



## COMPETENCE DEVELOPMENT OF BOARD OF COMMISSIONER'S SECRETARY

The competency development that was followed by the Secretary of the Board of Commissioners during 2019 is as follows.

No.	Activity	Date	Organizer
1.	Labour Market Needs Forecasting for Education Policy	March 11-22, 2019	Australia Awards Indonesia
2.	Paparan Dampak Trade War US - China terhadap Indonesia.	May 22, 2019	Bank Mandiri
3.	Certified Risk Management Professional	August 19-23, 2019	LSPMR

## THE IMPLEMENTATION OF THE SECRETARY OF THE BOARD OF COMMISSIONERS

The Secretary of the Board of Commissioners is supported by the Staff and the Secretariat of the Board of Commissioners to compiled the main points of the work program in 2019 with the realization as follows:

1. Preparing meeting materials, prepare minutes of meetings, and administer in an orderly manner the Board of Commissioners' Meetings, Meetings of Committees under the Board of Commissioners, and Meetings of the Board of Commissioners inviting the Directors.
2. Providing input and information to the Board of Commissioners on matters of concern to the Board of Commissioners, including related to policies and strategies of the Board of Directors in order to achieve strategic targets in the 2019 RKAP, lending to certain sectors, credit restructuring processes, infrastructure reliability IT, GCG, APU - PPT, human resource development, risk management both bank only and integrated, and the Internal Control System.
3. Cooperating with Committees under the Board of Commissioners in fulfilling the obligations of the Board of Commissioners, including reports from the Board of Commissioners to the Regulator.
4. Coordinating the implementation of the Working Visit of the Board of Commissioners and Committees under the Board of Commissioners, including preparing Reports on the Results of Visits.
5. Administering the correspondence of the Board of Commissioners and Committees under the Board of Commissioners, including drafting the approval of the Board of Commissioners on matters proposed by the Board of Directors for approval of the Board of Commissioners, including proposals for the

provision of related party funds, KAP proposals for audits in 2019, proposals from management Bank Mandiri and Subsidiaries, proposed revisions to the 2019 RBAP and 2019-2021 RBB, proposals for 2020 and RBAP in 2020-2022, proposed recovery plan for 2019, proposals for the Sustainable Financial Action Plan for 2020-2024, proposals for switching the Mandiri DPLK portfolio to the AXA Mandiri DPLK, the dissolution and liquidation of Mandiri DPLK (the Board of Commissioners as the Independent DPLK Supervisory Board), as well as other Directors' actions that must obtain written approval from the Board of Commissioners.

6. Coordinating the participation of the Board of Commissioners and Committees under the Board of Commissioners in training / seminars / other competency development activities in accordance with the supervision area of each Commissioner / Committee.
7. Working with the Corporate Secretary to prepare a new Commissioner orientation program.
8. Carrying out other tasks to support the smooth supervision of the tasks and provide advice carried out by the Board of Commissioners.

## AUDIT COMMITTEE

The Bank Mandiri Audit Committee was formed by the Board of Commissioners with the aim of assisting the implementation of the duties and functions of the Board of Commissioners. Based on the SOE Ministerial Decree and the applicable regulations in banking institutions in Indonesia, among others POJK No. 55 / POJK.04 / 2015 concerning the Formation and Guidelines for the Work Implementation of the Audit Committee and POJK No. 55 / POJK.03 / 2016 concerning Implementation of Governance for Commercial Banks, with the aim of assisting and facilitating the Board of Commissioners in carrying out their 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 the implementation of risk management and compliance with applicable laws and regulations.

## BASIC FORMATION OF AUDIT COMMITTEES

The establishment of the Audit Committee refers to the following rules:

1. Financial Services Authority Regulation No. 55 / POJK.03 / 2016 concerning the Implementation of Governance for Commercial Banks.
2. Financial Services Authority Regulation No. 55 / POJK.04 / 2015 concerning the Formation and

Guidelines for the Work Implementation of the Audit Committee.

3. Regulation I-A Attachment I Decree of the Board of Directors of PT Bursa Efek Indonesia No. KEP-00001 / BEI / 01-2014 dated January 20, 2014 concerning Listing of Shares and Equity-Type Securities Other Than Shares Issued by Listed Companies.
4. Bank Mandiri's Articles of Association and their amendments.
5. Decree of the Board of Commissioners No. KEP. KOM / 013/2019 dated 11 September 2019 concerning the Membership Composition of the Audit Committee, the Risk Monitoring Committee, the Integrated Governance Committee and the Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk.
6. Decree of the Board of Directors No. KEP. DIR / 038/2019 dated July 18, 2019 concerning Determination of the Membership of the Audit Committee of PT Bank Mandiri (Persero) Tbk.

