministerial Regulation; and/or iii. Interview.
4. With respect to certain SOEs determined by the Minister, the candidate for the President Commissioner/Board of Commissioners members must follow the fit and proper test conducted by the Professional Institution appointed by the Minister to conduct the fit and proper test to the candidate of the Board of Directors.

5. Especially for SOE Bank, prospective candidates to be submitted in the GMS are assessed by a Team established by the Minister through involving the Chairman of the Board of Commissioners Committee performing the Nomination function. If the Chairman of the Board of Commissioners Committee as referred to is absent, he/she may be replaced by a member of the Committee of Independent Commissioners performing the Nomination function.

#### Risk Monitoring Committee

The Committee was established by the Board of Commissioners of Bank Mandiri in order to help the Board of Commissioners to perform their duties and responsibilities in supervising and counseling the Directors to obtain sufficient confidence that the implementation of risk management of the Bank will meet the adequacy element of the procedure and risk management methodology, so that the Bank's business activities will always be under control to the limit of acceptable and profitable to the Bank.

#### The Basis for the Establishment of Risk Monitoring Committee

The establishment of the Committee refers to and is based on the applicable laws and regulations and the best practices applicable in banking institutions in Indonesia, among others:

1. Financial Authority Services Regulation Number 17/POJK.03/2014 dated 18 November 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerate.
2. Minister of State Owned Enterprises Regulation Number PER-09/MBU/2012 dated 6 July 2012 concerning the amendment to Minister of State Owned Enterprises Regulation Number PER-01/MBU/2011, concerning the Implementation of Good Corporate Governance to State Owned Enterprises.
3. Minister of State-Owned Enterprises Regulation Number PER-29/MBU/2012 concerning Supporting Organs of Board of Commissioners/Board of Supervisors of State Owned Enterprises.
4. Articles of Association of PT. Bank Mandiri (Persero) Tbk and the amendments.

#### Risk Monitoring Committee Charter

In performing its duties and responsibilities, the Risk Monitoring Committee of Bank Mandiri has Work Guidelines updated in 2015 and containing among others committee's duties and responsibilities, committee's authority, committee's meeting, committee's organization, and others.

### Duties and Responsibilities of Risk Monitoring Committee

The Committee has the duties and responsibilities to help Board of Commissioners to perform its supervisory and counseling duties to the Board of Directors by providing opinions in the form of suggestions and recommendations on but not limited to the:

1. Evaluation of the conformity between the Bank's risk management policy and integrated risk management policy with the implementation of such policies.
2. Monitoring and evaluation of the implementation of the duties of Integrated Risk Management Committee and Integrated Risk Management Work Unit.
3. Review of integrated risk management implementation, which consists of:
  - a. Report on risk profile both individually (Bank only) and consolidated with subsidiaries (integrated risk profile).
  - b. Risk-based report on bank's health both individually (Bank only) and consolidated with subsidiaries (integrated risk profile).
  - c. Other reports related to the management of 10 (ten) risk types, namely credit risk, market risk, operational risk, liquidity risk, legal risk, compliance risk, reputation risk, strategic risk, inter-group transaction risk and insurance risk.
4. Monitoring of the adequacy of identification, measurement, monitoring, controlling process and risk management information system.
5. Evaluation of Bank's compliance to its Articles of Association, Bank and Capital Market Supervisory Authority regulations, and other laws and regulations in relation to risk management.
6. Preparing guidelines and committee's work code of conduct (charter) and conducting reviews as required every other year.
7. Performing other duties and responsibilities mandated by the Board of Commissioners from time to time.
  - a. Determining annual work plan.
  - b. Scheduling annual meeting.
  - c. Preparing periodic reports on the activities of risk monitoring committee and other matters deemed necessary to be of the Board of Commissioners' concern.
  - d. Preparing Self Assessment on the effectiveness of Risk Monitoring Committee activities.
  8. Members of the Committee are in charge and responsible for:
    - a. Convening meeting regularly/routinely.
    - b. Reviewing the materials prior to the meetings.
    - c. Attending meetings.
    - d. Participating actively and providing contributions in every committee activity.
    - e. Drawing up minutes of meetings.
    - f. Performing working visit to sites.

### Authority Of Risk Monitoring Committee

Committee has the authority within its responsibility to:

1. Seek and get various information including required documents from:
  - a. Bank (including Bank's employees).
  - b. Other stakeholders.
2. Obtain feedback and or suggestions from external party in relation to its duties.

### Reporting Of Risk Monitoring Committee

Risk Monitoring Committee must make a periodic report to the Board of Commissioners regarding the activities of the Risk Monitoring Committee, at least once in 6 (six) months. Risk Monitoring Committee must make a report to the Board of Commissioners on any given assignment and or for any issues identified to require the concern of the Board of Commissioners.

### Structure, Membership, And Expertise Of Risk Monitoring Committee

Referring to Decree of the Board of Commissioners Number KEP. KOM/006/2014 dated 25 August 2014 on the Amendment of the Members of Audit Committee and Risk Monitoring Committee under the Board of Commissioners of PT Bank Mandiri (Persero), Tbk, then:

1. Position of the Committee
 

Committee is under the coordination of and is structurally responsible to the Board of Commissioners.
2. Membership Composition
  - a. An Independent Commissioner
  - b. An Independent party who has expertise in finance; and
  - c. An Independent party who has expertise in risk management.
  - d. The Committee is chaired by an Independent Commissioner.
  - e. The Member of the Committee who serves as Independent Commissioner is appointed the Chairman of the Committee. In the event that there are more than 1 (one) Independent Commissioner as members, one of them shall be appointed as Chairman of Risk Monitoring Committee.
  - f. Independent Commissioner and Independent parties who are members of the Committee should make at least 51% of the members of the Committee.
  - g. Chairman of Committee may only hold concurrent position as Chairman of 1 (one) other Committee at the most.
  - h. In performing its daily tasks, the Committee may be assisted by staffs or Secretary of Committee appointed in accordance with the resolution of Committee meeting.

The period of the Committee Member's duties from a member of the Board of Commissioners shall not be longer than the term of office of the Board of Commissioners and may be re-appointed for only one (1) subsequent period.

The composition of Risk Monitoring Committee members in 2017 are as follows:

#### Period of 1 January 2017 - 25 May 2017

The composition of Risk Monitoring Committee members for the period of 1 January - 25 May 2017 has been appointed by Board of Commissioner and authorized under Decree of the Board of Directors Number KEP.DIR/375/2016 date 20 October 2016, are as follows:

No.	Name	Designation	Remarks	Expertise
1.	Abdul Aziz*	Chairman concurrently as member	Independent Commissioner	Banking
2.	Wimboh Santoso	Member	President Commissioner	Banking, Macroeconomics
3.	Goei Siau Hong	Member	Independent Commissioner	Finance, Banking
4.	Bangun Sarwito Kusmulyono	Member	Commissioner	Banking
5.	Ridwan D. Ayub	Member	Non Commissioner Independent Party	Finance, Management
6.	Lista Irna	Member	Non Commissioner Independent Party	Banking

**Remarks:**

\*Term of office of Mr. Abdul Aziz ended on 14 March 2017.

#### Period of 26 Mei 2017 - 10 October 2017

The composition of Risk Monitoring Committee members for the period of 26 May 2017 - 10 October 2017 that has been appointed by the Board of Commissioner on 19 April 2017 and authorized under Decree of the Board of Directors Number KEP.DIR/126/2017 date 26 May 2017, are as follows:

No.	Name	Designation	Remarks	Expertise
1.	Goei Siau Hong	Chairman concurrently as member	Komisaris Independen	Finance, Banking
2.	Wimboh Santoso*	Member	Komisaris Utama	Banking, Macroeconomics
3.	Bangun Sarwito Kusmulyono	Member	Komisaris Independen	Banking
4.	Ridwan D. Ayub	Member	Pihak Independen Non Komisaris	Finance, Management
5.	Lista Irna	Member	Pihak Independen Non Komisaris	Banking

**Remarks:**

\*Term of office of Mr. Wimboh Santoso ended on 19 July 2017.

#### Period of 11 October 2017 - 31 December 2017

The composition of Risk Monitoring Committee members for the period of 11 October 2017 - 31 December 2017 that has been appointed by the Board of Commissioner on 19 September 2017 and authorized under Decree of the Board of Directors Number KEP.DIR/215/2017 date 11 October 2017, are as follows:

No.	Name	Designation	Remarks	Expertise
1.	Goei Siau Hong	Chairman concurrently as member	Independent Commissioner	Finance, Banking
2.	Bangun Sarwito Kusmulyono	Member	President Commissioner	Banking, Macroeconomics
3.	Ardan Adiperdana	Member	Independent Commissioner	Banking
4.	R. Widyo Pramono*	Member	Non Commissioner Independent Party	Finance, Management
5.	Ridwan D. Ayub	Member	Non Commissioner Independent Party	Banking
6.	Lista Irna	Member	Pihak Independen Non Komisaris	Banking

**Remarks:**

\* Effectively serve as a member of the Audit Committee counted from the date of approval of the relevant appointment by the OJK of the Assessment of Capacity and the Interaction amidst the rules of the law covering the date of November 15, 2017.

### The Profile of Risk Monitoring Committee

The profiles of the members of Risk Monitoring Committee as per 31 December 2017 are as follows:



#### Goei Siau Hong

Chairman concurrently Member of the Risk Monitoring Committee

Profiles can be seen in the Board of Commissioners' Profile section



#### B.S. Kusmulyono

Member of Risk Monitoring Committee

Profiles can be seen in the Board of Commissioners' Profile section



#### Ardan Adiperdana

Member of Risk Monitoring Committee

Profiles can be seen in the Board of Commissioners' Profile section



#### R. Widyo Pramono

Member of Risk Monitoring Committee

Profiles can be seen in the Board of Commissioners' Profile section



#### Ridwan D. Ayub

Member of Risk Monitoring Committee

Age: 55 Years. Domicile: Jakarta. Date of Appointment: May 1, 2014.

Educational background:

- Bachelor in Social Science and Political Science from Parahyangan Catholic University in 1985.
- Master of Financial Management Specialization from Mercu Buana University in 2008.

Employment history:

- Deputy Head of Operational Risk Division of PT Bank Internasional Indonesia Tbk (2002-2005)
- Member of Risk Monitoring Committee of PT Bank Rakyat Indonesia (Persero) Tbk (2006-2014)
- Member of Audit Committee of PT Bank Mandiri (Persero) Tbk (2014-2016).



#### Lista Irna

Member of Risk Monitoring Committee

Profiles can be seen in the Audit Committee's Profile section

### Educational Qualifications and Work Experiences of Risk Monitoring Committee

Requirements for Risk Monitoring Committee members are as follows:

1. Members of the Committee must have high integrity, good characters and morals, and the ability, knowledge and adequate experiences according to his/her educational background and is able to communicate well.
2. Have adequate knowledge to read and comprehend financial report and reports related to the monitoring of banking risk management policy implementation.
3. Have adequate knowledge about the Capital Market laws and regulations and regulations related to banking business.

As per 31 December 2017, the educational qualifications and work experiences for the Chairman and Members of Risk Monitoring Committee are as follows.

Table of Educational Qualifications and Work Experiences of Risk Monitoring Committee

Name	Designation	Period	Education	Work Experience
Goei Siau Hong	Member	1 January 2017 – 25 May 2017	Bachelor's Degree in Agronomy from Institut Pertanian Bogor in 1988 and Master of Business Administration (MBA) in Business, Finance and Marketing from Indiana University, Bloomington USA in 1993.	He initiated his career as a System Analyst in the Astra Graphia (1988-1991), Equity Analyst and Senior Equity Analyst at WI Carr Indonesia (1993-1995), the Deputy Head of the Research and the Head of Research at CLSA Indonesia (1995-1996), Head of research at SocGen Crosby (1996-1998), Vice President of Research at Nomura Singapore (1998-1999), Head of Research at Nomura Indonesia (1999-2001) and as a Member of the Risk Monitoring Committee of Bank Permata (2006-2010).
	Chairman and member	26 May 2017 – 31 December 2017		
B.S. Kusmulyono	Member	1 January 2017 – 31 December 2017	Bachelor's Degree in Chemical Engineering from Teknologi Bandung in 1970, Master's Degree of Business Administration from the University of Southern California, Los Angeles, USA in 1974 and Doctorate's Degree in Environmental Management from Institut Pertanian Bogor in 2007.	He initiated his career as a Managing Staff in the Investment Coordinating Board (BKPM) (1970-1972), then he worked at Chase Manhattan Bank (in New York and Hong Kong), Fincorinvest, and the Asian Development Bank from 1962 to 1985. He served as President Director of Bank Nusa International (1988-1998), the national resilience Institute KSA V (1995). He also worked as Member of Board of Commissioner at Maybank Nusa (1990-1997) and Member of Board of Commissioner at Bank Niaga (1998-1999). In 1999 to 2005 he worked as President Director at Permodalan Nasional Madani (PNM) and as Member of Board of Commissioner at Syarikat Takaful Indonesia. Prior to his position as Commissioner of Bank Mandiri, he held the position as Independent Commissioner of Bank Rakyat Indonesia (BRI) (2005-2010) and Independent Commissioner of Bank Negara Indonesia (BNI) (2010-2015).
Ardan Adiperdana	Member	11 October 2017 – 31 December 2017	Bachelor of Economics from STAN in 1987, Master in Business Administration from Saint Mary's University (SMU), Nova Scotia, Canada in 1992 and Doctoral degree in Strategic Management from Universitas Indonesia in 2013.	He used to hold the position as Commissioner of PT Hotel Indonesia Natour (Persero) (2011-2013) and of President Commissioner at PT Jasa Raharja (Persero) (2013-2015).

Name	Designation	Period	Education	Work Experience
R. Widyo Pramono	Member	11 October 2017 – 31 December 2017	Law degree from the State University in Solo, Surakarta in 1984, a master's degree Manajemendari STIE IPWI Jakarta in 2001, master of law from University of Gadjah Mada, Yogyakarta in 2007 and a doctorate in the field of criminal law University of Padjajaran, Bandung in 2012. Then, in 2015 he was confirmed as Professor of Criminal Law at Universitas Diponegoro.	He initiated his career at State Attorney South Jakarta as Administrative Staff (1986-1990), Attorney/Section Chairman of Pre Prosecution on Criminal Case (1990-1993), Attorney/section Chairman of Economic Crime on Criminal Case of Special Crime (1993-1995). Then, he served as Attorney/Section Chairman of Prosecution at Attorney General's Office in DKI Jakarta (1995), Section Chairman of Academic and Penjenjangan at the Pusdiklat Attorney RI (1995-1996), Attorney/Dir TPUL in Kasi Eksaminasi I in Kasubdit Ekseminasi (1996-1998), the KTU Pidum in Secretary Jam Pidum Attorney General of Republic Indonesia (1998-1999), military attaché of embassy in Thailand at the Attorney General of Indonesia Embassy in Bangkok, Thailand (1999-2003), Kajari Sukabumi in Attorney General's Office in West Java (2003-2005). Furthermore, he had a career in Young Attorney Coaching of General Attorney RI as Chairman of the Kahlu law firm (2005-2006), Special Assistant of Attorney General of RI (2006-2007) and as Chairman of the Public Bureau (2007-2008). He later had career in the Attorney General of RI as the Head of Attorney General's Office of Papua (2008-2009), Inspector Pidum On Jamwas (2009-2010), the head of Attorney General's Office of Central Java (2010-2011), Secretary of the Young Attorney General of General Crime (2011-2012), the expert staff of Attorney RI of General Crime (2012-2013), the young Attorney General Special Crime (2013-2015) and as a Young Attorney General Supervision (2015-August 2017).
Ridwan D. Ayub	Member	1 January 2017 – 31 December 2017	Bachelor degree in Social and Political Science from Universitas Katolik Parahyangan in 1985 and Master degree specialised in Financial Management from Universitas Mercu Buana in 2008	He used to hold the position of Deputy Head of Operational Risk Division of PT Bank Internasional Indonesia Tbk (2002-2005), Member of Risk Monitoring Committee of PT Bank Rakyat Indonesia (Persero) Tbk (2006-2014), and Member of Audit Committee of PT Bank Mandiri (Persero) Tbk (2014-2016).
Lista Irma	Member	1 January 2017 – 31 December 2017	Bachelor degree in Mining Engineering from Universitas Sriwijaya in 1990 and obtain Master of Business Administration degree from Swiss German University – Serpong Indonesia in 2005	National Head of Telemarketing, Shared Distribution Standard Chartered Bank (2006-2007), Credit Planning, MIS Reporting and QA Head, Credit - Consumer Banking (AVP) Standard Chartered Bank (February 2007 - August 2007), Head of Consumer Risk Credit Operation (VP) Standard Chartered Bank (2007-2010), Enterprise Risk and Policy Integrated Risk Bank Danamon Indonesia (2010-2014), Chief Credit Officer (CCO) Consumer and Mass Market Bank Danamon Indonesia (2014-2016).

### Independence of Risk Monitoring Committee

All members of Risk Monitoring Committee who come from independent party have no financial, management, share ownership relationship and/or family relationship with the Board of Commissioners, Board of Directors and/or Controlling Shareholders or relationship with the Bank that can affect their abilities to act independently.

Table of Risk Monitoring Committee Independence

Independence Aspect	Abdul Aziz	Goei Siau Hong	Wimboh Santoso	B.S. Kusmulyono	Ardan Adiperdana	R. Widyo Pramono	Ridwan D. Ayub	Lista Irna
Has no financial relationship with the Board of Commissioners and Board of Directors	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not having relationship of management in the company, subsidiary, or affiliate companies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not having a relationship of shares-holding in the company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has no family relationship with the Board of Commissioners, Board of Directors, and/or fellow Risk Monitoring Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not serving as administrator of political parties and government officials	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

#### Development of the Competency Risk Monitoring Committee

Development of the competency of Risk Monitoring Committee may be seen at the section of Company Profile sub chapter Risk Monitoring Committee Competency Development in this Annual Report.

#### Risk Monitoring Committee Meetings

Risk Monitoring Committee Meeting is convened at least once a month. Risk Monitoring Committee Meeting is deemed valid if attended by at least 51% (fifty-one percent) of the members including one Commissioner and Independent Party.

#### Agenda of Risk Monitoring Committee Meetings

Throughout 2017, the date of the meetings, Agenda of the meetings and the Attendees of the meetings of Risk Monitoring Committee are as follows.

Table of Agenda of Risk Monitoring Committee Meetings

No.	Meeting Date	Meeting Agenda	Meeting Participant
1.	Wednesday, 1 February 2017	1. Proposal of Change of Organization Structure of PT Bank Mandiri (Persero) Tbk. 2. Provision of New Credit Facility to Related Party.	1. Wimboh Santoso 2. Abdul Aziz 3. Aviliani 4. Goei Siau Hong 5. B.S. Kusmulyono 6. Ardan Adipermana 7. Ridwan Ayub 8. Lista Irna
2.	Wednesday, 22 February 2017	Proposal for the Extension of Credit Facility Period and Additional Credit Facility to Related Party.	1. Wimboh Santoso 2. Abdul Aziz 3. Aviliani 4. Goei Siau Hong 5. B.S. Kusmulyono 6. Ardan Adipermana 7. Ridwan Ayub 8. Lista Irna
3.	Wednesday, 8 March 2017	Proposal for the Increase of KMK Facility Ceiling to the Related Party.	1. Wimboh Santoso 2. Abdul Aziz 3. Aviliani 4. Goei Siau Hong 5. B.S. Kusmulyono 6. Ridwan Ayub 7. Lista Irna

No.	Meeting Date	Meeting Agenda	Meeting Participant
4.	Wednesday, 22 March 2017	<ol style="list-style-type: none"> <li>Update the performance of Financial Institution Pension Fund (DPLK) and Proposal for the Appointment of KAP for the Year 2016.</li> <li>Proposal for the Provision of Credit Facility.</li> </ol>	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Destri Damayanti</li> <li>Ridwan Ayub</li> <li>Lista Irna</li> </ol>
5.	Wednesday, 5 April 2017	<ol style="list-style-type: none"> <li>Proposal for the Extension of Period and Additional Limit of Joint Financing Cooperation.</li> <li>Update RBBR Term II Year 2016.</li> <li>Proposal.</li> </ol>	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Makmur Keliat</li> <li>Ridwan Ayub</li> <li>Lista Irna</li> </ol>
6.	Monday, 10 April 2017	<ol style="list-style-type: none"> <li>Amendment of the Articles of Association of PT Bank Mandiri (Persero) Tbk.</li> <li>Transaction Plan.</li> </ol>	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Imam Apriyanto Putro</li> <li>Askolani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Makmur Keliat</li> <li>Ridwan Ayub</li> <li>Lista Irna</li> </ol>
7.	Wednesday, 26 April 2017	<ol style="list-style-type: none"> <li>Update on Handling of Telephone Verification in Consumer.</li> <li>Proposal for the Sharpening of Organization Structure of Bank Mandiri.</li> </ol>	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Askolani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Makmur Keliat</li> <li>Ridwan Ayub</li> <li>Lista Irna</li> </ol>
8.	Wednesday, 3 May 2017	Proposal for the Provision of Bank Mandiri Pension Fund Benefit 1 to 4 of the Year 2017.	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Askolani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Makmur Keliat</li> <li>Ridwan Ayub</li> <li>Lista Irna</li> </ol>
9.	Wednesday, 10 May 2017	<ol style="list-style-type: none"> <li>Proposal for the Provision of Credit Facility.</li> <li>Role and Function of Credit Portfolio Risk Group</li> </ol>	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Askolani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Makmur Keliat</li> <li>Ridwan Ayub</li> <li>Lista Irna</li> </ol>
10.	Wednesday, 17 May 2017	Update Performance and Business Development.	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Imam Apriyanto Putro</li> <li>Askolani</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Makmur Keliat</li> <li>Ridwan Ayub</li> <li>Lista Irna</li> </ol>
11.	Wednesday, 24 May 2017	Liquidity Position Trw I 2017 and Trading Position (Forex, MM, Bond Recap / SUN and its MTM, Derivatives).	<ol style="list-style-type: none"> <li>Wimboh Santoso</li> <li>Goei Siau Hong</li> <li>B.S. Kusmulyono</li> <li>Ardan Adipermana</li> <li>Makmur Keliat</li> <li>Ridwan Ayub</li> <li>Lista Irna</li> </ol>

No.	Meeting Date	Meeting Agenda	Meeting Participant
12.	Wednesday, 31 May 2017	Update Performance and Business Development.	1. Goei Siauw Hong 2. B.S. Kusmulyono 3. Makmur Keliat 4. Ridwan Ayub 5. Lista Irna
13.	Wednesday, 7 June 2017	Update on Business and Organization Development of Commercial Segment.	1. Goei Siauw Hong 2. B.S. Kusmulyono 3. Ridwan Ayub 4. Lista Irna
14.	Wednesday, 14 June 2017	Proposal for KMK Facility Increase to Related Party.	1. Goei Siauw Hong 2. B.S. Kusmulyono 3. Ridwan Ayub 4. Lista Irna
15.	Wednesday, 12 July 2017	Update on Business and Organization Development of Retail Banking Segment.	1. Goei Siauw Hong 2. B.S. Kusmulyono 3. Ardan Adipermana 4. Makmur Keliat 5. Ridwan Ayub 6. Lista Irna
16.	Wednesday, 19 July 2017	Proposal for Capital Increase Plan.	1. Imam Apriyanto Putro 2. Goei Siauw Hong 3. Ardan Adipermana 4. Makmur Keliat 5. Ridwan Ayub 6. Lista Irna
17.	Wednesday, 26 July 2017	1. Update on Organization Structure and IT Improvement (Security, Availability and Reliability). 2. Proposal to Provide Credit Facility.	1. Askolani 2. Goei Siauw Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. Ridwan Ayub 7. Lista Irna
18.	Wednesday, 2 August 2017	1. Request for Approval for Additional Capital. 2. Request for Approval for Credit Facility.	1. Goei Siauw Hong 2. B.S. Kusmulyono 3. Makmur Keliat 4. Ridwan Ayub 5. Lista Irna
19.	Wednesday, 9 August 2017	Discussion on Project Vulcan.	1. Goei Siauw Hong 2. Ardan Adipermana 3. Makmur Keliat 4. Ridwan Ayub 5. Lista Irna
20.	Wednesday, 16 August 2017	1. Result of Consolidated RBBR Assessment of Term I Year 2017. 2. Proposal for the Provision of Investment Credit Facility to the Related Party.	1. Goei Siauw Hong 2. B.S. Kusmulyono 3. Makmur Keliat 4. Ridwan Ayub 5. Lista Irna
21.	Wednesday, 30 August 2017	1. Update on Government Program and the Implementation in Bank Mandiri. 2. Update on the Resolution of Board of Directors Meeting regarding the Actions of the Board of Directors that must be approved by the Board of Commissioners and Serie A Dwiwarna Shareholders. 3. Proposal for the establishment of Subsidiary Company in Malaysia.	1. Hartadi A Sarwono 2. Goei Siauw Hong 3. Ardan Adipermana 4. Makmur Keliat 5. R. Widyono Pramon 6. Ridwan Ayub 7. Lista Irna
22.	Wednesday, 6 September 2017	1. Outstanding Legal Cases 2. Proposal for the Provision of Credit Facility.	1. Hartadi A Sarwono 2. Askolani 3. Goei Siauw Hong 4. B.S. Kusmulyono 5. Ardan Adipermana 6. Makmur Keliat 7. R. Widyono Pramon 8. Budi Sulistio 9. Ridwan Ayub 10. Lista Irna

No.	Meeting Date	Meeting Agenda	Meeting Participant
23.	Wednesday, 20 September 2017	Update Digital Banking and IT Planning	1. Hartadi A Sarwono 2. Goei Siau Hong 3. Makmur Keliat 4. R. Widyo Pramono 5. Budi Sulistio 6. Ridwan Ayub 7. Lista Irna
24.	Wednesday, 27 September 2017	Proposal for the Extension on Credit Line Facility.	1. Hartadi A Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. R. Widyo Pramono 6. Budi Sulistio 7. Ridwan Ayub 8. Lista Irna
25.	Wednesday, 11 October 2017	Update on Financing for Government's Projects to State Owned Enterprises.	1. Hartadi A Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. R. Widyo Pramono 7. Budi Sulistio 8. Ridwan Ayub 9. Lista Irna
26.	Wednesday, 25 October 2017	Proposal of Validity Period Extension and Credit Facility Addition.	1. Hartadi A Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. R. Widyo Pramono 7. Budi Sulistio 8. Ridwan Ayub 9. Lista Irna
27.	Wednesday, 1 November 2017	1. Proposal of Credit Facility Provision. 2. Proposal of New Issuer Limit Provision.	1. Goei Siau Hong 2. B.S. Kusmulyono 3. Ardan Adipermana 4. Makmur Keliat 5. Budi Sulistio 6. Ridwan Ayub 7. Lista Irna
28.	Wednesday, 8 November 2017	1. Update Progress IT Improvement Plan. 2. Update CISO. 3. Performance Exposure of Subsidiaries managed by Subsidiaries Strategy & Management Group	1. Hartadi A Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Budi Sulistio 5. Ridwan Ayub 6. Lista Irna
29.	Wednesday, 15 November 2017	1. Update on Commercial & SME Banking Improvement 2. Proposal for Extension and Increase of Capital Credit Facility to Related Party.	1. Hartadi A Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. R. Widyo Pramono 7. Budi Sulistio 8. Ridwan Ayub 9. Lista Irna
30.	Wednesday, 22 November 2017	Update on Recovery Plan for Sistemik Bank	1. Hartadi A Sarwono 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. R. Widyo Pramono 7. Budi Sulistio 8. Ridwan Ayub 9. Lista Irna

No.	Meeting Date	Meeting Agenda	Meeting Participant
31.	Wednesday, 29 November 2017	Update Top 20 High Risk Account Commercial Banking	1. Hartadi A Sarwon 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. R. Widyo Pramono 7. Budi Sulistio 8. Ridwan Ayub 9. Lista Irna
32.	Wednesday, 06 December 2017	1. Proposal for Additional Limit, Change of Terms and Extension of the Facility. 2. Proposal for the Amendment of the Availability Period of the Facility.	1. Hartadi A Sarwon 2. Goei Siau Hong 3. B.S. Kusmulyono 4. Ardan Adipermana 5. Makmur Keliat 6. R. Widyo Pramono 7. Budi Sulistio 8. Ridwan Ayub 9. Lista Irna
33.	Wednesday, 13 December 2017	1. Proposal for Recovery Plan Approval. 2. Proposal for the Settlement of Abandoned Property through Action Sale and or Optimization through Cooperation with Other Companies/Parties.	1. Hartadi A Sarwon 2. Goei Siau Hong 3. Ardan Adipermana 4. Makmur Keliat 5. R. Widyo Pramono 6. Budi Sulistio 7. Ridwan Ayub 8. Lista Irna
34.	Wednesday, 20 December 2017	1. Proposal for the Approval of Facility.	1. Hartadi A Sarwon 2. Goei Siau Hong 3. Ardan Adipermana 4. Makmur Keliat 5. R. Widyo Pramono 6. Budi Sulistio 7. Ridwan Ayub 8. Lista Irna

### Frequency and Attendance of Risk Monitoring Committee Meetings

Throughout 2017, Risk Monitoring Committee has convened 34 (thirty-four) meetings. As for the frequency and level of attendance of Risk Monitoring Committee meetings are as follows:

Table of Attendance of Risk Monitoring Committee Meetings

Name	Designation	Period	Number of Meetings	Total Attendance	Percentage
Abdul Aziz	Chairman concurrently as member	1 January 2017 – 14 March 2017	3	3	100%
Goei Siau Hong	Member	1 January 2017 – 25 May 2017	34	34	100%
	Chairman and member	26 May 2017 – 31 December 2017			
Wimboh Santoso	Member	1 January 2017 – 19 July 2017	16	11	69%
B.S. Kusmulyono	Member	1 January 2017 – 31 December 2017	34	28	82%
Ardan Adiperdana	Member	11 October 2017 – 31 December 2017	12	10	83%
R. Widyo Pramono	Member	11 October 2017 – 31 December 2017	12	10	83%
Ridwan D. Ayub	Member	1 January 2017 – 31 December 2017	34	34	100%
Lista Irna	Member	1 January 2017 – 31 December 2017	34	34	100%

### Performance Assessment of Risk Monitoring Committee

Performance assessment of Risk Monitoring Committee was seen from the achievement of the Key Performance Indicator (KPI) of the Audit Committee in 2017. The achievement of KPI is as follows.

Table of Performance Assessment of Risk Monitoring Committee

No.	Key Performance Indicator (KPI)	Indicators Value (%)	Achievement Value (%)	Indicator Value x Achievement Value
1.	Realization Number of Committee meeting and Work Plan	30	100,00	30,00
2.	Assessment on attendance level and participation in the Meetings	20	100,00	20,00
3.	Submission of Review Outcome to the Board of Commissioners	20	95,00	19,00
4.	On-time Preparation and Submission of Committee Report	30	95,00	28,50
TOTAL		100		97,50

### Remuneration of Risk Monitoring Committee

Remuneration of Risk Monitoring Committee who come from Non Commissioner Independent Party is stipulated in the Letter of the Board of Commissioners Number: KOM/113/2016

Table of Remuneration of Risk Monitoring Committee

No.	Description	Non-Commissioner Committee Members
1.	Salary/Honorarium	Maximum 20% of the President Director's salary
2.	Post-Employment Benefit	Not given
3.	Religious Holiday Allowance	In accordance with the terms of Bank Mandiri employees
4.	Bonus/Tantiem	Not eligible
5.	Fasilitas	
	a. Transportation Allowance	Not eligible
	b. Health	Not eligible
	Official Travel	In accordance with the employee provision/ equivalent of Group Head

### Brief Report on Risk Monitoring Committee Activities In 2017

Throughout 2017, Risk Monitoring Committee has provided several recommendations or suggestions to the Board of Commissioners among others are as follows:

1. Proposal for approval for credit facility applications and provision of funds to Related parties, whether in the nature of extension, increase, amendments or new provision.
2. Proposal for approval for Recovery Plan of Bank Mandiri.
3. Review on financial performance achievement of Bank Mandiri quarterly.
4. Review on strategy and implementation of Non Performing Loan/ NPL management in Bank Mandiri.
5. Review on the implementation of risk management in Bank Mandiri.

### Integrated Governance Committee

Financial Services Authority Regulation Number 18/POJK.03/2014 concerning the Implementation of Integrated Governance for Financial Services Institutions which Has Ownership and/ or Controlling Relationship. Therefore every Financial Services Institution incorporate in financial conglomerate has to implement integrated governance. In implementing integrated governance Bank Mandiri has established Integrated Governance Committee as supervisory to provide recommendations or advices in implementing the concerned policy.

The Integrated Governance Committee was established by the Board of Commissioners with the purpose to assist and facilitate the Board of Commissioners in performing its duties and functions to supervise the implementation of Governance to each Financial Services Institution (Lembaga Jasa Keuangan/LJK) within Financial

Conglomerate of Bank Mandiri to conform to the Integrated Governance Guidance; to supervise the implementation of the duties and functions of the Board of Directors of Bank Mandiri, and to provide directions or advices to the Board of Directors of Bank Mandiri regarding the implementation of Integrated Governance Guidance; and to evaluate the Integrated Governance Guidance and to provide directions in order to improve.

### The Basis of the Establishment of Integrated Governance Committee

The establishment of Integrated Governance Committee is guided by and based on the applicable laws and regulations and best practices applicable in banking institutions in Indonesia, among others:

1. Financial Services Authority Regulation Number 18/POJK.03/2014 dated 18 November 2014 concerning Implementation of Integrated Governance for Financial Conglomerate.
2. Law Number 21 Year 2011 concerning Financial Services Authority;
3. Bank Indonesia Regulation Number 8/4/PBI/2006 dated 30 January 2006 concerning Good Corporate Governance Implementation for Commercial Banks; and Bank Indonesia Regulation Number 8/14/PBI/2006 dated 5 October 2006 concerning Amendment to Bank Indonesia Regulation Number 8/4/PBI/2006 concerning the Implementation of Good Corporate Governance for Commercial Banks.
4. Minister of State Owned Enterprises Regulation Number PER-09/MBU/2012 dated 6 July 2012 concerning the amendment to Minister of State Owned Enterprises Regulation Number PER-01/MBU/2011, concerning the Implementation of Good Corporate Governance in State Owned Enterprises.
5. Minister of State Owned Enterprises Regulation Number PER-12/MBU/2012, concerning Supporting Organs of the Board of Commissioners/Board of Supervisors of State Owned Enterprises.
6. Articles of Association of PT. Bank Mandiri (Persero) Tbk and the amendments.

### Integrated Governance Committee Charter

In carrying out its duties and responsibilities, Integrated Governance Committee of Bank Mandiri has work guidelines adopted in 2016 pursuant to Decree Number KEP.KOM//004/2016 dated 19 October 2016. The work guidelines regulate matters concerning among others duties, authorities and responsibilities of the Committee and Committee meeting conventions.

### Duties and Responsibilities of Integrated Governance Committee

Integrated Governance Committee has duties and responsibilities to:

1. Evaluate the implementation of Integrated Governance through the following assessment:
  - a. Adequacy of Integrated Internal Control
    - Performing evaluation whether Bank Mandiri and its Subsidiaries have had a standard integrated internal control system in accordance with the applicable best practice through studies on Integrated Governance Guidelines applicable in Bank Mandiri.
    - Performing monitoring and evaluation on the effectiveness of the implementation of integrated internal control through studies on Periodic Report and Examination Report issued by Integrated Internal Audit Unit.
    - Conducting periodic meeting with Integrated Internal Audit Unit to discuss on matters related to integrated internal control system and the implementation.
    - Performing monitoring and evaluation on the implementation of follow-ups by the Board of Directors of Bank Mandiri and its Subsidiaries on the findings from Integrated Internal Audit Unit, Public Accountant Office, and supervisory result of Financial Services Authority regarding the weakness of the system and implementation of integrated internal control.
    - Reporting periodically on the monitoring results and providing suggestions on matters related to integrated internal control which require the attention of the Board of Commissioners of Bank Mandiri and its Subsidiaries.
  - b. Implementation of Integrated Compliance Function
    - Performing monitoring and evaluation on the compliance of Bank Mandiri and its Subsidiaries to the applicable laws and regulations in Capital Market and the regulations of Financial Services Authority, Bank Indonesia and other regulations related to banking, insurance, securities and financing business through coordination with Integrated Compliance Unit.
    - Reviewing periodic reports and examination reports related to compliance to internal and external regulations issued by Integrated Compliance Unit and external auditor.
    - Conducting periodic meetings with Integrated Compliance Unit to discuss on matters related to the compliance of Bank Mandiri and its Subsidiaries to internal and external regulations.
    - Performing monitoring and evaluation on the implementation of follow-ups by the Board of Directors

of Bank Mandiri and its subsidiaries on the findings from Integrated Compliance Unit, Public Accountant Office and supervisory result of Financial Services Authority regarding the weakness of the system and implementation of integrated compliance function.

- Reporting periodically on monitoring result and providing suggestions on matters related to the compliance of Bank Mandiri and its Subsidiaries to internal and external regulation which require the attention of the Board of Commissioners of Bank Mandiri and its Subsidiaries.
2. Providing recommendations to the Board of Commissioners of Bank Mandiri to improve the Integrated Governance Guidelines.

#### The Authorities of the Integrated Governance Committee

The Integrated Governance Committee has the authority to perform the following matters:

1. To provide opinions to the Board of Commissioners of Bank Mandiri regarding the implementation of Integrated Governance through the assessment of adequacy of internal control and the implementation of integrated compliance function.
2. To conduct communications with the Integrated Compliance Unit and Integrated Internal Audit Unit to obtain information, clarifications and to request for necessary documents and reports.

#### Reporting of Integrated Governance Committee

Integrated Governance Committee must make a periodic report to the Board of Commissioners of Bank Mandiri regarding the activities of the Integrated Governance Committee, at least once in 6 (six) months. Integrated Governance Committee must make a report to

#### Period of 1 January 2017 - 25 May 2017

The composition of members of Integrated Governance Committee for the period of 1 January 2017 - 25 May 2017 has been appointed by the Board of Commissioners and authorized under Decree of the Board of Directors Number KEP.DIR/377/2016 date 20 October 2016, as follows:

No.	Name	Designation	Remarks	Expertise
1.	Abdul Aziz*	Chairman concurrently as member	Independent Commissioner	Independent Commissioner
2.	Goei Siauw Hong	Vice Chairman concurrently as Member	Independent Commissioner	Independent Commissioner
3.	Imam Apriyanto Putro	Member	Vice President Commissioner	Vice President Commissioner
4.	Aviliani*	Member	Independent Commissioner	Independent Commissioner
5.	Bangun Sarwito Kusmulyono	Member	Independent Commissioner	Independent Commissioner
6.	Ridwan D. Ayub	Member	Non Commissioner Independent Party	Non Commissioner Independent Party
7.	Edhi Chrystanto	Member	Independent Commissioner of PT Bank Mandiri Taspen Pos	Independent Commissioner of PT Bank Mandiri Taspen Pos
8.	Frans A. Wiyono	Member	Independent Commissioner of PT Mandiri AXA General Insurance	Independent Commissioner of PT Mandiri AXA General Insurance

the Board of Commissioners of Bank Mandiri on any given assignment and or for any issues identified to require the concern of the Board of Commissioners.

#### Structure, Membership and Expertise of Integrated Governance Committee

Membership of Integrated Governance Committee at least consist of:

1. An Independent Commissioner who holds the position of Chairman of one of the Committees in Bank Mandiri, as chairman and member.
2. Independent Commissioner who represents and is appointed by Subsidiaries and Financial Conglomerate, as member.
3. An Independent party, as member.
4. Member of Sharia Supervisory Board from Bank Syariah Mandiri, as member.

The Number and composition of Independent Commissioners becoming members of Integrated Governance Committee are adjusted according to the requirements of Financial Conglomerate and efficiency and effectiveness of the implementation of the duties of Integrated Governance Committee with due regard to at least representation of each sector of financial services.

The period of the Integrated Governance Committee Member's duties from a member of the Board of Commissioners shall not be longer than the term of office of the Board of Commissioners and may be re-appointed for only one (1) subsequent period.

The structure, membership and expertise of the committee are as follows.

No.	Name	Designation	Remarks	Expertise
9.	D. Cyril Noerhadi	Member	Independent Commissioner of PT Mandiri Sekuritas	Independent Commissioner of PT Mandiri Sekuritas
10.	Wihana Kirana Jaya	Member	Independent Commissioner of PT AXA Mandiri Financial Services	Independent Commissioner of PT AXA Mandiri Financial Services
11.	Hanifah Purnama**	Member	Independent Commissioner of PT Mandiri Tunas Finance	Independent Commissioner of PT Mandiri Tunas Finance
12.	Nizar Yamanie***	Member	Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia	Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia
13.	M. Syafii Antonio	Member	Sharia Supervisory Board of PT Bank Syariah Mandiri	Sharia Supervisory Board of PT Bank Syariah Mandiri
14.	Ramzi A. Zuhdi	Member	Independent Commissioner of PT Bank Syariah Mandiri	Independent Commissioner of PT Bank Syariah Mandiri

**Remarks:**

Term of office of Mr. Abdul Aziz and Ms. Aviliani ended on 14 March 2017

\*\* Term of office of Mr. Hanifah Purnama ended on 10 April 2017.

\*\*\* Term of office of Mr. Nizar Yamanie ended on 24 July 2017.

**Period of 26 May 2017 - 10 October 2017**

The composition of members of Integrated Governance Committee for the period of 26 May 2017 - 10 October 2017 has been appointed by the Board of Commissioners and authorized under Decree of the Board of Directors Number KEP.DIR/377/2017 date 26 May 2017, as follows:

No.	Name	Designation	Remarks	Expertise
1.	Goei Siau Hong	Chairman concurrently as member	Independent Commissioner	Finance, Banking
2.	Imam Apriyanto Putro	Member	Vice President Commissioner	Governance.
3.	Bangun Sarwito Kusmulyono	Member	Independent Commissioner	Banking
4.	Ridwan D. Ayub	Member	Non Commissioner Independent Party	Finance, Management
5.	Edhi Chrystanto	Member	Independent Commissioner of PT Bank Mandiri Taspen Pos	Economy, Business
6.	Frans A. Wiyono	Member	Independent Commissioner of PT Mandiri AXA General Insurance	Insurance Education
7.	D. Cyril Noerhadi	Member	Independent Commissioner of PT Mandiri Sekuritas	Strategic Management
8.	Wihana Kirana Jaya	Member	Independent Commissioner of PT AXA Mandiri Financial Services	Economy
9.	Ravik Karsidi*	Member	Independent Commissioner of PT Mandiri Tunas Finance	Rural Sociology
10.	Ali Ghufon Mukti**	Member	Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia	Medicine
11.	M. Syafii Antonio	Member	Sharia Supervisory Board of PT Bank Syariah Mandiri	Sharia Economy
12.	Ramzi A. Zuhdi	Member	Independent Commissioner of PT Bank Syariah Mandiri	Accounting, Sharia Banking

**Remarks:**

\* The appointment of Mr. Ravik Kasidi as Integrated Governance Committee member on 25 August 2017

\*\* The appointment of Mr. Ali Ghufon as Integrated Governance Committee member on 24 July 2017

**Period of 11 October 2017 - 31 December 2017**

The composition of Integrated Governance Committee members for the period of 11 October 2017 - 31 December 2017 has been appointed by the Board of Commissioners and authorized under Decree of the Board of Directors Number KEP.DIR/377/2017 date 11 October 2017, as follows:

No.	Name	Designation	Remarks	Expertise
1.	Goei Siau Hong	Chairman concurrently as member	Independent Commissioner	Finance, Banking
2.	Imam ApriyantoPutro	Member	Vice President Commissioner	Governance.
3.	Bangun Sarwito Kusmulyono	Member	Independent Commissioner	Banking
4.	Ridwan D. Ayub	Member	Non Commissioner Independent Party	Finance, Management
5.	Edhi Chrystanto	Member	Independent Commissioner of PT Bank Mandiri Taspen Pos	Economy, Business
6.	Frans A. Wiyono	Member	Independent Commissioner of PT Mandiri AXA General Insurance	Insurance Education
7.	D. Cyril Noerhadi	Member	Independent Commissioner of PT Mandiri Sekuritas	Strategic Management
8.	Wihana Kirana Jaya	Member	Independent Commissioner of PT AXA Mandiri Financial Services	Economy
9.	Ravik Karsidi*	Member	Independent Commissioner of PT Mandiri Tunas Finance	Rural Sociology
10.	Ali Ghufron Mukti**	Member	Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia	Medicine
11.	M. Syafii Antonio	Member	Sharia Supervisory Board of PT Bank Syariah Mandiri	Sharia Economy
12.	Ramzi A. Zuhdi	Member	Independent Commissioner of PT Bank Syariah Mandiri	Accounting, Sharia Banking

\*The appointment of Mr. Ravik Kasidi as Integrated Governance Committee member on 25 August 2017

\*\*The appointment of Mr. Ali Ghufron as Integrated Governance Committee member on 24 July 2017

## Profiles of Integrated Governance Committee

The following are the profiles of Members of Integrated Governance Committee as of 31 December 2017



### Goei Siau Hong

Chairman concurrently Members of Integrated Governance Committee

Profiles can be seen in the Board of Commissioners' Profile section



### Bangun Sarwito Kusmulyono

Member of Integrated Governance Committee

Profiles can be seen in the Board of Commissioners' Profile section



### Imam Apriyanto Putro

Member of Integrated Governance Committee

Profiles can be seen in the Board of Commissioners' Profile section



### Ridwan D. Ayub

Member of Integrated Governance Committee

Profiles can be seen in the Board of Commissioners' Profile section



### Edhi Chrystanto

Member of Integrated Governance Committee

Age: 59 Years old. Domicile: Jakarta.  
Date of Appointment: May 15, 2015  
Educational background:

- Bachelor degree in Economics from Diponegoro University in 1983.
- Master's degree in Master of Business Administration (MBA) from University of Colorado at Denver in 1993.

Employment history:

- Head of Corporate Credit System and Procedures Division of Bank Dagang Negara (BDN). Branch Head Jakarta Jatinegara BDN to become Relationship Manager BDN (1994-1999)
- Head of Branch of Bank Mandiri Soekarno-Hatta Airport Cargo (1999).
- Head of Branch of Bank Mandiri Jakarta Tomang (2003).
- Branch Head of Bank Mandiri Jakarta Kebon Sirih, Gambir, Imam Bonjol and Thamrin (2005-2007).
- Head of Regional Office X Makassar Bank Mandiri (2010). Head of Regional Office of Bank Mandiri Jakarta Sudirman.
- Commissioner at Bank Mandiri Taspen in 2015.



### Wihana Kirana Jaya

Member of the Integrated Governance Committee

Age: 59 Years old. Domicile: Jakarta  
Appointment Date: April 22, 2015  
Educational background:

- Bachelor Degree in Economics from Universitas Gadjah Mada (UGM) (1983).
- Master (S2) of Social Sciences from the University of Birmingham, UK (1990).
- Doctoral (PhD) Philosophy from Monash University, Australia (2008).
- Professor of Economics from Gadjah Mada University (2010).

Employment history:

- Special Staff of Minister for Economic Affairs and Investment of Transportation, Ministry of Transportation (2016-present).
- Dean of Faculty of Economics and Business Universitas Gadjah Mada (2013-2016).
- Assistant and Resource Personnel Minister of Finance Fiscal Decentralization, Ministry of Finance (2012-2014).
- Decentralization Authority Consultant, DSF (Decentralization Support Facility), World Bank (2011-2015).



### Frans A. Wiyono

Member of the Integrated Governance Committee

Age: 65 Years

Domicile: Bekasi

Date of Appointment: January 30, 2015

Educational background:

- Bachelor degree in STF Driyarkara Jakarta in 1977
- Bachelor Degree at IKIP Sanata Dharma Yogyakarta in 1982
- Insurance education at Glasgow Collage of Technology, Glasgow, Scotland 1986-1988.

Employment history:

- Operational Director of PT Beringin Sejahtera Makmur (1989).
- Technical Director of PT Asuransi Bringin Sejahtera Artamakmur (1990-1998 and 2003-2006).
- Technical Director of PT Asuransi Ramayana, Tbk (1998-2003).
- President Director of PT Asuransi Indrapura (2006-2007).
- Commissioner of PT Beringin Sejahtera Artamakmur (1998-2003).
- Commissioner of PT Asuransi Ramayana Tbk (2008-2011).
- Independent Commissioner of PT Reasuransi International Indonesia (2011-present)
- Independent Commissioner of PT Mandiri AXA General Insurance since 2011



### D. Cyril Noerhadi

Member of the Integrated Governance Committee

Age: 57 Years

Domicile: Jakarta

Date of Appointment: October 23, 2017

Educational background:

- Bachelor degree in Geological Engineering from Bandung Institute of Technology (ITB).
- MBA in Finance and Economics from the University of Houston, USA.
- Doctorate in Strategic Management from University of Indonesia.

Employment history:

- Group chief financial officer (CFO) and Managing Director of Medco Energi Internasional (2005-2011).
- Partner at Pricewaterhouse Coopers Corporate Finance (1999-2005).
- President Director of Jakarta Stock Exchange (1996-1999).
- President Director of Securities Deposit Clearing Indonesia (1993-1996).
- Executive Director of Danareksa (1991-1993). Commissioner of Mandiri Sekuritas from October 16, 2012
- President Director of PT Creador, affiliated Creador LLC established in September 2011, a private equity company investing in Indonesia, Malaysia and India.
- Commissioner at PT Medikaloka Hermina since 2017
- Independent Commissioner of PT Austrindo Nusantara Jaya since 2017
- Independent Commissioner of PT Mandiri Sekuritas since 16 October 2012.



### Ramzi A. Zuhdi

Member of the Integrated Governance Committee

Age: 65 Years

Domicile: Jakarta

Appointment Date: October 30, 2017

Educational background:

- A graduate of Gadjah Mada University in 1979.
- Master Degree at Iowa State University in 1989.

Employment history:

- Career at Bank Indonesia since 1980-2010.
- He served as Director of DPbS Bank Indonesia (2007-2010).
- Finance Director of PT Mekar Prana Indah (2010).
- Currently an Risk Management assistant at Bank Indonesia Profession Certification Institute (LSPP)
- Lecturer of Graduate University of Indonesia.
- Independent Commissioner of PT Bank Syariah Mandiri since 2010.



**Prof. DR. H. Muhammad. Syafii  
Antonio M.Ec.**

Member of the Integrated Governance  
Committee

Age: 50 years

Domicile: Jakarta

Date of Appointment: October 30, 2017

Educational background:

- S1 in Sharia and Islamic Law from University of Jordan.
- Master in International Economic University Islamic University (IIU) Malaysia in 1992.
- Obtained his PhD degree in Micro Finance from University of Melbourne Australia in 2004.
- Member of Sharia Supervisory Board of Bank Syariah Mandiri
- Committee of Sharia Banking Development Experts at Bank Indonesia
- Member of Daily Board of the National Sharia Board MUI
- Rector of Tazkia University College of Islamic Economics.
- Global Shariah Advisor in Dubai
- The Committee of Experts on Syariah Banking Kuala Lumpur and Bank Indonesia
- In 2010 was appointed President of RI as Member of National Economic Committee
- Year 2016 become National Economic and Industry Committee.



**Ali Ghufron Mukti**

Member of the Integrated Governance  
Committee

Age: 55 Years

Domicile: Jakarta

Date of Appointment: July 24, 2017

Educational background:

- Bachelor of Medicine from the Faculty of Medicine, University of Gadjah Mada in 1986
- Obtained his Ph.D. from Faculty of Medicine, University of Newcastle, Australia, in 2000.

Employment history:

- Director General of Science and Technology Resources and Higher Education (2015 - present).
- President Commissioner of Inhealth (2012-2015)
- Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia in 2017.



**Ravik Karsidi**

Member of the Integrated Governance  
Committee

Age: 60 Years

Domicile: Solo

Date of Appointment: August 25, 2017

Educational background:

- Bachelor of FIP Education Department at Sebelas Maret State University, Surakarta in 1980.
- Master of Science Study Program of Rural Sociology for Development Studies, from the Bogor Agricultural Institute (IPB), Bogor 1994
- Doctoral Program of Extension Science Study of Bogor Agricultural University (IPB), Bogor (Cumlaude) development in 1999.

Employment history:

- Vice Rector I Academic Affairs UNS, Surakarta.
- Currently also serves as the National Jury of Students and Lecturers of Achievement of Directorate General of Higher Education Kemendikbud (2004-present)
- National Jury of Student Scientific Work Competition, Directorate General of Higher Education Kemendikbud (2002-present), Assessor of Study Program and Institution of Higher Education in BANPT (National Accreditation Board of Higher Education) (2003-present)
- Lecturer of Postgraduate Program of UNS (S2 on Communication Science Program, S2 / S3 Science of Development / Management of Community Development, and S2 of PKLH Program, Master of Cultural Studies, S2 Master of Management, Doctoral of Education, Doctor of Economics) (2001-present)
- Faculty of Education Department of FKIP UNS (1981-present).
- Independent Commissioner and Chairman of Audit Committee of PT Mandiri Tunas Finance since April 2017. Rector of Sebelas Maret University (2011 - present)

### Educational Qualification And Work Experience Of Integrated Governance Committee

Conditions for Integrated Governance Committee are among others:

1. Members of Integrated Governance Committee have to have high integrity, good characters and morals, and the ability, knowledge and adequate experiences in accordance with the educational background and the ability to communicate well.
2. Have sufficient knowledge on good corporate governance.
3. Have adequate knowledge on Capital Market laws and regulations and regulations related with banking, insurance, securities and financing business.

