

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

No. KEP.KOM/006/2022

### 1. General Objective

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 Rules

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 analysing of:

- i. Financial statements and information of internal and financial disclosure by the Company to the public and/or authorities.
- ii. Audit Reports related to the Company's Financial Statements.
- iii. Work Plan and Budget of the Company and the Company's Long-Term Plan.
- iv. Complaints relating to the Company's accounting and financial reporting processes.
- v. Financial reporting process audited by external auditors.

###### b) Conducting regular meetings with relevant units and Auditors (Internal and External) to obtain additional information and clarification on accounting and finance.

###### c) Monitoring and evaluating the appropriateness of the financial and internal audit policies implementation of the Company and Financial Services Institutions (LJK) within the Financial Conglomerates.

###### d) Providing recommendations to the Board of Commissioners on matters that supports the effectiveness and accuracy of financial reporting and appropriateness between the internal audit policies of the Company and internal audit of LJK within the Financial Conglomerates.

##### 2) Internal Control

###### a) Internal Control System and Process

- i. Monitoring and reviewing of:

1. The Company's internal control system in accordance with applicable best practices.
2. Audit results reports from Internal Audit Unit and External Auditor to ensure proper implementation of internal control.
3. 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.
4. Adequacy of internal control in LJK within the Financial Conglomerates.

b) Internal Audit

- i. 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.
  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.
- ii. Ensuring that the Internal Audit Unit works objectively, independently and upholds integrity in carrying out its duties.
- iii. 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.
- iv. Ensuring that the Internal Audit Unit communicates with the Board of Directors, the Board of Commissioners, the External Auditor, and the Financial Services Authority.
- v. Providing recommendations to the Board of Commissioners regarding the overall annual remuneration of the Internal Audit Unit and performance recognitions.
- vi. 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.
- vii. 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) Eksternal Audit

- i. 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:

- (i) Independence of Public Accountant and/or Public Accountant Firm;
- (ii) Audit scopes;
- (iii) Audit services fees;
- (iv) expertise and experience of Public Accountant and/or Public Accountant Firm, and the Audit Team of the Public Accountant Firm;
- (v) Methodologies, techniques, and audit tools used by the Public Accountant Firm;
- (vi) 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;
- (vii) 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
- (viii) 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 considering the recommendations of the Audit Committee.

(2) Termination of Public Accountant and Public Accountant Firm.

ii. 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.

iii. 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.
  - iv. 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.
  - v. 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.
  - vi. Providing independent opinion in the event of disagreement between the Directors and the Accountant for the services provided.
- 3) Compliance
- Reviewing and monitoring 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) Preparing 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.

- 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 an active role and 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. Obtaining reports of audit result of internal auditor and external auditor and another supervisory/examiner institution.
- 3.2.3. Assigning internal auditors and/or external auditors to conduct special investigations, if there is a strong suspicion of fraud, violation of law and violation of applicable laws and regulations.
- 3.2.4. Access records or information about employees, funds, assets and other company resources related to the performance of their duties.
- 3.2.5. Obtaining input and or suggestions from external parties related to their duties.
- 3.2.6. Engage independent parties outside the Committee members that required to assist in its duties implementation (if required).
- 3.2.7. Conduct other authority given 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 and Membership Requirements

##### 4.1. Appointment of Audit Committee Members

- 4.1.1. Members 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) 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 Requirements

###### 4.3.1 General Requirement

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

###### 4.3.2 Competency Requirements

- 1) Have adequate keahilian, ability, knowledge and experience related to duties and responsibilities.
- 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) Willing to continually improve competence 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/Sekretariat 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.

#### 4.3.4 Confidentiality

Audit Committee members are required to maintain the confidentiality of all documents and/or information of the Company as well as everything related to the Company and the implementation of the Committee's duties. The classification of the confidentiality of the Company's documents and/or information by referring to internal policy and the prevailing laws and regulations.

### 4.4 Period of Duty 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 a member of the Commissioner that serves as the Chairman of the Audit Committee resigns prior to the tenure as Commissioner 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

5.1 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.

5.2 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.

5.3 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.

5.4 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.



## **6. 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 :

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

## **7. Closing**

- 7.1 The Charter of the Audit Committee is subject to the prevailing laws and regulations.
- 7.2 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 Ethics**

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 childrens;
- 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) besan;
- i) husband or wife of biological/step/adopted children;
- j) grandparents of the husband or wife;
- k) husband or wife of biological/step/adoptive grandson; and/or
- l) 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 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.