

Anti Gratification Policy PT Bank Mandiri (Persero) Tbk.

Bank Mandiri realizes that gratuity control is an important activity to keep business processes in line with business ethics that uphold the value of integrity. Therefore, since 2013, Bank Mandiri has had a Operating Technical Guideline namely Gift Disclosure Statement that regulates the prohibition on receiving gratuity for all Bank Mandiri employees. In addition, Gratuity control aims to build the values of Good Corporate Governance and create integrity values for all Bank Mandiri employees. Therefore, in carrying out daily business activities with customers, vendors, partners and all stakeholders, Bank Mandiri always based on ethics, mutual trust, and to be responsible. Thus business interests continue to run well and ethically but do not conflict with the provisions on the prohibition of gratuity. Until now, Bank Mandiri has tried to make continuous improvements in the implementation of its gratuity controls.

As an embodiment of Bank Mandiri's Integrated Prevention Commitment with Corruption Eradication Commission (KPK), which was signed on November 4, 2014, to implement gratuity controls to support efforts to eradicate corruption in Bank Mandiri, Bank Mandiri has established a Gratuity Control Unit and perfected PTO Gift The Disclosure Statement becomes a PTO for gratuity Control which came into force on July 3, 2015 and has implemented gratuity control through a continuous socialization program.

Following up on the Corruption Eradication Commission (KPK) guideline related to determining the limits of fairness and adjustments to current conditions, Bank Mandiri in carrying out daily business activities needs to maintain good cooperative relationships with customers, vendors, partners, work partners and all stakeholders based on ethics, mutual trust, and responsibility. Bank Mandiri has also refined the gratuity Control Technical Operational Guidelines (PTO) which took effect on March 1, 2018. In the refinement of the PTO for gratuity Control, a number of new things are arranged as follows :

- a. Adjustment of the fairness value of gratuity between fellow Bank Mandiri staff.
- b. Determination of the fairness value of receipt of goods gratuity specifically for disaster/disaster events.
- c. Determination of SLA 5 working days for the ranks of Bank Mandiri who report receipt/rejection of gratuities to UPG.

In order to support the corruption eradication program, Bank Mandiri actively participates in activities coordinated by the KPK including:

- a. Follow the National Tunas Integritas collaboration activity held on March 21-23 2018 in Kebumen, Central Java.
- b. Follow the National gratuity Control Unit Forum held on November 12-15 2018 in Bogor, West Java.
- c. Follow the 2018 World Anti-Corruption Day Festival held on December 4-5 2018 in Jakarta.

