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## EMUNERATION AND NOMINATION COMMITTEE

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The Company has established the Nomination and Remuneration Committee to assist the Board of Commissioners in performing supervisory function and ensuring that the nomination process for strategic management positions and remuneration setting process is carried out objectively, effectively and efficiently.

The OJK regulations require the banks to form the Remuneration and Nomination Committee to implement GCG hence the Bank can be managed based on the principles of transparency, accountability, responsibility, independence and fairness.



## REMUNERATION AND NOMINATION COMMITTEE

### Legal Reference

The establishment of the Remuneration and Nomination Committee refers to:

1. SOEs Minister Regulation No. Per-12/MBU/2012 on the Supporting Organs of the Board of Commissioners/ SOEs Supervisory Board as lastly amended with SOEs Minister Regulation No. PER-14/MBU/10/2021.
2. POJK No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.
3. POJK No. 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.
4. POJK No. 45/POJK.03/2015 on Governance in Remuneration Provision for Commercial Banks.
5. Bank Mandiri's Articles of Association and its amendments.
6. Decree of the Board of Commissioners No. KEP. KOM/001/2022 dated 31 March 2022 on the Membership Composition of the Audit Committee, Risk Monitoring Committee, Integrated Governance Committee and Remuneration and Nomination

Committee of PT Bank Mandiri (Persero) Tbk.

7. Decree of the Board of Directors No. KEP.DIR/016/2022 dated 18 April 2022 on the Stipulation of the Remuneration and Nomination Committee Memberships.

### Structure, Membership and Profile of the Remuneration and Nomination Committee

Remuneration and Nomination Committee are as follows:

1. The Remuneration and Nomination Committee consists of at least 3 (three) people with a composition of 1 (one) Independent Commissioner as Chair and member, 1 (one) Commissioner, and 1 (one) Executive Officer who is in charge of the Resources function. Human or 1 (one) Representative officer (ex officio) as a non-voting member.
2. The Executive Officer in charge of Human Resources or employee representatives who

are members of the Committee must have knowledge of the Company's remuneration and/or nomination system and succession plan.

3. When there are more than 3 (three) members of the Remuneration and Nomination Committee, the members of the Independent Commissioners shall be no less than 2 (two) people.
4. The Chairman of the Remuneration and Nomination Committee may only hold concurrent positions as Chair of the Committee at most in 1 (one) another Committee.

During 2022, the membership composition of the Remuneration and Nomination Committee had changes which can be submitted as follows.

#### Period of 1 January - 10 March 2022

The membership composition of the Remuneration and Nomination Committee for the period of 1 January - 10 March 2022 appointed based on the Decree of the Board of Directors No. KEP.DIR/037/2021 on the Determination of Membership of the Remuneration and Nomination Committee on 9 August 2021, as follows:

Name	Position in the Committee	Position in the Company	Expertise
M. Chatib Basri	Chairman and Member	President Commissioner/Independent	Macroeconomic, Finance
Andrinof A. Chaniago	Member	Vice President Commissioner/Independent	Macroeconomic
Mohamad Nasir	Member	Independent Commissioner	Accounting
Ronald Silaban	Member	Commissioner	Human Capital, Finance
Arif Budimanta	Member	Commissioner	Finance
Steven A. Yudianto	Secretary and Member Ex-Officio	Group Head Human Capital Strategy & Talent Management	Human Capital

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### Period of 10 March - 31 December 2022

The membership composition of the Remuneration and Nomination Committee for the period of 10 March - 31 December 2022 appointed based on the Decree of the Board of Directors No. KEP.DIR/016/2022 on the Determination of Membership of the Remuneration and Nomination Committee on 18 April 2022, as follows:

Name	Position in the Committee	Position in the Company	Expertise
M. Chatib Basri	Chairman and Member	President Commissioner/Independent	Macroeconomic, Finance
Andrinof A. Chaniago	Member	Vice President Commissioner/Independent	Macroeconomic
Ronald Silaban	Member	Commissioner	Human Capital, Finance
Arif Budimanta	Member	Commissioner	Finance
Muliadi Rahardja	Member	Independent Commissioner	Banking, Accounting
Steven A. Yudianto	Secretary and Member Ex-Officio	Group Head Human Capital Strategy & Talent Management	Human Capital

### Remuneration and Nomination Committee Profile

The profile of the Remuneration and Nomination Committee members as members of the Board of Commissioners can be viewed in Chapter 3 Profile of the Board of Commissioners in this Annual Report.

