

# Internal Dispute of Bank Mandiri

During 2017, there were no internal disputes in Bank Mandiri related to owner's intervention, remuneration policy or any other cause.

## Prevention of Insider Trading

Internal provisions about Insider Trading acts performed by insiders of Bank Mandiri are stated in Bank Mandiri Policy Architecture and Corporate Secretary Standard Guideline. Bank Mandiri Policy Architecture has regulated that "all Bank Personnel are only permitted to engage in securities transaction, foreign exchange, precious metal, derivative transaction, and other forms of trading in his own interests if there is no conflict of interests, breach of Insider Trading regulation from Capital Market Authority and other regulations."

In Corporate Secretary Standard Guideline, the provision that regulates about Insider Trading acts is regulated in Chapter III number 5 letter d that regulates:

1. Insider who has insider information about Bank financial status, Bank activities agenda and/or other unpublished information material that are duly suspected will influence the investor or shareholder's decision, is prohibited to conduct buying and/or selling Bank stock.
2. Insider who has insider information is prohibited to influence any party including his own family to conduct buying or selling stock.
3. Insider other than Board of Directors and Board of Commissioners that commits violation as regulated above and is proved to conduct transaction and/or give insider information will be imposed sanctions as regulated in Human Capital Standard Guideline (SPSDM).
4. Board of Directors and Board of Commissioners and other parties with certain position, profession/relation with the Bank that conduct insider trading are responsible corresponding to prevailing provisions.
5. Annual Disclosure states about insider trading prohibition. The obligation to provide annual disclosure for Bank personnel is regulated in code of conduct and/or SPSPDM.

## Anti Corruption Policy

Bank Mandiri has possessed several policies related to the Prevention of Corruption which are internal control policy, Employee Discipline Regulation, Code of Conduct, Business Ethic, Bank Mandiri has also compiled Corporate Cultural Value "Corporate Culture" which is instilling integrity value to each Bank Mandiri personnel.

Actions taken by the Company to overcome corruption practice issues, particularly in Code of Conduct has been regulated as follow:

1. Prohibition to all Bank Personnel to solicit or receive, approve to receive a gift or reward from a third party that obtains or is trying to obtain facilities from the Bank in the form of credit facilities, cash loan and non cash loan", or in the process of buying or discounting money order notes, promissory notes and trade papers or other mandatory evidence, or other facilities related to bank operational or goods procurement and service from Bank.
2. Prohibition to all Bank personnel in abusing the office and take benefit directly or indirectly from information obtained from Bank business activities:
  - a. Personal benefit
  - b. Benefit for his family members
  - c. Benefit for other parties
3. Imposing sanctions from mild to severe for violators of this prohibition.
4. Obeying external and internal regulations.
5. In credit, every loan lending has to be performed through discussion in Loan Committee Meeting forum as an implementation of four-eyes principle and process check and balance between Business Unit as the initiator and Risk Management as Risk Mitigation unit. In this committee, Legal Group and Compliance Group are also required to attend to give opinion from legal and compliance sides to reinforce the independence aspect, avoid dominance from one of the unit, avoid conflict of interest and to ensure the decision making that is objective and free of pressure. To accelerate process and improve loan performance, Bank Mandiri also determines the authority limit to terminate loan based on loan exposure and risk level. Bigger exposure causes bigger quorum of the holder of authority that consists of Loan Committee member that functions as Risk Management and Loan Committee member that functions as Business Unit.

6. All Bank personnel are required to make annual disclosure that states all conditions and situations which allow violations/non-compliance from this code of conduct.
7. All Bank Mandiri personnel can give recommendation for improvement of performance, reinforcement of good corporate governance and prevention of fraud, through Letter to CEO (LTC), which is a communication tool for Bank Mandiri personnel directly to President Director (CEO).
8. In Cooperation Agreement with contractor/supplier/partner, there is a clause that states the commitment of those parties to not commit corruption and gratification practices.

In order to eradicate corruption, in 4 November 2014, the Company stated its commitment to Corruption Eradication Commission (KPK) to:

1. Establish National Integrated System with Working Culture approach and Prosperous Spirit for Country.
2. Implement gratuity control to support the effort of corruption eradication in the Company environment.

As the implementation and commitment for that, Bank Mandiri has performed several actions as follow:

1. Form Gratuity Control Unit which is a part of Compliance unit as gratuity control coordinator in Bank Mandiri.
2. Issue a provision about gratuity control program in Bank Mandiri environment annually or as needed by Company and consistently perfected in line with the improvement of the Company and/or compliance to legislation provision and lastly as perfected in 2016.
3. Perform socialization of gratuity control program to all employees and stakeholder of Bank Mandiri.

In addition, Bank Mandiri also provided anti-corruption-related training to its employees. The anti-corruption-related training conducted during 2017, was:

Socialization Table of Gratification Control Program

Training	Place	Date
Anti Money Laundering and Governance For Bankers Batch 2	Jakarta	13 – 14 Juli 2017
Anti Money Laundering and Governance For Bankers Batch 3	Surabaya	7 – 8 Agustus 2017
Anti Money Laundering and Governance For Bankers Batch 4	Bandung	7 – 8 September 2017
Anti Money Laundering and Governance For Bankers Batch 5	Semarang	9 – 10 Oktober 2017
Anti Money Laundering and Governance For Bankers Batch 6	Jakarta	9 – 10 November 2017
Anti Money Laundering and Governance For Bankers Batch 7	Jakarta	20 – 21 November 2017

## Transparency of Financial and Non Financial Condition of The Company

Bank Mandiri complied to transparency obligation and publication of financial and non-financial conditions in correspond to prevailing provision, through information presentation and publication via printed media and company website as follow:

1. Monthly Financial Report to regulator that was published via BI and Bank Mandiri website.
2. Quarterly Financial Report to regulator that was published via printed media and Company website.
3. Bank Mandiri Annual Report is composed and presented in correspond to provision and presented to the regulator, rating agency banking development institute, research institute, finance magazine and published in Company website.
4. Corporate Governance Information, which are Corporate Governance Annual Report, Vision, Mission, Corporate Value,
5. Product information and Company Service including its office network are published in the Annual Report and Company website so customer, investor, and the people can easily access the information about product and service of the Company.
6. Complaint Submission Procedure Information, Information Safety Policy and Tips for Customer in using banking service are published in Company website for the implementation of customer protection provisions.
7. Other information to support information transparency, finance education and service to the people.