



# Application of Public Listed Company Governance Guidelines

No	Aspects; Principles; Recommendation		Comply or Explain
A.	Aspect 1 : Relationship between Public Companies and Shareholders in guaranteeing the Rights of Shareholders.		
A.1.	Principle 1: Improving the Value of Organizing General Meeting of Shareholders (GMS).		
A.1.1.	<p>Recommendation 1 : Public companies have technical or voting methods or procedures, both openly and closed, that prioritize independence, and the interests of shareholders.</p> <p>Explanation : Every share altogether with issued vote rights have one share one vote. Shareholders may use their votes in decision making process, especially in the process that requires voting. However, decision making in the form of voting both openly and closed have not been regulated completely.</p> <p>Public company is recommended to have voting procedure in decision making process in any agenda of General Meeting of Shareholders. The procedure of voting have to secure the independence of shareholders. For example, open voting is done by raising hands in accordance with the instruction offered by the head of the GMS. Meanwhile, in a closed vote, the process is carried by using a sound card or by using electronic voting to facilitate decisions that require confidentiality or the request of shareholders.</p>	<p>In the Annual General Meeting of Shareholders (RUPS) and Extraordinary RUPS, Bank Mandiri has carried out the voting process both openly and closed as stated in Rules of Conduct of the Annual Meeting of Shareholders.</p> <p>At the 2017 Annual General Meeting of Shareholders, the mechanism for open voting was carried out by raising hands and then submitting a voting card to those who did not agree. Meanwhile the closed voting mechanism was carried out with the people in charge approaching all shareholders, and then shareholders put the sound card into the box provided by the people in charge.</p> <p>The Company has made the General Meeting of Shareholder's Rules that can be uploaded on the Company's website and distributed to Shareholders at the time of the GMS.</p> <p><b>Description: Comply</b></p>	
A.1.2.	<p>Recommendation 2 : The entire members of Board of Directors and Commissioners of Public Company present in Annual General Meeting of Shareholders.</p> <p>Explanation : The presence of entire members of Board of Directors and Commissioners of Public Company aims at the goal that every members of Board Directors and Commissioners can pay attention, explain, and answer the problems happening in the company or questions given by shareholders related any agenda in General Meeting of Shareholders directly.</p>	<p>At the 2017 Annual General Meeting of Shareholders, the entire members of Board of Directors and Commissioners presented.</p> <p><b>Description: Comply</b></p>	
A.1.3.	<p>Recommendation 3 : The summary of all aspects in General Meeting of Shareholders is available in Website Site of Public Company at least one (1) year.</p> <p>Explanation : Based on the provisions in Article 34 paragraph (2) of the Financial Services Authority Regulation No. 32/POJK.04/2014 concerning the Plans and Implementation of General Meeting of Shareholders of Public Companies, Public Companies are required to make summary of GMS in Indonesian and foreign languages (minimum in English), and it had to be announced 2 (two) working days after the GMS was held to the public, one of which was through the Public Company Website. The availability of GMS summaries on the Public Company Website provides an opportunity for shareholders who are not present to obtain important information in the implementation of the GMS easily and quickly. Therefore, the provisions concerning the minimum period of availability of GMS summary on the Website are intended to provide sufficient time for shareholders to obtain such information.</p>	<p>The Summary of the Annual GMS for the Fiscal Year 2017, both in Indonesian and English, has been announced 2 (two) working days after the GMS, namely March 23, 2018 through Bisnis Indonesia and The Jakarta Post newspapers and has been uploaded on the website of Bank Mandiri, IDX and OJK Electronic Reporting System. On the website of Bank Mandiri, information has been provided regarding the implementation of the GMS, including a Summary of GMS for the past 5 (five) years.</p> <p>In addition, Bank Mandiri has compiled GMS Highlights in both Indonesian and English which are uploaded 1 (one) working day after the GMS is held on the Bank Mandiri Website.</p> <p><b>Description: Comply</b></p>	
A.2.	Principle 2 : Increasing the Quality of Public Company Communication with Shareholders or Investors.		