1. General Purpose
2. Basic Regulations
3. Duties, Responsibilities, and Authority
4. Composition, Structure, Membership Requirements, and Tenure
5. Nomination and Remuneration System
6. Meeting
7. Reports and Recommendations
8. Closing

- a. to the Board of Commissioners on position structure of members of the Board of Directors and/or Board of Commissioners and/or Supervisory Board.
- c. Identifying prospective members of the Board of Directors and/or Board of Commissioners both from internal and external of the Company who meet the requirements to be proposed/ appointed as members of the Board of Directors or members of the Board of Commissioners.
- d. Developing or evaluating and providing recommendations to the Board of Commissioners related to the policies, criteria and qualifications in nominating process in line with the Company's strategic plan.
- e. Developing selection and/or replacement system and procedures for members of the Board of Directors and/or Board of Commissioners to be submitted to the GMS.
- f. Providing recommendations on the appointment, termination, and/or replacement of members of the Board of Directors and/

### Remuneration and Nomination Committee Charters

The Remuneration and Nomination Committee has in place a guideline that clearly states the roles and responsibilities of the committee and its scope of work. The work guidelines for the Remuneration and Nomination Committee are regulated in the Remuneration and Nomination Committee Charter of PT Bank Mandiri (Persero) Tbk which was last updated on 30 November 2021 based on the Decree of the Board of Commissioners No. KEP. KOM/012/2021.

The Remuneration and Nomination Committee Charter contains, among others:

### Remuneration and Nomination Committee Duties and Responsibilities

In implementing its duties, the Remuneration and Nomination Committee responsible to the Board of Commissioners. The following are duties and responsibilities of the Committee:

1. Related to the Nomination function
  - a. Providing evaluations and recommendations to the Board of Commissioners on the Board of Directors' proposal regarding the Bank's organization structure.
  - b. Providing recommendations



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- or Board of Commissioners to the GMS.
  - g. Assisting the Board of Commissioners to obtain and/or analyse the data of prospective members of the Board of Directors from the talent pool of executives one level below the Board of Directors.
  - h. Having a data base and talent pool for prospective members of the Board of Directors and the Board of Commissioners.
  - i. Preparing, implementing and analysing criteria and procedures for dismissal of the Board of Commissioners and/or Directors.
  - j. Carrying out assessment on independent party for the assignment as members of the Audit Committee and Risk Monitoring Committee and providing recommendations to the Board of Commissioners.
2. Related to Performance Management function:
- a. Developing or evaluating and providing recommendations to the Board of Commissioners on the Performance Assessment Policy for members of the Board of Directors and/or Board of Commissioners or Supervisory Board.
  - b. Preparing the proposal on individual performance assessment system for members of the Board of Directors and/or Board of Commissioners or Supervisory Board.
  - c. Evaluating the individual key performance indicators proposal of members of the Board of Directors.
  - d. Assisting the Board of Commissioners in carrying out performance assessment of members of the Board of Directors and/or Board of Commissioners based on the set assessment benchmark.
3. Related to the Remuneration function:
- a. Assisting the Board of Commissioners in proposing a remuneration system that is suitable for members of the Board of Directors and/or the Board of Commissioners such as a salary/honorarium system, provision of facilities, benefits, bonus/incentive/tantiem, pension system, assessment or evaluation of the system and the options given.
  - b. Evaluating remuneration policies based on performance, risk, fairness with peer groups, targets and the Company's long-term strategy, fulfilment of reserves as stipulated in the legislation and the Company's future revenue potential.
  - c. Evaluating the Remuneration Policy for Employees that required the approval/feedback from the Board of Commissioners.
  - d. Ensuring the remuneration policy complies with applicable regulations including the Regulations of the State-Owned Enterprises Minister, Financial Services Authority, and prevailing laws and regulations.
  - e. Submitting assessment results and recommendations to the Board of Commissioners regarding the Remuneration Policy for the Board of Directors and/or Board of Commissioners for submission to the GMS.
  - f. Submitting the overall Remuneration Policy for Employee to the Board of Directors.
  - g. Carrying out periodical assessment on the implementation of Remuneration Policy.
4. Related to the Development function:
- a. Providing recommendations on Development Program for members of the Board of Directors and/or Board of Commissioners or Supervisory Board.
  - b. Carrying out periodical review on the Bank's Talent Management System as well as monitoring and evaluation.
  - c. Evaluating Talent Classification system and procedures for the Board of Directors
  - d. Carrying out validation and calibre-selection of talents (Selected Talent) proposed by the Board of Directors to the Board of Commissioners/Supervisory Board to create talent list (Nominated Talent) for nominating to the GMS/Minister by the Board of Commissioners/Supervisory Board.
  - e. Evaluating the Candidate Member of the Company that will be proposed as members of the Board of Directors or Board of Commissioners for the Subsidiaries, prior to submission to the GMS/Minister.



