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

1. General Objective
The Audit Committee (previously Audit Council) was established by the Board of Commissioners of PT Bank Mandiri (Persero).

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
The Audit Committee acts independently in carrying out its duties and responsibilities.

3.1. Duties and Responsibilities
3.1.1. The audit committee shall conduct monitoring and evaluation on the following matters:

1) Planning and implementation of audits and monitoring of follow-up on audit results in order to assess the adequacy of internal controls, including the adequacy of the financial reporting process.

2) The Audit Committee is also required to evaluate the adequacy of internal control in the Subsidiary Company.

3) Reviewing the financial information to be issued to the public and/or the authorities, including financial statements, and other reports related to the Company's financial information.

4) Reviewing the compliance with laws and regulations related to the Company's activities.

5) Provide an independent opinion in the event of any disagreement between management and the Accountant for the services it provides.

6) Provide recommendations to the Board of Commissioners regarding the appointment of Accountants based on the independence, scope of the assignment, and remuneration.

7) Reviewing the conduct of audits by internal auditors and overseeing the implementation of follow-up by the Board of Directors on the findings of internal auditors.

8) Review complaints relating to the Company's accounting and reporting process.

9) Review and advise the Board of Commissioners regarding the potential conflict of interest of the Company.
3.1.2. In addition, the Audit Committee has duties and responsibilities which include:

1) Financial Report
   a. Learn in-depth the Bank's Corporate Work Plan and Budget and Long Term Plan.
   b. Learn in-depth the interim and annual financial statements, both audited and unaudited.
   c. Learn in-depth the changes on significant numbers/value on Balance items and Balance Sheet.
   d. Learn in-depth about other Assets and Other Liabilities items.
   e. Examine the realization reports of work plans and budgets and examine those items that have significant differences.
   f. Conducting regular meetings with related working units and External Auditors who examine Bank Mandiri to request additional information and clarification in accounting and finance.
   g. Report periodically on the results of its monitoring and provide input on matters that need to be the subject of concern for Board of Commissioners.

2) Internal Control
   a. Study and ensure that the Company has established a standard internal control system in accordance with the prevailing practices.
   b. Learn in-depth of the audit report of the Internal Audit Working Unit and External Auditor that examines Bank Mandiri to ensure that internal controls are implemented correctly.
   c. Conduct periodic meetings with work units related to internal control systems and implementation.
   d. Conduct monitoring and evaluation on implementation of follow-up by the Board of Directors on the findings of the Internal Audit Working Unit, public accountant and the results of supervision by the Financial Services Authority.
   e. Report periodically on the results of its monitoring and provide input on matters that need to be the subject of concern for Board of Commissioners.

3) Compliance
   Conduct monitoring and evaluation the Company's compliance with laws and regulations in Capital Market and Financial Services Authority regulations and other regulations related to banking business.
   a. Review reports on audit results related to compliance with internal and external regulations issued by the Internal and External Audit Working Units.
   b. Conduct monitoring and evaluation of the conformity of the audit conducted by the Public Accounting Firm with the applicable audit standards.
c. Conduct monitoring and evaluation of the conformity of financial statements with applicable accounting standards.

d. Report periodically on the results of its monitoring and provide input on matters that need to be of interest to the Board of Commissioners.

4) Internal Audit

Conduct monitoring and evaluation of the implementation of the tasks of the Internal Audit Unit.

a. Evaluate the annual work plan of the Internal Audit Unit.

b. In-depth study of all significant findings of the auditor's internal audit results.

c. Evaluate the program and audit coverage in the framework of the implementation of the annual Internal Audit Working Unit work plan.

d. Evaluate the audit that is conducted by the Internal Audit Unit to ensure that the audit program is working with the correct coverage.

e. Conduct periodic meetings with the Internal Audit Working Unit to discuss significant audit findings and provide the necessary inputs in the conduct of the audit by the Internal Audit Unit.

f. Request the assistance of the Internal Audit Unit to conduct a special investigation in case of audit findings and/or information relating to violations of applicable laws and regulations.

g. Report periodically on the results of its monitoring and provide input on matters that need to be the subject of concern for Board of Commissioners.

