



Risk Monitoring Committee Charter

PT Bank Mandiri (Persero) Tbk.

1. Background and Objectives

Committee is established by the Board of Commissioners of PT bank Mandiri (Persero) under the framework of assisting the Board of Commissioners in performing its tasks and responsibilities under the framework of supervising and providing advices to Board of Directors for obtaining proper confidence in order that the implementation of the risks management of the Bank will keep complying with the procedures compliance and methodologies of risk management, thus activities of Bank will keep under control within the acceptable limit and profitable for Bank.

The Establishment of this Committee's Working Manual and Order is made as the direction for the Committee in performing its tasks as the supporting organ of Board of Commissioners of the Bank and providing optimum works to have a better application on risk management, internal control and Good Corporate Governance (GCG) of the Bank.

2. Basis of Establishment

Establishment of the Committee was relied on and based on regulation of laws as well as the best applicable practices in banking institutions in Indonesia, i.e.:

- 2.1. Regulation of Financial Service Authority Number 17/POJK.03/2014 dated 18 November 2014 regarding Implementation of Integrated Risk Management For Financial Conglomeration.
- 2.2. Regulation of Bank of Indonesia No. 8/4/PBI/2006 dated 30 January 2006 regarding Implementation of Corporate Good Governance For Commercial Bank; and Regulation of Bank of Indonesia No. 8/14/PBI/2006 dated 5 October 2006 regarding Amendment to Regulation of Bank of Indonesia No. 8/4/PBI/2006 regarding Implementation of Corporate Good Governance For Commercial Bank.
- 2.3. Regulation of Bank of Indonesia No. 5/8/PBI/2003 regarding Risk Management Application for Commercial Bank.
- 2.4. Regulation of Minister of the State-Owned Enterprise Number PER-09/MBU/2012 dated 6 July 2012 regarding amendment to Regulation of Minister of the State Owned Enterprise Number PER-01/MBU/2011 dated, regarding Implementation of Good Corporate Governance at the State Owned Enterprise.
- 2.5. Regulation of Minister of the State-Owned Enterprise Number PER-12/MBU/2012 regarding Supporting Organ of Board of Commissioners / Board of Supervisory of the State Owned Enterprise.
- 2.6. Article of Association of PT. Bank Mandiri (Persero) Tbk and amendments thereof.





3. Authorities

Committee within scope of responsibilities of Committee has the following authorities :

- 3.1. Searching and obtaining various of information including required documents from :
 - a) Bank's Party (including staff of the Bank)
 - b) Other interested parties
- 3.2. Obtaining input and or suggestion from external party of the Bank related to tasks thereof

4. Organization

Subject to provisions and regulations as of the aforementioned and particularly on membership of Risk Monitoring Committee of PT. Bank Mandiri (Persero) Tbk with latest enactment thereof by Decree of Board of Commissioners Number KEP.KOM/006/2014 dated 25 August 2014 regarding Change of Members of Audit Committee and Risk Monitoring Committee & GCG Under Board of Commissioners of PT. Bank Mandiri (Persero) Tbk, then :

- 4.1. Structure of Committee
 - 4.1.1. Committee is under coordination of Board of Commissioner and structurally is responsible to Board of Commissioners.
- 4.2. Composition of Members
 - 4.2.1. One Independent Commissioner
 - 4.2.2. One independent party having expertise in finance sector; and
 - 4.2.3. One independent party having expertise in risk management.
- 4.3. Committee is presided over by one independent Commissioner
- 4.4. Members of the Committee that is independent Commissioner is appointed as the Head of Committee. In the event the independent Commissioner becoming a member of Committee is more than 1 (one) then one of them will be appointed as the Head of Risk Monitoring Committee
- 4.5. Independent Commissioner and independent party becoming members of Committee will be at least 51% from total members of Committee
- 4.6. Head of Committee can only having double position as Head of Committee at maximum in 1 (one) other Committee
- 4.7. In performing its daily tasks Committee can be assisted by staff and secretary of the Committee to be appointed based on resolution of meeting of the Committee
- 4.8. Membership requirements :
 - 4.8.1. A member of Committee should posses an high integrity, good character and moral, proper capability, knowledge and experience in accordance with their background of education as well as having good communication capability
 - 4.8.2. Having adequate knowledge to read and understand financial reports and reports related to monitoring of implementation of banking risk management policies
 - 4.8.3. Having sufficient knowledge regarding regulations of Capital Market and regulations related to banking business





