Report on the Execution of the Committee's Duties

The Committee reports to the BOC and must submit a report on every execution of duties, followed by recommendations if necessary, both on a quarterly and yearly basis which is signed off by the Chair and the Committee members.

Evaluation and Assessment of the Committee's Performance

Evaluation and assessment of the performance of the Committee are to be carried out every year by using the method determined by BOC. The activities and performance of the Committee are regularly evaluated and assessed by BOC for improving their effectiveness in the following year.

2. Audit Committee

The Audit Committee was formed with the aim of assisting and facilitating the Board to perform its supervisory duties and functions on matters related to financial information, internal control system, effectiveness of internal and external audits, risk management effectiveness (together with the Risk Monitoring Committee) and compliance with the legislation in force.

Basis for Establishment of the Audit Committee

The Audit Committee was established based on:

1. PBI No. 8/4/PBI/2006 on the Implementation of Good Corporate Governance in Commercial Banks, as amended by PBI No. 8/14/PBI/2006 on Amendment to PBI No. 8/4/PBI/2006;
2. Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance in State Owned Enterprises, as amended by Regulation of the Minister of State Owned Enterprises No. PER-09/MBU/2012;
3. Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises;
4. Directive of the Chair of BAPEPAM No. KEP-643/BL/2012 on the Establishment and Implementation of Audit Committees.

Report on the Execution of the Committee's Duties

The Committee reports to the BOD and must submit a report to the BOC on every execution of tasks, followed by recommendations if necessary both quarterly and annual and signed by the Chairman of the Committee and the Committee members.

Statement of the Audit Committee on the Effectiveness of Internal Control System

> Internal control system carried out by the Bank is considered to be effective and adequately reflected in the effective discharge of the functions of internal control, among others, includes the functions of internal audit, risk management, compliance, and financial and operational controls.

Evaluation and Assessment of the Committee's Performance

Evaluation and assessment of the performance of the Committee carried out every year by using the method determined by the BOC. Implementation of the activities and performance of the Committees under the BOC regularly evaluated and assessed by the BOC for the sake of increasing the effectiveness of implementation and performance of committees in the coming year.

3. Remuneration and Nominations Committee

Remuneration and Nomination Committee, established by and directly responsible to the BOC. Remuneration and Nomination Committee was formed to assist the Board in carrying out its duties and oversight on matters relating to the determination of the qualifications and the nomination process as well as the remuneration of the BOC, BOD and Executive Officers in order to realize good corporate governance.

Basis for Establishment of the Remuneration and Nominations Committee

Remuneration and Nomination Committee established by reference to the Articles of Association, Law No. 19 of 2003 on SOEs and Bank Indonesia regulations specifically listed in Bank Indonesia Regulation Number 8/4/PBI/2006, 2006 on Implementation of Good Corporate Governance for Banks, as amended by Bank Indonesia Regulation No. 8/14/PBI/2006; set out in article 12, paragraph 1 stated the BOC shall establish a Remuneration and Nomination Committee in order to support the effective implementation of duties and responsibilities, Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises, the Financial Services Authority (OJK) Regulation No. 34/POJK.04/2014 on Komite Nomination and Remuneration of Public Company, and POJK No. 45/POJK.03/2015 on Remuneration Procedures for Commercial Banks.

Report on the Execution of the Committee's Duties

The Committee is responsible to the BOD and must submit a report to the BOC on every execution of tasks, followed by recommendations if necessary both quarterly and annual and signed by the Chairman of the Committee and the Committee members.

Evaluation and Assessment of the Committee's Performance

Evaluation and assessment of the performance of the Committee carried out every year by using the method determined by the BOC. Implementation of the activities and performance of the Committees under the BOC regularly evaluated and assessed by the BOC for the sake of increasing the effectiveness of implementation and performance of committees in the coming year.

Use of Appraisal Services Company to Select Candidates of BOC and BOD Members

The Remuneration and Nomination Committee establishes criteria for candidates of BOC and BOD members, and then make the selection of the candidates who conform to the criteria in the set. Furthermore, the Bank Mandiri in cooperation with the appraisal company to conduct an assessment of candidates for the BOC and BOD.

