

GOVERNANCE IN PROVIDING REMUNERATIONS

Bank Mandiri's remuneration was prepared with the aim of being able to attract, maintain, motivate, and increase the commitment of employees to continuously provide optimal performance as well as to support Bank Mandiri's vision, mission and strategy.

Bank Mandiri's considerations when preparing the remuneration policy:

1. Financial performance and reserve fulfilment as stipulated in the applicable laws and regulations.
2. Remuneration that is adapted to the industry in accordance with the Company's business activities and the scale of the company's business in the industry.
3. The duties, responsibilities and authorities of members of the Board of Directors and members of the Board of Commissioners related to the achievement of the Company's goals and performance.
4. Target or performance of each member of the Board of Directors and/or members of the Board of Commissioners in order to achieve equality 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.

Remuneration Policy for Employees

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.

GOVERNANCE IN PROVIDING REMUNERATIONS

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.	Honorarium/Gaji	The amount of position factor <ul style="list-style-type: none"> President Commissioner 45% of the President Director Vice President Commissioner 42.5% of the President Director Commissioners 90% of the President Commissioner 	The amount of position factor <ul style="list-style-type: none"> 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.	Allowances		
	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.	Facilities		
	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	Jumlah diterima			
	Dewan Komisaris		Direksi	
	Jumlah Orang	Jumlah dalam Rp Juta	Jumlah Orang	Jumlah dalam Rp Juta
Remunerations				
Salaries	11 Persons	31,671	12 Persons	91,326
Housing Allowances	-		2 Persons	859
Tantiem	11 Persons	162,483	12 Persons	410,650
Other Facilities in the form of Natura				
Housing (cannot be owned)	-		10 Persons	-
Transportation (cannot be owned)	-	5,648	12 Persons	-
Full-service Insurance (can be owned)	-	4,533	12 Persons	11,311
Health (cannot be owned)	11 Persons	538	12 Persons	4,060
Remuneration Amount per person in 1 year				
Above Rp2 billion	11 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 Basi	President Commissioner/Independent	Nil
Andrinof A. Chaniago	Vice President Commissioner/Independent	Nil
Loeke Larasati Agoestina	Independent Commissioner	Nil
Muliadi Rahardja	Independent Commissioner	Nil
Heru Kristiyana*)	Independent Commissioner	Nil
Zainudin Amali*)	Independent Commissioner	Nil
Rionald Silaban	Commissioner	552,300 shares
Faried Utomo	Commissioner	552,300 shares
Arif Budimanta	Commissioner	552,300 shares
Nawal Nely	Commissioner	552,300 shares
Muhammad Yusuf Ateh	Commissioner	552,300 shares
Direksi		
Darmawan Junaidi	President Director	1,363,700 shares
Alexandra Askandar	Vice President Director	1,227,400 shares
Ahmad Siddik Badruddin	Director of Risk Management	1,159,200 shares
Agus Dwi Handaya	Director of Compliance and HR	1,159,200 shares
Eka Fitria**)	Director of Treasury & International Banking	Nil
Riduan	Director of Commercial Banking	1,159,200 shares
Aquarius Rudianto	Director of Network & Retail Banking	1,159,200 shares
Toni E. B. Subari	Director of Operations	1,159,200 shares
Susana Indah K. Indriati	Director of Corporate Banking	1,159,200 shares
Rohan Hafas	Director of Institutional Relations	1,159,200 shares
Sigit Prastowo	Director of Finance & Strategies	1,159,200 shares
Timothy Utama	Director of Information Technology	1,159,200 shares

*) Appointed as Independent Commissioner at the Annual GMS dated 14 March 2023

***) Appointed as Director at the Annual GMS dated 14 March 2023.

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	185,916	11	73,562

GOVERNANCE IN PROVIDING REMUNERATIONS

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. Specifically for members of the Independent Board of Commissioners get remuneration in cash in accordance with 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 2023 financial year. Including Directors and Commissioners whose term of office ends at the 2023 Annual GMS.

Shares Options

Bank Mandiri did not issue share option programs for Directors, Board of Commissioners, and employees throughout 2023.

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 2023, 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 2023, 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 81,830,200 shares.
2. Cash, with a total of Rp57,900,729,883.

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)	Rp32,829,571,326	-	-	-
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)	30,091,400 lembar saham	-	-	-