

## Table of Recommendations and Follow Up

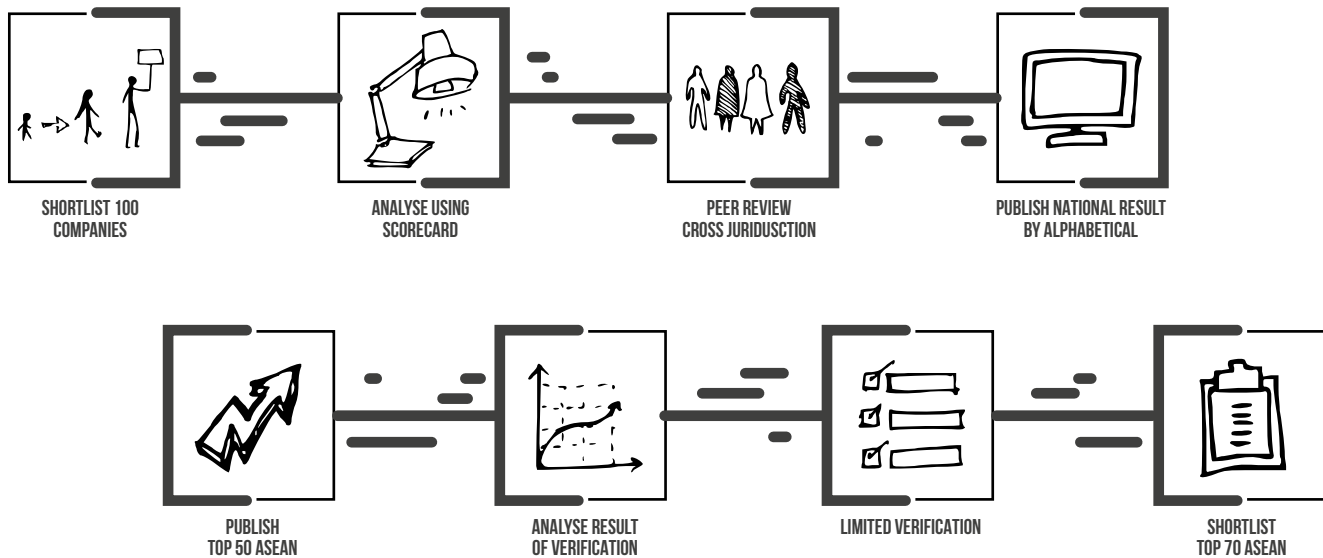
No	Recommendations	Follow Up
<b>Governance Structure</b>		
1	Bank Mandiri needs to pay attention and manage the rights of Minority Shareholders by accommodating the aspirations of Minority Shareholders in the selection of Independent Commissioners and Unaffiliated Directors.	Members of the Board of Directors and Board of Commissioners are proposed by Shareholders of A Dwiwarna and their appointments are made through the GMS.
2	Bank Mandiri needs to consider and respond to the issue of gender diversity in the composition of the Board of Commissioners.	Prospective Directors and Commissioners proposed by the Remuneration and Nomination Committee always meet gender diversity.  However, the final nomination is the authority of Series A Dwiwarna Shareholders. As for the membership of the Committee under the Board of Commissioners, there is a female member of the Risk Monitoring Committee.
3	Bank Mandiri needs to establish a draft organizational structure tailored to the needs and division of tasks among the Directors according to the control room	Bank Mandiri has established a new organizational structure through Directors Decree No. KEP.DIR/002/2019 dated January 10, 2019 concerning Organizational Structure.
<b>Governance Process</b>		
1	Bank Mandiri needs to develop and update policies and guidelines for the implementation of the GMS and decision-making in the GMS that provides added value to the company's Shareholders	Bank Mandiri has improved the Standard Procedure for the Corporate Secretary, which among others regulates the implementation  of the GMS and decision making in the GMS.
2	Bank Mandiri needs to develop policies and guidelines as well as systems for implementing corporate social responsibility in a sustainable manner and PKBL.	Bank Mandiri has improved the Corporate Secretary Standard Procedure, which among others regulates PKBL. In addition, Bank Mandiri has compiled the PKBL Operational Technical Guidelines for more detailed regulation of PKBL.
<b>Governance Outcome</b>		
1	From the trend of Bank Mandiri's financial performance in the last 5 years, it was found to have experienced dynamic growth, so that Bank Mandiri must continue to increase growth by always maintaining the principle of prudence and systematic application of risk management.	Bank Mandiri continues to develop the strategies needed to continuously improve the Company's performance including the principles of prudence and risk management.
2	Bank Mandiri needs to increase employee understanding and awareness of the company's anti-fraud system to reduce the number of internal fraud incidents.	Bank Mandiri consistently and continuously conducts WBS socialization including short video screenings, placing posters around the work environment, PC screen savers and e-mail blasts to the whole Bank Mandiri and using print media so WBS can be more effective in the future.

