



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

Affiliated Transactions are all types of transactions both for goods and services carried out by and between :

- Bank with a Bank Affiliated Party, or
- Bank Controlled Company with Bank Affiliated Parties.

Transactions with affiliated parties have the potential risk of abuse by related parties that can harm minority shareholders and have an impact on market integrity. Bank Affiliated Parties are prohibited from utilizing the Bank for personal, family and / or other party's interests which can harm or reduce the Bank's profits; and is prohibited from taking and / or receiving personal benefits from the Bank, other than remuneration and other facilities determined based on the decision of the General Meeting of Shareholders. Affiliated Transactions are carried out by methods, processes and / or methods in such a way that the Bank or Controlled Company does not give / receive different or special treatment to / from the Bank's Affiliated Party. Affiliate transactions are carried out based on normal and reasonable commercial terms.

The following Affiliate Transactions are excluded :

1. Rewards, including salaries, pension contributions, and / or special benefits given to members of the Board of Commissioners of the Board of Directors and employees, as a whole have been disclosed in the Bank's periodic financial statements
2. Transactions which are the main business activities of the Bank or Bank Controlled Company as stipulated in the Bank's Articles of Association or Bank Controlled Companies; and
3. Transactions that are supporting the main business activities of the Bank or the Bank's Controlled Company.

Based on SPO Corporate Secretary Chapter III.A concerning Bank Activities as a Public Company, it is conveyed that as a form of information disclosure to stakeholders, reports related to Affiliated Transactions which according to the laws and regulations must be informed to the public, the Exchange and / or Financial Services Authority within the time limit legislation stipulated.

Information Disclosure of Affiliation Transactions

In order to fulfill the provisions of Bapepam LK No.IX.E.1 concerning Affiliation Transactions and Conflict of Interest of Certain Transactions, Bank Mandiri has reported the transactions with the related parties that fulfill the affiliation transaction categories as follows :

1. Affiliation Transaction with PT Taspen Persero
 - a. Characteristic of Affiliation Relation: The similarity of the relationship control directly to the Government of the Republic of Indonesia
 - b. Form of Transaction: The shares sale transaction of Bank Mandiri in PT Bank Mandiri Taspen amounted to 114,292,502 shares with price of IDR3,539 per share to the Company (Persero) PT Dana Tabungan dan Asuransi Pegawai Negeri (Taspen Persero)





- c. Transaction and Fairness Value: The transaction value was IDR404,481,164,578 which had been evaluated by the Public Appraiser Services Office of Ruky, Safrudin & Colleagues and obtained the fairness opinion.
- d. Transaction Date: December 14, 2018
- e. Review Mechanism: Used the assessment method as stated in the report of the Public Appraiser Services Office of Ruky, Safrudin & Colleagues and obtained the fairness opinion.
2. Affiliation Transaction with PT Wijaya Karya Bangunan Gedung
 - a. Characteristic of Affiliation Relation: The similarity of the relationship control directly and indirectly to the Government of the Republic of Indonesia
 - b. Form of Transaction: Transaction of the Cooperation Agreement for the Construction, Operation and Building, Operate and Transfer (BOT) of land and buildings located on Jl. Proklamasi No. 31 Jakarta
 - c. Transaction and Fairness Value: The transaction value was IDR53,900,000,000 which had been evaluated by the Public Appraiser Services Office of Amin, Nirwan, Alfiantori and Colleagues and obtained the fairness opinion.
 - d. Transaction Date: December 28, 2018
 - e. Reviu Mechanism: Used the assessment method as stated in the report of the Public Appraiser Services Office of Amin, Nirwan, Alfiantori and Colleagues and obtained the fairness opinion.

Conflict of Interest Transactions

Conflict of interest is a condition in which the Bank's employees in carrying out their duties and obligations to have interests outside of the interests of the service, concerning personal interests, family interests and other parties, so the Bank may lose objectivity in making decisions and policies in accordance with the given authority.

Therefore :

1. All Bank Officers are required to avoid activities that can cause conflicts of interest. If one thing or another cannot be avoided, then the person concerned must report it to the immediate supervisor.
2. All Bank Officers are prohibited from giving approval and or requesting approval for credit facilities, as well as special interest rates and other specificities for :
 - Herself/Himself
 - His family/Her Family
 - A company where he and or his family has an interest
3. All Bank Officers are prohibited from working for other companies either as directors, employees, consultants or commissioners, except when they have received assignments or written permission from the Bank. Especially for members of the Board of Commissioners and Directors, concurrent positions follow the regulatory provisions regarding Good CoDRorate Governance.
4. All Bank Officers are prohibited from being partners directly or indirectly, both partners for goods or services for the Bank.
5. All Bank Officers are prohibited from taking goods belonging to the Bank for their own, family or other outside parties' interests.
6. All Bank employees are only permitted to conduct securities transactions, foreign exchange trading, precious metals, tran derivative witnesses and other goods for their own benefit if there





is no conflict of interest, violation of insider trading rules from the Capital Market Authority, and other regulations.

The ranks of Bank Mandiri are required to make annual disclosures related to conflicts of interest each year, and each work unit is required to submit a transaction / decision report containing a conflict of interest every quarter.

During 2018, there was no transaction that fulfilled the conflict of interest category.