

Board of Directors Succession Policy PT Bank Mandiri (Persero) Tbk.

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.

Basic Principles

- a. 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.
- b. 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. Fulfill 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.
 - 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.

In 2021, Bank Mandiri was working with the Assessor PT Daya Dimensi Indonesia to conduct assessment for the candidates of Commissioners and Directors. The names recommended by the Assessor will be reported by the Remuneration and Nomination Committee to the Board of Commissioners for submission to the GMS.





- 1.** Prepare and Propose Succession Recommendations for Directors
- 2.**
 - Review the Remuneration and Nomination Committee Recommendations
 - Propose the succession of the Board of Directors to Series A Dwiwarna Share-holders
- 3.**
 - Evaluation of the Fulfilment of Requirements for Prospective Members of the Board of Directors
 - Approval of the Succession of the Board of Directors
- 4.** Appointment and Determination of the Succession of the Board of Directors
- 5.**
 - Conducted a Fit and Proper Test
 - Approval of the Prospective

