

Relationship Between the Company and Shareholders In Guarantying Shareholders' Rights

The Company is committed to ensure the shareholder rights and to provide equal treatment towards all shareholders. The Company guarantees shareholders rights, both majority and minority, the case of shareholder rights in conducting the GMS has been regulated in the Company's Articles of Association. The execution of the GMS of Bank Mandiri had referred to the POJK number 32/POJK.04/2014 on the Plan and Administration of the GMS. Bank Mandiri had also made a summary of the Minutes of GMS in Indonesian and English, which had been published 2 (two) working days after the execution of the GMS, one of them was through the Company's website.

As for the improved communication quality with the shareholders, Bank Mandiri has had its policy on communication with shareholders or investors, as set forth in the Corporate Secretary. In addition to the above mentioned matters, Bank Mandiri also had Public Expose and Analyst Meeting agenda implemented quarterly (every three months) to deliver information to the public and investors, such as periodic reports, information disclosure, business and performance condition or prospect, and Implementation of Public Listed Company Governance. Bank Mandiri had also established a work unit as an information center for the Company's performance of investor management.

Functions and Roles of the Board of Commissioners

Bank Mandiri has complied with this provision as stated in Article 20 of POJK No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Listed Companies, i.e. that the number of Board of Commissioners member should be more than 2 (two) persons. The number of members of the Board of Commissioners of Bank Mandiri was 8 (eight) persons with composition ratio of Independent Commissioners: Non-Independent Commissioner was 50% : 50% The number of BOC had taken into consideration the Company's business needs and complexity, diversity of expertise, educational background, and experience and gender-differentiation. The composition of the Board of Commissioners had shown an ideal composition due to the balance between Independent Commissioners and Non-Independent Commissioners. The diversity of the background of the Board of Commissioners was necessary to support the effectiveness of the supervisory duties of the Board of Commissioners.

Functions and Roles of the Board of Directors

The number of Board of Directors as the Public Company referred to the applicable legislative regulations where, in accordance with POJK 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Listed Companies stating that the Board of Directors of an Issuer or Public Listed Company should consist of minimum 2 (two) members. The current Board of Directors of Bank Mandiri was

more than 2 (two) persons in which the total amount was based on the Company's business needs.

The diversity of the competence background of the Board of Directors was expected to provide an alternative solution to an increasingly complex problem faced by the Company, so that the resulting decision became

Stakeholder Engagement

The Company had several policies/regulations that essentially provided protection to stakeholders and were not limited to Bank Mandiri shareholders. These protections were in the form of:

Insider Trading

Preventive provisions of information misuse for the interest of increasing the value of shares of Bank Mandiri (insider trading), namely:

- Insiders are those who have insider information prohibited from influencing any party including the Insider's family to make a purchase or sale of shares.
- Any employee who commits an offense as set forth above and is proven to conduct a transaction and/or provide insider information will be subject to disciplinary sanctions as set out in the Human Capital Manual Standards.
- Board of Directors and Board of Commissioners and parties due to the status, certain professions/relationships with the Bank shall conduct insider trading, the liability shall be in accordance with the applicable provisions.

Anti Fraud Strategy

To ensure that the Public Lister Company's business activities were conducted in a legal, prudent manner, and in accordance with the principles of good governance, Bank Mandiri has had an Anti-Fraud Strategy policy effective from 2 May 2012, as a follow-up towards Bank Indonesia's Circular Letter No. 13/28/DPNP dated 09 December 2011 on Implementation of Anti-fraud Strategy (SAF). Bank Mandiri has delivered SAF Implementation Report to OJK regularly every semester, as well as incidental reports concerning any cases that may interfere with the Bank's operation, in accordance with the applicable provisions.

Goods and Services Procurement Process

In relation to procurement activities, Bank Mandiri had a policy on selection, suppliers and vendors to ensure that Bank Mandiri obtained the necessary goods or services at competitive and quality prices. Selection criteria vendors were reviewed periodically as the basis of selection to become partners. Partner performance was evaluated through 2 (two) models, which were project performance evaluation and periodic evaluation.