



## GOVERNANCE IN PROVIDING REMUNERATIONS

### Remuneration Policy for the Board of Commissioners and the Board of Directors

In providing remuneration for the Board of Commissioners and Directors, Bank Mandiri upholds the principle of prudential as well as refers 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 Company's sustainability.

Bank Mandiri is committed to implement governance in providing remuneration by formulating policies that have been authorized under the Joint Decree of the Board of Commissioners and Board of Directors on Remuneration Policy of PT Bank Mandiri (Persero) Tbk dated 20 March 2018. The determination of remuneration for the Board of Commissioners refers to:

1. Regulation of the Minister of SOE No. PER-04/MBU/2014 concerning Guidelines for Determining the Income of the Board of Directors, Board of Commissioners and Supervisory Board of State-Owned Enterprises has lastly been amended with the Regulation of the Minister of SOE No. PER-13/MBU/09/2021 dated 24 September 2021.
2. SOE State Minister Regulation No. PER-01/MBU/2011 concerning Implementation of

Good Corporate Governance in SOE has lastly been amended by State Minister of SOE Regulation No. PER-09/MBU/2012 concerning Amendments to State Minister of SOE Regulation No PER- 01/MBU/2011 on Implementation of Good Corporate Governance in SOE.

3. OJK Regulation No. 55/POJK.03/2016 dated 9 December 2016 on the Implementation of Governance for Commercial Banks.
4. OJK Regulation No.45/POJK.03/2015 dated 23 December 2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks.
5. The Company's Articles of Association

Pursuant to POJK No. 45/POJK.03/2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks, Bank Mandiri has performed Governance in Providing Remuneration that has taken into account various aspects, including the bank financial stability, the creation of risk management, short-term and long-term liquidity requirements, and potential future revenue. The Company may carry out malus and clawback of variable remuneration for the Bank executives who are under the category of Material Risk Taker (MRT), with the following stipulations:

1. The Company will have malus and or clawback in specific circumstances in applying variable remuneration, by taking into account some factors as follows:
  - a. The financial or non-financial loss of the Company.
  - b. The direct or indirect involvement of the concerned executives in the loss.
2. Variable remuneration must be deferred amounting a percentage specified by the Company.
3. This policy applies for MRT executives under the following criteria:
  - a. Causing financial or non-financial loss to the Company.
  - b. Conducting frauds, breaking the law, behaving in an unethical manner, and/or falsifying records.
  - c. Intentionally violating the bank's policy, rules, and procedures.
  - d. Inducing significant negative impacts towards bank capital not caused by economic or industrial climate change.
4. In implementing remuneration for MRT executives, Bank Mandiri acts under the provisions from Financial Service Authority, Regulations of the Ministry of SOEs, and the Company's remuneration policy.