



No.	Subject Matter
31.	Information Technology Committee
32.	Integrated Risk Committee
33.	Policy & Procedure Committee
34.	Risk Management Committee
35.	Adjustment on Designation of Employees as Portal Administrators of the Ministry of State-Owned Enterprises of the Republic of Indonesia
36.	Pension Fund Regulations
37.	Bank Mandiri Pension Fund Investment Direction
38.	Risk Management and Credit Policy Committee
39.	Appointment of the 2018 Independent Excellence Award and Best Employee Appreciation Night Procurement Team and 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 2018, 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.

Remuneration Policy For The Board of Directors

In providing remuneration for the Board of Directors, Bank Mandiri puts forward the principle of prudence and refers to the applicable laws and regulations to encourage the implementation of prudent risk taking in order to maintain the continuity of the Company's business. Currently, the Company has implemented good governance in providing remuneration to the Board of Directors. In providing remuneration to the Board of Directors, the Company adheres to the principle of prudence which aims to encourage prudent risk taking to maintain the continuity of the Company's business.

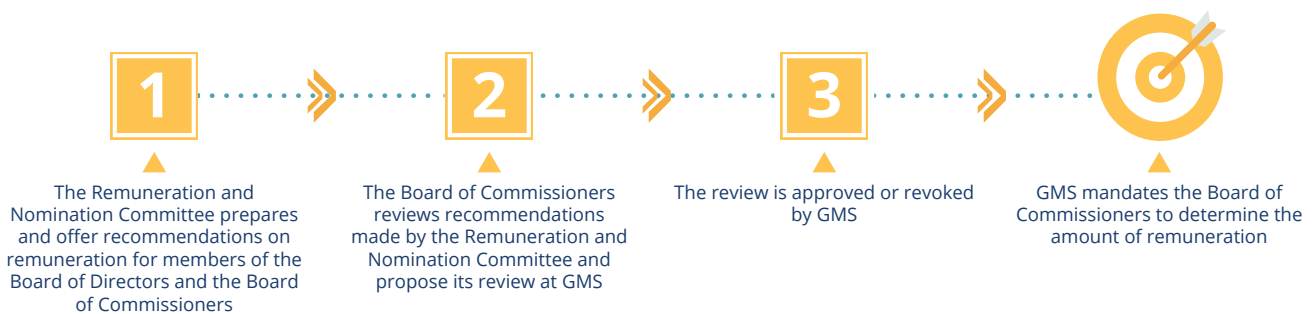
Bank Mandiri is committed to implementing governance in providing remuneration by compiling a remuneration policy that has been ratified through a Joint Decree of the Board of Commissioners and Directors regarding the Remuneration Policy of PT Bank Mandiri (Persero) Tbk. On March 20, 2018. In determining the remuneration of the Board of Directors, Bank Mandiri refers to:

1. SOE Minister Regulation No. PER-06/MBU/06/2018 dated June 4, 2018 concerning the Third Amendment above SOE Minister Regulation No. PER-04/MBU/2014 concerning Guidelines for Determining the Income of Directors, Councils Commissioner.
2. SOE State Minister Regulation No. PER-01/MBU/2011 concerning the Implementation of Good Corporate Governance in SOEs has been amended most recently by the Regulation of the Minister of State-Owned Enterprises No. PER-09/MBU/2012 concerning Amendments to the Regulation of the Minister of State Enterprises No. PER-01/MBU/2011 concerning Implementation of Good Corporate Governance in BUMN.
3. Financial Services Authority Regulation No. 55/POJK.03/2016 dated December 9, 2016 concerning Implementation of Governance for Commercial Banks.
4. Financial Services Authority Regulation No. 45/POJK.03/2015 dated December 23, 2015 on the Implementation of Governance concerning Remuneration for Commercial Banks.
5. The Company's Articles of Association.

Pursuant to the Financial Services Authority Regulation No. 45/POJK.03/2015 concerning the Implementation of Governance in the Provision of Remuneration for Commercial Banks, Bank Mandiri has implemented Governance in the Provision of Remuneration by taking various aspects into account, including bank financial stability, establishment of risk management, short-term and long-term liquidity needs, and potential income in the future. The Company can postpone remuneration classified as deferred variable (Malus) or withdraw the paid variable remuneration (Claw back) from officials classified as Material Risk Taker (MRT), with the following conditions:

1. The Company applies Malus and/or Claw back to certain special conditions in the application of variable remuneration, by taking into account several factors including:
 - 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. Variable remuneration must be deferred at a certain percentage determined by the Company.
3. This policy applies to officials classified as MRT i.e. those with the following criteria:
 - Causing financial and non-financial bank losses.
 - Committing fraud, violating the law, showing unethical behavior, and/or falsifying records.
 - Intentionally violating the bank's policies, regulations, and procedures.
 - Causing a significant negative impact on bank capital which is not caused by changes in the economic or industrial climate.
4. In implementing the MRT remuneration, Bank Mandiri is guided by Financial Services Authority provisions, SOE Minister Regulation, and the Company's remuneration policy.

