



## Transaction Policy with Affiliates PT Bank Mandiri (Persero) Tbk.

### I. Policy

#### A. Affiliation, is:

1. Family relationship due to marriage and kinship up to the second degree, either collaterally or lineally;
2. Relationship between Party with employees, directors, or commissioners of such Party;
3. Relationship between 2 (two) companies where there is the same one or more members of Board of Directors or Board of Commissioners;
4. Relationship between a company and Party, either directly or indirectly, controlling or being controlled by such company;
5. Relationship between 2 (two) companies which are controlled, either directly or indirectly, by the same Party; or
6. Relationship between party and the major shareholders.

#### B. Transaction with Affiliates

Affiliation transaction is all kinds of transaction of either goods and services, which are conducted by and between:

- Bank and Affiliates of Bank, or
- The Controlled Company of Bank and Affiliates of Bank.

Transaction with the affiliated parties may have potential risks of abuse committed by the related parties which may harm the minority shareholders and will bring about impacts on the market integrity.

Affiliates of Bank is prohibited to utilize Bank for personal purposes, family, and/or other parties which can harm or reduce Bank's profits; and is prohibited to take and/or to receive personal benefits from Bank, other than the remuneration and other facilities stipulated based on the resolution of General Meeting of Shareholders.

Affiliation transaction is carried out by the method, process and/or manner in such a way so that Bank or the the Controlled Company does not provide/enjoy any different or special treatment to/from Affiliates of Bank. Affiliation transaction is carried out based on a normal and reasonable commercial requirement.

The following affiliation transactions are excluded:

1. Rewards, including salary, pension fund contribution, and/or special benefits given to members of Board of Commissioners, members of Board of Directors and employees, which overall have been disclosed in Bank's regular financial statement;



1. Transaction which constitutes the primary business activities of Bank or the Affiliated Company of Bank as governed in the Articles of Association of Bank or the Controlled Company of Bank; and
2. Transaction which constitutes supporting activities of the primary business activities of Bank or the Controlled Company of Bank.

Based on SPO Corporate Secretary Chapter III.A regarding Bank Activities as the Public Listed Company, it is defined that one form of information disclosure to stakeholders, a report related to Affiliation Transaction which according to laws and regulations must be disclosed to public, Stock Exchange and/or Indonesia Financial Service Authority (OJK) within time limit of time as specified according to laws and regulations.

### C. Conflict of Interests

Conflict of interest is a condition where in conducting its duties and obligations, Bank Management deals with interests outside of the official interests, either related to personal interest, family or interests of other parties so that such Bank Management will possibly loose its objectivity in taking decision and policy in accordance with the authorities granted by Bank.

Therefore :

1. All of Bank Management must avoid any activities that potentially cause the conflict of interests. If due to one and another it is unable to be avoided, the relevant person is obliged to report to his/her direct superior.
2. All of Bank Management are prohibited to give approval and or request for approval upon any credit facility, and special interest rate or any other exclusivity for :
  - 1) Himself/herself
  - 2) His/her family
  - 3) Company where he/she and or his/her family has an interest
3. All of Bank Management are prohibited to work in the other company, either as a member of Board of Directors, employee, consultant or member of Board of Commissioners, unless if he/she has obtained an assignment or the written consent from Bank. Special for members of Board of Commissioners and Board of Directors, double position must follow the provisions of regulator concerning Good Corporate Governance.
4. All of Bank Management are prohibited to become a vendor, directly or indirectly, either partner for goods or services for Bank.
5. All of Bank Management are prohibited to take Bank's properties for personal interest, family's or other parties' interest.
6. All of Bank Management are only allowed to carry out security transaction, trades of foreign exchange, precious metal, derivative transactions and other goods for their own interest if there is no conflict of interest, no breach of insider trading regulation of Capital Market Authority, and other regulations.



## II. Implementation in 2017

During 2017, there are no related party transactions that require the approval of the GMS.