Table of Educational Qualification and Work Experience of Integrated Governance Committee

Name	Designation	Period	Education	Work Experience
Abdul Aziz	Chairman concurrently as member	1 January 2017 – 14 March 2017	A Bachelor in Fisheries/ Social Economics from Institut Pertanian Bogor in 1987 and a Master in the field of strategic management from Institut Pendidikan dan Pengembangan Manajemen in 1993.	His career began in 1987 while serving as staff at PT Aquatic Konsultan (1987-1988) and continued as Marketing at T Pusat Pengembangan Agribisnis (1988-1990), Business Developer at Majalah Ulumul Qur'an (1990-1993), Manager at PT Pasarini Padibumi (1993-1997), Commissioner at PT Panca Nugraha Paramitra (1997-2005), Commissioner at PT PLN (Persero) (2009-2013), President Director at PT Sarana Jasa Utama (2005-2015), and Non-Independent Commissioner at Bank Mandiri (2013-2015).
Goei Siauw Hong	Vice Chairman and Member	1 January 2017 – 25 May 2017  26 May 2017 – 31 December 2017	Bachelor's Degree in Agronomy from Institut Pertanian Bogor in 1988 and Master of Business Administration (MBA) in Business, Finance and Marketing from Indiana University, Bloomington USA in 1993.	He initiated his career as a System Analyst in the Astra Graphia (1988-1991), Equity Analyst and Senior Equity Analyst at WI Carr Indonesia (1993-1995), the Deputy Head of the Research and the Head of Research at CLSA Indonesia (1995-1996), Head of research at SocGen Crosby (1996-1998), Vice President of Research at Nomura Singapore (1998-1999), Head of Research at Nomura Indonesia (1999-2001) and as a Member of the Risk Monitoring Committee of Bank Permata (2006-2010).
Imam Priyanto Putro	Chairman and member	1 January 2017 – 31 December 2017	Bachelor of Economics Management field from Diponegoro University, Semarang, in the year 1988 and Master degree Management from School High Economic Science IBII, Jakarta, in 2000.	He initiated his career as Caretaker. Head of Analyst Section in Funding and Resources at the Ministry of State-Owned Enterprise (1993-2010), Commissioner of PT Permodalan Nasional Madani (Persero) (2007-2011), Assistant of Research and Information Departments at the Ministry of State-Owned Enterprise (2010-2012), Commissioner of PT Petrokimia Gresik (Persero) (2011-2012), Commissioner of PT Bukit Asam (Persero) Tbk (2011-2013), Head of Planning and Human Capital Bureau at the Ministry of State-Owned Enterprise (2012-2013), Plh. Deputy of Infrastructure and Logistics Businesses at the Ministry of State-Owned Enterprise (2013), Commissioner of PT Semen Indonesia (Persero) Tbk (2013-2014), Secretary to the Ministry of State-Owned Enterprise (2013 – present), Commissioner of PT Telekomunikasi Indonesia (Persero) Tbk (2014-2015).
Aviliani	Member	1 January 2017 – 14 March 2017	Bachelor of Economic Management from Universitas Atma Jaya in 1985, Master of Management in Social and Political Sciences from Universitas Indonesia in 1995, and Doctor of Business Management from Institut Pertanian Bogor in 2012.	Served as Vice-President for Development at INDEF (1997-1999), Vice-Director for Research and Devotion in Perbanas (1997-1999), Associate Chair (PUREKII) in Perbanas (2000-2002), Chairperson of Department at Universitas Paramadina (2002-2005), Independent Commissioner of PT BRI (Tbk) (2005-2014), Secretary of the National Economic Committee (KEN) (2010-2014), Deputy Secretaries of Acceleration and Expansion of Indonesia Development Committee (KP3EI) (2012-2014).

Name	Designation	Period	Education	Work Experience
Bangun Sarwito Kasmulyono	Member	1 January 2017 – 31 December 2017	Bachelor of Chemical Engineering from Institut Teknologi Bandung in 1970, Master of Business Administration from the University of Southern California, Los Angeles, USA in 1974 and Doctor of Environmental Management from Institut Pertanian Bogor in 2007.	He initiated his career as a Managing Staff in the Investment Coordinating Board (BKPM) (1970-1972), then he worked at Chase Manhattan Bank (in New York and Hong Kong), Fincorinvest, and the Asian Development Bank from 1962 to 1985. He served as President Director of Bank Nusa International (1988-1998), the national resilience Institute KSA V (1995). He also worked as Member of Board of Commissioner at Maybank Nusa (1990-1997) and Member of Board of Commissioner at Bank Niaga (1998-1999). In 1999 to 2005 he worked as President Director at Permodalan Nasional Madani (PNM) and as Member of Board of Commissioner at Syarikat Takaful Indonesia. Prior to his position as Commissioner of Bank Mandiri, he held the position as Independent Commissioner of Bank Rakyat Indonesia (BRI) (2005-2010) and Independent Commissioner of Bank Negara Indonesia (BNI) (2010-2015).
Ridwan D. Ayub	Member	1 January 2017 – 31 December 2017	Bachelor degree in Social and Political Science from Universitas Katolik Parahyangan in 1985 and Master degree specialized in Financial Management from Universitas Mercu Buana in 2008	He used to hold the position of Vice Head of Operational Risk Division of PT Bank Internasional Indonesia Tbk (2002-2005), Member of Risk Monitoring Committee of PT Bank Rakyat Indonesia (Persero) Tbk (2006-2014), and Member of Audit Committee of PT Bank Mandiri (Persero) Tbk (2014-2016).
Edhi Chrystanto	Member	1 January 2017 – 31 December 2017	Bachelor's Degree at STF Driyarkara Jakarta in 1977, Bachelor's Degree at IKIP Sanata Dharma Yogyakarta in 1982 and an insurance course at Glasgow Collage of Technology, Glasgow, Scotland 1986-1988.	Head of Corporate Credit System and Procedure at Bank Dagang Negara (BDN), Head of BDN Jakarta Jatinegara Branch and subsequently as Relationship Manager BDN (1994-1999); Head of Bank Mandiri Cargo Soekarno-Hatta Airport Branch (1999); Head of Bank Mandiri Jakarta Tomang Branch (2003); Head of Bank Mandiri Jakarta Kebon Sirih, Gambir, Imam Bonjol, and Thamrin Branches (2005-2007); Head of Bank Mandiri Regional Office X (2010); Head of Bank Mandiri Regional Office V Jakarta Sudirman; and subsequently as a Commissioner at Bank Mandiri Taspen Pos since 2015.
Frans A. Wiyono	Member	1 January 2017 – 31 December 2017	Young bachelor at STF Driyarkara Jakarta year 1977, Bachelor Degree in IKIP Sanata Dharma Yogyakarta in 1982 and insurance education at Glasgow Collage of Technology, Glasgow, Scotland in 1986-1988.	He served as Director of Operations of PT Beringin Sejahtera Makmur (1989), Technical Director of PT Asuransi Bringin Sejahtera Artamakmur (1990-1998 and 2003-2006), Technical Director of PT Asuransi Ramayana, Tbk (1998-2003), President Director of PT Asuransi Indrapura (2006-2007), Commissioner of PT Beringin Sejahtera Artamakmur (1998-2003) and Commissioner of PT Asuransi Ramayana Tbk (2008-2011). Currently he is an Independent Commissioner of PT Reasuransi International Indonesia and has been an Independent Commissioner of PT Mandiri AXA General Insurance since 2011.

Name	Designation	Period	Education	Work Experience
D. Cyril Noerhadi	Member	1 January 2017 – 31 December 2017	Bachelor of Geological Engineering from Institut Teknologi Bandung (ITB). MBA in Finance and Economics from the University of Houston, USA and Doctorate in Strategic Management from Universitas Indonesia.	He served as Group Chief Financial Officer (CFO) and Managing Director of Medco Energi Internasional (2005-2011), a partner at Pricewaterhouse Coopers Corporate Finance (1999-2005), President Director of Jakarta Stock Exchange (1996-1999), President Director of Kliring Deposit Efek Indonesia (1993-1996), and Executive Director of Danareksa (1991-1993). Appointed as Commissioner of Mandiri Sekuritas since 16 October 2012.
Wihana Kirana Jaya	Member	1 January 2017 – 31 December 2017	Bachelor of Economics from Universitas Gadjah Mada (UGM) (1983), Master of Social Sciences from the University of Birmingham, UK (1990), Doctor of Philosophy from Monash University, Australia (2008) and earned Professor of Economics from Universitas Gadjah Mada (2010).	He currently serves as Special Staff of Minister for Economic Affairs and Investment of Transportation, Ministry of Transportation (2016-present). He is active in teaching and conducting research, some of his professional experiences include: Dean of Faculty of Economics and Business Universitas Gadjah Mada (2013-2016), Assistant and Resource Personnel Minister of Finance Fiscal Decentralization, Ministry of Finance (2012-2014) and Authority Decentralization Consultant, DSF (Decentralization Support Facility), World Bank (2011-2015).
Hanifah Purnama	Member	1 January 2017 – 10 April 2017	Graduated from the University of Southern California, Los Angeles, with a Bachelor of Science in Electrical Engineering, in 1984 and a Master of Business Administration from the California State Polytechnic University, Pomona, in 1987, both in the United States.	He served as General Manager of PT International Master Plan Development (2009-2011), Independent Commissioner of PT Tunas Financindo Sarana (2005-2008), Vice President of Treasury Operations of HSBC Indonesia Management Office (2002-2003), Operations and Credit Manager of PT HSBC Securities Indonesia (2000-2001), Director of Operations and Finance of PT Kharisma Bank (1991-1998), General Manager of PT Tritunggal Duta Perkasa (1990), Cost Analyst Electronic Plating Service, Inc. (1988-1989), in Gardena, USA.
Nizar Yamanie	Member	1 January 2017 – 24 July 2017	He earned his doctorate degree from Universitas Airlangga, Surabaya (1982), and completed specialist education in neurology at Universitas Indonesia, Jakarta (1992).	Currently, he is also a Commissioner of Sanglah Hospital General Hospital (RSUP), Denpasar, Bali (since 2011) and Chief of Medicine at Brain Center Hospital (since 2014). He also served as Commissioner of PT Bio Farma (Persero).
M. Syafii Antonio	Member	1 January 2017 – 31 December 2017	He earned his PhD in Micro Finance from the University of Melbourne, Australia in 2004. Master's Degree in Economics from International Islamic University (IIU) Malaysia in 1992. Bachelor of Sharia and Islamic Law from the University of Jordan.	Prior to his position as Member of the Sharia Supervisory Board of BSM, he served as the Committee of Experts on Sharia Banking Development at Bank Indonesia, the Board of Executive in the National Sharia Board of MUI and Rector of Tazkia University College of Islamic Economics. He has also served as a Global Shariah Advisor in Dubai, the Committee of Experts on Syariah Banking in Kuala Lumpur and Bank Indonesia. In 2010, he was appointed by the President of the Republic of Indonesia as a Member of National Economic Committee and in 2016, he was appointed to be National Economic and Industrial Committee.
Ramzi A. Zuhdi	Member	1 January 2017 – 31 December 2017	Graduated from Universitas Gadjah Mada in 1979 and achieved Master's Degree at Iowa State University in 1989.	He worked at Bank Indonesia in 1980-2010. He served as Director of DPbS Bank Indonesia (2007-2010), and Finance Director of PT Mekar Prana Indah (2010). He is currently also a Risk Management Assessor at the Indonesian Banking Professional Certification Agency (LSPP) Indonesia and a Graduate Lecturer at Universitas Indonesia. Appointed as Independent Commissioner of PT Bank Syariah Mandiri since 2010.

Name	Designation	Period	Education	Work Experience
Ravik Karsidi	Member	25 August 2017 – 31 December 2017	Bachelor of Department of Educational Sciences in Faculty of Education at Universitas Negeri Sebelas Maret, Surakarta in 1980, Master Program of Science in Rural Sociology for Development Studies, from Institut Pertanian Bogor (IPB), Bogor 1994 & Doctoral Program of Development Extension Science at Institut Pertanian Bogor (IPB), Bogor (Cumlaude) in 1999.	He previously served as Vice Rector I of UNS Academic Affairs, Surakarta. Currently, he also serves as a National Jury of Outstanding Students and Lecturers in Directorate General of Higher Education, Ministry of Education and Culture (2004-present), as a National Jury of Student Scientific Work Competition in Directorate General of Higher Education, Ministry of Education and Culture (2002-present), Assessor of Study Program and Institution of Higher Education in BANPT (National Accreditation Board of Higher Education) (2003-present), Lecturer of UNS Postgraduate Program (Master of Communication Science, Master/Doctor of Science Development Counseling/Community Development Management, and Master of PKLH Study Program, Master of Cultural Studies, Master of Management, Doctor of Education, Doctor of Economics) (2001-present). Lecturer of Department of Educational Sciences FKIP UNS (1981-present). Appointed as Independent Commissioner and Chairman of Audit Committee of PT Mandiri Tunas Finance since April 2017.
Ali Ghufroon Mukti	Member	24 July 2017 – 31 December 2017	Bachelor of Medicine from the Faculty of Medicine, Universitas Gadjah Mada in 1986 and obtained his Ph.D. From the Faculty of Medicine, University of Newcastle, Australia, in 2000.	Since 2015 until now, he has been Director General of Science and Technology Resources and Higher Education. He also served as President Commissioner of Inhealth for two years, from 2012 to 2015. Appointed as Independent Commissioner of PT Asuransi Jiwa Inhealth Indonesia in 2017.

### Independency Of Integrated Governance Committee

Members of Integrated Governance Committee have no shares in Bank Mandiri and its Subsidiaries, either directly or indirectly, have no affiliation relationship with Bank Mandiri, its Subsidiaries, Members of the Board of Commissioners and/or Subsidiaries, Members of the Board of Directors and/or Subsidiaries and main shareholders of Bank Mandiri and/or Subsidiaries and have no business relationship either directly or indirectly with Bank Mandiri and its Subsidiaries.

Table of Independency of Integrated Governance Committee

Independence Aspect	Abdul Aziz	Goei Siau Hong	Aviliani	B.S. Kusmulyono	Imam Apriyanto Putro	Askolani	Makmur Keliat
Has no financial relationship with the Board of Commissioners and Board of Directors	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not having relationship of management in the company, subsidiary, or affiliate companies	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not having a relationship of shares-holding in the company	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has no family relationship with the Board of Commissioners, Board of Directors, and/or fellow Integrated Governance Committee	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Not serving as administrator of political parties and government officials	Yes	Yes	Yes	Yes	Yes	Yes	Yes

### The Development of the Competency of Integrated Governance Committee

The development of competency of Integrated Governance Committee can be seen in the section of Company Profile sub chapter Development of Competency of Integrated Governance Committee herein.

### Integrated Governance Committee Meeting

Integrated Governance Committee meeting is convened at least once 6 in (six) months. Integrated Governance Committee meeting is deemed to be valid if attended by at least 51% (fifty-one percent) of total members including one Independent Commissioner of Bank Mandiri and Independent Party.

### Agenda of Integrated Governance Committee Meeting

Throughout 2017, the date of the meetings, the Agenda of the meetings and the Attendance of the Integrated Governance Committee meetings are as follows.

Table of Agenda of Integrated Governance Committee Meetings

No.	Meeting Date	Meeting Agenda	Meeting Participant
1.	16 August 2017	<ol style="list-style-type: none"> <li>1. Role and Function of Subsidiaries Management Group.</li> <li>2. Update on the Implementation of the Function of Integrated Internal Audit Unit.</li> <li>3. Result of Consolidated RBBR Assessment of Term I Year 2017</li> </ol>	<ol style="list-style-type: none"> <li>1. Imam Apriyanto Putro</li> <li>2. Goei Siau Hong</li> <li>3. Bangun Sarwito Kusmulyono</li> <li>4. Ridwan D. Ayub</li> <li>5. Edhi Chrystanto</li> <li>6. Frans A. Wiyono</li> <li>7. D. Cyril Noerhadi</li> <li>8. Wihana Kirana Jaya</li> <li>9. Ravik Karsidi</li> <li>10. Ali Gufron Mukti</li> <li>11. M. Syafii Antonio</li> <li>12. Ramzi A. Zuhdi</li> </ol>

Ridwan D. Ayub	Edhi Chrystanto	Frans A. Wiyono	D. Cyril Noerhadi	Wihana Kirana Jaya	Hanifah Purnama	Ravik Karsidi	Nizar Yamanie	Ali Ghufron Mukti	Ramzi A. Zuhdi	M. Syafii Antonio
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

No.	Meeting Date	Meeting Agenda	Meeting Participant
2.	20 December 2017	<ol style="list-style-type: none"> <li>Update on the Result of Financial Services Authority On Site Review on the Implementation of Integrated Governance of Group Mandiri.</li> <li>Report on the Implementation of the Function of Integrated Internal Audit Unit in 2017.</li> </ol>	<ol style="list-style-type: none"> <li>Askolani</li> <li>Goei Siau Hong</li> <li>Makmur Keliat</li> <li>Ridwan D. Ayub</li> <li>Edhi Chrystanto</li> <li>Frans A. Wiyono</li> <li>D. Cyril Noerhadi</li> <li>Wihana Kirana Jaya</li> <li>Ravik Karsidi</li> <li>Ali Ghufron Mukti</li> <li>M. Syafii Antonio</li> <li>Ramzi A. Zuhdi</li> </ol>

### Frequency and Attendance of Integrated Governance Committee Meetings

Table of Attendance of Integrated Governance Committee Meeting

Name	Designation	Total Number of Meetings	Total Attendance	Percentage	Persentase
Goei Siau Hong	Chairman concurrently as member	26 May 2017 – 31 December 2017	2	2	100%
Imam Apriyanto Putro	Member	1 January 2017 – 31 December 2017	2	1	50%
Bangun Sarwito Kusmulyono	Member	1 January 2017 – 31 December 2017	1	1	100%
Ridwan D. Ayub	Member	1 January 2017 – 31 December 2017	2	2	100%
Edhi Chrystanto	Member	1 January 2017 – 31 December 2017	2	2	100%

Name	Designation	Total Number of Meetings	Total Attendance	Percentage	Persentase
Frans A. Wiyono	Member	1 January 2017 – 31 December 2017	2	2	100%
D. Cyril Noerhadi	Member	1 January 2017 – 31 December 2017	2	2	100%
Wihana Kirana Jaya	Member	1 January 2017 – 31 December 2017	2	2	100%
Ravik Karsidi	Member	25 August 2017 – 31 December 2017	2	2	100%
Ali Ghufon Mukti	Member	24 July 2017 – 31 December 2017	2	2	100%
M. Syafii Antonio	Member	1 January 2017 – 31 December 2017	2	2	100%
Ramzi A. Zuhdi	Member	1 January 2017 – 31 December 2017	2	2	100%

#### Performance Assessment of Integrated Governance Committee

Performance assessment of Integrated Governance Committee was seen from the achievement of the Key Performance Indicator (KPI) of the Integrated Governance Committee in 2017. The achievement of KPI is as follows.

Table of Performance Assessment of Integrated Governance Committee

No.	Key Performance Indicator (KPI)	Indicators Value (%)	Achievement Value (%)	Indicator Value x Achievement Value
1.	Realization Number of Committee meeting and Work Plan	30	100,00	30,00
2.	Assessment on attendance level and participation in the Meetings	20	100,00	20,00
3.	Submission of Review Outcome to the Board of Commissioners	20	95,00	19,00
4.	On-time Preparation and Submission of Committee Report	30	95,00	28,50
TOTAL		100		97,50

#### Remuneration of Integrated Governance Committee

Remuneration of Integrated Governance Committee who come from Non Commissioner Independent Party is stipulated in the Letter of the Board of Commissioners Number: KOM/113/2016

Table of Remuneration of Integrated Governance Committee

No.	Description	Member of the Non-Commissioner Committee
1.	Salary / Honorarium	Maximum 20% of the salary of the President Director
2.	Compensation of Retired Position	Not Given
3.	Holiday allowance	In accordance with the provisions of Bank Mandiri employees
4.	Bonus / Tantiem	Not Given
5.	Amenities	
	a. Transportation allowance	Not Given
	b. Health	Not Given
	c. Official travel	In accordance with the terms of employee / equivalent Group Head

### Brief Report on the Implementation of Integrated Governance Committee in 2017

Having discussed on the follow-up of the implementation of Integrated Governance, the Integrated Governance Committee agrees to optimize the documentation work on the recommendations and directions of Integrated Governance Committee as an evaluation result of the implementation of Integrated Governance to KK Mandiri, so that the realization of the implementation and the follow-up of the whole integrated unit (Integrated Compliance Unit, Integrated Risk Management Unit, Integrated Internal Audit Unit) can be monitored continuously.

### Organs and Committees Under the Board of Directors

In carrying out the Company's operational activities, the Board of Directors is assisted by Corporate Secretary and committees under the Board.

#### Corporate Secretary

According to Financial Services Authority Regulation Number 35/POJK.04/2014 concerning Corporate Secretary of Issuer or Public Companies, Company Secretary is an individual or the person in charge of an agency responsible to carry put corporate secretary functions. Corporate Secretary of Bank Mandiri is under the direct supervision of President Director and is a company supporting organ who acts as Bank's mediator with the stakeholders such as regulators, investors, and public especially for capital market related matters who is responsible to ensure the compliance of the company to the applicable laws and regulations as part of Good Corporate Governance (GCG) Implementation. Moreover, Corporate Secretary is responsible to always maintain good image of Bank Mandiri in the eyes of stakeholders in the broad sense.

#### The Basis for the Appointment of Company Secretary

The establishment, appointment and carrying out of functions and duties of Corporate Secretary, refer to:

1. Articles of Association of Bank Mandiri
2. Financial Services Authority Regulation Number 35/POJK.04/2014 concerning Corporate Secretary of Issuer and Public Companies.
3. Decree of the Board of Directors of PT. Bursa Efek Indonesia Number Kep-00001/BEI/01-2014 concerning the Amendment to Regulation Number I-A: Concerning the Registration of Shares and Equity Securities Other than Shares Issued by Listed Companies.

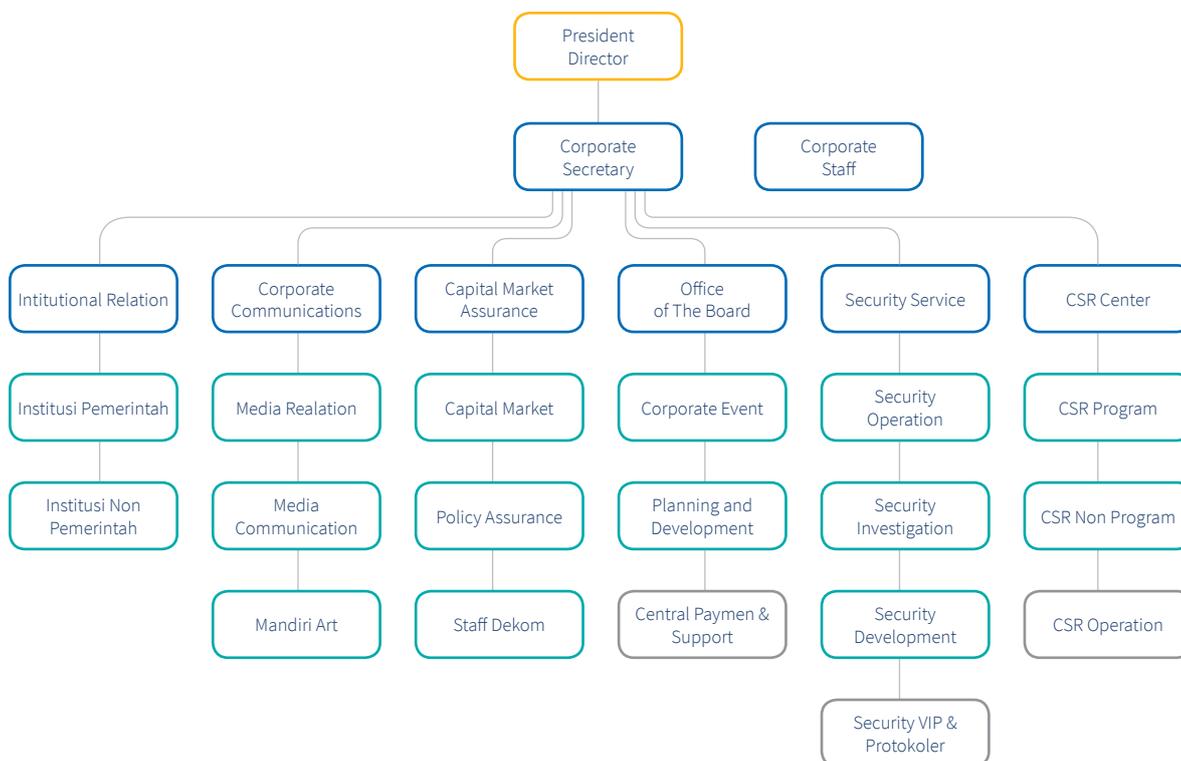
4. State Minister of State Owned Enterprises Regulation Number PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in State Owned Companies, as amended by PER-09/MBU/2012.
5. Law Number 19 of 2003 concerning State Owned Companies.
6. Decree of Minister of State Owned Companies Number KEP117/MMBU/2002 dated 31 July 2002.
7. Decree of the Board of Directors of Jakarta Stock Exchange Number 339/BEJ/07-2001 dated 20 July 2001 concerning the Amendment to the Provision C.2.e Regulation of Securities Registration Number I-A: Concerning General Provisions on Equity Securities Registration at the Stock Exchange.
8. Regulation No.IX.14 Decree of Head of Capital Market Supervisory Agency (Bapepam) No. Kep 63/PM/1996 dated 17 January 1996.
9. Decree of SEVP No. KEP.SEVP/272/2014 dated 30 September 2014.

#### Structure of Corporate Secretary

Corporate Secretary of the Company is directly responsible to President Director, whose execution of function and duties are divided into 6 (six) areas, namely:

1. Activities of Bank Mandiri as Public Company, including the implementation of corporate governance especially those related to Capital Market provisions carried out by Capital Market Assurance Department Unit;
2. Corporate Communication Activities carried out by Corporate Communications Department Unit;
3. Secretariat Activities carried out by Office of the Board Department Unit;
4. Stakeholder Management Activities carried out by Institutional Relation Department Unit;
5. Corporate Social Responsibilities Activities carried out by Corporate Social Responsibility Center Department Unit;
6. Security Activities carried out by Security Services Department Unit.

In implementing the functions and duties of each department, the coordination and supervisory is directly carried out by Corporate Secretary.



## FUNCTIONS AND DUTIES OF CORPORATE SECRETARY

In reference to Article 5 of Financial Services Authority Number 35/POJK.04/2014 concerning Corporate Secretary of Issuer and Public Companies, the functions of Corporate Secretary are to carry out duties which include:

1. Following the development of capital market especially the applicable laws and regulations of capital market.
2. Providing suggestions to the Board of Directors and the Board of Commissioners to comply with the provisions of the laws and regulation of capital market.
3. Assisting the Board of Directors and Board of Commissioners in the implementation of corporate governance which include:
  - a. The disclosure of information to public, as well as the information availability in the Issuer's website;
  - b. The submission of reports to Financial Services Authority in timely manner;
  - c. The convention and documentation of General Meeting of Shareholders;
  - d. The convention and documentation of Board of Directors and/or Board of Commissioners meeting; and
4. As a liaison among the Issuer and the shareholders, Financial Services Authority and other stakeholders.
  - e. The implementation of orientation program to companies for the Board of Directors and/or Board of Commissioners.

In line with the said Financial Services Authority Regulation, the Corporate Secretary of Bank Mandiri also has policies and Standard Guidelines as the basis for the Corporate Secretary to carry out its functions and duties, which are among others:

1. Bank's activities as Public Company:
  - a. To implement information disclosure including reporting to Regulators in relation to the Bank's status as public listed company.
  - b. To convene and prepare documentations of General Meeting of Shareholders.
  - c. To prepare reporting in accordance with other laws and regulations under the authority of Corporate Secretary.
  - d. To manage the administration of the shareholders of Bank Mandiri.
  - e. To conduct other activities related to Corporate Action and/ or other disclosure of information.

- f. To carry out compliance function of the Bank with the regulations of capital market.
- 2. Corporate Communication Activities
  - a. To determine policies and strategies of Corporate communication together with Marketing Communication Agency including:
    - 1) To determine regulations concerning the conduct of communications.
    - 2) To determine brand image and brand positioning.
  - b. To conduct communication activities in corporate manner to corporation's internal and external stakeholders, among others:
    - 1) To work on the news and advertisements in mass media including online media.
    - 2) To conduct anticipative and corrective actions on every news and advertisement in mass media including online media.
    - 3) To support Customer Care Agency and other working units related to the settlement of customer's complaints.
    - 4) To conduct management on Portal and Website of the Bank together with Marketing Communication Agency, Products and Services Management Agency and Information Technology Agency.
    - 5) To conduct risk management function including identification process, measurement, monitoring and controlling of reputation risk management.
  - c. To conduct and carry out certain activities (events/ programs/sponsorships) as an implementation of communication strategy in corporate manner and management of reputation/reputation risk.
- 3. Secretariat Activities
  - a. To convene and prepare documentations of Board of Directors and Board of Commissioners Meeting.
  - b. To administer corporate documents including to stipulate or determine regulations concerning correspondence and corporate documents management.
  - c. To carry out activities to support functions and working activities of the Board of Commissioners, Board of Directors and SEVP.
- 4. Corporate Social Responsibility Activities
  - a. To determine strategies and to carry out Corporate Social Responsibilities Activities.
  - b. To carry out other similar activities either in the form of government program implementation or with cooperation with third parties such as Partnership and Community Development Program and provision of charity and donation in relation to natural disasters.
- 5. Security Activities
 

To carry out security activities that purports to support the smoothness and order of Banks' operational activities including to arrange and determine regulations concerning the implementation of Bank's security.

### Profile of Corporate Secretary



**Rohan Hafas**  
Corporate Secretary

Place Date of Birth	: June 2, 1961
Age	: 56 Years
Citizenship	: Indonesian citizen
Domicile	: Jakarta
Education	: Bachelor degree in Management from University of Indonesia in 1987 Job History: Prior to joining Bank Mandiri, he had a career in PT Bank Mutiara, Tbk from February 2010 to September 2014 as Division Head of Corporate Secretary and a career in PT Daria Dharma from 2005 to January 2010 as Operations Director.
Element of Appointment	: He joined Bank Mandiri in 2014 and served as Corporate Secretary based on SEVP Decree No. KEP.SEVP / 272/2014 dated September 30, 2014.
Certification	: He has been awarded the Level 1 Risk Management Certification held by the Banking Profession Certification Institute in 2012 and has followed the Refreshment held by BARa Risk Forum in 2016.

### Corporate Secretary Improvement Program

As a liaison with external parties, the Corporate Secretary should always follow the developments of the world capital market as well consistently improving its competence in the areas of law, finance, communications and corporate governance. To that end, the Corporate Secretary of the Bank Mandiri regularly attends various Training / Workshop / Seminar which is useful to maximize its important role in within the company. Throughout the year 2017, Corporate Secretary has attended various Training / Workshop / Seminar, among others:

Development Materials Competence / Training	Date and Place of Implementation	Type of Training and Organizer
Media Training	25-27 August 2017, Lombok	PT Bank Mandiri (Persero) Tbk.
PRISM Brain Mapping Practitioner Certification	10 November 2017, Yogyakarta	PT Bank Mandiri (Persero) Tbk.
Training Professional Secretary	8-10 December 2017, Semarang	PT Bank Mandiri (Persero) Tbk.

Besides, the rank of employees under the company's secretarial function had been trained in law, secretarial and reporting as well as actively participated in seminars/ socializations related to the latest regulations issued by regulators.

### The Implementation the Duties of Corporate Secretary in 2017

Throughout 2017, the Corporate Secretary of Bank Mandiri has carried out functions and duties related to stakeholders, among others:

- Following the development of Capital Market regulations especially applicable laws and regulations of Capital market, among others by ensuring the compliance with new regulations issued by Financial Services Authority, Indonesia Stock Exchange and other Regulators in relation to capital market.
- GCG Awareness for the Board of Directors and the Board of Commissioners of Bank Mandiri including update on new policies and issues on GCG.
- Convening and documenting Annual Meeting of Shareholders on 14 March 2017, Extraordinary Meeting of Shareholders on 21 August 2017, Exposure on Public marathon 2017 on 8 August 2017, and ensuring regular quarterly communication with investors through Analyst Meeting on 14 February, 10 April, 10 July and 24 October 2017.
- Making dividend payment for the fiscal year of 2016 on 13 April 2017.
- Convening and attending Board of Commissioners and Board of Directors Meeting and preparing the minutes of meeting.
- Making amendments/adjustments to the Company's Main Policy, Company's Articles of Association, Guidelines and Work Code of Conduct of the Board of Directors, Code of conducts of Committees under the Board of Directors, Charters of Committees under the Board of Commissioner and other Policies pursuant to the applicable laws and regulations and the implementation of Bank Mandiri's governance.
- Actively participating in supporting the establishment of the Holding of State Own Enterprises in Banking and Financial Services and Banking.
- Carrying out information disclosure to public pursuant to the applicable laws and regulations.
- Carrying out information disclosure to internal employees of Bank Mandiri through Mandiri Magazine (Majalah Mandiri). Throughout 2017, Corporate Secretary has issued 16 editions of Majalah Mandiri.
- Providing up to date and accurate information in Company's website, and carry out development of website application.
- Preparing Annual Report and Sustainability Report for the Fiscal Year 2016 and delivering it to relevant Regulators. Other than that, monitoring the delivery of Financial Report and Annual Report of the Fiscal Year 2016 of 11 (eleven) Subsidiary Entities to the Regulator.
- Arranging Fit and Proper Test of 1 (one) member of the Board of Directors and 3 (three) members of the Board of Commissioners.
- Documenting legal data of the Company, which are among others Deed of General Meeting of Shareholders, Deed of Amendment of Articles of Association, Deed of Change of Management Composition, etc.
- Conducting press conference and teleconference with the stakeholders.
- Engaging communications with State Ministry of State Owned Enterprises, Ministry of Finance, State Secretary, Financial Services Authority, Self Regulatory Organizations (Indonesia Stock Exchange (Bursa Efek Indonesia), Indonesian Central Securities Depository (Kustodian Sentral Efek Indonesia), and Indonesian Clearing and Guarantee Corporation (Kliring Penjamin Efek Indonesia)), Securities Administration Bureau (Biro Administrasi Efek), and other relevant institutions.
- Monitoring the implementation of Report of State Official Assets (laporan Harta Kekayaan Penyelenggara Negara/ LHKPN) to Indonesia's Corruption Eradication Commission (Komisi Pemberantas Korupsi/KPK).
- Preparing and issuing 87 Decrees of the Board of Directors on the

- Implementation of the Company’s Operational Activities.
- 18. Reporting monitoring result on media news on daily basis to the Members of the Board of Commissioners and Members of the Board of Directors every morning on business days.
- 19. Covering corporation ceremonial activities as many as 85 coverages.
- 20. Participating actively in meetings, hearings and working visit with the House of Representative (DPR-RI).
- 21. Conducting disbursement of Partnership Program, Community Development, Corporate Social Responsibility and Sponsorship and monitoring the credibility.
- 22. Carrying out license arrangement activities, security and escort/ protocol of (Bank Mandiri’s officials) Board of Directors and Commissioners at the office/business venue, trips/events and residents.
- 23. Administering and distributing all incoming letters for the Company or relevant Agency to be followed up.
- 24. As a liaison among the Company and the shareholders, investors, regulators and other stakeholders.

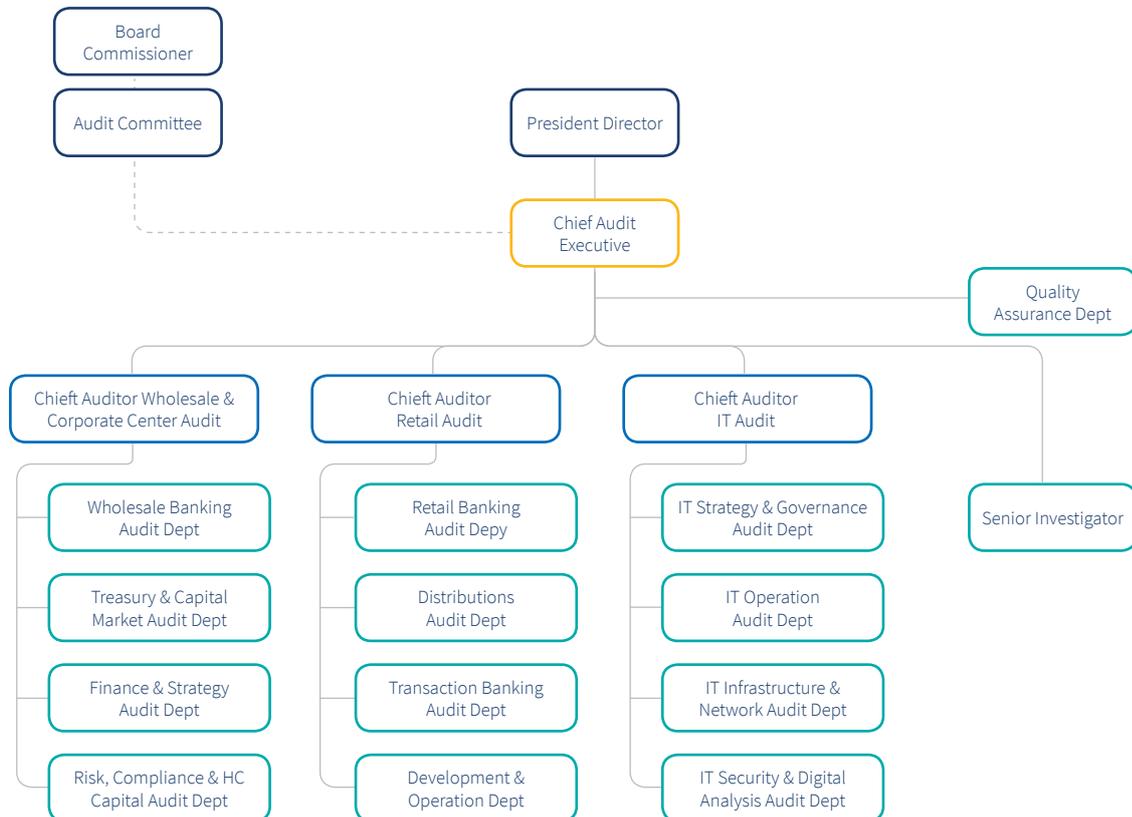
**Corporate Secretary Report for the Fiscal year 2016**

In compliance with Article 11 of Financial Services Authority Regulation No. 35/POJK/2014, the Corporate Secretary of Bank Mandiri has prepared periodic report at least once a year regarding the implementation of corporate secretary functions to the Board of Directors and copied to the Board of Commissioners submitted through Note to the Board of Directors No. CEO.CSC/CMA.517/2017 dated 31 March 2017 regarding Report on Functions and Duties of Corporate Secretary Group of 2016 and Letter to the Board of Commissioners No. CEO.CSC/CMA.877/2017 dated 18 April 2017 regarding Report on Functions and Duties of Corporate Secretary Group of 2016.

**Internal Audit**

Having the role as Third line of defense, Internal Audit Bank Mandiri ensures that the Internal control in each line of defense is getting stronger and mature. Internal Audit has made innovations in the use of audit methodology and tools so the audit implementation has become more effective and efficient . In line with Internal Audit’s long-term plan 2015-2020 with the theme of “Creating long-term value Through sustained assurance to be The Best in Class IA Function” in 2017 Internal Audit has finished 14 out of 14 Strategic Initiatives.

**Organization Structure and Chairman of Internal Audit**



### The Position Of Internal Audit In The Organization Structure

Internal Audit in the organization is under the Directorate level and is directly responsible to the President Director and can communicate with the Board of Commissioners through Audit Committee. Since 18 December 2014, Internal Audit has 3 Groups whose divisions are adjusted to the business strategy of Bank Mandiri, namely Wholesale & Corporate Center Audit Group, Retail Audit Group and IT Audit Group. Moreover, Internal Audit also has 2 Departments directly responsible to Chief Audit Executive (CAE), namely Investigation Audit Department and Quality Assurance Department.

### Profile of Head of Internal Audit



**Mustaslimah**

Senior Executive Vice President/  
SEVP Internal Audit

Age	: 52 Years old
Citizenship:	: Indonesian citizen
Domicile	: Depok
Education	: Bachelor degree in Agricultural Industrial Engineering from the Bogor Agricultural University in 1988.
Job History	: - Has served as Assistant Marketing Officer (1990), Marketing Officer (1993), Regular Instructor (1997), Senior Officer Support Function (1999), Group Head CRM-MOL Risk (2000), Group Head Logistic (2001), Department Head of Asset Maintenance and Warehouse (2004), Department Head Credit Operations (2004-2005), Group Head Compliance (2006-2010), Group Head Procurement and Fixed Asset (2010) -2014), Group Head of Human Capital and Services (2014-2015).- He joined Bank Mandiri in 1999 as Senior Officer Support Function and last served as Group Head of Human Capital and Services.
Element of Appointment	: Since 2015 he has been Senior Executive Vice President / SEVP Internal Audit based on Directors Decree No. Section 1. KEP.DIR / 095/2015 dated March 26, 2015.
Certification	: Risk Management Certification Board Level 5

### The Party Who Appoints and Terminate the Head of Internal Audit

Chief Audit Executive (CAE) is appointed and terminated by and is directly responsible to President Director subject to the approval of the Board of Commissioners or Audit Committee and afterwards reported the Financial Services Authority (OJK).

### Internal Audit Charter

Internal Audit has and Internal Audit Charter authorized by President Director and President Commissioner of Bank Mandiri with the latest revision dated 17 December 2015, Internal Audit Charter provides the guidelines on the purposes, positions, authorities, responsibilities and scope of work of internal audit. The position, authorities and responsibilities formally stated in Internal Audit Charter are in line with Bank Indonesia Regulation concerning the implementation of Standard of the Implementation of Bank Internal Audit Functions (Standar Pelaksanaan Fungsi Audit Internal Bank /SPFIB) and Decree of Chairman of Capital Market Supervisory Agency and Financial Institutions (Badan Pengawas Pasar Modal dan Lembaga Keuangan) concerning the Establishment and Guidelines of the Preparation of Internal Audit Unit Charter and best practices which refer to IPPF (International Professional Practice Framework) Standard by IIA (The Institute of Internal Auditor).

### Duties and Responsibilities of Internal Audit

Duties and responsibilities of Internal Audit are:

1. To plan and carry out internal audit activities emphasizing on the high risks subjects/activities and to evaluate the existing procedure/control system to obtain the assurance that the purposes and targets of the Bank can be achieved optimally and sustainably.
2. To carry out the steps on digging information (investigation), to report, and deliver recommendations/conclusions regarding fraud to the Management.
3. To develop and implement program to evaluate and improve the quality of Internal Audit.
4. To provide recommendations on the audit result and to monitor the follow-ups of the outcome of internal audit activities and investigation activities.
5. To cooperate with Audit Committee in carrying out supervisory functions.
6. To coordinate its activities with external audit activities and other assurance provider units/functions, in order to achieve comprehensive and optimized audit result. The coordination can be done through periodic meetings to discuss on the matters considered important for both parties.

7. To communicate directly with the President Director, Board of Commissioners, and/or Audit Committee and Tata Committee Manage Integrated.

### Authorities of Internal Audit

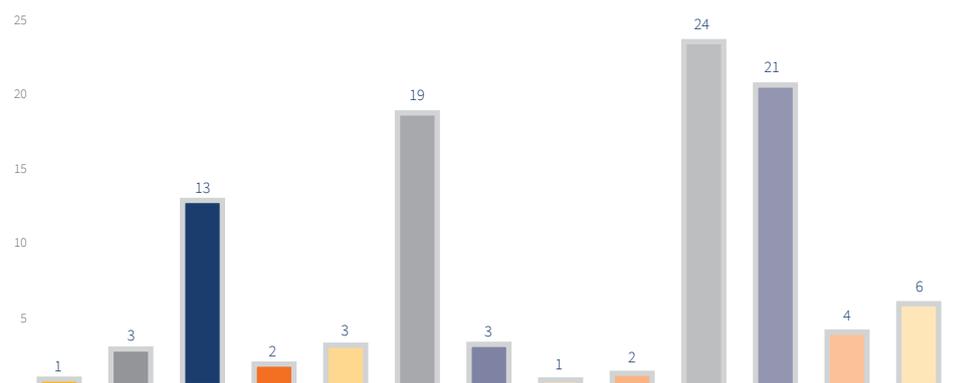
The Internal Audit has the following authorities:

- To perform internal audit activities on all the activities of the agencies within the organization of the Bank and its Subsidiaries and its affiliates in accordance with the applicable governance.
- To conduct communication directly to President Director, Board of Commissioners, and/or Audit Committee.
- To conduct communication with external parties including regulators.
- To convene meeting periodically and incidently with President Director, Board of Commissioners, and/or Audit Committee.
- To access all information, notes, employees, including but not limited to the bank accounts/notes of the employees and resources and other matters deemed necessary in relation to its duties and functions.
- To perform investigation activities to the cases/problems in every aspect and element of activities that indicated with fraud and breach of code of conduct.

### Number and Composition of the Personnel of Internal Audit

The number of Internal Audit employees as of 9 January 2018 was 102 people with the following composition:

#### Number of Employees



SEVT	Specialist	SR Investigator	Pelaksana
Chief Auditor	Lead Auditor	SR Auditor	
Audit Manager / Dept Head	Team Leader	Auditor	
Lead Investigator	Section Head	Officer	

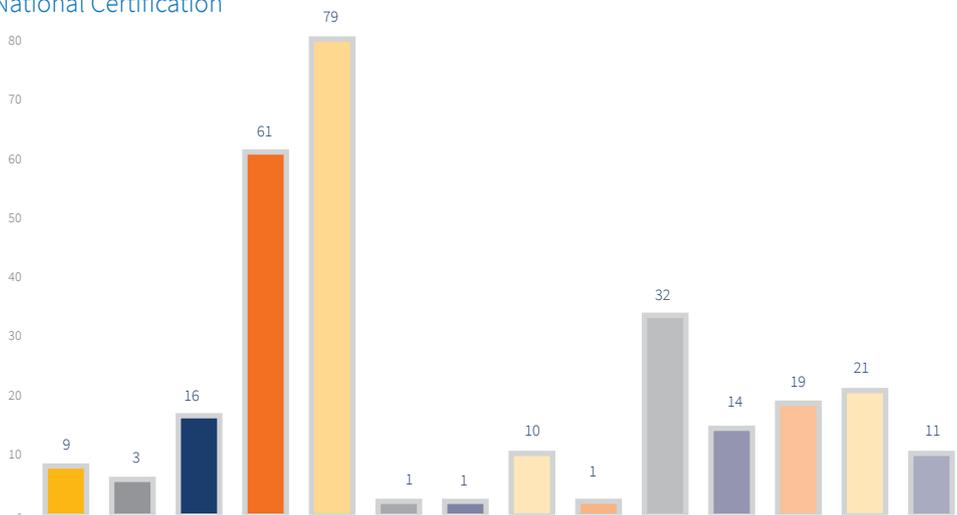
Internal Audit always seeks to provide continuous education to all its personnels to meet adequate qualifications and competencies. The education provided are in the form of certified professional education both national and international, attachment programs and trainings in the country or abroad.

### Internal Audit Profession Certification

Competency Improvement and Internal Audit Development Program has referred to Internal Audit Competency Framework (IACF) to ensure the development programs are on target and as needed. IACF is a framework that shows the level of proficiency of auditor competency both behavior and technical competency required by every level of position in Internal Audit. In 2016 assessment has been made to find the existing gap competency and then development program is prepared for each auditor. Employee development program is implemented in various approaches, among others: E-learning, training, periodic profession certification both national and international, attachment/apprenticeship and special project assignment. The program is always monitored and its success rate is measured in supporting the employees' and organization's performance.

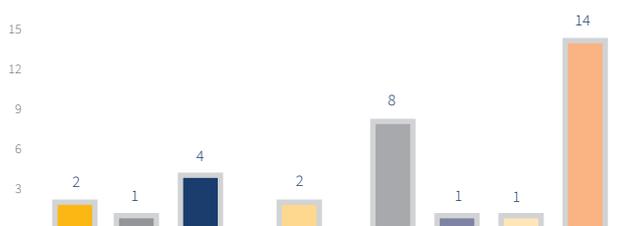
Below is the Internal Audit employee certification data until end of 8 January 2018:

### National Certification



CA (NAS)	SMR I (NAS)	LSPPP AM (NAS)	QIA-L (NAS)
SMR IV (NAS)	CPA (NAS)	LSPPP S (NAS)	QIA-D (NAS)
SMR III (NAS)	ASSESSOR (NAS)	LSPPP A (NAS)	
SMR II (NAS)	General Banking	QIA-M (NAS)	

### International Certification



CMRA (NAS)	CRMP (NAS)	CBA (NAS)
IRCA (NAS)	CFSA (NAS)	CCSA (NAS)
CIA (NAS)	CISA (NAS)	CFE (NAS)

#### Remarks:

QIA - D : Qualified Internal Auditor Tingkat Dasar (Basic Level)

QIA - L : Qualified Internal Auditor Tingkat Lanjutan (Advance Level)

QIA - M : Qualified Internal Auditor Tingkat Manajerial (Managerial Level)

LSPPP-A : Lembaga Sertifikasi Profesi Perbankan – Auditor (Banking Professional Certification Agency - Auditor)

LSPPP-S : Lembaga Sertifikasi Prosesi Perbankan – Senior Auditor (Banking Professional Certification Agency - Senior Auditor)

LSPPP AM : Lembaga Sertifikasi Profesi Perbankan – Auditor Manajer (Banking Professional Certification Agency - Auditor Manager)

AESSOR : Assessor

CPA (Ind) : Certified Public Accountant

SMR I : Sertifikat Manajemen Risiko Level I (Risk Management Certificate Level I)

SMR II : Sertifikat Manajemen Risiko Level II (Risk Management Certificate Level II)

SMR III : Sertifikat Manajemen Risiko Level III (Risk Management Certificate Level III)

SMR IV : Sertifikat Manajemen Risiko Level IV (Risk Management Certificate Level IV)

CA : Chartered Accountant

CFE : Certified Fraud Examiner

CBA : Certified Bank Auditor

CISA : Certified Information System Auditor

CIA : Certified Internal Auditor

IRCA : International Register of Certified Auditor

CRMA : Certification in Risk Management Assurance.

### Participation In Internal Audit Profession Associations

In order to broaden the knowledge and professional competency of internal auditor, Internal Audit has participated in Internal Audit profession associations, namely:

Participation of Bank Mandiri Internal Audit in external Organizations:

No	Name of Activity/Organization	Designation	Term
1.	Ikatan Auditor Internal Bank (IAIB) (Bank Internal Auditor Association)	SEVP Internal Audit as Chairman of the Supervisory Board	2017-2020
2.	Ikatan Auditor Internal Bank (IAIB) (Bank Internal Auditor Association)	One of Internal Audit Department Heads as Organizer in Education	2017-2020
3.	Association of Certified Fraud Examiner (ACFE)	One of Internal Audit Team Leaders as Researcher	2018 - End of Term

2. List of Institutions who conduct Benchmarking to Bank Mandiri Internal Audit in 2017

No	Institution	Focus of Discussion	Time
1.	Ministry of Finance	Fraud Risk Assessment	24 March 2017
2.	BNI	Internal Audit Methodology	2 August 2017
3.	Garuda Indonesia	Management of Audit IT Program	19 September 2017
4.	BTN	Desk Audit, Audit Forensic & RCA System	17 October 2017
5.	Bank Syariah Mandiri (BSM)	Internal Audit Capability Framework and Internal Audit Plan Methodology	5 June 2017
6.	Bank Jambi	Internal Audit Methodology and tools	28 April 2017

3. SEVP Internal Audit participation as speaker in Internal Audit external seminars during 2017

No	Event/Topic	Organizer	Time	Location and Participant
1.	Knowledge Sharing Pure Commodity Procurement	Bank Indonesia	15 December 2017	Kebon Sirih Building Fl. 3 KOPERBI
2.	Gratification Control Unit Forum	Corruption Eradication Commission (KPK)	11 December 2017	Bidakara/ +/- 1000 participants
3.	IAIB National Seminar topic Internal Audit Challenge: Navigating in Disruptive	Bank Internal Audit Association	9-10 November 2017	Hotel Bumi Surabaya +/- 200 Internal Audit

No	Event/Topic	Organizer	Time	Location and Participant
4.	Risk Management dan Internal Audit dengan tema Audit Internal Sebagai Rujukan Utama Dalam Proses Pengambilan Keputusan Oleh Manajemen	Lembaga Sertifikasi Profesi Perbankan (LSPP) bekerjasama dengan Ikatan Bankir Indonesia (IBI) dan Ikatan Auditor Intern Bank (IAIB)	19 October 2017	Graha Niaga, Jakarta/50 Internal Auditors and Risk Management
5.	IAIB Benchmarking Forum: Audit rating & reporting and QAIP implementation	Bank Internal Audit Association	17 March 2017	Jakarta/50 participants
6.	Chief Audit Executive (CAE) BUMN	Forum Komunikasi Satuan Pengawasan Intern (FKSPI)	12 July 2017	Plaza Mandiri Building 2nd floor/50 participants CAE BUMN
7.	Seminar Nasional Internal Audit (SNIA) (Internal Audit National Seminar) YPIA 2017 with the topic of Internal Audit Dynamics: Be insightful, proactive, future focused	Yayasan Pendidikan Internal Audit	10 May 2017	Medan/450-500 Internal Auditor participants

### Code Of Ethics For Auditors

Internal Audit has determined Code of Ethics for an auditor as follows:

1. Integrity

An Internal Auditor has the integrity by building trust which is the basis for making a reliable judgment.

2. Objectivity

An Internal Audit shows high objectivity according to the professional standard in gathering, evaluating, and communicating information regarding the activities or process of the matters being examined.

An Internal Audit conducts balanced judgements by paying attention to all relevant situations and is not influenced by personal or other people's interests.

3. Confidentiality

An Internal Auditor respects the value and ownership of information received and does not disclose the information without the authorization from the authorities unless there are legal or profession obligations to disclose such information.

4. Competency

An Internal Auditor uses his/her knowledge, expertise and experiences required to perform its auditing duties.

The activities of internal audit must be carried out with expertise and professional skills by having the knowledge, skills and other competencies required to perform its duties.

### Competency Development Of Internal Audit

In developing Internal Audit employees, during 2017 the quality of work of audit team have been improved by conducting both internal and external trainings. Internal trainings were conducted by way of discussion among SEVP Internal Audit, Board of Directors and auditors on the Internal Policies and Procedures of Bank Mandiri. While external trainings were conducted by way of participation in trainings organized by other parties as follows.