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### Remuneration and Nomination Committee Authority

The Remuneration and Nomination Committee has the following authority:

1. Communicating with the Head of Unit and other parties in the Company to obtain information, clarification and requesting the required documents and reports.
2. Requesting the Company to conduct surveys according to the needs of the Remuneration and Nomination Committee.
3. Accessing records or information about employees, funds, assets and other company resources related to the implementation of their duties.
4. Obtaining input and or suggestions from outside parties of the Company relating to their duties.
5. Performing other authorities granted by the Board of Commissioners.

### Remuneration and Nomination Committee Tenure

The tenure of members of the Remuneration and Nomination Committee as members of the Board of Commissioners, shall

not be longer than the tenure of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected for the next 1 (one) period. Whereas the tenure of the Remuneration and Nomination Committee members from Non-Commissioner Independent Parties is the latest 3 (three) years and can be extended 1 (one) time during 2 (two) years of tenure, by not eliminating the rights of the Board of Commissioners to terminate at any time.

### Remuneration and Nomination Committee Reporting

The Remuneration and Nomination Committee must report the implementation of duties, that are carried out for each assignment given and/or for any problems identified that require the attention of the Board of Commissioners or at least 2 (two) times in 1 (one) year.

### Remuneration and Nomination Committee Qualifications and Experience

Members of the Remuneration and Nomination Committee have at least the following qualifications:

1. General Requirements
  - a. Having integrity, character and good morals.
  - b. Does not have personal interests/relationships that can cause conflict of interest against the Company.
2. Competence Requirements
  - a. Having sufficient expertise, ability, knowledge and experience related to their duties and responsibilities, specifically related to the provisions of the Bank's remuneration and/or nomination system and succession plan.
  - b. Able to work together and have the ability to communicate well and effectively and are willing to provide sufficient time to carry out their duties.
  - c. Have adequate knowledge of the Company's Articles of Association, laws and regulations in the banking sector, Capital Market, SOEs and other relevant laws and regulations.
  - d. Willing to increase competencies continuously through education and training.

The qualifications and professional background of the Chairman and Members of the Remuneration and Nomination Committee are as follows.

### Remuneration and Nomination Committee Qualifications and Professional Background

Name	Position	Period	Education	Professional Background
M. Chatib Basri	Chairman and Member	1 January – 31 December 2022	<ul style="list-style-type: none"> <li>• Bachelor Degree in Economics</li> <li>• Master of Business Administration in Economic Development</li> <li>• Ph.D in Economics</li> </ul>	Professional background in finance and corporate oversight.
Andrinof A. Chaniago	Member	1 January – 31 December 2022	<ul style="list-style-type: none"> <li>• Bachelor Degree in Social and Political Science</li> <li>• Master Degree in Public Planning and Policies</li> </ul>	Professional background in banking and corporate oversight.



