



## Board of Directors Succession Policy PT Bank Mandiri (Persero) Tbk.

The Board of Directors succession policy of Bank Mandiri refers to the Minister of SEO Regulation No.PER-03/MBU/02/2015 concerning Requirements, Appointment, and Dismissal of Members of Board of Directors of State-Owned Enterprises. One of the duties of the Remuneration and Nomination Committee is to form a nomination system for members of the Board of Commissioners and/or Directors of the Company that will be part of the Good Corporate Governance Policy of the Company and become a guideline for the Board of Commissioners and RUPS in determining the remuneration and nomination of the Board of Commissioners and/or Directors.

### Basic Principles

- a. 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.
- b. 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.

### Procedures

In implementing the Nomination function, the Bank Mandiri Remuneration and Nomination Committee performs the following procedures :

1. Compile the composition and process of nominating members of the Board of Directors and/or members of the Board of Commissioners.
2. Formulate policies and criteria needed in the process of nominating candidates for members of the Board of Directors and/or members of the Board of Commissioners.
3. The Remuneration and Nomination Committee identifies candidates who meet the criteria.
4. Assist the evaluation of the performance of members of the Board of Directors and/or members of the Board of Commissioners.
5. Develop capacity building programs for members of the Board of Directors and/or members of the Board of Commissioners.
6. Review and propose candidates who fulfill the requirements as members of the Board of Commissioners and/or prospective members of the Board of Directors to the Board of Commissioners to be submitted to the RUPS.
7. The selection process is carried out before the term of office ends or is requested by the Board of Commissioners, or if there is a 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 SOE. 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 Financial Services Authority Regulation No. 33/POJK.04/2014 concerning 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 2018, 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.

