

Charter of Audit Committee PT Bank Mandiri (Persero) Tbk.

No. KEP.KOM/005/2023

1. General Purpose

The Audit Committee was established by and responsible to the Board of Commissioners of PT Bank Mandiri (Persero) Tbk to assist in implementation of the duties and supervisory functions of the Board of Commissioners.

2. Basic Regulations

Establishment of the Audit Committee based on rules and regulations applicable and best practices that can be applied in banking institutions in Indonesia.

3. Duties, Responsibilities and Authorities

In carrying out its duties and responsibilities, the Audit Committee should obey the Audit Committee Etic Codes.

3.1. Duties and Responsibilities

3.1.1. Duties and responsibilities of the Audit Committee shall includes :

- 1) Financial Statements
 - a) Monitoring and analyzing of :
 - i. Credibility and objectivity of the Company's financial statements and information to be issued to external parties and regulatory institutions, including follow-up of complaints and/or notes impropriety against the reports during the Audit Committee review period.
 - ii. Audit Reports related to the Company's Financial Statements.
 - iii. The Company's Work Plan and Budget as well as the Company's Long-Term Plan.
 - iv. Complaints relating to the accounting and financial reporting process of the Company.
 - v. The financial reporting process audited by the External Auditor.
 - b) Ensure of a satisfactory evaluation procedure for all information released by the Company.
 - c) Conducting periodic meetings with relevant work units and Auditors (Internal and External) to request additional information and clarification in accounting and finance.
 - d) Monitoring and evaluating the appropriateness of the implementation of financial policies of the Company and Financial Services Institutions (FSIs) within the Financial Conglomeration
 - e) Provide recommendations to the Board of Commissioners on matters that support the effectiveness and accuracy of the financial reporting process of the Company and FSIs within the Financial Conglomeration.
- 2) Internal Control
 - a) Internal Control Process and System

- i. Monitoring and reviewing of :
 - (1) The Company's standardized internal control system in accordance with applicable best practices.
 - (2) Audit reports of the Internal Audit Unit and External Auditors that audit the Company to ensure that internal control has been properly implemented
 - (3) Implementation of the Board of Directors' follow-up on the findings of the Internal Audit Unit, public accountants and the results of regulatory supervision.
 - (4) The adequacy of internal control in the Financial Services Institutions within the Financial Conglomerate.
- b) Internal Audit
 - i. To monitor, review and assess :
 - (1) Audit Plan, Scope and Budget of the Internal Audit Unit
 - (2) Implementation of internal audit activities and results as well as the effectiveness of internal audit implementation
 - (3) Performance of the Internal Audit Unit
 - (4) Audit Result Reports, particularly significant findings and ensuring the Board of Directors takes the necessary corrective actions quickly to address control weaknesses, fraud, compliance issues with policies, laws and regulations, or other issues identified and reported by the Internal Audit Unit.
 - (5) Suitability of the implementation of the Internal Audit policies of the Company and FSIs in the Financial Conglomeration.
 - (6) Implementation of other Internal Audit Unit functions in accordance with the provisions of laws and regulations, articles of association, and/or decisions of the GMS/ Minister of SOEs
 - ii. Ensure that the Internal Audit Unit works objectively, independently, and upholds integrity in carrying out its duties.
 - iii. Request assistance from the Internal Audit Unit to conduct special audits/investigations if there are audit findings and/or information relating to violations of prevailing laws and regulations and provide input deemed necessary in the implementation of the audit.
 - iv. Ensure that the Internal Audit Unit communicates with the Board of Directors, Board of Commissioners, External Auditors, and Regulators.
 - v. Provide recommendations to the Board of Commissioners regarding :
 - (1) Appointment and dismissal of the Head of the Company's Internal Audit Unit proposed by the Board of Directors
 - (2) Audit Plan, Scope, and Budget of the Internal Audit Unit.
 - (3) Provision of annual remuneration for the Internal Audit Unit as a whole and as a performance awards.
 - (4) Corrective actions to address control weaknesses, fraud, compliance issues with policies and laws and regulations or other issues identified and reported by the Internal Audit Unit.
 - (5) Improvement of the management control system and its implementation.
 - vi. Conduct communication/meetings with the Internal Audit Unit (periodically or as needed) to discuss matters including the following:

