

## COMPLIANCE FUNCTION

OJK Circular No. 15/SEOJK.03/2015 concerning the Implementation of Integrated Governance for Financial Conglomerates. The self-assessment is carried out twice a year (June and December period) engaging all subsidiaries.

- d. In relation to the implementation of Integrated Governance, Bank Mandiri urges Financial Service Institutions in Financial Conglomerates to participate in Good Corporate Governance assessment activities by independent parties, namely The Indonesian Institute for Corporate Governance (IICG) with the aim of improving the application of the principles of Good Corporate Governance in the Financial Conglomerates of Bank Mandiri.

#### 9. Reward & Punishment in the Implementation of Compliance Functions

To build compliance awareness at Bank Mandiri, an Internal Control Score (ICS) assessment method was developed which is associated with the imposition of sanctions, as part of the KPI of each work unit at Bank Mandiri.

### Evaluation of Compliance Function Effectiveness

The implementation of activities and performance of the Compliance Function is evaluated and assessed by the Compliance Director for the purpose of improving the effectiveness of implementation in the coming year. Compliance Function assessment criteria is based on Annual Work Plan, Key Performance Indicators (KPI) and

Work Program/Work Activity of Non-Key Performance Indicator (Non KPI). The assessment based on KPIs includes aspects of Financial Perspective, Customer Perspective, Internal Business Perspective and Development Perspective. To develop the compliance function, in 2022 the Internal Control Score (ICS) parameter has been prepared as one of the components of assessing the performance of Bank Mandiri's work units related to the implementation and role of compliance functions in each work unit. Evaluation is expected to improve the quality of compliance culture implementation and compliance risk management in minimizing risks that may occur due to non-compliance with prevailing regulations.