## AUDIT COMMITTEE CHARTER

In implementing GCG principles, Bank Mandiri has formed an Audit Committee that has the duty and responsibility to assist the Board of Commissioners in carrying out its supervisory duties and functions. In carrying out its duties the Audit Committee is guided by the Audit Committee Charter, which was last updated on September 25, 2019 based on the Decision of the Board of Commissioners No. KEP.KOM / 015/2019 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. Meeting
6. Reports and Recommendations
7. Handling Complaints / Reporting Regarding Dugaan Violations Regarding Financial Reporting
8. Closing

## DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

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

1. Financial Report
  - a. Monitoring and analyzing:
    - Reports and financial information both internal and financial information that will be released 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 work units and Auditors (Internal and External) to request additional information and clarification in the field of accounting and finance.
2. Internal Control
    - a. Internal Control Systems and Processes
 

Monitoring and analyzing:

      - Standard internal control system of the Company in accordance with applicable best practices.
      - Report on the results of audits of the Internal Audit Work Unit and External Auditor who inspects the Company to ensure that internal control has been implemented properly.
      - Implementation of the Directors' follow-up on the findings of the Internal Audit Work Unit, public accountants and the supervision results of the Financial Services Authority.
      - Adequacy of internal control in subsidiaries.
    - b. Internal Audit
 

Monitoring and reviewing:

      - (1) Audit Plan, Scope, and Budget of the Internal Audit Work Unit and provide recommendations to the Board of Commissioners.
      - (2) Effectiveness of internal audit implementation.
      - (3) Internal Audit Work Unit Performance.
      - (4) Audit Reports are particularly significant findings and ensure that the Board of Directors take corrective actions that are needed quickly to overcome weaknesses in control, fraud, compliance with policies, laws and regulations, or other problems identified and reported by the Internal Audit Work Unit .
      - Ensuring that the Internal Audit Work Unit works independently and upholds integrity in carrying out its duties.
      - Requesting the assistance of the Internal Audit Work Unit to carry out special investigations / 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 Work 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 Work Unit and performance awards.
  - Providing recommendations to the Board of Commissioners regarding the appointment and dismissal of the Head of the Company's Internal Audit Work 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 Cost Budget.
    - (2) Significant audit findings and not follow up on Internal Audit recommendations.
    - (3) Other matters that require clarification or explanation.
  - c. External Audit
    - Providing recommendations for:
      - (1) Appointment of a Public Accountant (AP) and a Public Accountant Office (KAP) who 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 AP and / or KAP;
        - (ii) The scope of the Audit;
        - (iii) Rewards for Audit services;
        - (iv) The expertise and experience of AP and / or KAP, and the Audit Team of KAP;
        - (v) Methodologies, techniques, and audit tools used by KAP;
        - (vi) Benefits of the most current perspectives that will be obtained through the replacement of AP and / or KAP, and the Audit Team from KAP;
        - (vii) Potential risks from the use of audit services by the same KAP 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 AP and / or KAP in the previous period, if any.

When the AP and / or KAP 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 AP and / or KAP

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 AP and KAP.
      - Reviewing and ensuring that:
        - (1) Bank Mandiri has standard procedures and is in accordance with applicable regulations / provisions in the implementation of KAP elections.
        - (2) The process of implementing KAP selection is in accordance with standard procedures.
      - The Audit Committee evaluates the implementation of providing audit services on annual historical financial information by the AP and / or KAP.
 

The evaluation is carried out through:

        - (1) The suitability of audit implementation by the AP and / or KAP 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 AP and / or KAP.
      - Conducting periodic communication with KAP who is examining the Mandiri Bank to discuss matters that need to be communicated, including the following:
        - (1) Progress of the inspection.
        - (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 inspection.
        - (5) Constraints / obstacles encountered in the implementation of the inspection.
      - Reviewing and monitoring of:
        - (1) All significant findings from the results of the examination of external auditors and other examining institutions.
        - (2) Follow up of the auditee on the results of examinations conducted by external auditors.
      - Providing independent opinion in the event of disagreement between the Directors and the Accountant for the services they provide.
3. Compliance
 

Monitoring and analyzing:

  - a. The Company's compliance with laws and regulations, both internal and external relating to the Company's business activities.
  - b. Inspection report related to the Company's

compliance with internal and external regulations issued by the Internal and External Audit Work Unit.

- c. The suitability of the audit implementation by the Public Accounting 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 work 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. Communicating with the Head of Work Unit and other parties in the Company and the Public Accounting Firm that inspects the Company for information, clarification and requests for documents and reports needed.
2. Obtaining reports on the results of internal auditors and external auditors and other supervisory / examining institutions.
3. Assigning internal auditors and / or external auditors to carry out special investigations / investigations, if there are strong allegations of fraud, violation of the law and violation of applicable laws and regulations.
4. Accessing records or information about employees, funds, assets and other company resources related to the implementation of their duties.
5. Obtaining input and or suggestions from outside parties of the Company relating to their duties.
6. Performing other authorities granted by the Board of Commissioners.

## THE POSITION OF THE AUDIT COMMITTEE

The term of office of members of the Audit Committee who is not a member of the Board of Commissioners / Supervisory Board of the Company is a maximum of 3 (three) years and can be extended once for 2 (two) years, without prejudice to the right of the Board of Commissioners / Supervisory Board to dismiss them at any time . Whereas for Audit Committee Members who are Members of the Board of Commissioners, their

tenure (term of office) as the Audit Committee is the same as their term of office (term of office) as the Board of Commissioners.

