



20. Standard Operational Procedure of Corporate Work Plan and Budget (Rencana Kerja dan Anggaran Perusahaan/RKAP) and Bank Business Plan (Rencana Bisnis Bank/RBB) as updated and approved on July 6, 2017.
21. Standard of Accounting Guideline as updated and approved on December 28, 2017.
22. Standard of Operational Guideline of Credit Collection and Recovery as updated and approved on October 10, 2018.
23. Standard of Operational Guideline of Information Technology as updated and approved on December 12, 2018.
24. Standard of Internal Audit Guideline as updated and approved on December 12, 2018.
25. Standard of Human Resource Guideline as updated and approved on March 20, 2018.
26. Technical and Operational Guideline of Information Technology Security as updated and approved on November 29, 2017.
27. Technical and Operational Guideline of Individual and Integrated Self-Assessment Good Corporate Governance as validated on February 1, 2018.
28. Technical and Operational Guideline of Credit Collection and Recovery Wholesale as updated and approved on December 28, 2017.
29. Technical and Operational Guideline of Credit Collection and Recovery Retail as updated and approved on June 2, 2017.

## Mechanism of Corporate Governance

Mechanism of corporate governance is a process to implement corporate governance principles supported by the adequacy of bank governance structure and infrastructure, thus producing outcomes that are compatible with the expectation of the Company stakeholders. The process to implement corporate governance is inherent to the structure of corporate governance as follows.

### General Meeting of Shareholders

Being a Company established as Limited Liability Company, General Meeting of Shareholders (GMS) is the highest organ of the Company with the rights and authorities that are absent in the Board of Commissioners and Board of Directors in the limit as specified in the provision of legislations and Articles of Association of the Company.

In addition, GMS can be a communication medium between Board of Directors and Board of Commissioners, as well as the Company's shareholders in the form of discussion for all present shareholders in every GMS subject. Implementation of GMS in Bank Mandiri refers to the following conditions:

1. Law Number 40 of 2007 concerning Limited Liability Company.
2. Financial Services Authority Regulation No. 32/POJK.04/2014 dated December 8, 2014 concerning the Plan and Implementation of General Meeting of Shareholders of a Public Company, as amended by Financial Services Authority Regulation No. 10/POJK.04/2017 dated March 14, 2017.
3. Articles of Association of Bank Mandiri.

### Rights of The Shareholders

Shareholder is an individual or a legal entity who lawfully owns one or more share in a Company. Shareholders are owners of the Company. Company's Share is a share on behalf of and is issued by the owners who are registered in the List of Shareholders and which consist of:

1. Series A Dwiwarna Share that may only be owned by the Republic of Indonesia.
2. Series B Share that may be owned by the Republic of Indonesia and/or the Citizens.

### Information On Majority and Controlling Shareholders (Series A Dwiwarna)

As a State-Owned Enterprises (SOE), majority ownership of Bank Mandiri is owned by the Government of the Republic of Indonesia, which in this case is represented by the Ministry of SOE. So that Bank Mandiri does not have major shareholders and individual controllers.

At the time of establishment, state capital investment by the Republic of Indonesia to Bank Mandiri was performed pursuant to Government Regulation No. 75 of 1998 on State Capital Investment of the Republic of Indonesia for the Establishment of Limited Liability Company (Company) in Banking Field dated October 1, 1998.

The capital investment was performed by altering state-held shares to the ex-legacies of Bank Mandiri, namely Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor Impor Indonesia dan Bank Pembangunan Indonesia. As the majority shareholder, the Government of the Republic of Indonesia currently holds 60% (sixty percent) of the shares, or 28,000,000,000 (twenty-eight billion) shares, in which one Series A Dwiwarna share is among all the shares. Series A Dwiwarna shareholder is entitled the following privilege that does not experienced by other shareholders:

1. Right to approve the following matters in GMS:
  - a. Approving the Amendment to the Company's Articles of Association.
  - b. Approving capital change.
  - c. Approving the appointment and discharge of members of the Board of Directors and Board of Commissioners.
  - d. Approving merger, consolidation, acquisition, segregation, dissolution of the Company.
  - e. Approving the remuneration of the Board of Directors or Board of Commissioners.
  - f. Approving asset transfer and assurance which requires GMS approval as per the Articles of Association.
  - g. Approving the investment and reduction to the percentage of capital investment at other company which requires GMS approval as per the Articles of Association.
  - h. Approving the utilization of net profit.
  - i. Approving the non-operational investment and long-term funding which requires GMS approval as per the Articles of Association.
2. Right to propose GMS agenda.
3. Right to request and access company data and documents.
4. Right to propose binding nomination of candidates of Board of Directors members and candidates of Board of Commissioners members.

In addition to the above privileges, certain actions of the Board of Directors with certain criteria must obtain approval written from the Board of Commissioners and Series Shareholders A Dwiwarna as stipulated in Article 12 paragraph (7) Bank Mandiri's Articles of Association.