- (1) Realization of the Annual Audit Plan and Budget of the Internal Audit Unit
 - (2) Significant audit findings and no further Internal Audit recommendations.
 - (3) Other matters that require clarification or explanation.
- c) External Audit
- i. Monitoring, reviewing, and assessing the effectiveness of audit implementation by AP and/or KAP
 - ii. Ensure the objectivity and independence of AP, KAP, and KAP insiders
 - iii. Provide recommendations on:
 - (1) Appointment of Public Accountant (AP) and Public Accounting Firm (KAP) that will audit the Company's financial statements to the Board of Commissioners to be submitted to the General Meeting of Shareholders (GMS). In preparing the recommendation, the Audit Committee may consider:
 - (i) Independence of AP, KAP, and KAP human resources;
 - (ii) Audit Scope;
 - (iii) Audit Service fees
 - (iv) Expertise and experience of AP, KAP, and Audit Team from KAP;
 - (v) Audit methodologies, techniques, and tools used by KAP;
 - (vi) the benefits of new perspectives that will be obtained through the replacement of AP, KAP, and Audit Team from KAP;
 - (vii) Potential risks of using audit services by the same KAP consecutively for a long period of time; and
 - (viii) The result of evaluation on the implementation of audit services on annual historical financial information by AP and KAP in the previous period, if any. In the event that the AP and/or KAP that has been decided by the GMS cannot complete the audit services on annual historical financial information during the professional assignment period, the appointment of a replacement of AP and/ or KAP shall be carried out by the Board of Commissioners after obtaining approval from the GMS by taking into account the recommendations of the Audit Committee
 - (ix) Termination of AP and KAP.
 - iv. Review and ensure that :
 - (1) Bank Mandiri has a standardized procedure and is in accordance with the prevailing rules/regulations in the implementation of KAP selection.
 - (2) The process of KAP selection is in accordance with standardized procedures
 - v. The Audit Committee evaluated the implementation of audit services on annual historical financial information by AP and/or KAP. The evaluation is conducted through:
 - (1) Compliance of audit implementation by AP and/or KAP with applicable audit standards
 - (2) Adequacy of field work time

- (3) Assessment of the scope of services provided and the adequacy of the audit.
 - (4) Recommendations for improvement provided by the AP and/or KAP.
 - vi. Communicating periodically with KAP who is auditing Bank Mandiri to discuss matters that need to be communicated, including the following:
 - (1) Progress of inspection implementation
 - (2) Important findings.
 - (3) Changes in accounting and financial regulations/rules from authorized institutions
 - (4) Adjustments made based on the examination results
 - (5) Constraints/obstacles encountered in the implementation of the audit.
 - vii. Reviewing and monitoring :
 - (1) All significant findings from the examination results of the External Auditor and other auditing institutions.
 - (2) The auditee's follow-up to the results of the audit conducted by the external auditor.
 - viii. Providing an independent opinion in the event of a difference of opinion between the Board of Directors and the AP and/or KAP on the services provided.
 - ix. Specifically for the procurement of non-audit services that will invite KAP who is auditing the Company's financial statements in the current year and its affiliates, and based on Management's review there is no conflict of interest, Management must submit a proposal for approval to the Audit Committee regarding the partners invited to the procurement of consulting services.
- 3) Compliance
 - Monitoring and reviewing :
 - a) The Company's compliance with laws and regulations, both internal and external, relating to the Company's business activities.
 - b) Audit reports related to the Company's compliance with internal and external regulations issued by the Internal and External Audit Unit.
 - c) Suitability of audit implementation by the Public Accounting Firm with applicable audit standards.
 - d) Conformity of financial statements with applicable accounting standards.
 - e) Potential conflict of interest of the Company.
 - 4) Conducting periodic meetings with relevant work units to discuss matters within the scope of its supervision.
 - 5) Prepare the Audit Committee Charter and review it as needed at least every 2 (two) years.
- 3.1.2. The Chairman of the Audit Committee is responsible to coordinate all activities of the Committee, to fulfill the objectives of the Committee in accordance with its establishment.
- 3.1.3. The Chairman and members of the Audit Committee are responsible for the following :
 - 1) Determine the annual work plan
 - 2) Determine the annual meeting schedule