- 4.8.4. Holding no shares within Bank Mandiri, both directly and indirectly
- 4.8.5. Have no affiliated relation with Bank Mandiri, Commissioner and Board of Directors of Bank Mandiri
- 4.8.6. Have no direct or indirect business relation with Bank Mandiri
- 4.8.7. Members of Board of Directors shall be prohibited to become members of Board of Commissioners

5. Tasks and Responsibilities

The Committee has tasks and responsibilities of assisting Board of Commissioners in performing monitoring and advising tasks to Board of Directors by providing opinions in form of suggestion and recommendation related but not limited to :

- 5.1. Evaluation on conformity between risk management policy of Bank with the integrated risk management policy with implementation of those policies
- 5.2. Monitoring and evaluation to implementation of tasks of the integrated risk management policy and Work Unit of Integrated Risk Management
- 5.3. Review to performance of Integrated Risk Management consist of :
 - 5.3.1. Risk profile report both individually (Bank only) and consolidated with subsidiary companies (integrated risk profile)
 - 5.3.2. Risk based Bank's health level report both individually (Bank only) and consolidated with subsidiary companies (integrated risk profile)
 - 5.3.3. Other reports related to management of 10 (ten) types of risks, they are credit risk, market risk, operational risk, liquidity risk, legal risk, compliance risk, reputation risk, strategic risk, inter-group transaction risk and insurance risk.
- 5.4. Monitoring adequacy of identification, measurement, monitoring, controlling processes and risk management information system
- 5.5. Evaluating compliance of Bank to Article of Association, regulations of Bank Supervisory Authority and Capital Market, as well as other regulations related to risk management
- 5.6. Arranging working manual and orders of the committee (charter) and reviewing based on the needs at least once in 2 (two) years
- 5.7. Performing other tasks and responsibilities mandated by Board of Commissioners from time to time :
 - 5.7.1. Determining the annual working plan, specifying schedule of annual meeting.
 - 5.7.2. Drawing up regular reports regarding activities of risk management committee and matters considered necessary for attention of Board of Commissioners.
 - 5.7.3. Preparing Self-Assessment on effectively of activities of risk monitoring committee.
- 5.8. Members of the Committee shall have the following tasks and responsibilities :
 - 5.8.1. Organizing regular meetings
 - 5.8.2. Learning meeting material in advance





- 5.8.3. Presenting the meeting
- 5.8.4. Actively participating and having contribution in each activities of the committee
- 5.8.5. Drawing up minutes of the meeting
- 5.8.6. Performing site working visit

6. Working Relationship

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

- 6.1. Communicating with the other work unit for the purpose of obtaining information, clarification and documents/reports necessary required
- 6.2. Coordinating with Audit Committee, Integrated Management Committee and other committees under Board of Commissioners

7. Meeting

- 7.1. Meeting of Risk Monitoring Committee can be held at least of once in 1 (one) month
- 7.2. Meeting of Risk Monitoring Committee will be considered as valid if attended by at least 51% from the total members including one Commissioner and Independent Party
- 7.3. In the absence of Head of Monitoring Committee, then the Meeting will be presided over by Head of Monitoring Committee or member appointed in written
- 7.4. Resolution of the Meeting will be taken based on amicable negotiation
- 7.5. For the non-occurrence of amicable negotiation as of referred to under point 7.4, resolution will be taken based on majority votes
- 7.6. Any difference of opinions in committee meeting must be clearly attached in minutes of the meeting including reasons of such difference of opinions
- 7.7. Meeting of Risk Monitoring Committee must e included in a minutes of the meeting signed by all presenting members and to be well documented
- 7.8. Minutes of Meeting of the Committee will be distributed to members of the meeting

8. Reporting

- 8.1. Risk Monitoring Committee must provide regular reports to Board of Commissioners concerning activities of Risk Monitoring Committee, at least of once in 6 (six) months
- 8.2. Risk Monitoring 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

9. Term of Office and Compensation

- 9.1. Term of office of members of Committee originated from members of Board of Commissioners should not be longer than Term of office of Commissioners and may be re-appointed only for the next following 1 (one) period
- 9.2. Members of Risk Monitoring Committee originated from the external parties will be provided with monthly honorarium at amount specified by Board of Commissioner





10. Bank Secrecy

Members of Committee will be under obligation to execute their tasks properly and maintain confidentiality of all documents and all matters related to performance of tasks of the Committee.

11. Closing

11.1. This Charter Committee is subject to the applicable laws and regulations

11.2. This Charter Committee is jointly signed by the members of Risk Monitoring Committee and Board of Commissioners

11.3. 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.

