

RISK MONITORING COMMITTEE

The Risk Monitoring Committee was formed by the Board of Commissioners of Bank Mandiri in order to assist the Board of Commissioners in carrying out their duties and responsibilities in conducting supervision and providing advice to the Board of Directors to obtain adequate confidence so that the implementation of the Bank's risk management continues to meet the adequacy of risk management procedures and methodology, so that the Bank's business activities can be controlled at acceptable limits and benefit the Bank.

BASIC FORMATION OF RISK MONITORING COMMITTEE

The establishment of the Committee is guided by and is based on applicable laws and regulations and best practices that can be applied in banking institutions in Indonesia, including:

1. FSA Regulation No. 17 / POJK.03 / 2014 dated 18 November 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates.
2. Regulation of the State Minister for State-Owned Enterprises No. PER-09 / MBU / 2012 dated July 6, 2012 concerning amendments to the Regulation of the Minister of State Owned Enterprises No. PER-01 / MBU / 2011, concerning the Implementation of Good Corporate Governance in State-Owned Enterprises.
3. Regulation of the State Minister for State-Owned Enterprises No. PER-12 / MBU / 2012, concerning Supporting Organs for the Board of Commissioners / Board of Trustees of State-Owned Enterprises.
4. Bank Mandiri's Articles of Association and their amendments.
5. 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.
6. Directors Decree No. KEP.DIR / 061/2019 dated 20 September concerning Determination of Membership of the Risk Monitoring Committee.

RISK MONITORING COMMITTEE CHARTER

In carrying out its duties and responsibilities, the Bank Mandiri Risk Monitoring Committee has a Risk Monitoring Committee Charter, which was most recently updated on September 25, 2019 based on the Decree of the Board of Commissioners No. KEP.KOM / 016/2019.

The Risk Monitoring Committee Charter includes:

1. General Purpose
2. Basic Regulations
3. Duties, Responsibilities and Authority
4. Composition, Structure and Membership Requirements, and Tenure
5. Meeting
6. Reports and Recommendations
7. Handling Complaints / Reporting Regarding Alleged Violations Regarding Financial Reporting
8. Closing

DUTIES AND RESPONSIBILITIES OF THE RISK MONITORING COMMITTEE

The duties and responsibilities of the Risk Monitoring Committee include::

1. Monitoring and evaluating:
 - a. Conformity between the risk management policy and the Company's integrated risk management policy and the implementation of the policy.
 - b. Implementation of the work plan and duties of the Risk Management Committee, Integrated Risk Management Committee, Risk Management Work Unit, and Integrated Risk Management Work Unit of the Company.
 - c. Adequacy of the process of identifying, measuring, monitoring, controlling and risk management information systems.
 - d. The Company's compliance with the Articles of Association, Bank and Capital Market Supervisory Authority regulations, as well as other laws and regulations related to risk management.
2. Carrying out monitoring and review of:
 - a. Risk Profile Reports, both Individual and Consolidated with Subsidiaries.
 - b. Risk based Bank Soundness Reports, both Individual and Consolidated with Subsidiaries.
 - c. Other reports related to the management of 10 (ten) types of risk, namely Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Legal Risk, Compliance Risk, Reputation Risk, Strategic Risk, Intra Group Transaction Risk, and Insurance Risk.
 - d. General credit policies and other obligations required by the Regulator to be submitted to the Board of Commissioners by the Board of Directors.
3. Providing recommendations to the Board of Commissioners for:
 - a. The things that can support an increase in the effectiveness of the implementation of risk management in the Company.
 - b. Conformity between the Company's risk



management policies and integrated risk management policies with the implementation of these policies to ensure that the Company has managed risks adequately.

4. Conducting regular meetings with relevant work 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. Arrange the Guidelines and Rules of Work for the Risk Monitoring Committee and conduct a review as needed at least every 2 (two) years.

RISK MONITORING COMMITTEE AUTHORITY

The Risk Monitoring Committee has the authority to:

1. Communicating with the Head of Work Unit and other parties in the Company to obtain information, clarification and request documents and reports that are needed.
2. Accessing records or information about employees, funds, assets and other company resources related to the implementation of their duties.
3. Obtaining a Risk Profile Report, Bank Soundness Report, and other reports related to the application of risk management, both individually and Consolidated with Subsidiaries.
4. Obtaining input and or suggestions from outside parties of the Company relating to their duties.
5. Performing other authorities granted by the Board of Commissioners.

RISK MONITORING COMMITTEE REPORTING

The Risk Monitoring Committee must make periodic reports to the Board of Commissioners regarding the activities of the Risk Monitoring Committee at least once in 3 (three) months. The Risk Monitoring Committee must make a report to the Board of Commissioners on each assignment given and / or for any problems identified that require the attention of the Board of Commissioners.

STRUCTURE, MEMBERSHIP AND EXPERTISE OF THE RISK MONITORING COMMITTEE

The structure and membership of the Risk Monitoring Committee are as follows:

1. The Risk Monitoring Committee shall consist of at least 3 (three) persons who are from the Independent Commissioners and Independent Parties.
2. The composition of the membership of the Risk Monitoring Committee is at least 1 (one) Independent Commissioner as Chairman and concurrently a member, 1 (one) Independent Party who has expertise in finance, and 1 (one) Independent Party who has expertise in the field of risk management .
3. Members of the Risk Monitoring Committee from Independent Parties are considered to have expertise in the financial sector in terms of meeting the following criteria:
 - a. Having knowledge in economics, finance and / or banking.
 - b. Have work experience of at least 5 (five) years in the economic, financial and / or banking fields.
4. Members of the Risk Monitoring Committee from Independent Parties are considered to have expertise in the field of risk management in terms of meeting the following criteria:
 - a. Having knowledge in the field of risk management; and / or
 - b. Have work experience of at least 2 (two) years in the field of risk management.
5. Members of the Directors of the Company and other Banks are prohibited from becoming members of the Risk Monitoring Committee.
6. Independent Commissioners and Independent Parties who are members of the Risk Monitoring Committee at least 51% (fifty one percent) of the total members of the Risk Monitoring Committee.
7. The Chairperson of the Risk Monitoring Committee can only concurrently hold the position of Chair of the Committee at most in 1 (one) other Committee.
8. In carrying out the daily tasks of the Committee, it can be assisted by staff and or appointed Committee Secretaries based on the decision of the Risk Monitoring Committee meeting.