Table of Competency Development of Internal Audit

No	Training	Organizer	Date	Total Member
1.	Bank Mandiri Audit Course	PT Bank Mandiri (Persero) Tbk	30 Januari 2017 - 1 February 2017, 19 - 20 December 2017	34
2.	Examination of Certified Internal Auditor	The Institute of Internal Auditors (IIA)	03 January 2017, July 2017, 01 August 2017	5
3.	Basic Financial Analysis	PT Bank Mandiri (Persero) Tbk	13 - 17 February 2017	2
4.	Basic Trade Finance Inhouse	PT Bank Mandiri (Persero) Tbk	20 - 21 February 2017	1
5.	Basic Transaction Banking	PT Bank Mandiri (Persero) Tbk	06 - 08 February 2017	4
6.	Basic Treasury Inhouse	PT Bank Mandiri (Persero) Tbk	09 - 10 February 2017	1
7.	Consumer Loan for Auditor	Internal Audit	02 - 03 February 2017	24

No	Training	Organizer	Date	Total Member
8.	Creative Problem Solving & Decision Making	PT Bank Mandiri (Persero) Tbk	09 - 10 February 2017	1
9.	Mastering Impactful Communication Skills	PT Sarana Exhirindo (Experd)	09 - 10 February 2017, 27-28 February 2017	27
10.	Audit Report Writing	Tempo Institute	14, 16 & 17 February 2017 & 20 - 22 February 2017	55
11.	Raising The Bar And Say It Right	The Institute of Internal Auditors (IIA)	21 - 22 February 2017	2
12.	TTT Internal Control	PT Bank Mandiri (Persero) Tbk	16 February 2017	7
13.	Risk Management Level Competency Certification Level IV	PT Bank Mandiri (Persero) Tbk	30 March 2017	1
14.	IT Governance, IT Security, Emerging Technologies and IT Audit Round Table Discussion	Ikatan Auditor Intern Bank (IAIB)	05 - 06 April 2017	1
15.	Training IDEA	Insight Consulting	5 - 7 April 2017	36
16.	National Seminar on Internal Audit	Yayasan Pendidikan Internal Audit (YPIA)	09 - 10 May 2017	3
17.	Workshop Skill Audit DIA	PT Bank Mandiri (Persero) Tbk	09 May 2017	3
18.	Briefing Competency Certification of Audit Internal Level Supervisor	Ikatan Auditor Intern Bank (IAIB)	07 - 08 June 2018	19
19.	Competency Certification of Audit Internal Level Supervisor	Lembaga Sertifikasi Profesi Perbankan (LSPP)	12 June 2017	18
20.	The IIA International Conference Sydney 2017 And Financial Institutions Benchmarking Program IIA	Ikatan Auditor Intern Bank (IAIB)	22 - 29 July 2017	1
21.	Training of Credit	PT Bank Mandiri (Persero) Tbk	06 July 2017 - 1 August 2017	5
22.	Performance of Audit Workshop	PT Bank Mandiri (Persero) Tbk	06 - 07 July 2017	66
23.	National Working Congress & National Conference II FKSPI Year 2017	Forum Komunikasi Satuan Pengawasan Intern (FKSPI)	23 - 25 August 2017	6
24.	Training of Forensic Audits	Association of Certified Fraud Examiners (ACFE)	01 - 03 August 2017	1
25.	Certification Training Course Level III Risk Management	PT Bank Mandiri (Persero) Tbk	12 August 2017 & 23 August 2017	1
26.	OWASP Indonesia Day 2017	Open Web Security Application Project (OWASP)	09 - 10 September 2017	1
27.	Workshop Quality Assurance Improvement	Mandiri University Group (MUG)	28 - 29 September 2017	2
28.	CISA Preparation	Binus University	16 September 2017 - 11 November 2017	1
29.	Cobit 5 Foundation + Exam	PT ATD Solution Indonesia (Architecture Technology Delivery)	11 - 13 October 2017	2
30.	ITIL Foundation Certificate	PT ATD Solution Indonesia (Architecture Technology Delivery)	20 - 22 November 2017	1
31.	Conference of IAIB National	Ikatan Auditor Intern Bank (IAIB)	08 - 10 November 2017	6
32.	Workshop Cyber Crime & E-Banking Fraud	PT Bank Mandiri (Persero) Tbk	02 - 03 November 2017	13

### Information System of Internal Audit

To improve the effectiveness of audit implementation and to provide the whole picture to Internal Audit management, the audit activities is carried out by using application named Audit Management Information System (Sistem Informasi Manajemen Audit /SIMA). With SIMA, the performance of every audit phase can be monitored at all times through the system, documented and kept in the system.

Audit Management Information System (SIMA) is used for audit process from planning, execution and reporting.

### Brief Report on the Implementation of Internal Audit Activities in 2017

#### Internal Audit Work Program

Last year, 2017, became a full period of hard work for Bank Mandiri and Mandiri Group to continue to increase the growth and achievement of business targets amid the instability of a global economic conditions and the domestic economy. These conditions had a negative impact on the performance of Bank Mandiri in 2017, marked by the decline in asset quality through the NPL gross increase

compared to the one in 2016. Therefore, Bank Mandiri must set aside a large cost for the Allowance for Impairment Losses (CKPN) resulting in the decline in net profit. Fundamentally, however, Bank Mandiri continued to show positive and consistent business growth marked by the increase in Pre-Provision Operating Profit (PPOP) since 2016.

In response to these conditions, Bank Mandiri continued to take strategic steps to maintain the sustainability of business growth by taking several steps, one of which was the adjustment of the aspiration and vision of Bank Mandiri 2020 from The Best Bank in ASEAN into Indonesia's best, ASEAN's prominent bank so as to be more relevant and realistic. Setting 3 main areas of strategy implementation, which were:

1. BUSINESS FOCUS
  - a. "The Core" Corporate Banking grew above the market for credits, funds and fee-based incomes.
  - b. "The New Core" Consumer Banking.
  - c. "Tactical Segment" Micro, Business Banking, Commercial Banking focus on quality improvement.
  - d. Business synergy: the implementation of Bank@work and Retail Ready Branch.
  - e. Innovative execution and replication of wholesale transactions, business deepening of the Top Anchor Client.
2. FIXING THE FUNDAMENTAL
  - a. Strengthening credit process and credit culture.
  - b. Organizational Improvement.
  - c. Roadmap and Distribution network strategy.
  - d. Efficiency and productivity programs.
3. INFRASTRUCTURE STRENGTHENING
  - a. Information Technology: The increase in stability and capacity
  - b. Human Capital: The development of talents, technical skills and competencies
  - c. Culture : Specific behavior strengthening

The Directorate of Internal Audit had developed and determined an audit plan in 2017 that was in line with the main focus of Bank Mandiri. Through Annual Audit Plan (AAP) 2017, Internal Audit wanted to ensure that the business growth of Bank Mandiri was prudent and balanced with strong corporate governance across all operational areas so as to sustain sustainable performance growth in order to achieve the goal of becoming Indonesia's best, ASEAN's prominent bank.

In facing these conditions, in this 2017 audit plan, Internal Audit had set 6 thematic audits, 10 General audits, 6 Mandatory audits, 9 Subsidiary audits, and 5 studies. The 2017 audit covered areas that were significant and relevant to the conditions and challenges faced by Banks i.e., audit on Credit Quality in the Wholesale, Small Business, Micro and People's Business Credit segment, as well as Consumer Loan, Monthly Commercial Bank Report (LBU) & Debtor Information System (SID) and the reliability of infrastructure and e-channel Application.

#### **Audit Method**

The Internal Audit implements the methodologies based audit in the implementation of international activities by focusing on high-pit areas. The application of the methodology to the needs of the organization, the provisions of the Regulatory and the practice. The application of the methodology based audit requires a good cooperation between the Internal Audit with the Operational Risk Management Unit and the Client.

The following is a grand design of risk-based audit implementation at Bank Mandiri.



### Implementation of Audit Activities In 2017

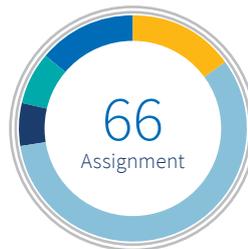
The actual implementation of audit activities in 2017 is illustrated in the following diagram.

#### Annual Audit Plan



General Audit	10
Audit Mandatory	6
Child Enterprise Audit	9
Study	5
Thematic Audit	6

#### Ad hoc

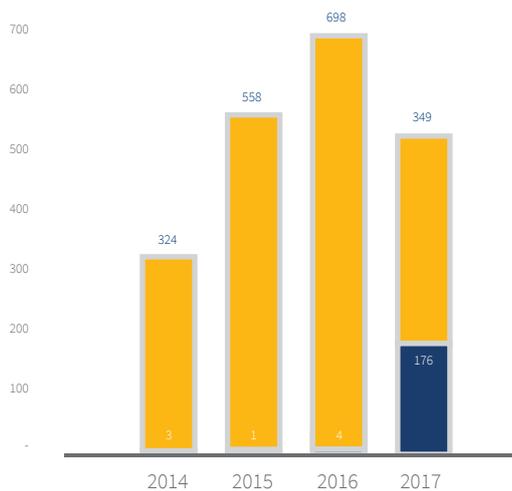


Audit	9
Review	10
Consulting	38
Debtor Review	4
Forensic Audit	5

### Findings and Follow-Up to Audit Results

In addition to auditing and LTP, Internal Audit also continuously monitored the follow-up plan for audit findings.

Internal Findings Monitored Follow-up as of February 18, 2018



Closed	324	558	698	349
Outstanding	3	1	4	176

In addition to monitoring the follow-up on internal findings, Internal Audit also conducted accompaniment and monitoring of the follow-up findings of the external audit. The following is the follow-up status of external auditors:

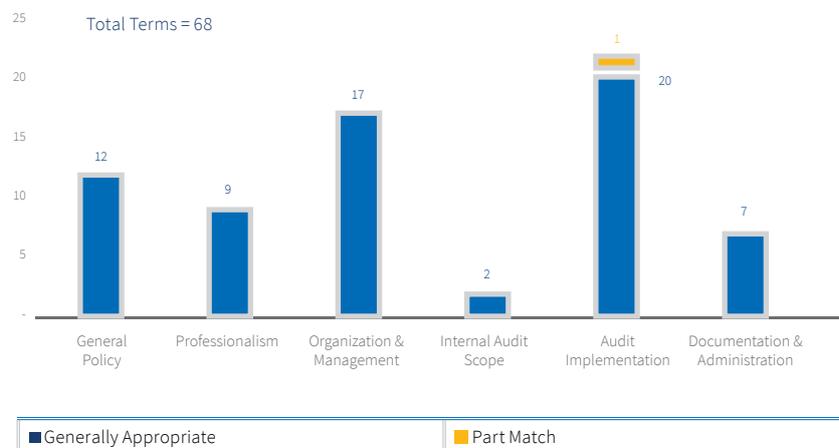
Table of Findings and Follow-Up on Audit Results

Auditor	2016		2017	
	Solved	In Progress	Solved	In Progress
Bank Indonesia	0	0	6	1
Financial Services Authority.	80	0	109	57
The Audit Board of the Republic of Indonesia	195	8	0	0
Public Accounting Firm	8	3	0	0

### Performance Evaluation of Internal Audit

Performance evaluation of Internal Audit was conducted through the distribution of questionnaires that contain, among others, the settlement of DMTL, fines, and sanctions from the regulator, the implementation of the audit as planned and the implementation of the consultant function. The questionnaires were filled by the Board of Commissioners, the Board of Directors and the Audit Committee. The score of the questionnaire calculation was 1 (very dissatisfied) to 4 (very satisfied). From the results of the distributed questionnaires, the performance evaluation of the Internal Audit scored 3.8 times higher than the predetermined target of 3.4.

In addition, the performance evaluation of the Internal Audit of Bank Mandiri generally complied with SPFAIB (Implementation Standard of Bank Internal Audit Function).



In accordance with the provision of SPFAIB related to the report material, there was still an Audit Result Report that had not yet included a commitment to the implementation of follow-up on the previous audit results (DMTL). The given recommendation was to improve the discipline related to the preparation of the Audit Result Report in order to include a commitment to the implementation of follow-up on the previous audit results (DMTL).

### Committees Under the Board of Directors

In performing its duties, the Board of Directors is assisted by the Corporate Secretary and Committees assigned to provide advice and recommendations related to the policies and directives of the Board of Directors. Bank Mandiri has a Committee under the Board of Directors or also called the Executive Committee of 9 (nine) Committees.

### Assets and Liabilities Committee (ALCO)

In performing its duties, the Board of Directors is assisted by the Corporate Secretary and Committees responsible for providing advice and recommendations relating to the Directors' policies and directives. Bank Mandiri has a Committee under the Board of Directors or also called the Executive Committee of 9 (nine) Committees.

### Assets and Liabilities Committee (ALCO)

Assets and Liabilities Committee (ALCO) was in charge of implementing the strategy management function of assets and liabilities, the determination of interest rates and liquidity, as well as other matters related to the management of the Company's assets and liabilities.

### Structure and Membership of Assets and Liabilities Committee (ALCO)

Based on KEP.DIR/230/2017 on the Assets and Liabilities Committee, the composition of ALCO members is as follows:

Chairman	: President Director
Secretary	: Group Head Market Risk
Alternate Secretary I	: Group Head Treasury
Alternate Secretary II	: Group Head Strategy & Performance Management

#### I. Voting Member

##### a. Permanent Voting Member

1. President Director
2. Vice President Director
3. Wholesale Banking Director
4. Director of Institution
5. Director of Retail Banking
6. Distributions Director
7. Digital Banking & Technology Director
8. Director of Treasury
9. SEVP Wholesale Risk
10. SEVP Retail Risk
11. SEVP Corporate Transformation & Finance
12. SEVP Corporate Banking
13. SEVP Commercial Banking

##### b. Non-Permanent Voting Member

Members of the Board of Directors and SEVP, related to the material, who were present as invitees.

#### II. Permanent Non-Voting Member

Director of Risk Management & Compliance or Group Head Compliance or appointed Compliance Group official.

#### III. Contributing Non-Voting Member

- a. Group Head/other in the same level as Group Head who was present as an invitee related to the material on the agenda of the committee.
- b. Committee Secretary.

#### IV. Invitee

- a. SEVP Internal Audit\*) or Group Head in the Internal Audit or Internal Audit Official who was present as an invitee.

\*) In case of the material discussed on the Committee constituting the material proposed by SEVP Internal Audit, then SEVP Internal Audit should act as Voting Member.

- b. Officials in Operational Risk field i.e., the Seniors of Operational Risk Head, related to the material on the agenda of the committee, who were present as invitees.

### Description of Assets and Liabilities Committee (ALCO) Task and Responsibility

The responsibility of ALCO covers the following:

1. Determine, develop and review asset management strategies and liabilities.
2. Evaluate the assets and liabilities position of the Company in line with the objectives of liquidity risk management, interest rates and exchange rates.
3. Evaluate the position of the Company and Assets & Liabilities Management (ALM) strategy to ensure that the risk taking position of the Company was consistent with the objectives of interest rate risk management, liquidity and exchange rate.
4. Evaluate/review the asset and liability pricing to ensure that the pricing could optimize the result of investment to minimize the cost of funds and maintain the balance sheet structure of the Company in line with the ALM strategy of the Company.
5. Evaluate/review the deviation between the realization with the budget projection and the business plan of the Company.
6. Discuss and define the limitations of liquidity management, gap management, pricing management, and FX management.
7. Determine a methodology of fund transfer pricing.
8. Discuss and determine other matters within the scope of ALM including subsidiaries/entities under the control of the Company. In its capacity as a committee, ALCO did not have the authority to act on the representation of and on behalf of the Company conducting a binding or signing an agreement with a third party so that all actions for and on behalf of the Company must be carried out in accordance with the provisions of the Articles of Association of the Company.

### Task Implementation of Assets and Liabilities Committee (ALCO) in 2017

The Task Implementation of ALCO In 2017 was by organizing 8 (eight) Meetings with the following agenda:

#### Meeting Table of ALCO

No	Meeting Date	Meeting Agenda
1.	14 February 2017	Balance Sheet Management Strategy.
2.	07 March 2017	Review and define Credit and funding optimization strategy.
3.	17 April 2017	Liquidity fulfillment strategy ahead of Religious Holiday
4.	01 August 2017	Review funding and lending programs.
5.	15 August 2017	Determine policies and strategies to safeguard the Cost of Fund.
6.	29 September 17	Review and adjust the interest rate of Fund and Credit products.
7.	07 November 2017	Review and adjust the interest rate of Fund and Credit products.
8.	28 November 17	Determine policies and strategies to manage Cost of Fund in order to achieve NIM.

### Frequency of Assets and Liabilities Committee (ALCO) Meeting

The frequency of ALCO meetings during 2017 is as follows:

Table of Membership was based on Decision No. KEP.DIR/387/2016 dated 2 November 2016

No.	Name	Total			% Attendance
		Invitee	Presence	Absence	
Permanent Voting Members					
1.	President Director	2	2	-	100%
2.	Vice President Director	2	2	-	100%
3.	Finance & Treasury Director	2	2	-	100%
4.	Director of Commercial Banking	2	2	-	100%
5.	Director of Corporate Banking	2	2	-	100%
6.	Director of Retail Banking	2	2	-	100%
7.	Distributions Director	2	2	-	100%
8.	Digital Banking & Technology Director	2	2	-	100%
9.	SEVP Wholesale Risk	2	2	-	100%
10.	SEVP Retail Risk	2	2	-	100%
11.	SEVP Special Asset Management	2	2	-	100%
12.	SEVP Corporate Banking	2	2	-	100%
Permanent Non-Voting Member					
13.	Director Risk Management & Compliance	2	2	-	100%

Table of Executive Committee Membership Adjustment dated 28 April 2017

No.	Name	Total			% Attendance
		Invitee	Presence	Absence	
Permanent Voting Members					
1.	President Director	5	4	1	80%
2.	Vice President Director	5	4	1	80%
3.	Wholesale Banking Director	5	4	1	80%
4.	Director of Government & Institutional	5	4	1	80%
5.	Director of Retail Banking	5	4	1	80%
6.	Distributions Director	5	5	-	100%
7.	Digital Banking & Technology Director	5	3	2	60%
8.	SEVP Wholesale Risk	5	5	-	100%
9.	SEVP Retail Risk	5	5	-	100%
10.	SEVP Special Asset Management	5	5	-	100%
11.	SEVP Corporate Banking	5	2	3	40%
Permanent Non-Voting Member					
12.	Director Risk Management & Compliance	5	1	-	80%

Table of Membership Adjustment based on Decision No. KEP.DIR/230/2017 dated 21 November 2017

No.	Name	Total			% Attendance
		Invitee	Presence	Absence	
Permanent Voting Members					
1.	President Director	1	1	-	100%
2.	Vice President Director	1	1	-	100%
3.	Wholesale Banking Director	1	1	-	100%
4.	Director of Government & Institutional	1	-	1	0%
5.	Director of Retail Banking	1	1	-	100%
6.	Distributions Director	1	1	-	100%
7.	Digital Banking & Technology Director	1	-	1	0%
8.	SEVP Wholesale Risk	1	-	1	-
9.	SEVP Retail Risk	1	1	-	100%
10.	SEVP Special Asset Management	1	1	-	100%
11.	SEVP Corporate Banking	1	1	-	100%
12.	SEVP Corporate Banking	1	-	1	0%
13.	SEVP Commercial Banking	1	1	-	100%
Permanent Non-Voting Member					
14.	Director Risk Management & Compliance	1	1	-	100%

### Business Committee (Bc)

Business Committee was a committee established to assist the Board of Directors in determining the Company's integrated business management strategy, product arrangement and/or activity of the Company as well as determining the marketing communication strategy and effectiveness in the field of wholesale banking and retail banking.

### Structure And Membership Of Business Committee (Bc)

Based on the Decision of the Board of Directors Number KEP. DIR/231/2017 dated 21 November 2017, the Structure and Membership of the Business Committee are as follows:

Structure and Membership of Business Committee (BC)	
Chairman	President Director
Secretary (Wholesale Segment)	Group Head Transaction Banking Wholesale Product
Secretary (Retail Segment)	Group Head Consumer Deposits
Permanent Voting Member	1. President Director 2. Vice President Director 3. Director of Wholesale Banking 4. Director of Distributions 5. Director of Retail Banking 6. Director of Government & Institutional 7. Director of Digital Banking & Technology 8. Director of Treasury 9. SEVP Retail Risk 10. SEVP Wholesale Risk 11. SEVP Corporate Banking 12. SEVP Commercial Banking 13. SEVP Corporate Transformation & Finance
Non-Permanent Voting Member	Members of the Board of Directors/ SEVP, related to the material, who were present as invitees.
Permanent Non-Voting Member	Director of Risk Management & Compliance or Group Head Compliance or appointed Compliance Group official.
Contributing Non-Voting Member	1. Invited Group Head/other in the same level as Group Head related to the material on the agenda of the committee 2. Secretary of the Committee

### Structure and Membership of Business Committee (BC)

Invitee	1. SEVP Internal Audit *) or Group Head in the Internal Audit Directorate or Internal Audit Directorate official who was present as an invitee. *) In case of the material discussed on the Committee constituting the material proposed by SEVP Internal Audit, then SEVP Internal Audit should act as Voting Member. 2. Officials in Operational Risk field i.e., the Seniors of Operational Risk Head, related to the material on the agenda of the committee, who were present as invitees.
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### Duties and Responsibilities of the Business Committee

In carrying out its functions, BC had the following tasks and responsibilities:

1. Discuss and define the Company's business strategy segment wholesale and retail segments including corporate business strategy child.
2. Discuss, evaluate, and define development wholesale business segments and retail segments are integrated, including the development / renewal of products and services, either credit and non-credit, business process, tariff, infrastructure facilities and infrastructure marketing communication and technology business supporters.
3. Discuss, evaluate and define business strategy with the Company's anchor client.
4. Monitor and evaluate the results of strategic performance and initiatives business / project segments wholesale and retail segments.
5. Discuss and resolve business issues of a nature strategic alliances between the Company's work units and alliances with subsidiaries or entities under control Company.
6. Discuss, evaluate, and define development as well as termination of new products both credit and non-credit including digital banking products and services.
7. Delegating authority to appointed officials to break and execute matters of a business nature operational.

### Implementation of Business Committee (BC) Duties of 2017

One of the tasks performed routinely by BC was to conduct a meeting at least 3 (three) times a year or at any time when it was deemed necessary upon the request of one or more members of the Voting Member committee or upon the request of the Board of Directors or on the written proposal from the work unit related to the submission of the material that would be discussed as well as to coordinate with the Secretary of the Committee.

During 2017, BC had conducted activities such as holding meetings, with the following agenda:

1. Launch of 3 new products (Mandiri Call Spread, Mandiri Dual Currency Investment and Mandiri Par Forward).
2. Manual on Intraday Facility Product.
3. Follow-up Decision of Retail Business Committee concerning Three Suspended Insurers.
4. Retail Engine Reporting.
5. Gen Y Project.
6. 2017 Update Pipeline Trade.
7. Manual on Consumer-Segment Credit Product without Collateral (Module II).
8. Collateral Deposit for Credit.
9. Proposal of Value Chain Acquisition Processes and Cooperatives.
10. Mandiri Payment System.
11. Proposal of KTA (Unsecured Loan) Development at Bank Mandiri in Dili East Timor.
12. Mortgages Development Strategy.
13. End of Year BG (Bilyet Giro) Program.
14. Revised Manual of Electronic Money Products.
15. Acquisition Acceleration of Value Chain Anchor Clients.
16. 2018 IT Strategic Initiative Prioritization.

### Frequency of Business Committee Meeting and Attendance Level

The following is the frequency of Business Committee meeting and attendance level.

No	Name	Total Meetings				% Attendance
		Meeting	Attendance	Proxy	Absence	
Permanent Voting Member						
1.	Kartika Wirjoatmodjo	18	3		15	17%
2.	Sulaiman A. Arianto	18	11	1	6	61%
3.	Pahala Mansury *)	8	2		5	25%
4.	Royke Tumilaar	18	14		4	78%
5.	Hery Gunardi	18	13		5	72%
6.	Tardi	18	11		7	61%
7.	Kartini Sally	18	11	1	6	61%
8.	Rico Usthavia Frans	18	13		5	72%
9.	Riyani T. Bondan	18	12		6	67%
10.	Kepas Antoni A. Manurung	18	16	1	1	89%
11.	Alexandra Askandar	18	13		5	72%
Non-Permanent Voting Member						
1.	Joseph Georgino Godong	2	2		0	100%
2.	Agus Sudiarto	11	5		6	45%
3.	Riduan	12	11	1	0	92%

No	Name	Total Meetings				% Attendance
		Meeting	Attendance	Proxy	Absence	
4.	Darmawan Junaidi	2	1		1	50%
5.	Agus Dwi Handaya	10	2		8	20%
6.	Ogi Prastomiyono	5	3		2	60%
Permanent Non-Voting Member						
1.	Ahmad Siddik Badrudin	18	12		6	67%
Invitee						
1.	Mustaslimah	18	12		9	67%
2.	Ogi Prastomiyono	3	3		0	100%

\*) Mr. Pahala Mansury since 12 April 2017 has no longer served as Board of Directors of Bank Mandiri.

### Risk Management Committee (RMC)

Risk Management Committee (RMC) was the executive committee that was in charge and responsible for monitoring and managing the Bank's risk profile (including risk appetite, limit and capital adequacy), evaluating the Bank's performance under stress conditions (including contingency plan) and improving the implementation of risk management of the Bank as a result of internal or external changes (including regulation).

### Structure and Membership of Risk Management Committee (RMC)

Based on the Decision of the Board of Directors Number KEP. DIR/237/2017 dated 21 November 2017, the composition of RMC members is as follows:

Member Structure Risk Management Committee (RMC)	
Chairman	Vice President Director
Secretary	Group Head Credit Portfolio Risk
Alternate Secretary	Group Head Operational Risk (Alternate I) Group Head Market Risk (Alternate II)
I. Voting Member	Group Head Market Risk (Alternate II)
a. Permanent Voting Member	1. Vice President Director 2. Director Operations 3. Director Risk Management & Compliance 4. SEVP Retail Risk 5. SEVP Wholesale Risk 6. SEVP Corporate Transformations & Finance
b. Non - Permanent Voting Member	Member Direksi/SEVP terkait materi yang Attending sebagai undangan.

### Member Structure Risk Management Committee (RMC)

II. Permanent Non-Voting Member	Group Head Compliance or appointed Compliance Group official who must be present at the Committee Meeting.
III. Contributing Non-Voting Member	a. Invited Group Head/other in the same level as Group Head related to the material on the agenda of the committee b. Secretary of the Committee
IV. IV Invitee	a. SEVP Internal Audit *) or Group Head in the Internal Audit Directorate or Internal Audit Directorate official who was present as an invitee. *) In case of the material discussed on the Committee was the material proposed by SEVP Internal Audit, then SEVP Internal Audit should act as Voting Member. b. Officials in the operational risk field i.e., the Seniors of Operational Risk Head, related to the material on the agenda of the committee, who were present as invitees.

### Job Description and Responsibility Risk Management Committee (RMC)

The RMC committee has the duty, authority and responsibility as following:

1. Monitor the risk profile and management of all risks within to establish risk appetite, risk management strategy integrated and capital adequacy.
2. Establish methodologies, scenarios, evaluations including conditions stress in risk measurement and contingency plan.
3. Improve the implementation of risk management periodic or incidental as a follow-up to change internal and external conditions affecting adequacy capital and risk profile of the Company.

4. Discuss and define strategic matters within the scope risk management including risk management in subsidiary companies.
5. Determine matters related to business decisions that have special conditions (such as decisions that exceed business expansion significant compared to the Company's business plan).
6. Delegate authority to appointed officials to decide and carry out operational matters.

### Implementation of Risk Management Committee (RMC)

Throughout 2017, RMC Committee had conducted 10 meetings and produced decisions with the following details:

No.	Date	Agenda
1.	19 January, 2017	1. Update of Liquidity Coverage Ratio Calculation Result in the third Quarter of 2016. 2. Approval of Credit Valuation Adjustment (CVA) RWA Calculation Mechanism. 3. Approval of KPMM Valuation in line with Risk Profile (ICAAP). 4. Approval of Risk-Based Bank Rating (RBBR) by individuals in the fourth Quarter of 2016.
2.	10 February 2017	1. Consolidated Bank Soundness Rating Report and Integrated Risk Profile in the fourth Quarter of 2016. 2. Approval of Work Plan Proposal on Risk Management Committee in 2017. 3. Approval of Review Proposal on Banking Book Risk Management Limit Policy. 4. Approval of the Limit on the Activities of Trading Treasury Head Office and Overseas Office 2017.
3.	4 April 2017	Approval of Establishment Proposal on Portfolio Guideline 2017.
4	12 April 2017	1. Approval of Proposal on Anti-Fraud Strategy. 2. Update of Net Stable Funding Ratio (NSFR) Calculation Test Result. 3. Approval of Risk Appetite Statement 2017.
5	18 July 2017	Approval of Bank Mandiri Soundness Rating Report in the June Position of 2017.
6	8 August 2017	Approval of Consolidated Risk-Based Bank Rating (RBBR) Report of Bank Mandiri in the First Half of 2017 and Integrated Risk Profile for the Second Quarter of 2017.
7	28 September 2017	1. Approval of Proposal on Review Limit Interest Rate Risk in Banking Book (IRRBB) and Review Limit Loan to Funding Ratio (LFR) foreign exchange. 2. Update Report on Implementation Result of Risk Management review at Bank Mantap.
8	18 October 2017	Approval of Risk Profile Assessment of Bank Mandiri by Individuals in the third Quarter of 2017.
9	25 October 2017	1. Update Summary of OJK Review Results on the Implementation of Integrated Risk Management and Governance. 2. Approval of Consolidated Risk Profile Assessment of Bank Mandiri in the third Quarter of 2017.
10	20 December 2017	Approval of Review of Parameters and Rules of Mandiri Group Compliance Risk Rating.

### Frequency of Risk Management Committee Meeting and Attendance Level Per November 2017

No.	Name	Total			%Attendance
		Invitee	Presence	Absence	
Permanent Voting Members					
1	Sulaiman A. Arianto	10	10	0	100%
2	Ogi Prastomiyono	10	10	0	100%
3	Pahala N. Mansury <sup>1)</sup>	4	4	0	100%
4	Ahmad Siddik Badruddin	10	10	0	100%
5	Riyani T. Bondan	10	10	0	100%
6	Ventje Rahardjo <sup>2)</sup>	2	1	1	50%
7	Kepas Antoni A. Manurung	10	9	1	90%
8	Agus Dwi Handaya	8	7	1	88%
9	Royke Tumilaar <sup>3)</sup>	5	4	1	80%

No.	Name	Total			%Attendance
		Invitee	Presence	Absence	
<b>Non - Permanent Voting Members</b>					
10.	Alexandra Askandar	1	1	0	100%
11.	Riduan	1	1	0	100%
<b>Invitee</b>					
12.	Mustaslimah / Pjb. Internal Audit	9	9	0	100%
13.	Tardi	2	2	0	100%
<b>Permanent Non-Voting Members</b>					
14.	Group Head Compliance/ Pjb. Compliance	9	9	0	100%

**Remarks :**

- 1) Mr. Pahala N. Mansury (Director of Finance & Treasury) is active in Bank Mandiri until 12 April 2017. Within the period until the issuance of the new Decree of the Committee on 21 November 2017, Mr. Royke Tumilaar is appointed as Permanent Voting Member while replacing Mr. Pahala N. Mansury in all relevant Executive Committees.
- 2) Mr. Ventje N. Mansury (SEVP Corporate Transformations) was active in Bank Mandiri until the 2017 GMS period, then replaced by Mr. Agus Dwi Handaya who also serves as SEVP Finance.
- 3) Mr. Royke Tumilaar (Wholesale Banking Director) is conducting annual leave on July 18, 2017.

**Human Capital Policy Committee (HCPC)**

Human Capital Policy Committee (HCPC) was the executive committee that was responsible for determining the human capital management strategy of the Company.

**Structure And Membership Of Human Capital Policy Committee (HCPC)**

Based on the decision of Directors No. KEP.DIR/233/2016 November 2017, the composition of HCPC members is as follows:

Member Structure Human Capital Policy Committee (HCPC)	
Chairman	President Director
Secretary	Group Head Human Capital Engagement
Alternate Secretary	Group Head HC Talent, Organization & Performance
<b>I. Voting Member</b>	
a. Permanent Voting Member	<ol style="list-style-type: none"> <li>1. President Director</li> <li>2. Vice President Director</li> <li>3. Director of Distributions</li> <li>4. Director of Operations</li> <li>5. Director of Risk Management &amp; Compliance</li> <li>6. SEVP Human Capital</li> <li>7. SEVP Corporate Transformation &amp; Finance</li> </ol>
b. Non-Permanent Voting Member	Members of the Board of Directors and SEVP regarding the material present as an invitation
<b>II. Permanent Non-Voting Member</b>	Group Head Compliance or appointed Compliance Group officials shall be present at the Committee Meetings.

**Member Structure Human Capital Policy Committee (HCPC)**

III. Member Contributing Non-Voting Member	<ol style="list-style-type: none"> <li>a. Group Head/other Group Head level invited related to the material on the agenda of the committee</li> <li>b. Secretary of the Committee</li> </ol>
IV. Invitations Remain Without Voting (Invitee)	<ol style="list-style-type: none"> <li>a. SEVP Internal Audit *) or Group Head of the Internal Audit Directorate or an Internal Audit Directorate official who is present as a permanent invitation without a voting right.</li> <li>*) In case the material discussed on the Committee is the material proposed by SEVP Internal Audit, then SEVP Internal Audit acts as Voting Member.</li> <li>b. Officials in the operational risk area of the Senior Operational Risk Head are related to the material on the agenda of the committee present as a permanent invitation without voting rights.</li> </ol>

**Description of Duties and Responsibilities of Human Capital Policy (HCPC)**

HCPC has the following tasks, authorities and responsibilities:

1. Determine strategic and operational directives of Human Capital management, including corporate cultures and values.
2. Determine strategic human resource management policies in Subsidiaries, Financial Institution Pension Fund ("DPLK"), Bank Mandiri Pension Fund ("DPBM"), Foundation and Subsidiaries of Subsidiaries.
3. Determine strategic directives of Human Capital Information System development.
4. Determine and develop the organization including the fulfillment, development and training of human capital based on the business needs of the Company.

5. Determine individual performance management and rewards, talent and succession management as well as employee relations.
6. Determine the limit of authority in performing human capital management.
7. Discuss and solve issues of strategic human capital management.

In its capacity as a committee, BC had no authority to act on the representation of and on behalf of the Company conducting a binding or signing an agreement with a third party, which must be carried out in accordance with the provisions of the Articles of Association of the Company.

#### Implementation of Human Capital Policy Committee (HCPC) Task in 2017

During 2017, Human Capital Policy Committee had discussed the following matters:

Table of Meeting Human Capital Policy Committee

Date	Agenda
21 February 2017	Ground Rules Incentive Governing Board
24 October 2017	- Award of Service Period (Jubilee) - Proportional Leave allowance for Normal Age Pension Employee

#### Frequency of HCPC Meeting and Attendance Level

During 2017, Human Capital Policy Committee had conducted 2 (two) meetings with the attendance of committee members as shown in the following table:

No.	Name	Total			%Attendance
		Invitee	Presence	Absence	
<b>Permanent Voting Members</b>					
1.	Kartika Wirjoatmodjo	2	1	1	50%
2.	Sulaiman A. Arianto	2	2	0	100%
3.	Hery Gunardi	2	2	0	100%
4.	Ogi Prastomiyono	2	1	1	50%
5.	Pahala N. Mansury	1	1	0	100%
6.	Ahmad Siddik Badruddin	2	2	0	100%
7.	Sanjay N. Bharwani	2	2	0	100%
<b>Non-Permanent Voting Members</b>					
1	Royke Tumilaar	1	1	0	100%
2	Tardi	1	1	0	100%
3	Kartini Sally	1	1	0	100%
4	Rico Usthavia Frans	1	1	0	100%
5	Darmawan Junaidi	1	1	0	100%
6	Riyani T. Bondan	1	1	0	100%
7	Agus Dwi Handaya	1	1	0	100%
8	Joseph Georgino Godong	1	1	0	100%
9.	Kepas A. A. Manurung	1	1	0	100%
10.	Agus Sudiarto	1	1	0	100%
11.	Alexandra Askandar	1	1	0	100%
12.	Riduan	1	1	0	100%

No.	Name	Total			%Attendance
		Invitee	Presence	Absence	
Invitee					
1.	Mustaslimah	2	2	0	100%

\*) The amount of attendance included is calculated after the above officials have effectively occupied their positions. For the positions of directors are counted effectively after graduating from fit and proper test from OJK.

### Information Technology Committee (ITC)

Information Technology Committee (ITC) was the executive committee that was responsible for the decision making process related to the Company's operational management policy in the field of Information Technology (IT). ITC assisted the Board of Directors in determining IT Strategic Plan and IT budgeting as well as determining IT Strategic project and IT security.

### Structure and Membership of Information Technology Committee (ITC)

Composition of Information Technology Committee (IT Committee) member based on Directors Decree No. Kep.Dir / 235/2017 dated November 21, 2017 on Information Technology Committee are as follows.

Structure Member Information Technology Committee (IT Committee)	
Chairman	President Director
Secretary	Group Head IT Strategy & Architecture Group Head IT Application Development (Alternate)
Voting Member	Permanent Voting Member: 1. President Director 2. Director of Operations 3. Director of Digital Banking & Technology 4. SEVP Corporate Transformations & Finance 5. SEVP Retail Risk 6. SEVP Chief Technology Officer  Non-Permanent Voting Member: Members of the Board of Directors / SEVP regarding the material present as an invitation.
Permanent Non-Voting Member	Director of Risk Management & Compliance *) or Group Head Compliance or appointed Compliance Group officer. *) In the event that the Director of Risk Management & Compliance is unable to attend not exceeding seven (7) consecutive work days (temporarily), the Compliance Director's function may be delegated to Group Head Compliance or designated Compliance Group officials.

### Structure Member Information Technology Committee (IT Committee)

Invitee	1. SEVP Internal Audit **) or Group Head of Internal Audit or Internal Audit Officer who is present as a permanent invitation without a voting right. **) In the case of material discussed on the Committee constituting material proposed by SEVP Internal Audit, SEVP Internal Audit shall act as Voting Member 2. Officials in the operational risk area of the Senior Operational Risk Head in relation to the matter being the agenda of the committee present as a permanent invitation with no voting rights
Contributing Non-Voting Member	1. Secretary of the Committee 2. Group Head / other Group Head level related to the material on the agenda of the committee.

### Description of Duties and Responsibilities of Information Technology Committee (ITC)

IT Committee had the following tasks, authorities and responsibilities:

1. Discuss and define the IT Strategic Plan (ISP) of the Company.
2. Determine a strategic reference framework for managing IT Resources.
3. Determine strategies and action plans for projects and budgets.
4. Determine IT security strategy and IT risk management.
5. Ensure and monitor IT project implementation in line with ISP, IT budget and IT delivery project.
6. Determine IT budget priority and allocation that had been decided by the Board of Directors.
7. Decide or provide directives related to planning, development and addition of strategic IT system.
8. Discuss and resolve issues that were strategic in the scope of IT and IT investment directives including subsidiaries.
9. Delegate authority for appointed officials to disconnect and implement IT operational matters.

In its capacity as a committee, IT Committee did not have the authority to act on the representation of and on behalf of the Company conducting a binding or signing an agreement with a third party, which must be carried out in accordance with the provisions of the Articles of Association of the Company.

### Implementation of Information Technology Committee (ITC) Task

Pada tahun 2017 IT Committee telah melakukan hal – hal sebagai berikut:

1. Approval for IT Strategic initiative in 2017, adjustment of IT strategic initiative in 2017, drop initiative, adjustment of IT investment portfolio composition in 2017 and IT initiative rationalization in 2017.
2. Approval to meet the needs of ATM Switching machines through an internal procurement process in accordance with the applicable governance.
3. Acceptance of review on the alternative method in financing the development of DRC Injoko and the method of fulfilling IT tools.
4. Approval of the use of CAPEX for the implementation of change request by establishing 1 special project code to accommodate the change request of the current year.
5. Acceptance of exposure to IT Transformation Strategy as part of the IT improvement plan of Bank Mandiri.
6. Acceptance of exposure to CISO implementation plan.
7. Acceptance of exposure to accelerated implementation of Bank Mandiri Berhard system.
8. Acceptance of review on the result of IT Strategic and Execution Plan (ISP) 2015-2020 including Core Banking Offloading and target state architecture strategy, IT Operating Model and strategic Sourcing improvement, and Roadmap IT Strategic and Execution Plan (ISP) 2017-2020 with "Paced Approach" as the implementation approach.

### Frequency of Information Technology Committee (ITC) Meeting and Attendance Level

During 2017, IT Committee had conducted 6 (six) meetings with the following IT Committee members' frequency of meeting and attendance level:

#### Prior to Reorganization

	Total Meeting	Presence	Absence	% Attendance
<b>Permanent Voting Member</b>				
Kartika Wirjoatmodjo	1	1	0	100%
Ogi Prastomiyono	1	1	0	100%
Pahala N. Mansury	1	1	0	100%
Rico Usthavia Frans	1	1	0	100%
Riyani T. Bondan	1	1	0	100%
Ventje Rahardjo	1	1	0	100%
Joseph Georgino Godong	1	1	0	100%
<b>Non-Permanent Voting Member</b>				
Sulaiman A. Arianto	1	0	1	0%
Royke Tumilaar	1	1	0	100%
Hery Gunardi	1	1	0	100%
<b>Permanent Non-Voting Member</b>				
Ahmad Siddik Badruddin	1	1	0	100%
<b>Invitee</b>				
Mustaslimah	1	1	0	100%

## After Reorganization

	Number of Meetings	Presence	Absence	% Attendance
<b>Permanent Voting Member</b>				
Kartika Wirjoatmodjo	5	5	0	100%
Ogi Prastomiyono	4	4	0	100%
Rico Usthavia Frans	5	5	0	100%
Riyani T. Bondan	5	5	0	100%
Joseph Georgino Godong	5	5	0	100%
Agus Dwi Handaya	5	5	0	100%
<b>Non-Permanent Voting Member</b>				
Sulaiman A. Arianto	1	1	0	100%
Royke Tumilaar	2	2	0	100%
Hery Gunardi	1	1	0	100%
Tardi	4	4	0	100%
Kartini Sally	1	1	0	100%
Darmawan Junaidi	1	1	0	100%
Sanjay N. Bharwani	1	1	0	100%
Kepas Antoni A. Manurung	4	4	0	100%
Alexandra Askandar	1	1	0	100%
Riduan	3	3	0	100%
<b>Permanent Non-Voting Member</b>				
Ahmad Siddik Badruddin	5	5	0	100%
<b>Invitee</b>				
Mustaslimah <sup>*)</sup>	4	4	0	100%

\*) Invitee Audit may be attended by SEVP Internal Audit or Group Head Internal Audit or Officers appointed at Group Head level.

### Capital and Subsidiaries Committee (CSC)

Capital and Subsidiaries Committee (CSC) was the executive committee that was responsible for determining the subsidiary management strategy, recommendation for equity participation and divestment as well as remuneration and establishment of the subsidiary management.

### Structure and Membership of Capital and Subsidiaries Committee (CSC)

Based on the Decision of the Board of Directors Number KEP. DIR/232/2017 dated 21 November 2017, the composition of CSC members is as follows:

Membership of Capital and Subsidiaries Committee (CSC)	
Chairman	President Director
Secretary	Group Head Strategic Investment & Subsidiaries Management
Replacement Secretary	Group Head Strategy & Performance Management 1. President Director 2. Vice President Director 3. Director of Treasury 4. SEVP Corporate Transformations & Finance 5. SEVP Wholesale Risk 6. SEVP Retail Risk 7. SEVP Human Capital
Non-Permanent Voting Member	Members of the Board of Directors/SEVP regarding the materian present as a invitation.
Non Permanent Voting Member	Director of Risk Management & Compliance or Group Head Compliance or appointed Compliance Group official.

### Description Of Duties and Responsibilities of Capital and Subsidiaries Committee (CSC)

In carrying out its functions, CSC had the following tasks and responsibilities:

1. Determine strategies and limitations on the management of Subsidiaries including companies that were under the control of the Subsidiaries if necessary.
2. Discuss, recommend and approve the Subsidiaries' capital participation plan including additional capital participation and disposal of capital participation/divestment with the provision in the event that such participation or disposal of capital resulting in the change of control in Subsidiaries became the authority of the Board of Directors Meeting.
3. Evaluate and discuss the financial performance of Subsidiaries including companies that were under the control of Subsidiaries if necessary.
4. Discuss, recommend and approve remuneration (including salary, honorarium, allowance and facility) of members of the Board of Directors and Board of Commissioners of Subsidiaries including companies that were under the control of Subsidiaries recommended by the Human Capital work unit, which was in charge of remuneration materials.
5. Discuss, recommend and approve remuneration (including salary, honorarium, allowance and facility) of members of the Board of Directors and Board of Commissioners of Subsidiaries including companies that were under the control of Subsidiaries recommended by the Human Capital work unit, which was in charge of remuneration materials.
6. Discuss, recommend and approve the candidacy/nomination of members of the Board of Directors and/or Board of Commissioners of Subsidiaries including those that were under the control of Subsidiaries derived from internal or external Company without reducing the authority of the Board of Directors Meeting to be able to decide the candidacy/nomination of members of the Board of Directors and Board of Commissioners Subsidiaries and companies that were under the control of Subsidiaries.
7. Discuss, recommend and approve the Corporate Work Plan and Budget (RKAP) of Subsidiaries including companies that were under the control of Subsidiaries if necessary.
8. Discuss, recommend, determine/decide the implementation and agenda of the General Meeting of Shareholders (GMS) of Subsidiaries including companies that were under the control of Subsidiaries if necessary as well as decide other applications or proposals requiring the Company's decision as a Shareholder.
9. Discuss, recommend and approve the management and financial strategy of Financial Institution Pension Fund (DPLK).
10. Determine the proxy to represent the Company as a Shareholder in Subsidiaries (Shareholder's Proxy).

In its capacity as a committee, CSC did not have the authority to act on the representation of and on behalf of the Company conducting a binding or signing an agreement with a third party so that the act of representing the Company must be carried out in accordance with the provisions of the Articles of Association of the Company.

### Implementation of Duties Capital and Subsidiaries Committee (CSC)

During 2017, CSC Committee had undertaken activities related to the following matters:

1. Changes to the Composition of PT Mandiri AXA General Insurance management
2. Agenda Proposal of GMS Fiscal Year 2016 (PT AXA Mandiri Financial Services, PT Mandiri Sekuritas, PT Mandiri Capital Indonesia, PT Mandiri Utama Finance, Mandiri International Remittance Sdn. Bhd, Bank Mandiri (Europe) Limited).
3. Agenda Proposal of GMS Fiscal Year 2016 (PT Asuransi Jiwa Inhealth Indonesia, PT Mandiri Tunas Finance, PT Bank Mandiri Taspen, PT Bank Syariah Mandiri, PT Mandiri AXA General Insurance).
4. Changes to the Composition of Mitra Transaksi Indonesia.
5. Changes to the Composition of Mandiri International Remittance Sdn. Bhd.
6. Loan-related Request from Third Party PT Mandiri Tunas Finance.
7. Capital Addition of PT Bank Syariah Mandiri by Rp 500 Billion.
8. Capital Addition of PT Bank Mandiri Taspen by Rp 350 Billion.
9. Changes to the Management of PT Mandiri Sekuritas and Proposal on the Management of Mandiri International Remittance Sdn. Bhd.
10. Changes to the Management of PT AXA Mandiri Financial Services, PT Bank Mandiri Taspen, PT Mandiri Manajemen Investasi and PT Mandiri Utama Finance.
11. Amendment to Articles of Association of PT Mandiri Utama Finance and Change of Name to PT Bank Mandiri Taspen.
12. RKAP of PT Bank Syariah Mandiri, PT AXA Mandiri Financial Services, PT Bank Mandiri Taspen Pos, PT Mandiri Tunas Finance, PT Asuransi Jiwa Inhealth Indonesia, PT Mandiri Utama Finance, MMI, Bank Mandiri (Europe) Limited, Mandiri International Remittance Sdn. Bhd.
13. RKAP of PT Mandiri AXA General Insurance and PT Mandiri Capital Indonesia.
14. RKAP of PT Mandiri Sekuritas

One of the tasks of Capital and Subsidiaries Committee was to conduct a regular meeting. Bank Mandiri CSC meeting was held at least 3 (three) times a year or at any time when deemed necessary upon the request of one or more members of the Voting Member or at the request of the Board of Directors or on the written proposal of the

work unit related to the submission of the material that would be discussed as well as to coordinate with the Secretary of the Committee.

Table of Meeting Agenda of Capital and Subsidiaries Committee

No.	Date	Title CSC
1.	February 21, 2017	Proposed Agenda of GMS 2016 Subsidiary Company: PT AXA Mandiri Financial Services, PT Mandiri Sekuritas, PT Mandiri Capital Indonesia, PT Mandiri Utama Finance, Mandiri International Remittance Sdn. Bhd., Bank Mandiri (Europe) Limited.
2.	March 22, 2017	Proposed Agenda of GMS 2016 Subsidiary Company: PT Asuransi Jiwa Inhealth Indonesia, PT Mandiri Tunas Finance, PT Bank Mandiri Taspen, PT Bank Syariah Mandiri, PT Mandiri AXA General Insurance.
3.	May 12, 2017	Changes to the Composition of Indonesian Transaction Partners
4.	May 29, 2017	Changes in Composition of Mandiri International Remittance Sdn. Bhd
5.	June 13, 2017	Related Applications Lending from Third Parties PT Mandiri Tunas Finance
6.	June 20, 2017	Added Capital of PT Bank Syariah Mandiri Rp 500M
7.	July 25, 2017	Added Capital of PT Bank Mandiri Taspen Rp 350M and Change of Management of PT Mandiri Sekuritas and Proposal of Mandiri International Remittance Sdn.Bhd
8.	October 26, 2017	RKAP PT Bank Syariah Mandiri, PT AXA Mandiri Financial Services, PT Bank Mandiri Taspen Pos, PT Mandiri Tunas Finance, PT Asuransi Jiwa Inhealth Indonesia, PT Mandiri Utama Finance, PT Mandiri Manajemen Investasi, Bank Mandiri (Europe) Limited, Mandiri International Remittance Sdn. Bhd.
9.	October 31, 2017	RKAP of PT Mandiri AXA General Insurance and PT Mandiri Capital Indonesia.
10.	November 7, 2017	Board of PT Mandiri AXA General Insurance
11.	November 28, 2017	RKAP PT Mandiri Sekuritas

#### Frequency of CSC Meeting and Attendance Level

During 2017, CSC Committee had conducted 11 meetings with the following attendance of members of the Committee:

Table of Frequency of CSC Meeting and Attendance Level

No .	Name	Amount			% Attendance
		Meeting	Presence	Absence	
Permanent Voting Members Capital & Subsidiaries Committee					
1.	Kartika Wirjoatmodjo	11	11	0	100%
2.	Sulaiman A. Arianto	11	10	0	91%
3.	Darmawan Junaidi*	1	0	1	0%
4.	Riyani T. Bondan	11	11	0	100%
5.	Agus Dwi Handaya	11	9	2	82%
6.	Kepas Antoni A. Manurung	11	11	0	100%
7.	Sanjay N. Bharwani*	1	1	0	100%
Non - Permanent Voting Members Capital & Subsidiaries Committee					
1.	Ogi Prastomiyono	7	7	0	100%
2.	Royke Tumilaar	11	11	0	100%
3.	Hery Gunardi	8	8	0	100%
4.	Tardi	11	11	0	100%
5.	Kartini Sally	8	8	0	100%
6.	Rico Usthavia Franz	8	8	0	100%
7.	Darmawan Junaidi**	3	2	1	67%
8.	Sanjay N. Bhawarni**	8	8	0	100%
9.	Joseph Georgino Godong	10	10	0	100%

No .	Name	Amount			% Attendance
		Meeting	Presence	Absence	
10.	Alexandra Askandar	6	6	0	100%
11.	Agus Sudiarto	8	8	0	100%
12.	Riduan	9	9	0	100%
Permanent Non-Voting Members Capital & Subsidiaries Committee					
1.	Ahmad Siddik Badruddin	11	9	2	82%
Invitee Members Capital & Subsidiaries Committee					
1.	Mustaslimah	11	11	0	100%

**Information:**

\* The composition of permanent voting member changes due to Decree of the Board of Directors No.KEP.DIR / 232/2017 dated 21 November 2017.

\*\* Meeting Period prior to the Decree of the Board of Directors No.KEP.DIR / 232/2017 dated 21 November 2017.

**Credit Committee Meeting (RKK)**

Credit Committee/Credit Committee Meetings (RKK) is a committee that is in charge of assisting the Board of Directors in deciding in lending (new, additional, decrease, and/or renewals) managed by Business Units within the limits of authority, including the determination/amendment credit structure.

Since the beginning of the Bank Mandiri establishment, Credit Committee had been implemented consisting of the function of Business Unit and Risk Unit and several improvements had been done, but during 2005, a fundamental loan funding process had been made in order to ensure more prudent credit lending and in accordance with the principles of best-practice risk management as well as to reinforce the implementation of GCG principles. Every credit lending in the wholesale segment must be conducted through discussion in the forum of Credit Committee Meeting as a means of applying the four-eye principle as well as the check and balance process between Business Unit as the Initiator unit and Credit Risk Management as the Risk Mitigation Unit.

In the Credit Committee, the Legal Group and the Compliance Group must also be present to provide legal and compliance opinions in order to strengthen the independence aspect, avoid dominance of one work unit, avoid conflict of interest and ensure objective and pressure-free decision making. In case of one member of the credit committee performing a credit recovery function. It was called the Credit Restructuring Committee.

Credit Committee Meeting was established based on the Decision of the Board of Directors No. KEP.DIR/386/2016 dated 2 November 2016 on the Executive Committee. While, the composition of RKK members was regulated by referring to the Four-Eye Principles (a balanced composition between the holders of business authorities and holders of credit risk authorities). The committee secretary was Group Head Corporate Risk and Group Head Commercial Risk.