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Name	Position	Period	Education	Professional Background
Ronald Silaban	Member	1 January – 31 December 2022	<ul style="list-style-type: none"> <li>Bachelor of Law</li> <li>Master of Law Center</li> </ul>	Professional background in finance and human capital.
Arif Budimanta	Member	1 January – 31 December 2022	<ul style="list-style-type: none"> <li>Bachelor in Soil Science</li> <li>Master of Sains in Natural Resources Economics</li> <li>Doctorate in Social and Political Science</li> </ul>	Professional background in banking.
Muliadi Rahardja	Member	10 March – 31 December 2022	<ul style="list-style-type: none"> <li>Bachelor of Accounting</li> <li>Master of Business Administration in Finance</li> </ul>	Professional background in banking and corporate oversight

### Remuneration and Nomination Committee Independence

All members of the Remuneration and Nomination Committee from independent parties do not have financial, management, shareholding and/or family relations with the Board of Commissioners, Directors and/or Controlling Shareholders or relationship with Bank Mandiri, which can affect its ability to act independently.

#### Remuneration and Nomination Committee Independence

Independence Aspects	M. Chatib Basri	Andrinof A. Chaniago	Ronald Silaban	Arif Budimanta	Muliadi Rahardja
Does not have financial relations with the Board of Commissioners and Directors	✓	✓	✓	✓	✓
Does not have management relations in the company, subsidiaries, or affiliates	✓	✓	✓	✓	✓
Does not have shareholding relations in the company	✓	✓	✓	✓	✓
Does not have family relations with the Board of Commissioners, Directors and/or with fellow members of Committee	✓	✓	✓	✓	✓
Does not serve as the management in political parties, officials and in the government	✓	✓	✓	✓	✓

### Meetings of Remuneration and Nomination Committee

The Remuneration and Nomination Committee holds regular meetings at least 1 (one) time in 4 (four) months. The meetings can only be held if attended by at least 51% of the total committee members including 1 (one) Independent Commissioner and 1 (one)

Executive in charge of the Human Resources function or 1 (one) employee representative.

Decisions of the Remuneration and Nomination Committee meetings are taken based on deliberation to reach consensus. The meeting shall be chaired by the Chairman of the Remuneration and Nomination Committee or other member that serves as Independent Commissioner, if the Chairman of the Remuneration and Nomination Committee is unable to attend.

Each Remuneration and Nomination Committee meeting is outlined in the minutes of the meeting, including dissenting opinions, which are signed by all members of the Committee present and submitted to the Board of Commissioners.

During 2022, 15 meetings were held with the following agenda.

## REMUNERATION AND NOMINATION COMMITTEE

## Remuneration and Nomination Committee Meeting Agenda

No.	Date	Meeting Agenda	Quorum
1.	10 February 2022	Bank Mandiri Talent Pool Update	100%
2.	10 March 2022	Proposal of Bank Mandiri Management at the Annual GMS for the 2021 Financial Year	100%
3.	17 March 2022	Proposed Remuneration in 2022 and Tantiem for 2021 Performance	100%
4.	20 April 2022	PA Board Proposal	100%
5.	25 April 2022	<i>Long Term Incentive (LTI) of the Board of Commissioners and Directors of Bank Mandiri</i>	100%
6.	11 May 2022	Discussion on Bank Mandiri's Long Term Incentive (LTI) Scheme Proposal	100%
7.	25 May 2022	<i>Progress of Strategic Workforce Program</i>	100%
8.	02 June 2022	Proposal of the Company's Representative as a Member of the Board of Commissioners and Board of Directors of a Subsidiary	100%
9.	12 July 2022	1. Proposed ESG Group Formation 2. Proposal of the Management of the Subsidiary	100%
10.	04 August 2022	Proposal of the Management of the Subsidiary	80%, Absentee: Rionald Silaban
11.	18 August 2022	Proposal of the Management of the Subsidiary	100%
12.	15 September 2022	Proposed Establishment of Digital Marketing Group Organizational Structure and Closure of Credit Control & Supervision Group Organizational Structure.	100%
13.	13 October 2022	Proposal of the Management of the Subsidiary	100%
14.	24 November 2022	Tantiem Budget Consulting 2023	100%
15.	08 December 2022	Proposed Merger of Office of The Board Group and Corporate Secretary Group	100%

## Meeting Frequency and Attendance of the Remuneration and Nomination Committee

The following were meeting frequency and attendance of members of the Remuneration and Nomination Committee in 2022.

