

REMUNERATION AND NOMINATION COMMITTEE

In addition to the nomination system, the Remuneration and Nomination Committee has also assisted the Board of Commissioners in proposing a suitable remuneration system for the Board of Directors and Board of Commissioners of Bank Mandiri in the form of a payroll/honorarium, facilities/benefits, and *tantiem* system for 2023.

2024 Work Plans of the Remuneration and Nomination Committee

At the end of 2023, the Remuneration and Nomination Committee has prepared a 2024 work plan and has obtained approval from the Board of Commissioners. The work plan of the Remuneration and Nomination Committee in 2024 is divided into several activities, namely activities related to the functions of Nomination, Remuneration, discussion of certain issues and internal activities of the Remuneration and Nomination Committee. The work plan is one of the KPIs that is the basis for assessing the effectiveness of the Remuneration and Nomination Committee's performance during 2024.

BOARD OF DIRECTORS SUCCESSION POLICY

The Board of Directors succession policy of Bank Mandiri refers to the Minister of SOE Regulation No. PER-3/MBU/03/2023 concerning Organs and Human Resources 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.

Basic Principles

Requirements for Board of Directors and Board of Commissioners.

1. 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.
3. Candidates for Directors and Commissioners are proposed through a selection by taking into account the set requirements.

Succession Management

In accordance with SOE Minister Regulation No. PER-3/MBU/03/2023 Article 30, the basis for Succession Management of Directors of State-Owned Enterprises, is as follows:

1. Succession management is the process of selecting SOE Directors from the Talent Pool of the Ministry of SOEs or other sources determined by the Minister.
2. Succession management is carried out by the Ministry of SOEs through the Fit and Proper Test mechanism by the Succession Committee and/or considering the results of Assessments from Professional Institutions.

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.

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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 blacklist 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 having experience in banking or other financial institution supervisory.
 - c. For the Board of Directors, require having 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.

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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.



- 1** Prepare and propose Recommendations for Board of Directors Succession
- 2**
 - Reviewing the Proposal of the Remuneration and Nomination Committee
 - Proposing Board of Directors Succession to Series A Dwiwarna Shareholders
- 3**
 - Evaluation of the Fulfillment of Requirements of Candidates for Members of the Board of Directors
 - Approval of Board of Directors Succession
- 4** Appointment and Succession of Directors
- 5**
 - Conduct Fit and Proper Test
 - Approval of the Company's Management Candidate