## AUDIT COMMITTEE REPORTING

The Audit Committee must make periodic reports to the Board of Commissioners regarding the activities of the Audit Committee, at least once in 3 (three) months. The Audit Committee must make a report to the Board of Commissioners on each assignment given and or for each identified problem that requires the attention of the Board of Commissioners.

The Audit Committee reports on the results of the evaluation of the implementation of providing audit services on annual historical financial information by the External Auditor no later than 6 (six) months after the fiscal year ends or at any time if necessary.

## STRUCTURE, MEMBERSHIP AND EXPERTISE OF THE AUDIT

### COMMITTEE

The structure and membership of the Audit Committee are as follows:

1. The Audit Committee of the Company consists of at least 3 (three) members who are from the Independent Commissioners and Independent Parties.
2. The composition of the membership of the Audit Committee is at least 1 (one) Independent Commissioner as Chairman and concurrently a member, 1 (one) Independent Party who has expertise in finance or accounting and 1 (one) Independent Party who has expertise in the field of law or banking.
3. Must have at least 1 (one) member with educational background and expertise in accounting and finance.
4. The Chairperson of the Audit Committee can only hold concurrent positions as chair of the committee at most 1 (one) other committee.

During 2019, the composition of the Audit Committee's membership underwent changes which can be submitted as follows.

### PERIOD JANUARY 1 - APRIL 30, 2019

The composition of the Audit Committee membership period January 1 - April 30 2019 which has been appointed based on Directors Decree No. KEP.DIR / 003/2018 concerning the Establishment of Audit Committee Membership which was passed on January 19, 2018 is as follows:

**Audit Committee Structure, Membership and Expertise Table**

Name	Position	Information	Expertise
Bangun Sarwito Kusmulyono	Chairman concurrently member	Independent Commissioner	Finance, Banking
Hartadi Agus Sarwono	Member	President Commissioner / Independent Commissioner	Banking, Economic
Goei Siauw Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
Makmur Keliat	Member	Independent Commissioner	Macroeconomic
Budi Sulistio	Member	Independent Party	Accounting, Audit
Bambang Ratmanto	Member	Independent Party	Accounting, Audit Management

**PERIOD OF APRIL 30- JUNE 28, 2019**

The composition of the Audit Committee membership period April 30- June 28, 2019 has been appointed based on Directors Decree No. KEP.DIR / 033/2019 dated May 14, 2019 concerning Establishment of the Audit Committee Membership of PT Bank Mandiri (Persero) Tbk. are as follows:

**Audit Committee Structure, Membership and Expertise Table**

Name	Position	Information	Keahlian
Bangun Sarwito Kusmulyono	Chairman concurrently member	Independent Commissioner	Finance, Banking
Hartadi Agus Sarwono	Member	President Commissioner / Independent Commissioner	Banking, Economic
Goei Siauw Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
Makmur Keliat	Member	Independent Commissioner	Macroeconomic
Budi Sulistio	Member	Independent Party	Accounting, Audit
Bambang Ratmanto	Member	Independent Party	Accounting, Audit Management
Ridwan D. Ayub	Member	Independent Party	Audit Management, Risk Management

**PERIOD JUNE 28- DECEMBER 12, 2019**

The composition of the membership of the Audit Committee for the period June 28 to December 12, 2019 has been appointed based on Directors Decree No. KEP.DIR / 038/2019 dated 18 July 2019 concerning Determination of the Membership of the Audit Committee of PT Bank Mandiri (Persero) Tbk. are as follows:

**Audit Committee Structure, Membership and Expertise Table**

Name	Position	Information	Expertise
Bangun Sarwito Kusmulyono	Chairman concurrently member	Independent Commissioner	Finance, Banking
Hartadi Agus Sarwono	Member	President Commissioner / Independent Commissioner	Banking, Economic
Goei Siauw Hong	Member	Independent Commissioner	Fiscal, Budget and Tax
Makmur Keliat	Member	Independent Commissioner	Macroeconomic
Bambang Ratmanto	Member	Independent Party	Accounting, Audit Management
Ridwan D. Ayub	Member	Independent Party	Audit Management, Risk Management

**PERIOD DECEMBER 12 – 31, 2019**

The composition of Audit Committee membership for the period of December 12 – 31, 2019 which has been appointed based on Directors Decree No. KEP.DIR / 001/2020 concerning Audit Committee Membership Determination which was approved on January 13, 2020 is as follows:

**Audit Committee Structure, Membership and Expertise Table**

Name	Position	Information	Expertise
Ardan Adiperdana	Chairman concurrently member	Commissioner	Accounting, Audit
Makmur Keliat	Member	Independent commissioner	Macroeconomic
R. Widyo Pramono	Member	Commissioner	Legal
Robertus Biliatea <sup>*)</sup>	Member	Commissioner	Legal
Bambang Ratmanto	Member	Independent commissioner	Accounting, Audit Management
Bambang Ratmanto	Member	Independent party	Accounting, Audit Management
Ridwan D. Ayub	Member	Independent party	Audit Management, Risk Management

\* Effective after obtaining approval from OJK on the Fit and Proper Test.

