



Number of Code Violations

During 2018, there were 466 (four hundred sixty six) violations of the code of ethics with the following details:

Table of Number of Code Violations

| Types of Sanctions | 2018 |
|-------------------------------|------------|
| First Written Reprimand | 167 |
| Second Written Reprimand | 82 |
| First Written Warning | 65 |
| Second Written Warning | 30 |
| Hard and Last Written Warning | 20 |
| Work Termination | 72 |
| Contract termination | 30 |
| Total | 466 |

The number of violations of the code of ethics based on the categories of sanctions given are as follows.

| Kategori | 2018 |
|--------------|------------|
| Light | 249 |
| Medium | 115 |
| Severe | 102 |
| Total | 466 |

Anti Corruption Program

Bank Mandiri has several policies related to Corruption Prevention, including internal control policies, Employee Discipline Regulations, Code of Conduct, Business Ethics and compiling Corporate Culture Values, among others, instilling integrity values from every level of Bank Mandiri.

The actions taken by Bank Mandiri to address issues of corruption practices, specifically in the Code of Conduct, have been regulated as follows:

1. Prohibit all levels of the Company from requesting or receiving, agreeing to receive a gift or reward from a third party that obtains or seeks to obtain facilities from the Company in the form of a "cash loan and non-cash loan" facility, or in order to purchase or discount letters notes, promissory notes, checks and trade papers or other proof of liability, or other facilities related to the Company's operations and those related to the procurement of goods and services from the Company.
2. Prohibition to all levels of the Bank in misusing their authority and taking advantage both directly and indirectly from the knowledge obtained from the Company's business activities to:
 - a. Personal advantage
 - b. Benefits for family members
 - c. Benefits for other parties

3. Providing sanctions from mild to severe for violators of the ban.
4. Comply with external and internal regulations.
5. In the field of credit, each loan provision must be carried out through discussion in the Credit Committee Meeting forum as a means of implementing the four-eyes principle and a check and balance process between the Business Unit as the initiator unit and Risk Management as the Risk Mitigation Unit. In the committee, the Legal Group and Compliance Group must also be present to provide legal and compliance opinions to strengthen aspects of independence, avoid domination of one unit, avoid conflict of interest and ensure objective and pressure-free decision making. To speed up the process and improve loan performance, Bank Mandiri also sets limits on the authority to decide loan based on loan exposure and the level of risk. The greater the exposure, the greater the quorum of authority holders consisting of Credit Committee members who function as Risk Management and Credit Committee members who function as Business Units.
6. All levels of the Bank must make annual disclosures that contain all the circumstances or situations that enable the occurrence of violations I do not comply with this code of conduct.
7. All levels of Bank Mandiri can provide input for performance improvement, strengthening good corporate governance and fraud prevention, through Letter to CEO (LTC), which is a means of communicating with Bank Mandiri directly to the President Director (CEO).
8. In the Cooperation Agreement with the contractors/suppliers/partners, there is a clause that includes the commitment of the party not to carry out corrupt practices and gratuities.

In order to eradicate corruption, on November 4, 2014, the Company declared a commitment to the Corruption Eradication Commission to:

1. Build a National Integrity System with a Work Culture and Spirit Prosperity approach.
2. Implement gratuity controls to support efforts to eradicate corruption in the Company.

As an implementation of the commitment, Bank Mandiri has done the following:

1. Establish a gratuity Control Unit which is part of the Compliance work unit as coordinator of gratuity control at Bank Mandiri.
2. Issue provisions regarding the gratuity control program within the Bank Mandiri, which every year or according to the needs of the Company are continually refined in line with the development of the Company and/or fulfilment of the provisions of legislation and finally as refined in 2016.
3. Conduct socialization of the gratuity control program to all levels of Bank Mandiri employees and stakeholders.

The anti-corruption related training followed by Bank Mandiri can be seen in the Anti Gratification Policy Section of the Corporate Governance Chapter in this Annual Report.

Anti Gratification Policy



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