



4. Meeting and Reporting
5. Nomination and Remuneration System
6. Closing

Duties and Responsibilities of Remuneration and Nomination Committee

The duties and responsibilities of the Remuneration and Nomination Committee are performing the following:

1. Preparing concept and analysis related with the function of the Remuneration and Nomination Committee.
2. Providing recommendation to the Board of Commissioners on policies, criteria and qualifications which are necessary in the Nomination process consistent with the strategic plan of the Company and performance evaluation policy for the members of the Board of Directors and/or members of the Board of Commissioners.
3. Preparing and providing recommendation system and procedure of selection and/or replacement of member of the Board of Commissioners and the members of the Board of Directors to be submitted to the GMS.
4. Providing recommendation to the Board of Commissioners on the number and composition of the members of Board of Commissioners and/or the members of the Board of Directors.
5. Providing proposal of nominees who are qualified to be the members of Board of Commissioners and/or the members of the Board of Directors to the Board of Commissioners to be submitted to the GMS and/or regulator.
6. Providing recommendation to the Board of Commissioners on the capacity building program for the members of Board of Commissioners and/or the members of the Board of Directors.
7. Assisting the Board of Commissioners in the performance assessment of the members of Board of Commissioners and/or the members of the Board of Directors based on the benchmarks which have been prepared as evaluation materials.
8. Assisting the Board of Commissioners in obtaining and/or analyzing the data nominees of the members of the Board of Directors and talent pool of officials one level below the Board of Directors.
9. Representing data base and talent pool of nominees of the members of the Board of Directors and the nominees of the members of the Board of Directors.
10. Evaluating the remuneration policy and providing recommendation to the Board of Commissioners on:
 - a. Remuneration policy, remuneration structure, amount of remuneration for the Board of Commissioners and the Board of Directors to be submitted to the GMS.
 - b. Performance assessment with consistency of remuneration which is accepted by every member of the Board of Commissioners and/or member of Board of Directors.
 - c. Option to the Board of Commissioners, the Board of Directors and Employees, including stock option and supervision of the implementation.
11. Committee Chairman is in charge of and responsible for coordinating committee meeting and proposing meeting agendas and materials.
12. Committee members are in charge of and responsible for:
 - a. Holding meetings regularly.
 - b. Studying meeting materials beforehand.
 - c. Attending meetings.
 - d. Contributing and participating.
 - e. Making minutes of meetings (secretary).

Authority of Remuneration and Nomination Committee

The Remuneration and Nomination Committee has the following authorities:

1. Requesting Bank Mandiri to perform survey as required by the Remuneration and Nomination Committee.
2. Requesting information on necessary matters from various internal and external parties of Bank Mandiri.

Reporting of Remuneration and Nomination Committee

The Remuneration and Nomination Committee must report the performance of duties, responsibilities, and procedure of Nomination and Remuneration of every assignment given and/or every identified issue which requires the attention of the Board of Commissioners or at least 2 (two) times in 1 (one) year.

The Structure, Membership, and Skills of The Remuneration and Nomination Committee

Referring to the Regulation of the Minister of SOE No. PER-12/MBU/2012 concerning the Supporting Organ of the Board of Commissioner/Supervisory Board of BUMN and the Financial Services Authority Regulation No. 34/POJK.04/2014 concerning the Committee of Remuneration and Nomination of Issuer or Public Company and the Article of Association of Bank Mandiri, in compiling the Committee of Remuneration and Nomination membership must pay attention to the following matters:



Brief Report on Remuneration and Nomination Committee Activities In 2018

In 2018, as the duties and functions of the Remuneration and Nomination Committee listed in the Bank Mandiri Remuneration and Nomination Committee Charter, the Remuneration and Nomination Committee has provided recommendations/proposals for candidates who fulfill the requirements as members of the Board of Commissioners and Directors of Bank Mandiri to the Board of Commissioners to be submitted to RUPS. The proposal was obtained through a series of processes carried out by the Remuneration and Nomination Committee covering the preparation of policies, criteria, and qualifications needed in the process of nominating candidates for the Board of Commissioners and Directors in accordance with the Company's strategic plan. The Remuneration and Nomination Committee also helps the Board of Commissioners obtain and analyze data on proposed candidate Directors from the talent pool of officials one level below the Board of Directors and identify candidates for Board of Commissioners who meet the requirements.

In addition to the nomination system, the Remuneration and Nomination Committee has also assisted the Board of Commissioners in proposing an appropriate remuneration system for the Bank Mandiri Directors and Board of Commissioners in the form of payroll/honorarium, facilities/benefits, *tantieme*, and so on for 2018.

Work Plan for The Remuneration and Nomination Committee In 2019

In 2019, the Remuneration and Nomination Committee has established a work plan that will be discussed through the meeting at least 1 (one) time in 4 (four) months. The work plan of the Remuneration and Nomination Committee in 2019 among others:

1. Evaluate and provide recommendations regarding the policies, criteria and qualifications needed in Nomination process in accordance with Bank Mandiri's strategic plan.
2. Evaluate and provide recommendations regarding the system and procedures for selecting and/or replacing members of the Board of Commissioners and members of the Board of Directors to the Board of Commissioners to be submitted to the GMS.
3. Evaluate and provide recommendations on capacity building programs for Board members Commissioners and/or members of the Board of Directors.
4. Evaluate and provide recommendations for performance appraisal of members of the Board

of Commissioners and/or members of the Board of Directors based on benchmarks that have been prepared as evaluation material.

Board of Directors Succession Policy

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.