

Risk Oversight Committee Charter PT Bank Mandiri (Persero) Tbk.

No. KEP.KOM/004/2023

1. General Purpose

The Risk Oversight Committee was formed by the Board of Commissioners of Bank Mandiri to assist the Board of Commissioners in carrying out their duties and supervising function of Board of Commissioners.

2. Legal Basis of Establishment

The establishment of the Risk Oversight Committee is guided by and refers to the prevailing laws and regulations as well as Banking best practices in Indonesia.

3. Duties, responsibilities and Authority

The Risk Oversight Committee Act independently in carrying out its duties and responsibilities.

3.1. The Duties and Responsibilities

3.1.1. The duties and responsibilities of the Risk Oversight Committee include :

- 1) Monitoring and evaluating :
 - a) Conformity between the risk management policy and the company integrated risk management policy and the implementation of the policy.
 - b) Implementation of the work plan and duties of the Company's Risk Management Committee, Integrated Risk Management Committee , Risk Management Unit, and Integrated Risk Management Unit.
 - c) Adequacy of the process of identification, measurement, monitoring, Controlling and risk management information system.
 - d) The Company's Compliance to with the Articles of Association, Bank and Capital Market Authority Regulation, as well as other laws and Regulation related to risk management.
 - e) Implementation of other risk management function in accordance with statutory regulations, articles of association, and/ or decision of the GMS/ Minister of SOEs
- 2) Carrying out monitoring and review of at least:
 - a) Risk management reports and other reports related to the implementation of risk management both in the company and in financial service institutions in financial conglomerates
 - b) The company's internal policies and other obligations required by the regulator to be submitted to the board of commissioners and directors



- 3) Providing recommendations to the Board of Commissioners for :
 - a) Items that can support an increase in the effectiveness of the implementation of Risk Management in company and Bank Mandiri Financial Conglomerate.
 - b) Conformity between the Company's Risk management policies and integrated risk management policies and integrated risk management policies with the implementation of these policies to ensure that the Company has managed risks adequately.
 - c) Implementation of the work plan and duties of the Company's Risk Management Committee, Integrated Risk Management Committee , Risk Management Unit, and Integrated Risk Management Unit.
- 4) Conducting regular meetings with relevant units to discuss matters that are within the scope of supervision.
- 5) Reporting the results of monitoring and review periodically , as well as providing input on matters that need to be considered by the Board of Commissioners.
- 6) Developing the Risk Oversight Committee Charter and conduct a review as needed at least every 2 (two) years.
- 7) carry out other duties and responsibilities related to its functions

3.1.2 Duties and responsibilities of the Chairman Risk Oversight Committee is to Coordinate the whole Committee activity to achieve the objective, so its consistent with the Committee Purpose in the beginning.

3.1.3 Chairman and member of the Risk Oversight Committee is responsible to do things as follows :

- 1) Determine the annual work plan.
- 2) Determine annual meetings timetable.
- 3) To prepare and establish a periodic reports about Committee activity, also things that need to be considered by the Board of Commissioners.
- 4) To prepare and establish Self Assessment reports about the effectiveness of Committee Activity.
- 5) To appoint Non Commissioners member of Committee of appoint other external party that as Committee secretary to take notes and prepare minutes of meeting.
- 6) Attend the meetings.
- 7) Actively contribute in every Committee meeting activity.

3.2 Authorities

- 3.2.1 Communicate with the Head of Work Unit and other parties in the company to obtain information, clarification and request needed documents and reports.
- 3.2.2 access all relevant information about the company relating 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 Obtain a Risk Profile Report, Bank Soundness Report, and other reports related to the application of risk management, both individually and Consolidated.
- 3.2.4 Obtain input and/or suggestions from parties outside the company related to their duties

- 3.2.5 Carry out other authorities granted by the board of commissioners related to its functions

3.3 Working Relationship

Risk Oversight Committee shall have the following working relations for performance of authorities, tasks and responsibilities thereof :

- 3.3.1 Cooperate and coordinate with Risk Management Committee and Risk Management Unit in monitoring the implementation of Risk Management Policies.
- 3.3.2 Risk Oversight Committee is allow to request assistance from external party to conduct special investigation and highy technical with the approval and/or through Board of Commissioners.
- 3.3.3 Coordinate with other committees under Board of Commissioners.
- 3.3.4 Allowed to make visit to the field in order to perform their duties and responsibilities.