Prosedur Penetapan Remunerasi Direksi



Determination of the remuneration of the Board of Directors is carried out in the following procedures:

1. The Remuneration and Nomination Committee reviews remuneration for members of the Board of Directors.
2. The Remuneration and Nomination Committee coordinates with the Director and Officer in charge of Human Capital and related working units to prepare a Remuneration proposal.
3. In determining a remuneration policy classified as variable, the Remuneration and Nomination Committee coordinates with the Risk Management Working Unit.
4. The Remuneration and Nomination Committee based on the study prepares remuneration recommendations and then submit it to the Board of Commissioners.
5. The Board of Commissioners based on the review of the Remuneration and Nomination Committee submits proposals and recommendations to the General Meeting of Shareholders (GMS) for approval.
6. The proposal and recommendation of the Board of Commissioners to the GMS can be in the form of:
 - a. Approval of the form and amount of Remuneration; or
 - b. Approval of authority to be given to the Board of Commissioners in determining the form and amount of remuneration.

Structure of Remuneration For The Board of Directors Members

The remuneration of the Board of Directors is given by taking into account the applicable remuneration provisions, namely:

1. Permanent remuneration, that is remuneration not related to performance and risk, including salary/honorarium, facilities, housing allowances, health benefits, educational benefits, holiday allowances, and post-retirement benefits.
Remuneration in the form of salary/honorarium, facilities, allowances, and post-retirement benefits is given in cash.
2. Remuneration classified as variable, that is remuneration associated with performance and risks, is in the form of bonuses, *tantiem*, performance incentives, or other similar forms.
Remuneration in the form of bonuses, *tantiem*, or incentives can be given in the form of cash, shares, or stock-based instruments issued by the Company, with a special note that it is given in cash to the Board of Directors to avoid any conflict of interest in running the Company.

The Directors' remuneration structure is as follows:

Tabel Struktur Remunerasi Direksi

No.	Type of Income	Provisions
1.	Honorarium	Position factor President Director 100% Deputy President Director 95% Director 90%
2.	Allowance	
	Holiday Allowance	1 (one) time salary
	Communication Allowance	At cost
	Post-Employment Benefit	Insurance premium at maximum 25% of salary/year
	Housing Allowance	Rp27,500,000/month including the utility cost, if the official residence is unoccupied
	Annual Leave Allowance	Not provided (12 days of annual leave, collective leave excluded)
	Suit Allowance	Provided in the case of special events in which uniform is needed.
3.	Facilities	Referring to the internal policies as outlined in the Decree of the Board of Commissioners No. KEP.KOM/005/2018 October 3, 2018 concerning Incentives, Facilities, and Benefits for the Board of Commissioners and Directors.
	Company Vehicle	1 (one) vehicle facility is provided, by leasing. Vehicle specifications and fuel allowances are in accordance with internal policies
	Health Facility	Health-care reimbursement
	Professional Collector Facility	At maximum 2 (two) membership received registration fee and annual contribution
	Legal Council Facility	As needed
	Residence Facility	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 concerning Guidelines for Determining the Income of Directors, Board of Commissioners, and Supervisory Board of SOEs and have occupied official residence, the members of the Board of Directors must utilize the said residence until the end of their term of office
4.	Bonuses, <i>Tantiem</i> , Incentives.	Can be given in the form of cash, shares, or stock-based instruments issued by the Company with special provisions.

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's 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

Determinan of Material Risk Taker

1. All members of the Board of Directors are material risk takers.
2. The determination of material risk takers is carried out using qualitative and quantitative approaches.