## Remuneration and Nomination Committee Meeting Frequency and Attendance

Name	Position	Total Meetings	Total Attendance	(%)
M. Chatib Basi	Chairman and Member	15	15	100%
Andrinof A. Chaniago	Member	15	15	100%
Rionald Silaban	Member	15	14	93%
Arif Budimanta	Member	15	15	100%
Muliadi Rahardja*	Member	15	15	100%

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

## The Key Performance Indicators Achievement of the Remuneration and Nomination Committee

The achievements of the KPI of the Remuneration and Nomination Committee in 2022 could be seen from the realization of the work plan, the quality of the recommendations

that have been compiled, and the quality of communication that has been made both with the Board of Commissioners, Directors, and Heads of related Units.

In general, all Committee work programs as stated in the 2022 Remuneration and Nomination Committee Work Plan had been well realized. In addition, all recommendations of the

Remuneration and Nomination Committee had been accepted by the Board of Commissioners and had been taken into consideration in the decision-making process on the proposals submitted by the Board of Directors. As for the communication aspect, during 2022 good and intense communication had been established to discuss issues at Bank Mandiri and the progress of the follow-up resolutions made by the Board of Directors.

## REMUNERATION AND NOMINATION COMMITTEE

### Remuneration and Nomination Committee Remuneration

The remuneration of the Remuneration and Nomination Committee for Non-Commissioner Independent parties is regulated in the Decree of the Board of Commissioners No. KEP.KOM/002/2021 dated 26 April 2021 concerning Remuneration of Supporting Organs of the Board of Commissioners of PT Bank Mandiri (Persero) Tbk and regulated in the Letter of Assignment as a member of the Committee under the Board of Commissioners issued by Bank Mandiri.

No.	Description	Non-Commissioner Committee Members
1.	Salary/Honorarium	At most 20% of President Director's Salary
2.	Post-Employment Compensation	Not provided
3.	Holiday Allowance	In accordance with Bank Mandiri employee stipulation
4.	Bonus/Tantiem	Not provided
	Facilities	
	- Transportation Allowance	Not provided
5.	- Health	Provided as per the Bank's Internal rules
	- Employment	Provided as per the Bank's Internal rules
	- Business Trips	In accordance with Bank Mandiri employee stipulation/equivalent to Group Head

#### Remuneration and Nomination Committee Activities in 2022

In 2022, as the duties and functions of the Remuneration and Nomination Committee stated in the Bank Mandiri RNC Charter, the Committee has provided recommendations/ proposals for candidates that qualify as Members of the Board of Commissioners and Directors of Bank Mandiri to the Board of Commissioners for submission to the GMS. The proposal was generated through a series of processes carried out by the Committee including the preparation of policies, criteria and qualifications needed in the process of nominating prospective members of the Board of Commissioners and Directors in accordance with the Company's strategic plan. The Remuneration and Nomination Committee also assists the Board of Commissioners obtain and analyse the data of prospective Directors from the talent pool of executives one level below the Board of Directors and identify candidates for the Board

of Commissioners that meet the requirements.

Moreover, the Remuneration and Nomination Committee has also assisted the Board of Commissioners in proposing an appropriate remuneration system for the Directors and Commissioners of Bank Mandiri in the form of a salary/ honorarium system, facilities/benefits, and bonuses for 2022.

#### 2023 Work Plans of the Remuneration and Nomination Committee

At the end of 2022, the Remuneration and Nomination Committee had prepared a work plan for 2023 and had obtained approval from the Board of Commissioners. The 2023 work plan was divided into several activities, such as the functions of Nomination, Remuneration, discussion of certain issues and internal activities of the Committee. The work plan was one of the KPIs that served as the basis for evaluating the effectiveness of the

performance of the Remuneration and Nomination Committee during 2023.