- 3) Preparing periodic reports on the activities of the Committee as well as matters that are deemed necessary for the attention of the Board of Commissioners.
- 4) Preparing Self Assessment of the effectiveness of Committee activities.
- 5) Appoint independent parties as an Audit Committee member of the non- Board of Commissioners or appoint another third party as the secretary of the Committee to record the Committee Meetings and prepare the Minutes of Committee Meetings.
- 6) Attend the meeting
- 7) Take active role contribute in every Committee meeting activity.

3.2 Authority

- 3.2.1 Communicate directly with employees, including the Board of Directors, parties that implement the internal audit function, risk management, and other parties at the Public Accountant Firm that audits the Company for information, clarification and requests for documents and reports needed.
- 3.2.2 Access all relevant information about the Company related to the implementation of its duties and functions, including records or information about employees, funds, assets, and other resources belonging to the Company
- 3.2.3 Obtaining reports on the audit results of the Internal Auditor and External Auditor, as well as other supervisory/auditors
- 3.2.4 Assign the Internal Auditor and/or External Auditor to conduct a special audit/investigation, if there is a strong suspicion of fraud, violation of law and violation of prevailing laws and regulations.
- 3.2.5 Obtain input and/or advice from external of the Company relating to its duties
- 3.2.6 Involve independent parties from external of the Committee members as necessary to assist in the performance of its duties (if required).
- 3.2.7 Perform other authorities granted by the Board of Commissioners.

3.3 Work Relationship

In carrying out their authorities, tasks and responsibilities, Audit Committee :

- 3.3.1 Cooperating and coordinating with Internal Audit unit for the supervision and inspection purposes.
- 3.3.2 Cooperating with external Auditor related to the examination of the duties and audit results conducted by external auditor on the company.
- 3.3.3 With the approval of and/or through the Board of Commissioners, Audit Committee may request assistance from external parties to conduct special and highly technical inspections.
- 3.3.4 Coordinating with other committees under Board of Commissioners.
- 3.3.5 In carrying out their duties and responsibilities, members of the Audit Committee are allowed to make visit to the field.

4. Composition, Structure, Membership Requirements, and Tenure

4.1 Appointment of Audit Committee Member

- 4.1.1 Member of the Audit Committee is appointed and terminated by the Board of Commissioners based on the decision in the Board of Commissioners' Meeting, and determined by Decree of the Board of Directors.
- 4.1.2 The appointment and dismissal of the Audit Committee is reported to :
 - 1) FSA (OJK), no later than 2 (two) working days after such appointment or dismissal and such information shall be posted on the Company's website.
 - 2) General Meeting of Shareholders/ Shareholders.

4.2 Composition and Structure

The provisions of the membership of the Audit Committee of the Company are as follows :

- 4.2.1 The Audit Committee of the Company consists of at least 3 (three) members from Independent Commissioners and Non-Commissioners Independent Parties.
- 4.2.2 The composition of the Audit Committee membership is at least 1 (one) Independent Commissioner as Chairman concurrently member, 1 (one) Non- Commissioners Independent Party who has expertise in finance or accounting and 1 (one) Non-Commissioners Independent Party who has expertise in law or banking.
- 4.2.3 The Chairman of the Audit Committee may only concurrently serve as chair of the Committee at most 1 (one) of the other Committees.
- 4.2.4 The board of Directors of the Company or another Banks are prohibited to becoming members of the Audit Committee.
- 4.2.5 In carrying out daily duties the Audit Committee may be assisted by staff and/or Committee Secretary appointed based on the decision of the Audit meeting.

