



Remuneration Policy For The Board of Directors PT Bank Mandiri (Persero) Tbk.

In providing remuneration for the Board of Directors, Bank Mandiri upholds the principle of prudential as well as commits to the prevailing regulations of law. Currently, the Company has implemented a good governance in terms of remuneration provision to the Board of Commissioners. This manner aims to promote prudent risk-taking to maintain the corporate sustainability.

The good governance implementation of remuneration provision is conducted by formulating policies that have been authorized under the Joint Decree of Board of Commissioners and Board of Directors on Remuneration Policy of PT Bank Mandiri (Persero) Tbk. dated March 20, 2008. The determination of remuneration for the Board of Directors refers to :

1. SOE State Minister Regulation No. PER-01/MBU/05/2019 dated May, 31 2019 concerning Change Fourth, the Regulation of the Minister of State Owned Enterprises No. PER-04/MBU/2014 concerning Determination Guidelines Earnings of Directors, Board of Commissioners.
2. SOE State Minister Regulation No. PER-01/MBU/2011 concerning Implementation of Governance Good Corporate Governance the SOE has been amended last by Regulation Minister of State Enterprises No. PER-09/MBU/2012 concerning Amendments to Regulations Minister of State-Owned Enterprises No PER-01/MBU/2011 about Implementation of Good Corporate Governance (Good Corporate Governance) in SOE.
3. Regulation of the Financial Service Authority No.55/POJK.03/2016 dated December 9, 2016 on the Implementation of Governance for Commercial Banks.
4. Regulation of the Financial Service Authority 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.

In accordance with Regulation of the Financial Service Authority No. 45/POJK.03/2015 on the Implementation of Governance concerning Remuneration Provision for Commercial Banks, Bank Mandiri has performed a good governance in such a provision as stated in the Joint Decree of Board of Commissioners and Board of Directors dated March 20, 2018 that has taken into account various aspects, including financial stability of the bank, risk management, short-term and long-term liquidity requirements, and potential future revenue. The Company may operate malus and clawback of variable remuneration for the bank officials who are under the category of Material Risk Taker (MRT), with the following provisions :

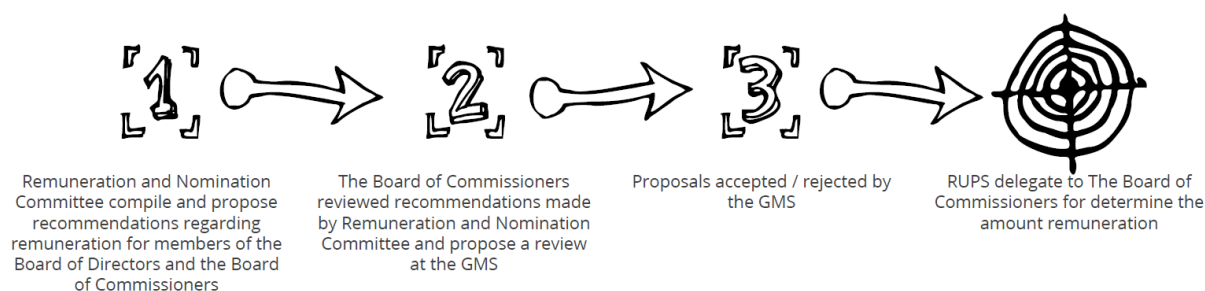
1. The company will have malus and or clawback applied in exceptional circumstances in the practice of variable remuneration, by taking into account some factors as follows :
 - The financial or non financial loss of the Company.
 - The direct or indirect involvement of the official in question in the loss.
2. Variable remuneration must be deferred amounting a percentage specified by the company.
3. This policy applies for MRT officials under the following criteria :
 - Causing financial or non financial loss to the Company.





- Conducting frauds, breaking the law, behaving in an unethical manner, and/or falsifying records.
 - Intentionally violating bank's policy, rules, and procedures.
 - Inducing significant negative impacts towards bank capital due to a non economic or industrial climate change
4. In implementing remuneration for MRT officials, Bank Mandiri acts under the provisions from Financial Service Authority, Regulations of the Ministri of SOEs, and the Company's remuneration policy.

Proposal And Determination of Remuneration Procedures



The determination of remuneration for the Board of Commissioners and Directors is carried out with the following procedures :

1. Remuneration and Nomination Committee holds a review on remuneration for the Board of Commissioners and Directors.
2. The Committee coordinates with Human Capital Director and Officials as well as related work unit to arrange the proposal of remuneration.
3. In establishing policies on variable remuneration, the Committee coordinates with the Risk Management Work Unit.
4. Based on the review, the Committee draws up recommendation on remuneration to be submitted to the Board of Commissioners and Directors.
5. The Board of Commissioners presents the proposal and recommendation under the basis of the review at the General Meeting of Shareholders to obtain approval.
6. The proposal and recommendation of the Board of Commissioners may come as :
 - a. Approval on the form and amount of the remuneration; or
 - b. Approval of authority for the Board of Commissioners to determine the form and amount of the remuneration.

Indicators/Coverage of Remuneration Policy and Its Implementation

Based on 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 already had a Remuneration Policy which was ratified through a Joint Decree of the Board of Commissioners and Directors dated March 20, 2018. The remuneration policy applied at this time still regulated remuneration The Board of Commissioners and the Board of Directors. In further, the application to employees at certain levels will be determined as material risk takers.





Determination of risk taker material will be carried out by using a qualitative and quantitative approach. In determining the remuneration of employees, Executive Officers, Directors and Board of Commissioners, the Remuneration and Nomination Committee considered several things, including :

1. Results of benchmarking remuneration of employees, executive officers, members of the Board of Directors and members of the Board of Commissioners with similar industries (peer group).
2. The size and complexity of the company's operations.
3. Remuneration consisted of salary/honorarium and benefits that could be standardized, namely Annual Holiday Allowance (THR), Home Service, Vehicle Service, Health and Utilities Facilities and other benefits. Whereas remuneration based on performance was a bonus/incentive for employees and bonuses for the Board of Directors and Board of Commissioners.