## PROFILE OF AUDIT COMMITTEE

The profile of Audit Committee from December 31, 2019 is in the following:



**Ardan Adiperdana**  
Chairman and Concurrently Member of Audit Committee

The profile can be seen in the Board of Commissioners section



**Makmur Keliat**  
Member of Audit Committee

The profile can be seen in the Board of Commissioners section



**R. Widyo Pramono**  
Member of Audit Committee

The profile can be seen in the Board of Commissioners section



**Robertus Bilitea**  
Member of Audit Committee

The profile can be seen in the Board of Commissioners section



**Bambang Ratmanto**  
Member of Audit Committee

Age	61 years old
Domicile	Warga negara Indonesia
Appointment Date	January 2, 2018
Education background	<ul style="list-style-type: none"> <li>- Bachelor of Accounting from Gadjah Mada University (1982).</li> <li>- Masters in Management in Business Management from Prasetya Mulya Business School (2008).</li> </ul>
Occupational History	<ul style="list-style-type: none"> <li>- Member of the Audit Committee at PT Bank Negara Indonesia (Persero) Tbk. (2016 - January 2018).</li> <li>- President Commissioner, Chair of the Audit Committee, and Chair of the Risk Monitoring Committee at PT Bank MNC International Tbk (2014-2016).</li> <li>- Independent Commissioner and Chairman of the Audit Committee at PT Bank MNC Internasional Tbk. (2013-2014).</li> <li>- Executive Vice President - Head of Credit &amp; Operations Policy Risk Management Directorate at PT CIMB Niaga Tbk. (2010-2013).</li> </ul>
Position Period	January 2, 2018 - January 2, 2021



**Ridwan D. Ayub**  
Member of Audit Committee

Age	57 years old
Domicile	Jakarta
Appointment Date	April 30, 2019
Education background	<ul style="list-style-type: none"> <li>- Bachelor in Social Sciences and Political Sciences from Parahyangan Catholic University in 1985.</li> <li>- Masters in Financial Management Specialization from Mercu Buana University in 2008.</li> </ul>
Occupational History	<ul style="list-style-type: none"> <li>- Member of the Integrated Corporate Governance Committee of PT Bank Mandiri (Persero) Tbk. (2016 - present)</li> <li>- Member of the Risk Monitoring Committee of PT Bank Mandiri (Persero) Tbk. (2016- June 2019)</li> <li>- Member of the Audit Committee of PT Bank Mandiri (Persero) Tbk. (2014-2016).</li> <li>- Member of the Risk Monitoring Committee of PT Bank Rakyat Indonesia (Persero) Tbk. (2006-2014)</li> <li>- Deputy Head of Operational Risk Division of PT Bank Internasional Indonesia Tbk. (2002-2005)</li> </ul>
Position Period	April 30, 2019 - April 30, 2022



## QUALIFICATION OF EDUCATION AND WORK EXPERIENCE OF THE AUDIT COMMITTEE

Audit Committee membership requirements are as follows:

1. General Requirements
  - a. Having integrity, character and good morals.
  - b. Does not have personal interests / relationships that can cause conflict of interest against the Company.
2. Competency Requirements
  - a. Have sufficient expertise, ability, knowledge and experience related to their duties and responsibilities.
  - b. Must understand financial statements, company business specifically related to the Company's services or business activities, audit process and risk management.
  - c. Able to work together and have the ability to communicate well and effectively and are willing to provide sufficient time to carry out their duties.
  - d. Have adequate knowledge of the Company's Articles of Association, laws and regulations in the banking sector, Capital Market, SOEs and other relevant laws and regulations.
  - e. Willing to increase competence continuously through education and training.

The educational qualifications and work experience of the Chair and Members of the Audit Committee are as follows.

