



## GOVERNANCE IN PROVIDING REMUNERATIONS

between the work results and the benefits received.

5. Balance between permanent and variable benefits.
6. The Bank's Long-term goals and Strategies

### Indicators/Coverage of Remuneration Policy and Its Implementation

Pursuant to OJK Regulation No. 45/POJK.03/2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks, Bank Mandiri has in place the Remuneration Policy which was ratified through a Joint Decree of the Board of Commissioners and Directors dated 20 March 2018. Currently, the remuneration policy only regulated the remuneration for the Board of Commissioners and Board of Directors, which will further be implemented to employees at certain levels determined as material risk takers. Determination of risk taker material will be carried out by using a qualitative and quantitative approaches.

In determining the remuneration of employees, Executives, Directors and Board of Commissioners, the

Remuneration and Nomination Committee consider the following:

1. Benchmarks on 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 AND FACILITIES OF THE BOARD OF COMMISSIONERS AND DIRECTORS

#### Remuneration Structure of Members of the Board of Commissioners and Directors

By taking into account the prevailing remuneration stipulations, the remuneration for the Board of

Commissioners and Board of Directors is provided in the form of:

1. Fixed remuneration, a remuneration that is unrelated to 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, rewards/ performance incentives, or any other similar forms.

Bonuses, rewards, 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 prevent conflict of interest in their supervisory duties.

The structure for determining the remuneration for the Board of Commissioners and the Board of Directors is as follows:

#### Remuneration Structure of the Board of Commissioners and Directors

No.	Types of Income	Rules	
		Board of Commissioners	Board of Commissioners
1.	Salary	<b>The amount of position factor</b> <ul style="list-style-type: none"> <li>President Commissioner 45% of the President Director</li> <li>Vice President Commissioner 42.5% of the President Director</li> <li>Commissioners 90% of the President Commissioner</li> </ul>	<b>The amount of position factor</b> <ul style="list-style-type: none"> <li>Vice President Director 95% of Managing Directors</li> <li>Director in charge of HR 90% of the President Director</li> <li>Other Directors Members 85% of the President Commissioners</li> </ul>

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No.	Types of Income	Rules	
		Board of Commissioners	Board of Commissioners
2.	Allowance		
	Religious Holiday Allowance	1 (one) time honorarium	1 (one) time honorarium
	Housing allowance	Not given	Housing allowance was given monthly if the person did not occupy an official residence with a maximum of Rp27,500,000
	Transportation Allowance	Equal to 20% of the honorarium	Not given
	Annual Leave Allowance	Not given	Not given
	Retirement Compensation	Maximum insurance premium was 25% of honorarium/ year	Insurance premium maximum was 25% of salary/year
3.	Facility		
	Service Vehicle Facilities	Given in the form of transportation allowance of 20% of the honorarium	Given 1 (one) service vehicle in the form of rental according to the predetermined criteria
	Health Facilities	Replacement of treatment in accordance with the internal policy number KEP.KOM/03/2022	Replacement of treatment in accordance with the internal policy number KEP.KOM/03/2022
	Professional Facilities Association	Maximum 2 (two) memberships relevant to the Company's activities	Maximum 2 (two) memberships relevant to the Company's activities
	Legal Assistance Facilities	Legal assistance facilities following the internal policy number KEP.KOM/03/2022	Legal assistance facilities following the internal policy number KEP.KOM/03/2022
4.	Bonuses, Rewards, Incentives	Can be given in the form of shares or cash.	Can be given in the form of shares or cash.

**Nominals of Every Component of the Remuneration Structure of the Board of Commissioners and the Board of Directors**

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

**Nominal Amount of Remuneration for the Board of Commissioners and Directors**

Total Remuneration and Other Facilities	Amount Received			
	Board of Commissioners		Board of Directors	
	Persons	Amount in Rp Million	Persons	Amount in Rp Million
Remunerations				
Salaries	10 Persons	27,955	12 Persons	72,684
Housing Allowances	-		2 Persons	944
Tantiem	10 Persons	139,910	12 Persons	353,600
Other Facilities in the form of Natura				
Housing (cannot be owned)	-		10 Persons	-
Transportation (cannot be owned)	-	5.308	12 Persons	-
Full-service Insurance (can be owned)	-	3.928	12 Persons	10.811
Health (cannot be owned)	10 Persons	1.060	12 Persons	2.992
Remuneration Amount per person in 1 year				
Above Rp2 billion	10 Persons	-	12 Persons	-
Above Rp1 billion to Rp2 billion	-	-	-	-
Above Rp500 million to Rp1 billion	-	-	-	-
Rp500 million and below	-	-	-	-



## GOVERNANCE IN PROVIDING REMUNERATIONS

The basis for the stock bonus

To fulfill POJK No. 45/POJK.03/2015 concerning Implementation of Good Corporate Governance in Providing Remuneration for Commercial Banks