4.3 Membership Requirement

4.3.1 General Requirement

- 1) Have integrity and good moral.
- 2) Has no personal interest/ links which result in conflict of interest to the company.

4.3.2 General Requirement

- 1) Have sufficient expertise, ability, knowledge and experience related to duties and responsibilities, as well as sufficient experience in the field of investigation.
- 2) Compulsory to understand the financial statements, the business of the company in particular related to the Company's services or business activities, the audit process and risk management.
- 3) Ability to work together and have the ability to communicate well and effectively and willing to provide enough time to carry out their duties.
- 4) Having sufficient knowledge about the Company's Articles of Association, banking regulations, Capital Market, SOEs and other relevant legislation.
- 5) Has fulfilled the certification requirements and others qualification requirements as regulated in the relevant applicable regulations
- 6) Willing to increase competence continuously through education and training.

4.3.3 Independence Requirements

- 1) Not an insider in a Public Accounting Firm, Legal Consultant Office or Public Appraiser Office that provides audit and other consultancy services to Bank Mandiri in the last 6 (six) months before being appointed as a member of the Audit Committee.
- 2) Not owning shares of the Company, either directly or indirectly.
- 3) Has no affiliation with the Company, Commissioners, Directors and major shareholders of the company.
- 4) Has no direct or indirect business relationship with the Company.
- 5) Audit Committee members who are not members of the Board of Commissioners may not serve as:
 - a) The Board of Commissioners at the company/Supervisory Board at the State-Owned Enterprises (BUMN)/ Supervisory Board at another Company;
 - b) Secretary/Secretariat staff of the Board of Commissioners / Supervisory Board at the State-Owned Enterprises (BUMN)/ Supervisory Board at another Company;

- c) Another committee member at the company; and/or
 - d) Committee member at another State-owned Enterprises (BUMN/ another company).
- 6) Former members of the Board of Directors or Executive Officers of the Company or parties who have a relationship with the Company that may affect the ability of the person to act independently are prohibited from becoming a Non-Commissioner Independent Party in a committee at the Bank before serving a cooling off period for minimum in 6 (six) months.
- 7) The waiting period (cooling off) of at least 6 (six) months does not apply to former members of the Board of Directors who supervised the supervisory function or Executive Officers who performed the supervisory function of the Company.

4.4 Tenure and Compensation

- 4.4.1 The tenure of members of the Audit Committee as members of the Board of Commissioners must not be longer than the tenure of the Board of Commissioners as stipulated in the Articles of Association and can be re-elected for the next 1 (one) period.
- 4.4.2 The tenure of the Audit Committee members from Non-Commissioner Independent Parties is the latest 3 (three) years and can be extended 1 (one) time during 2 (two) years of tenure by not eliminating the rights of the Board of Commissioners to terminate at any time.
- 4.4.3 If member of the Commissioners that serves as the Chairman of the Audit Committee resigns prior to the tenure as Commissioners of the Company, the Chairman of the Audit Committee is replaced by another Independent Commissioner.
- 4.4.4 If the tenure as the Board of Commissioners ends, the tenure as a member of the Audit Committee will also end.
- 4.4.5 Members of the Audit Committees from Non-Commissioner Independent Parties are given monthly honorariums that are determined by the Board of Commissioners by referring to the prevailing laws and regulations.

5. Meeting

- 5.1 Audit Committee meeting is held at least once in a month.
- 5.2 Audit Committee meeting is considered valid if attended by at least 51% of members including one Independent Commissioner and one Non-Commissioner Independent Party.
- 5.3 The decision of the Audit Committee meeting shall be taken by consensus decision making.
- 5.4 In the event that there is no consensus decision making, as referred to in item 5.3 the decision is made based on the majority vote.
- 5.5 The meeting shall be chaired by the Chairman of the Audit Committee or any other member of the Committee who is an Independent Commissioner, if the Chairman of the Audit Committee is unable to attend.
- 5.6 In the event that any Member of the Committee is unable to attend, the presence of the Committee Member may be represented by other Members of the Committee by virtue of a power of attorney.
- 5.7 The members of the Committee may only represent another member of the Committee.
- 5.8 Each Audit Committee meeting is set forth in the minutes of the meeting, including where there are differences of opinion, signed by all members of the Audit Committee who are present and submitted to the Board of Commissioners.