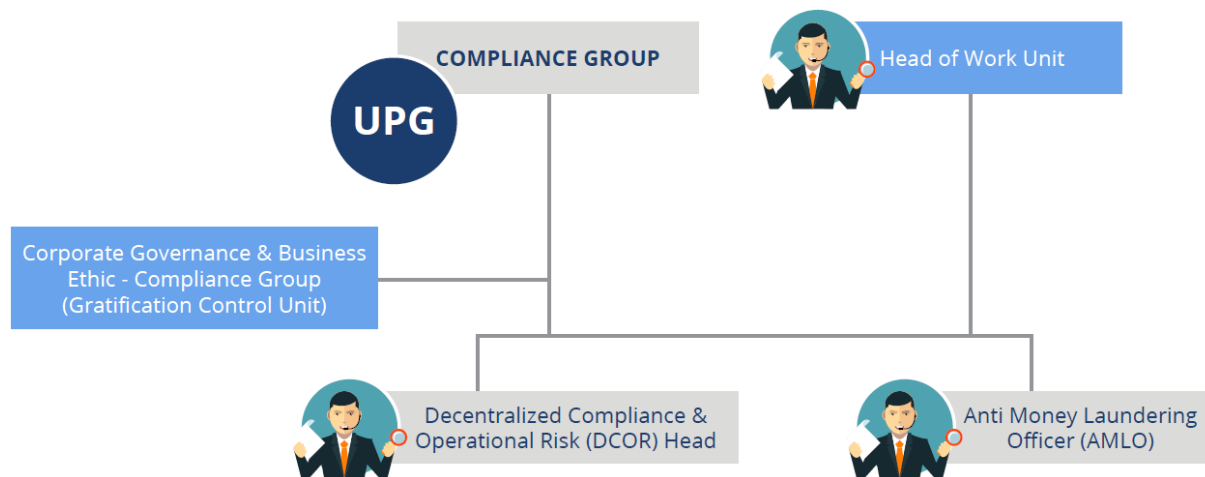


Management of Gratification Control

Organizational Structure of Gratification Control Units

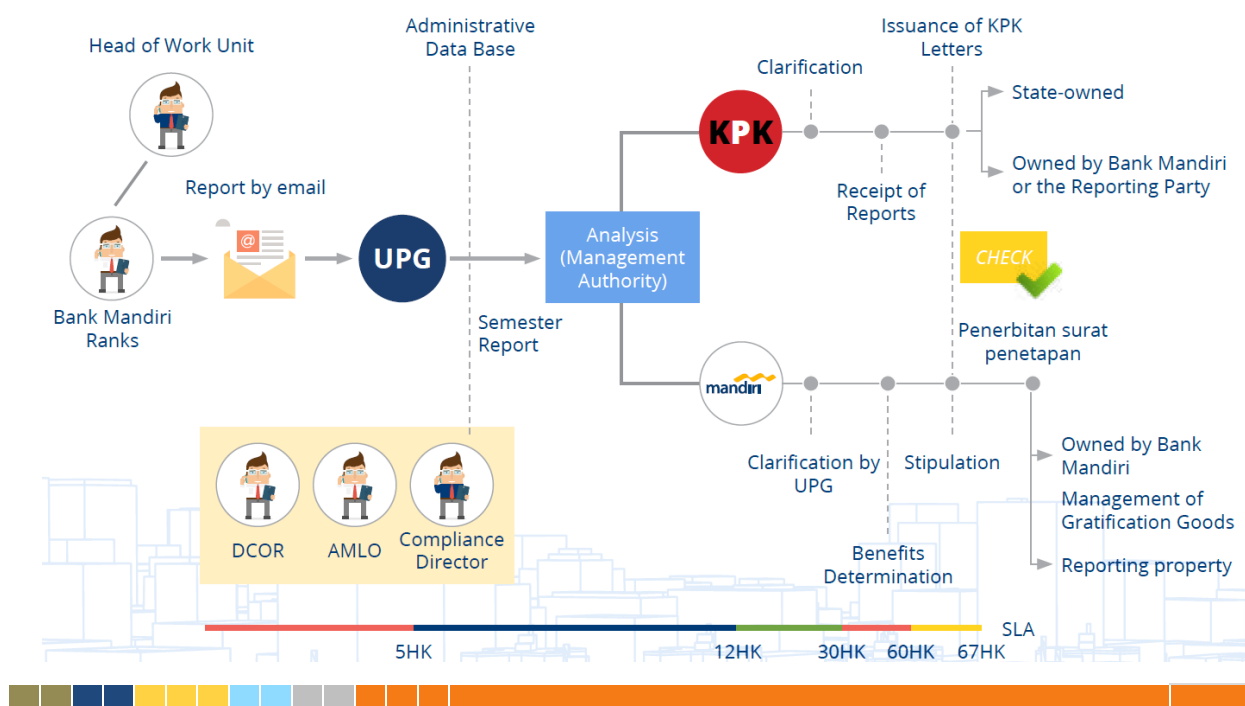
The Bank Mandiri Gratuity Control Unit (UPG) is managed by the Compliance Unit (Compliance Work Unit) at the Company, i.e. the Compliance Group. The UPG functions to control gratuities within Bank Mandiri, which in carrying out their duties are assisted by Decentralized Compliance & Operational Risk (DCOR) and Anti Money Laundering Officer (AMLO). The organizational structure of Bank Mandiri UPG is as follows :

UPG Structure of Mandiri Bank



Gratification Reporting Mechanism

Bank Mandiri has a gratuity reporting mechanism that is adjusted to the KPK reporting mechanism, with the following paths :





Socialization of Gratification Policy

Socialization related to gratification control was carried out continuously to all levels of the organization to increase awareness where in its implementation UPG coordinated with Head of DCOR and Risk Business Control -AMLO. The socialization was carried out directly to the Working Units at Headquarters, Regional Offices, Branch Offices and through regular ODP/SDP classes. Throughout the year of 2018, face-to-face socialization was conducted to approximately 1,810 Bank Mandiri employees. Other media used in disseminating gratification control policies are through the installation of Gratuity Control Posters at the Regional Offices and Headquarters, sending Email Blasts, Screen Savers, Mandiri Magazine, making gratification display cabinets and urge all Bank Mandiri partners/fellows not to provide gratification related to religious celebrations and new year through national newspaper media.

Gratification Reports In 2018

Bank Mandiri employees who receive/reject gratuities must report their receipt/rejection to the UPG via e-mail facilities no later than 5 (five) working days after receipt/rejection by filling in the reporting form accompanied by adequate supporting documents. After receiving the report, UPG will review and classify the report on gratuities that are the authority of Bank Mandiri or the authority of the KPK. Throughout the year of 2018, numbers of reports on receipt/rejection of gratuities received by UPG were 129 reports. The receipt of reported gratuities includes in the form of bribery gratuities, perishable food/goods, goods in the framework of service, honorarium in the context of service and marriage.

Integrity Pact

In order to support the gratuity control program, Bank Mandiri has a program to sign the Integrity Pact which is a statement of all levels of Bank Mandiri to commit to upholding moral and integrity, protecting and maintaining the image, credibility and interests of Bank Mandiri by not requesting or receiving gratuities from parties who have conflict of interest.

The Integrity Pact is signed by the Board of Commissioners and the Board of Directors every year. In addition, the Integrity Pact was also signed by all employees of Bank Mandiri when they first worked at Bank Mandiri and re-signing every 2 (two) years.

