



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

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

Variable Remuneration	Number in One Year			
	Directors	Board of Commissioners	Board of Commissioners	Directors
	People	IDR Million	People	IDR Million
Total	12	68,424.33	10	21,872.25

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 employee service, Bank Mandiri provides service facilities including 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 Amount as Material Risk Taker

All members of the Board of Commissioners and Directors of Bank Mandiri are material risk takers. There are 31 (thirty one) *) members of the Board of Directors and the Board of Commissioners who served during the 2020 financial year.

*) Including Directors and Commissioners whose term of office ends at the 2020 Annual

Shares Option

Bank Mandiri did not issue share option programs for Directors, Board of Commissioners, and employees throughout 2020.

Ratio of the Highest and The Lowest Salary

Bank Mandiri always 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 always strives to maintain a gap in the salary ratio of all employees so that there is no too high difference.

In detail, information regarding the ratio of the highest and lowest salaries has been explained in the Corporate Social Responsibility Chapter of this Annual Report.

Number of Recipients and Total Variable Remuneration

During 2020, there was no number of recipients and the total number of Variable Remunerations that are 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.

Number of Employees Affected by Termination of Dismissed

During 2020, there were 72 (seventy two) employees who were dismissed (PHK) due to violations of Bank Mandiri's code of ethics.

Total Amount of Deferred Variable Remuneration

Until the end of 2020, the amount of variable remuneration that was still deferred in the form of Bank Mandiri shares or time deposits is as follows:

- Shares with a total of 19,575,200 shares.
- Cash with a total of IDR 17,220,435,346.

Quantitative Information

Quantitative information regarding:

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



As in the table below:

Types of Variable Remuneration	The Remnant That Still Suspended	Total Deductions Over the Period		
		Caused an Explicit Adjustment (A)	Caused an Explicit Adjustment (B)	Total (A) + (B)
Cash (in million rupiah)	IDR13.358.069.690	-	-	-
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)	16,104,300 shares	-	-	-

Public Accountant

Based on POJK No. 37/POJK.03/2019 concerning Transparency and Publication of Bank Reports and SEOJK No. 9/SEOJK.03/2020 concerning Transparency and Publication of Conventional Commercial Bank Reports, audits of the Company's Financial Statements for the 2017 fiscal year have been conducted by independent, competent, professional and objective public accountants in accordance with the Public Accountants Professional Standards, as well as work agreements and audit scope which have been set.

To make audit process to be in accordance with the Professional Standards of the Accountant and the scope of the audit that has been established and completed on time, meetings are routinely conducted discussing several significant important issues. The Company always strives to improve communication among the Public Accountant, Audit Committee and Management of the Company to be able to minimize the obstacles that occur during the audit process.

The External Audit function was implemented through the implementation of an Audit of the Company's Financial Statements by a Public Accounting Firm, to ensure that the financial information referred to is prepared and presented in a quality manner, form and express an opinion on the fairness of the Company's Financial Statements and test internal control (internal control review), including re-testing, on matters that have been tested by Internal Audit and observing procedures performed by Internal Audit.

Appointment of Public Accountant

The appointment of Purwantono, Sungkoro & Surja's Public Accountant Firm (KAP) as External Auditor to audit the Consolidated Financial Statements of PT Bank Mandiri (Persero) Tbk. and Subsidiaries and Financial Statements for Partnership and Community Development Program of PT Bank Mandiri (Persero) Tbk. for the 2020 Fiscal Year, determined at the Annual General Meeting of Shareholders (AGMS) on February 19, 2020, guided by the provisions of the Financial Services Authority Regulation (POJK) and other related provisions. The 2020 financial year is the sixth audit year period for KAP Purwantono, Sungkoro & Surja.

The chronology of the process for determining the KAP for the 2020 Financial Year is as follows:

1. The Procurement Team for KAP Financial Statements for Fiscal Year 2020 as determined by the Board of Directors, conducts procurement based on POJK No.13/POJK.03/2017 concerning the Use of Public Accountant Services and Public Accountant Offices in Financial Service Activities and other related provisions.
2. Based on the process of evaluating the technical and financial aspects of the proposals submitted by the Procurement Participating KAP, the Board of Directors submits the KAP procurement results to the Board of Commissioners through the Audit Committee.
3. The Audit Committee submits recommendations on the results of the KAP procurement to the Board of Commissioners, as the basis for submitting the proposal for the appointment of KAP at the AGMS on February 19, 2020.
4. The AGMS on February 19, 2020, decided to designate KAP Purwantono, Sungkoro & Surja as KAP which will audit the Consolidated Financial Statements of PT Bank Mandiri (Persero) Tbk. and Subsidiaries and PT Bank Mandiri (Persero) Tbk's Partnership and Community Development Program Financial Statements. for the 2020 Financial Year, including authorizing the Board of Commissioners to determine the honorarium and other requirements for the KAP, as well as determining a replacement KAP in the event that the appointed KAP for any reason cannot complete the audit of the 2020 Financial Year Financial Statements.
5. Bank Mandiri submits the results of the AGMS on February 19, 2020 regarding the determination of KAP to KAP Participants in the Procurement

Bank Mandiri applies the principles of Professional Ethics in carrying out the determination of External Auditors, namely:

1. Professional responsibility
2. Public interests
3. Integrity
4. Objectivity
5. Professional competence and prudence
6. Confidentiality
7. Professional behaviour
8. Technical standard.