Remuneration Related To The Risk

In providing remuneration, Bank Mandiri considered the principles of prudence which aimed to encourage prudent risk taking in order to maintain the sustainability of Bank Mandiri's business. Bank Mandiri determined the method of measuring performance and type of risk in determining the Variable Remuneration according to the scale and complexity of Bank Mandiri's business activities. In determining Bank Mandiri's remuneration policy, Bank Mandiri considered the types, criteria, impacts and changes in determining the main types of risk in determining remuneration.

Remuneration Structure Of Members Of The Board Of Commissioners And Directors

By taking into account the prevailing provisions on remuneration, remuneration for the Board of Commissioners and Board of Directors is provided in the form of :

1. Fixed remuneration: remunerations provided independent from performance and risk, such as salary/honorarium, facilities, housing allowance, health allowance, education allowance, festive allowance, and post-employment benefit Salary/honorarium, facilities, allowances, and post-employment benefit are provided in cash.
2. Variable remuneration: Remunerations provided in connection with performance and risks, such as bonuses, tantiem/performance incentives, or those of any other equal forms. Bonuses, tantiem, and incentives may be provided in cash, shares, or stock-based instruments issued by the Company, and cash only for the Board of Commissioners to avoid conflict of interest in their supervisory tasks.

The following are the details of remuneration structure of the Board of Directors.

Table of the Remuneration Structure of the Board of Directors

No.	Income Type	Provisions
		Directors
1	Salary	The amount of position factor Vice President Director 95% of Managing Directors Director in charge of HR 90% of the President Director Other Directors Members 85% of the President Commissioners
2	Allow-ance	
	Religious holiday allowance	1 (one) time honorarium
	Transportation Allowance	Not given
	Annual Leave Allowance	Not given





	Full Benefits of Position	Insurance premiums are a maximum of 25% of the salary/year
	Clothing Allowance	Can be given, if there are special events that require special clothing
3	Facilities	
	Service Vehicle Facilities	1 (one) official vehicle is given in the form of a lease according to established criteria
	Medical facility	Treatment replacement according to internal policy number KEP.KOM/018/2019
	Professional Collection Facilities	Maximum of 2 (two) memberships relevant to the company's activities
	Legal Aid Facility	Legal aid facilities according to internal policy number KEP.KOM/018/2019
4.	Bonuses, incentives	Can be given in the form of shares or cash.

Number of Nominals Every Component of The Remuneration Structure of The Board Of Directors

Remuneration in one year is grouped into the range of income levels as follows.

Total Remuneration and Other Facilities	Amount received	
	Directors	
	Persons	Million Rupiah
Remunerasi		
Salary	12 Person	59.477,13
Housing Allowances	10 Person	2.557,50
Transportation Allowance	4 Person	561,98
Holiday allowance	12 Person	5.474,77
Tantiem	14 Person *)	277.170,29
Other Facilities in the Form of Natura		
Housing (cannot be owned)	3 Person	-
Transportation (cannot be owned)	12 Person	-
Full service insurance (can be owned)	12 Person	10.140,28
Health (cannot be owned)	12 Person	1.520,42
Remuneration amount per person in 1 year		
Above IDR 2 billion	12 Person	-
Above IDR 1 billion to Rp2 billion	-	-
Above IDR 500 million to IDR 1 billion	-	-
IDR 500 million and below	-	-

*) Includes Directors who have ended their term of office at the 2019 Annual General Meeting of Shareholders

In the framework of applying POJK No. 45/POJK.03/2015 on the basis of 2018 Performance Bank Mandiri has also provided a bonus deferred bonus in the form of Bank Mandiri shares for Directors and Non-Independent Commissioners while for Independent Commissioners given in the form of deposits. The tantiem suspension period is 3 (three) years or until the end of the term of office. granting of deferred bonuses in the form of shares was reported on June 26, 2019 through a Letter dated June 28, 2019 with the following details :

Name	Position	Share Bonuses
Imam Apriyanto Putro	Vice President Commissioner	220.900
Askolani	Commissioner	210.500
Ardan Adiperdana	Commissioner	210.500
Widyo Pramono	Commissioner	210.500





Name	Position	Share Bonuses
Kartika Wirjoatmojo	President Director	519,900
Sulaiman A Arianto	Deputy Chief Director	467,900
Royke Tumilaar	Director	441,900
Hery Gunardi	Director	441,900
Ahmad Sidik Badruddin	Director	441,900
Rico Usthavia Frans	Director	441,900
Darmawan Junaidi	Director	441,900
Alexandra Askandar	Director	345,100
Agus Dwi Handaya	Director	345,100
Panji Irawan	Director	345,100
Donsuwan Simatupang	Director	345,100
Ogi Prastomiyono*)	Director	96.800
Tardi*)	Director	96.800
Kartini Sally*)	Director	96.800

*) provided proportionally according to the service period.

Variable Remuneration

Bank Mandiri provided variable compensation including Location Allowances, Specific Position Allowances, Appearance Allowances for front-liner employees, Overtime Compensation, Performance achievement Bonuses, Sales incentives, retention programs and Long Term Incentive programs in the form of shares. Variable remuneration was given in the form of shares of Bank Mandiri for Non-Independent members of the Board of Directors and Board of Commissioners and in the form of cash for members of the Independent Board of Commissioners with the provisions of Financial Services Authority Regulation No. 45/POJK.03/2015.