**Structure and Membership of Credit Committee**

Credit Committee in Category A was the highest committee in the structure of credit breaking and credit restructuring with the following members:

Credit Committee Membership		
Chairman	:	There is no Chairman of Credit Committee
Secretary	:	Group Head Corporate Risk & Group Head Commercial Risk
	<b>Business Function</b>	<b>Risk Function</b>
	1. Royke Tumilaar	1. Kartika Wirjoatmodjo
	2. Tardi	2. Sulaiman A. Arianto
	3. Kartini Sally	3. Ogi Prastomiyono
	4. Rico Usthavia Frans	4. Hery Gunardi
	5. Riduan	5. Riyani T. Bondan
	6. Alexandra Askandar	6. Joseph Georgino Godong
	7. Agus Sudiarto	7. Kepas Antoni A. Manurung
	8. Toni eko Boy Subari *)	8. Agus Dwi Handaya

Credit Committee Membership	
	9. Sucipto Prayitno
	10. Sulaeman
	11. Darmawan Junaidi
	9. Tatang Tabroni
	10. Karya Prasetya Budi
	11. M. Sigit Pambudi
	12. Tiwul Widyastuti
Non-Voting Member	: Director of Compliance & Human Capital or Group Head Compliance or Department Head or official Designed Compliance Group.

#### Korum Credit Committee Category A \*):

1. Korum Credit Committee Category A.1 : 3 members of Risk Function Management + 2 members Business Function
2. Korum Credit Committee Category A.2 : 2 members of Risk Function Management + 2 members Business Function
3. Korum Credit Committee Category A.3 : 2 members of Risk Function Management + 1 members Business Function
4. Korum Credit Committee Loan Category A.4 : 1 members of Risk Function Management + 1 members Business Function

\*) Valid from 3 Oktober 2017

#### Description of Credit Committee Task and Responsibility

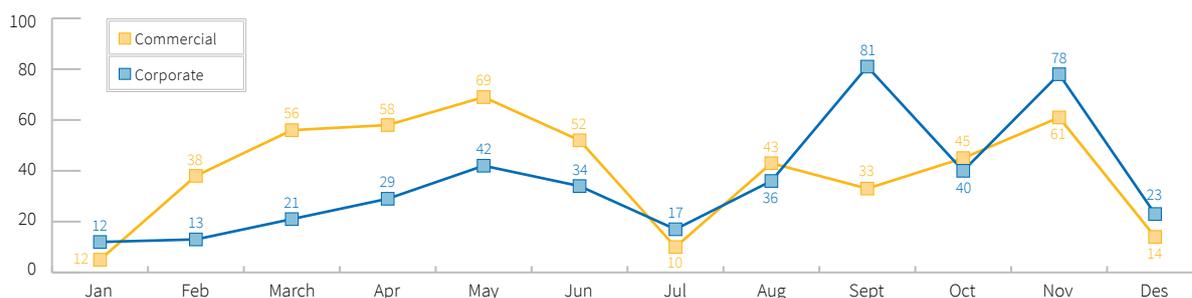
Tasks, authorities and responsibilities of the Credit Committee in accordance with the Credit Performance Standard per segment are as follows:

1. Authority of the Credit Committee  
The Credit Committee was authorized to recommend and/or decide upon the granting of credit (new, additional, decrease, and/or renewal) managed by the Business Unit within the limits of authority, including the determination/alteration of the credit structure. Credit structure included but not limited to credit limit, financing object/purpose, type of credit, nature of credit, credit period, grace period, financing portion, credit/covenant terms and collateral.

2. Credit Committee - Restructuring was authorized to recommend and/or decide upon the authority of:
  - a. Restructuring and settlement of credit collectibility 3, 4, 5 and collectibility 1 and 2 after restructuring that were still managed by Credit Recovery Unit.
  - b. Restructuring of credit collectibility 1 and 2 was in watch list category.
  - c. Rescue/settlement of extra-comptable credits, including disconnecting the Foreclosed Assets (AYDA).
  - d. Clear the book and remove credit claim.
3. Credit Committee/Credit Committee - Restructuring was responsible for credit recommended and/or terminated within the limits of authority including the determination/alteration of credit structure as mentioned above by doing the following:
  - a. Ensure that every credit provided met the general banking norms and was in compliance with sound credit principles.
  - b. Ensure that crediting was in compliance with the Bank's prevailing credit provisions/guidelines.
  - c. Ensure that crediting had been based on honest, objective, accurate, and thorough assessments and regardless of the influence of parties that had interest of credit applicants.
  - d. Believe that the credit to be given could be repaid on time, and would not develop into a problem loan.

#### Implementation of Credit Committee Task

During 2017, the Credit Committee has conducted meetings of 484 (four hundred and eighty four) times for the Corporate and / or institutional and 426 (four hundred twenty six) times for the Commercial segment, with the following meeting frequency:



No	Name	Segment			Absence	% Attendance
		Corporate	Commercial	Total		
<b>Risk Management Function</b>						
1.	Kartika Wirjoatmodjo	18	-	18	-	100%
2.	Sulaiman A. Arianto	133	128	261	-	100%
3.	Ogi Prastomiyono	82	18	100	-	100%
4.	Hery Gunardi	42	26	68	-	100%
5.	Riyani T. Bondan	21	8	29	-	100%
6.	Joseph Georgino Godong	93	41	134	-	100%
7.	Kepas Antoni A. Manurung	211	272	483	-	100%
8.	Agus Dwi Handaya	17	21	38	-	100%
9.	Tatang Tabroni	121	64	185	-	100%
10.	Karya Prasetya Budi	109	146	255	-	100%
11.	M. Sigit Pambudi	96	45	141	-	100%
12.	Tiwul Widyastuti	70	6	76	-	100%
<b>Business Unit Function</b>						
1.	Royke Tumilaar	225	30	255	-	100%
2.	Tardi	3	33	36	-	100%
3.	Kartini Sally	28	29	57	-	100%
4.	Rico Usthavia Frans	11	-	11	-	100%
5.	Riduan	35	305	340	-	100%
6.	Alexandra Askandar	317	14	331	-	100%
7.	Agus Sudiarto	22	47	69	-	100%
8.	Toni Eko Boy Subari*)	11	16	27	-	100%
9.	Sucipto Prayitno	28	55	83	-	100%
10.	Sulaeman	32	1	33	-	100%
11.	Darmawan Junaidi	26	2	28	-	100%
12.	Pahala Mansyuri*)	6	-	6	-	100%

\* Mr. Pahala Mansyuri is currently the President Director of PT Garuda Indonesia (Persero) Tbk and Bp. Toni Eko Boy Subari as President Director of PT Bank Syariah Mandiri.



### Integrated Risk Committee

The Integrated Risk Committee (IRC) is a committee that duty to assist the Board of Directors in the interagency arrangement other Integrated Risk Management policies and improvements or perfected Integrated Risk Management policy based on the results of implementation evaluation.

#### Structures And Membership of Integrated Risk Committee (IRC)

Based on the decision of the Board of Directors No.KEP.DIR / 235/2017 passed November 2017, the composition of IRC members is as follows:

Chairman	: Director of Risk Management & Compliance
Secretary	: HeadCredit Portfolio Risk Group
Alternate Secretary I	: Group Head Operational Risk
Alternate Secretary II	: Group Head Market Risk

- I. Permanent Members of the Company (Bank Mandiri)
  - a. Director of Risk Management & Compliance
  - b. Director of Operations
  - c. Director of Treasury
  - d. SEVP Corporate Transformation & Finance
  - e. SEVP Wholesale Risk
  - f. SEVP Retail Risk
- II. Permanent Member of the Subsidiary Company
  - a. Director of Risk Management of Bank Syariah Mandiri
  - b. Director of Risk Management Mandiri Sekuritas
  - c. Director of Risk Management Mandiri Tunas Finance
  - d. Director of Risk Management Axa Mandiri Financial Services
- III. Non-Permanent Member (Subject Matter)
  - a. Members of the Board of Directors / SEVP of the Company other than Permanent Members of the Company

- b. Director of Subsidiaries other than Permanent Members of Subsidiary Companies
- IV. Contributing Member (Member)
  - a. Group Head or other Group Head level of the Company and Subsidiary who are invited related to the material on the agenda of the Committee.
  - b. Secretary of the Committee
- V. Fixed Invites (Invitee)
  - a. SEVP Internal Audit or Group Head of Internal Audit or Internal Audit Officer who is present as a permanent invitation from the Company.
  - b. Group Head Compliance or Official Compliance Group of the designated Company.
  - c. Officials in the operational risk field are Senior Operational Risk Headterkait with the material that becomes the committee agenda which is present as a permanent invitation from the Company

#### Duties and Responsibilities of the Integrated Risk Committee (IRC)

IRC committees recommend to the Board of Directors, among others:

1. Adequate process of identification, measurement, monitoring, integrated Risk control, and Integrated Risk Management information system.
2. Comprehensive internal control system on the application of Integrated Risk Management.
3. Implementation of Risk Management in each Subsidiary Company.
4. Others required in order to prepare or evaluate the policy of Integrated Risk Management.

### Implementation of Integrated Risk Committee Task (IRC)

The Integrated Risk Committee performs its duties by holding meetings 5 (five) times during 2017. Here is the agenda of IRC meetings during 2017.

Table of Implementation of Integrated Risk Committee Task (IRC)

No	Date	Subject
1.	10 Februari 2017	RBBR Consolidation and Risk Profile Integrated position of second semester (December) 2016.
2.	18 April 2017	Consolidated Risk Profile of Quarter I - 2017.
3.	8 Agustus 2017	RBBR Consolidated first semester (June) 2017 position.
4.	25 Oktober 2017	Consolidated Risk Profile of Quarter III-2017.
5.	20 Desember 2017	Change of Rule of Compliance Risk Rating as Follow-up on OJK site review.

### Frequency of Attendance of Integrated Risk Committee Meeting

Table of Frequency of Attendance of Integrated Risk Committee Meeting

No.	Level	Total Meetings	Total Meetings	Percentage Meetings
<b>Permanent Member Bank Mandiri</b>				
1.	Director of Risk Management & Compliance	4	4	100%
2.	Director of Finance & Treasury	1	4	25%
3.	Director of Operations	3	4	75%
4.	SEVP Corporate Transformation	1	4	25%
5.	SEVP Wholesale Risk	1	4	25%
6.	SEVP Retail Risk	4	4	100%
<b>Invitee Bank Mandiri</b>				
7.	SEVP Internal Audit	4	4	100%
<b>Permanent Member</b>				
8.	Director of Bank Syariah Mandiri	4	4	100%
9.	Director of Mandiri Securitas	4	4	100%
10.	Director of Mandiri Tunas Finance	4	4	100%
11.	Director of AXA Mandiri Financial Services	4	4	100%
<b>Non Permanent Member</b>				
12.	Director of Mandiri AXA General Insurance	4	4	100%
13.	Director of Mandiri InHealth	4	4	100%
14.	Director of Mandiri Manajemen Investasi	2	2	100%
15.	Director of Mandiri Utama Finance	4	4	100%
16.	Director of Mandiri Capital Indonesia	4	4	100%

### Policy and Procedure Committee (PPC)

The Policy and Procedure Committee (PPC) is a committee charged with assisting the Board of Directors in discussing and recommending adjusting / refining policies and establishing the Company's procedures including human capital policies and procedures and discussing and decide the granting of authority to the Company's officers (ex-officio).

### Structure and Membership Policy and Procedure Committee (PPC)

Based on the Decree of the Board of Directors No.KEP.DIR / 235/2017 which was passed on 21 November 2017, the composition of IRC members is as following. There is an adjustment to the Executive Committee's membership according to the Board of Directors' Decision on Policy & Procedure Committee improvement according to Decree No. KEP.DIR / 236/2017 dated November 21, 2017 as follows

#### PPC Category A

Membership of the Policy & Procedure Committee	
Chairman	Direktur Risk Management & Compliance
Secretary	Group Head Policy & Procedure
Replacement Secretary (Alternate)	Group Head Compliance
Member With Voting Member (Voting Member)	a. Permanent Voting Member <ol style="list-style-type: none"> <li>1. Director of Risk Management &amp; Compliance</li> <li>2. Director of Operations</li> <li>3. Director of Distributions</li> <li>4. SEVP Corporate Transformations</li> </ol> b. Non-Permanent Voting Member Members of the Board of Directors / SEVP regarding the material present as an invitation
Permanent Non-Voting Member	Group Head Compliance or designated Compliance Group officer shall be required to attend Committee Meetings.
Contributing Non-Voting Member (s)	a. Group Head / other Group Head level invited related to that material be on the agenda of the committee. b. Secretary of the Committee
Invitations Remain Without Voting (Invitee)	a. SEVP Internal Audit *) or Chief Auditor or Internal Audit Officer present as a fixed invitation without a vote. *) In the case of material discussed on the Committee constituting material proposed by SEVP Internal Audit, then SEVP Internal Audit acts as Voting Member. b. Officers in operational risk are Senior Operational Risk Head related to the material which is on the agenda of the committee present as a permanent invitation without voting rights

#### PPC Category B

Membership of the Policy & Procedure Committee	
Chairman	Direktur Risk Management & Compliance
Secretary	Group Head Policy & Procedure
Replacement Secretary (Alternate)	Group Head Compliance
Member With Voting Member (Voting Member)	a. Permanent Voting Member (Permanent Voting Member) <ol style="list-style-type: none"> <li>1. Direktur Risk Management &amp; Compliance</li> <li>2. Group Head Policy &amp; Procedure</li> <li>3. Group Head Legal</li> <li>4. Group Head Compliance</li> <li>5. Senior Operational Risk Head Wholesale Banking</li> <li>6. Senior Operational Risk Head Retail Banking</li> <li>7. Senior Operational Risk Head Distribution</li> <li>8. Senior Operational Risk Head IT, Digital Banking &amp; Operations</li> </ol> b. Non-Permanent Voting Member (Non-Permanent Voting Member) Members of the Board of Directors / SEVP regarding the material present as an invitation.
Contributing Non-Voting Member (s)	Group Head / other Group Head level invited related to the material on the agenda of the committee.
Invitations Remain Without Voting (Invitee)	The Chief Auditor and / or Internal Audit officer present as an invitation shall remain without a vote.

### Description of Policy and Procedure Committee (PPC) Task and Responsibility

PPC has the following tasks, authorities and responsibilities:

1. PPC Category A:
  - a. Discuss and recommend the Board of Directors in the preparation and/or adjustment/improvement of the Company's policies including the Company's human capital policy.
  - b. Discuss and decide the granting of authority to Company's officers in an ex-officio manner.
2. PPC Category B:
  - a. Discuss and determine the preparation and/or adjustment/improvement of the Company's procedures including the procedure in the field of human capital.
  - b. Discuss and decide the granting of authority to the Company's officers in an ex-officio manner other than those under the authority of PPC Category A.

### Implementation of Policy and Procedure Committee (PPC) Task

The implementation of the Policy and Procedure Committee (PCC) task during 2017 was by conducting regular meetings and issuing decisions. The PCC meeting results are as follows.

No	Date	Agenda
1.	February 17, 2017	Revamp Terms related to DNT 2017
2.	March 27, 2017	Revision of SPO Accredited Credit Partner Revision of SPO Accredited Credit Partner
3.	April 4, 2017	SPO Preparation of Policies and Procedures
4.	June 8, 2017	SPO Fund Products HR policy SPO Business Continuity Management
5.	July 6, 2017	Revised SPO RKAP and RBB Revision of SPO Information Technology
6.	August 2, 2017	SPO Payment – Remittance & Other Service (Sirkuler)
7.	August 2, 2017	SPO Operational Risk Management SPO Fund Products SPO Marketing Communications Products and Services
8.	August 22, 2017	Policy and Procedure of APU PPT Procedure
9.	September 12, 2017	Policy and Procedure of APU PPT Procedure
10.	September 22, 2017	SPK Corporate, SPK Commercial, SPO Credit Collection & Recovery
11.	October 9, 2017	Revision of SPO Information Technology (IT)
12.	October 31, 2017	Policy and Standard of Corporate Secretary Procedures
13.	November 15, 2017	SPO Risk Model (Circular)
14.	November 23, 2017	Revision of SPO Information Technology (IT) SPO Revision of Customer Segmentation Revised SP Treasury
15.	December 12, 2017	Merger of Operational Policy of Bank Mandiri (Circular)
16.	December 12, 2017	Merger of Bank Mandiri Internal Control Policy (Circular)

**Frequency of Policy and Procedure Committee (PPC) Meeting And Attendance Level**

## Directors and SEVP (including Category A and B)

No	Name	Meeting	Total Precece	Absence	% Attendance
Permanent Voting Members					
1.	Ahmad Siddik Badruddin	16	16	0	100%
2.	Ogi Prastomyono	9	9	0	100%
3.	Hery Gunardi	7	7	0	100%
4.	Ventje Rahardjo (ex)	1	1	0	100%
5.	Agus Dwi Handaya	8	7	1	88%
Non Permanent Voting Members					
5.	Kartika Wirjoatmodjo	2	2	0	100%
6.	Royke Tumilaar	2	1	1	50%
7.	Tardi	5	5	0	100%
8.	Kartini Sally	1	1	0	100%
9.	Rico Usthavia Frans	4	4	0	100%
10.	Darmawan Junaidi	1	1	0	100%
11.	Riyani T. Bondan	10	10	0	100%
12.	Sanjay N. Bharwani	3	3	0	100%
13.	Joseph Georgino Godong	3	3	0	100%
14.	Kepas Antoni A. Manurung	3	3	0	100%
15.	Alexandra Wiyoso	2	2	0	100%
16.	Riduan	2	2	0	100%
Invitee					
17.	Mustaslimah	9	9	0	100%

## Group Head (PPC Category B)

No	Name	Meeting	Total Precece	Absence	% Attendance
Permanent Voting Members					
1.	Eman Suherman	9	9	0	100%
2.	Chrisna Pranoto	9	8	1	89%
3.	Agus Retmono	9	9	0	100%
5.	Adi Surya Djoko	7	7	0	100%
Non Permanent Voting Members					
1.	Mohammad Guntur	1	1	0	100%
2.	Trilaksito Singgih Hudanendra	2	2	0	100%
3.	I Aminarti Widiati	1	1	0	100%
4.	Wawandrijo Priwardono	1	1	0	100%
5.	Elmamber P. Sinaga	2	2	0	100%
6.	Daniel Setiawan Subianto	1	1	0	100%
7.	Yoesman Sugianto	1	1	0	100%
8.	Johannes Kolibonso	2	2	0	100%
9.	Rohan Hafas	1	1	0	100%
10.	Setoyo Wibowo	1	1	0	100%
11.	Ita Tetralaswati	1	1	0	100%

## Public Accountant

Based on the Regulation of the Financial Services Authority No. 32/POJK.03/2016 on the amendment to No. 6/POJK.03/2015 on Transparency and Publication of Bank Reports, an audit of Bank Mandiri Financial Statement for the fiscal year 2017 had been conducted by an independent, competent, professional and objective public accountant in accordance with the Standards for Professional Public Accountants, the employment agreement and the scope of the pre-determined audit.

In order that the audit process was in accordance with the Standards for Professional Accountants, the employment agreement and the scope of the audit that had been determined and completed in line with the set target time, then meetings addressing some significantly important issues were routinely conducted. Bank Mandiri always gave the best efforts to improve communication between Public Accountant, Audit Committee and Bank Mandiri Management so as to minimize the constraints occurring in the audit process.

### Implementation of External Audit Function

External Audit Function is implemented through implementation Audit of Financial Statements of the Company by Public Accountants and Public Accounting Firm, in order to ensure that information finance is prepared and presented in quality, form and express an opinion on the fairness of the Report Finance Company and test internal control (internal control review), including re-testing of things which has been tested by Internal Audit and made observations from procedures performed by Internal Audit.

### Appointment of Public Accountants

Appointment of Public Accounting Firm (KAP) Purwantono, Sungkoro and Surja as the External Auditor auditing the Consolidated Financial Statements of the Company, Annual Report on the Implementation of Partnership and Community Development Program and other reports for the fiscal year ending on 31 December 2017 ("Financial Statements for Fiscal Year 2017"), determined in the Annual GMS on 14 March 2017, subject to the provision of Bank Indonesia, the Financial Services Authority and other related provisions. Tahunbuku 2017, merupakan periodetahun audit ketigabagi KAP Purwantono, Sungkoro&Surja.

The process of determining the External Auditor for Financial Statement of Fiscal Year 2017 is as follows:

1. The Board of Commissioners should submit a request to the Board of Directors to conduct the election of KAP that would be determined as External Auditor of Financial Statement of Fiscal Year 2017.
2. The Board of Directors conducted the procurement process for the selection of KAP as External Auditor for Financial Statement of Fiscal Year 2017 at the request of the Board of Commissioners, starting with the stage of forming the Procurement Team to the stage of evaluating technical aspects and financial aspects of the KAP Bidder's proposal and recommending the results to the Board of Commissioners through Audit Committee.
3. The Annual GMS on 14 March 2017 decided to appoint KAP Purwantono, Sungkoro & Surja as KAP that would audit the Financial Statement of Fiscal Year 2017, including to authorize the Board of Commissioners to determine the honorarium and other requirements for the aforesaid KAP, and to set up an alternate KAP in the case that KAP Purwantono, Sungkoro & Surja, for any reason cannot complete the audit of Financial Statement of Fiscal Year 2017.
4. Bank Mandiri should deliver a letter to the KAP Bidder related to the result of the Annual GMS determining KAP Purwantono, Sungkoro & Surja as KAP that would audit the Financial Statement of Fiscal Year 2017.

Bank Mandiri applied the principles of Professional Ethics in conducting the determination of External Auditor, namely:

1. Responsibility of the profession
2. Public interest (public)
3. Integrity
4. Objectivity
5. Competence and professional prudence
6. Confidentiality
7. Professional behavior
8. Technical standards

## Public Accounting Firm, Account Name, Fee and Kap License

Based on the POJK Number 6 / POJK.03 / 2015 on Transparency and Publication of Bank Report Article 6 stating that the Financial Statement of the end-December position announced quarterly and annually must be audited by the Public Accountant registered in Financial Services Authority. In 2017 KAP fees amounting to Rp10 billion with details of audit fees on the financial statements worth Rp8, 7 billion and Rp1, 3 billion the rest for fees of other services provided by the Accountant. Here's a list of Public Accounting Firm, accountant name, fee, and KAP license for book year 2010-2017.

Table of Public Accountant Firm, Accountant Name, Fee and KAP License

Year	Public Accountant Firm	Accountant Name (Signing Partner)	Period KAP	Period AP	Fee *) (in Thousand)	KAP License
2017	Purwanto, Sungkoro & Surja (EY)	Danil Setiadi Handaja			10.000.000	603/KM.1/2015
2016	Purwanto, Sungkoro & Surja (EY)	Danil Setiadi Handaja	3	3	7.850.000	603/KM.1/2015
2015	Purwanto, Sungkoro & Surja (EY)	Danil Setiadi Handaja			7.330.000	603/KM.1/2015
2014	KAP Tanudiredja, Wibisana & Rekan (PwC)	Haryanto Sahari		2	8.300.000	151/KM.1/2010
2013	KAP Tanudiredja, Wibisana & Rekan (PwC)	Haryanto Sahari		1	9.975.000	151/KM.1/2010
2012	KAP Tanudiredja, Wibisana & Rekan (PwC)	Lucy Luciana Suhenda	5	1	9.500.000	151/KM.1/2010
2011	KAP Tanudiredja, Wibisana & Rekan (PwC)	Haryanto Sahari		2	11.800.000	151/KM.1/2010
2010	KAP Tanudiredja, Wibisana & Rekan (PwC)	Haryanto Sahari			11.495.000	151/KM.1/2010

Remarks

\* Fee includes Out of Pocket Expense (OPE) and Value Added Tax

## Other Services Provided by Accountants

The scope of KAP Purwanto, Sungkoro and Surja audit work for the fiscal year 2017 are:

No.	KAP Services 2017 Type	Fee (Rp)
1.	Audit of Financial Report of Partnership and Community Development Program PT Bank Mandiri (Persero) Tbk.	150.000.000
2.	Audit of Financial Statement of PT Bank Mandiri (Persero) Tbk. Dili Branch and Commentary / Managemet Letter.	350.000.000
3.	Audit of Secure Scripless Securities Listing System Security.	100.000.000
4.	Assurance Engagement on Control Policy and Procedures Implemented by PT Bank Mandiri (Persero) Tbk. in Provision of Custodian Services.	100.000.000
5.	Insurance Engagement on Performance Evaluation Report of PT Bank Mandiri (Persero) Tbk.	125.000.000
6.	Insurance Engagement on Business Performance Evaluation Report PKBL PT Bank Mandiri (Persero) Tbk.	75.000.000
7.	Audit of the Reporting System to Bank Indonesia and certain Reports to Bank Indonesia.	100.000.000
8.	Audit of the Independent Auditor's Report on Compliance with Laws or Legislation Internal Control.	125.000.000
9.	Audit of PT Bank Mandiri (Persero) Tbk.	75.000.000
10.	Summary of Comments, Suggestions and Responses Management of PT Bank Mandiri (Persero) Tbk.	100.000.000

## Review Result

Opinions on the review result of the Financial Statement for 2010-2017 Financial Years are as follows:

Year	Opinions Financial Statements
2017	The Consolidated Financials report presents a learner, equivalent to the Financial Accounting Standards in Indonesia
2016	The Consolidated Financial Statements present fairly, in accordance with Indonesian Financial Accounting Standards
2015	The Consolidated Financial Statements present fairly, in accordance with Indonesian Financial Accounting Standards
2014	The Consolidated Financial Statements present fairly, in accordance with Indonesian Financial Accounting Standards
2013	The Consolidated Financial Statements present fairly, in accordance with Indonesian Financial Accounting Standards
2012	The Consolidated Financial Statements present fairly, in accordance with Indonesian Financial Accounting Standards
2011	The Consolidated Financial Statements present fairly, in accordance with Indonesian Financial Accounting Standards
2010	The Consolidated Financial Statements present fairly, in accordance with Indonesian Financial Accounting Standards

## Effectiveness of External Audit and Bank Compliance with Conditions

In an effort to comply with the principles of Good Corporate Governance as well as applicable laws and regulations, an audit result of the Financial Statements performed by an independent party i.e., Public Accounting Firm was required, and the audit report will be further submitted to the Financial Services Authority.

Basic Implementation of transparency of financial statements based on the provisions of Bank Indonesia and the Financial Services Authority is as follows:

1. POJK No. 55/POJK.03/2016 on the Implementation of Good Corporate for Commercial Banks.
2. POJK No. 6/POJK.03/2015 on Transparency and Publication of Bank Reports.
3. POJK No. 32/POJK.03/2016 on Amendment to POJK No. 6/POJK.03/2015 on Transparency and Publication of Bank Reports.

## Relationship Between Bank Mandiri, Public Accountant and Regulator

In performing the audit, Bank Mandiri not only complied with the applicable laws and regulations, but also always gave the best efforts to improve communication with KAP. The Accounting Unit was responsible for coordinating KAP activities assisted by Internal Audit. Besides, Audit Committee constantly monitored the course of audits conducted by KAP. KAP was elected to communicate about the plan of audit implementation of Bank Mandiri financial statement to Audit Committee and submit the audit plan along with the audit methodology and audit sample to be used to Internal Audit. At the same time with the audit, audit progress discussion and audit findings as well as other important matters for both parties including the findings related to the internal control were periodically conducted.

Periodically, the Audit Committee would monitor the performance of KAP through the Audit Committee meeting attended by the relevant Internal Audit and Board of Directors. The meeting also discussed the follow-up of audit findings by KAP. Through this coordination, it was expected that comprehensive and optimal audit results could be achieved.

## Risk Management

Bank Mandiri's risk management principles were carried out proactively to achieve sound and sustainable financial and operational growth and maintain an optimum risk-adjusted return level in accordance with the desired risk appetite. As a manifestation of Bank Mandiri's commitment in conducting good corporate governance practices, particularly in terms of risk management,

Bank Mandiri had developed policies, processes, competencies, accountability, reporting and supporting technologies aimed at ensuring that risk management within the Bank Mandiri organization continued to be effective and efficient.

## Basis for Risk Management Implementation

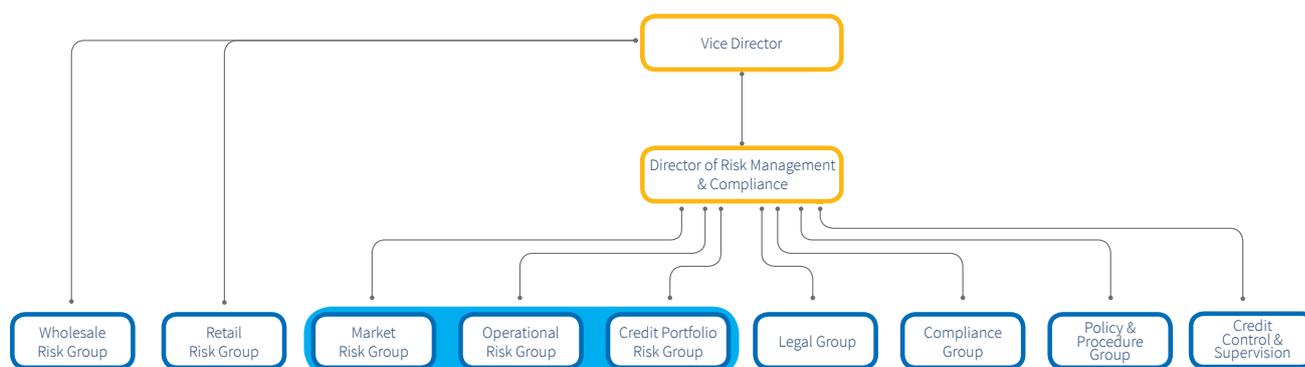
In the implementation of risk management, Bank Mandiri had always obeyed and complied with the prevailing laws and regulations in Indonesia with reference to:

1. Bank Indonesia Circular Letter no. 9/31 / DPNP dated December 12, 2007 concerning Guidelines on the Use of Internal Capital in the Calculation Minimum Capital Requirement for Commercial Banks by Taking into Account Market Risk.
2. Regulation of the Financial Services Authority No.17 / POJK.03 / 2014 dated November 18, 2014 concerning the Application of Integrated Risk Management For Financial Conglomeration.
3. Regulation of the Financial Services Authority No.18 / POJK.03 / 2014 dated November 18, 2014 on the Implementation of Integrated Governance for Financial Conglomeration.
4. Regulation of the Financial Services Authority No.4 / POJK.03 / 2016 dated January 26, 2016 regarding the Rating of Commercial Banks.
5. Regulation of the Financial Services Authority No.11 / POJK.03 / 2016 dated February 2, 2016 concerning the Minimum Capital Requirement for Commercial Banks.
6. Regulation of the Financial Services Authority No.18 / POJK.03 / 2016 dated March 16, 2016 concerning Application of Risk Management for Commercial Banks.
7. Regulation of the Financial Services Authority No.55 / POJK.03 / 2016 dated December 9, 2016 concerning the Implementation of Good Corporate Governance for Commercial Banks.
8. Regulation of the Financial Services Authority No.38 / POJK.03 / 2017 dated July 12, 2017 concerning the Implementation of Consolidated Risk Management For The Bank Who Controls the Subsidiary.
9. Circular Letter of the Financial Services Authority No.14 / SEOJK.03 / 2015 dated May 25, 2015 on Integrated Risk Management Implementation Financial Conglomeration.
10. Circular Letter of the Financial Services Authority No.34 / SEOJK.03 / 2016 dated September 1, 2016 concerning the Application of Risk Management for Banks General.
11. Circular Letter of the Financial Services Authority No.38 / SEOJK.03 / 2016 dated September 8, 2016 concerning Guidelines for the Use of Standard Methods in Calculation of Minimum Capital Requirement for Commercial Banks by Taking into Account Market Risk.

12. Circular Letter of the Financial Services Authority No.13 / SEOJK.03 / 2017 dated March 17, 2017 concerning the Implementation of Good Corporate Governance for Commercial Banks.
13. Circular Letter of the Financial Services Authority No.43 / SEOJK.03 / 2017 dated July 19, 2017 concerning Prudential Principles and reports in order Implementation of Consolidated Risk Management for Banks which control the Subsidiaries.
14. Circular Letter of the Financial Services Authority No.15 / SEOJK.03 / 2015 dated May 25, 2015 on the Implementation of Integrated Governance for Financial Conglomeration.
15. Circular Letter of the Financial Services Authority No.14 / SEOJK.03 / 2017 dated March 17, 2017 on General Banking Governance Rating.

### Organizational Structure of Risk Management

Risk Management Unit at Bank Mandiri consisted of Retail Risk Directorate led by Senior Vice President (SEVP) Retail Risk, Wholesale Risk Directorate led by SEVP Wholesale Risk and Risk Management Directorate led by Risk Management & Compliance Director. Risk Management and Compliance Directorate consisted of Market Risk Group, Operational Risk Group and Credit Portfolio Risk Group, each of them was headed by a Senior Vice President (SVP).



### Group Head Profile

#### Ita Tetralastwati

Group Head Market Risk

Age: 47 Years

Domicile: Jakarta

Education History: Bachelor in Management from Gadjah Mada University in 1996.

Position history:

- Started to join Bank Mandiri since year 1997.
- He has served as Chief Dealer of Cash & Liquidity (2009-2012), Division Head of Interest Rate Trading (2013-2015), Division Head FX Trading (2015-2016), and has served as Group Head Market Risk since 2017.

#### Adi Surya Djoko

Group Head Operational Risk

Age: 40 Years

Domicile: Jakarta

Educational background:

- Bachelor in Management from IBII STIE in 1999.
- Post-graduate in Business Administration from The University of Western Australia in 2005.

Position history:

- Has Served as Group Head Wholesale OPS Risk (2016-2017)
- Served as Group Head Operational Risk since 2017.

#### Setiyo Wibowo

Group Head Credit Portfolio Risk

Age: 40 Years

Domicile: Jakarta

Educational background:

- Bachelor in Electrical Engineering from Bandung Institute of Technology in 1999.
- Post graduate degree in Finance & Banking Business Administration from Korea Development Institute School of Public Policy and Management in 2009.
- Executive Education in Leadership from International Institute for Management Development, Switzerland in 2016

Position history:

- Joined Bank Mandiri since 2000
- Serving as Division Head Performance Management & Support (2009-2010),
- Division Head Individual & Investment Product (2010-2011),
- Division Head Business Product (2011-2013),
- Area Manager Denpasar (2013-2014),
- Group Head Counsumer Deposits (2015-2017).

### Duties and Responsibility of Each Group

The duties and responsibilities of each Group are as follows.

Group	Functions, Duties and Responsibilities
Market Risk	Develop and refine the model and methodology of market risk measurement, liquidity risk and operational risk in accordance with regulatory and international best practice provisions, provide capital allocation for market risk and operational risk, develop asset management and liability management strategies, develop and review management limits and act as secretary of Risk & Capital Committee - ALCO and Secretary of Risk Monitoring Committee to support the implementation of Committee meetings.
Operational Risk	Establish a risk awareness and risk culture program for operational risk management processes for all employees, review and advise on guidelines / policies / products / Initiatives proposed by the work unit to improve operational risk management, conduct analysis, review and review on risk profile and the proposed improvements in the quality of controls in conducting business activities / processes, developing reporting methodologies in accordance with best practices and reporting the Bank Operational Risk Profile for management, regulators and other external parties and developing and improving the framework used by all parties / lines of defense in risk management operational according to business development.
Credit Portfolio Risk	<ol style="list-style-type: none"> <li>1. Develop and refine the methodology, credit risk tools and processes used in lending to meet business development needs, and improve credit processes.</li> <li>2. Provide Portfolio Guideline methodology, calculation methodology of economic / industry sector limit, product limit calculation, in-house limit, credit risk profile, stress testing, and other portfolio management methodology.</li> <li>3. Implement portfolio management on a bankwide scale or per business segment.</li> <li>4. Formulate, prepare and coordinate the implementation of Enterprise Risk Management (ERM).</li> <li>5. Provide identification and analysis of Bank risks through Enterprise Risk Assessment, Risk Profile Report, early warning indicators and scenario analysis (stress testing).</li> <li>6. Supervise model validation and advisory on the development / modification of the model.</li> <li>7. Performing functions as PIC - Basel in relation to Bank Indonesia and other external parties.</li> <li>8. Managing ERM database and datamart database for use in modeling, portfolio management and ERM implementation.</li> </ol>

### Competence Development of Risk Management

The competence development attended by members of Risk Management Division during 2017, as follows.

Table of Competence Development for Risk Management Division

No.	Date	Training Name	Organizer
1.	11 Januari 2017	Integrated Risk Management Mandiri Group System	PT Bank Mandiri (Persero) Tbk.
2.	14 Januari 2017	Risk Management Level Competency Certification Level IV	LSPP / Jakarta
3.	24 Januari 2017	Workshop on Creditor's Legal Protection	Legal Business Institute
4.	20 Februari 2017	Foundation Risk Management	Mandiri University / Mu Jakarta
5.	20 Februari 2017	Foundation Risk Management	Mandiri University / Mu Jakarta
6.	20 Maret 2017	Foundation Risk Management	Mandiri University / Mu Jakarta
7.	20 April 2017	Global Executive Mindset	PT Bank Mandiri (Persero) Tbk.
8.	21 April 2017	Workshop Industry Rating 2017	Mandiri University / Mu Jakarta
9.	15 Mei 2017	ERM Fundamental ISO 31000	CRMS Indonesia / Bandung
10.	17 Mei 2017	Training on Risk Management Certification Level III Training	PT Bank Mandiri (Persero) Tbk.
11.	18 Mei 2017	Understanding IFRS 9 & Basel 4+ Progress Basel 3	Bara Risk Forum / Bali
12.	18 Mei 2017	Risk Based Bank Rating	Lentera Pro / Bali
13.	14 Juni 2017	IFRS Workshop 9 Financial Instruments	Mandiri University / Mu Jakarta
14.	10 Juli 2017	Training of Risk Management Certification Level I and II Training	PT Bank Mandiri (Persero) Tbk.
15.	13 Juli 2017	Training of Risk Management Certification Training Level II	PT Bank Mandiri (Persero) Tbk.
16.	09 Oktober 2017	ISO 27001:2013 IRCA	Multimatics / Jakarta
17.	23 Oktober 2017	Foundation Risk Management	PT Bank Mandiri (Persero) Tbk.

## Risk Management Certification

The number of Bank Mandiri Employees who had obtained Risk Management certification could be seen in the table below.

Table of Risk Management Certification

Level	Mandatory Employee of SMR	Corresponding		Not appropriate	
		Total	%	Total	%
1	3,718 person	3,652 person	98.22%	66 person	1.78%
2	980 person	940 person	95.92%	40 person	4.08%
3	301 person	277 person	92.03%	24 person	7.97%
4	94 person	86 person	91.49%	8 person	8.51%
5	10 person	10 person	100.00%	0 person	0.00%
<b>Total</b>	<b>5,103 person</b>	<b>4,965 person</b>	<b>97.30%</b>	<b>138 person</b>	<b>2.70%</b>
Realized Targeted Employee Realization *			108.11%		

\*) Target 2017 is to maintain the gap mandatory employee SMR and is appropriate at least 90%.

Actual per level of staff can be seen in the table below

Level/Status	AVP-VP	Direksi	FAM-SM	Board of Commissioners	SEVP/ EVP/ SVP	Grand Total
Meet	1,706	10	3,141	8	102	4,965
Level 1	729		2,906	4	14	3,652
Level 2	698		235	4	3	940
Level 3	272				5	277
Level 4	7				79	86
Level 5		10			1	10
<b>Grand Total</b>	<b>1,706</b>	<b>10</b>	<b>3,141</b>	<b>8</b>	<b>102</b>	<b>4,965</b>

## Risk Management System

### Four Pillar of Risk Management Implementation

Implementation of Bank Mandiri Risk Management was implemented in accordance with the provision of the regulator by applying the four pillars of Risk Management implementation as follows:

#### Active Monitoring of The Board of Commissioners and The Board of Directors

The risk management and governance frameworks of Bank Mandiri consisted of the Board of Commissioners performing the risk oversight function through the Audit Committee, Risk Monitoring Committee (KPR) and Integrated Governance Committee (TKT), as well as the Board of Directors performing the risk policy function through the Executive Committee related to risk management i.e., Risk Management Committee, Asset and Liability Committee, Capital and Subsidiaries Committee, and Integrated Risk Committee. At the operational level, the Risk Management Work Unit with the Business Unit and Compliance Unit performed the risk identification, risk measurement, risk mitigation and risk control functions.

The duties, responsibilities and authorities of the Board of Commissioners in relation to the active monitoring of Risk Management activities included the following:

1. Understanding the risks attached to the Bank's functional activities, particularly those that may affect the Bank's financial condition;
2. Evaluating and approving Risk Management policies conducted at least once a year or in higher frequency in the event of significant changes in factors affecting the Bank's business activities;
3. Evaluating to the Board of Directors regarding the implementation of Risk Management to comply with Bank policies, strategies and procedures;
4. Providing consultations to the Board of Directors on transactions or business activities with large amounts of funds;
5. Approving the provision of funds to related parties on proposed credits by the credit committee in accordance with its respective authority;

6. conducting active monitoring on the Bank's capital adequacy in accordance with the Bank's risk profile as a whole, including reviewing the Risk Appetite Bank determined by the Board of Directors;
7. Increasing anti-fraud culture and concerns on all personnel of the Company.
8. Monitoring the implementation of Integrated Risk Management in accordance with the characteristics and complexity of the Bank's business.

In order to implement Integrated Risk Management, the Board of Commissioners was responsible for the following:

1. Directing, approving, and evaluating policies regulating the Integrated Risk Management on a regular basis;
2. Evaluating the implementation of the Integrated Risk Management policies by the Directors of the Main Entity.

The duties, responsibilities and authorities of the Board of Directors in relation to Risk Management activities included:

1. Establishing policies, strategies and procedures of Risk Management in writing and comprehensively including the establishment and approval of Bank risk limits, re-evaluate them once in a year or more wherever required;
2. Responsible for the implementation of risk management policies and risk exposure taken by the Bank as a whole, including evaluating and providing directions of risk management strategy based on the reports presented by the Risk Management Unit and submission of accountability report to the Board of Commissioners.
3. Evaluating and determining transactions beyond the authority of Bank officials on a level below the Board of Directors or transactions requiring the approval of the Board of Directors in accordance with the applicable policies and internal procedures.
4. Developing awareness and culture of Risk Management, including anti-fraud culture throughout the organization, among others, through adequate communication on the importance of effective internal controls;
5. Improving the competence of human capital related to the implementation of Risk Management, among others, through continuous education and training programs especially related to Risk Management system and process;
6. Implementing an independent Risk Management function, reflected in part by the separation of functions between the Risk Management Unit that conducted identification, measurement, monitoring and risk control with the work units conducting and completing transactions;
7. Conducting periodic reviews with frequency adjusted to the needs of the Bank;

8. Determining the adequacy of capital in accordance with the Bank's risk profile and strategies to maintain the level of capital, including establishing Risk Appetite.

In order to implement Integrated Risk Management, the Board of Directors shall be responsible as follows:

1. Establishing and implementing policies governing Integrated Risk Management;
2. Developing the risk culture as part of the implementation of Integrated Risk Management;
3. Ensuring the effectiveness of human capital management to implement the Integrated Risk Management function;
4. Ensuring that the implementation of Integrated Risk Management has been carried out independently;
5. Evaluating the review results of the Integrated Risk Management Unit on a regular basis to the Integrated Risk Management process.

Bank Mandiri also determined risk management committees that discussed and recommended to the Board of Directors, among others, the following:

1. Policies and procedures and monitor the risks faced by the Bank.
2. The management of the Company's assets and liabilities included the Bank's interest rate and liquidity.
3. Management of Subsidiaries (equity participation, divestment, remuneration, management establishment of Subsidiaries).
4. Implementation of Integrated Risk Management
5. Business development

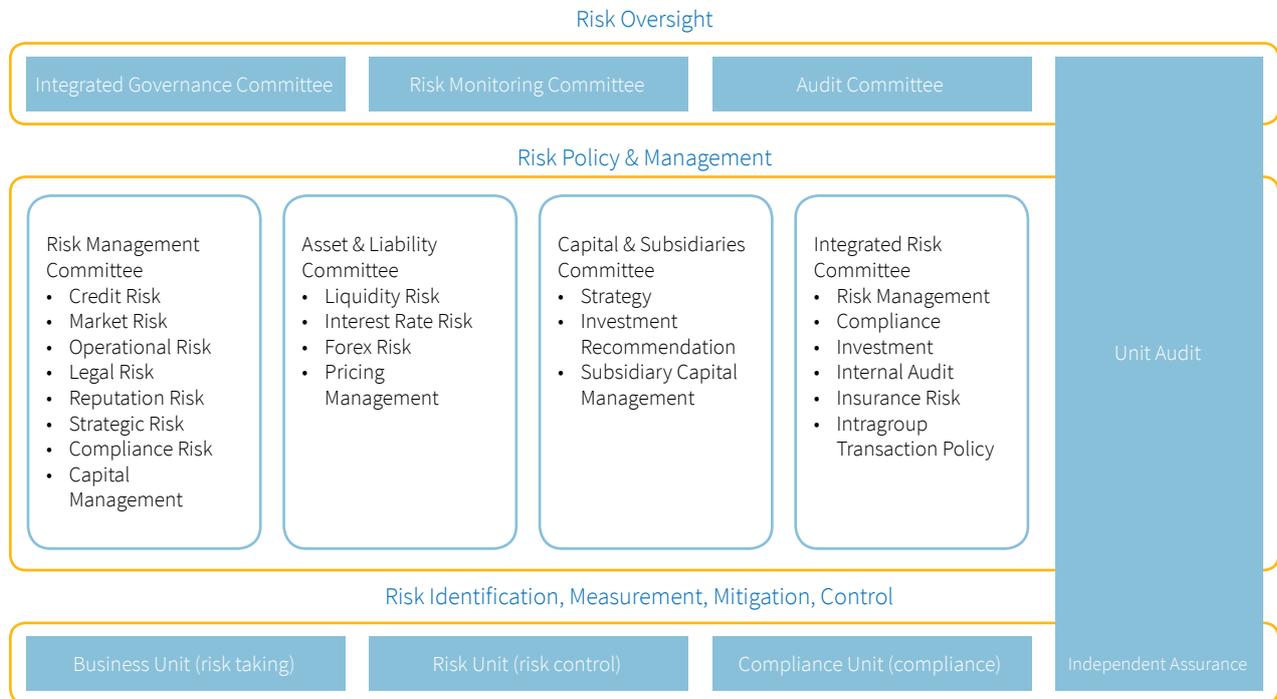
In addition, Bank Mandiri also had work units related to risk management at least consisting of:

1. Director in charge of the Risk Management function;
2. Risk Management Unit (concurrently as the Integrated Risk Management Unit);
3. Business Unit and Operational Work Unit;
4. Internal Audit;
5. Compliance Work Unit.

In the established organizational structure, the work unit that had a function to conduct a transaction (Business Unit and Operational Unit) was a separate unit of work unit that performed the internal control function (Internal Audit), and independent of Risk Management Unit.

Simply, Bank Mandiri's risk management framework and governance as mentioned above can be described as follows:

## Bank Mandiri Risk Governance Structure



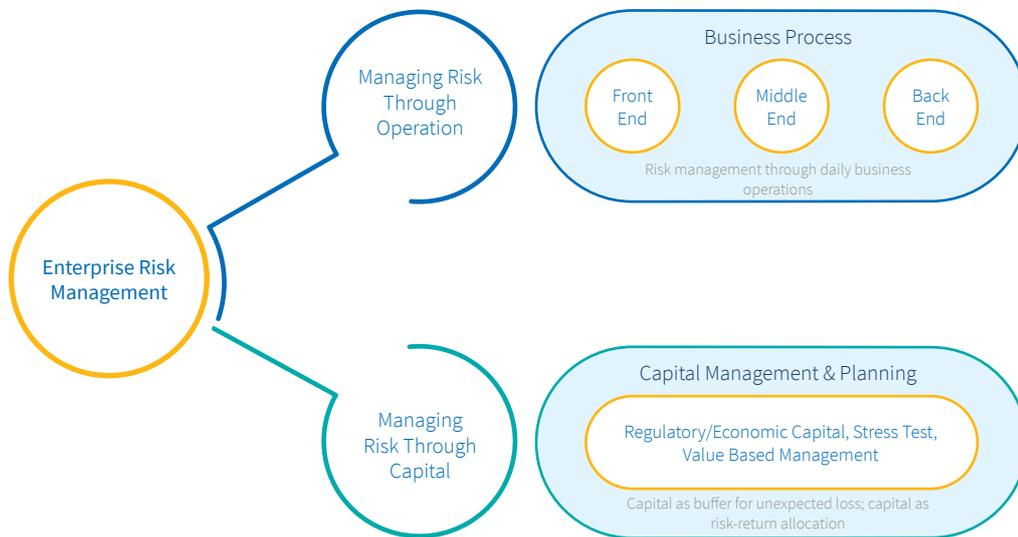
### Sufficiency of Policies, Procedures, And Determination Of Limit

Bank Mandiri had a Bank Mandiri Risk Management Policy (KMRBM) serving as the main guideline in implementing the risk management. For a more specific business area, Bank Mandiri had more specific policies and procedures, such as in credit, treasury, and operations. In such policies and procedures, among others were regulated on the limit determination for each activity, both at the portfolio and transactional levels.

All policies and procedures in Bank Mandiri were a form of risk management inherent in every Bank operating activity evaluated and updated at least once a year.

### Adequacy of Risk Identification, Measurement, Monitoring, and Control Process and Risk Management Information System

Bank Mandiri had implemented Identification, Measurement, Monitoring, Risk Control, and Risk Management Information System through an Enterprise Risk Management (ERM) platform. Implementation of ERM at Bank Mandiri used a two-prong approach, to ensure that risks were not only properly mitigated through day-to-day business processes, but also under unexpected conditions/downturn through capital reserves.



There were 4 (four) main components serving as supporting pillars in the implementation of two-prong approach, among others:

1. Organization and Human Capital (HC)

Bank Mandiri Risk Management Unit was responsible for managing all risks faced by Bank Mandiri, including in the development of the necessary supporting tools in business processes and risk management. In addition, there was a work unit acting as a risk counterpart of each business unit in the crediting four-eye process. Recognizing that risk management was the responsibility of all working units at Bank Mandiri, the success of risk management was determined by the existence of risk awareness across all work units of Bank Mandiri accompanied by adequate technical capabilities. Bank Mandiri had always improved the capability and knowledge of all its employees, particularly in terms of risk management, by organizing regular internal trainings through the Risk Management Academy. In addition, Bank Mandiri also regularly, minimum once a year, holds socialization, discussion forums, internship, or other programs related to risk management, which are in line with corporate culture internalization.

Risk Management Unit at Bank Mandiri consisted of Retail Risk Directorate led by SEVP Retail Risk, Wholesale Risk Directorate led by SEVP Wholesale Risk and Risk Management Directorate led by Risk Management & Compliance Director.

2. Policies and Procedures

Bank Mandiri Risk Management Policy (KMRBM) served as the main guidance in implementing operational risk management and capital management at Bank Mandiri including:

- a. Prudential principles were, among others, Provision of Capital Adequacy, Early Warning System, Limit Determination and Risk Diversification.

- b. Risk Management were, among others, Risk Profile, Risk Appetite, Stress Testing and Integrated Risk Management.
- c. Risk Management for each risk type, including the process of identification, measurement, monitoring and risk control.
- d. Risk Monitoring, including monitoring the implementation of risk management activities/methodologies at Bank Mandiri, and the Internal Control System.

This Risk Management Policy became the basis for the preparation of procedures and technical guidance related to the risk management at Bank Mandiri.

3. System and Data

The risk management system was developed to support more efficient business processes in order to make decision making faster but still referred to the principles of prudence. In order to maintain data integrity and quality, Bank Mandiri had implemented Integrated Processing System and Loan Origination System to improve credit process efficiency and maintain data quality in corporate, commercial and retail segments. To improve the productivity of collection activities especially in consumer and retail segments, Bank implemented Integrated Collection System. Bank Mandiri used Summit System and ALM System to manage trading book and banking book risk in treasury and asset & liability management activities. To obtain Bank Mandiri's risk profile as a holding company as well as the Bank's risk profile that was consolidated and integrated with subsidiaries, the Bank had implemented Risk Assessment Consolidation Generator System (RACER System) on a web-based basis so as to accelerate access and simplify control. In terms of integration of risk management through bank-wide, Bank Mandiri had implemented ERM system as a means to monitor overall risk management, especially in calculating capital to

cover all risk types. ERM system had the capability to perform capital charge calculation (Standardized Approach and Advanced Approach), implementation of operational risk management tools, active portfolio management, stress testing and value-based management.

#### 4. Methodology/Model and Analytics

Bank Mandiri continuously applied risk measurements referring to international best practices using quantitative and qualitative modeling approaches through the development of risk models such as ratings, scoring, Value at Risk (VaR), portfolio management, stress testing and other models as judgmental decision making support. Periodically, these risk models were calibrated and validated by the independent Model Risk Validator unit to

maintain the reliability and validity of the model and meet regulatory requirements. In order to align the implementation of Basel II and ERM with Basel II regulations and best practice implementation, Bank Mandiri cooperated with one of the leading risk management consultants to assist in the adoption and implementation of the Basel II and ERM frameworks. I Basel II and ERM Implementation at Bank Mandiri covers areas in Credit Risk, Market Risk, Liquidity Risk, Interest Rate Risk in Banking Book Position, Operational Risk, Capital Management and Internal Capital Adequacy Assessment Process (ICAAP).

### Implementation of Basel II and ERM

Aspects of Implementation	Implementation Coverage
Credit Risk	Development and improvement of Basel II Risk Parameters for the application of Internal Rating Based Approach (PD, LGD, and EAD).
Market Risk	Measurement of structured product risk, limit of treasury trading, and treasury system infrastructure.
Liquidity and Interest Rate Risk	Improved framework of liquidity limit, core deposit analysis, Risk Appetite Statement (RAS), liquidity stress testing, repricing gap method, and ALM System implementation.
Operational Risk	Development of Framework and Governance Operational Risk Management (ORM).
Capital Management	Completion of Economic Capital model, Portfolio Optimization framework development and Capital Optimization.
The Internal Capital Adequacy Assessment Process (ICAAP)	Implementation of Risk Appetite Statement, Stress Testing, Capital Planning, and synchronization with regulation related Risk Based Bank Rating (RBBR).