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A.2.1.		<p>Recommendation 4 : Public companies have a particular communication policy with shareholders or investors.</p> <p>Explanation : The availability of communication between public companies and shareholders or investors is intended, so shareholders or investors get a clearer understanding of information that has been published to the public, such as periodic reports, information disclosure, business conditions or prospects and performance, and implementation of public corporate governance. In addition, shareholders or investors can also submit input and opinions to the management of the Public Company. The communication policy with shareholders or investors shows the commitment of the Public Company in carrying out communication with shareholders or investors. These policies can include strategies, programs, and timing of communication implementation, as well as guidelines that support shareholders or investors to participate in the communication</p>	<p>Bank Mandiri has a communication policy with shareholders or investors as stipulated in the Standard Guidelines for Corporate Secretary (SPCS) Chapter III.A.I.Related to Information Disclosure.</p> <p>Information disclosure to stakeholders has been prepared by referring to the Capital Market provisions and other relevant laws and regulations, which can be briefly grouped into:</p> <ol style="list-style-type: none"> <li>Periodic and incidental reporting to related institutions (Financial Services Authority, Bank Indonesia, LPS, Ministry of Law and Human Rights, Indonesia Stock Exchange) and reporting through the Electronic Reporting System.</li> <li>General Meeting of Shareholders (GMS) Implemented in accordance with the provisions of the laws and Articles of Association of Bank Mandiri consisting of the annual GMS and other GMS (Extraordinary GMS)</li> <li>Carrying out other activities related to corporate action and/or information disclosure which include: <ul style="list-style-type: none"> <li>- Public Expose (quarterly)</li> <li>- Analyst Meeting (quarterly)</li> </ul> <p>The Public Expose and Analyst Meeting held every quarter is intended to include information to the public and investors regarding conditions, business prospects, performance, and implementation of corporate governance.</p> </li> </ol> <p><b>Description: Comply</b></p>
A.2.2.		<p>Recommendation 5 : The Public Company discloses the communication policy of the Public Company with shareholders or investors on the Website.</p> <p>Explanation : Disclosure of communication policy is a form of transparency on the commitment of the Public Company in providing equality to all shareholders or investors as the form of implementation of communication. The disclosure of information also aims to increase the participation and role of shareholders or investors in the implementation of the Public Company communication program.</p>	<p>The Company has a communication of Public Company policy with shareholders or investors as outlined in the Standard Guidelines for Corporate Secretary (SPCS) Chapter III.A.I. Information Disclosure. This policy has been disclosed on the Website. In addition, Bank Mandiri always manages information on the Website so that shareholders or investors can immediately obtain the latest information related to Bank Mandiri, both about Products/ Services, Performance, Management and Activities.</p> <p><b>Description: Comply</b></p>
B.	Aspect 2 : Fungtion and dan Role of Board of Commissioners		
B.1.	Principle 3 : Strengthening the Membership and Composition of the Board of Commissioners		
B.1.1.		<p>Recommendation 6 : Determination of the number of members of the Board of Commissioners considering the condition of the Public Company.</p> <p>Explanation : The members number of the Board of Commissioners can affect the effectiveness of the implementation of duties from the Board of Commissioners. Determination of the number of members of the Board of Commissioners of a Public Company must refer to the applicable laws and regulations, which at least consist of 2 people based on the provisions of the Financial Services Authority</p>	<p>Bank Mandiri has complied with the provisions of Article 20 Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Directors and Commissioners of Issuers or Public Companies; namely the number of members of the Board of Commissioners have to be more than 2 (two) people. The total number of members of the Bank Mandiri Board of Commissioners is 8 (eight) consisting of 4 (four) Independent Commissioners and 4 (four) non-Independent Commissioners.</p>



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		Regulation No. 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies. In addition, it is also necessary to consider the condition of the Public Company which includes the characteristics, capacity and size, as well as achieving goals and meeting different business needs among the Public Company. However, the large number of members of the Board of Commissioners has the potential to disrupt the effectiveness of the functioning of the Board of Commissioners.	<b>Description: Comply</b>
B.1.2.	Recommendation 7 :	Determination of the composition of members of the Board of Commissioners takes into account the diversity of expertise, knowledge and experience required.  Explanation : The composition of the Board of Commissioners is a combination of characteristics both in terms of the Board of Commissioners aspects and members of the Board of Commissioners individually, according to the needs of the Public Company. These characteristics can be reflected in the determination of expertise, knowledge and experience needed in the implementation of supervisory and advisory duties by the Board of Commissioners of the Public Company. The composition that has taken into account the needs of the Public Company is a positive thing, especially related to decision making in the context of implementing the supervisory function carried out by considering various broader aspects.	The Board of Commissioners has a self assessment policy stipulated in the Board of Commissioners' Standing Orders. The performance of the Board of Commissioners is carried out by each member of the Board of Commissioners through a Self Assessment mechanism based on assessment criteria related to the implementation of the duties and responsibilities of the Board of Commissioners which includes aspects of structure, direction and supervision.  <b>Description: Comply</b>
B.2.	Principle 4 : Improving Performance of Duties and Responsibility of Board of Commissioners.		
B.2.1.	Recommendation 8 :	The Board of Commissioners has a self assessment policy to assess the performance of the Board of Commissioners.  Explanation : The Board of Commissioners' self assessment policy is a guideline that is used as a form of collegial accountability for evaluating the performance of the Board of Commissioners. Self assessment is carried out by each member to assess the performance of the Board of Commissioners collegially, and not to assess the individual performance of each member of the Board of Commissioners. With this self assessment, it is expected that each member of the Board of Commissioners can contribute to improving the performance of the Board of Commissioners on an ongoing basis.  The policy covers the assessment activities carried out along with their aims and objectives, period of implementation periodically, and benchmarks or assessment criteria used in accordance with recommendations given by the function of nomination and remuneration of Public Company, in which the existence of these functions is required in the Authority Regulation Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.	The Board of Commissioners has a self assessment policy stipulated in the Board of Commissioners' Regulations. The performance of the Board of Commissioners is carried out by each member of the Board of Commissioners through a Self Assessment mechanism based on assessment criteria related to the implementation of the duties and responsibilities of the Board of Commissioners which includes aspects of structure, direction and supervision.  <b>Description: Comply</b>
B.2.2.	Recommendation 9 :	Self assessment policies to assess the performance of the Board of Commissioners, are disclosed through the Annual Report of the Public Company.  Explanation : The disclosure of self-assessment policy on the performance of the Board of Commissioners is carried out not only to fulfill the transparency aspect as a form of accountability for the implementation of its duties, but also to provide confidence especially to shareholders or investors for efforts that need to be carried out in improving the performance of the Board of Commissioners. With the disclosure, the shareholders or investors know the check and balance mechanism for the performance of the Board of Commissioners.	Self assessment policies to assess the performance of the Board of Commissioners have been disclosed in this Annual Report.  <b>Description: Comply</b>

