



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.