- 5.9 A member of committee of the non- board of commissioners or other party appointed by the Committee Chair shall act as a secretary in charge of recording and making minutes of the Committee Meetings.
- 5.10 Meetings may be carried out non-physically, but through teleconference media or other media means that allow all participants of the Committee to see and hear directly, and participate in the meeting.

6. Reports and Recommendations

- 6.1 The Audit Committee shall make periodic reports to the Board of Commissioners regarding the activities of the Audit Committee, at least once in 3 (three) month.
- 6.2 The Audit Committee shall prepare a report to the Board of Commissioners on any assignment given, and or for any issues identified, that require the attention of the Board of Commissioners.
- 6.3 The Audit Committee is required to prepare an Annual Report on the activities of the Audit Committee, that is disclosed in the Annual Report of the Company.
- 6.4 The Audit Committee shall prepare an evaluation report on the implementation of the audit service provision of annual historical financial information by the External Auditor not later than 6 (six) months after the end of the financial year or at any time.

7. Complaint Handling/Reporting In connection with Alleged Violations related to Financial Reporting

In the event that the Audit Committee receives a complaint or reporting in relation to an alleged violation of financial reporting, the member of the Audit Committee :

- 7.1 Reviewing, examining and discussing complaints and reporting with the Internal Auditor and External Auditor.
- 7.2 Preparing a report to the Board of Commissioners on the outcome of item 8.1 and its recommendations.

8. Closing

- 8.1 The Charter of the Audit Committee is subject to the prevailing laws and regulations.
- 8.2 The Charter of the Audit Committee shall come into force on the date of stipulation provided that it may at any time be subject to review in accordance with the circumstances under the approval and / or request of the Board of Commissioners and, if there is any error in it, there shall be an improvement.

Audit Committee Code of Ethics PT Bank Mandiri (Persero) Tbk.

1. Background

The Audit Committee Code of Ethics is a guideline for attitudes, behavior and actions that are binding and must be obeyed by all members of the Audit Committee in carrying out their daily duties and functions.

2. Objective

- 2.1 Maintain integrity, objectivity, credibility and independency of the Audit Committee.
- 2.2 Prevent unethical attitudes, behavior and actions by each member of the Audit Committee.
- 2.3 Creating a conducive climate to provide optimal performance for the Company.
- 2.4 Encouraging the development of the Audit Committee's function in a sustainable manner.

3. Code of Ethic

In carrying out its duties, responsibilities and authority, the Audit Committee should obey the guideline as follows:

3.1 Integrity

- 3.1.1 Have an honest, objective, firm and independent personality.
- 3.1.2 Not commit acts against the law, including but not limited to abuse of authority and taking advantage, either directly or indirectly, for personal or other interest.

3.2 Objectivity

- 3.2.1 Carry out a balanced assessment by considering all relevant circumstances and not being influenced by personal or other people's interests.
- 3.2.2 Disclose all material facts owned, which if not disclosed can obscure the resulting reports.
- 3.2.3 No Conflict of interest that can disrupt the ability to perform the duties.
- 3.2.4 Soliciting or accepting compensation that could or has the potential to influence professional judgement is prohibited.
- 3.2.5 Carry out the duties and functions of the committee by fulfilling the principles of accountability.

3.3 Competency

- 3.3.1 Carry out the duties, responsibilities, and authorities given in accordance with the competencies possessed.
- 3.3.2 Increase competencies continuously through education and training.

3.4 Confidentiality

- 3.4.1 Committee members are required to maintain confidentiality of all documents and/or information of the Company as well as everything related to the Company and implementation of the duties of the Committee, unless there is a request for documents/information from Regulators or Law Enforcement Officials. The classification of the confidentiality of the Company's documents and/or information refers to internal provisions and applicable laws and regulations.
- 3.4.2 The obligation to always keep all documents and/or information of the Company confidential as well as everything related to the Company and the performance of the



Committee's duties also applies if the term of office as a member of the Audit Committee or the term of office as a member of the Board of Commissioners in the Company ends.