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B.2.3.		<p><b>Recommendation 10 :</b> The Board of Commissioners has a policy related to the resignation of members of the Board of Commissioners if involved in financial crimes.</p> <p><b>Explanation :</b> The policy of resigning from a member of the Board of Commissioners involved in financial crime is a policy that can increase stakeholders' trust in the Public Company, so that the company's integrity will be maintained. This policy is needed to help the legal process, so the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy builds an ethical culture within the Public Company. This policy can be included in the Guidelines or the Ethical Codes applied to the Board of Commissioners.</p> <p>Furthermore, what is meant by being involved in financial crimes is the status of convicted members of the Board of Commissioners from the authorities. The intended financial crimes are manipulation and various forms of fraud in financial service activities as well as Money Laundering Criminal Actions as referred to in Law Number 8 Year 2010 concerning Prevention and Eradication of Money Laundering Crimes.</p>	<p>Bank Mandiri has a policy regarding the resignation of members of the Board of Commissioners if involved in financial crimes as stated in the Bank Mandiri Articles of Association, namely that the term of office of the Board of Commissioners ends one of them because it violates laws and regulations and when resigning.</p> <p>Based on Article 14 paragraph (26) letter f of the Bank Mandiri Articles of Association, the term of office of members of the Board of Commissioners ends if they no longer fulfill the requirements as members of the Board of Commissioners based on the Articles of Association and other laws and regulations. In the event that a member of the Board of Commissioners resigns including if involved in a financial crime, then the member of the Board of Commissioners concerned must notify Bank Mandiri in writing of its intentions and Bank Mandiri must hold a GMS to decide on the resignation request at the latest 90 (ninety) days after receipt of the resignation letter.</p> <p><b>Description: Comply</b></p>
B.2.4.		<p><b>Recommendation 11 :</b> The Board of Commissioners or the Committee that carries out the Nomination and Remuneration function prepares a succession policy in the nomination process of members of the Board of Directors.</p> <p><b>Explanation :</b> Based on the provisions of the Financial Services Authority Regulation No. 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies, the committee that carries out the nomination function has the task of formulating policies and criteria needed in the nomination process of prospective of Directors candidate. One policy that can support the nomination process as intended is the succession policy of members of the Board of Directors. The policy on succession aims to maintain the continuity of the regeneration process of leadership in the company in order to maintain business continuity and the company's long-term goals.</p>	<p>Bank Mandiri has a Remuneration and Nomination Committee that helps the Board of Commissioners to be able to submit suggestions to holders of Dwiwarna A series in terms of these following aspects:</p> <ol style="list-style-type: none"> <li>1. Arranging, implementing and analyzing criteria and nomination procedures for candidates for the Board of Commissioners and Directors</li> <li>2. Identifying candidates for Directors from both inside and outside and candidates for the Board of Commissioners who fulfill the requirements to be submitted/appointed as Directors or Board of Commissioners.</li> </ol> <p>In order to prepare for leadership regeneration in the future, Bank Mandiri designed the Talent and Succession Management program, a policy of succession of Directors which has been aligned with the Regulation of the Minister of BUMN No. PER-03/MBU/2015 concerning requirements, procedures for the appointment and dismissal of members of BUMN Directors. In addition, as a Public Company, the Company Policy also refers to Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Directors and Commissioners of Issuers or Public Companies. The appointment and dismissal of the Company's Directors is based on the principles of professionalism and Good Corporate Governance (GCG).</p> <p><b>Description: Comply</b></p>
C.	Aspect 3 : Function and Role of Directors		
C.1.	Principle 5 : Strengthen Membership and Composition of Directors		
C.1.1.		<p><b>Recommendation 12 :</b> Determination of the members of the Board of Directors considering the condition of the Public Company and the effectiveness of decision making.</p> <p><b>Explanation :</b> As a company aspect authorized to manage the company, the determination of the number of Directors greatly influences the performance of the Public Company. Thus, the determination of the</p>	<p>Bank Mandiri has complied with the provisions of Article 20 Financial Services Authority Regulation 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies, namely Directors of Issuers or Public Companies consisting of at least 2 (two) members of the Directors. The number of Directors of Bank Mandiri consists</p>