### Internal Control System

Bank Mandiri carried out effective risk management practices throughout the Work Unit by implementing the Three line of defense models policy with the following conditions:

1. The Work Unit as the risk owner was the first line of defense responsible for the risk management of its work unit.
2. Risk Management Unit served as a second line of defense performing the oversight function.
3. Internal Audit Unit as a third line of defense performing the independent assurance function.

Implementation of Internal Control System for the Risk Management function was joint responsibility both first, second and third line of defense.

### Risk Management Process

Risk Management Process of the Company stipulated in the Bank Mandiri Risk Management Policy was as follows:

1. The Risk Management was implemented at all levels of the Bank up to the operational level both in transaction and at the portfolio level.
2. The Risk Management was implemented in an integrated manner with the Subsidiary Company with due regard to the regulations and business characteristics of the Subsidiary Company.
3. The Risk Management process was a dynamic and routine process compared to industry best practices and applicable provisions to be adjusted and updated as needed.
4. Implementation of Risk Management was carried out in a series consisting of:

- a. Risk identification  
Risk identification aimed to identify the risk types attached to any functional activity that might potentially harm the Bank.
- b. Risk measurement  
Risk measurement aimed to determine the amount of risk attached to the Bank's activities to be compared with the Bank's risk appetite so that the Bank could take risk mitigation actions and determine capital to cover residual risks.
- c. Risk monitoring  
Risk monitoring aimed, among others, to compare the predetermined risk limits with the amount of risk being managed.

d. **Risk management**

Risk control was carried out on the potential for occurrence of exceeding the risk limits that had been established and could be tolerated by the Bank.

### Principles of Prudence

Bank Mandiri implemented prudential principles through the provision of sufficient capital, compliance with the applicable laws and regulations, and early warning system. The Company managed capital adequacy describing the managed risks and defined its capital components by taking into account the capital's ability to absorb losses.

The Company developed policies, standard procedures and product manuals as direction in operational activities and aimed to minimize risks faced in the Company's operational activities. The Bank's officials and employees carried out the established policies, standard procedures, product manuals and applicable regulations. In the conduct of business activities, the Company understood the characteristics of the performed business, including the risks and legal regulations related to the business. Any action which was a special condition, to the extent that it was not contrary to the laws and regulations in Indonesia, and regulatory regulation was carried out in accordance with established rules and authorities, constituted for accountable and documented reasons.

The Company developed a procedure to be able to determine the likelihood of increased risk exposure of the Bank so that the Bank could determine the steps that needed to take so that the potential losses did not occur or could be minimized.

### Risk Management Principle of Bank Mandiri

The Bank Mandiri Risk Management Principles were as follows:

1. **Capital.** Bank Mandiri provided capital according to the borne risks and maintained the level of capital in accordance with the applicable regulations.
2. **Transparency.** Bank Mandiri openly disclosed relevant information in the risk-taking process and the risk-taking process itself.
3. **Independence.** The management of Bank Mandiri acted professionally and was free from the pressure and influence of others.
4. **Integrated.** Bank Mandiri implemented the Integrated Risk Management at Financial Services Institutions incorporated in the financial conglomeration of Bank Mandiri in accordance with the regulator's requirements.
5. **Continuous.** Risk control was continuously developed to better suit the available business conditions and best practices.
6. **Accountability.** Bank Mandiri implemented policies and procedures to ensure management accountability to stakeholders.
7. **Responsibility.** Bank Mandiri acted upon the principles of prudence and compliance with the applicable laws and regulations.
8. **Fairness.** The Company took into account the interest of all stakeholders based on the principles of fairness and equality (equal treatment).

### Risk Culture

The Bank had a risk-caring culture including an anti-fraud culture that was communicated effectively. The development of risk-caring culture was evidenced by the development of a conducive environment/governance and an open, efficient and effective risk management framework.

In order to achieve the vision, Bank Mandiri always implemented risk awareness culture in all operational activities. Banks had a risk-caring culture including an anti-fraud culture that was communicated effectively. Implementation of risk awareness culture was conducted through Risk Awareness program that was owned by each work unit and related to recognition, understanding and mitigation of operational risk. It was reflected in the Culture Excellence, RAKSA, which was a risk awareness program supporting the principles of self-care, guarding companions, independent care. The development of risk-caring culture was evidenced by the development of a conducive environment/governance and an open, efficient and effective risk management framework.

### Risk Management Information System

The risk management information system was part of the management information system that must be owned and developed in accordance with the needs of the Company, in order to implement effective risk management.

As part of the risk management process, the Company must have a risk management information system that could ensure:

1. Accurate, informative, and timely exposure to risk, either the overall risk/composite risk exposure or exposure by type of risk attached to the Company's business activities, as well as the risk exposure per type of functional activities of the Company.
2. Complying with the application of risk management to risk policies, procedures and risk limits.
3. The outcome (realization) of risk management implementation compared to the target set by the Company in accordance with the policy and strategy of risk management implementation.

The risk management system was developed to support more efficient business processes in order to make decision making faster but still referred to the principles of prudence. In order to maintain the data integrity and quality, Bank Mandiri had implemented the following system:

System	Purpose
<ul style="list-style-type: none"> <li>- Integrated Processing System</li> <li>- Loan Origination System</li> </ul>	To improve credit process efficiency as well as to maintain data quality in corporate, commercial and retail segments.
Integrated Collection System	To increase the productivity of collection activities, especially in the consumer and retail segments.
Summit System dan ALM System	to manage the risk of trading book and banking book in treasury and asset & liability management activities.
Risk Assessment Consolidation Generator System (RACER System)	To obtain a description of Bank Mandiri's risk profile as a holding company as well as the Company's consolidated and integrated risk profile with its subsidiaries, the Company has implemented a Risk Assessment Consolidation Generator System (RACER System) web-based to accelerate access and simplify control.
ERM system	In terms of integration of risk management by bankwide, Bank Mandiri has implemented ERM system as a means to monitor overall risk management, especially in calculating capital to cover all types of risk. ERM system has the capability to perform capital charge calculation (Standardized Approach and Advanced Approach), implementation of operational risk management tools, active portfolio management, stress testing and value-based management.

### Implementation of Basel II and III

In order to provide added value to our stakeholders and as a form of compliance by Bank Mandiri in fulfilling the capital adequacy requirements set by the regulator, Bank Mandiri always guaranteed and ensured that Bank Mandiri's capital structure was strong enough to support current business development strategies and sustain business continuity in the future.

The risk management of Bank Mandiri's capital aspect included the diversification of capital resources in accordance with the long-term strategic plan and the efficient capital allocation policy in the business segment that had an optimal risk-return profile (including placement in subsidiaries). It aimed to meet the expectations of stakeholders including investors and regulators.

Bank Mandiri ensured that it had sufficient capital to cover credit risk, market risk and operational risk, both based on regulatory capital and internal capital requirements. Bank Mandiri referred to the regulations of Bank Indonesia and the Financial Services Authority (Basel II and Basel III), particularly Pillar 1, in calculating capital adequacy for the credit risk, market risk and operational risk.

In addition to the above calculations, Bank Mandiri is also developing capital adequacy calculations with reference to Pillar 2 Basel II or better known as the Internal Capital Adequacy Assessment Process (ICAAP) approach. ICAAP included, among other, the determination of risk appetite, overall risk assessment, capital planning, and bank-wide stress testing.

For capital adequacy calculations, Bank Mandiri used the Basel II Standardized Approach for credit risk and had included the External Rating component. In addition, Bank Mandiri had gradually simulated the Internal Ratings-Based Approach. For market risk, Bank Mandiri used the Basel II Standard Measurement Method, and internally used Value at Risk. For operational risk, Bank Mandiri referred to Basel II Basic Indicator Approach.

Bank Mandiri had implemented Basel III implementation referring to Basel documentation as well as regulations and initiatives issued by the OJK. As part of the implementation of Basel III in Indonesia, the Bank had reported monthly Liquidity Coverage Ratio (LCR) fulfillment, as well as conducted quarterly Net Stable Funding Ratio (LS) and Leverage Ratio (LR) calculations in accordance with the OJK provisions.

As the implementation of the latest Basel III framework (Basel III reform), particularly related to counter-party credit risk, Bank Mandiri had implemented Credit Valuation Adjustment (CVA) calculations and simulated changes in the method of calculating Standardized Approach For Measuring Counter-party Credit Risk Exposures (SA -CCR) which was a refinement of the pre-existing CCR framework.

## Basel III Reforms

In order to improve the Company's ability to manage risk due to interest rate movements affecting income and capital (interest Rate Risk in Banking Book/IRRBB), Bank Mandiri has made preparations regarding the implementation of Basel IV with the following details:

1. In September 2017, Bank Mandiri conducted a review and provided feedback on the issuance of Consultative Paper IRRBB (CP IRRBB) by OJK.
2. On the Issuance of CP, Bank Mandiri also prepared a gap analysis between the implementation of IRRBB management which had been conducted by Bank Mandiri with IRRBB management standard in CP.
3. Bank Mandiri had also been active as a working group member with the OJK discussing technical issues related to IRRBB management standard in CP.
4. Bank Mandiri also conducted benchmarking to several Banks in Asia related to the implementation of IRRBB.

## Strategic Initiatives of the Risk Management Implementation in 2017

### Credit Portfolio Risk

#### Credit Portfolio Risk

In order to support operational growth strategy business to always have superior competitiveness on an industrial scale national banks and ASEAN, Bank Mandiri consistently and continuously develop the infrastructure and capabilities risk management, among others, covers the following matters:

1. Risk level alignment at Bank Mandiri
  - a. Implementation of Risk Appetite Statement (RAS) as formal guidance in the process of risk taking for achieve business targets.
  - b. Develop a system that aggregates calculations stress testing for credit risk, liquidity risk, market risk, impact on Profit / Loss and capital adequacy (CAR), at Bank Mandiri and Subsidiaries.
2. Strengthening Credit Portfolio Management that includes setting the direction of booking productive credit through portfolio guideline 2017, credit consumptive booking arrangement through Development of pipeline Management system and establishment unit credit supervisory. In addition, in order to increase effectiveness monitoring jredi especially in

the region, Bank Mandiri initiate portfolio manager implemented since 2017.

Fixed end to end credit process in the wholesale segment through:

- a. Business process wholesale segment improvement with setting limits for anchor clients and specific sectors.
  - b. Implementation of Name Clearance on pipeline designation debtor and Proactive Loan Monitoring System for monitoring credit.
  - c. Strengthening of debtor information sources to analyze and monitor credit quality.
  - d. Enhancement Credit Processing System in order improvement of end to end credit process with:
    - Implementation of New Internal Rating Based Approach for more precise measurement of risk level measurement and granular.
    - Improved early warning system to improve the potential sensitivity of debtors to decrease the quality of credit
  - e. Optimize the use of limit management system.
3. Efficiency of capital use through:
    - a. Implementation of IRBA Phase III.
    - b. Enhancement Modeling Basel II Risk Parameters for Retail Portfolio.
    - c. Implementation of New Operational Risk Reporting System.
    - d. Enhancement of Operational Risk Load Calculation.
    - e. Intensification and Extensification of Validation Functions.
  4. Expected Credit Loss model development in order preparation of IFRS implementation 9.

## Risk and its Management Profiles

### Risk Type

There are 10 (ten) risk types that must at least be managed, namely:

1. Credit Risk
 

Credit Risk is a risk due to the failure of the debtor and/or other parties in fulfilling the obligation to the Bank.
2. Market Risk
 

Market Risk is the risk on the balance sheet position and the administrative account including derivative transactions, due to the overall changes in market conditions, including the risk of changes in the option price.
3. Liquidity Risk
 

Liquidity Risk is potential loss resulting from the Bank's inability to meet its financial obligation on due date from its funding cash

flows and/or from high quality liquid assets that can be used as collaterals, without disrupting the activities and financial condition of the Bank.

4. **Operational Risk**  
Operational Risk is the risk due to inadequate and/or non-functioning of internal processes, human error, system failure, and/or any external events affecting the Bank's operations.
5. **Legal Risk**  
Legal Risk is the risk due to lawsuits and/or weaknesses of juridical aspects.
6. **Reputation Risk**  
Reputation Risk is the Risk due to decreased stakeholder trust stemming from negative perceptions of the Bank.
7. **Strategic Risk**  
Strategic Risk is the risk due to inaccuracy in the taking and/or execution of a strategic decision as well as failure in anticipating changes in the business environment.
8. **Compliance Risk**  
Compliance Risk is a risk due to the Bank's failure to comply with and/or not enforce the applicable laws and regulations.
9. **Risk of Intra-Group Transactions**  
Risk of Intra-Group Transactions is the risk of dependence of an entity, directly or indirectly, to another entity in a Financial Conglomeration in the context of fulfilling the written agreement obligation or an unwritten agreement whether followed by the transfer of funds and/or not followed by the transfer of funds.
10. **Insurance Risk**  
Insurance Risk is a risk due to failure of an insurance company to fulfill obligations to policy holders as a result of inadequate risk selection process (underwriting), premium determination (pricing), use of reinsurance, and/or claims handling.

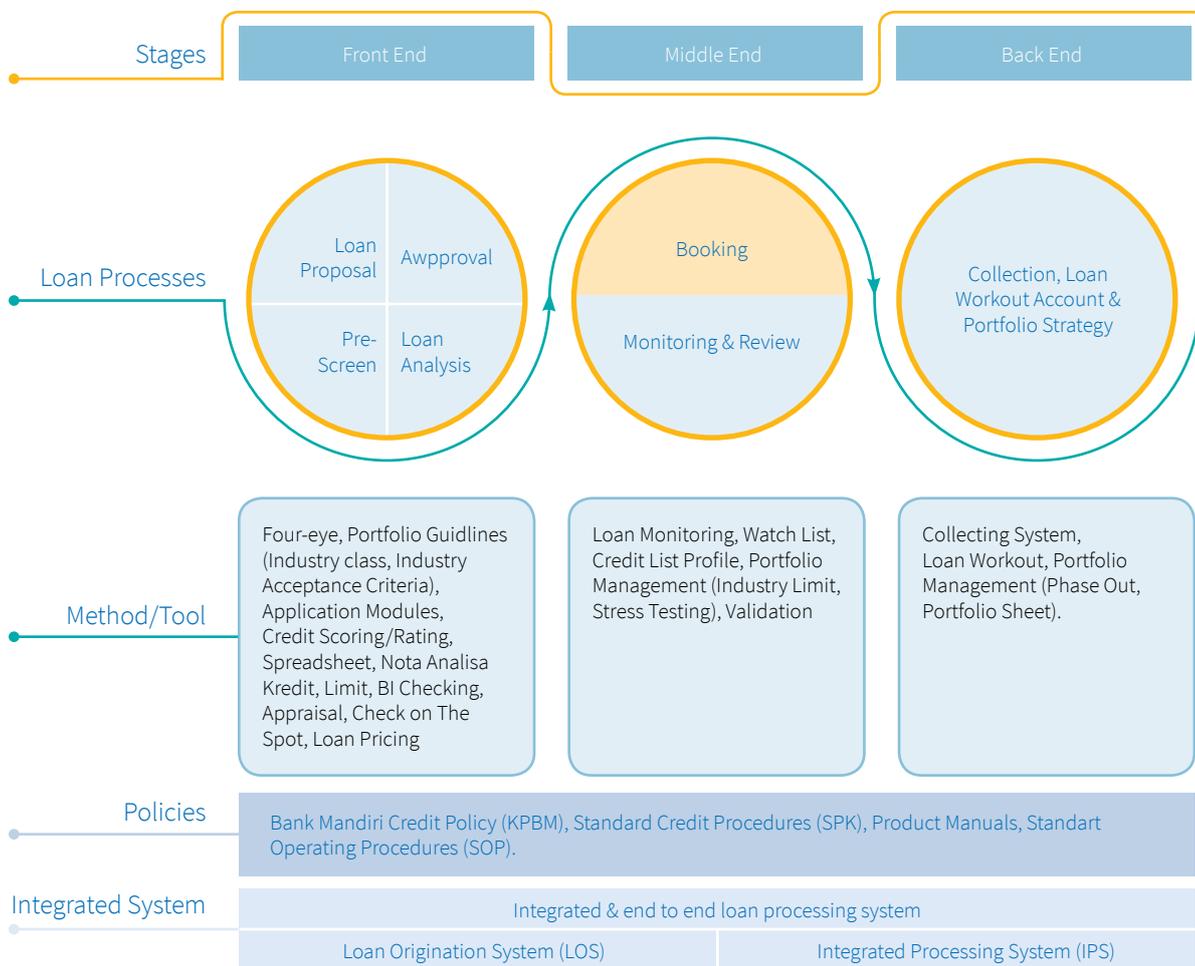
## Risk Management

### Credit Risk

Bank Mandiri's credit management process began with determining the target market and continued by conducting risk assessment and monitoring of credit granting. In extending its credit, Bank Mandiri always prioritized the principles of prudence by placing the credit analysis function performed by the independent business unit and the credit risk unit. Bank Mandiri was always guided by Bank Mandiri Credit Policy (KPBM) in managing credit risk on an end-to-end basis. Operationally, this policy was set forth in the form of Standard Credit Procedures (SPK) and Product Manual.

In implementing the risk management of credit concentration at the debtor level, Bank Mandiri consistently monitored the Legal Lending Limit (BMPK). In general, credit process and credit risk management at Bank Mandiri had been conducted on an end-to-end basis and integrated by Business Unit, Credit Operation Unit and Credit Risk Management Unit. The following is the credit risk management scheme:

## Loan Process Flow and Credit Management



### Market Risk

The management of market risk management was carried out by an independent work unit through applying the segregation of duties principle that was separation of functions and responsibilities consisting of front office, middle office, and back office. The Market Risk Management Organization consisted of two parts, namely Market Risk Management - Trading Book and Market Risk Management - Banking Book.

The market risk management and governance framework at Bank Mandiri adhered to the principle of the Three Layers of Defense approach, comprising:

- The Board of Commissioners conducted the risk oversight function through the Risk Oversight Committee, the Integrated Governance Committee, and the Audit Committee.
- Board of Directors performing risk policy function through Executive Committee related to market risk management that was Asset and Liability Committee (ALCO) and Risk Management Committee.
- The Risk Management Unit together with the business unit and the compliance work unit performed the risk identification, risk measurement, risk monitoring, and risk control functions.

The Bank Mandiri Risk Management Framework was developed on the basis of internal and external factors including but not limited to bank business, regulatory requirements, methodological developments and best practices, and risk data. The authority and responsibility associated with the implementation of risk management were regulated in Bank Mandiri Risk Management Policy (KMRBM).

As for the guidance in the implementation of market risk management, both trading book and banking book portfolios were regulated in Standard Procedures of Treasury (SPT) and Standard of Asset & Liability Management Procedure (SP ALM).

Management and Market Risk Measurement Mechanism – Trading Book

Market risk is a risk arising from potential losses resulting from changes in interest rates and exchange rates (including derivative instruments).

The market risk management of Bank Mandiri was carried out by applying the segregation of duties principle of separating functions and responsibilities independently of Treasury Group trade transactions consisting of:

- a. The front office unit (Treasury) is the transaction implementing unit.
- b. The middle office unit (Risk Management,) was responsible for monitoring, assessing and reporting risks arising from any trading activities performed by the Treasury unit.
- c. The back office (Treasury Operation) unit was responsible for recording and valuing all exposures on daily trading activity using market rates from independent sources.

#### **Management and Market Risk Measurement Mechanism – Banking Book**

Bank book market risk is a risk arising due to changes in interest rates and exchange rates on banking book activities. Banking book market risk management of Bank Mandiri was carried out by optimizing the balance sheet structure in order to obtain maximum returns in accordance with acceptable levels of risk and by setting limits referring to regulatory and internal regulations monitored on a weekly and monthly basis by the Market Risk Management Unit.

The risk of changes in bank book interest rates arose from movements in market rates that were contrary to the positions or transactions held by the Bank, which might affect the Bank's profitability (earning perspective) and the economic value of the Bank's capital (economic value perspective).

#### **Liquidity Risk**

Liquidity risk is a risk that occurs when the Company is not able to provide liquidity with fair price impacting on profitability and banking capital. Steps and plans in anticipating Liquidity Risk include:

- a. The Bank imposes limits referring to both regulatory and internal regulations.
- b. The Bank conducted periodic stress testing of liquidity risk to determine the impact of changes in market factors and internal factors on the extreme (crisis) conditions of liquidity.
- c. The Bank also had a Liquidity Contingency Plan (LCP) including funding strategies such as money market loans, repo, bilateral loans, FX swaps, securities sales, and pricing strategies. In the LCP,

the determination of liquidity conditions and funding strategies has taken into account both internal and external conditions.

- d. The Bank also monitored external indicators including: USD/IDR exchange rate, Credit Default Swap (CDS) 5 years Indonesia, Spread between 5 years ROI compared to 5 years UST, Composite Stock Price Index (IHSG), Rupiah and USD interbank rate, Non-Delivery Forward (NDF) USD/IDR 1B as well as the latest market information. This monitoring aimed to increase awareness of the unstable economic conditions, both due to global crisis conditions and due to various issues within the country.

#### **Operational Risk**

Operational Risk is a Risk due to inadequate and/or non-functioning of internal process, human error, system failure, and/or the presence of external events affecting the Bank's operations.

Operational risk may lead to other risks such as reputation risk, strategic risk, legal risk, market risk, credit risk, compliance risk, liquidity risk, intra-group transaction risk and insurance risk.

Effective operational risk management and consistency minimize the incidence of other risks.

Operational risk is inherent in all activities/operational processes of the Bank in conducting businesses. Bank implements Operational Risk Management effectively to reduce the frequency and/or impact of operational losses. In general, the application of Operational Risk Management was expected to have a positive impact on BANK stakeholders.

Implementation of operational risk management involves all elements within the Bank, including the Board of Directors with active monitoring of the Board of Commissioners. The Board of Commissioners and the Board of Directors understand the risks faced by the Bank and play an important role in supporting and monitoring the success of its implementation across all operational work units.

Organizations in operational risk management consist of:

- Risk Management Committee, is a Board of Directors committee performing the supervisory function of risk control and management, among others, through the establishment of risk management strategies and procedures, monitoring of risk profile and determining risk appetite.
- Director in charge of Risk Management function, i.e., Director having duties and responsibilities in formulating the Risk Management policy, strategy and framework.
- The Operational Risk Group of Operational Risk Management Working Unit is the Operational Risk Management Work Unit responsible for formulating policies, strategies, frameworks and operational risk management tools as well as socializing them.

- The Operational Risk Operations Unit, the Senior Operational Risk, is the Operational Risk Management Work Unit responsible for implementing operational risk policies, strategies, frameworks and risk management tools in collaboration with the Risk Owner Work Unit.
- The Risk Owner Working Unit is fully responsible for Operational Risk management and ensuring control over every operational activity that has been effectively implemented and in accordance with the provisions.
- Compliance Work Unit is a work unit performing the compliance function on internal and external rules.
- Internal Audit is a work unit performing an effectiveness evaluation of the internal control, risk management and governance processes.

### Legal Risk

Legal risk is a type of risk faced by Bank Mandiri as a result of lawsuits, done by either internal or external parties, and/or the discovery of weaknesses from juridical aspects such as the absence of legal and regulatory documents or weaknesses in documents.

The legal risk management organization was implemented by the Legal Unit at Head Office by performing the functions, duties and responsibilities related to regulatory, advisory, litigation, advocacy and legal assistance, education and transformation in legal and Bank legal risk management. In performing such functions, duties and responsibilities, the Legal Unit at the Head Office coordinated with the Legal Unit of the Work Unit and Legal Unit of the Region. The Head Office Legal Unit was a supervisor of the system and supervised the Legal Unit of the Work Unit and Legal Unit of the Region.

In optimizing the function of work units related to litigation, Bank Mandiri initiated the formation of Wholesale Credit Litigation Group focusing on litigation issues in the wholesale segment.

### Legal Risk Management Mechanism

Risk management mechanisms including the process of identification, measurement, and control and monitoring referred to the applicable provisions on risk management. Each work unit of the owner and or executor of the product or the organizer of the activity must identify and manage the risks maximally including but not limited to legal risks basically attached to any product or activity created or executed by the Bank, so as not to have a widespread impact and trigger the other risks including but not limited to reputation risk.

Legal risk management conducted by Bank Mandiri, both preventive and repressive, was sufficient to protect Bank Mandiri's legal interests

and minimize significant financial impacts for Bank Mandiri, as reflected in the 2017 Legal Risk Profile Report at Low predicate.

### Reputation Risk

Reputation risk is a risk that Bank Mandiri has to deal with as an impact from stakeholder's negative perception against the bank that comes from various unwanted events, among others negative publication regarding bank's operations, business ethics violation, customer complaints, stakeholder weakness, and other events that can damage bank's image.

Reputation risk is managed by Corporate Secretary Group and conducted by all working units in the company environment, including Customer Care Group, Strategic Marketing Group, and IT Strategy and Infrastructure Group. In its function, Corporate Secretary Group is responsible to the Directors and is under the direct supervision of President Director. Therefore, other to president director, Corporate Secretary Group also reports to Section Director and officials in the same level as Director in regards to events related to reputation.

### Mechanism of Reputation Risk Management

Reputation risk is managed through supervision mechanism, handling and resolution coordinated by Corporate Secretary Group by referring to the provisions stated in Standard Guideline for Corporate Secretary.

### Strategic Risk

Strategic risk is a risk faced by Bank Mandiri due to the inaccuracy in the taking and/or implementation of a strategic decision and failure in anticipating changes in the business environment.

The Bank had established Risk Management Committee and Risk Management Work Unit aiming to support a comprehensive, integrated, measurable and controlled risk management. Each of these committees was supported by a working group whose members consisted of groups directly related to the risk issues included within the scope of the committee.

### Strategic Risk Management Mechanism

In conducting strategic risk management, Bank Mandiri continuously reviewed performance and evaluated the policy of arranging business target as well as conducted corrective measures in developing strategic plans and business targets by taking into account internal and external conditions, if necessary. Bank Mandiri also continued to work on strengthening the implementation of management support programs on financial performance through the development of

automated budgeting, PMS enhancement and Executive Information System (EIS) development.

### Compliance Risk

Compliance risk is the risk that arises when the bank does not comply with and/or does not enforce the applicable laws and regulations.

### Risk Management Compliance Organization

All Companies are fully responsible for implementing compliance in their respective activities. The organization as well as duties and responsibilities of implementing the compliance function are as follows:

1. Board of Commissioners  
In relation to the implementation of the Compliance Function and the Implementation of Integrated Governance, the Board of Commissioners shall exercise active monitoring of the implementation of the compliance function.
2. Integrated Governance Committee  
A Committee established to assist the Board of Commissioners in exercising the monitoring function on the realization of Integrated Governance and Integrated Compliance Function at Bank Mandiri and Subsidiaries.
3. Board of Directors/SEVP  
The Board of Directors has the duty and responsibility to cultivate and realize the implementation of the Compliance Culture and ensure the implementation of the Compliance Function at all levels of the Bank's organization and business activities.
4. Director in charge of the Compliance Function  
The Director in charge of the Compliance Function is responsible for formulating strategies of compliance culture, minimizing compliance risk, establishing compliance systems and procedures and ensuring that all Bank policies, rules, systems and procedures are in compliance with the applicable laws and regulations.
5. Compliance Work Unit  
The Compliance Work Unit assists and/or represents the Board of Director in charge of the Compliance Function in performing its duties and responsibilities.
6. Compliance Work Unit at Agency  
The Compliance Work Unit at the Work Unit ensures the compliance function performed by the supervised Head of Work Unit.
7. Head of Work Unit  
Heads of Work Units are responsible for realizing the Compliance Culture in their respective Work Units, managing compliance risks and carrying out improvements to the compliance-related processes or procedures that exist in the work unit.

### Compliance Risk Management Mechanism

Bank Mandiri has established compliance risk management policies and procedures that were subject to the applicable rules and regulations. The main objective of the compliance risk management policies and procedures is to build compliance culture that is one of the keys to success in the bank sustainability.

The compliance risk management process is divided into several phases, namely:

- a. Identification  
The identification of compliance risks was incorporated into the Compliance Risk Statement (CRS) including relevant regulations, the causes of risk, risk control, and action plans required to prevent compliance risks.
- b. Assessment  
The identified compliance risks were assessed by each risk owner to generate a compliance risk profile in the work unit. The risk assessment is based on the likelihood of the occurrence of the risk and the impact it will have on the risk. In addition, the risk owner also assessed the effectiveness of the performed controls.
- c. Monitoring  
Compliance risk monitoring was performed by means of:
  1. Reviewing that compliance risk identification process had been performed properly and correctly.
  2. Reviewing that the implementation of control and mitigation had been done well and correctly.
  3. Reviewing that the compliance risk assessment process had been conducted properly and correctly and took into account the historical data of sanctions.
- d. Mitigation  
Risk mitigation was conducted by establishing and monitoring the Risk Appetite Statement (RAS) of compliance risk.

### Risk of Intra-Group Transaction

Risk of Intra-Group Transactions is the risk of dependence of an entity, directly or indirectly, to another entity in a Financial Conglomeration in the context of fulfilling the written agreement obligation or an unwritten agreement whether followed by the transfer of funds and/or not followed by the transfer of funds. Implementation of Intra-Group Transaction Risk Management was performed with Subsidiaries in Bank Mandiri's business group in accordance with the Bank Mandiri's business strategy.

Bank Mandiri identified and analyzed the activities that could increase the exposure of Intra-Group Transaction Risk and affect the company's performance. The risk identification was performed on the business activities of Bank Mandiri and Subsidiaries by considering the complexity of the transactions. Bank Mandiri could

combine qualitative and quantitative approaches in the process of measuring Intra-Group Transaction Risk. Bank Mandiri monitored the risk of Intra-Group Transactions on a regular basis.

### Insurance Risk

Insurance Risk is a risk due to failure of an insurance company to fulfill obligations to policy holders as a result of inadequate risk selection process (underwriting), premium determination (pricing), use of reinsurance, and/or claims handling. Implementation of Insurance Risk Management was performed on Subsidiaries in Bank Mandiri's business group engaged in the insurance business.

Bank Mandiri identified and analyzed the activities that could increase the exposure of Insurance Risk and affect the company's

performance. The identification of such risks shall be made in the business activities of the Subsidiary engaged in insurance, taking into account their characteristics. Bank Mandiri could combine qualitative and quantitative approaches in the process of measuring Insurance Risk. Bank Mandiri conducted periodic monitoring of Insurance Risk.

### Risk Assessment

Outcome of self assessment Bank Mandiri's risk profile Individual position 31 December 2017 was rated 1 (low) with Low to moderate Inherent Risk Rating and Risk Management Implementation Quality Rating (KPMR), which was strong.

The assessment of Risk profile self-assessment of Bank Mandiri (individual) in the position of 31 December 2017 was as follows:

Type of Risk	Inherent Risk Level	Level of Quality of Risk Management Implementation	Risk Level Ranking
Credit Risk	Moderate	Satisfactory	Low to moderate
Market Risk	Low	Strong	Low
Liquidity Risk	Low	Strong	Low
Operational Risk	Moderate	Satisfactory	Low to moderate
Legal Risk	Low	Strong	Low
Strategic Risk	Low	Strong	Low
Compliance Risk	Low to moderate	Strong	Low
Reputation Risk	Low	Satisfactory	Low
Composite Rating	Low to moderate	Strong	Low

### Efforts to Increase Risk Culture

In order to achieve the vision, Bank Mandiri always apply risk awareness culture in all operational activities. Bank Mandiri has a risk-caring culture including anti fraud culture which is communicated effectively. Implementation of a conscious culture one risk is done through the Risk Awareness program where the program is owned by each work unit and associated with recognition, understanding and mitigation of operational risks. P it is reflected in the Culture Excellence, RAKSA is a risk program awareness that supports the principle of self-preservation, guard your friends, guard independent. Development of risk-caring culture is realized with development of a conducive environment / governance and framework open, efficient and effective risk management.

### Evaluation of Risk Management Implementation

The Bank constantly evaluates the effectiveness of the system risk management. Evaluations include strategy adjustments and risk framework as part of risk management policy, adequacy of risk management information systems and adequacy process of identification, measurement, monitoring and control risk.

One form of evaluation on risk management policy is annual evaluation of the Bank's Risk Management Policy Mandiri (KMRBM) and standard procedures. The annual evaluation results shows that risk management at Bank Mandiri during 2017 is sufficient.

### Implementation of Integrated Risk Management

Consolidation / Integration of Bank Mandiri risk management has begun gradually since 2008 in harmony with the published Bank Indonesia regulation number 8/6 / PBI / 2006 concerning Application of Management Consolidated Risk for the Controlling Bank Against Subsidiaries and POJK No.17 / POJK.03 / 2014 on Application of Integrated Risk Management for Conglomeration Finance. These stages have until now become one form of strategic initiative of risk management working unit in Bank Mandiri which is periodically communicated with the Authority Financial Services in a special forum to discuss topics of risk profile and Bank Rating (Risk Based Bank) Rating).

This is important because Bank Mandiri realized that its viability is also affected by risk exposure which arise directly or indirectly from activities business of the Subsidiary Company. Related to this, Bank Mandiri has implement a consolidation / integration management system risks to subsidiaries operating in Indonesia and outside the territory of Indonesia while remaining in line with principles risk management and adapted to the jurisdiction of authority / local supervisors, as well as taking into account business characteristics of each subsidiary company. Concept of consolidation / integration risk management undertaken by Bank Mandiri and the company children are generally divided into 2 (two) major parts, namely:

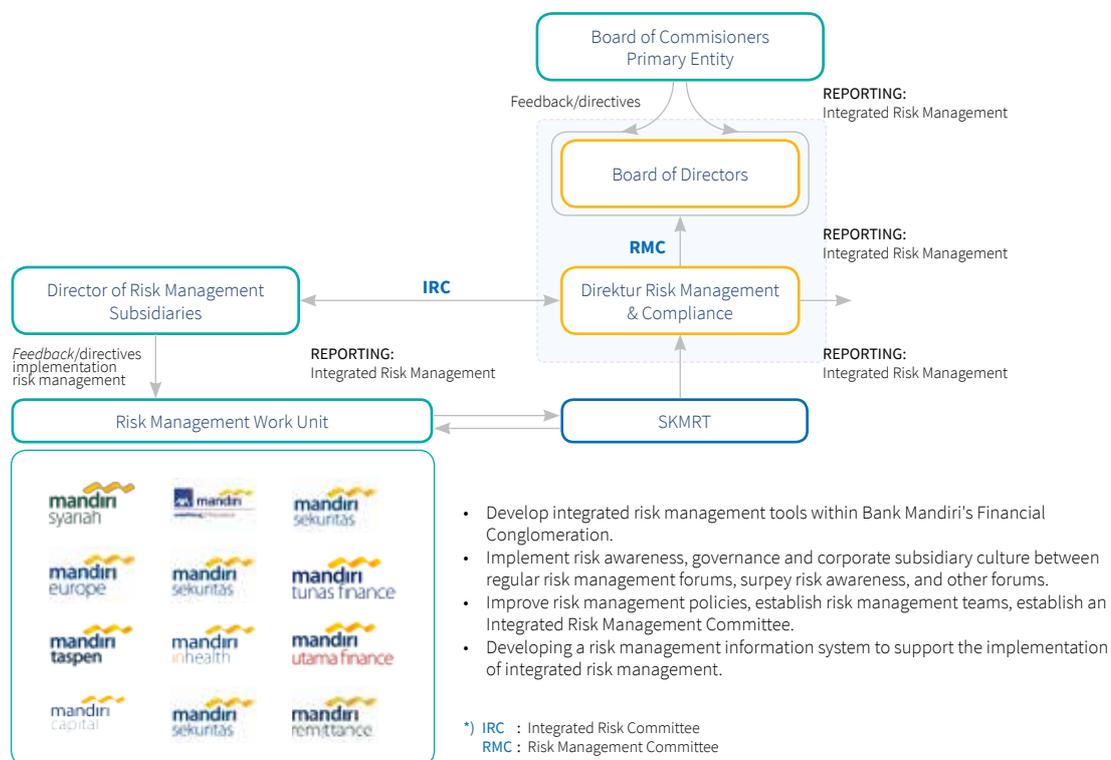
1. First Line, which is related to the fulfillment of the provisions POJK number 38 / POJK.03 / 2017 on Implementation of Management Consolidated Risk For a Doing Bank Control of Subsidiaries, POJK No. 17 / POJK.03 / 2014 on the Implementation of Integrated Risk Management For the Financial Conglomeration, as well as POJK Number 04 / POJK.03 / 2016 on the Rating of Commercial Bank Health.
2. Second Line, which is more a needs approach internal Bank Mandiri as a whole that covers tools, awareness, governance corporate (governance), and management information systems risk (system). Gradually, Bank Mandiri has implemented consolidation / integration of risk management with subsidiary companies included in financial services institutions (Bank Syariah Mandiri, Bank Mandiri

Europe Ltd, Bank Mandiri Taspen, Mandiri Sekuritas, Mandiri Investment Management, AXA Mandiri Financial Services, Mandiri AXA General Insurance, Mandiri InHealth Mandiri Tunas Finance, Mandiri Utama Finance, Mandiri International Remittance, and Mandiri Capital Indonesia).

Related to that, Bank Mandiri already has internal guidelines named Mandiri Group Principle Guideline (MGPG) and Guidelines Integrated Management, one of which contains technical guidance regarding the implementation of risk management implementation among the Bank Mandiri as holding with Subsidiary Company. It is at once become one of the tangible forms of Bank Mandiri obedient and obedient to the prevailing regulations in Indonesia, where in this context refers to POJK Number 18 / POJK.03 / 2014 on the Application of Integrated Governance for Conglomeration Finance.

In order to implement integrated risk management comprehensive, the Bank established a Risk Management Committee consists of the Director / Executive Officer in charge the Risk Management function of the Bank and the Subsidiary Company

play a role in providing recommendations on the preparation, improvement and improvement of risk management policies integrated. In addition, the Bank also established a Work Unit Integrated Risk Management (SKMRT) is responsible answer directly to the Director who in charge of Risk function Management. Here are the duties and responsibilities of SKMRT



In order to improve the understanding of risk management implementation in Bank Mandiri and subsidiaries, several activities had been organized in 2017 as follows:

1. Integrated Risk Management Forum (IRMF) every quarter to discuss current issues related to risk management.
2. Assistance and dissemination related to risk management tools.
3. Credit Risk Workshop for investment activities.
4. Attachment of employees to subsidiaries.
5. Review the implementation of risk management in certain subsidiaries.

## Internal Control System

Bank Mandiri's internal control system referred to Circular Letter of the Financial Services Authority No. 35/SEOJK.03/2017 on Guideline of Internal Control Standard for Commercial Banks. Internal Control is a supervisory mechanism established by the Bank's management on an on going basis.

The effective Internal Control System (SPI) is an important component of the Company's management and serves as a basis for the Company's sound and safe operational activities. The effective SPI can assist the Board of Directors and Board of Commissioners to safeguard the Company's assets, ensure reliable financial and

managerial reporting, improve the Company's compliance with laws and regulations, and reduce the risk of loss, deviations and violations of prudential aspects.

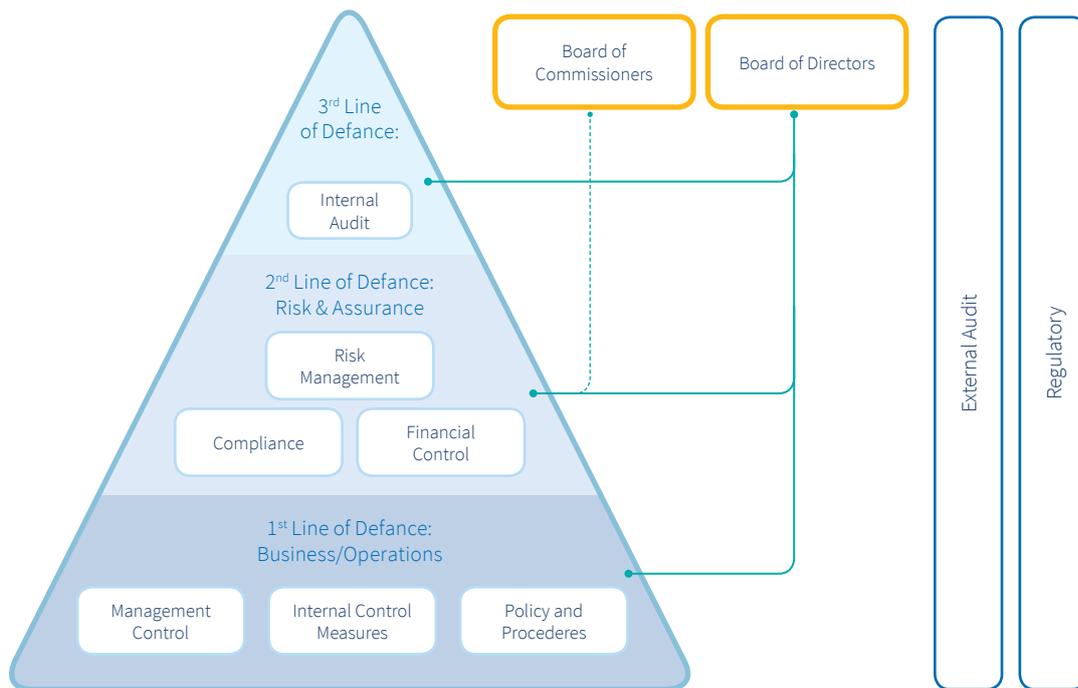
As a process carried out by the entire range of the Company, the Internal Control System was implemented in strategy establishment throughout the organization and was designed to identify the occurrence possibility of an event that might affect the company, and to manage risks to stay within the risk appetite, to provide sufficient confidence in the achievement of corporate goals.

## Framework of Internal Control System

The Internal Control System Framework was implemented in all processes and decisions in the process of planning, execution and evaluation in the implementation of the Code of Conduct, the division of duties, authorities, procedures in which there were risk assessment, risk mitigation, limit setting, approval, and adequate reporting.

The framework of the internal control system adopted by Bank Mandiri was the Three Lines of Defense concept, which was a current implementation of the control strategy in accordance with the

COSO-Internal Control Framework monitoring system. This concept was a collaborative role of -on going monitoring dan separate monitoring by involving business units as managers of internal control aspects in the work unit and appointing units acting as Quality Assessment, comply unit, Inspection, Risk Management and Internal Audit role the series of defense of control.



Remarks:

- 1) Business Unit/Operation (first line of defense): As a risk owner played an important role in managing the internal control aspects of its work unit was to ensure a conducive control environment and consistent implementation of risk management policies and procedures.
- 2) Risk and Compliance Unit (second line of defense): Developing and monitoring the implementation of overall corporate risk management, supervision to enable business functions to implement risk management policies and standard operating procedures in accordance with established corridors as well as monitoring and reporting the company's overall risks to the highest accountable organ in the company.
- 3) Internal Audit Unit (first line of defense): As an Independent Assurance playing a review and evaluation of the design and implementation of overall risk management and ensuring that first and second layers of defense worked as expected.

With the implementation of three lines of defense, it was expected to strengthen the internal control system owned by Bank Mandiri as a result of the cooperation of all lines of Bank Mandiri starting from first, second or third lines of defense.

In addition, Bank Mandiri had established the Bank Mandiri Internal Control System Policy (KSPIBM) as the basis for the implementation of the Internal Control System, which was a control mechanism established by the Board of Directors with the approval of the Board of Commissioners on an on-going basis with the following goals:

1. Maintaining and securing the Company's assets.
2. Ensuring more accurate reporting.
3. Improving compliance with the applicable regulations.
4. Reducing financial/disadvantage impacts, irregularities including fraud, and violation of prudential principles.
5. Improving organizational effectiveness and cost efficiency.

## Scope of Internal Control System

The scope of Bank Mandiri's internal control referred to the Appendix of the Circular Letter of the Financial Services Authority No. 35/SEOJK.03/2017 on Guideline of Internal Control Standard for Commercial Banks. The main components of the internal control system are as follows.

### Monitoring by Control Management and Culture

The Board of Commissioners was responsible for ensuring that the Board of Directors had monitored the effectiveness of the implementation of the internal control system, so that the Board of Commissioners had an active role to ensure improvement on the Company's problems that could reduce the effectiveness of the internal control system. The Board of Directors was responsible for establishing internal control policies, strategies and procedures. The Board of Directors was also responsible for monitoring the adequacy and effectiveness of the internal control system. The Board of Commissioners and the Board of Directors were responsible for improving work ethics and high integrity as well as creating an organizational culture that emphasized on all employees regarding the importance of the internal control at Bank Mandiri.

Supervision by management was conducted through the formation of a control culture through the establishment of policies and practices of human capital, among others:

1. The Company had written policies and procedures on human capital, such as recruitment, career path, payroll and remuneration systems, as well as employee coaching and development.
2. The Company periodically evaluated the performance, competence and implementation of cultural values by employees, whose results formed the basis for assignment and placement of employees.
3. The Company had an adequate organizational structure and reflected the assignment of duties and responsibilities determined in accordance with the applicable regulations.
4. The Company had written policies on the provisions and procedures for changes to the organizational structure.
5. The management of the Bank was conducted in accordance with the principles of Good Corporate Governance.
6. The Company's decision-making was determined in the Board of Directors' meeting.
7. Decision-making process was conducted on a bottom-up and top-down basis.
8. The Company adopted policies aimed at preventing the occurrence of chances for deviations or violations of prudential principles.

### Identification and Risk Assessment

Risk assessment is a series of actions undertaken by the Board of Directors in the context of identifying, analyzing and assessing the risks faced in achieving the defined business goals. Management identified events potentially affecting the Company's ability to implement strategies and achieve targets effectively. The identification was made toward events that were expected to have negative (risk) impacts requiring the Company's assessment and response. Identification was also conducted on events that were expected to have a positive impact which was an opportunity for Management in the preparation of strategies to achieve the Company's targets.

The management considered all aspects of the organization in identifying potential events. Risk assessment is a set of actions starting from the identification, analysis and measurement of risks to achieve the target set. Risk assessment was conducted on all risk types attached to any process/activity that could potentially harm the Company. Bank Mandiri had written risk management policies set by the Board of Directors and approved by the Board of Commissioners.

The conditions that might cause or alter the risk included:

1. Changes in the Company's operational activities;
2. Changes of personnel structure;
3. Changes in the information system;
4. Rapid growth in certain business activities;
5. Technological development;
6. Development of new services, products or activities;
7. The occurrence of merger, consolidation, acquisition and restructuring of the Company;
8. Changes in the accounting system;
9. Business expansion;
10. Changes in laws and regulations; and
11. Changes in behavior and customer expectations.

In order to implement an effective Internal Control System, Bank Mandiri continuously identified and assessed risks that might affect the achievement of targets. The Internal Audit periodically reviewed the risk assessment generated by the Risk Management Group so that the scope of the audit was broader and more comprehensive.

Risk assessment was performed by identifying encountered risks, setting limits and risk control techniques, assessment to measurable (quantitative) and non-measurable (qualitative) risk assessments as

well as to controllable and uncontrollable risks, taking into account the costs and benefits. The risk assessment methodology became the benchmark for creating risk profiles in the form of documentation of data that could be periodically updated. Furthermore, the Bank must decide to take the risk or not, by reducing certain business activities.

The assessment covered all the faced risks, both individual and total risk, including credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk, compliance risk, insurance risk and intra-group transaction risk.

### Control Activity and Separation of Operational Function (Operational Control)

Control activities included policies, procedures and practices giving officials and employees confidence that the direction of the Board of Commissioners and Board of Directors had been effectively implemented. Control activities might assist the Board of Directors, including the Board of Commissioners in managing and controlling risks that might affect performance or result in loss of the Company. Separation of function was intended in order that everyone in his position did not have the opportunity to do and hide mistakes or irregularities in the implementation of his duties at all levels of the organization and all steps of operational activities.

The management established measures to respond to risks based on assessments of relevant risks and controls. Response actions might include risk avoidance, or risk reduction, and/or risk sharing, and/or risk acceptance as applied in the Company policy. In considering response actions, the Management considered cost and benefits, and selected response actions leading to the likelihood and impact in accordance with the risk tolerance and risk appetite of the Bank.

Control activities included the activities of segregation of duties.

#### 1. Control Activities

The control activities involved the whole range of Bank Mandiri. Control activities included planning, setting policies and procedures, implementing controls and an early verification process to ensure that policies and procedures were consistently adhered to, and were inseparable from every function or daily activity.

Control activities were implemented at all levels of function within the Company's organizational structure, including:

- a. Review by the Board of Directors (Top Level Review)
 

The Board of Directors periodically requested for information (explanation) and operational performance reports from the Head of Work Unit in order to review the realization outcomes

compared to the established targets. Based on the review, the Board of Directors immediately detected problems, such as control weaknesses, financial report errors or other frauds.

- b. Review of Operational Performance (Functional Review)
 

This review was carried out by the SKAI at the time of review or in the process of reporting to the regulator.

  - Reviewing the risk assessment (risk profile report) generated by the risk management unit.
  - Analyzing operational data, both data related to risk and financial data, i.e., verifying details and transaction activities compared to the output (report) generated by the risk management unit.
  - Reviewing the realization of the implementation of work plans and budgets made by each work unit (Group)/ Branch, in order to:
    - (a). Identifying the cause of significant deviations.
    - (b). Determining requirements for corrective actions.
  - b. Control in the information system
    - The Company conducted verification on the accuracy and completeness of transactions and the implementation of authorization procedures in accordance with the applicable regulations.
    - The Company carried out information technology control measures to produce a system and data that its confidentiality and integrity were kept as well as supported the achievement of the Company's goals.
    - Control in the information system included:
      - (a). Control of the operations of data centers (databases), procurement systems, development and maintenance of systems. Control was applied to mainframe, server and user workstation, and network.
      - (b). Application control was implemented to programs used by the Company in processing transactions and to ensure the availability of an effective audit process and to check the accuracy of the audit process.
- c. Control of physical assets (physical controls)
  - Physical asset control was implemented to ensure the physical security of the Company's assets.
  - Control of physical assets included securing assets, records and documentation as well as limited access to application programs.
  - The Company conducted periodic checks on the value of assets (appraisal).
- d. • Documentation
  - The Company formalized and adequately documented all policies, procedures, systems and standards.

- All policies, procedures, operating systems and accounting standards were updated periodically to reflect actual operational activities.
- Upon request, documents were always available for the benefit of internal auditors, external auditors and the Banking Supervisory Authority.
- Internal Audit assessed the accuracy and availability of such documents when conducting routine and non-routine audits.

## 2. Segregation of Duties

- a. Separation of function was intended in order that everyone in his position did not have the opportunity to do and hide mistakes or irregularities in the implementation of his duties at all levels of the organization and all steps of operational activities.
- b. The organizational structure was made by separating the function of recording, inspection, operational and non-operational (segregation of duties), so as to create a dual control system, dual custody and avoid duplication of work in every activity and avoid conflict of interest.
- c. In the implementation of the separation of functions, the Company conducted the following measures, including:
  - Determining certain functions or tasks that were separated or allocated to several persons in order to reduce the risk of manipulation of data/information or misuse of assets of the Company;
  - Separation of functions was not limited to front and back office activities, but also in the context of controlling:
    - (a). approval of expenditure and realization of expenditures;
    - (b). accounts of customer and accounts of the Company's owners;
    - (c). transactions in the books of the Company;
    - (d). providing information to customers of the Company;
    - (e). assessment of the adequacy of credit documentation and monitoring of debtors after credit disbursement;
    - (f). other business activities that might create a conflict of interest;
    - (g). Independence of risk management function in the Company.
  - Directors and Employees had adequate job description that contained functions, duties, authority and responsibility.

- Directors and Employees were prohibited from concurrent positions in the internal environment which might create a conflict of interest.

### Accounting System/Finance (Financial Control), Information and Communication

Bank Mandiri had an Information System that could generate reports or provide sufficient and comprehensive data/information on business activities, financial conditions, implementation of risk management, compliance with the applicable rules and regulations, market information or external conditions and conditions required for a right decision making.

1. The Company determined:
  - a. Written policies and procedures governing the working relationships, duties and responsibilities of the Information System Technology Work Unit with other Work Units or users,
  - b. Written standards governing procurement, design and development (enhancement), maintenance, operation, performance monitoring, documentation and changes in Information Systems Technology.
2. The internal control system shall at least include the provision of a reliable/adequate information system on all the Company's functional activities, particularly the significant functional activities and high potential risks. Such information systems, including electronic data storage and use systems, must be secured, monitored by independent parties (internal auditors) and supported by an adequate contingency program.
3. The Company had Business Continuity Management and conducted tests on it for all systems/applications and critical infrastructure as per Business Impact Analysis periodically.
4. The Company ensured that information security was effectively implemented to ensure that the maintained information had kept confidentiality, integrity and availability.
5. Information security was conducted on aspects of technology, human capital and the process of using Information Technology based on the assessment of the owned risk of information.
6. The Company maintained a system of user access authority (access right matrix system).
7. Particularly with regard to internal control over the administration of systems and information systems, the Company observed:
  - a. the availability of sufficient evidence and documents to support the audit trail process. The audit trail process should be implemented effectively and documented. Internal Audit shall assess the effectiveness and accuracy of the audit trail process when evaluating the implementation of internal controls;

- b. Implementation of control over the computer system and its security (general controls) as well as control over software applications and other manual procedures (application controls);
- c. As part of the recording or bookkeeping process, the information system must be supported by a good accounting system including the establishment of transaction recording procedures and retention schedules.
- 8. One of the objectives of the Internal Control System was to ensure the availability of more accurate, complete, timely and relevant reports in order to make a decision by the Management.