5) External Audit

a. The Audit Committee recommends the appointment of a Public Accountant (AP) and a Public Accounting Firm (KAP) to audit the Company's financial report to the Board of Commissioners to be submitted to the General Meeting of Shareholders (GMS). In addition, the Audit Committee also provides recommendations to the Board of Commissioners on the termination of Public Accounting Firm.

b. In the event that the AP and/or KAP that have been decided by the GMS can not complete the grant of audit services to annual historical financial information during the professional assignment period, appointment of AP and/or replacement KAP shall be conducted by the Board of Commissioners after obtaining approval of the GMS by taking into account the recommendations of the Audit Committee.

c. In making the recommendations, the Audit Committee may consider:

   i. Independence of AP and/or KAP; learn the name and/or reputation of KAP to be invited to participate in the tender, as follows:

      a) Relationship as a non-audit service partner for Bank Mandiri.
b) Relationship as Bank Mandiri shareholder in material quantity
determination.

c) Close family relationship with key employees in accounting and
finance at Bank Mandiri.

d) One of the officials and/or auditors of KAP who are invited to
participate in the tender is a former key employee in accountancy
and finance at Bank Mandiri who has resigned for less than 1 (one)
year.

e) One key employee of accounting and finance at Bank Mandiri is a
former AP officer/auditor who is invited to participate in a tender
that stops less than 1 (one) year.

ii. Scope of Audit; study the planning and scope of the audit submitted by
the designated KAP, to ensure that the planning and scope of the audit
are in accordance with the Request for Proposal and the Terms of
Reference and have considered all the risks considered important.

iii. Remuneration of Audit Services.

iv. Expertise and experience of AP and/or KAP, and Audit Team of KAP.

v. The methodology, techniques, and audit facilities used by KAP.

vi. The benefits of fresh eye perspectives will be obtained through the
replacement of AP and/or KAP, and the Audit Team of KAP.

vii. Potential risks for the same use of audit services by the same Firm for a
considerable period of time; and/or;

viii. Evaluation result on the implementation of audit services for annual
financial information by AP and/or KAP in the previous period, if any.

d. Studying and ensuring that Bank Mandiri has the standard procedures and in
accordance with the rules and regulations applicable in the conduct of
election of KAP.

e. Studying and ensuring that the process of execution of KAP election has
been run correctly in accordance with the standard procedure.

f. The Audit Committee evaluates the conduct of audit services for annual
financial information by AP and/or KAP. The evaluation is done through:

i. conformity of audit implementation by AP and/or KAP with applicable
audit standards;

ii. inadequacy of time of field work;

iii. assessment of the scope of services provided and the adequacy of the
quotation test; and

iv. recommendations for improvements provided by AP and/or KAP.
g. Conduct periodic communication with KAP that is examining Bank Madiri to discuss matters that need to be communicated, among others, as follows:
   i. Progress of the examination.
   ii. Key findings.
   iii. Changes in the rules/regulations in the accounting and financial accounting of authorized institutions.
   iv. Adjustments that occur based on examination results.
   v. Constraints/obstacles encountered in the implementation of the examination.

h. In-depth study all significant findings of the external auditor's examination as well as other examining institutions.

i. In-depth study all significant findings of the external auditor's examination as well as other examining institutions.

j. Report periodically on the results of its monitoring and provide input on matters that need to be the subject of concern for Board of Commissioners.

3.1.3. 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, among which 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 a member of the non-Board of Commissioners Audit Committee or appoint another third party as the secretary of the Committee to record the Committee Meetings and prepare the Minutes of Committee Meetings.

3.1.4. The members of the Audit Committee are responsible and responsible for:
   1) Studying the meeting material first.
   2) Attend the meeting.
   3) Take an active role and contribute in every Committee meeting activity.

