Competence Development of Board of Commissioner’s Secretary

The competency development that was followed by the Secretary of the Board of Commissioners during 2020 is as follows.

<table>
<thead>
<tr>
<th>No.</th>
<th>Activity</th>
<th>Organizer</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mandiri Investment Forum</td>
<td>Bank Mandiri</td>
<td>February 05, 2020</td>
</tr>
<tr>
<td>2</td>
<td>Visualizing the New Normal in Bank Lending</td>
<td>BARa Risk Forum</td>
<td>December 02, 2020</td>
</tr>
<tr>
<td>3</td>
<td>Webinar Progress of Covid-19 Vaccine Procurement and Distribution Plan</td>
<td>Bank Mandiri</td>
<td>December 02, 2020</td>
</tr>
</tbody>
</table>

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 compile the main points of the work program in 2020 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 o 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, among others, the policies and strategies of the Board of Directors in order to achieve strategic objectives in the 2020 RKAP, mitigating the impact of COVID-19, implementing the PEN program (including credit restructuring affected by COVID-19, distribution of Government funds, distribution of KUR subsidies, reliability of IT infrastructure, GCG implementation, and TKT APU - PPT). HR 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 matters proposed by the Board of Directors to seek approval from the Board of Commissioners, including proposals for Provision of Funds for Related Parties, proposals for KAP for audits for fiscal year 2021, proposals for the management of Bank Mandiri and Subsidiaries, proposals for revisions to the RKAP for 2020 and RBB for 2020-2022, proposals for RKAP for 2021 and RBB for 2021-2023, proposals for updating the Recovery Plan for 2020, proposals for RKAB, as well as other Directors’ actions 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/seminar/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

Based on 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 Implementation of Governance for Commercial Banks.

2. Financial Services Authority Regulation No. 55/POJK.04/2015 concerning the Establishment and Guidelines for the Work Implementation of the Audit Committee.

3. Bank Mandiri’s Articles of Association and its amendments.

4. Decree of the Board of Commissioners No. KEP.KOM/003/2020 dated July 9, 2020 concerning the Membership Composition of the Audit Committee, Risk Monitoring Committee, Integrated Governance Committee and Remuneration and Nomination Committee of PT Bank Mandiri (Persero) Tbk.

5. Decree of the Board of Directors Number KEP.DIR/052/2020 dated July 20, 2020 concerning the Determination of the Audit Committee Membership of PT Bank Mandiri (Persero) Tbk.

Audit Committee Charter

In implementing Governance 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
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 the field of accounting and finance the field of accounting and finance.

2. Internal Control
   a. Systems and Processes of Internal Control in conducting Monitor and review:
      - The Company's internal control system is in accordance with applicable best practices.
      - Reports on the results of examinations of the Internal Audit Work Unit and the External Auditor examining the Company to ensure that internal control has been properly implemented.
      - Implementation of follow-up actions by the Board of Directors on the findings of the Internal Audit Unit, public accountants, the Audit Board and the Financial Services Authority.
      - Adequacy of internal control in Subsidiary Companies.
   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.