The Company's Accounting System fulfilled the following matters:

1. The Company had written accounting policies complying with generally accepted accounting principles.
2. The Company's Accounting System included methods and records in order to identify, classify, analyze, categorize, record/book and report all transactions and activities of the Company.
3. The Accounting System must be applied consistently and persistently to all transactions of the Company.
4. The Company was required to reconcile the accounting data with the management information system every month. The results of reconciliation were documented in an orderly manner.
5. Each Work Unit that had responsibility for recording every transaction shall record transactions promptly, carefully and thoroughly, and conduct the process of control and monitoring to:
  - a. Ensure that every transaction had been booked in accordance with the proper ledger;
  - b. make sure that every ledger had been in line with the details; and
  - c. settle outstanding account (s) into the ledger (temporary account) immediately;
  - d. so as to give an idea of the actual condition and performance of the Company.
6. Each Work Unit that using forms or working papers must use standardized forms or papers and contain appropriate safeguard elements supported by adequate documentation.

#### Monitoring Activities and Deviation Correction Action

1. Management conducted on-going monitoring of the overall implementation effectiveness of the Internal Control System including but not limited to the effectiveness and safety of the use of information technology.
2. The Board of Commissioners ensured that the Management had monitored the implementation effectiveness of the

Internal Control System and ensured that the Management had monitored the effectiveness and safety of the use of information technology.

3. Monitoring of the Company's key risks was prioritized and served as part of daily activities including regular evaluations, by the Work Unit, the Compliance Group, the Risk Management Group and the Internal Audit.
4. The relevant work units monitored the adequacy of the Internal Control System continuously in relation to changes in internal and external conditions and increased the capacity of the Internal Control System in order to improve its effectiveness.

Weaknesses in the Internal Control System, whether identified by the Risk taking Unit, Internal Audit or any other party, were immediately reported to the Management. Weaknesses of a material internal control system were also reported to the Board of Commissioners.

#### Conformity of Internal Control with The Framework of The Committee of Sponsoring Organizations of The Treadway Commission (COSO)

The internal control system of Bank Mandiri complied with the Internal Control Integrated Framework developed by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. Internal control objectives under COSO included operational objectives, reporting objectives and compliance objectives.

Operational objectives related to the effectiveness of operating efficiency. The reporting objective related to the interests of financial reporting meeting the reliable, timely, transparent criteria and other requirements stipulated by the regulator and the Company. While the compliance objective related to the Company's compliance with laws and regulations. Internal Control System consisted of 8 components that were mutually related to each other and determined the effectiveness of its application, namely:

#### Internal Environment

Internal environment became the basis for the Management in assessing risk and control as well as how to respond. It was the basis and the driving factor for the operation of the other seven components of the Internal Control System.

In its implementation, effective Internal Environment was reflected in the stipulation of written authorization/approval policies and procedures set forth in the policy architecture of Bank Mandiri, and standard of employee recruitment emphasizing on educational

background, work experience, prior achievement and integrity as well as good behavior in line with the policy of Bank Mandiri. In addition, the Internal Environment was also reflected in the determination of authority and responsibility of all employees according to their functions and written in the job description and code of conduct. Performance evaluation of all personnel reviewed periodically and imposing appropriate sanctions to any disciplinary action were also part of the Internal Environment component.

### Objective Setting

Bank Mandiri set objective setting as a requirement for effective event identification, risk assessment and risk response process. Implementation of objective setting at Bank Mandiri was through the determination of key performance indicator (KPI) of work units in accordance with the corporate goals and in line with each other. In addition, the head of the work unit always communicated the mission/strategy and business targets (cascading) and believed the targets and goals of the company had been understood and implemented by all employees.

### Event Identification

Management identified events potentially affecting the ability of Bank Mandiri to implement strategies and achieve targets effectively. The identification was made toward events that were expected to have negative (risk) impacts requiring the assessment and response.

Identification was also conducted on events that were expected to have a positive impact which was an opportunity for Management in the preparation of strategies to achieve the Company's targets. Management also considered all aspects of the organization in identifying potential events.

Work units needed to conduct Risk Control Self Assessment (RCSA), setting a risk profile that contained all events and significant risks to the achievement of goals that had been evaluated.

### Risk Assessment

Risk assessment is a set of actions starting from the identification, analysis and measurement of the Company's risks to achieve the target set. Risk assessment was conducted on all risk types attached to any process/activity that could potentially harm the Company.

Each work unit had identified key processes and risks of each defined goal and documented on the risk profile of the work unit. Business planning of Bank Mandiri had considered the results of risk

evaluation. The risk profile evaluation of the work unit was carried out periodically to adjust to the potential risks that arose at any time.

### Risk Response

Management determined measures to respond to risks based on an assessment of risk and relevant controls. The risk profile of each work unit had included all significant risks and control had been established. Bank Mandiri had also implemented an early warning system in any risky business process to monitor changes in risk factors and to support the sustainability of risk management strategy assessments.

### Control Activities

Control activities included the segregation of duties in all Bank Mandiri processes and activities such as the imposition of dual control on all business processes (branches, credit and Information and Technology), tiered supervision responsibilities attached to each business activity, four eyes principle in the segment credit process as well as the implementation of three lines of defense and combined assurance to ensure controlled layered activities.

### Information And Communication

Bank Mandiri had had an Information System that could generate reports or provide sufficient and comprehensive data/information on business activities, financial conditions, implementation of risk management, compliance with the applicable rules and regulations, market information or external conditions and conditions required for a right decision making.

Bank Mandiri had an Information System that could generate reports or provide sufficient and comprehensive data/information on business activities, financial conditions, implementation of risk management, compliance with the applicable rules and regulations, market information or external conditions and conditions required for a right decision making.

### Monitoring

Monitoring included monitoring activities as well as correction of weaknesses and corrective action of deviations. It was reflected in the establishment of relevant information monitoring facilities from the Management including mechanisms to review and monitor the effectiveness of controls through the effective implementation of three lines of defense.

### Implementation Evaluation of Internal Control System

Management was responsible for the implementation of a reliable and effective Internal Control System and was obliged to promote an

effective risk culture and must ensure that it was inherent at every level of the organization.

Internal Audit was responsible for evaluating and taking an active role in improving the effectiveness of the Internal Control System on an ongoing basis in relation to operational implementation in achieving the targets set by the Company. Internal Audit conducted periodic review and examination of all activities in the Work Unit and subsidiaries.

Evaluation results were submitted to the management for follow-up and monitored for implementation to ensure that the Internal Control System run effectively. In order to strengthen the Internal Control System, specifically to control fraud, the Company adopted a comprehensive and integralistic anti-fraud strategy as part of its strategic policy. Based on the evaluation that had been conducted during 2017, it showed that the internal control system at Bank Mandiri had been adequate.

#### Quality Improvement of Internal Control System

Organizational developments and transactions in both volume and complexity as well as increased business competition were accompanied by the increased risk of the Company, thus requiring the Company to continuously improve the quality of its internal control system so that the Company's operations could run effectively and efficiently. An effective Internal control system provided assurance to all stakeholders that the Company's operations were carried out with sound governance and in accordance with the principles of prudence.

Efforts that had been made to improve the quality of the Bank Mandiri internal control system were, among others, by integrating the assurance function to create synergies in order that the implementation of assurance could run more effectively. In addition, Bank Mandiri also continuously improved risk and control awareness for all levels of Bank Mandiri to create an effective control and cultural control environment and support the achievement of the Company's goals.

## Compliance Function

The increasingly tough competition and business scope of Bank Mandiri was a challenge to be aware of compliance risks. A precautionary measure was needed to minimize any violation of the applicable laws and regulations. Implementation of compliance function was not limited only to the prevention of law violations, but also to the underlying soul and spirit. It was important to maintain the reputation of Bank Mandiri as an institution engaging in financial services.

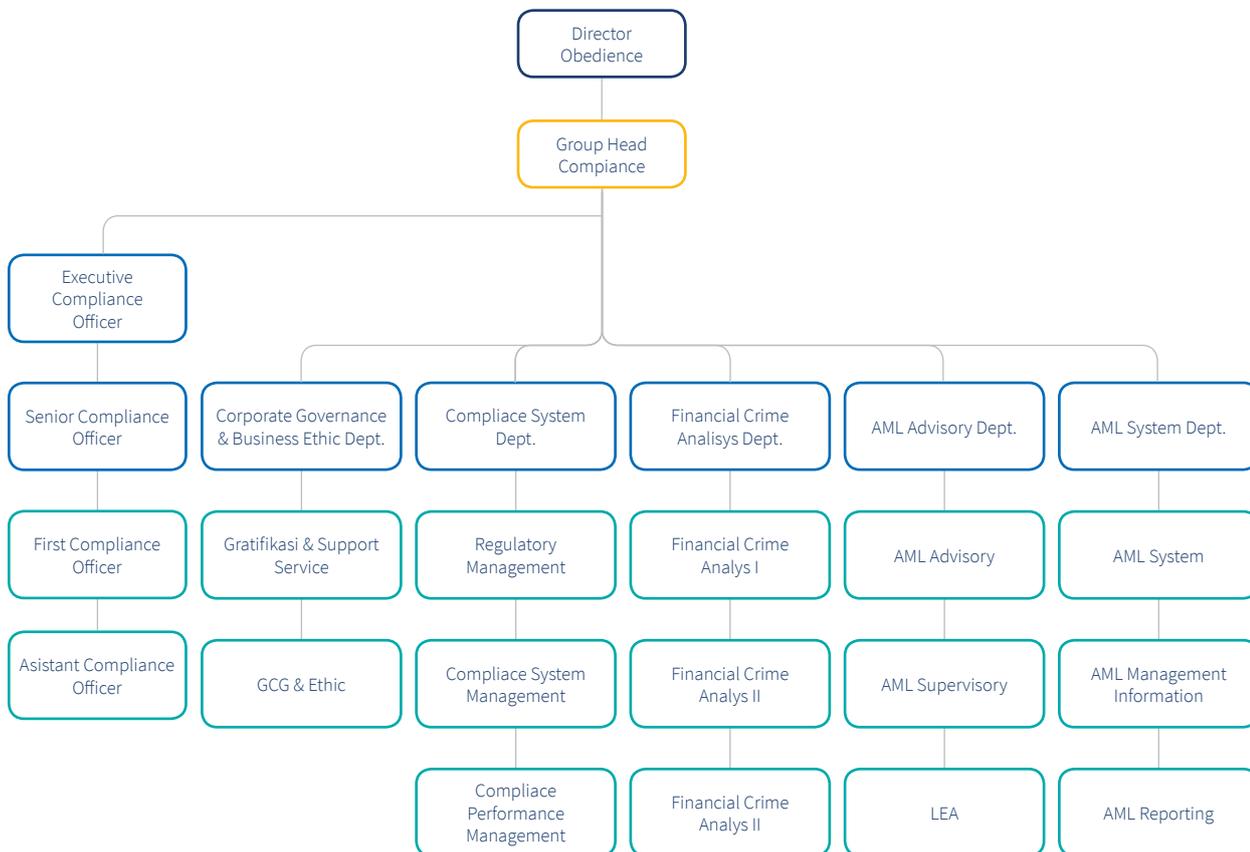
As part of good corporate governance process and in the framework of performing compliance function under the Regulation of Finance Service Authority No. 46/POJK.03/2017 on the Implementation of the Compliance Function of Commercial Banks, Bank Mandiri had a policy and standard of compliance procedures that define the task and responsibility of the Compliance Work Unit (SKK) in performing the compliance function.

#### Organization Structure of Compliance Function

The organization performing Compliance Function was set forth in the Bank Mandiri Compliance Policy (KKBM) that was further elaborated in detail in the Compliance Procedure Standard (SPKp). The organization consisted of:

1. Director in charge of the Compliance Function
2. Compliance Work Unit
3. Compliance Work Unit at Agency

To perform the compliance function, Compliance Group currently consists of 5 (five) Departments and 1 (one) functional unit of Compliance Officer, as follows:



### Director in charge of Compliance Function

The director in charge of the Compliance Function is Mr. Ahmad Siddik Badruddin as Director of Risk Management & Compliance. A brief profile can be seen in the Board of Directors section. Appointment of Director in charge of Compliance Function has been through Fit and Proper Test in accordance with the provisions of the Regulator.

### The Compliance Work Unit

Compliance Group is a Compliance Work Unit (SKK) at Bank Mandiri which is directly responsible to the Director in charge of the Compliance Function, and meets the following requirements:

- Independence.
- Master the prevailing laws and regulations.
- Not performing any other task outside the Compliance Function.
- Have a high commitment to implement and develop Compliance Culture (compliance culture)

## Profile of Head of Compliance Function

Compliance Work Unit (SKK) of Bank Mandiri was led by Head of Compliance Work Unit. Any appointment and/or dismissal of the Head of Bank Mandiri Compliance Work Unit had referred to Bank Mandiri Compliance Policy and been reported to the Regulator.



**Chrisna Pranoto**  
Head of Compliance Function

Place Date of Birth: Jakarta December 28, 1962

Age: 55 Years

Citizenship: Indonesian citizen

Domicile: Jakarta

- Education:
- Bachelor from the Bogor Agricultural Institute Department of Agronomy in 1986
  - Master in International Business Universitas Gajah Mada in 1998
- Employment History:
- Employee Branch Manager Medan City Hall (1989-1992)
  - Semarang Branch (1992-1995)
  - P. International (1995-1996)
  - PJ KA. JPD & LN Central Office Section; EKSIM & Forex; EKSIM Foreign Exchange Foreign Exchange Service (1996-1997)
  - Head of Section Head Office P. International; EXIM- Forex; EXIM- Valor Exports (1997-1999)
  - SRM: Group Head Trade Service 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)
  - Leadership Change Management Office (2014)
  - PJ Group Head Policy, System & Procedure (2014-2015).
  - Member of Bank Mandiri merger team in Operational Sector (1998-2002)
  - Application System Trade Implementation Team
  - Member of Supervisory Board of Bank Mandiri Pensiun Fund (2006-2009)
  - Member of Supervisory Board of Bank Mandiri Pension Fund (2009-2010)
  - Program Manager Solution Development Loan Factory (2010-2013)
  - Representative of PKB Negotiation Team (2013)
  - President Commissioner of PT. Mandiri Manajemen Investasi (2013-2014)
  - Secretary of RCC-RMC (2014)
  - President Commissioner of PT. Mandiri Manajemen Investasi (2014-present).

Element of Appointment: Appointment as Group Head Compliance based on Senior Executive Vice President Decree No. PT Bank Mandiri. KEP.SEVP / 338/2014 on the Appointment and Stipulation of Position in the Framework of Organizational Change.

Training: He attended various training at home and abroad related to Risk Management, Trading, Leadership, Finance and Training related to other banking business

## Task and Responsibility of Compliance Function

The tasks and responsibilities of Compliance Group in performing the compliance function, in general are as follows:

1. Make steps in order to support the creation of Compliance Culture in all Bank business activities at every level of the organization.
2. Identify, measure, monitor and control the Compliance Risk by referring to Bank Indonesia regulation on the Implementation of Risk Management for Commercial Banks.
3. Assess and evaluate the effectiveness, adequacy, and conformity of policies, regulations, systems and procedures owned by the Bank with the applicable laws and regulations.
4. Review and/or recommend the updating and improvement of policies, provisions, systems and procedures owned by the Bank to comply with the Bank Indonesia regulations as well as the applicable laws and regulations.
5. Make efforts to ensure that the Bank's policies, regulations, systems and procedures, as well as operations were in compliance with the Bank Indonesia regulations and the applicable laws and regulations.

## Competency Development of Compliance Function

During 2017, Compliance Function Personnel had attended various programs of competency improvement in the form of training, workshop, conference, seminar, as the following table:

No.	Date	Training Name	Organizer
1.	11 January 2017	Integrated Risk Management Mandiri Group System	PT Bank Mandiri (Persero) Tbk.
2.	22-23 February 2017	Sertifikasi Kepatuhan Level 1	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)
3.	20 March 2017	<i>Refreshment</i> Sertifikasi Manajemen Risiko	BARa Risk Forum
4.	06-07 April 2017	Workshop THP 2 ProjeK Customer on Boarding	Mandiri University Group
5.	10 April 2017	<i>Refreshment</i> Sertifikasi Manajemen Risiko	PT Bank Mandiri (Persero) Tbk.
6.	05 May 2017	<i>Refreshment</i> Sertifikasi Manajemen Risiko	PT Bank Mandiri (Persero) Tbk.
7.	08 May 2017	Workshop IMPL Nota KSMPh dan PDM Kerja Dengan Polri	PT Bank Mandiri (Persero) Tbk.
8.	15 May 2017	<i>Refreshment</i> Sertifikasi Manajemen Risiko	PT Bank Mandiri (Persero) Tbk.
9.	18 May 2017	Anti Korupsi, Gratifikasi dan Anti Money Laundering	PT Bank Mandiri (Persero) Tbk.
10.	11-14 July 2017	Training Pembekalan Sertifikasi Manajemen Risiko Level 1	PT Bank Mandiri (Persero) Tbk.
11.	13-14 July 2017	Effective Compliance Standards	Asia Anti Fraud
12.	17-18 July 2017	Training Pembekalan Sertifikasi Manajemen Risiko Level 2	Mandiri University Group
13.	20-22 July 2017	Pembekalan Sertifikasi Manajemen Risiko	PT Bank Mandiri (Persero) Tbk.
14.	09 August 2017	Manajemen Resiko Perbankan	PT Bank Mandiri (Persero) Tbk.
15.	09-10 August 2017	Peran Bank Mencegah dan Memberantas Kejahatan Perbankan	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)
16.	28-30 August 2017	Interpretasi Berbasis KPKU BUMN	PT Bank Mandiri (Persero) Tbk.
17.	06 September 2017	Seminar Penilaian <i>Mutual Evaluation Review</i> Terhadap Indonesia Oleh APG dan Penilaian Risiko Tindak Pidana Pencucian Uang	Lembaga Pengembangan Perbankan Indonesia
18.	11-12 September 2017	Advanced Based Risk Compliance	FDB
19.	14-15 September 2017	Effective Compliance Standards	Asia Anti Fraud
20.	27-28 September 2017	Sharing Session and Workshop ASEAN CG Scorecard	PT. Mitra Bhadra Consulting
21.	27 - 29 September 2017	Legal and Compliance Risk Management	CRMS Indonesia
22.	27-30 September 2017	Sertifikasi Kepatuhan Level 1	Jakarta
23.	28 - 29 September 2017	Workshop Aspek Hukum <i>Holdering</i> diLingkungan BUMN	Indonesia <i>Training Institute and Consulting Services</i>

No.	Date	Training Name	Organizer
24.	25-26 October 2017	Workshop Anti Pencucian Uang (APU) dan Pencegahan Pendanaan Terorisme (PPT)	PT Bank Mandiri (Persero) Tbk.
25.	25-26 October 2017	Refreshment Sertifikasi Kepatuhan Level 1	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)
26.	25-26 October 2017	Refreshment Sertifikasi Kepatuhan Level 1 dan Penerapan Prinsip Kehati-hatian Dalam Perbankan	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)
27.	25-26 October 2017	Penerapan Prinsip Kehati-hatian Dalam Perbankan	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)
28.	26-27 October 2017	Workshop APU PPT	PT Bank Mandiri (Persero) Tbk.
29.	29-30 October 2017	Sertifikasi Kepatuhan Level 1	Forum Komunikasi Direktur Kepatuhan Perbankan (FKDKP)
30.	27-29 November 2017	Workshop Rembuk Integritas Nasional	Direktorat Jendral Pajak
31.	30 November 2017	Forum Discussion Group Larangan Praktek Gesek Tunai dan Surcharge	Bank Indonesia

### Policies and Compliance Procedures Standards

An ex-ante effort is needed to minimize the potential risks of the Bank's business activities. Therefore, Bank Mandiri owns a policy and standard of compliance procedures which become the basis for all personnel in growing the Compliance Culture so that the Bank's activities are always in line with prevailing laws and regulations and based on the prudential principle. Such policies and standard procedures are reviewed periodically at least annually as required by the bank and following changes to prevailing laws and regulations.

#### Bank Mandiri Compliance Policy (KKBM)

In general, the Bank Mandiri Compliance Policy includes guidelines for all employees in carrying out the Compliance Culture including Public Policy, Organization, Authority and Responsibility, Compliance Risk Management, Reporting, Monitoring and Compliance Principles. Bank Mandiri's compliance principles are as follows:

1. The bank always adheres to the prevailing laws and regulations and applies the prudential principles in carrying out all its activities (mandatory).
2. The Board of Commissioners and Directors become role models based on honesty and integrity so that the implementation of compliance will become the Bank's culture (starts from the top).
3. All Banks are fully responsible for implementing compliance in their respective activities.

#### Bank Mandiri Compliance Procedure Standards (SPKp)

The SPKp is a more detailed description of the Compliance Policy which contains the guidelines for the implementation of the Compliance Function, which includes the procedures for

the implementation of compliance functions, compliance tools, compliance incidents handling, compliance risk mitigation, and the Compliance Work Unit (SKK) relationship with the Internal Audit Unit (SKAI) and Risk Management Work Unit (SKMR), particularly the operational risk management units.

Compliance incident is a non-compliance event or event that may be considered a potential non-compliance event against the prevailing laws and regulations.

#### Compliance Technical Instructions (PTKp)

Particularly for the implementation of Anti-Money Laundering and Terrorism Financing Prevention (APU and PPT), the policies and standards of Anti-Money Laundering and Terrorism Financing Practices (APU PPT) guidelines are in place.

In relation to the implementation of the integrated compliance function, whereby Bank Mandiri as a Main Entity, Subsidiary Company shall have a compliance policy in line with Bank Mandiri Compliance Policy and shall be in accordance with the applicable provisions in each subsidiary of the Subsidiary Company.

#### 2017 Compliance Strategy

To support the vision achievement of Bank Mandiri in 2020, Bank Mandiri has established compliance strategies so as to minimize the chance of compliance risks and enhance a compliance culture in every Bank activity.

### Compliance Risk of Risk Appetite Statement (RAS)

The business complexity and aggressive growth in the coming year must be balanced with more forward looking compliance risk management and more sensitive towards the dynamics of the changes. For 2017, Bank Mandiri has tightened the level of compliance risk to be taken (risk appetite) as one of the compliance strategies.

Risk Appetite is set forth in the form of Risk Appetite Statement (RAS) which becomes the reference for all bank personnel in performing bank activities so that the business targets can be achieved by keeping in mind the limitation of risk that may occur. Compliance Risk RAS is compiled prudently using historical data in accordance with the parameters of compliance risk assessment as arranged in the Circular Letter of the Financial Services Authority No. 14/SEOJK.03/2017 tanggal 17 Maret 2017 perihal Penilaian Tingkat Kesehatan Bank Umum.

This compliance risk RAS is defined by the Risk Management Committee (RMC) through an alignment process between the perspective of the Commissioner and the Board of Directors in a top-down manner with a bottom-up perspective based on inputs and synchronization with the business and work units.

### The Implementation Of Compliance Functions Working Program In 2017

#### 2017 Compliance Working Plan

In supporting the Company's vision, mission and business plan, the implementation of the compliance functions refer to the compliance work plan of 2017 focused on strengthening the role and function of the compliance line as business enablers in every business activity, so that the bank's activities are always directed and maintained in accordance with the provisions of the legislation applied.

Broadly speaking, the compliance work plan in 2017 included the following:

1. Compliance Function Implementation
  - a. Processes and Procedures Development
  - b. Compliance Risk Management Methodology Development
2. Enhancement of APU-PPT Reporting and Analysis Application Systems

To fulfill the obligations set forth in the regulation, the Bank requires a reliable PPU PPT reporting system. This Enhancement System application aims to control the occurrence of non compliance event associated with the implementation of APU PPT program.

3. Sinkronisasi Fungsi Kepatuhan Terintegrasi

In order to implement the Integrated Governance as stated in POJK No. 18/03.POJK/2014 on Implementation of Integrated Governance for Financial Conglomeration, the Integrated Compliance Work Unit (SKKT) is responsible for monitoring and evaluating the compliance implementation throughout the Subsidiaries.

#### 2017 Compliance Working Plan Implementation

1. Processes and Procedures Development
  - a. Enhancement of work mechanism and procedure was influenced by the availability of organizational change and system as well as work process. In 2017, the changes were focused on the improving of the operational risk management mechanism and its organization that aimed at realizing operational excellence, thereby affecting the reduction of compliance risk, especially through the running of banking operations in accordance with the prevailing laws and procedures and the effectiveness of all the three lines of defense according to their norms.
  - b. In line with the development of the Compliance Framework which is part of the activity towards the operational excellence, there has been conducted the improvement in Compliance Policy and Standards of Compliance Procedure. It aims to refine the bankwide compliance management processes and procedures and ensure that all compliance risk management activities are contained in the relevant procedures.
  - c. In order to improve the function and role of the compliance line, it is also necessary to develop the processes and procedures that are prioritized to strengthen the coordination among units of work related to new regulatory updates and dashboard compliance incident establishment.
2. Compliance Risk Management Methodology Development
  - a. In line with the business activities development of the Company that contributes a major impact on the increased risk exposure faced, one of the efforts to mitigate risks in order to maintain sustainability performance is through the development of a compliance culture attached to any decision-making. Regularly, the Compliance Unit reviews Bank's Policy and Standard Procedures to ensure that Bank Mandiri's policies, rules, systems and procedures and activities are in compliance with prevailing laws and regulations. In addition, the Compliance Unit also monitors the discipline of the work units in realizing the Company's product and activity issuance plan in accordance with the schedule.

- b. To increase the risk awareness related to compliance risk in every Bank Mandiri unit, the Compliance Unit implement a compliance assessment program. It aims to encourage awareness of each individual in order to run every activity in accordance with the provisions and pay attention to the limits of risk that exist in each decision.
  - c. Additionally, the Company has also synchronized the compliance risk library with operational risk library.
3. Synchronization of Integrated Compliance Function
- As a great financial conglomeration, an optimal synergy between the Main Entity and Subsidiaries is required, as well as among Subsidiaries. The synergy is not only from the business aspect, but also from the internal control aspect. In relation with the compliance functions, this is done through alignment of compliance policy tools and compliance risk management mechanisms. In order to ensure Mandiri Group's compliance towards prevailing laws and regulations, Bank Mandiri and Subsidiaries undertake a prudential meeting that address the impact and action plan to meet the obligations on the newly-issued regulation.

#### Evaluation On Effectiveness Of Compliance Function

Implementation of The Compliance Function activities and performance is always evaluated and assessed by the Director of Risk Management and Compliance for the interest of improving the effectiveness of the implementation of the activities and performance of the Compliance Function in the coming year. Assessment criteria of Compliance Function based on Annual Work Plan, Key Performance Indicator (KPI) and Work Program/Non Key Performance Indicator (Non KPI) Work Activity. The assessment based on KPI includes the aspects of Financial Perspective, Customer Perspective, Internal Business Perspective and Development Perspective. Evaluation is expected to improve the quality of implementation of compliance culture and compliance risk management in minimizing the risks that may result from non-compliance with applicable regulations.

#### Anti Money Laundering Program (APU) and Combating Terrorism Financing (PPT) Programs

APU PPT Program Implementation is an obligation for all parties, especially for banks as a financial services company. Money laundering practices are increasingly widespread, including misuse of account use to contain terrorism financing. This requires commitment from all parties to support anti-money laundering and terrorism financing regimes.

The crime of money laundering is a complex crime, involving massive syndicates and huge amounts of money and has an impact that disrupts the economic stability of a country. Therefore, this crime has

become the world's attention until the establishment of the Financial Action Task Force on Money Laundering organization or abbreviated as FATF that plays a role to establish the necessary policies and measure through the recommendations of money laundering prevention and prevention of terrorism financing that must be effectively applied by all States.

In implementing APU PPT Program, Bank Mandiri referred to the Circular Letter of the Financial Services Authority Number 32/SEOJK.03/2017 dated 22 June 2017 on the Implementation of Anti Money Laundering and Combating Terrorism Financing Program in the Banking Sector. Bank Mandiri has a vast network, offering a wide range of products and services, making it particularly vulnerable to risks that those are used for money laundering and terrorist financing. Therefore, Bank Mandiri needs to mitigate these risks by taking various preventive measures, through the effective implementation of PPU PPT programs, such as by applying a risk based approach.

#### APU and PPT Policies

In line with the latest developments related to Anti Money Laundering and Combating Terrorism Financing (APU and PPT) programs and in connection with the new regulation issued by the Financial Services Authority, which also regulates the APU and PPT in the Financial Conglomeration corridor, Bank Mandiri has made improvements to the Implementation Policy of APU and PPT Programs, which is based on 5 (five) Pillars of APU PPT Programs Implementation, which are:

1. Active Monitoring from the Board of Directors and the Board of Commissioners;
2. Policies and procedures;
3. Internal control;
4. Management information system; and
5. Human capital and trainings.

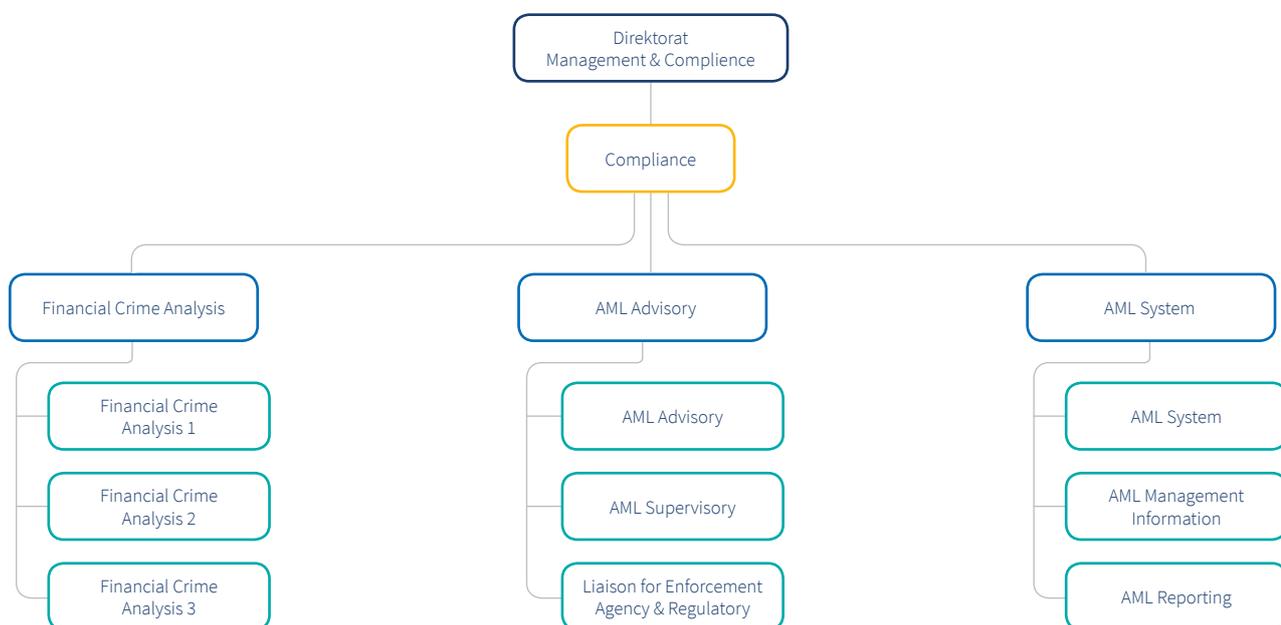
The aims:

1. Fulfill the provisions of the Financial Services Authority Regulations (POJK) on the Implementation of APU and PPT Programs in the Financial Services Sector.
2. Giving common perception and understanding by the whole range of the Company in group about the importance of APU and PPT program implementation.
3. As a guide in mitigating risks such as legal risk, reputation risk, operational risk, and concentration risk by continuing to support the Bank's business.
4. As a guideline in the preparation of standard operating procedures for products and other banking activities based on prudential banking principles.

## APU and PPT Organizational Structure

In order to improve the effectiveness of APU and PPT program implementation in Bank Mandiri, it is necessary to support the active supervision of the Board of Directors and Board of Commissioners, so as to motivate the employees and work units in establishing a compliance culture throughout the organization. Such supervision is included in the risk management of APU and PPT in subsidiaries which are in their implementation under the coordination of the Specific Unit Authority of APU PPT.

The implementation of the APU and PPT program is carried out by the Specific Unit Authority (PPK) of the PPU APU structurally under the Compliance Unit (SKK) of the Bank Mandiri Head Office and directly responsible to the Risk Management & Compliance Director who oversees the compliance function at Bank Mandiri. The APU PPT Organization Structure described as follows:



In order to implement the PPU APU program effectively and fulfill the regulatory requirement, besides UKK APU PPT at Head Office, there is Anti Money Laundering Officer (AMLO) domiciled in Regional Office performing supervision function of PPU APU implementation in Branches. In addition, taking into consideration the burden of operational tasks and business complexity, also has been appointed the APU PPT Person in Charge (PIC) in each Branch assigned to oversee and run operations in accordance with the provisions of APU PPT program implementation in each Branch.

## APU and PPT Policies

Bank Mandiri's commitment to consistently and effectively conduct APU and PPT programs to support anti money laundering regime to combat money laundering and terrorism financing is implemented in the program, among others:

1. Adjustment to the Bank Mandiri's Policy and Standard Procedure of Anti-Money Laundering and Combating Terrorism Financing Programs in accordance with the Financial Services Authority

Regulation (POJK) No. 12/POJK.01/2017 on the Implementation of Anti-Money Laundering and Combating Terrorism Financing Programs in Financial Services Sector as well as Circular Letter of the Financial Services Authority (SEOJK) No. 32/SEOJK/2017 on the Implementation of Anti Money Laundering and Combating Terrorism Financing Programs in Banking Sector.

2. Integration of APU PPT programs implementation in Financial Conglomeration through policy making and procedures of APU PPT by Subsidiaries and Foreign Branches aligned with Bank Mandiri's policies and procedures and stay on track with the guidance on regulations regulating the APU PPT programs.
3. Enhance the compliance culture in the implementation of APU PPT programs addressed by the efforts to improve the operational quality of the Branch in accordance with the provisions of APU PPT on a continuously and sustainable basis through the APU PPT Pilot Branch program.
4. Establish and maintain cooperation and coordination with the regulators and law enforcers particularly in the field of Anti

Money Laundering and Combating Terrorism Financing through provision of Customer data / information sentenced as Suspect, active as part of Indonesian APU PPT regime, among others in the preparation of National Risk Assessment (NRA) & Sectoral Risk Assessment (SRA), Bank Samples in the implementation of Mutual Evaluation Review (MER) by Asian Pacific Group on Money Laundering and other activities organized by the Regulator and APGAKUM.

5. Preparation of methodology reform of risk assessment based on a Risk Based Approach with respect to Customer-related factor; Country or Geographic Area; Products, Services or Transactions; and / or Distribution Channel (Delivery Channel).
6. In order to improve AMLO's capability in conducting Suspicious Financial Transaction (TKM) analysis as well as the operation of AML System, AMLO selecting sampling and training in each Region has been conducted.
7. Establish and build cooperation with the data provider unit in fulfilling customer data and transaction information for the purpose of customer transaction analysis.
8. Quality and report monitoring improvement of Cash Transaction Report (LTKT), Financial Transaction Report from and Abroad (LTKL), Suspicious Financial Transaction Report (LTKM), and Integrated Services User Information System (SIPESAT).
9. Bank Mandiri has improved the information system so that it presents the counterparty account data (payers information) credit card payment transactions. Approximately 99.5% of Mandiri Credit Card transactions are made through Bank Mandiri ATM, Internet Banking, Short Message Service (SMS) Banking, Direct Debit, Overbooking, RTGS Transfers, Clearing / SKN, and Cash Transactions in Branches. For the use of this Mandiri Credit Card payment transaction, Bank Mandiri has been able to present Mandiri Credit Card account information (payers information).
10. The increase in awareness of APU and PPT for the employees in bank-widely through regular training of APU and PPT with some media that i.e. class-room training, e-learning and socialization to all Branch/Working Unit employees in Bank Mandiri and Subsidiary Company. In addition to increasing the implementation of AML CTF programs in Branch conducted by Anti Money Laundering Officer (AMLO), then in the year of 2017 it also had been conducted a Workshop of AML and CTF and assessment of AML CTF to all AMLO.

## Provision of Funds for Social and/or Political Activities

Bank Mandiri has proven to stakeholders that the orientation is not only for profit, but also for the interest of the society and environment (non-financial) around the work unit of Bank Mandiri spread all over Indonesia. As a manifestation of social responsibility, Bank Mandiri has set aside some of its profit to build the community and environment.

Throughout 2017, Bank Mandiri spent Rp139,240,266,550 to conduct various activities related to social and community programs. The details of funding for CSR activities related to social and community development are as follows.

Event Category	Implementation Cost
Environmental Sector	Rp480,180,500
Soundness Sector	Rp11,493,665,250
Public Facilities and Wsrship Sector	Rp100,836,424,857
Natural Disaster Relief Sector	Rp1,948,764,031
Social Development Sector	Rp10,173,089,780
Education Sector	Rp14,308,142,132
Total	Rp139,240,266,550

The details relating to corporate social responsibility was presented in the Corporate Social Responsibility and Sustainability Report sections in 2017, which was an integral part of this Annual Report. Meanwhile, for the provision of funds for political activities, during the year of 2017, Bank Mandiri did not provide funds for political activities or to political parties.

## Significant Cases

Throughout the year OF 2017, the number of civil and criminal law issues that had been completed (already had a permanent legal force) and which are still in the process of completion can be presented through the table as follows.

## Table of Significant Cases

No.	Legal Issues	Amount		
		Civil	Criminal	Industrial relations
1.	Cases / Legal Issues that are still in the process of completion	221	7	N/A
2.	Case / Legal Issues that have been completed (already has a permanent legal force)	39	10	N/A

## Significant Cases Faced by The Company

Of the several cases, the 9 most significant cases affecting the Company can be seen in the table as follows:

## Significant Cases Faced By The Company

No.	Case Principal / Claim	Settlement Status	Influence Against Company Conditions	Management Efforts	Sanctions Imposed
1.	Asset Case No. 487 / Pdt.G / 2015 / PN.Mdn between Tjong Afie Trading Company and PT Bank Mandiri (Persero) Tbk.	Currently still in the process of Cassation in the Supreme Court of the Republic of Indonesia	Risk of Losing Assets	Bank Mandiri has made a maximum effort so that Bank Mandiri has been declared winning according to information on the official website of the Supreme Court.	There is no
2.	Asset Case in Jalan Diponegoro Pontianak. 154 / Pdt.G / 2016 / PN.Ptk an. Abdullah Abdul Razak with PT Bank Mandiri (Persero) Tbk.	Currently still in the process of Cassation in the Supreme Court of the Republic of Indonesia		Bank Mandiri has made the maximum effort by seeking important evidence to support Bank Mandiri's position.	There is no
3.	Case No. 928 / Pdt.G / 2006 / PN.Jkt.Sel between PT Timor Putra Nasional and PT Bank Mandiri (Persero) Tbk.	Currently still under review process in the Supreme Court	Risk of compensation and reputation	Bank Mandiri has made a maximum effort so that Bank Mandiri has been declared winning according to information on the official website of the Supreme Court.	There is no
4.	PT. Dewata Royal International No. 683 / Pdt.G / 2016 / PN.Jkt.Sel an. Plaintiff Rustandi Yusuf	Currently still in process at the District Court		Bank Mandiri has made the maximum effort by submitting written evidence and witnesses as well as expert information that is competent in the field of Agreement.	There is no
5.	Case No. 751 / Pdt.G / 2017 / PN.Jkt.Sel between Muhammad Bahalwan with PT Bank Mandiri (Persero) Tbk.	Currently still in process at the District Court		Bank Mandiri handled the case maximally by conducting an in-depth review of the criminal verdict in order to respond to Muhammad Bahalwan's lawsuit.	There is no
6.	Case No. 457 / Pdt.G / 2017 / PN.Jkt.Utr between PT Gosyen Indonesia Utama and PT Bank Mandiri (Persero) Tbk.	Currently still in process at the District Court	Operational risk and reputation	Handling cases maximally by seeking important evidence supporting Bank Mandiri's position.	There is no
7.	Suspected Banking Criminal Acts and / or Criminal Acts of Fake Fund Transfer through Mandiri Online service system application	Currently still in trial process		Following the trial and giving testimony as witness.	There is no
8.	Alleged Fraud, Falsification of Documents and / or Banking in connection with the award of FasKred to PT Rockit Aldeway	Currently still in trial process		Following the trial and giving testimony as witness.	There is no
9.	Suspicion of Fraud and / or Embezzlement and Money Laundering in connection with the award of FasKred to PT Kimas Sentosa	Investigation at Police Headquarters Bareskrim	Credit risk and reputation	Providing testimony as witnesses and submitting evidence.	There is no

## Disclosure of Administrative Sanctions From OJK

During 2017, there were no material administrative sanctions affecting the viability of Bank Mandiri's business and there were also no administrative sanctions imposed on either the members of Board of Directors or the Board of Commissioners.

## Legal Cases Faced by The Board of Comissioners and Directors Serving and Subsidiaries

### Legal Cases Faced by The Directors and The Board of Comissioners Serving

During 2017, there were no legal cases faced by the members of the Bank Mandiri's Board of Commissioners serving, both civil and criminal law.

### Legal Cases Faced by Subsidiaries

The legal cases faced by the Subsidiary Entity during 2017, can be seen in the table below.

No.	Subsidiaries	Important Case	Amount		
			Civil	Criminal	Industrial relations
1.	PT Bank Syariah Mandiri	Cases / Legal Issues that are still in the process of completion	188	26	2
		Case / Legal Issues that have been completed (already has a permanent legal force)	22	9	0
2.	PT Mandiri Sekuritas	Cases / Legal Issues that are still in the process of completion	3	-	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	1	-	-
3.	PT Mandiri Tunas Finance	Cases / Legal Issues that are still in the process of completion	22	-	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	9	-	-
4.	PT Mandiri AXA General Insurance	Cases / Legal Issues that are still in the process of completion	1	-	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	3	-	-
5.	PT AXA Mandiri Financial Services	Cases / Legal Issues that are still in the process of completion	4	16	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	10	4	-
6.	PT Bank Mandiri Taspen	Cases / Legal Issues that are still in the process of completion	6	18	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	9	-	-
7.	Mandiri International Remittance Sdn. Bhd.	Cases / Legal Issues that are still in the process of completion	-	-	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	-	-	-
8.	Bank Mandiri (Europe) Limited	Cases / Legal Issues that are still in the process of completion	-	-	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	-	-	-

No.	Subsidiaries	Important Case	Amount		
			Civil	Criminal	Industrial relations
9.	PT Asuransi Jiwa Inhealth Indonesia	Cases / Legal Issues that are still in the process of completion	-	-	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	1	-	-
10.	PT Mandiri Utama Finance	Cases / Legal Issues that are still in the process of completion	4	-	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	-	3	-
11.	PT Mandiri Capital Indonesia	Cases / Legal Issues that are still in the process of completion	-	-	-
		Case / Legal Issues that have been completed (already has a permanent legal force)	-	-	-

### Significant Cases Faced by Subsidiaries

As follows were the important issues faced by Subsidiaries during 2017.

Table of Significant Cases Faced by the Subsidiaries

Subsidiary	Case Principal / Claim	Settlement Status	Influence Against Company Conditions	Management Efforts	Administrative sanctions
PT Bank Syariah Mandiri	Perkara klaim Bank Garansi PT Kutulang Paksi Mas No.357/Pdt.G/2015/PN.Jkt.Pst antara PT Petro Energy dengan PT Bank Syariah Mandiri dan PT Kutulang Paksi Mas.	Appeal	Risk of compensation and reputation.	PT Bank Syariah Mandiri had made efforts as maximally as possible, but there was no decision of the Supreme Court of the Republic of Indonesia (inkracht) punishing PT Bank Syariah Mandiri to pay the Bank Guarantee.	There is no
	Perkara klaim Bank Garansi PT Kutulang Paksi Mas No.539/Pdt.G/2015/PN.Jkt.Pst antara PT Solaris Prima Energy dengan PT Bank Syariah Mandiri dan PT Kutulang Paksi Mas.	Appeal	Risk of compensation and reputation.	PT Bank Syariah Mandiri had made the best efforts by applying the Cassation through the Supreme Court of the Republic of Indonesia. In accordance with the information in the website of the Supreme Court of the Republic of Indonesia, the request of the Case of PT Bank Syariah Mandiri was granted. Nevertheless, the decision of the cassation was not yet known whether the Supreme Court upheld the decision of PN or PT.	There is no
	Perkara Pencairan Deposito PT Pos Property Indonesia No.267/Pdt.G/2015/PN.Bdg antara Monfiori (Director Utama PT Pos Property Indonesia dengan dan PT Bank Syariah Mandiri serta Ir. Sri Wikani dan Akhmad Rizani (mantan Director PT Pos Property Indonesia).	Appeal	Risk of compensation and reputation.	If the decision of the Supreme Court of the Republic of Indonesia was essentially corroborating the PT Decision, it was possible for PT Solaris Prima Energy to file a lawsuit again.	There is no

Subsidiary	Case Principal / Claim	Settlement Status	Influence Against Company Conditions	Management Efforts	Administrative sanctions
PT Mandiri Tunas Finance	PKPU / Bankruptcy case with case number 66 / Pdt. Sus-Pkpu / 2017 / PN.Jkt. Pst in Commercial Court at Central Jakarta District Court on behalf of Debtor PT Multi Structure.	Currently, it is still in the process of discussing the peace proposal of the debtor with all creditors.	There is no installment payment by the borrower to the MTF thus affecting the company's performance.	PT Bank Syariah Mandiri had made maximum efforts so that Bank Syariah Mandiri had been declared winning according to information on the official website of the Republic of Indonesia's Supreme Court. However, it was possible that PT Pos Property Indonesia filed a lawsuit again through the Religious Court of Bandung.	There is no
	Lawsuit Lawsuit Agreement with case number 541 / Pdt.G / 2016 / PN.Jkt. Pst in Central Jakarta District Court on behalf of Debtor PT Mulia Restu Mandiri Group.	Currently, it is still in the process of filing appeals by appeals to the High Court of DKI Jakarta.	The Borrower does not make installment payments, MTF can not execute fiduciary guarantee object execution, and there is Risk of indemnity due to the lawsuit from Debtor to MTF affecting company performance.	PT Mandiri Tunas Finance had conducted the best for the company's interest in the case.	There is no
PT Mandiri AXA General Insurance	PT Luxury Industries Case No. 253 / Pdt.G / 2017 / PN.JKT. TIM with PT Mandiri AXA General Insurance and Other Defendants.	Telah Selesai	Risk of Indemnity	PT Mandiri Tunas Finance had conducted the best for the company's interest in the case.	There is no
	PT Pupuk Subur Makmur case no. 341 / Pdt.G / 2015 / PN.MDN with PT Mandiri AXA General Insurance and Other Defendants.	Still in process	Risiko Ganti Rugi	PT Mandiri AXA General Insurance as the Insurance Member in this Ko-Insurance case up to now make the maximum effort at the High Court level	There is no
PT AXA Mandiri Financial Services	PT Mandiri AXA General Insurance as the Insurance Member in this Ko-Insurance case up to now make the maximum effort at the High Court level	There is no	Risk of claim payment	The case is still in process at Bareskrim and AXA Mandiri follows the process.	There is no
	Alleged Crime of Corruption conducted by Nur Alam (Governor of Southeast Sulawesi).	Currently still in process at the Court.	Reputation risk	The case is still proceeding in the Corruption Court at the Central Jakarta District Court, and AXA Mandiri follows the process.	There is no
	Bankruptcy of PT. Dimas Utama, where AMFS has Premium Receivables and excess claim.	Currently still in bankruptcy process which is handled by Team Curator.	Risk not paid premium and excess claim	The case currently proceeds at the PT Curator. Main Dimas (in Bankruptcy) and AXA Mandiri follow the process	There is no
	Alleged Fraud and / or Embezzlement crimes allegedly committed by Fariani (Termaslahat)	Processes are investigated at Polda Southeast Sulawesi		The investigation process at the Southeast Sulawesi Regional Police and AXA Mandiri (Reporting Party) follows the process	There is no
	Case No. 124 / Pid.Sus / TPK / 2017 / PN.JKT.PST, alleged criminal act of Grativication in the issuance of tax invoices and Money Laundering conducted by Jajun Jaenudin, S.Kom., MM.	The case is still proceeding in the Corruption Court at the Central Jakarta District Court		The case is still proceeding in the Corruption Court at the Central Jakarta District Court, and AXA Mandiri follows the process.	There is no
PT Bank Mandiri Taspen	76 / Pdt.G / 2012 / PN.Dps.	- PN.Dps verdict. No.76 / Pdt.G / 2012 / PN.Dps., PT Bank Mandiri Taspen lost.	Not significant, because the potential loss is small, ie +/- Rp.46 million (either credit debit)	Make an appeal on the verdict of the State Court and the High Court that harms PT Bank Mandiri Taspen	There is no

Subsidiary	Case Principal / Claim	Settlement Status	Influence Against Company Conditions	Management Efforts	Administrative sanctions
	- The lawsuit filed in connection with the credit guarantee status on behalf of the debtor Nyoman Gede Parwita Kusuma who is declared invalid because the certificate was obtained illegally from the Plaintiff.	- PT.Dps verdict. No.154 / PDT / 2013 / PT.Dps, PT Bank Mandiri Taspen lost.	Not significant, potential loss is small +/- Rp. 258 million (auction value),	Keeping the decision of kasasi remains beneficial to PT Bank Mandiri Taspen.	There is no
	623/Pdt/G/2017/PN.Dps - Gugatan diajukan karena Penggugat merasa keberatan dengan rencana lelang Hak Tanggungan atas jaminan kreditnya	- Currently being appealed against the application of PT Bank Mandiri Taspen.	and PT Bank Mandiri Taspen. saat is in a position to be won based on the decision of the District Court and the High Court	Appoint a professional legal counsel to guard and handle in order that the decision being handed down does not harm PT Bank Mandiri Taspen.	There is no
	898/Pdt.G/2017/PN.Dps - Gugatan diajukan karena Penggugat merasa keberatan dengan rencana lelang Hak Tanggungan atas jaminan kreditnya	Perkaranya masih dalam pemeriksaan di Pengadilan Negeri Denpasar, dan Penggugat sudah 4X Not Attending dipersidangan tanpa alasan yang jelas, dan pada sidang berikutnya tanggal 20/2/2018 akan diputus apabila Penggugat tetap juga Not Attending	Not significant, the potential loss of the credit credits is +/- Rp. 962 million, and the legal position of PT Bank Mandiri Taspen is quite strong	Handling the case well and its decision should not harm PT Bank Mandiri Taspen.	There is no
PT Asuransi Jiwa Inhealth Indonesia	The case of refusal of insurance claim payment for having expired, in case Number: 63 / Pdt / G / 2017 / PN.Pbr in Pekanbaru.	Already completed by way of Mediation / Peace Decision (Deed of Van Daading)	Not significant, due to potential loss of about Rp.2,97 billion (credit debit credit value), and Plaintiff's argument is not strong.	Mandiri Inhealth has conducted a mitigation process conducted by the Legal Unit under the Risk Management and Legal Division by Reviewing the terms and conditions in the policy and improving the socialization strategy on the internal technical and operational range of Mandiri Inhealth and its business partners.	There is no

### The Impact of Legal Disputes on Company

The impact of civil and criminal law problems faced by Bank Mandiri through legal process is not significant because the Bank has conducted a mitigation process by the Legal Unit under Risk Management & Compliance.

### Access to Company Data and Information

The public can access all the reports of financial and non-financial conditions that have been submitted by Bank Mandiri transparently through various means of print and electronic media, including the publication of financial reports on the official website of Bank Mandiri, Bank Indonesia, Indonesia Stock Exchange and Ministry of SOE portals available on time, complete and accurate.

### Corporate Secretary

Rohan Hafas

Tel: 62-21 524 5299

Fax: 62-21 526 3460

Website: <http://www.bankmandiri.co.id>

Email: [corporate.secretary@bankmandiri.co.id](mailto:corporate.secretary@bankmandiri.co.id)

### Head Office Address

Plaza Mandiri

Jl. Jenderal Gatot Subroto Kav. 36-38

Jakarta 12190 INDONESIA

Tel. 62-21 5265045

Fax.62-21 5274477, 527557

**Situs Website**

www.bankmandiri.co.id

**Call Center**

14000 ; (021) 52997777

**Contact Address**

Corporate Secretary  
corporate.secretary@bankmandiri.co.id

**Customer Care**

Email: customerhandling@bankmandiri.co.id

**Media Sosial**

Facebook: <https://id.facebook.com/officialbankmandiri/>

Twitter: @bankmandiri

**Investor Relations**

The main function of Investor Relations, establishing good relationships between companies with Investors, Capital Markets, and Shareholders,

through interactive communication and transparent and periodic information delivery, which includes:

1. The development of communication strategies and maintaining good relations primarily related to investors, potential investors, analysts, fund managers, securities firms, regulators, rating agencies and the general capital market community.
2. Preparation of materials and activities related to Investor relations, among others analyst meetings, road shows, public expose and investor conference.
3. Coordinating the preparation, publishing and distribution of Annual Reports to Investors / analysts.
4. Prepare data and information on market developments and company stock performance for Investor and capital market community.

The contacts for Investor Relations of Bank Mandiri are as follows:

**Investor Relation**

Email: [ir@bankmandiri.co.id](mailto:ir@bankmandiri.co.id)

<http://ir.bankmandiri.co.id>

Follows is the recap of activities in Investor Relations during 2017, whether it is a disclosure of Bank Mandiri's performance or marketing activities to investors:

No.	Agenda	Description	Location
1.	Analyst Meeting	Full Year 2016 (Februari), 1st Quarter 2017 (April), 2nd Quarter 2017 (Juli), 3rd Quarter 2017 (Oktober)	Jakarta
2.	Public Expose	Full Year 2016 (Februari), 1st Quarter 2017 (April), 2nd Quarter 2017 (Juli), 3rd Quarter 2017 (Oktober)	Jakarta
3.	Investor Conference	Local Investor Conference: 3 International Investor Conference: 9	Indonesia Asia, Amerika, & Eropa
4.	Non-Deal Roadshow	Local Non Deal Roadshow: 1 International Non Deal Roadshow: 6	Indonesia Asia, Amerika, & Eropa

**Press Release**

Information Disclosure in the form of a press release conducted by Bank Mandiri is one of the implementation of GCG principles that is transparency and accountability to the public. The press releases performed by Bank Mandiri during 2017 were as follows.