**Audit Committee Education Qualification and Work Experience Table**

Name	Position	Period	Education	Working experience
Bangun Sarwito Kusmulyono	Chairman concurrently member	January 1 - December 12, 2019	<ul style="list-style-type: none"> <li>• Bachelor in Chemical Engineering.</li> <li>• Master of Business Administration.</li> <li>• Doctor in Environmental Management.</li> </ul>	Having work experience including in banking, capital, defense and banking supervision.
Ardan Adiperdana	Chairman concurrently member	December 12 - December 31, 2019	<ul style="list-style-type: none"> <li>• Bachelor of Economics.</li> <li>• Master in Business Administration.</li> <li>• Doctor in Strategic Management.</li> </ul>	Having work experience, among others in the field of Finance and company supervision.
Hartadi Agus Sarwono	Member	January 1 - December 12, 2019	<ul style="list-style-type: none"> <li>• Bachelor's degree in Industrial Engineering.</li> <li>• Master of Arts in Macroeconomics.</li> <li>• Ph.d in Monetary Theory and Policy</li> </ul>	Having work experience including in banking, finance, monetary, and banking supervision.
Goei Siau Hong	Member	January 1 - December 12, 2019	<ul style="list-style-type: none"> <li>• Bachelor in Agronomy</li> <li>• Master of Business Administration (MBA) in Business, Finance and Marketing</li> </ul>	Having work experience including in the fields of finance, research, and banking supervision.
Makmur Keliat	Member	January 1 - December 31, 2019	<ul style="list-style-type: none"> <li>• Bachelor's degree in Corporate Economics.</li> <li>• Bachelor of Art in Social Sciences and Political Sciences/ Department of International Relations.</li> <li>• Ph.d in the field of School of International Studies.</li> </ul>	Having work experience including in the fields of education, political science, international relations, research and publications.
R. Widyo Pramono	Member	December 12 - December 31, 2019	<ul style="list-style-type: none"> <li>• Bachelor of Law.</li> <li>• Masters in Management.</li> <li>• Master of Law.</li> <li>• Doctorate in criminal law.</li> <li>• Professor of Criminal Law.</li> </ul>	Having work experience in the field of law and supervision.
Robertus Bilitea	Member	December 12 - December 31, 2019	<ul style="list-style-type: none"> <li>• Bachelor in Civil Law</li> <li>• Master in Business Legal</li> </ul>	Having work experience in the field of law and banking.
Mohamad Nasir	Member	December 12 - December 31, 2019	<ul style="list-style-type: none"> <li>• Bachelor in Accounting</li> <li>• Master in Accounting</li> <li>• Doctor of Accounting</li> </ul>	Having work experience, among others in the field of education and auditing.
Bambang Ratmanto	Member	January 1 - December 31, 2019	<ul style="list-style-type: none"> <li>• Bachelor of Accounting.</li> <li>• Master of Management in Business Management.</li> </ul>	Having work experience in the banking sector, specifically in the audit field.

Name	Position	Period	Education	Working experience
Budi Sulistio	Member	January 1 - June 28, 2019	<ul style="list-style-type: none"> <li>Bachelor of Economics.</li> <li>Master of Business Administration</li> </ul>	Having work experience in banking.
Ridwan D. Ayub	Member	April 30 - December 31 2019	<ul style="list-style-type: none"> <li>Bachelor's degree in Social and Political Sciences</li> <li>Masters in Financial Management Specialization</li> </ul>	Having work experience in the banking sector, specifically in the fields of audit and risk management.

## INDEPENDENCE OF AUDIT COMMITTEE

All members of the Audit Committee from independent parties have no relationship in financial, management, shareholders and/or family relations with the Board of Commissioners, the Board of Directors and/or Controlling Shareholders or relationships with the Bank, which can affect their ability to perform independently.

**Table of Independence of Audit Committee**

Aspect of Independence	Hartadi Agus Sarwono	Bangun Sarwito Kusumulyono	Goei Siauw Hong	Ardan Adiperdana	Makmur Keliat	R. Widyo Pramono	Robertus Bilita	Mohamad Nasir	Budi Sulistio	Bambang Ratmanto	Ridwan D. Ayub
Not having financial relation with the Boards of Commissioners and Directors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not having management relation in the company, subsidiaries, or affiliated companies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not having shareholding relation in the company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not having family relation with Board of Commissioners, Board of Directors, and/or other members of the Audit Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Not serving as administrator of political parties, officials and the government	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## AUDIT COMMITTEE MEETING

The Audit Committee holds regular meetings at least 1 (once) in 1 (one) month. A meeting can be held if it is attended by at least 51% (fifty one percent) of the total committee members including 1 (one) Independent Commissioner and 1 (one) Independent Party.

Decisions of the Audit Committee meeting are taken based on deliberation to reach consensus. The meeting is chaired by the Chairperson of the Audit Committee or other Committee Members who are Independent Commissioners, if the Chairperson of the Audit Committee is unable to attend.

Each Audit Committee meeting is outlined in the minutes of the meeting, including when there are differences of opinion, which are signed by all members of the Audit Committee present and submitted to the Board of Commissioners.

**MEETING AGENDA OF AUDIT COMMITTEE**

Throughout 2019, the dates of implementation, meeting Agenda and Audit Committee meeting Participants, are as follows.