Scheme of Remueratin Classified as Variable

1. The Company establishes the scheme of remuneration classified as variable for the Board of Directors with a deferred Remuneration payment (malus) and/or withdrawal of the remuneration that has been paid (claw back) in certain cases deemed necessary by the Remuneration and Nomination Committee.
2. The requirements for deferred remuneration , including malus period, the amount of deferred remuneration, requirements for deferred remuneration payment, and claw-back requirements for material risk takers are discussed in the Remuneration and Nomination Committee with due regard to:
 - a. The malus period is at least 3 (three) years.
 - b. Company's Performance
 - c. Risk Profile
3. Remuneration in the form of malus is provided in cash, shares, or stock-based instruments issued by the Company.
4. In the event that the Company incurs a loss:
 - a. The Company can take the option of providing or not providing a variable remuneration with a smaller value than that in the last period when the Company earns a smaller profit, or the remuneration is smaller according to the proportion of the Company's profit decline.
 - b. In the event that the Company continues to provide remuneration to the Board of Directors or the Board of Commissioners, such remuneration is deemed as a form of appreciation.

Total Value/Component of Remuneration For The Board of Directors

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

Total of Remuneration and Other Facilities	Total received	
	Board of Directors	
	Number of People	Total Amount (in million IDR)
Remuneration		
Salary	14	50,742
Housing Allowance	10	2,832
Transportation Allowance	2	291
Religious Holiday Allowance	11	4,365
Tantiem	11	198,926
Other in-kind facilities		
Housing (cannot be owned)	2	-
Vehicles (cannot be owned)	11	-
Post employment insurance (can be owned)	11	10,176
Health care treatment (cannot be owned)	11	2,516
Type of Remuneration per Person in 1 Year		
Above Rp2 billion	15	-
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	-	-
Below Rp500 million	-	-

In order to implement the Financial Services Authority Regulation No. 45/POJK.03/2015, Bank Mandiri has given a bonus to the Board of Directors in the form of share ownership in Bank Mandiri. The following are the members of the Board of Directors who received a bonus share in 2018:



Name	Position	Bonus share
Kartika Wirjoatmodjo	President Director	269,100 shares
Sulaiman A. Arianto	Deputy President Director:	255,600 shares
Royke Tumilaar	Director of Corporate Banking	242,200 shares
Hery Gunardi	Director of Small Business and Network	242,200 shares
Ahmad Siddik Badruddin	Director of Risk Management	242,200 shares
Rico Usthavia Frans	Director of Information Technology & Operation	242,200 shares
Darmawan Junaidi	Director of Treasury & International Banking	87,600 shares

Performance Assessment of The Board of Directors

Under Law No. 40 of 2007 concerning Limited Liability Companies is regulated that in the case of the Board of Directors consisting of 2 (two) members of the Board of Directors or more, the responsibility of the Board of Directors applies jointly and severally. Departing from this understanding, the Key Performance Indicator (KPI) of Directors is arranged collegially with assessment indicators

Individual Directors Performance Assessment

President Director

- Achievement of collegial Directors' Performance.
- Fulfillment of the implementation of Internal control in each line of defense.
- Implementation of compliance as an Open Company.

- Achieving a funding increase/Fee Based Income for the Retail Banking segment.
- Achieved an increase in the volume of digital transactions in the Retail Banking segment.
- Maintaining Asset Quality/Performing Loans.

Deputy President Director

- Achievement of collegial Directors' Performance.
- Achieved the target of managing Special Assets Management.

Director of Institutional Relations

- Achieved an increase in business volume for the Institutional Relations segment.
- Achieving funding increase/Fee Based Income for the Institutional Relations segment.
- Achieving an increase in the volume of digital transactions in the Institutional Relations segment.
- Maintain asset quality/performing loans.

Director of Corporate Banking

- Achieving an increase in business volume for the Corporate Banking segment.
- Achieving funding increase/Fee Based Income for the Corporate Banking segment.
- Achieving an increase in the volume of digital transactions in the Corporate Banking segment.
- Maintaining Asset Quality/Performing Loans.

Director of Risk Management

- Achievement of the implementation of established risk management.
- Implementation of a risk management culture at all levels of the organization.

Director of Small Business & Network

- Achieved an increase in business volume in the region.
- Achieving funding increase/Fee Based Income in the region.
- Achieving an increase in the volume of digital transactions in the region.
- Maintaining Asset Quality/Performing Loans.

Director of Technology & Information

- Achievement of Fee Based Income.
- Achieving an increase in business transactions.
- Effective implementation of technology and information governance.

Director of Retail Banking

- Achieved an increase in business volume for the Retail Banking segment.

Director of Treasury & International Banking

- Achieving liquidity management as specified.
- Achieved the target of managing the Subsidiary.
- The fulfillment of Bank Mandiri's operational procurement needs.