**Table of Press Release**

Date	Press Release
3 January 2017	Press Release of Tax Amnesty Repatriation Fund Accumulation Updates
11 January 2017	Press Release of Creative House of SOEs in Java Presenting by Bank Mandiri
13 January 2017	Press Release of 2017 Joint Entrance Selection of State Universities (SBMPTN)
17 January 2017	Press Release of Media Briefing Bank Mandiri Support at 2017 Indonesia Fashion Week
23 January 2017	Press Release of Cooperation of Bank Mandiri - Ministry of Transportation
24 January 2017	Press Release of Electricity Sector Financing
25 January 2017	Press Release of 2017 Market Outlook Gathering
26 January 2017	Press Release of Cooperation of Bank Mandiri - Bekasi Local Revenue Offices

Date	Press Release
26 January 2017	Press Release of Credit Card Launching of Bank Mandiri Pertamina
29 January 2017	Press Release of RKBK Launching
1 February 2017	Press Release of Bank Mandiri's Creative Industry Support in Indonesia Fashion Week
6 February 2017	Press Release of PT Timah Supplier Financing Preparation by Bank Mandiri
8 February 2017	Press Release of Mandiri Investment Forum
13 February 2017	Press Release of 2017 DKI Jakarta District Head Election
14 February 2017	Press Release of IV-2016 Quarter Performance
22 February 2017	Press Release of Launching of PPOB BPJS Health- Super Indo
22 February 2017	Press Release of Official Opening of FEB UI Auditorium Building
23 February 2017	Press Release of Bank Mandiri Supports Non-Cash Food-Net Program
6 March 2017	Press Release of 2016 WMM Judging
11 March 2017	Press Release of 2016 WMM Award
13 March 2017	Press Release of Cooperation of Bank Mandiri KTA – Askrindo
14 March 2017	Press Release of RUPST
21 March 2017	Press Release of Mandiri online
24 March 2017	Press Release of Bekraf Launches Coding Mum
29 March 2017	Press Release of Distribution of Semarang-Batang Toll Credit
30 March 2017	Press Release of Mandiri Kimia Farma- Bank at Work
5 April 2017	Press Release of Trade Finance
6 April 2017	Press Release of Mandiri STPI Curug
11 April 2017	Press Release of Jakarta Fiestapoin Auction
18 April 2017	Press Release of 2017 DKI Jakarta District Head Election Round II
23 April 2017	Press Release of Mandiri Jogja 2017 Marathon Event
25 April 2017	Press Release of I-2017 Quarter Performance
26 April 2017	Press Release of Mandiri Tarakanita
29 April 2017	Press Release of Mandiri Coffiesta
1 May 2017	Press Release of Bank Mandiri Supports Non-Cash Food Program
3 May 2017	Press Release of Mandiri's Cooperation with BPJS Health and BPJS Employment
8 May 2017	Press Release of Public Expos PUB I Phase II
9 May 2017	Press Release of Mandiri Encourages Semarang Manufacturing
10 May 2017	Press Release of BMRI Supports towards IAPH
10 May 2017	Press Release of Mandiri KBN- Bank at Work
19 May 2017	Press Release of Cooperation of Ciputra Group Financing of Warehousing
26 May 2017	Press Release of Cooperation of Bank Mandiri - Customs and Excise
30 May 2017	Press Release of 2017 Ramadhan and Lebaran Cash Fund Anticipating Preparation
31 May 2017	Press Release of IIF Bilateral Phase 2
2 June 2017	Press Release of INKA Financing
10 June 2017	Press Release of Ramadhan Gift of Santri Pesantren
11 June 2017	Press Release of Orphans Fast-breaking Gathering
15 June 2017	Press Release of Cooperation of Bank Mandiri - Ministry of Transportation
15 June 2017	Press Release of Ramadhan Gift of Santri Pesantren – Bogor
16 June 2017	Press Release of Bank Mandiri Obligation Phase II Year 2017
16 June 2017	Press Release of Socializing the Use of New Money Fractions of Bank Mandiri

Date	Press Release
16 June 2017	Press Release of Cooperation of Bank Mandiri - DKJN
16 June 2017	Press Release of Kimas Sentosa
21 June 2017	Press Release of Mudik with Bank Mandiri
21 June 2017	Press Release of Bank Mandiri Garuda Indonesia
5 July 2017	Press Release of Kartu Tani in West Java
6 July 2017	Press Release of Bank Mandiri Berhad
11 July 2017	Bank Mandiri's Bank at Work with Jasindo
11 July 2017	Press Release of Bank Mandiri PPD
14 July 2017	Press Release of Cooperation Bank Mandiri - Housing Development of Bank at Work
17 July 2017	Press Release of Mandiri NongHyup Financial
19 July 2017	Press Release of II-2017 Quarter Performance
20 July 2017	Press Release of Bank Mandiri Partnership and BUMDes (village-owned enterprises) Karawang District
24 July 2017	Press Release of Cooperation of Bank Mandiri - LPDP (Indonesian Endowment Fund for Education)
28 July 2017	Press Release of Bank Mandiri's Support for the Railway Industry
29 July 2017	Press Release of Surabaya Coffiesta
31 July 2017	Press Release of First Stone Laying of Regional Office Building XIII
3 August 2017	Press Release of Cooperation of Bank Mandiri - ITB
8 August 2017	Press Release of Public Expose Marathon's II-2017 Quarter Performance
10 August 2017	Press Release of GIAS
10 August 2017	Press Release of Mini ATM Implementation in KPPBC Entikong
15 August 2017	Press Release of Launching of PPOB BPJS Health-Kimia Farma Pharmacy
18 August 2017	Press Release of UN Swissindo
19 August 2017	Press Release of E-money Launching Asian Games Edition
21 August 2017	Press Release of 2017 RUPSLB
22 August 2017	Press Release of Karo Volunteer and Bansos Release
25 August 2017	Press Release of Consumer Banking- Media Training
27 August 2017	Press Release of Micro Banking- Media Training
31 August 2017	Press Release of IPNM Credit
1 September 2017	Press Release of Eid al-Adha 1438 H
5 September 2017	Press Release of Mandiri DPLK - Damri
6 September 2017	Press Release of IJN
7 September 2017	Press Release of e-Samsat
8 September 2017	Press Release of 2017 JACOWEEK
13 September 2017	Press Release of IPO Debtor Education
15 September 2017	Press Release of Alpha Southeast Asia
19 September 2017	Press Release of Bank Mandiri Strengthens Digital Banking Business
20 September 2017	Press Release of Surabaya Big Bad Wolf
25 September 2017	Press Release of Private Lounge Launching
26 September 2017	Press Release - Mandiri Group Encourages Global IDR Bond Issuance
27 September 2017	Press Release - Mandiri Group Encourages Global IDR Bond Issuance
9 October 2017	Press Release of Ciamis Kartu Tani
11 October 2017	Press Release of LG Innotek
11 October 2017	Press Release of PTPN III Bank at Work

Date	Press Release
16 October 2017	Press Release of Bank Mandiri Bina Bangsa School
18 October 2017	Press Release of Finspire
22 October 2017	Press Release Bank Mandiri Encourages Foreign Exchange Transactions
24 October 2017	Press Release of III-2017 Quarter Performance
25 October 2017	Press Release of BNN
29 October 2017	Press Release of Debit and Credit Card Asian Games Edition Launching
31 October 2017	Bank Mandiri and SMF Establish Cooperation of Facility Line Utilization
1 November 2017	Mandiri Fishpond Land Revitalization of Muara Gembong
4 November 2017	Mandiri Grants Ambulance Car to Dr. Cipto Mangunkusumo
7 November 2017	Bank Mandiri Disbursed Syndicated Loans to Waskita Karya
10 November 2017	Mandiri Offers Cheap Shopping Program at Kidz Station
14 November 2017	Mandiri Presents Indonesian Property Festival
16 November 2017	Bank Mandiri Disbursed 447 Billion Rupiah to Finance Cost of Serang - Panimbang Toll Road Loan Fund
26 November 2017	Mandiri Trains the Entrepreneurship of Indonesian Citizens in Japan
27 November 2017	Bank Mandiri Distributes KUR for Palm Oil Replanting
27 November 2017	Mandiri Strengthens the Cooperation with Fatmawati and National Brain Center Hospitals
29 November 2017	Sponsors Capex Pelindo I, Mandiri Offers Loans of 350 Billion Rupiah
6 December 2017	Mandiri Strengthens the Cooperation with Ministry of Women Empowerment and Child Protection
7 December 2017	Giving Prizes at the Dagang Untung Program, Mandiri Attracts New SME Customer
12 December 2017	Faces Christmas and 2018 New Year Holiday, Mandiri Prepares 16.39 Trillion Rupiah
13 December 2017	Mandiri Launches Electronic Money in Starwars Edition
13 December 2017	Mandiri Strengthens the Cooperation with Ministry of Marine Affairs and Fisheries of Republic of Indonesia
13 December 2017	Mandiri Established an Electronic Money Strategic Deal with 12 Banks
18 December 2017	Mandiri Supports BPJS Health Permits Payment of Participant Contributions

## Bulletin

Bank Mandiri regularly publishes bulletins annually. The bulletins published during 2017 were:

No.	Edition	Theme	Published Date
1.	448	Year of Young and Creative	14 January 2017
2.	449	Gong Xi Fa Cai	28 January 2017
3.	450	Caring and Sharing	14 February 2017
4.	451	Start Up Breakthrough	28 February 2017
5.	452	Organizational Alignment Distribution. Dreaming Together, Fighting Together, for Indonesia	14 March 2017
6.	453	One Decade of WMM Tough, Innovative, Caring	28 March 2017
7.	454	There is a Hoax among Us	28 April 2017
8.	455	Carve the Achievement in the Holy Month	28 May 2017
9.	456	Eid Al-Fitr and Spirit of Togetherness	28 June 2017
10.	457	Cyber Crime	28 July 2017
11.	458	Universal Devotion for the Country	28 August 2017
12.	459	Splendid September	28 September 2017
13.	460	Bank Mandiri Anniversary	28 October 2017
14.	461	Behind the Memoriam of Heroes' Day	28 November 2017
15.	462	2017 End of Year Reflection	28 December 2017
16.	463	Kartini Special Edition	28 April 2017

## Transparency Submission of Report

Throughout the year of 2017, Corporate Secretary of Bank Mandiri had submitted the information to the public through mass media, Company website and IDX bilingually in Bahasa Indonesia and English, and submitting periodic or incidental reports, among others to OJK, IDX, LPS, Ministry of Finance and Ministry of BUMN as follows:

### Periodic Reports

Type of Report	Purpose	Period of Report	Total
Annual Report	OJK & BEI	Periode	1
Consolidated Financial Statements of the Company and Subsidiaries	OJK, BEI, Kementerian Keuangan, Kementerian BUMN	Quarterly	4
Stock Ownership Composition Report	OJK	Monthly	12
Forex Debt Report	OJK	Monthly	12
Report on the Realization of the Use of Funds from the Public Offering	OJK & BEI	Monthly	12

### Incidental Report

Date	Report Subject	Purpose
January – December 2017	Share Ownership Composition of PT Bank Mandiri (Persero) Tbk. (A total of 12 reports)	OJK
January – December 2017	Requests for Data Payable / Liabilities in foreign currency (A total of 12 reports)	OJK
January – December 2017	Published Financial Report PT Bank Mandiri (Persero) Tbk. (4 reports)	OJK, BEI, Kementerian Keuangan, Kementerian BUMN
24 January 2017	The Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk. Book Year 2016	OJK & Kementerian BUMN
03 February 2017	Information Disclosure PT Bank Mandiri (Persero) Tbk. related to Annual GMS Announcement	OJK & BEI
20 February 2017	Book Year 2016	OJK & BEI
20 February 2017	Submission of PT Bank Mandiri (Persero) Tbk Annual Report. Book Year 2016	OJK
6 March 2017	Submission of newspaper clipping advertisement AGM Annual General Meeting of PT Bank Mandiri (Persero) Tbk.	OJK
16 March 2017	Information Disclosure PT Bank Mandiri (Persero) Tbk. related to Annual General Meeting of Shareholders of Fiscal Year 2016	OJK & BEI
22 March 2017	Submission of PT Bank Mandiri (Persero) Tbk Annual General Meeting of Shareholders regarding Changes in the Management of the Company	OJK
13 April 2017	Submission of Minutes of Annual General Meeting of Shareholders of PT Bank Mandiri (Persero) Tbk	OJK
17 April 2017	Dividend Payment Report Part of the Government of the Republic of Indonesia	Kementerian Keuangan
27 April 2017	Submission of PT Bank Mandiri (Persero) Tbk Subsidiaries Annual Report. Book Year 2016	OJK
27 April 2017	Changes of Directors of PT Bank Mandiri (Persero) Tbk.	Lembaga Penjamin Simpanan
5 May 2017	Submission of Organization Structure PT Bank Mandiri (Persero) Tbk.	OJK
8 May 2017	Submission of Annual Debt Securities Rating Results on Sustainable Senior Bonds I Bank Mandiri and BM Bank Mandiri Rating	OJK & BEI
30 May 2017	Submission of Information on Changes of Composition to the Audit Committee of PT Bank Mandiri (Persero) Tbk.	OJK & BEI
6 June 2017	Notification of Amount of Independent Commissioners of PT Bank Mandiri (Persero) Tbk.	OJK & BEI
5 July 2017	Extraordinary General Shareholders Meeting of PT Bank Mandiri (Persero) Tbk. Year 2017	OJK & Kementerian BUMN
14 July 2017	Information Disclosure PT Bank Mandiri (Persero) Tbk. related to Extraordinary GMS Announcement	OJK & BEI
24 July 2017	Year 2017	BEI
24 July 2017	Request for Response of Corporate Action Plan of PT Bank Mandiri (Persero) Tbk.	BEI
26 July 2017	Public Expose (Mandatory Public Expose) in the framework of Public Expose Marathon	BEI
28 July 2017	Explanation of Stock Split Operations of PT Bank Mandiri (Persero) Tbk.	OJK & BEI

Date	Report Subject	Purpose
23 August 2017	Information Disclosure PT Bank Mandiri (Persero) Tbk. related to Extraordinary GMS Calling 2017	OJK & BEI
28 August 2017	Information Disclosure PT Bank Mandiri (Persero) Tbk. related to Extraordinary General Meeting of Shareholders of 2017	Lembaga Penjamin Simpanan
14 September 2017	Changes of Directors of PT Bank Mandiri (Persero) Tbk.	OJK & BEI
20 September 2017	Notification of Amendment of Number of Shares of Board of Directors of PT Bank Mandiri (Persero) Tbk.	OJK
6 October 2017	Submission of Minutes of GMS-LB PT Bank Mandiri (Persero) Tbk.	Lembaga Penjamin Simpanan
10 October 2017	Submission of Statement Letter of Independent Commissioner of PT Bank Mandiri (Persero) Tbk.	OJK
12 October 2017	Submission of Organization Structure PT Bank Mandiri (Persero) Tbk.	OJK & BEI
22 November 2017	Submission of Information of change of structure to Audit Committee of PT Bank Mandiri (Persero) Tbk.	Lembaga Penjamin Simpanan

## Code of Conduct

The code of conduct sets the guidelines for the behavior of the Bank Personnel in conducting their daily tasks and duties as well as in conducting business relations with the customers, partners and colleagues. The basic regulation in the Code of Conduct is one of Bank Mandiri's Commitment on the management principles that have supported Bank Mandiri to achieve the stated Vision and Mission.

The work ethic is an elaboration of the basic principles of personal and professional behaviors that are expected to be obeyed by Bank Mandiri Personnel. The business ethics are moral principles related to the behaviors of the individuals, protection of bank properties, and bank business activities including in its interaction with stakeholders as the basis for the behavior of the Bank in conducting its business operations. These are the standard behaviors that have to be implemented in all organizational levels.

Based on the Joint Decree between Board of Directors and Board of Commissioners No.002/KEP.DIR.KOM/2000 which was revised in 2013, Bank Mandiri has a set of code of conduct that accommodates the basic principles of individual and professional behaviors that are done by all Bank Mandiri employees. Therefore, the code of conduct becomes the behavioral guidelines and responsibilities for Board of Commissioners, and all Bank Mandiri employees in all organizational levels.

### The Content of The Code of Conduct

The code of conduct of Bank Mandiri accommodates the regulation of work ethic and business ethic. The work ethic that regulates Bank Mandiri personnel's behaviors covers the following aspects:

1. Conflict of interest (conflict of interest)	<p>Conflict of interest is a condition in which the Bank's ranks in carrying out its duties and obligations have interests outside the interests of the office, whether those concerning personal interests, the family or the interests of other parties so that the Bank's ranks may lose objectivity in making decisions and policies according to the authority given Bank to him. Therefore the whole range of Banks:</p> <ol style="list-style-type: none"> <li>Obligation to avoid activities that may cause a conflict of interest and report to the direct supervisor if unable to avoid.</li> <li>It is prohibited to give consent and or request approval of any credit facilities, as well as special interest rates or other specificity for: <ol style="list-style-type: none"> <li>Herself.</li> <li>His family.</li> <li>Companies where he and / or his family have an interest.</li> </ol> </li> <li>It is prohibited to work for another company, unless it has received a written assignment or permission from the Bank. Board of Commissioners and Board of Directors that follow regulatory requirements.</li> <li>It is prohibited to become a direct or indirect partner, either a partner for goods or services for the Bank.</li> <li>It is prohibited to collect goods belonging to the Bank for personal, family or other outside interests.</li> <li>Only allowed to conduct securities transactions, foreign exchange trading, precious metals, derivative transactions and other goods for their own benefit in the absence of conflict of interest, violation of insider trading rules of the Capital Market Authority, and other regulations.</li> </ol>
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2. Confidentiality	<ul style="list-style-type: none"> <li>a. Compulsory understand and maintain the confidentiality of any information, in accordance with applicable provisions.</li> <li>b. Use information received only for Bank activities.</li> <li>c. In providing information, must act in accordance with applicable provisions.</li> <li>d. To avoid misuse, the dissemination of customer information in the Bank's internal environment is done carefully and only to interested parties.</li> <li>e. Do not disseminate information to outsiders about: <ul style="list-style-type: none"> <li>i. Activities of the Bank with the Government of the Republic of Indonesia.</li> <li>ii. Internal policies and working procedures of the Bank.</li> <li>iii. Management of Information Systems, Data and Reports.</li> <li>iv. Employee data, whether active or not.</li> <li>v. Business activities of the Bank, including activities with customers and partners. Except with the approval of an authorized Bank official or by order under applicable laws and regulations.</li> </ul> </li> <li>f. The obligation to keep special things to be kept secret remains true for former Bank employees.</li> </ul>
3. Abuse of Job and Gratification	<ul style="list-style-type: none"> <li>a. It is prohibited to abuse the authority and take advantage either directly or indirectly, from knowledge gained from the Bank's business activities to: <ul style="list-style-type: none"> <li>i. Personal gain.</li> <li>ii. Benefits for members of his family.</li> <li>iii. Benefits to other parties.</li> </ul> </li> <li>b. Prohibited from requesting or accepting, allowing or accepting to accept gratuities relating to his or her position and against his / her obligations under applicable laws and regulations. The types of gratuities and reporting mechanisms will be set out in a separate provision.</li> <li>c. Prohibited from requesting or accepting, allowing or accepting to accept a gift or reward from a third party who obtains or seeks to obtain work relating to procurement of goods or services from the Bank.</li> <li>d. In the case of customers, partners, and other parties providing gifts in the form of goods or in other forms at certain times such as on Feasts, special celebrations, disasters and elsewhere, if: <ul style="list-style-type: none"> <li>i. As a result of receipt of the parcel is believed to have a negative impact and affect the bank's decision, and</li> <li>ii. The price of the parcel is beyond reasonable limits, then the Bank of Bank receiving the parcel shall promptly return the parcel with a polite explanation that the Bank's ranks are not allowed to receive the parcel.</li> </ul> </li> <li>e. In the case of gift giving mentioned in point (d) above for one reason or another, it is difficult to return the members of the Bank who receive the parcel must immediately report to their supervisor for follow-up.</li> <li>f. In the case of customers, partners, and other parties providing promotional items, so long as the result of receipt of the promotional item does not result in negative impact, it is acceptable..</li> <li>g. In the framework of procurement of goods and services from third parties for the purposes of the Bank's service, shall endeavor to obtain the best price at the maximum discounted price discount for the Bank's profit.</li> <li>h. Prohibited from using his position to borrow from customers or owe to customers.</li> <li>i. It is prohibited to utilize the opportunity to use the Bank facilities for its own benefit beyond what has been provided by the Bank.</li> </ul>
4. Insiders Behavior	<ul style="list-style-type: none"> <li>a. Banks that have confidential information are not allowed to use such information to take advantage of themselves, their families or other third parties.</li> <li>b. It is prohibited to use internal information to make purchases, or to trade securities, unless such information is publicly known.</li> <li>c. It is forbidden to misuse its position and take advantage either directly or indirectly for himself or others that may influence the decision.</li> <li>d. Decision-making to sell or purchase Bank assets and other services shall be made by prioritizing the interests of the Bank.</li> </ul>
5. Integrity and Accuracy of Bank Data	<ul style="list-style-type: none"> <li>a. Must present accurate and accountable data.</li> <li>b. It is not allowed to record and / or change and / or delete the books, in order to obscure transactions.</li> <li>c. Only allowed to make changes or deletion of data based on the authorization of authorized officials in accordance with procedures established by the Bank.</li> <li>d. Not allowed to manipulate documents.</li> </ul>
6. Integrity of Banking System	<ul style="list-style-type: none"> <li>a. Must always be aware and avoid the involvement of the Bank in criminal activities in the field of finance and banking.</li> <li>b. Mandatory suspect unusual transactions and must take preventive action in detecting accounts suspected to have been used for activities such as money laundering, terrorism financing, corruption and other crimes.</li> </ul>

The business ethics as the basis of Bank Mandiri's conduct in conducting business activities included the following aspects:

1. Individual Behavior	<p>a. Personal Integrity</p> <ul style="list-style-type: none"> <li>- Uphold the moral, have a strong self-esteem and discipline.</li> <li>- Maintain personal integrity in accordance with applicable rules, rules, policies and systems.</li> <li>- Committed to maintain the image and reputation of the bank.</li> <li>- Relies all actions and behavior to a pure conscience.</li> <li>- Respectable and responsible acts and free from any influence that may result in the loss of objectivity in the performance of duties or cause the bank to lose its business or reputation.</li> <li>- Avoidance of activities related to an organization and or individuals that allow for a conflict of interest.</li> <li>- Both individually and collectively endeavor to avoid involvement in matters that may undermine or degrade the integrity of the banking system in Indonesia.</li> </ul> <p>b. Treatment / Discrimination Act</p> <ul style="list-style-type: none"> <li>- Upholding human rights.</li> <li>- Prevent the practice of discrimination in all its forms.</li> </ul> <p>c. Abuse acts Obligation to avoid all forms of acts that violate public order and decency</p>
2. Protection of Bank Ownership	<p>a. Bank Owned Property</p> <ul style="list-style-type: none"> <li>- Always maintain and protect all Bank property either tangible or intangible.</li> <li>- Use the Bank's property only for activities related to the interests of the Bank.</li> <li>- Utilize the Bank's property with full responsibility including suitability for designation.</li> </ul> <p>b. Protection of Confidential Information</p> <ul style="list-style-type: none"> <li>- Protect and prevent valuable and confidential information from loss, misuse, leakage and theft.</li> <li>- Does not disseminate reports / information about banks that are not intended to be public.</li> </ul> <p>c. Intellectual Property Bank</p> <ul style="list-style-type: none"> <li>- Maintain the intellectual property of the Bank.</li> <li>- Dedicate the competencies held for the interest of the Bank as the intellectual property of the Bank.</li> </ul> <p>d. Pencatatan dan Pelaporan Bertanggungjawab atas keakuratan dan kelengkapan catatan dan laporan yang disajikan.</p>
3. Bank Business Implementation	<p>a. Mis-representation</p> <ul style="list-style-type: none"> <li>- Banks representing the Bank in dealing with third parties act in their capacity and authority.</li> <li>- Bank ranks representing the Bank provide correct information, documents and reports in the right way.</li> <li>- Banking ranks to avoid acts that may lead to misunderstandings from others.</li> </ul> <p>b. Relationships with Partners</p> <ul style="list-style-type: none"> <li>- always prioritize the interests of the Bank in dealing with partners.</li> <li>- preventing corruption, collusion, and nepotism and negative images in dealing with partners.</li> <li>- in cooperation with partners working on the principle of professionalism and justice based on good faith.</li> </ul> <p>c. Behavior in Competition</p> <ul style="list-style-type: none"> <li>- Responsible to create and maintain a healthy competition in doing business.</li> <li>- Avoiding, avoiding and preventing unhealthy competitive ways in developing his career.</li> </ul> <p>d. Relationships with Other Organizations</p> <ul style="list-style-type: none"> <li>- Can make business contacts with other organizations including competitors while providing benefits to the Bank.</li> <li>- refrain from any form of inappropriate collaboration / fellowship with others.</li> </ul> <p>e. Obtain and Use Third Party Information</p> <ul style="list-style-type: none"> <li>- Avoid acquiring confidential information from third parties / competitors in an intolerable manner.</li> <li>- Not hiring competitor employees with the aim of obtaining confidential information from competitor companies.</li> </ul> <p>f. Relationship with the Regulator Closely adhere to the ethical principles and provisions applicable in fostering relations with the Regulator.</p>

## Compliance To Code Of Conduct

The code of conduct of Bank Mandiri becomes the reasonable, appropriate and trustworthy for all Bank Mandiri personnel in doing the business activities including the interaction with stakeholders. Therefore, the code of conduct of Bank Mandiri applies for all Bank Mandiri personnel in all organizational level of Bank Mandiri Employee, either contract or permanent employees, and also applies to all Board of Directors and Board of Commissioners. The implementation of code of conduct is expected to promote the establishment of professional, responsible, reasonable, appropriate, and trustworthy behaviors in doing business with colleagues and partners.

## Code of Conduct Dissemination

The code of conduct has been informed and socialized to Board of Commissioners and its supporting units, Board of Directors and senior officers under Board of Directors and all employees via:

1. Company website.
2. Email administrator sent to all employees of the Bank.
3. At the signing of collective agreement made between the company union and company management.
4. Standing banner, flyer, and other advertising media around the company offices.

Moreover, the code of conduct can be accessed at anytime by all Bank Mandiri employees via the portal of Bank Mandiri that is called Knowledge Management System (KMS).

## Efforts in Implementation and Enforcement of The Code of Conduct

The employees can report the alleged violations of the implementation of code of conduct to the superiors by using the Letter to CEO (LTC) mechanism. All those reports have to be accompanied with accurate data and/or evidences for further processing. Any violations of code of conduct will be sanctioned based on the prevailing regulations. Since 2015 the reports on the violations of the code of conduct have been documented in integrated manner in the mechanism of LTC.

The efforts in implementation and enforcement of the code of conduct of Bank Mandiri are done continuously in full awareness in the form of behaviors, actions, commitment and regulations as follow:

1. Statement of Compliance with the Code of Conduct of Bank Mandiri  
Bank Mandiri Personnel have to read and understand and are required to sign "Compliance Statement of Bank Personnel to Code of Conduct".
2. Commitment of Management and Entire Employee of Bank Mandiri  
The Commitment of Management and all employees of Bank Mandiri to not receive money and/or Gratuity goods and/or gifts related to responsibilities and duties that are published via mass media and company website.
3. Annual Disclosure of Conflict of Interests  
Each Bank Mandiri Personnel is required to make annual disclosure related to conflict of interest and each work unit is required to submit the transaction/decision reports that contain conflict of interests quarterly.
4. Integrity Pact  
The integrity pact is signed by authorized officers and all partners of Bank Mandiri involved in the process of loan, the procurement of goods and service, and partners accreditation. Furthermore, the signing of Annual Integrity Pact is done by Board of Commissioners, Board of Directors, Executive Officers of Bank Mandiri and the entire employees of Bank Mandiri in the implementation of Gratuity control.
5. Awareness Program  
The new Bank Mandiri employees will receive not only induction program of the code of conduct of Bank Mandiri which is called jump start program, but also policy socialization continuously and consistently.

## Internalization of Corporate Culture

In order to promote the achievement of the vision of Bank Mandiri to become the best bank in ASEAN in 2020, Bank Mandiri has the corporate culture which is known as the "Culture of Excellence". The Culture of Excellence is the manifestation of Bank Mandiri's spirit to grow and expand together in the context of Mandiri Group. "CULTURE OF EXCELLENCE" is based on 5 Cultural Value TIPCE and 11 Key Behavior of Bank Mandiri Personnel.

The process of internalization and socialization of "Culture of Excellence" in Bank Mandiri is implemented to all level of organization in Bank Mandiri including Board of Commissioners, Board of Directors, and all employees via various media such as inclass training, discussion, and management briefing while having visit in the region, sms/email blast, articles in the Mandiri magazine, teleconference/video taped materials and others. In addition to the conventional ways mentioned above, to enhance the Bank Mandiri personnel's enthusiasm, Bank Mandiri makes a system that is called culture excellence scoreboard as explained in the company profile section.

With the internalization process of culture of excellence, it is hoped that Bank Mandiri will possess excellence not only in financial aspect, but also possess excellence Mandiri personnel to achieve the vision of Bank Mandiri as the best bank in ASEAN in 2020.

## Types of Sanctions for Code of Conduct Violations

The sanctions are categorized into 3 types namely mild, moderate and severe sanctions. Each code of conduct violation will be sanctioned in accordance to the Employee Disciplinary Regulations enforced in Bank Mandiri, including criminal sanctions as regulated in the prevailing legislation.

Table of Types of Sanctions for Code of Conduct Violations

Type of Violation	Sanctions
Light Sanctions	1. First Written Reprimand 2. Second Written Reprimands
Medium Sanctions	1. First Written Warning 2. Second Written Warning 3. Written and Last Written Warning
Serious Sanctions	Termination / Termination of Employment

## Numbers of Code of Conduct Violations

In 2017, the numbers of Bank Mandiri violations are as follow:

Table of Numbers of Code of Conduct Violations

Type of Sanction	Number	Categories	Amount
Written Reprimand 1	172	Ringan	226
Written Reprimand 2	54		
Written Warning 1	55	Sedang	98
Written Warning 2	13		
Written & Last Written Warning	30		
Layoffs	53	Berat	94
Contract termination	41		
<b>Total</b>	<b>418</b>	<b>Total</b>	<b>418</b>

## Gratuity Policy

Bank Mandiri is aware that gratuity control is important to maintain the business process to run within the business ethics that uphold the value of integrity. Therefore, since 2013 Bank Mandiri has established Operating Technical Guideline (PTO) namely Gift Disclosure Statement that regulates the prohibition of receiving Gratuity for all Bank Mandiri employees. Furthermore, the Gratuity control aims to establish the Good Corporate Governance principles and instill value integrity to all Bank Mandiri employees so the daily business activities with customers, vendor, partners, and all stakeholders are based on ethics, mutual trust and responsibility. Thus, business interests will be served in a good and ethical manner without violating the provisions of the prohibition of gratuity. Up to date, Bank Mandiri keeps on making continuous improvements in implementing the gratuity control.

As an embodiment of Bank Mandiri's Integrated Prevention Commitment with Corruption Eradication Commission (KPK) that was signed in 4 November, 2014 to implement the gratuity control in order to support the eradications of corruption acts in the Bank Mandiri environment, hence Bank Mandiri has assigned Gratuity Control Unit (UPG) based on Decree of Board of Directors enforced since 3 July, 2015 and has also implemented gratuity control through sustainable socialization program, the signing of integrity pact and centralized gratuity report via UPG. Moreover, Bank Mandiri also has implemented the perfection of gratuity control regulations in

Bank Mandiri by the change of PTO Gift Disclosure Statement to PTO Gratuity Control, in adjustment with KPK Regulation NO. 2 year 2014 dated 9 December, 2014 about Guideline of Reporting and Determining Gratuity Status that later on is reviewed periodically.

As a follow up to KPK guideline in relation to determination of reasonable limit and adjustment to the current condition, Bank Mandiri in running its daily business activities has to maintain good working partnership with customers, vendor, partners and all stakeholders based on ethics, mutual trust and responsibility. In the revision of PTO Gratuity Control, there are new regulations as follow:

- a. The expansion of coverage of the receiver of gratuity in Bank Mandiri environment.
- b. The regulation of gratuity reception from Subsidiary Companies
- c. The determination of reasonable limit
- d. The change of deadline for the reports of rejection/reception of gratuity
- e. Storage mechanism for money/goods/gifts
- f. The Signing of Integrity Pact

In order to support the eradication of corruption programs, Bank Mandiri actively participates in activities coordinated by KPK, namely:

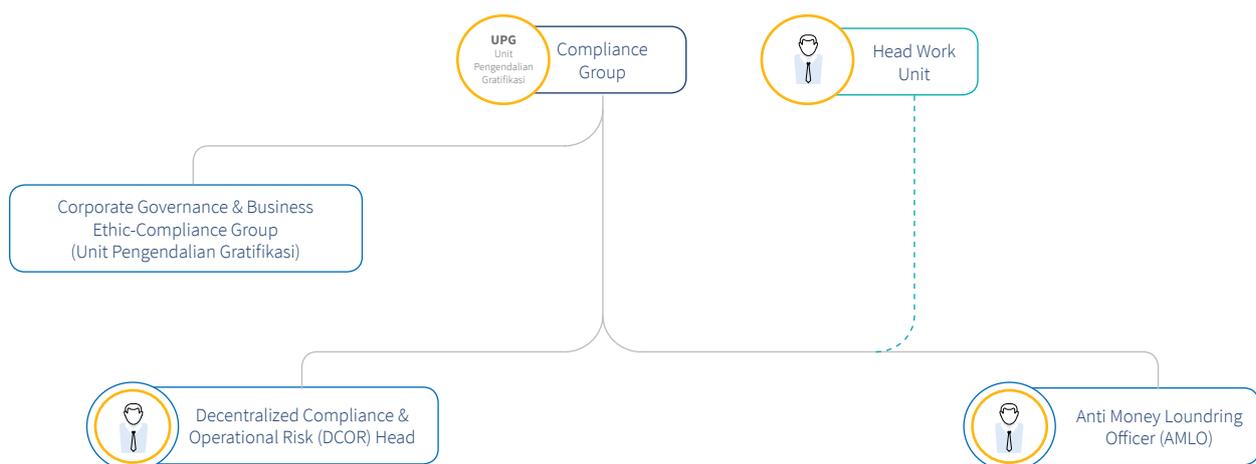
- a. Participate in the workshop with KPK and KLOP (Ministries, Agencies, Organizations and Governments) in discussion about Indonesia Corporate University to support the National Integrated System.
- b. Participate in the National Gratuity Control Unit that was held in 11-12 December, 2017 in Jakarta.
- c. Participate in World Anti Corruption Day Festival 2017 that was held in 11-12 December 2017 in Jakarta, Bank Mandiri was appointed for the third time as BUMN (State-Owned Enterprise) with the best Gratuity Control System.

## The Management of Gratuity Control

### Gratuity Control Unit

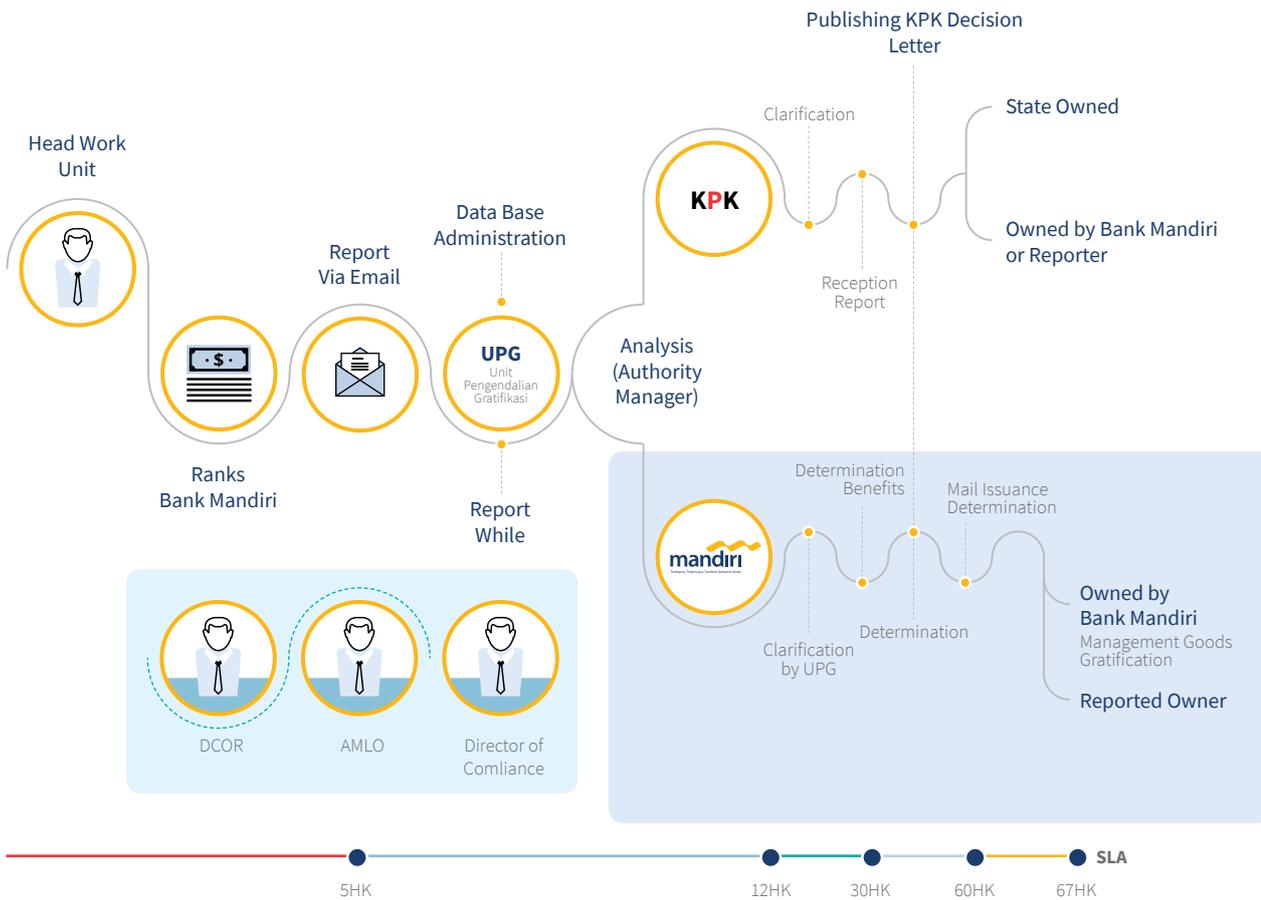
Gratuity Control Unit (UPG) of Bank Mandiri is in Compliance Group in Corporate Governance & Business Ethic (CGB) Department. UPG functions to implement gratuity control in the environment of Bank Mandiri which implements its duties with the assistance from Decentralized Compliance and Operational Risk and Anti Money Laundering Officer.

The UPG Organizational Structures of Bank Mandiri are as follow:



**Gratuity Report Mechanism**

Bank Mandiri has gratuity report mechanism that is in correspond to the KPK report mechanism. This mechanism can be seen in the following diagram:



**Implementation of Gratuity Control**

**Integrity Pact**

In order to support the gratuity control program, Bank Mandiri has Integrity Pact program that denotes a statement from all Bank Mandiri personnel to commit in upholding moral and integrity, protect and maintain the image, credibility and interests of Bank Mandiri by not soliciting and accepting gratuity from parties with conflict of interests.

The Integrity Pact is signed by Board of Commissioners and Board of Directors on the appointed date and also annual signing. In addition to that, Integrity Pact is also signed by entire Bank Mandiri personnel (aside from Board of Commissioners and Board of Directors) in the beginning of their working days with Bank Mandiri and resigning is performed every 2 years.

In 2017, Bank Mandiri has conducted the Refreshment of Integrity Pact Signing that was attended by 1000 representatives of external stakeholders that are partners, vendor and customers. Hereinafter, the refreshment of Integrity Pact signing has been followed up with the Integrity Pact signing by Board of Commissioners, Board of Directors, and Senior Executive Vice President also all Bank Mandiri Personnel either in the Headquarter Office or Regional Offices in December 2017 with the total of 39,906 employees.

**Socialization And Understanding Of Gratuity Control**

Socialization is done continuously by UPG that coordinates with DCOR Head and AMLO to Work Unit in Headquarter Office, Regional Offices or through regular classes ODP/SDP/Basic Branch Manager (BM)/Intermediate BM/Advance BM.

Up to December 2017, face to face socialization has been done to more or less 2,648 Bank Mandiri employees. Moreover, the socialization was done by setting up Gratuity Control Poster in Regional office (Banking Hall) and Headquarter Office (Plaza Mandiri), via sending email blast, Screen Saver, Tabloid Mandiri, the making of display cabinets for gratuity goods, and also suggestion to all partners of the Bank to not give gratuity in relation to religious and new year celebrations via national newspaper.

### Gratuitye-Learning

The e-Learning Program of Gratuity Control has been held by Bank Mandiri Personnel in 2 (two) batches, the first batch started in 7-25 August 2017 and the second batch started in 1-25 November 2017. This e-learning program is an online leaning material that can be accessed in the Mandiri Easy website and can be accessed by all employees with their own NIP. By the end of the learning material, there is a post test that has to be done by employees to measure the employee's understanding. The e-Learning of Gratuity Control has been accessed by 29,945 employees (78% from total employees registered in Mandiri University Group which is 38,559 employees with NIP). Hasil post test memiliki rinciansebagaiberikut:

- a. The number of employees that has passed the test is 23,564 people.
- b. The number of employees that has not passed the test is 5,865 people.

### Gratuity Control Program In Subsidiary Company

As a step to manifest the integrity culture as one of the standard of "One Culture" in Mandiri Group, recommendation to implement the Gratuity control program has been given to all subsidiary companies. Moreover, in order to implement the Integrated Compliance Unit program, socialization of the gratuity control program has been done for PT.Bank Syariah Mandiri Compliance Unit in November 2017.

### Raksa Culture Program

As an effort to implement the gratuity control in Bank Mandiri, Gratuity Control Program has been incorporated into Central Cultural Internalization Team Program through Badges Raksa -Culture Excellent Scoreboard, this program was a reward from fiestapoin program and Excellence Work Culture of Bank Mandiri in relation to Governance theme. The purposes of this program are to develop Good Corporate Governance values and instill value Integrity to all Bank Mandiri employees.

### Gratuity Report Year 2017

Gratuity reporting in Bank Mandiri is performed by Bank Mandiri employees by sending email to UPG. The Bank Mandiri employees who receive/reject gratuities report the receiving/rejection to UPG via email

at the latest of 5 Working Days after the receiving/rejection of gratuity by sending the gratuity report form that can be obtained through KPK office or website or by file on Gratuity Control PTO accompanied by supporting documents such as goods photographs, evidence from handover event, invitation or other supporting documents.

After receiving the report, UPG will perform the review and classify the gratuity report whether it is Bank Mandiri's authority or KPK's authority. Up to December 2017, the number of receiving/rejection of Gratuity report was 137 reports. The receiving of Gratuity reported were in the form of honorarium, electronic goods, souvenirs, and food.

### Whistleblowing System

Based on SE BI No.13/28/DPNP about Anti Fraud Strategy Implementation for Commercial Banks, Bank Mandiri has carried out various efforts to monitor and mitigate fraud risk through implementation of 4 pillars, namely:

1. Prevention
2. Detection
3. Investigation
4. Report and Sanction
5. Monitor, Evaluation, and Follow Up

In order to monitor and control fraud on detection pillar, Bank Mandiri provides policy of whistleblowing system which is called "Letter to CEO (LTC)". LTC is a means to report fraud complaints either from employees or third party to President Director to focus on revelation on the complaints to improve the effectiveness of fraud control system implementation.

LTC program is one of the Anti Fraud Strategy (SAF) programs that aims to:

1. Detect fraud crime or fraud indication with the reports from employees or third party of Bank Mandiri, that are presented by citing the name clearly or anonymous, with which investigation process or other follow up can be performed.
2. Promote awareness or concern to all employees to participate in keeping their work unit from suffering a loss caused by fraud so the monitoring quality is better and sense of belonging of the employees is higher.
3. Improve the company's reputation especially in the context of Good Corporate Governance that will improve the company's image because the company has adequate anti fraud tools.

## Management of Whistleblowing System

Internal Audit Division is a Work Unit that manages the complaints in which reports received by Group CEO are followed up by the related work unit. If needed, that work unit will perform further investigation.

## Submission of Violation Reports and Handling of Complaints

Indication of fraud/fraud can be submitted by Reporter through the following mechanisms.

1. Submitting the complaints via reporting media, i.e:
  - a. Email to [lettertoceo@bankmandiri.co.id](mailto:lettertoceo@bankmandiri.co.id)
  - b. Letter to PO BOX 14000 JKTM 12700
  - c. SMS to 0811900777
  - d. Website, by typing lettertoceo to the browser (intranet).
2. The reporter will get Random Unique Number (RUN) for the reports of fraud/indication of fraud.
3. Complaints reports are directly received by CEOGroup and are followed up by related unit.
4. The related work unit follows up the reports and if needed will perform further investigation.
5. The reporter will get feedback status on the complaints reported.

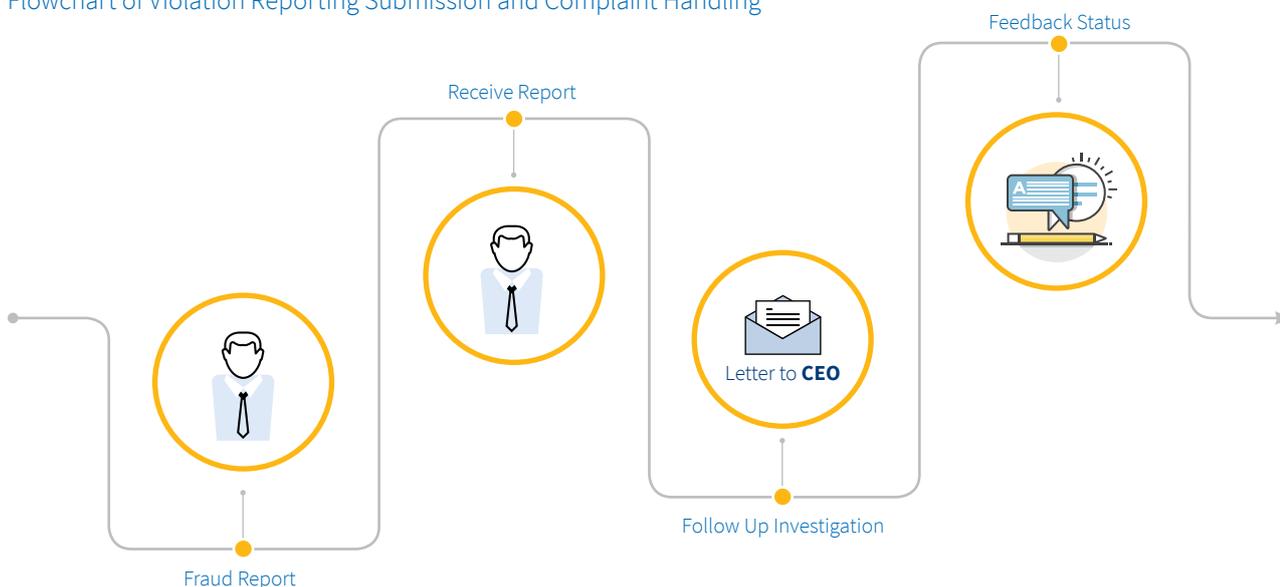
## Protection for Whistleblower

Each of the reporting parties will be given protection from Bank Mandiri by maintaining the confidentiality of the reporting identity (name, address, telephone number, email and work unit/company). Moreover, the reporters are allowed to not give their identities (anonymous).

## Types of Violation to be Reported

1. Complaints received through the LTC of Bank Mandiri are reports that are related to fraud/fraud indication with the following definitions:
  - a. Deliberate deviation or omission acts to deceive, cheat, or manipulate Bank, customers, or other parties that occur in the Bank environment, and/or;
  - b. Using the Bank facilities that cause Bank, customers, or other parties suffer a loss, and/or;
  - c. Perpetrators of fraud obtain financial gain either directly or indirectly.
2. The types of fraud
  - a. Corruption which means receiving/soliciting rewards and/or misappropriation or misuse of Bank's money for personal interest or the interest of others and/or having others or making plans that harms the Bank.
  - b. Deceit which means cheating on Bank, customer or third party and/or forging documents, signature, physical evidence and/or all authentic evidences.
  - c. Theft which means taking some part and/or all Bank's assets and data illegally.
  - d. Omission which means ignoring the procedures or responsibilities as the employee of the Bank intentionally and deliberately.
  - e. Violation which means violating the internal or external regulations of the Bank or defrauding the Bank with the cyber crime technology and/or without technology, including manipulating financial statement or committing banking crime as regulated by Banking Law and any other acts equivalent hitherto.

## Flowchart of Violation Reporting Submission and Complaint Handling



### Socialization of Whistleblowing System

In order to improve the understanding about Whistleblowing System in all organizational levels, Bank Mandiri consistently socializes in related to this system in various ways, namely placing brochure or poster around the office environment, doing various presentations and using internal printed media Mandiri Magazine.

### Number of Violation and Follow Up

Violation complaint reports received through the LTC submission media via letter, email or website are as follow:

Table of Number of Violations and Its Follow Up

Submission Media					Report Classification		Followed up Report	Completed Report
Letter	Email	Website	SMS	Miscellaneous (direct letter to Internal Audit)	Fraud (F)	Non Fraud (NF)		
0	8	0	0	0	5	3	8	8

### Implementation of Integrated Governance

Based on the Regulations of Financial Services Authority (POJK) Number 18/POJK.03/2014 about the Implementation of Integrated Governance for financial conglomerate, Bank Mandiri as the main entity in the financial conglomerate with 11 (eleven) Subsidiary Companies, has compiled Integrated Governance Guideline as the reference for Bank Mandiri and all Subsidiary Companies in the Bank Mandiri Group. Bank Mandiri has also perfected its governance organs by forming Integrated Governance Committee, Integrated Compliance Unit (SKKT), Integrated Risk Management Unit (SKMRT) and Internal Audit Unit (SKAIT).

### Assessment of Integrated Governance

Self assessment of Bank Mandiri and its Subsidiary Companies was performed by referring to Circular Letter of Financial Service Authority Number 15/SEOJK.03/2015 about the Implementation of Integrated Governance for Financial Conglomerates and refers to sectoral regulations of Subsidiary Companies.

Assessment was conducted to 3 aspects of governance, namely structure, process and result (outcome) on 7 factors of Assessment for Implementation of Integrated Governance as follow:

1. Implementation of task and duties of Board of Directors of Main Entity
2. Implementation of task and duties of Board of Commissioners of Main Entity
3. Task and duties of Integrated Governance Committee
4. Task and duties of Integrated Compliance Unit
5. Task and duties of Integrated Internal Audit Unit
6. Implementation of Integrated Risk Management
7. Preparation and Implementation of Integrated Governance Guideline

Integrated Governance Assessment (TKT) in each semester involves all Board of Directors and Board of Commissioners, Risk Management Unit, Internal Audit Unit, Compliance Unit and Corporate Secretary as well as all Subsidiary Companies.

The outcome of integrated governance assessment during 2017 is as follow:

### Semester I year 2017 Assessment

Rating	Definition of Rating
1 (very good)	Financial Conglomerate was assessed to perform generally well on the Implementation of Integrated Governance. This was reflected from the adequate compliance on the implementation of TKT. If there was weakness in the implementation of Integrated Governance, generally this weakness was not significant and could be immediately corrected by Main Entity and/or LJK.

Assessment for Implementation of Integrated Governance (TKT) was performed by Bank Mandiri involving all Subsidiary Companies. Bank Mandiri Conglomerate has carried out the implementation of TKT which was generally very well by the fulfillment of the three aspects of TKT that consist of structure, process and result aspects.

From structure aspect, Bank Mandiri has formed Integrated Governance Committee, Integrated Compliance Unit, Integrated Internal Audit Unit and Integrated Risk Management Unit. Bank Mandiri has also compiled Integrated Governance Guideline that has become the Corporate Governance Guideline for all Subsidiary Companies. At this moment, almost all Subsidiaries have had the Corporate Governance Guideline. In the first semester of 2017, Bank Mandiri had completed compiling Charter of Integrated Governance that had become the guideline for the implementation of duties and responsibilities of TKT Committee.

From process aspect, Bank Mandiri has performed follow up on the findings of internal and external audit. Moreover, on Semester I 2017, Bank Mandiri has carried out audit to some Subsidiary Companies namely Mandiri Utama Finance, Mandiri Tunas Finance, Mandiri Manajemen Investasi, Mandiri Sekuritas and Bank Mandiri Taspen Pos.

From result aspect, the Subsidiary Companies of Bank Mandiri have had Conflict of Interest Policy and Remuneration Policy corresponding to Bank Mandiri Policy that supports the implementation of good governance.

From 7 (seven) parameters mentioned in Circular Letter of OJK No.15/SEOJK.03/2015 can be reported that all those parameters has been implemented very well. However, there are still some Subsidiary Companies that have to perfect the Corporate Governance Guideline corresponding to Bank Mandiri TKT Guideline.

#### Semester II year 2017 Assessment

Rating	Definition of Rating
1 (very good)	Financial Conglomerate was assessed to perform generally well on the Implementation of Integrated Governance. This was reflected from the adequate compliance on the implementation of TKT. If there was weakness in the implementation of Integrated Governance, generally this weakness was not significant and could be immediately corrected by Main Entity and/or LJK.

Implementation Assessment of TKT performed by Bank Mandiri involving all Subsidiaries. Bank Mandiri Conglomerate had carried out the implementation of TKT which was generally very well by the fulfillment of the three aspects of TKT consisting of structure, process and result aspects.

From the structural aspect, all Board of Commissioners and Board of Directors had passed Fit and Proper Test, while there were several Board of Commissioners and Board of Directors of Subsidiaries that were still in Fit and Proper Test, but the amount was reduced compared to the first semester. In the second semester of 2017, there was only 1 (one) Subsidiary Company that was still in the preparation of the Code of Good Corporate Governance.

