



AUDIT COMMITTEE

The Audit Committee was established with the aim at assisting and facilitating the Board of Commissioners in carrying out duties and supervisory functions on matters relating to the quality of financial information, internal control systems, effectiveness of external and internal auditor audits, the effectiveness of risk management and compliance with prevailing laws and regulations.

Legal Basis

The establishment of the Audit Committee refers to:

1. SOEs Minister Regulation No. Per-12/MBU/2012 on the Supporting Organs of the Board of Commissioners/SOEs Supervisory Board in lieu of SOEs Minister Regulation No. PER-06/MBU/04/2021.
2. OJK Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.
3. OJK Regulation No. 55/POJK.04/2015 concerning the Establishment and the Audit Committee Charter.
4. Bank Mandiri's Articles of Association and its amendments.
5. Decree of the Board of Commissioners No. KEP. KOM/008/2021 dated 1 October 2021 on the Membership Composition of the Audit Committee, Risk Monitoring Committee, Integrated Governance Committee and Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk.
6. Decree of the Board of Directors No. KEP.DIR/053/2021 dated 1 October 2021 on the Stipulation of the Audit Committee Membership of PT Bank Mandiri (Persero) Tbk.

Audit Committee Charter

In carrying out its duties, the Audit Committee is guided by the Audit Committee Charter, which was last updated on 15 November 2021 based on the Decree of the Board of Commissioners No. KEP. KOM/009/2021 concerning the Audit Committee Charter of PT Bank Mandiri (Persero) Tbk.

The Audit Committee Charter includes:

1. General Purpose
2. Basic Regulations
3. Duties, Responsibilities and Authority
4. Composition, Structure, Membership Requirements and Tenure
5. Meetings
6. Reports and Recommendations
7. Handling of Complaints/ Reporting Regarding Alleged Violations on Financial Reporting
8. Closing

Duties and Responsibilities of the Audit Committee

Duties and responsibilities of the Audit Committee are regulated in the Audit Committee Charter as follows:

1. Financial Statements
 - a. Monitoring and analysing:
 - Financial statements and information of internal and financial disclosure by the Company to the public and/or authorities
 - Audit Reports related to the Company's Financial Statements.
 - Work Plan and Budget of the Company and the Company's Long-Term Plan.
 - Complaints relating to the Company's

accounting and financial reporting processes.

- b. Conducting regular meetings with relevant units and Auditors (Internal and External) to obtain additional information and clarification on accounting and finance.
2. Internal Control
 - a. Internal Control System and Process

Monitoring and reviewing of:

 - The Company's internal control system in accordance with applicable best practices.
 - Audit results reports from Internal Audit Unit and External Auditor to ensure proper implementation of internal control
 - Implementation of follow-up actions by the Board of Directors on the findings of the Internal Audit Unit, public accountants, the Audit Board and the Financial Services Authority.
 - Adequacy of internal control in Subsidiaries.
 - b. Internal Audit
 - Monitoring and reviewing of:
 - 1) Audit Plan, Scope, and Budget of the Internal Audit Unit and provide recommendations to the Board of Commissioners.
 - 2) Effectiveness of internal audit implementation.
 - 3) Internal Audit Unit Performance.