### Rights of General Shareholders

Bank Mandiri Shareholders, both Holders of Series A Dwiwarna Share and Holders of Series B Share, have the same right in addition to the Special Right of Series A Dwiwarna Share above and as long as not regulated otherwise by the Company's Articles of Association, as follows:

1. The right to attend, express opinions, and vote in a GMS based on one share.
2. Each Shareholder has the right of 1 (one) vote/share (one share one vote)
3. Obtain an explanation of the voting procedure before the GMS begins.
4. The voting mechanism is done by the polling method
5. Opportunity to propose an agenda in GMS.
6. Opportunity to grant authority to another party if a shareholder is unable to attend the GMS.
7. Reveal practices to encourage involvement of Shareholders outside the GMS
8. To propose questions in every agenda discussion and every decision of GMS agenda.
9. Opportunity to vote as agree, disagree, or abstain in every proposal of decision of GMS agenda.
10. Right to obtain information regarding the company in manners that are on time, correct, and regular, except for matters that are confidential.
11. Right to obtain part of the Company's profit that is allocated for Shareholder in the form of dividend and another distribution of profit, which is proportional to the number of owned shares.
12. Right to obtain comprehensive description and accurate information regarding procedure that needs to be executed in relation to the implementation of GMS.

### Responsibilities of Shareholders

In addition to the rights and authorities, Bank Mandiri Shareholders as the capital owners also have responsibilities that must be fulfilled to the Company.

#### Controlling Shareholders

Their responsibilities are as follows:

1. Controlling shareholders must be able to:
  - a. Consider the interests of minority shareholders and stakeholders pursuant to the applicable conditions and laws and regulations;
  - b. In the event of alleged violation to the laws and regulations or as requested by relevant authority, names of shareholders and ultimate shareholders shall be disclosed to law enforcement authorities regarding the ultimate controlling shareholders, or as requested by relevant authority.
2. As for controlling shareholders with shares in several public companies, they have to be open with regard to accountability and relationship between public companies.

#### All Shareholders

Their responsibilities are as follows:

1. Distinguishing the ownership of the property of public company and personal property.

2. Distinguishing their functions as shareholders and members of Board of Commissioners or Board of Directors in the event that shareholders serve in one of those organs.

Minority shareholders are responsible to exercise their rights effectively pursuant to the Articles of Association of the Company as well as the laws and regulations.

### Policy of Relationship With Shareholders

As a Public Company, Bank Mandiri continuously attempts to provide accurate, periodic, and up-to-date information to Shareholders. Currently, communication activity to the Shareholders in Bank Mandiri is managed by the Corporate Secretary and Investor Relations Work Unit. Pursuant to Article 5 of Financial Services Authority Regulation No. 35/POJK.04/2014 concerning the Secretary of Issuer Company or Public Company, one of the functions of Corporate Secretary is a liaison between the Issuer and shareholders, OJK, and other stakeholders. Internal policy regulating the relationship between Bank Mandiri and Shareholders is Operational Policy and Standard Procedure of Corporate Secretary which, among other things, regulates Corporate Communication Activity.

### Equal Treatment To Shareholders

By referring to the provision of legislations which are regulations in Capital Market, Bank Mandiri always puts forward equality principles for all shareholders (majority or minority). This commitment is reflected in internal regulations as stated in Corporate Secretary Policy Bank Mandiri and Corporate Secretary Standard Guideline Bank Mandiri that are periodically reviewed, that regulate that all shareholders have the same right for information transparency from Bank Mandiri, namely information about company performance, financial

### Decision Making Mechanism

The decision making mechanism in the meeting is conducted by deliberation to reach consensus. But if deliberation for consensus was not reached, then the decision making in the Meeting was conducted in a way voting. Voting is carried out verbally with shareholders who vote disagree or abstain being asked to submit the sound card. Especially for meeting agenda concerning certain people, voting is carried out with a closed letter that is not signed and all holders the shares present present the voting card. Voting is done with a sound card the calculation is done electronically.

Throughout 2018, the Company implemented GMS for 1 (one) time, namely Annual GMS on March 21, 2018, at Auditorium Plaza Mandiri, Jakarta. The specified Annual GMS was implemented under the following phases:

information, and other information needed by all shareholders.

Equal treatment to shareholders is also reflected in the implementation of Company GMS. Each shareholder is entitled to propose GMS subject to the Company.

### Process of GMS Implementation and Voting

#### Quorum Provision

The quorum provisions regarding the attendance and resolutions of GMS, in relation to matters that must be resolved, were executed as follows:

1. The meeting is attended by shareholders who represent more than 1/2 (one half) of the entire shares with valid voting rights, and resolutions are valid when agreed by more than 1/2 (one half) of the entire amount of shares with voting rights which were present in the Meeting, unless the Law and/or Articles of Association of the Company determines a higher quorum.
2. In the event that presence quorum as specified is not achieved, the second GMS is valid and is entitled to make binding resolutions when attended by shareholders who represent minimum 1/3 (one third) of the entire shares with valid voting rights, and resolutions are valid when agreed by more than 1/2 (one half) of the entire amount of shares with voting rights which were present in the Meeting, unless the Law and/or Articles of Association of the Company determines a higher quorum.
3. In the event that presence in the second GMS as specified is not achieved, the third GMS can be held under the condition that it is valid and is entitled to make decisions when attended by shareholders of shared with valid voting rights, within a presence quorum and requirement to make decision that are determined by Financial Services Authority at the Company's request.