**Table of Audit Committee Meeting Agenda**

No.	Meeting Date	Meeting Agenda	Participant	Presence Quorum
1	January 9, 2019	Annual Audit Plan 2019.	- Hartadi A. Sarwono - Bangun S. Kusmulyono - Goei Siaw Hong - Makmur Keliat - Budi Sulistio - Bambang Ratmanto	100%
2	February 20, 2019	Application for Approval for Distribution of Partnership Program (PK) Funds to Special SOEs.	- Hartadi A. Sarwono - Bangun S. Kusmulyono - Goei Siaw Hong - Makmur Keliat - Budi Sulistio - Bambang Ratmanto	100%
3	February 21, 2019	1. Significant Findings Quarter IV / 2018. 2. Update on POJK No. 1 / POJK.03 / 2019 concerning the Implementation of the Internal Audit Function at Commercial Banks.	- Hartadi A. Sarwono - Bangun S. Kusmulyono - Goei Siaw Hong - Makmur Keliat - Budi Sulistio - Bambang Ratmanto	100%
4	March 20, 2019	Proposed Revised Bank Business Plan (RBB) 2019 - 2021.	- Hartadi A. Sarwono - Bangun S. Kusmulyono - Goei Siaw Hong - Makmur Keliat - Budi Sulistio - Bambang Ratmanto	100%
5	April 24, 2019	1. The Selection and Proposed Process of KAP Determination for Audit of Bank Mandiri Financial Statements for the 2019 Financial Year. 2. Management Letter from KAP PSS - EY on the Audit Results of Financial Statements for Fiscal Year 2018.	- Bangun S. Kusmulyono - Goei Siaw Hong - Makmur Keliat - Budi Sulistio - Bambang Ratmanto	83%
6	May 2, 2019	Application for Approval of the Transfer of Partnership Program Funds (PK) to become a Source of Community Development Funds (BL).	- Hartadi A. Sarwono - Bangun S. Kusmulyono - Makmur Keliat - Bambang Ratmanto - Ridwan D. Ayub	71%
7	May 8, 2019	Significant Findings Quarter I / 2019.	- Hartadi A. Sarwono - Bangun S. Kusmulyono - Goei Siaw Hong - Makmur Keliat - Budi Sulistio - Bambang Ratmanto - Ridwan D. Ayub	100%
8	May 29, 2019	Report of Compliance Director for Quarter IV / 2018 and Quarter I / 2019.	- Hartadi A. Sarwono - Bangun S. Kusmulyono - Goei Siaw Hong - Makmur Keliat - Budi Sulistio - Bambang Ratmanto - Ridwan D. Ayub	100%
9	June 26, 2019	Proposed Revisions of the 2019 RKAP and the 2019-2021 RBB.	- Hartadi A. Sarwono - Bangun S. Kusmulyono - Goei Siaw Hong	100%

No.	Meeting Date	Meeting Agenda	Participant	Presence Quorum
			<ul style="list-style-type: none"> <li>- Makmur Keliat</li> <li>- Budi Sulistio</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	
10	July 24, 2019	Discussion on the Audit Committee Charter Revision.	<ul style="list-style-type: none"> <li>- Hartadi A. Sarwono</li> <li>- Bangun S. Kusmulyono</li> <li>- Goei Siaw Hong</li> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	100%
11	August 1, 2019	<ol style="list-style-type: none"> <li>1. PSAK 71 update.</li> <li>2. Update NPL and Progress Collection of Top 10 debtors.</li> </ol>	<ul style="list-style-type: none"> <li>- Hartadi A. Sarwono</li> <li>- Bangun S. Kusmulyono</li> <li>- Goei Siaw Hong</li> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	100%
12	August 7, 2019	<ol style="list-style-type: none"> <li>1. Significant Findings Quarter II / 2019.</li> <li>2. Quarterly Compliance Director Report II / 2019.</li> </ol>	<ul style="list-style-type: none"> <li>- Hartadi A. Sarwono</li> <li>- Bangun S. Kusmulyono</li> <li>- Goei Siaw Hong</li> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	100%
13	September 11, 2019	Update on the Complete Audit Plan of Bank Mandiri Financial Statements for Fiscal Year 2019.	<ul style="list-style-type: none"> <li>- Bangun S. Kusmulyono</li> <li>- Goei Siaw Hong</li> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	83%
14	October 9, 2019	Evaluation of Bank Mandiri Quarterly / 2019 Business Activity Reports.	<ul style="list-style-type: none"> <li>- Hartadi A. Sarwono</li> <li>- Bangun S. Kusmulyono</li> <li>- Goei Siaw Hong</li> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	100%
15	November 13, 2019	Significant Findings in Quarter III/2019.	<ul style="list-style-type: none"> <li>- Hartadi A. Sarwono</li> <li>- Goei Siaw Hong</li> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	83%
16	November 20, 2019	<ol style="list-style-type: none"> <li>1. Proposed Compilation of RKAP 2020 and RBB 2020-2020 Bank Mandiri.</li> <li>2. Update FSA Findings.</li> </ol>	<ul style="list-style-type: none"> <li>- Hartadi A. Sarwono</li> <li>- Goei Siaw Hong</li> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	83%
17	December 11, 2019	Report of Compliance Director III / 2019.	<ul style="list-style-type: none"> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	100%
18	December 18, 2019	Update on Audit Progress of Bank Mandiri Financial Statements for Fiscal Year 2019.	<ul style="list-style-type: none"> <li>- Ardan A. Perdana</li> <li>- Makmur Keliat</li> <li>- Bambang Ratmanto</li> <li>- Ridwan D. Ayub</li> </ul>	100%



## FREQUENCY AND ATTENDANCE OF AUDIT COMMITTEE MEETINGS

During 2019, the Audit Committee held 18 (eighteen) meetings. The frequency and level of attendance of meetings of each Audit Committee member are as follows.