3.2. Authority

3.2.1. Communicate with the Head of Work Unit and other parties at Bank Mandiri and the Public Accounting Firm that checks the Company for information, clarification and requests required documents and reports.

3.2.2. Requesting report of audit result of internal auditor and external auditor and other supervisory/examiner institution.
3.2.3. Requesting 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. Conduct other authority given by the Board of Commissioners.

4. Composition, Structure and Membership Requirements

4.1. Appointment of Audit Committee Members

4.1.1. Members of the Audit Committee are appointed and dismissed by the Board of Commissioners.

4.1.2. The appointment and dismissal of the Audit Committee shall be submitted no later than 2 (two) working days after such appointment or dismissal and such information shall be posted on the Company’s website.

4.2. Composition and Structure

Referring to the above regulation, the provisions of the membership of the Audit Committee of the Company are as follows:

4.2.1. The Audit Committee shall consist of at least 3 (three) members who are members of Independent Commissioners and 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) Independent Party having expertise in finance or accounting and 1 (one) Independent Party having expertise in law or banking.

4.2.3. Must have at least 1 (one) member with educational background and expertise in accounting and finance.

4.2.4. The Chairman of the Audit Committee may only concurrently serve as chair of the Committee at most 1 (one) of the other Committees.

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 keahlian, 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 (one) time in 6 (six) months.

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) Not a person who is employed or has the authority and responsibility to plan, lead, control or supervise the Company's business activities within the last 6 (six) months, except Independent Commissioners.

5. Work Procedures

In conducting its authority, duties and responsibilities, the Audit Committee:

5.1. Cooperating and coordinating with the Internal Audit Working Unit in the field of supervision and examination.

5.2. Cooperating with other working unit to request information, clarify and request necessary documents/reports.

5.3. Cooperating with the External Auditor in connection with the duties and examination results conducted by the External Auditor against the Company.

5.4. With approval and or through the Board of Commissioners, may request outside assistance for special and highly technical examination.

5.5. Coordinating with other committees under the Board of Commissioners.

5.6. In performing their duties and responsibilities, members of the Audit Committee may conduct a working visit to the field.

6. Meeting Organizing Policy

6.1. The Audit Committee meets periodically at least once every 3 (three) months.

6.2. Audit Committee Meetings may be held when it’s attended by more than 1/2 (one-quarter) of the number of members.

6.3. The decision of the Audit Committee meeting shall be taken by consensus decision making.

6.4. In the event that there is no consensus decision making, as referred to in item 6.3 the decision is made based on the majority vote.
6.5. 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.

6.6. 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.

6.7. The members of the Committee may only represent another member of the Committee.

6.8. 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.

6.9. A member of committee who is a non-commissioner or other party appointed by the Committee Chair shall act as a secretary in charge of recording and making minutes of the Committee Meetings.

6.10. 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.

7. Activity Reporting System

7.1. The Audit Committee shall make periodic reports to the Board of Commissioners regarding the activities of the Audit Committee, at least once in 6 (six) months.

7.2. 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.

7.3. 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.

7.4. 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.

8. 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:

8.1. Reviewing, examining and discussing complaints and reporting with the Internal Auditor and External Auditor.

8.2. Preparing a report to the Board of Commissioners on the outcome of item 8.1 and its recommendations.
9. **Period of Duty and Compensation**

9.1. The term of the Audit Committee member may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and may be re-elected only for the next one (1) period.

9.2. Members of the Audit Committees from outside parties are given monthly honorariums that are determined by the Board of Commissioners by referring to the prevailing laws and regulations.

10. **Confidentiality**

Members of the Audit Committee are required to maintain the confidentiality of all documents and/or information of the Company and all things related to the Company and the performance of the Committee's duties.

11. **Closing**

11.1. The Charter of the Audit Committee is subject to the prevailing laws and regulations.

11.2. 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.