Explanation of the Requirements for Membership of the Audit Committee

1. Members of the Audit Committee of Independent Non-Commissioners are considered to have expertise in finance or accounting in terms of meeting the criteria:
 - 1.1 Having adequate knowledge in finance and/or accounting;
 - 1.2 Have at least 5 (five) years of work experience in finance and/or accounting.
2. Members of the Audit Committee of Independent Non-Commissioners are considered to have expertise in law or banking in terms of meeting the criteria:
 - 2.1 Having adequate knowledge in law and/or banking; and
 - 2.2 Have at least 5 (five) years of work experience in law and/or banking.
3. Independent party Non Commissioners is a party outside the Bank that has no financial relationship, management relationship, ownership relationship, and/or family relationship with members of the Board of Directors, members of the Board of Commissioners and/or controlling shareholder, or relationship with the Company, which may affect the ability to act independently.
 - 3.1. The meaning of having a financial relationship is in the event that a person receives income, financial assistance, or a loan from:
 - a) Members of Directors and/or members of Board of Commissioners;
 - b) companies whose controlling shareholders are members of the Board of Directors and/or members of the Board of Commissioners of the Bank; and/or
 - c) Bank controlling shareholders.
 - 3.2. The meaning of having a management relationship is in the event that a person holds a position as:
 - a) Members of the Board of Directors or members of the Board of Commissioners in companies whose members of the Board of Commissioners become members of the Board of Directors and/or members of the Board of Commissioners of the Bank;
 - b) Members of the Board of Directors or members of the Board of Commissioners in companies whose controlling shareholders are members of the Board of Directors and/or members of the Board of Commissioners of the Bank; and/or
 - c) Members of the Board of Directors, members of the Board of Commissioners, or Executive Officers in the controlling shareholder company of the Bank.
 - 3.3. The meaning of having an ownership relationship is in terms of someone being a shareholder in:
 - a) companies that are jointly owned by members of the Board of Directors, members of the Board of Commissioners, and/or controlling shareholders of the Bank so that they jointly become controlling shareholders of the company; and/or
 - b) Bank controlling shareholders.
 - 3.4. The meaning of having family relations is have family relationships up to the second degree, both vertical and horizontal relationships, including in-laws, sons-in-law and in-laws, so that what is meant by family includes:
 - a) Biological/ step/ adoptive parents;

- b) Biological/ step/ adoptive children;
- c) Biological/ step/ adoptive grandparents;
- d) Biological/ step/ adopted grandchildren;
- e) Siblings/ steps/ adoptive parents and husband or wife;
- f) Husband or wife;
- g) In-laws;
- h) Husband of wife of biological/ step/ adopted children;
- i) Grandparents of the husband or wife
- j) Husband or wife of biological/ step/ adoptive grandson; and/ or
- k) Biological/ step/ adopted siblings of the husband or wife along with the husband or wife

3.5. The meaning of having relationship with a Bank that can affect a person's ability to act not independently, is a relationship in form:

- a) Bank share ownership with total ownership of more than 5% (five percent) of the Bank's paid-up capital; and/or
- b) Receiving or giving income, financial assistance, or loans from or to Banks that cause the party providing income, financial assistance or loans to have the ability to influence (controlling influence) the party receiving income, financial assistance or loans, such as:
 - 1) Affiliated parties, namely parties providing services to the Bank, including public accountants, appraisers, legal consultants and other consultants;
 - 2) receive income from the Bank, except for income received by Independent Non-Commissioners due to concurrent positions as members of other committees at the same Bank; and/or
 - 3) Financial transactions with Banks that may affect the continuity of the Bank's business and/or parties conducting financial transactions, including core debtors, core depositors, or companies whose main sources of funding are obtained from the Bank.