**Table of Frequency and Attendance of Audit Committee Meetings**

Name	Position	Period	Number of Meeting	Number of Attendance	Percentage
Bangun Sarwito Kasmulyono	Chairman concurrently member	January 1 - December 12, 2019	17	14	82%
Ardan Adiperdana	Chairman concurrently member	December 12 - December 31, 2019	1	-	0%
Hartadi Agus Sarwono	Member	January 1 - December 12, 2019	17	14	82%
Goei Siau Hong	Member	January 1 - December 12, 2019	17	15	88%
Makmur Keliat	Member	January 1 - December 31, 2019	18	18	100%
R. Widyo Pramono	Member	December 12 - December 31, 2019	1	1	100%
Robertus Bilitea	Member	December 12 - December 31, 2019	1	-	0%
Bambang Ratmanto	Member	January 1 - December 31, 2019	18	18	100%
Budi Sulistio	Member	January 1 - June 28, 2019	9	8	89%
Ridwan D. Ayub	Member	April 30 - December 31 2019	13	13	100%

## KEY PERFORMANCE INDICATORS (KPI) ACHIEVEMENT OF AUDIT COMMITTEE

The KPI achievement of the Audit Committee in 2019 is as follows.

No.	Key Performance Indicator	Indicator Weight (%)	Achievement Score (%)	Indicator Weight x Achievement Score (%)
1.	Realization of total committee meetings and work plans.	30	100,00	30,00
2.	Assessment of attendance and participation rates in meetings.	20	100,00	20,00
3.	Presentation of review result of the Board of Commissioners.	20	95,00	19,00
4.	Timely making and presentation of Committee Report.	30	95,00	28,50
<b>TOTAL KPI OF THE COMMITTEE</b>		100		97,50

## REMUNERATION OF AUDIT COMMITTEES

Remuneration of Audit Committees originating from Independent Non-Commissioners is regulated in the Decree of the Board of Commissioners No. KEP.KOM / 008/2019 dated 30 April 2019 concerning Remuneration of Supporting Organs of the Board of Commissioners of PT Bank Mandiri (Persero) Tbk. and regulated in the Letter of Assignment concerned as a member of the Committee under the Board of Commissioners issued by Bank Mandiri.

No.	Description	Non-Commissioner Committee Member
1.	Salary / Honorarium	A maximum of 20% of the Salary of the President Director
2.	Composition Benefits	Not given
3.	Holiday allowance	In accordance with the provisions of Bank Mandiri employees
4.	Bonuses / Tantiems	Not given
5.	Amenities	
	a. Transportation Allowance	Not given
	b. Health	Not given
	c. Business trip	In accordance with Bank Mandiri employee requirements / equivalent to Group Head

## BRIEF REPORT OF THE AUDIT COMMITTEE ACTIVITIES IN 2019

The Audit Committee has carried out its duties and functions as stipulated in the Audit Committee Charter by always implementing the principle of independence in accordance with applicable regulations and in accordance with the 2019 Audit Committee work plan approved by the Board of Commissioners. The activities of the Audit Committee during 2019 are as follows:

### 1. Implementation of Report Review

During 2019, the Audit Committee conducted a review of several reports as well as matters that were requested for approval from the Board of Commissioners, namely:

- a. Significant Findings of Quarter IV / 2018 Audit Results.
- b. Draft Consolidated Financial Statements 3 (three) Months Ended March 31, 2019 and 2018 and Published Financial Reports as of March 31, 2019 and 2018 PT Bank Mandiri (Persero) Tbk. and Subsidiaries.
- c. Report on Realization of Business Plan for Quarter IV / 2018.
- d. Report on the Implementation of the 2018 Semester II Integrated Audit Function submitted by the Internal Audit Directorate to the Board of Commissioners through Note No. IAU.SEVP / 282/2019 dated April 11, 2019.
- e. Annual Audit Report (AAR) 2018 submitted to the Internal Audit Directorate to the Board of Commissioners through Note No. IAU.SEVP / 291/2019 dated April 16, 2019.
- f. Consolidated Financial Statements of PT Bank Mandiri (Persero) Tbk. and Subsidiaries as of March 31, 2018 submitted to the Board of Commissioners through the Board of Directors Letter No. KEU / 408A / 2019 dated June 17, 2019.
- g. Revised Bank Business Plan for 2019-2021.
- h. Request for Input on the Consolidated Financial Statements of PT Bank Mandiri (Persero) Tbk. as of June 30, 2019 through Letter No. KES.ACC / FRP.230 / 2019 dated July 11, 2019.
- i. Adjustment of the Internal Audit Charter submitted by the Head of the Internal Audit Work Unit (SEVP Internal Audit) to the Audit Committee through Letter No. IAU.SEVP / 1025/2019 dated 9 August 2019.
- j. Integrated Internal Audit Report Semester I / 2019 submitted by SEVP Internal Audit to the Board of Commissioners through Letter No. IAU.SEVP / 1034/2019 dated 12 August 2019.
- k. Significant Findings of Quarter II / 2019 Audit Results submitted by SEVP Internal Audit to the Board of Commissioners through Letter No. IAU.SEVP / 828/2019 dated July 25, 2019.

- l. Report on the Implementation of Compliance Director of Semester I / 2019 Period submitted by the Compliance Director to the Board of Commissioners through Letter No. KPS / 882/2019 dated July 26, 2019.