4. Composition, Structure, Membership Requirements, and Tenure

4.1 Committee Member Appointment

- 4.1.1 The member of Risk Oversight Committee is appointed and terminated by the Board of Commissioners based on the decision in Board of Commissioners meeting, and legalized via decre of Directors.
- 4.1.2 Appointment and discharge of Risk Oversight Committee members also reported to Company shareholders meeting/ shareholders.

4.2 Composition and Structure

The requirements of membership of Risk Oversight Committee as follows :

- 4.2.1 Risk Oversight Committee at least consist of 3 (three) person from Independent commissioners and Independent Parties.
- 4.2.2 The Composition of membership of Risk Oversight Committee at least consist of 1 (one) Independent Commissioners as Chairman concurrently a member, 1 (one) person from Independent Non Commissioners who have expertise in finance sector, and 1 (one) Independent Non Commissioners who have expertise in risk management.
- 4.2.3 The member of Risk Oversight Committee who comes from Independent Party, considered have expertise in finance sector if meets the criteria as follows:
 - 1) Having knowledge in economics sector, Finance sector and/or banking sector.
 - 2) Having work experience at least 5 (five) years di economics sector, finance sector, and/ or banking sector.
- 4.2.4 Member of Risk Oversight Committee from Independent Parties are considered to have expertise in the field of risk management if meets the criteria as follows:
 - 1) Having knowledge in risk management sector; and/or
 - 2) Having work experience at least 2 (two) years di risk management sector
- 4.2.5 Members of the Directors of the Company and other Banks is prohibited from becoming members of the Risk Oversight Committee

- 4.2.6 Independent Commissioners and Independent Parties who are members of the Risk Oversight Committee at least 51% (fifty one percent) of the total members of the Risk Oversight Committee.
- 4.2.7 The Chairman of the Risk Oversight Committee can only concurrently hold the position of Chairman of the Committee at most in 1 (one) another Committee
- 4.2.8 In carrying out the daily tasks, Committee can be assisted by staff and or appointed Committee Secretaries based on the decision of the Risk Oversight Committee meeting.

4.3 Membership Requirements

4.3.1 General Requirements

- 1) Having excellent integrity and morals.
- 2) Do not have interest/ linkages which can cause conflict of interest to the Company.

4.3.2 Competence Requirements

- 1) Having adequate level of skill, ability, knowledge dan experiences related with their duties and responsibilities.
- 2) Having adequate level of knowledge to read and understanding financial reports and other reports related to monitoring the implementation banking risk management policies.
- 3) Capable to collaborate dan having excellent level of communication and effective also willing to provide adequate time to do their duties.
- 4) Having adequate level of knowledge about Articles of association, Bank Regulation, Capital Market Authority Regulation, State-owned enterprise Regulation and other related laws and Regulation.
- 5) Has fulfilled the certification and other qualification requirements as regulated in the relevant applicable regulations
- 6) Willing to upgrade their competence through education and training.

4.3.3 Independence Requirements

- 1) Holding no shares within the Company, both directly and indirectly.
- 2) Have no affiliated relation with Bank Mandiri, Commissioner and Board of Directors of Bank Mandiri and main Company shareholder.
- 3) Have no direct or indirect business relation with Bank Mandiri
- 4) Committe member who is not from Board of Commissioners member, is prohibited to concurrently as :
 - a) Member of Board of Commissioners/Supervisory Board on other State-owned enterprise/other company.
 - b) Appointed Secretary/Board of Comissioners Secretary staff/ Supervisory Board on other State-owned enterprise/other company.
 - c) Member of other Committee within Company; and/ or
 - d) Committee Member in other State-owned enterprise/other company.