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- 4) Audit Results Reports especially the significant findings and ensure that the Board of Directors take immediate corrective actions to overcome weaknesses in control, fraud, compliance with policies, laws and regulations, or other issues identified and reported by the Internal Audit Unit.
 - Ensuring that the Internal Audit Unit works independently and upholds integrity in carrying out its duties.
 - Requesting the assistance of the Internal Audit Unit to carry out special audits/ investigations if there are audit findings and/or information relating to violations of applicable laws and regulations and provide input deemed necessary in conducting the audit.
 - Ensuring that the Internal Audit Unit communicates with the Board of Directors, the Board of Commissioners, the External Auditor, and the Financial Services Authority.
 - Providing recommendations to the Board of Commissioners regarding the overall annual remuneration of the Internal Audit Unit and performance recognitions.
 - Providing recommendations to the Board of Commissioners regarding the appointment and dismissal of the Head of the Company's Internal Audit Unit which is proposed by the Directors.
 - Conducting communication/meetings with the Internal Audit (periodically or if necessary) to discuss matters, among others as follows:
 - 1) Realization of the Annual Audit Plan and Internal Audit Budget.
 - 2) Significant audit findings and follow up on Internal Audit recommendations.
 - 3) Other matters that require clarification or explanation.
- c. External Audit
- Providing recommendations for:
 - 1) Appointment of Public Accountant and Public Accountant Firm 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 recommendations, the Audit Committee may consider:
 - a. Independence of Public Accountant and/or Public Accountant Firm;
 - b. Audit scopes;
 - c. Audit services fees;
 - d. expertise and experience of Public Accountant and/or Public Accountant Firm, and the Audit Team of the Public Accountant Firm;
 - e. Methodologies, techniques, and audit tools used by the Public Accountant Firm;
 - f. Benefits of the most current perspectives that will be obtained through the replacement of Public Accountant and/or Public Accountant Firm, and the Audit Team from Public Accountant Firm;
 - g. Potential risks from the use of audit services by the same Public Accountant Firm in a row for a sufficiently long period of time; and/or
 - h. Evaluation results of the implementation of providing audit services on annual historical financial information by the Public Accountant and/or Public Accountant Firm in the previous period, if any. In the event that the Public Accountant and/or Public Accountant Firm that has been decided by the GMS cannot complete the provision of audit services on annual historical financial information during the professional assignment period, the appointment of a replacement Public Accountant and/or Public Accountant Firm is carried out by the Board of Commissioners after obtaining the GMS approval by taking into account the recommendations of the Audit Committee.
- 2) Termination of Public Accountant and Public Accountant Firm.
 - Reviewing and ensuring that:
 - (1) Bank Mandiri has standard procedures and is in accordance with applicable regulations/provisions in the implementation of Public Accountant Firm elections.
 - (2) The process of implementing Public Accountant Firm selection in accordance with standard procedures.



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- The Audit Committee evaluates the implementation of providing audit services on annual historical financial information by the Public Accountant and/or Public Accountant Firm. The evaluation is carried out through:
 - 1) The suitability of audit implementation by the Public Accountant and/or Public Accountant Firm with the applicable audit standards
 - 2) Adequacy of field work time.
 - 3) Assessment of the range of services provided and the adequacy of pick tests.
 - 4) Recommendations for improvements given by the Public Accountant and/or Public Accountant Firm.
 - Communicating periodically with the Public Accountant Firm that is currently auditing the Company to discuss matters that need to be communicated, including the following:
 - 1) Audit progress.
 - 2) Important findings.
 - 3) Changes to the rules/regulations in accounting and financial records from the authorized institution.
 - 4) Adjustments that occur based on the results of the audit.
 - 5) Constraints/obstacles encountered in the audit implementation.
 - Reviewing and monitoring of:
 - (1) All significant findings from the audit results of external auditors and other auditors.
 - (2) Follow up of the auditee on the results of audit conducted by external auditors.
 - Providing independent opinion in the event of disagreement between the Directors and the Accountant for the services provided.
3. Compliance
- Monitoring and analysing of:
- a. The Company's compliance with laws and regulations, both internal and external relating

- to the Company's business activities.
- b. Audit results report related to the Company's compliance with internal and external regulations issued by the Internal Audit Unit and External Auditors.
- c. The suitability of the audit implementation by the Public Accountant Firm with the applicable audit standards.
- d. Conformity of financial statements with applicable accounting standards.
- e. Potential conflicts of interest of the Company.
- 4. Conducting regular meetings with related units to discuss matters which are within the scope of supervision.
- 5. Arranging the Audit Committee Charter and Work Procedures and conducting reviews as needed at least once every 2 (two) years.
- 6. Reporting the results of monitoring and review periodically, as well as providing input on matters that need the attention of the Board of Commissioners.

Audit Committee Authority

The Audit Committee has the authority to:

1. Communicate with the Head of Unit and other parties in the Company and the Public Accountant Firm that audits the Company for information, clarification and requests for documents and reports needed.
2. Obtain the results reports of internal auditors and external auditors and other supervisory/audit institutions.
3. Assign internal auditors and/or external auditors to carry out special audits/investigations, in the event of strong allegations of fraud, violation of the laws and violation of applicable laws and regulations.
4. Access the records or information about employees, funds, assets and other company resources related to the implementation of duties.
5. Obtain input and or suggestions from external parties of the Company relating to duties.
6. Perform other authorities granted by the Board of Commissioners.

Audit Committee Tenure

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. Whereas 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