Bank Mandiri in cooperation with several appraisal company, one of them is PT . Daya Dimensi Indonesia. Candidates who have obtained a recommendation from the appraisal company will be reported by the Remuneration and Nomination Committee to BOC as candidates which would be submitted to the GMS for approval .

4. Risk Monitoring Committee

Risk Monitoring Committee was established by and reports to the BOC in monitoring and providing advice to the BOD to obtain reasonable assurance that the implementation of risk management remains the elements of the adequacy of risk management procedures and methodologies. Risk Monitoring Committee has a role in the monitoring and assessment of risk management policies and the implementation of good corporate governance as a whole.

Basis for Establishment of the Risk Monitoring Committee

The establishment of Risk Monitoring Committee was pursuant to the effective laws and regulations and best practices that may be applied to Indonesian banking sector, including:

1. Regulation of the OJK (POJK) No. 18/POJK.03/2014 published on November 18, 2014 on the Implementation of Integrated Corporate Governance for Financial Conglomeration.
2. Law No. 21/2011 on the Financial Services Authority;
3. Bank Indonesia Regulation (PBI) No. 8/4/PBI/2006 issued on January 30, 2006 on the Implementation of Good Corporate Governance in Commercial Banks; and PBI No. 8/14/PBI/2006 dated October 5, 2006 on Amendment to PBI No. 8/4/PBI/2006 on the Implementation of Good Corporate Governance in Commercial Banks.
4. Regulation of the Minister of State Owned Enterprises No. PER-09/MBU/2012 dated July 6, 2012 on Amendment to Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2011 regarding the Implementation of Good Corporate Governance in State Owned Enterprises.
5. Regulation of the Minister of State Owned Enterprises No. PER-12/MBU/2012 on the Organs Supporting the Board of Commissioners of State Owned Enterprises.
6. Articles of Association of PT Bank Mandiri (Persero) Tbk along with its amendments.

The membership of the Risk Monitoring Committee is established by virtue of the BOC Decree No. KOM/038/2015 dated April 15, 2015 regarding Determination of Membership of the Committees under the BOC and KEP.DIR/136/2015 dated April 30, 2015 on the amendment to membership of committees under the BOC of PT. Bank Mandiri (Persero) Tbk.

Criteria for the Committee Members

In addition to be required to have good integrity, character and moral, the Committee members are required to meet the competency, experience and independence requirements as follows:

Competency and Experience Requirements:

1) Have good integrity, character and moral; sufficient competency, knowledge and work experience in the area pursuant to their educational background; and good communication skills;
2) Have sufficient knowledge to read and understand financial statements and related reports on monitoring of the implementation of risk management policy in banking sector;
3) Have adequate knowledge of the laws and regulations concerning capital markets and banking.

Independence Requirements:

1) Do not own the Bank's stocks, either directly or indirectly;
2) Do not have affiliations with Bank Mandiri, BOC, BOD or the principal shareholders of Bank Mandiri;
3) Do not have business relationships, directly or indirectly, with the Bank;
4) Members of BOD are prohibited from concurrently sitting in the BOC.

No.	Name	Number			% Attendance
		Invitee	Attendance	Absence	
Non-Permanent Voting Member					
1.	Pahala N. Mansury	8	5	3	63%
2.	Royke Tumilaar	6	5	1	83%
3.	Hery Gunardi	6	5	1	83%
4.	Tardi	6	4	2	67%
5.	Kartini Sally	4	3	1	75%
6.	Kartika Wirjoatmodjo	8	6	2	75%
7.	Riyani T. Bondan	7	7	0	100%
8.	Rico Usthavia Frans	2	1	1	50%
9.	Sanjay N. Bharwani	2	2	0	100%
10.	Joseph Georgino Godong	2	2	0	100%
11.	Kepas Antoni A. Manurung	9	8	1	89%
Invitee					
1.	Mustaslimah	13	13	0	100%

Assessment of Committees under the BOD

Activities and performance of the Committees under the BOD are regularly evaluated and assessed by the BOD for the sake of increasing the effectiveness of implementation and performance of committees in the coming year. Based on the assessment, the performance of Committees under the BOD is rated Good.