- 5) Former Company Board of Directors or Executive Officer or Company related parties who can affect their ability to act independently is prohibited to become Independent Parties on committee member within it's Bank before serving cooling off period for minimum in 6 (six) month.
- 6) Cooling off period for minimum 6 (six) month is not applicable for former Board of Directors who in charge in monitoring function or Executive Officer who in charge in monitoring function in Company.

4.3.4 Confidentiality

- 1) Risk Oversight Committee members are obligated to continue to maintain the confidentiality of company documents and/or information in accordance with internal provisions and applicable laws and regulations.
- 2) The obligation to always keep confidential all company documents and/or information as well as everything related to the company and the implementation of the committee's duties also applies if the term of office as a member of the Risk Oversight Committee or the term of office as a member of the board of commissioners at the company ends.

4.4 Term of Office and Compensation

- 4.4.1 The tenure of Risk Oversight Committee member can not be longer than the tenure of Board of commissioners as arranged in Articles of Association dan can be re-appointed for the next 1 (one) period.
- 4.4.2 The tenure of Risk Oversight Committee who comes from the Non Commissioners Independent Parties is 3 (three) years maximum, and can be extended for one time during 2 (two) years duty period by not reducing the rights of the Boards of commissioners to discharge at any time.
- 4.4.3 If a member of the of the Commissioner that serves as the Chairman of the Risk Oversight Committee resigns before their tenure as Commissioner of the Company is over, the Chairman of the Risk Monitoring Committee is replaced by another Independent Commissioner within 30 (thirty) days at the latest.
- 4.4.4 If the tenure as the Board of Commissioners ends, the tenure as a member of the Risk Oversight Committee is also end.
- 4.4.5 Members of the Risk Oversight Committee 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 Risk Oversight Committee held regular meeting at least 1 (once) in a month.
- 5.2 The Risk Oversight Committee meeting can only be held if attended by at least 51% (fifty one percent) of the total committee members including 1 (one) Independent Commissioner and 1 (one) Independent Party.
- 5.3 Resolution of the Meeting Risk Oversight Committee will be taken based on amicable negotiation.
- 5.4 For the non-occurrence of amicable negotiation as of referred to under point 5.3, resolution will be taken based on majority votes.
- 5.5 The meeting is chaired by the chairman of the Risk Oversight Committee or a member appointed in writing, if the chairman of the Risk Oversight Committee is unable to

attend.

- 5.6 In terms of the Member of Committee for any reason unable to attend, then participation of Committee member can be represented by other Committee member based on the procuration.
- 5.7 Committee members may only represent one other member of the Committee.
- 5.8 Every Risk Oversight Committee meeting is written in minutes of meeting, included if there is dissenting opinion, which is signed by all Committee Member who attend and delivered to Board of Commissioners
- 5.9 Member of Committee from Independent Parties or other parties appointed by the Committee Chairman will act as Secretary who's in charge to take notes and drawing up the minutes of meeting.
- 5.10 Meeting can be held in face to face or virtual through teleconference media device or other media device which can accommodate all the Committee meeting participant look and hear at each other and participate on the meetings

6. Reports and Recommendations

- 6.1 Risk Oversight Committee must provide regular reports to Board of Commissioners concerning activities of Risk Monitoring Committee, at least of once in 3 (three) month.
- 6.2 Risk Oversight Committee must provide reports to the Board of Commissioners on each task mandated and or on each problem needs attention from the Board of Commissioners.
- 6.3 The Risk Oversight Committee prepares an Annual Report on the implementation of the Risk Oversight Committee activities which are disclosed in the Company's Annual Report.

7. Closing

- 7.1 This Charter Committee is subject to the applicable laws and regulations
- 7.2 Will commence being effective as of the date of enactment thereof and subject to review or amendment at any time to be adjusted with the applicable provisions of laws or according to condition upon the request from the Board of Commissioners of Bank Mandiri and will be rectified should there will be error herein.