In 2019 there were 2 (two) Subsidiaries that received the "Most Trusted" Predicate and there were 6 (six) Companies that received the "Trusted" Predicate with an explanation of the score as follows:

No.	Subsidiaries	Predicate	Score
1	PT Bank Syariah Mandiri	"Most Trusted"	86.34
2	PT Bank Mandiri Taspen	"Most Trusted"	85.80
3	PT Mandiri Sekuritas	"Trusted"	80.66
4	PT Mandiri Tunas Finance	"Trusted"	80.50
5	PT AXA Mandiri Financial Services	"Trusted"	79.05
6	PT Asuransi Jiwa InHealth Indonesia	"Trusted"	80.62
7	PT Mandiri AXA General Insurance	"Trusted"	77.66
8	PT Mandiri Manajemen Investasi	"Trusted"	78.95

## ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS)

One form of assessment applied related to the implementation of GCG at Bank Mandiri is the ASEAN Corporate Governance Scorecard, which is a parameter for measuring governance practices agreed upon by the ASEAN Capital Market Forum (ACMF). These parameters are based on the OECD Principles and are expected to increase investor confidence in listing companies in ASEAN.



### APPLIED CRITERIA

The components of the assessment of the ASEAN Corporate Governance Scorecard are as follows:

1. Shareholders' Rights
2. Equal Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Board Responsibilities

### PARTIES WHO CONDUCTED ASSESSMENT

The party that conducted the ASEAN CG Scorecard assessment was the ASEAN Capital Market Forum (ACMF).

### SCORE OF ASSESSMENT

The results of the ASEAN CG Scorecard assessment for 2019, until the preparation of this Annual Report have not been published. But in 2018, Bank Mandiri succeeded in getting the TOP 50 ASEAN Public Listed Companies (PLCs) based on the application of GCG according to the ASEAN CG Scorecard.

### RECOMMENDATIONS AND FOLLOW UP

From the results of the ASEAN CG Scorecard assessment of Bank Mandiri in 2019, there are a number of recommendations from the assessors regarding the implementation of Bank Mandiri governance that still needs to be improved. The recommendations referred to include:

**Table of Recommendations And Follow Up**

No.	Recommendations	Follow Up
1.	Bank Mandiri must pay dividends within 30 calendar days after the resolution of the GMS, in accordance with the ACGS Regulations. The date the dividend payment is made is published on the Website.	Bank Mandiri will monitor the payment period to comply with the ACGS Regulations.
2.	Bank Mandiri should work together with external parties to carry out the process of finding candidates and assessing candidates for members of the Board of Commissioners and Directors	Bank Mandiri is working with the Appraisal Service Company PT Daya Dimensi Indonesia to conduct an assessment of candidates for the Board of Commissioners and Directors
3.	The number of Independent Commissioners of the Remuneration and Nomination Committee members is higher than that of Non-Independent Commissioners.	Bank Mandiri has made adjustments so that the composition of members of the Remuneration and Nomination Committee majority are Independent Commissioners

## Praktik Bad Corporate Governance

Bank Mandiri realizes that bad corporate governance practices will disrupt the Good Governance (GCG) system that has been built by Bank Mandiri. Therefore, during 2019, Bank Mandiri did not take any actions and policies relating to the practice shown in the table as follows:

No.	Information	Practice
1.	Reports stating that the company polluted the environment.	Nil
2.	Important matters being faced by companies, subsidiaries, members of the Board of Directors and / or members of the Board of Commissioners were not disclosed in the Annual Report.	Nil
3.	Non-compliance in fulfilling tax obligations.	Nil
4.	Mismatch of presentation of annual reports and financial reports with applicable regulations and Indonesian GAAP.	Nil
5.	Cases related to workers and employees.	Nil
6.	There was no disclosure of operating segments in listed companies.	Nil
7.	There was a discrepancy between Annual Report hardcopy and softcopy.	Nil

## Statement of Good Corporate Governance Implementation

All members of the Board of Commissioners, Directors and Employees of Bank Mandiri are always committed and applied the principles of good corporate governance and there are no material violations of regulations current regulation. In addition, Bank Mandiri has implemented governance in accordance with ASEAN Corporate Governance Scorecard (ACGS). The principles that have not been implemented by Bank Mandiri have been explained (explained) on the Bank Mandiri website.