Name	Position	Bonus Shares
Board of Commissioners		
Muhamad Chatib Basri	President Commissioner/Independent	Nil
Andrinof A. Chaniago	Vice President Commissioner/Independent	Nil
Mohamad Nasir	Independent Commissioner	Nil
Boedi Armanto	Independent Commissioner	Nil
Loeke Larasati Agoestina	Independent Commissioner	Nil
Rionald Silaban	Commissioner	219,400 shares
Faried Utomo	Commissioner	219,400 shares
Arif Budimanta	Commissioner	219,400 shares
Nawal Nely	Commissioner	219,400 shares
Muhammad Yusuf Ateh	Commissioner	174,900 shares
Muliadi Rahardja*	Independent Commissioner	Nil
Board of Directors		
Darmawan Junaidi	President Director	541,800 shares
Alexandra Askandar	Vice President Director	487,600 shares
Ahmad Siddik Badruddin	Director of Risk Management	460,500 shares
Agus Dwi Handaya	Director of Compliance and HR	460,500 shares
Panji Irawan	Director of Treasury & International Banking	460,500 shares
Riduan	Director of Commercial Banking	460,500 shares
Aquarius Rudianto	Director of Network & Retail Banking	460,500 shares
Toni E. B. Subari	Director of Operations	460,500 shares
Susana Indah K. Indriati	Director of Corporate Banking	460,500 shares
Rohan Hafas	Director of Institutional Relations	460,500 shares
Sigit Prastowo	Director of Finance & Strategies	460,500 shares
Timothy Utama	Director of Information Technology	367,100 shares

\*) Appointed as Independent Commissioner at the Annual GMS dated 10 March 2022.

### Variable Remuneration to Directors, Board of Commissioners and Employees

The number of Directors, Commissioners and Employees who received variable remuneration for 1 (one) year and total nominal are as follows.

Variable Remunerations	Amount received in 1 (one) Year			
	Board of Directors		Board of Commissioners	
	Persons	Rp Million	Persons	Rp Million
Total	12	70,720	10	27,982

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**Variable Remuneration**

In addition, the Bank provides variable compensation including location allowances, certain position allowances, performance allowances for frontliners, overtime compensation, performance achievement bonuses, sales incentives, retention programs and the Long-Term Incentive program in the form of shares. Non-Independent Commissioners and in cash for members of the Independent Board of Commissioners under the provisions of OJK Regulation No. 45/POJK.03/2015.

To support official service, Bank Mandiri provides facilities such as official housing, reimbursement of utility costs, telephone credit, and rental official vehicles. Meanwhile, to support the needs of employees in ownership of houses, vehicles and other needs, Bank Mandiri provides Employee Welfare Credit facilities.

**Position and Numbers as Material Risk Takers**

All members of the Board of Commissioners and Directors of Bank Mandiri are material risk takers. There are 23 (twenty-three) members of the Board of Directors and the Board of Commissioners

who served during the 2022 financial year. Including Directors and Commissioners whose term of office ends at the 2022 Annual GMS.

**Shares Options**

Bank Mandiri did not issue share option programs for Directors, Board of Commissioners, and employees throughout 2022

**Ratio of the Highest and The Lowest Salaries**

Bank Mandiri complies with all applicable regulations regarding remuneration for employees. The amount of remuneration given has been adjusted to the prevailing regulations and is above the Minimum Wage standard applicable in the operational area of Bank Mandiri. In implementing remuneration governance, Bank Mandiri strives to maintain a gap in the salary ratio of all employees hence there is no too high difference. In detail, information regarding the ratio of the highest and lowest salaries is presented in the Sustainability Report.

**Number of Recipients and Total Variable Remuneration**

During 2022, there were no number of recipients and the total number of Variable Remunerations that

were guaranteed unconditionally to be given by Bank Mandiri to candidates for the Board of Directors, candidates for the Board of Commissioners, and/or prospective employees during the first 1 (one) year of work as referred to in Article 21 OJK Regulation No. 45/POJK.03/2015

**Total Amount of Deferred Variable Remuneration**

Until the end of 2022, the amount of variable remuneration that was still deferred in the form of Bank Mandiri shares or time deposits is as follows:

1. Shares, with a total of 32,442,300 shares.
2. Cash, with a total of Rp33,615,420,166.

**Quantitative Information**

Quantitative information regarding:

1. Total remaining deferred Remuneration, whether exposed to implicit or explicit adjustments.
2. Total reduction in remuneration due to explicit adjustments during the reporting period.
3. Total reduction in remuneration due to implicit adjustments during the reporting period.

As in the following table:

Types of Variable Remuneration	Remaining Deferred	Total Deductions Over the Period		
		Caused an Explicit Adjustment (A)	Caused an Explicit Adjustment (B)	Total (A) + (B)
Cash (in million rupiah)	Rp17,010,190,392	-	-	-
Shares/share-based instruments issued by the Bank. (In shares and a million-rupiah nominal value which is a conversion of the said share sheet)	15.682.000 Shares	-	-	-