From the process aspect, the TKT Committee had held 2 (two) meetings, in accordance with regulatory requirements. SKAIT had audited all Subsidiaries in accordance with the Annual Audit Plan 2017. All Subsidiaries had submitted Quarterly Compliance Reports for the third and fourth quarters.

From the outcome aspect, all members of Bank Mandiri's Financial Conglomerate had performed their duties through the governance organs, and documented them well.

From 7 (seven) parameters mentioned in Circular Letter of OJK No.15/SEOJK.03/2015 we could report that all those parameters had been implemented very well. However, there were still a few things that needed to refine.

## Financial Conglomerate Structure

Bank Mandiri financial conglomerate structure consists of Bank Mandiri as Main Entity, and 11 (eleven) Subsidiary Companies that run in various sectors. The Bank Mandiri financial conglomerate structure namely:



## Shareholding Structure on Financial Conglomerate

Up to December 2017, the structure of Bank Mandiri shareholding is as follow:

Table of Shareholding Structure on Financial Conglomerate

No.	Company	Composition	Percentage Shareholding
1.	Bank Syariah Mandiri	Bank Mandiri	99,99%
		Mandiri Sekuritas	0,01%
2.	Mandiri sekuritas	Bank Mandiri	99,99%
		Koperasi Mandiri	0,01%
3.	Mandiri Tunas Finance	Bank Mandiri	51,00%
		Tunas Ridean	49,00%
4.	Mandiri Axa General Insurance	Bank Mandiri	60,00%
		AXA	40,00%
5.	AXA Mandiri Financial Services	Bank Mandiri	51,00%
		AXA	49,00%

No.	Company	Composition	Percentage Shareholding
6.	Mandiri Taspen Pos	Bank Mandiri	59,44%
		Taspen	40,00%
		Perorangan	0,36%
7.	Mandiri International Remittance	Bank Mandiri	100,00%
8.	Bank Mandiri Europe Limited	Bank Mandiri	100,00%
9.	Mandiri Inhealth	Bank Mandiri	80,00%
		Kimia Farma	10,00%
		Asuransi Jasa Indonesia	10,00%
10.	Mandiri Utama Finance	Bank Mandiri	51,00%
		Tunas Ridean	12,00%
		Asco	37,00%
11.	Mandiri Capital Indonesia	Bank Mandiri	99,98%
		Mandiri Sekuritas	0,02%

### Management Structure on Financial Conglomerate

Based on POJK No.18/POJK.03/2014 about Implementation of Financial Conglomerate Governance, the management structure on Financial Conglomerate of Bank Mandiri are:

GCG Mechanism	Subsidiaries										
	BSM	MS	MTF	MAGI	AMFS	BMTF	MIR	BMEL	MI	MUF	MCI
1. Governance Guidelines Company	√	√	√	√	√	√	√	√	√	√	√
2. The Compliance Work Unit	√	√	√	√	√	√	√	√	√	√	√
3. Internal Audit Work Unit	√	√	√	√	√	√	√	√	√	√	√
4. Risk Management Unit	√	√	√	√	√	√	√	√	√	√	√

### Board of Commissioners and Board of Directors of Financial Conglomerate Bank Mandiri

Board of Directors and Board of Commissioners in Bank Mandiri have tasks and duties in relation to integrated governance, namely:

#### Board of Commissioners

1. Performing monitoring and implementation of tasks and duties, and giving advices to Board of Directors of Bank Mandiri as regulated in articles of Association and prevailing regulations.
2. Performing monitoring on TKT implementation.

### Board of Directors

1. Fully responsible on the implementation of Bank Mandiri management.
2. Manage Bank Mandiri in correspond to the authority and duties as regulated in Articles of Association and prevailing regulations.
3. Ensure the implementation of TKT in financial conglomerate.
4. Compile and present the TKT Guideline to all Subsidiary Companies.
5. Direct, Monitor, and evaluate the implementation of TKT Guideline.
6. Follow up the direction/advise from Board of Commissioners of Bank Mandiri in order to improve the TKT Guideline.

Board of Commissioners and Board of Directors are as follow:

Board of Commissioners	
Hartadi A. Sarwono	President Commissioner / Independent Commissioner
Imam Apriyanto Putro	Vice President Commissioner
Askolani	Commissioner
Bangun Sarwito Kusmulyono	Independent Commissioner
Goei Siauw Hong	Independent Commissioner
Ardan Adiperdana	Commissioner
Makmur Keliat	Independent Commissioner
R. Widyo Pramono	Commissioner

Board of Directors	
Kartika Wirjoatmodjo	President Director
Sulaiman A. Arianto	vice director
Ogi Prastomiyono	Director of Operations
Royke Tumilaar	Director of Wholesale Banking
Hery Gunardi	Director of Distributions
Tardi	Director of Retail Banking
Ahmad Siddik Badruddin	Director of Risk Management & Compliance
Kartini Sally	Director of Institutional
Rico Usthavia Frans	Director of Digital Banking & Technology
Darmawan Junaidi	Director of Treasury

In addition to Bank Mandiri, the Management Structure within the Mandiri Group consists of the Board of Commissioners, Board of Directors and Sharia Supervisory Board of the Subsidiary Company which has the responsibilities assigned in the TKT Manual as follows:

### Board of Commissioners

1. To supervise the implementation of governance, duties and responsibilities of the Board of Directors and follow up of audit results from internal and external parties.
2. Establish a committee or appoint a party to carry out functions that support the duties and responsibilities of the Board of Commissioners at least the audit monitoring committee / function, and the compliance monitoring committee / function.
3. Conducting a meeting of the Board of Commissioners which includes at least frequency, attendance and decision-making procedures.
4. Formulate the working order of the Board of Commissioners.

### Board of Directors

1. Implement the principles of corporate governance.
2. Prepare the Code of Good Corporate Governance.
3. Following up on audit results and recommendations from SKAI, external auditors, and supervisory results from the authorities.
4. Holding meetings of the Board of Directors.
5. Prepare work rules that include at least the procedures for decision-making and documentation of meetings.

### Sharia Supervisory Board

1. Sharia Supervisory Board (DPS) shall perform duties and responsibilities in accordance with the principles of Governance.
2. The Sharia Supervisory Board is responsible for providing advice and advice to the Board of Directors as well as overseeing activities to comply with the Sharia Principles.
3. Implementation of duties and responsibilities of DPS in accordance with the laws and regulations applicable in each Subsidiary Company.
4. Members of the Sharia Supervisory Board shall provide sufficient time to perform their duties and responsibilities optimally.
5. Preparing the Sharia Supervisory Board Working order.

Sharia Supervisory Board Structure of Subsidiary Company are:

#### 1. Bank Syariah Mandiri

Board of Commissioners	
Mulya E. Siregar	President Commissioner / Independent Commissioner
Ramzi A. Zuhdi	Independent Commissioner
Bambang Widianto	Independent Commissioner
Dikdik Yustandi	Commissioner

**Board of Directors**

Toni Eko Boy Subari	President Director
Ade Cahyo Nugroho	Director
Achmad Syafii	Director
Putu Rahwidhiyasa	Director
Kusman Yandi	Director
Edwin Dwidjajanto	Director
Choirul Anwar	Director

**2. Mandiri Sekuritas****Board of Commissioners**

Darwin Cyril Noerhadi	President Commissioner / Independent Commissioner
Alexandra Askandar	Commissioner
Suresh Lilaram Narang	Independent Commissioner
Wien Irwanto	Commissioner

**Board of Directors**

Silvano Winston Rumantir	President Director
Laksono Widito Widodo	Director
Lisana Irianiwati	Director
Heru Handayanto	Director

**3. Mandiri Tunas Finance****Board of Commissioners**

Rico Adisurja Setiawan	President Commissioner
Harry Gale	Commissioner
Ravik Karsidi	Independent Commissioner

**Board of Directors**

Ignatius Susatyo Wijoyo	President Director
Harjanto Tjitohardjojo	Director
Arya Suprihadi	Director

**4. Mandiri AXA General Insurance****Board of Commissioners**

Kepas Antoni Adrianus Manurung	President Commissioner
Ramanathan Kumar Guru	Commissioner
Frans Wiyono	Independent Commissioner
Indra Noor	Independent Commissioner

**Board of Directors**

Paul Henri Rastoul	President Director
Djoko Yoewono	Director
Sylvain Ducros	Director

**5. AXA Mandiri Financial Services****Board of Commissioners**

Myland	President Commissioner
Paul Henri Nicolas Pierre Marie Rastoul	Commissioner
Wihana Kirana Jaya	Independent Commissioner
Akhmad Syakhroza	Independent Commissioner

**Board of Directors**

Jean-Philippe Louis Michel Vandenschrick	President Director
Tisyeh Diah Retnojati	Director
Ni Nyoman Trisnasari	Director
Henky Oktavianus	Director

**6. Bank Mandiri Taspen Pos****Board of Commissioners**

Abdul Rachman	President Commissioner
Agus Haryanto	Commissioner
I Wayan Deko Ardjana	Independent Commissioner
Edhi Chrystanto	Independent Commissioner
Sukoriyanto Saputro	Independent Commissioner

Board of Directors	
Josephus K.T	President Director
Ida Ayu Kade Karuni	Director
Paulus Endra Suyatna	Director
Muhamad Gumilang	Director
Iwan Soeroto	Director

#### 7. Mandiri International Remittance Sdn.Bhd.

Board of Directors	
Wahyu Surahmat	President Director
Agus Haryanto	Director
Elmega Rosinta Greaceace	Director
Diah Natalin Saragih	Director

#### 8. Mandiri (Europe) Limited

Board Member	
Mahendra Siregar	Independent Non Executive Director & Chairman
John Kenrick Williams	Independent Non Executive Director
Sulaeman	Non Executive Director
I Nyoman G. Suarja	Chief Executive

#### 9. Mandiri Inhealth

Board of Commissioners	
Sentot A. Sentausa	The main commissioner
Ali Ghufon Mukti	Independent Commissioner
Bambang Wibowo	Independent Commissioner

Board of Directors	
Iwan Pasila	President Director
Armendra	Director
Wahyu Handoko	Director
Eddy Alfian	Director

#### 10. Mandiri Utama Finance

Board of Commissioners	
Riyani T. Bondan	The main commissioner
Erida	Commissioner
Mansyur Syamsuri Nasution	Independent Commissioner

Board of Directors	
Stanley Setia Atmadja	President Director
Judy Lesmana	Director
Kuki Kadarisman	Director

#### 11. Mandiri Capital Indonesia

Board of Commissioners	
Joseph Georgino Godong	The main commissioner
Rahmat Broto Triaji	Komisaris

Board of Directors	
Mardianto Eddiwan Danusaputro	President Director
Hira Laksamana	Director

### Integrated Governance Committee

Bank Mandiri has formed a Integrated Governance Committee that consists of Bank Mandiri Independent Commissioner and Subsidiary Company Independent Commissioners as the representative of each industry. TKT Committee has the least tasks and duties:

1. Evaluate the intern implementation and compliance function implementation in integrated manner. In performing the evaluation, TKT Committee acquires the information in the form of evaluation result of internal audit implementation and compliance function each Subsidiary Companies from Commissioner Board members for each Subsidiary Company that become the member of KTK Committee.
2. Give recommendation to Board of Commissioners of Bank Mandiri, about:
  - a. Implementation of TKT evaluation result;
  - b. Improvement of TKT Guideline

The TKT Committee of Bank Mandiri is chaired by Bpk. Goei Siau Hong as the Independent Commissioner of Bank Mandiri. In 2017, the Integrated Governance Committee has had 2 (two) meetings, as follow:

Implementation Date	Agenda
16 Agustus 2017	<ol style="list-style-type: none"> <li>1. Establishment of Subsidiaries Management Group</li> <li>2. Update on the Implementation of the Integrated Internal Audit Unit Function</li> <li>3. Consolidated RBBR Assessment Results Semester I / 2017</li> </ol>
20 Desember 2017	Discussion of OJK onsite review results in Integrated Governance Implementation

### Integrated Compliance Unit (SKKT)

In accordance with the POJK implementation No. 18/POJK.03/2015, Bank Mandiri has assigned Compliance Group as SKKT that monitors the implementation of compliance function in Mandiri Group. The tasks and duties of SKKT are as follow:

1. Monitor and evaluate the implementation of compliance function in all Subsidiary Companies.
2. Compile the reports of integrated compliance implementation to Director that Supervises Compliance Function and Integrated Governance annual report.
3. Organize forum with Subsidiary Company on the implementation of integrated compliance function.

In 2017, Bank Mandiri SKKT performed some initiatives for TKT implementation, namely:

1. Alignment for compliance policy and management mechanism of risk compliance.
2. Quarterly, receive and review compliance report of Subsidiary Company.
3. Quarterly, compile report for the implementation of integrated compliance. In the end of 2017, SKKT also compiled Integrated Governance annual report.
4. Discussion forum with Subsidiary Companies to discuss the assessment on risk compliance profile (forward looking) and mitigation on compliance issues in Subsidiary Companies.
5. Communication forum with Subsidiary Companies on mandatory fulfillment on regulation namely:

No.	POJK	Subject	Subsidiaries
1.	45/POJK.03/2015	Application of Good Corporate Governance in the Provision of Remuneration for Commercial Banks.	- Bank Mandiri Taspen dan Pos - Bank Syariah Mandiri
2.	45/POJK.04/2016	Supervision Against the Representatives and Employees of Securities Companies	Mandiri Sekuritas
3.	49/POJK.04/2016	Funds Protection of Financiers	Mandiri Sekuritas
4.	36/POJK.05/2016	Investment of Government Securities for Non-Bank Financial Services Institutions	- Mandiri AXA General Insurance - AXA Mandiri Financial Services
5.	63/POJK.05/2016	Direct Investigation of Non-Bank Financial Services Institutions	Mandiri Sekuritas
6.	67/POJK.05/2016	Business Licensing and Institutional Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies	- Mandiri AXA General Insurance - AXA Mandiri Financial Services
7.	69/POJK.05/2016	Implementation of Insurance Companies, Sharia Insurance Companies, Reinsurance Companies, and Sharia Reinsurance Companies	- Mandiri AXA General Insurance - AXA Mandiri Financial Services
8.	71/POJK.05/2016	Financial Health Insurance Company And Reinsurance Company	- Mandiri AXA General Insurance - AXA Mandiri Financial Services
9.	73/POJK.05/2016	Good Corporate Governance for Insurance Companies	- Mandiri AXA General Insurance - AXA Mandiri Financial Services
10.	76/POJK.07/2016	Increased Literacy and Financial Inclusion in the Financial Services Sector for Consumers and / or the public	- Mandiri Sekuritas - Mandiri AXA General Insurance - AXA Mandiri Financial Services

### Integrated Audit Unit (SKAIT)

The Main Entity has assigned Internal Audit as independent SKAIT on operational unit. SKAIT, in this case Internal Audit, has collaborated with 1st line and 2nd line as well as Internal Audit of Subsidiary Company to ensure that the implementation of internal control function go effectively in Mandiri Group.

SKAIT has duties and responsibilities stated in TKT Guideline as follow:

1. Perform audit on Subsidiary Company either individually, joint audit or based on reports from SKAI of Subsidiary Company.
2. Monitor the implementation of internal audit on each Subsidiary Company by performing:
  - a. Evaluate audit plan of SKAI Subsidiary Company to align the integrated audit plan;
  - b. Internal and external audit evaluation result of Subsidiary Company and its follow up in order to compile the report of integrated internal audit.

In 2017, SKAIT of Bank Mandiri ensured the implementation of internal control function in Subsidiary Company:

1. Perform audit on 11 (eleven) of Subsidiary Companies individually by SKAIT and joint audit with SKAIT of Subsidiary Companies exclusive for Bank Syariah Mandiri and Bank Mantap.
2. Perform evaluation and audit plan alignment with Subsidiary Company before compiling Annual Audit Plan (AAP) Bank Mandiri or Subsidiary Company.
3. Perform review on SKAI of Subsidiary Company's Audit Result Report and its follow up quarterly.
4. Compile the Report on the Implementation of Integrated Internal Audit Function.

Moreover, SKAIT of Bank Mandiri has performed several actions in order to improve the Integrated SKAI function namely:

1. SKAIT and SKAI of Subsidiary Company has performed alignment of Internal Audit Charter. Internal Audit Charter of Subsidiary Company has been stated in the clause that states "Bank Mandiri as the main entity can perform audit to subsidiary companies in order to affirm the internal control activities, risk management and governance process".
2. Assignment of SKAIT Chief of Subsidiary Company by paying attention to SKAIT recommendation.
3. Organizing Audit Committee Meeting of Subsidiary Company that is allowed to invite SKAIT.
4. Organizing SKAI Mandiri Group forum quarterly.

### Integrated Risk Management Unit

Bank Mandiri determined Credit Portfolio Risk Group as Work Unit of SKMRT Coordinator that was independent from other operational units and had owned policy, procedure and adequate risk limit determination. SKMRT has tasks and duties stated in the TKT Guideline namely as follow:

1. Give recommendation to Board of Directors in compiling integrated risk management policy.
2. Monitor the implementation of integrated risk management policy including expanding procedures and tools for identification, measurement, monitor, and risk control.
3. Perform risk monitoring on financial conglomerate based on assessment result:
  - a. Risk profile on every Subsidiary Company in Financial Conglomerate;
  - b. Risk level on every risk in integrated manner;
  - c. Risk profile in integrated manner.
4. Perform stress testing;
5. Perform review in regular basis to ensure:
  - a. Accuracy of risk assessment methodology;
  - b. Coverage of implementation information management system;
  - c. Policy accuracy, procedure and risk limit in integrated manner.
6. Review new line of business recommendation that is strategic and significant to the exposure of financial conglomerate risk;
7. Give information to integrated risk management committee on things need to be followed up related to evaluation result on the integrated risk management implementation;
8. Give recommendation to integrated risk management committee in order to compile and perfect the integrated risk management policy;
9. Compile and submit the integrated risk profile report in regular basis to Director that supervises the integrated risk management function and to integrated risk management committee.

In 2017, SKMRT performed several initiative actions in for the implementation of integrated risk management, namely as follow:

1. Active monitoring to management through forum and committee in regular basis
2. Monitoring the improvement of risk awareness through Risk Awareness Survey (RAWS) in regular basis.
3. Improvement in risk management process on Subsidiary Company either on the methodology, process or policy on site review and assistance.

4. Evaluation methodology Review Risk Based Bank Rating on Bank and Subsidiary Company.
5. Compilation methodology alignment Risk Appetite Statement and Stress Test.

### Intragroup Transaction Policy

Aggressive expansion of Bank Mandiri and subsidiary companies on various business segments makes Bank Mandiri and Subsidiary Companies always synergize and collaborate in one business ecosystem. This causes for intragroup transaction exposure in Mandiri Group. Bank constantly maintain Intragroup Transaction so it is in correspond to external and internal rules either in the exposure or process.

All intragroup transactions and all cooperation established in Mandiri Group are run in accordance to internal prevailing provisions corresponding to Procedure Standard and Operational Technical Guideline and also consistently refers to Subsidiaries Management Principles Guideline, of Mandiri which is a guideline for Mandiri Group in establishing business collaboration ecosystem. Policy in intra-group transaction risk in Bank Mandiri refers to POJK 17/POJK.03/2014 dated 18 November 2014 and SEOJK No.14/SEOJK.03/2015 dated 25 May 2015 about Integrated Risk Management for Financial Conglomerate. Policy on Bank Mandiri intragroup transaction risk is stated in Bank Mandiri Risk Management Policy (KMRBM) and Standard Procedure Risk Based Bank Rating (SP RBRR).

Bank Mandiri consistently performs monitoring on business performance or business risk that occur because of business synergy with Subsidiary Company. In this case, Bank Mandiri always ensures that Intragroup Transaction in Mandiri Group consistently corresponds to rules and limit set by Regulator.

### Mandiri Subsidiaries Management Principle Guideline (MSMPG)

Mandiri Subsidiaries Management Principles Guideline (MSMPG) is a guideline for Bank Mandiri and Subsidiary Company in establishing business collaboration ecosystem through performance culture. This aims to create added value for Bank Mandiri and Subsidiary Company in sustainable manner by adherence to GCG principles and Articles of Association form each Subsidiary Company.

MSMPG is one of the manifestation of Bank Mandiri's commitment to consistently implement GCG and Integrated Risk that is compiled with the Regulation of Financial Services Authority No.17/POJK.03/2014 dated 18 November 2014 About Implementation of Integrated Risk Management For Financial Conglomerate and POJK TKT.

Governance principles of Bank Mandiri Subsidiary Company refers to MSMPG provisions that cover risk management consolidation and assistance activities, financial report, GCG, Compliance, Anti Money Laundering and Combating the Financing of Terrorism (APU-PPT), human capital, procurement management, audit implementation assistance activities, business synergy strategy and performance. MSMPG is enacted to by referring to basic principles of Subsidiary Company governance as follow:

1. Subsidiary Company is a separate entity from Bank Mandiri.
2. Subsidiary Company governance is performed professionally and there is no intervention in the Subsidiary Company operational activities.
3. Subsidiary Company governance is done without disregarding tasks and duties of Board of Directors and Board of Commissioners of Subsidiary Company in accordance to Articles of Association.
4. Subsidiary Company governance aims to optimize sustainable profit, reduce risk, comply to regulations and good governance.

Principles of management of Bank Mandiri Subsidiaries in accordance with MSMPG provisions include consolidation activities and risk management assistance, financial statements, GCG, Compliance and Anti Money Laundering and Terrorism Financing Prevention (APU-PPT), human capital management, procurement, audit implementation assistance activities, business and strategy and performance. MSMPG is enacted by referring to the basic principles of the management of Subsidiaries as follows::

1. Subsidiary Company is a separate entity from Bank Mandiri.
2. The Company's Subsidiary Management is conducted professionally and does not intervene into the Subsidiaries' operational activities.
3. The Management of Subsidiaries shall be conducted without prejudice to the duties and responsibilities of the Board of Directors and Board of Commissioners of Subsidiary Companies in accordance with the Articles of Association.
4. The Management of Subsidiaries is aimed at optimizing sustainable benefits, reducing risks, complying with laws and regulations, and good governance.

# Key Shareholder and Controller Information

As a state-owned legal entity (SOEs), the shareholding majority of Bank Mandiri was owned by the Government of the Republic of Indonesia from which in this case, it was represented by the Ministry of State-Owned Enterprises. Therefore, there were no major shareholders and controllers by individuals individuals.



At the time of establishment, the capital participation of the Republic of Indonesia to Bank Mandiri was conducted in accordance with the provision of Government Regulation no. 75 of 1998 on Equity Participation of the Republic of Indonesia for the Establishment of a Limited Liability Company (Persero) in Banking on 1 October 1998. These investments were made by transferring state-owned shares to Bank Mandiri's ex-legacy, namely Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia and Bank Pembangunan Indonesia.

As the majority shareholder, the Government of the Republic of Indonesia had a share ownership composition of 60% (sixty percent) or 28,000,000,000 (twenty eight billion) shares, of the total number of shares there was one share of Dwiwarna A Series.

More details of Key Shareholder and Controller Information can be seen in the Shareholders' Composition section of this Annual Report.

## Equal Treatment to All Shareholders

By referring to the provision of legislations which are regulations in Capital Market, Bank Mandiri always puts forward equality principles for all shareholders (majority or minority). This commitment is reflected in internal regulations as stated in Corporate Secretary Policy Bank Mandiri and Corporate Secretary Standard Guideline Bank Mandiri that are periodically reviewed, that regulate that all shareholders have the same right for information transparency from Bank Mandiri, namely information about company performance, financial information, and other information needed by all shareholders.

Moreover the equal treatment to all shareholders is also reflected in the Implementation of Company's RUPS, in which each shareholder is entitled to recommend RUPS agenda to the Company.

# Management of Public Official's Wealth Report (LHKPN)

Bank Mandiri possesses a policy about reporting implementation of Public Official's Wealth Report (LHKPN) based on the Decision of Board of Directors No. KEP.DIR/147A/2017 dated 21 June 2017 about Public Official's Wealth Report (LHKPN) in the environment of PT Bank Mandiri (Persero) Tbk. This policy regulates about the company's employees that are obligated to report their wealth, reporting mechanism, management unit and LHKPN administrator where sanctions are imposed for employees who do not perform their reporting obligations.

## Required Report LHKPN

Based on the above LHKPN, Mandatory Report LHKPN are the Structural Officers in Bank Mandiri environment, namely:

1. Board of Commissioners Member
2. Board of Directors Member
3. Senior Executive Vice President
4. Executive Officers that are reported to Bank Indonesia are:
  - a. Regional CEO
  - b. Group Head and Group Head-level Officers
  - c. Branch Head which Office permit from Bank Indonesia is Branch Office and Overseas Branch Head
5. Employee assigned as Director/Board of Commissioners in Subsidiary Company and Pension Fund

## Mandatory Report LHKPN

Manager for LHKPN report consists of LHKPN Management Coordinator and Admin Manager e-LHKPN in detail as follow:

1. LHKPN Management Coordinators are Group Head Corporate Secretary and Group Head Human Capital Services with the scope of tasks as follow:
  - a. Coordinate with KPK in monitoring, filling and submission of LHKPN and LHKPN obligation socialization.
  - b. Coordinate with Ministry of State-Owned Enterprises and KPK on Mandatory LHKPN Application management and administration.
2. Admin Manager e-LHKPN is Corporate Secretary Group and Human Capital Services Group with the scope of duties as follow:
  - a. Manage and perform update on the data of mandatory report PHKPN in Bank Mandiri environment.
  - b. Manage and monitor the mandatory LHKPN reporting in Bank Mandiri environment.

## LHKPN Report Year 2017

LHKPN report by the end of 2017, from 178 mandatory reporters there are 158 reporters who have completed their mandatory report. Meanwhile, the other 22 reporters are in the process of completing their mandatory LHKPN report.

# Stock Buyback and Bond Buyback

In 2017, there was no stock buyback or bond buyback.

## Provision of Related Party Funds

With reference to the internal policies of Bank Mandiri regarding lending, the provision of funds to related parties (individuals or groups, including executive officers, Board of Directors and Commissioners of the Bank) had been fairly exercised on reasonable terms with the approval of the Board of Commissioners.

The provision of funds to related parties shall not be contrary to the general procedure of granting the provision of funds in force and shall continue to provide reasonable benefits to the Company as well as the provision shall

be subject to the approval of the Board of Commissioners. As one form of supervisory function implementation by the Board of Commissioners in the field of credit, lending over Rp 3 trillion individually should be reported quarterly to the Board of Commissioners. Reported loans were credits that had been terminated within 3 (three) months of the reporting period.

Related Information of the Provision of Related Party Funds is in the Management Analysis and Discussion section of this Annual Report.

## Internal Fraud

Internal frauds were committed by internal and external corporations in collusion. Examination of internal fraud was conducted by Internal

Audit and RBC.

Table of Internal Fraud

Internal Fraud dalam 1 Tahun	Number of Fraud Done					
	Members of the Board of Commissioners and Members of the Board of Directors		Permanent employee		Temporary employees	
	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year
Total Fraud	-	-	22	40	13	40
Has been Completed	-	-	21	40	13	40
In Settlement Process in Internal Bank	-	-	1	-	-	-
Unresolved Settlement	-	-	-	-	-	-
Has Been Followed Through The Legal Process *	-	-	1	1	4	1

\*The fraud that has been acted upon by the legal process is part of the completed fraud

## Transaction Containing Conflict of Interest

Throughout 2017, there were no conflict-of-interest transactions as mentioned in BAPEPAM-LK regulation No. IX.E.1 on Conflict of Interest.

# Internal Dispute of Bank Mandiri

During 2017, there were no internal disputes in Bank Mandiri related to owner's intervention, remuneration policy or any other cause.

## Prevention of Insider Trading

Internal provisions about Insider Trading acts performed by insiders of Bank Mandiri are stated in Bank Mandiri Policy Architecture and Corporate Secretary Standard Guideline. Bank Mandiri Policy Architecture has regulated that "all Bank Personnel are only permitted to engage in securities transaction, foreign exchange, precious metal, derivative transaction, and other forms of trading in his own interests if there is no conflict of interests, breach of Insider Trading regulation from Capital Market Authority and other regulations."

In Corporate Secretary Standard Guideline, the provision that regulates about Insider Trading acts is regulated in Chapter III number 5 letter d that regulates:

1. Insider who has insider information about Bank financial status, Bank activities agenda and/or other unpublished information material that are duly suspected will influence the investor or shareholder's decision, is prohibited to conduct buying and/or selling Bank stock.
2. Insider who has insider information is prohibited to influence any party including his own family to conduct buying or selling stock.
3. Insider other than Board of Directors and Board of Commissioners that commits violation as regulated above and is proved to conduct transaction and/or give insider information will be imposed sanctions as regulated in Human Capital Standard Guideline (SPSDM).
4. Board of Directors and Board of Commissioners and other parties with certain position, profession/relation with the Bank that conduct insider trading are responsible corresponding to prevailing provisions.
5. Annual Disclosure states about insider trading prohibition. The obligation to provide annual disclosure for Bank personnel is regulated in code of conduct and/or SPSDM.

## Anti Corruption Policy

Bank Mandiri has possessed several policies related to the Prevention of Corruption which are internal control policy, Employee Discipline Regulation, Code of Conduct, Business Ethic, Bank Mandiri has also compiled Corporate Cultural Value "Corporate Culture" which is instilling integrity value to each Bank Mandiri personnel.

Actions taken by the Company to overcome corruption practice issues, particularly in Code of Conduct has been regulated as follow:

1. Prohibition to all Bank Personnel to solicit or receive, approve to receive a gift or reward from a third party that obtains or is trying to obtain facilities from the Bank in the form of credit facilities, cash loan and non cash loan", or in the process of buying or discounting money order notes, promissory notes and trade papers or other mandatory evidence, or other facilities related to bank operational or goods procurement and service from Bank.
2. Prohibition to all Bank personnel in abusing the office and take benefit directly or indirectly from information obtained from Bank business activities:
  - a. Personal benefit
  - b. Benefit for his family members
  - c. Benefit for other parties
3. Imposing sanctions from mild to severe for violators of this prohibition.
4. Obeying external and internal regulations.
5. In credit, every loan lending has to be performed through discussion in Loan Committee Meeting forum as an implementation of four-eyes principle and process check and balance between Business Unit as the initiator and Risk Management as Risk Mitigation unit. In this committee, Legal Group and Compliance Group are also required to attend to give opinion from legal and compliance sides to reinforce the independence aspect, avoid dominance from one of the unit, avoid conflict of interest and to ensure the decision making that is objective and free of pressure. To accelerate process and improve loan performance, Bank Mandiri also determines the authority limit to terminate loan based on loan exposure and risk level. Bigger exposure causes bigger quorum of the holder of authority that consists of Loan Committee member that functions as Risk Management and Loan Committee member that functions as Business Unit.

6. All Bank personnel are required to make annual disclosure that states all conditions and situations which allow violations/non-compliance from this code of conduct.
7. All Bank Mandiri personnel can give recommendation for improvement of performance, reinforcement of good corporate governance and prevention of fraud, through Letter to CEO (LTC), which is a communication tool for Bank Mandiri personnel directly to President Director (CEO).
8. In Cooperation Agreement with contractor/supplier/partner, there is a clause that states the commitment of those parties to not commit corruption and gratification practices.

In order to eradicate corruption, in 4 November 2014, the Company stated its commitment to Corruption Eradication Commission (KPK) to:

1. Establish National Integrated System with Working Culture approach and Prosperous Spirit for Country.
2. Implement gratuity control to support the effort of corruption eradication in the Company environment.

As the implementation and commitment for that, Bank Mandiri has performed several actions as follow:

1. Form Gratuity Control Unit which is a part of Compliance unit as gratuity control coordinator in Bank Mandiri.
2. Issue a provision about gratuity control program in Bank Mandiri environment annually or as needed by Company and consistently perfected in line with the improvement of the Company and/or compliance to legislation provision and lastly as perfected in 2016.
3. Perform socialization of gratuity control program to all employees and stakeholder of Bank Mandiri.

In addition, Bank Mandiri also provided anti-corruption-related training to its employees. The anti-corruption-related training conducted during 2017, was:

#### Socialization Table of Gratification Control Program

Training	Place	Date
Anti Money Laundering and Governance For Bankers Batch 2	Jakarta	13 – 14 Juli 2017
Anti Money Laundering and Governance For Bankers Batch 3	Surabaya	7 – 8 Agustus 2017
Anti Money Laundering and Governance For Bankers Batch 4	Bandung	7 – 8 September 2017
Anti Money Laundering and Governance For Bankers Batch 5	Semarang	9 – 10 Oktober 2017
Anti Money Laundering and Governance For Bankers Batch 6	Jakarta	9 – 10 November 2017
Anti Money Laundering and Governance For Bankers Batch 7	Jakarta	20 – 21 November 2017

## Transparency of Financial and Non Financial Condition of The Company

Bank Mandiri complied to transparency obligation and publication of financial and non-financial conditions in correspond to prevailing provision, through information presentation and publication via printed media and company website as follow:

1. Monthly Financial Report to regulator that was published via BI and Bank Mandiri website.
2. Quarterly Financial Report to regulator that was published via printed media and Company website.
3. Bank Mandiri Annual Report is composed and presented in correspond to provision and presented to the regulator, rating agency banking development institute, research institute, finance magazine and published in Company website.
4. Corporate Governance Information, which are Corporate Governance Annual Report, Vision, Mission, Corporate Value, Composition and Profile of Board of Commissioners and Board of Directors, and internal provision related to governance from Articles of Association to Committee Charter that are published in the Company website.
5. Product information and Company Service including its office network are published in the Annual Report and Company website so customer, investor, and the people can easily access the information about product and service of the Company.
6. Complaint Submission Procedure Information, Information Safety Policy and Tips for Customer in using banking service are published in Company website for the implementation of customer protection provisions.
7. Other information to support information transparency, finance education and service to the people.

## Practice of Bad Corporate Governance

Bank Mandiri realizes that bad corporate governance disturbs the Good Corporate Governance system (GCG) that is established by Bank Mandiri. In order to support this, in 2017 Bank Mandiri did not perform

all those actions and policy that was related to the practices shown by following table:

No.	Description	Practice
1.	Report as company that pollutes the environment.	Nil
2.	Important cases against company, subsidiary entity, serving Board of Directors member and/or Board of Commissioners member are not disclosed in the Annual Report.	Nil
3.	Non Compliance in tax obligation fulfillment.	Nil
4.	Discrepancy between annual report and financial report presentation with the prevailing regulation and SAK.	Nil
5.	Cases related to labors and employees.	Nil
6.	No disclosure operational segment on listed company	Nil
7.	Discrepancy between AR hardcopy with AR softcopy.	Nil

## Statement of Good Corporate Governance Implementation

All Board of Commissioners members, Board of Directors members, and Bank Mandiri committed and have implemented good corporate governance principles and there were no violations on prevailing

legislations. Moreover, Bank Mandiri has implemented governance in correspond to ASEAN Corporate Governance Scorecard (ACGS)

## Conformity of Implementation Of corporate Governance in Correspond to ASEAN Corporate Governance Scorecard

No.	Principles and Recommendations	Description
<b>A</b>	<b>Right of Shareholder</b>	
<b>A.1</b>	<b>Basic Shareholder Rights</b>	
A.1.1	<i>Does the company pay (interim and final/ annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days?</i>	Website Bank Mandiri
<b>A.2</b>	<b>Right to Participate in decisions concerning fundamental corporate changes</b>	
A.2.1	<i>Amendments to the company's constitution?</i>	Website Bank Mandiri

No.	Principles and Recommendations	Description
A.2.2	<i>The authorisation of additional shares?</i>	Website Bank Mandiri
A.2.3	<i>The transfer of all or substantially all assets, which in effect results in the sale of the company?</i>	Website Bank Mandiri
<b>A.3</b>	<b>Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.</b>	
A.3.1	<i>Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?</i>	Website Bank Mandiri

No.	Principles and Recommendations	Description
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	Website Bank Mandiri
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Website Bank Mandiri
A.3.4	Does the company disclose the voting procedures used before the start of meeting?	Website Bank Mandiri
A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	Website Bank Mandiri
A.3.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	Website Bank Mandiri
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	Website Bank Mandiri
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	Website Bank Mandiri
A.3.9	Does the company allow for voting in absentia?	Website Bank Mandiri
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	Website Bank Mandiri
A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	Website Bank Mandiri
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	Website Bank Mandiri
A.3.13	Do companies provide at least 21 days notice for all AGMs and EGMs?	Website Bank Mandiri
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	Website Bank Mandiri
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	Website Bank Mandiri
<b>A.4</b>	<b>Markets for corporate control should be allowed to function in an efficient and transparent manner.</b>	
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	Hal. 300-303
<b>A.5</b>	<b>The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</b>	
A.5.1	Does the company disclose its practices to encourage shareholders to engage the company beyond AGM?	Hal. 665
<b>B</b>	<b>Equitable Treatment of Shareholders</b>	
<b>B.1</b>	<b>Shares and voting rights</b>	
B.1.1	Do the company's ordinary or common shares have one vote for one share?	Website Bank Mandiri

No.	Principles and Recommendations	Description
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	Website Bank Mandiri
<b>B.2</b>	<b>Notice of AGM</b>	
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	Website Bank Mandiri
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	Website Bank Mandiri
	<b>Does the notice of AGM/ circulars have the following details:</b>	
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	Website Bank Mandiri
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	Website Bank Mandiri
B.2.5	Were the proxy documents made easily available?	Website Bank Mandiri
<b>B.3</b>	<b>Insider trading and abusive self-dealing should be prohibited.</b>	
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	Hal. 670-671 Hal. 455 Hal. 503
B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	Hal. 118
<b>B.4</b>	<b>Related party transactions by directors and key executives.</b>	
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	Hal. 455, 503
B.4.2	Does the company have a policy requiring a committee of independent directors/ commissioners to review material/ significant RPTs to determine whether they are in the best interests of the company and shareholders?	Hal. 326
B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	Website Bank Mandiri
B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	Hal. 309-310
<b>B.5</b>	<b>Protecting minority shareholders from abusive actions</b>	
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	Hal. 309
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	Hal. 309-310
<b>C</b>	<b>Role of Stakeholders</b>	

No.	Principles and Recommendations	Description
<b>C.1</b>	<b>The rights of stakeholders that are established by law or through mutual agreements are to be respected. (Does the company disclose a policy And Practices That Address :)</b>	
C.1.1	<i>The existence and scope of the company's efforts to address customers' welfare?</i>	Hal. 724-727
C.1.2	<i>Supplier/contractor selection procedures?</i>	Hal. 728-729
C.1.3	<i>The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?</i>	Hal. 706-711
C.1.4	<i>The company's efforts to interact with the communities in which they operate?</i>	Hal. 718-723
C.1.5	<i>The company's anti-corruption programmes and procedures?</i>	Hal. 51 Hal. 406 Hal. 676-678 Hal. 691-692
C.1.6	<i>How creditors' rights are safeguarded?</i>	Hal. 407 Website Bank Mandiri
C.1.7	<i>Does the company have a separate report/section that discusses its efforts on environment/economy and social issues ?</i>	Sustainability Report
<b>C.2</b>	<b>Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.</b>	
C.2.1	<i>Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?</i>	Hal. 664, 724
<b>C.3</b>	<b>Mechanisms for employee participation should be permitted to develop.</b>	
C.3.1	<i>Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?</i>	Hal. 715-717
C.3.2	<i>Does the company explicitly disclose the policies and practices on training and development programmes for its employees?</i>	Hal. 110-114
C.3.3	<i>Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?</i>	Hal. 355
<b>C.4</b>	<b>Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.</b>	
C.4.1	<i>Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report.</i>	Hal. 676-678
C.4.2	<i>Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behaviour from retaliation?</i>	677
<b>D</b>	<b>Disclosure and Transparency</b>	
<b>D.1</b>	<b>Transparent ownership structure</b>	

No.	Principles and Recommendations	Description
D.1.1	<i>Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?</i>	115-116
D.1.2	<i>Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?</i>	Hal. 115-116, 688
D.1.3	<i>Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?</i>	Hal. 117-118, 455-456, 503-504
D.1.4	<i>Does the company disclose the direct and indirect (deemed) shareholdings of senior management?</i>	307-308
D.1.5	<i>Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?</i>	126-127, 147-149
<b>D.2</b>	<b>Quality of Annual Report</b>	
D.2.1	<i>Corporate objectives</i>	Hal. 86-88
D.2.2	<i>Financial performance indicators</i>	Hal. 16-21, 47-48, 170-172
D.2.3	<i>Non-financial performance indicators</i>	Hal. 47-48, 415, 417, 695
D.2.4	<i>Dividend policy</i>	Hal. 305-306
D.2.5	<i>Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners</i>	Hal. 90-101, 446-451, 494-499
D.2.6	<i>Attendance details of each director/ commissioner in all directors/commissioners meetings held during the year</i>	Hal. 463-473, 504-518
D.2.7	<i>Total remuneration of each member of the board of directors/commissioners</i>	Hal. 477-479, 522-524
	<b>Corporate Governance Confirmation Statement</b>	
D.2.8	<i>Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?</i>	Hal. 693, 398-411
<b>D.3</b>	<b>Disclosure of related party transactions (RPT)</b>	
D.3.1	<i>Does the company disclose its policy covering the review and approval of material/ significant RPTs?</i>	Hal. 309
D.3.2	<i>Does the company disclose the name, relationship, nature and value for each significant/material RPTs?</i>	Hal. 310-316
<b>D.4</b>	<b>Directors and commissioners dealings in shares of the company</b>	
D.4.1	<i>Does the company disclose trading in the company's shares by insiders?</i>	Hal. 117-118, 455-456, 503-504
<b>D.5</b>	<b>External auditor and Auditor Report</b>	
D.5.1	<i>Are the audit and non-audit fees disclosed?</i>	Hal. 621
D.5.2	<i>Does the non-audit fee exceed the audit fees?</i>	Hal. 621
<b>D.6</b>	<b>Medium of communications</b>	
D.6.1	<i>Quarterly reporting</i>	Hal. 664, 668 Website Bank Mandiri
D.6.2	<i>Company website</i>	Hal. 150, 664

No.	Principles and Recommendations	Description
D.6.3	Analyst's briefing	Hal. 664-665 Website Bank Mandiri
D.6.4	Media briefings /press conferences	Hal. 665-667 Website Bank Mandiri
<b>D.7</b>	<b>Timely filing/release of annual/financial reports</b>	
D.7.1	Are the audited annual financial report / statement released within 120 days from the financial year end?	The Jakarta Post (Bank Mandiri has published Financial Statement Year 2016 through the Print Media The Jakarta Post on February 15, 2017)
D.7.2	Is the annual report released within 120 days from the financial year end?	Website Bank Mandiri
D.7.3	Is the true and fairness/fair representation of the annual financial statement/ reports affirmed by the board of directors/ commissioners and/or the relevant officers of the company?	Hal. 745
<b>D.8</b>	<b>Company website (Does the company have a website disclosing up-to-date information on the following:)</b>	
D.8.1	Financial statements/reports (latest quarterly)	Hal. 150 Website Bank Mandiri
D.8.2	Materials provided in briefings to analysts and media	Hal. 150 Website Bank Mandiri
D.8.3	Downloadable annual report	Hal. 150 Website Bank Mandiri
D.8.4	Notice of AGM and/or EGM	Hal. 150, 425, 430, 434 Website Bank Mandiri
D.8.5	Minutes of AGM and/or EGM	Hal. 150, 425, 430, 434 Website Bank Mandiri
D.8.6	Company's constitution (company's by-laws, memorandum and articles of association)	Hal. 150 Website Bank Mandiri
<b>D.9</b>	<b>Investor relations</b>	
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer/office responsible for investor relations?	Hal. 664
<b>E</b>	<b>Responsibilities of the Board</b>	
<b>E.1</b>	<b>Board Duties and Responsibilities</b>	
	(Clearly defined board responsibilities and corporate governance policy)	
E.1.1	Does the company disclose its corporate governance policy / board charter?	- Hal. 439, 486 - Website Bank Mandiri
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed?	Website Bank Mandiri
E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated ?	Hal. 440-441, 486

No.	Principles and Recommendations	Description
	<b>Corporate Vision/Mission</b>	
E.1.4	Does the company have an updated vision and mission statement?	Hal. 86
E.1.5	Does the board directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	Hal. 46-47
E.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?	Hal. 86
<b>E.2</b>	<b>Board Structure</b>	
	<b>Code of Ethics or Conduct</b>	
E.2.1	Are the details of the code of ethics or conduct disclosed?	Hal. 669-673
E.2.2	Are all the directors/commissioners, senior management and employees required to comply with the code/s?	Hal. 672
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	Hal. 672-673
	<b>Board Structure &amp; Composition</b>	
E.2.4	Do Independent directors/commissioners make up at least 50% of the board of directors/commissioners?	Hal. 452
E.2.5	Does the company have a term limit of nine years or less or 2 terms of five years <sup>1</sup> each for its independent directors/ commissioners? <sup>1</sup> The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	Hal. 441, 487
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	Hal 454-455, 502-503
E.2.7	Does the company have any executive directors who serve more than two boards of listed companies outside of the group?	Hal. 454, 502
	<b>Nomination Committee (NC)</b>	
E.2.8	Does the company have a Nominating Committee?	Hal. 544
E.2.9	Is the Nominating Committee comprised of a majority of Independent directors/ commissioners?	Hal. 545-547
E.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?	Hal. 545-547
E.2.11	Does the company disclose the terms of reference/governance structure/charter of the Nominating Committee?	- Hal. 544 - Website Bank Mandiri
E.2.12	Is in the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	Hal. 552-554
	<b>Remuneration Committee (RC) / Compensation Committee</b>	
E.2.13	Does the company have a Remuneration Committee?	Hal. 544-557
E.2.14	Is the Remuneration Committee comprised of a majority of Independent Directors/ Commissioners?	Hal. 545-547
E.2.15	Is the chairman of the Remuneration Committee an independent director/ commissioner?	Hal. 545-547

No.	Principles and Recommendations	Description
E.2.16	Does the company disclose the terms of reference/governance structure/charter of the Remunerations Committee?	Hal. 544
E.2.17	Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year?	Hal. 552-554
<b>Audit Committee</b>		
E.2.18	Does the company have an Audit Committee?	Hal. 532-544
E.2.19	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	Hal. 535-536
E.2.20	Is the chairman of the Audit Committee an Independent Director/Commissioner?	Hal. 535-536
E.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	Hal. 533
E.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	Hal. 536
E.2.23	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four during the year?	Hal. 540-543
E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	Hal. 534
E.3	<b>Board Processes</b>	
<b>Board meetings and attendance</b>		
E.3.1	Are the board of directors meeting scheduled before the start of financial year?	Website Bank Mandiri
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	Hal. 463-473, 504-518
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	Hal. 472-473, 518
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	Hal. 463, 504
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any Executives present?	Hal. 463-472
<b>Access to information</b>		
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	Hal. 463, 504
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	Hal. 583-587
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	Hal. 586
<b>Board Appointments and Re-Election</b>		
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	Hal. 441-442, 487, 555-556
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	Hal. 555-557

No.	Principles and Recommendations	Description
E.3.11	Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years <sup>2</sup> each? <sup>2</sup> The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	Hal. 441, 487
<b>Remuneration Matters</b>		
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	Hal. 477-479, 522-524
E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	Hal. 479, 524
E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	Hal. 478, 522-523
E.3.15	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company, such as claw back provision and deferred bonuses?	Hal. 523
<b>Internal Audit</b>		
E.3.16	Does the company have a separate internal audit function?	Hal. 587-597
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Hal. 588
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	Hal. 588
<b>Risk Oversight</b>		
E.3.19	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework? (As Re-phrased by Indonesia)	Hal. 622-649
E.3.20	Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	Hal. 642, 649
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, nvironmental, social, economic)?	Hal. 634-640
E.3.22	Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	Hal. 544
<b>E.4</b>	<b>People on the Board</b>	
<b>Board Chairman</b>		
E.4.1	Do different persons assume the roles of chairman and CEO?	Hal. 442, 488
E.4.2	Is the chairman an independent director/commissioner?	Hal. 442
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?	Hal. 96-101, 488

No.	Principles and Recommendations	Description
E.4.4	Are the role and responsibilities of the chairman disclosed?	Hal. 440, 489
	<b>Lead Independent Director</b>	
E.4.5	If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?	N/A (The Chairman is an Independent Commissioner)
	<b>Skills and Competencies</b>	
E.4.6	Does at least one non-executive director/ commissioner have prior working experience in the major sector that the company is operating in?	Hal. 445-451, 494-499
E.5	<b>Board Performance</b>	
	<b>Directors Development</b>	
E.5.1	Does the company have orientation programmes for new directors/ commissioners?	Hal. 442-443, 488-489
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	Hal 473-477, 518-521 Website Bank Mandiri
	<b>CEO/Executive Management Appointments and Performance</b>	
E.5.3	Does the board disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	Hal. 555-557
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	Hal. 526-528
	<b>Board Appraisal</b>	
E.5.5	Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?	Hal. 483-484, 526-528
	<b>Director Appraisal</b>	
E.5.6	Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?	Hal. 483-484, 526-528
	<b>Committee Appraisal</b>	
E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	Hal. 484
	<b>Bonus</b>	
(B)A.	<b>Right of Shareholder</b>	
(B)A.1	<b>Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.</b>	
(B)A.1.1	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	Hal. 425 Website Bank Mandiri
(B)B.	<b>Equitable treatment of shareholders</b>	
(B)B.1	Notice of AGM	

No.	Principles and Recommendations	Description
(B)B.1.1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	Hal 425 Website Bank Mandiri
(B)C.	<b>Roles of Stakeholders</b>	
(B)C.1.1	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	Sustainability Report
(B)D.	<b>Disclosure and transparency</b>	
(B)D.1.1	Are the audited annual financial report / statement released within 60 days from the financial year end?	The Jakarta Post (Bank Mandiri has published Financial Statement Year 2016 through the Print Media The Jakarta Post on February 15, 2017 (46 Days).
(B)D.1.2	Does the company disclose details of remuneration of the CEO?	Hal. 524
(B)E.	<b>Responsibilities of the Board</b>	
(B)E.1	<b>Board Competencies and Diversity</b>	
(B)E.1.1	Does the company have at least one female independent director/commissioner?	Hal. 445
(B)E.1.2	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?	Hal. 445-451, 494-499, 740
(B)E.2	<b>Board Structure</b>	
(B)E.2.1	Does the Nominating Committee comprise entirely of independent directors/ commissioners?	Hal. 545-547
(B)E.2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	Hal. 545
(B)E.3	<b>Board Appointments and Re-Election</b>	
(B)E.3.1	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/ commissioners?	Hal. 556
(B)E.4	<b>Board Structure &amp; Composition</b>	
(B)E.4.1	Do independent non-executive directors/ commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?	Hal. 445
(B)E.5	<b>Risk Oversight</b>	
(B)E.5.1	Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?	Hal. 375-376, 646, 712, 505-517
(B)E.6	<b>Board Performance</b>	
(B)E.6.1	Does the company have a separate board level Risk Committee?	Hal. 557-568
	<b>Penalty</b>	
(P)A.	<b>Rights of Shareholders</b>	

No.	Principles and Recommendations	Description
(P)A.1	<b>Basic Shareholder Rights</b>	
(P)A.1.1	<i>Did the company fail or neglect to offer equal treatment for share repurchase to all shareholders?</i>	-
(P)A.2	<b>Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.</b>	
(P)A.2.1	<i>Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?</i>	-
(P)A.3	<b>Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.</b>	
(P)A.3.1	<i>Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?</i>	-
(P)A.3.2	<i>Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?</i>	-
(P)A.4	<b>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</b>	
(P)A.4.1	<i>Shareholders Agreement?</i>	-
(P)A.4.2	<i>Voting Cap?</i>	-
(P)A.4.3	<i>Mutiple Voting Rights?</i>	-
(P)A.5	<b>Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</b>	
(P)A.5.1	<i>Is a pyramid ownership structure and/or cross holding structure apparent?</i>	-
(P)B	<b>Equitable Treatment of Shareholders</b>	
(P)B.1	<b>Insider trading and abusive self-dealing should be prohibited.</b>	
(P)B.1.1	<i>Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?</i>	-
(P)B.2	<b>Protecting minority shareholders from abusive action</b>	
(P)B.2.1	<i>Has there been any cases of non compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?</i>	-
(P)B.2.2	<i>Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies?</i>	-
(P)C	<b>Role of Stakeholders</b>	
(P)C.1	<b>The rights of stakeholders that are established by law or through mutual agreements are to be respected.</b>	
(P)C.1.1	<i>Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues?</i>	-

No.	Principles and Recommendations	Description
(P)C.2	<b>Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.</b>	
(P)C.2.1	<i>Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?</i>	-
(P)D	<b>Disclosure and Transparency</b>	
(P)D.1	<b>Sanctions from regulator on financial reports</b>	
(P)D.1.1	<i>Did the company receive a "qualified opinion" in its external audit report?</i>	-
(P)D.1.2	<i>Did the company receive an "adverse opinion" in its external audit report?</i>	-
(P)D.1.3	<i>Did the company receive a "disclaimer opinion" in its external audit report?</i>	-
(P)D.1.4	<i>Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?</i>	-
(P)E	<b>Responsibilities of the Board</b>	
(P)E.1	<b>Compliance with listing rules, regulations and applicable laws</b>	
(P)E.1.1	<i>Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?</i>	-
(P)E.1.2	<i>Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?</i>	-
(P)E.2	<b>Board Structure</b>	
(P)E.2.1	<i>Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years each (whichever is higher) in the same capacity?</i>  <i>1 The five years term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011</i>	-
(P)E.2.2	<i>Did the company fail to identify who are the independent director(s)/commissioner(s)?</i>	-
(P)E.2.3	<i>Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?</i>	-
(P)E.3	<b>External Audit</b>	
(P)E.3.1	<i>Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?</i>	-
(P)E.4	<b>Board Structure and Composition</b>	
(P)E.4.1	<i>Has the chairman been the company CEO in the last three years?</i>	-
(P)E.4.2	<i>Do independent non-executive directors/commissioners receive options, performance shares or bonuses?</i>	-

"A more detailed description of the implementation of Corporate Governance based on the ASEAN CG Scorecard parameter is listed on the Bank Mandiri Website."