### 2. Preparation of Recommendations and Reports

During 2019, the Audit Committee prepared Recommendations and Reports addressed to the Board of Commissioners with the following details:

#### Recommendation

- a. Recommendation for Approval of the Transfer of Partnership Program Funds (PK) as a Source of Community Development Funds (BL) submitted to the Board of Commissioners through Letter No. AUC / 010/2019 dated May 7, 2019.
- b. Recommendation of the Audit Committee in Appointing a Public Accountant (AP) and / or Public Accountant Office (KAP) for an Audit of the Annual Historical Financial Information of PT Bank Mandiri (Persero) Tbk. for Fiscal Year 2019 submitted to the Board of Commissioners through Note No. AUC / 014/2019 dated May 22, 2019.
- c. Evaluating the report on the implementation of the duties of the Director of Compliance of PT Bank Mandiri Tbk. Semester I / 2019 period submitted to the Board of Commissioners through Note No. AUC / 025/2019 dated August 26, 2019.
- d. Follow-up on reports of significant findings of Quarter II / 2019 submitted to the Board of Commissioners through Note No. AUC / 027/2019 dated September 20, 2019.
- e. Recommendations for approval of adjustments to the 2019 Internal Audit Charter submitted to the Board of Commissioners through Note No. AUC / 028/2019 dated September 20, 2019.
- f. Recommendation for Approval of Adjustment for Annual Audit Plan Semester II / 2019 submitted to the Board of Commissioners through Note No. AUC / 032/2019 dated November 8, 2019.
- g. Recommendation of the Audit Committee in Appointing a Public Accountant (AP) and / or Public Accountant Office (KAP) for an Audit of the DPLK Mandiri Liquidation Financial Information submitted to the Board of Commissioners through Note No. AUC / 034A / 2019 dated December 12, 2019.
- h. Recommendations for the preparation of the 2020 Annual Audit Plan submitted to the Board of Commissioners through Note No. AUC / xx / 2019 dated December 31, 2019.

#### Report

- a. Report on the Results of the Evaluation of the Implementation of Audit Services on the Annual Historical Financial Information of PT Bank Mandiri (Persero) Tbk. Book Year 2018 by KAP Purwantono, Sungkoro & Surja (Ernst & Young)



submitted to the Board of Commissioners through Note No. AUC / 17/2019 dated June 25, 2019. Furthermore, the report was submitted by the Directors to OJK through Letter No. KES / 656/2019 dated June 26, 2019.

- b. Evaluation Report on the Implementation of Audit Services Providing Annual Financial Information for Pension Funds of Financial Institutions PT Bank Mandiri (Persero) Tbk. Book Year 2018 by KAP Purwanto, Sungkoro & Surja (Ernst & Young) submitted to the Board of Commissioners through Note No. AUC / 18/2019 dated June 25, 2019. The report was then submitted by the Board of Directors of DPLK Mandiri to OJK through Letter No. HBK.DPLK / 466/2019 dated June 25, 2019.

### 3. Implementation of Internal Discussions

In order to carry out internal monitoring and control functions, the Audit Committee has established communication and coordination with work units at Bank Mandiri. This communication is carried out by inviting the relevant work units in discussions to discuss

current issues at Bank Mandiri. Based on the results of the discussion, the Audit Committee has presented the main points of discussion in the form of pointers meetings which will then be used as supporting information / data in the Audit Committee Meeting. During 2019, 18 (eighteen) internal discussions and joint work unit representatives were held.

### WORK PLAN OF THE AUDIT COMMITTEE FOR 2020

In 2020, the Audit Committee has set a work plan that will be discussed through meetings at least once (1) in 3 (three) months. The Audit Committee's work plans for 2020 include:

1. Monitoring and evaluation of the adequacy of internal control, including the adequacy of the financial reporting process.
2. Evaluation of the adequacy of internal control in Subsidiaries.
3. Monitoring and evaluating the company's compliance with laws and regulations.

**Statement of Audit Committee on the Effectiveness of Internal Control System and Risk Management**  
**The internal control system performed by Bank Mandiri was considered effective and adequate, reflected in the effectiveness of the implementation of internal control functions, including internal audit function, risk management, compliance, financial and operational controls.**

## REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee was formed with the aim of assisting in carrying out its functions and duties in the fields related to remuneration and nomination of members of the Directors and Board of Commissioners. Bank Indonesia Regulations / FSA Regulations require banks to form Remuneration and Nomination Committees as GCG applications so that Banks can be managed based on the principles of openness, accountability, responsibility, independence and fairness.

### THE BASIS FOR ESTABLISHING A REMUNERATION AND NOMINATION COMMITTEE

The basis for establishing the Remuneration and Nomination Committee refers to:

1. Company's Articles of Association.
2. Law No. 19 of 2003 concerning BUMN.
3. POJK No. 55 / POJK.03 / 2016 Regarding the Implementation of Governance for Commercial Banks.
4. SOE Minister of State Regulation No. PER-12 / MBU / 2012 concerning Supporting Organs of the Board of Commissioners / Board of Trustees of State-Owned Enterprises.
5. Bank Mandiri's Articles of Association and their amendments.
6. Decree of the Board of Commissioners No. PEM. KOM / 013/2019 dated 11 September 2019 concerning the Membership Composition of the Audit Committee, the Risk Monitoring Committee, the Integrated Governance Committee and the Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk.
7. Directors Decree No. KEP.DIR / 060/2019 concerning Determination of the Remuneration and Nomination Committee Membership on September 20, 2019.