### Board of Directors Succession Policy

The Board of Directors succession policy of Bank Mandiri refers to the Minister of SOE 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 the GMS in determining the remuneration and nomination of the Board of Commissioners and/or Directors.

## REMUNERATION AND NOMINATION COMMITTEE

### Basic Principles

1. Requirements for Board of Directors and Board of Commissioners. Candidates for Directors and Commissioners must meet the requirements determined in the Company's Articles of Association and the applicable laws and regulations.
2. Candidacy and Candidate Proposal for Board of Directors and Board of Commissioners. Candidates for Directors and Commissioners are proposed through a selection by taking into account the set requirements.

### Procedures

In the Nomination function, the Bank Mandiri Remuneration and Nomination Committee performs the following procedures:

1. Develop the composition and process of nominating the Directors and/or Commissioners.
2. Formulate policies and criteria of nominating process of candidates of Directors and/or Commissioners.
3. Identify candidates who meet the criteria.
4. Assist the performance assessment of the Board of Directors and/or Board of Commissioners.
5. Develop capacity building programs for the Directors and/or Commissioners.
6. Review and propose candidates that fulfils the requirements as Commissioners and/or prospective Directors to the Board of Commissioners for submission to the GMS.

7. The selection process is carried out prior to the tenure ends or is requested by the Board of Commissioners, or if there is a vacancy.

### Requirements and Criteria

The requirements and criteria for candidates of Board of Directors and/or Commissioners are in accordance with the Company's Articles of Association and other applicable provisions, which are as follows:

1. The person eligible as a member of the Board of Directors and/or Commissioners is an individual with legal capacity and has never been declared bankrupt or convicted which cause bankruptcy of a company, or an individual who has never been sentenced for criminal offense which harm the State treasury within 5 (five) years prior to his/her appointment, one or the other by taking into account the prevailing laws and regulations.
2. Does not have family relations to third degree, both horizontally or vertically nor by marriage (in laws) with other Directors or Commissioners.
3. Does not listed in the banking black list as determined by bank supervisory authorities.
4. Has good integrity, in the sense of:
  - a. Having good character and morals.
  - b. Complying with prevailing laws and regulations.
  - c. Having high commitment to the development of sound bank operations.
  - d. Deemed fit and proper to be a member of Board of Directors and/or Commissioners.

5. Integrity assessment is conducted by evaluating the candidates in the sense that they have never done any of the following:
  - a. Banking manipulation and practices that deviate from banking regulations.
  - b. Actions categorized as non-fulfilment of commitments to Bank Indonesia or Government.
  - c. Actions categorized as beneficial to Owner, Management, Employees, and or other parties that may detrimental or reduce bank's profit.
  - d. Actions categorized as violation of the provisions related to banking prudential principles.
  - e. Actions by Management and Executives categorized as not independent.
6. Fulfil the competence criteria, in the sense of having:
  - a. Adequate knowledge in Banking.
  - b. Experience and expertise in Banking and or Financial Institution.
  - c. Ability to perform strategic management for the development of sound Banks.
7. Other than the above criteria, the following additional criteria are also required:
  - a. Having leadership skill supported by knowledge in economics, accounting and law.
  - b. For the Board of Commissioners, require to have experience in banking or other financial institution supervisory.





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- c. For the Board of Directors, require to have at least 3 (three) years' experience as Senior Management in banking or other financial institutions.

The candidates of Directors may be proposed from the Board of Commissioners following the assessment and if deemed eligible can be proposed to the SOE Minister. The candidates that will be nominated as Directors shall meet

formal and other requirements set by PER- 03/MBU/02/2015 and OJK Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies and has passed the Fit and Proper Test carried out by the OJK.

Since 2021, Bank Mandiri has sent a list of top talent employees at the BoD-1 level to the Ministry of

SOEs. Furthermore, the Ministry of SOEs will evaluate the list of top talents and assign one of the institutions organizing the talent assessment of the Directors of the Ministry of SOEs. The candidates that obtain recommendations from the Assessor Service Company will be reported by the Remuneration and Nomination Committee to the Board of Commissioners as the candidates for submission to the GMS.