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	<p>number of members of the Board of Directors must be done through careful consideration and must refer to the provisions of the applicable legislation, which based on Financial Services Authority Regulation No. 33/POJK.04/2014 concerning Directors and Board of Commissioners of at least Public Companies consists of 2 (two) people. In addition, the determination of the number of Directors must be based on the need to achieve the objectives of the Public Company and be adjusted to the conditions of the Public Company which includes the characteristics, capacity and size of the Public Company and how effective the decision-making of the Directors is.</p>	<p>of 11 (eleven) people, and its determination has been based on the complexity and needs of Bank Mandiri. In the Board of Directors' regulations, it has been regulated regarding the mechanism of decision making of the Directors.</p> <p><b>Description: Comply</b></p>
C.1.2.	<p>Recommendation 13 : Determination of the composition of the Board of Directors members takes into account the diversity of expertise, knowledge and experience needed.</p> <p>Explanation : Similar to the Board of Commissioners, the diversity of the composition of the members of the Board of Directors is a combination of desirable characteristics both in terms of the aspects of the Directors and in term of individual aspects, according to the needs of the Public Company. The combination is determined by paying attention to the expertise, knowledge and experience that is appropriate in the division of tasks and functions of the Board of Directors in achieving the objectives of the Public Company. Thus, consideration of the combination of characteristics intended will have an impact on the accuracy of the nomination and appointment of individual members of the Board of Directors or Directors collegially.</p>	<p>Determination of the composition of Bank Mandiri Board of Directors has been carried out by taking into account the needs and complexity of Bank Mandiri's business, namely by taking into account the diversity of expertise, educational background, and experience and without differentiating gender. The diversity of the composition of the Board of Directors is expected to provide an alternative solution to an increasingly complex problem faced by the bank compared to members of the Board of Directors who are homogeneous, so that the decisions made become the best decisions.</p> <p><b>Description: Comply</b></p>
C.1.3.	<p>Recommendation 14 : Members of the Board of Directors in charge of accounting or finance have expertise and/or knowledge in the field of accounting.</p> <p>Explanation : The Financial Report is a report on management's responsibility for the human resource management owned by a Public Company, which must be prepared and presented in accordance with accepted Financial Accounting Standards in Indonesia and related OJK regulations, including legislation in the Capital Market sector regulating the presentation and disclosure of public company financial statements. Based on the laws and regulations in the Capital Market sector which regulate the responsibilities of the Board of Directors for Financial Statements, the Board of Directors is jointly responsible for the Financial Report, signed by the President Director and members of the Board of Directors in charge of accounting or finance.</p> <p>Thus, the disclosure and preparation of financial information presented in the financial statements will greatly depend on the expertise, and/or knowledge of the Directors, especially the members of the Board of Directors in charge of accounting or finance. The existence of expertise qualifications and/or knowledge in the accounting sector that at least belongs to the Board of Directors can provide confidence in the preparation of the Financial Report, so that the Financial Report can be relied on by stakeholders as a basis for making economic decisions related to the Public Company. Such expertise and/or knowledge can be proven by educational background, training certification, and/or related work experience.</p>	<p>The director in charge of accounting or finance at Bank Mandiri is the Director of Finance, namely Mr. Panji Irawan with experience and competence in the field of Treasury (Finance), and accounting knowledge is significantly required to perform the duties. In addition, to support the implementation of his duties, he often participated in financial related forums and seminars both at home and abroad.</p> <p><b>Description: Comply</b></p>
C.2.	Principle 6: Improve the Quality of the Duties and Responsibilities of the Board of Directors.	

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C.2.1.	<p>Recommendation 15 : Board of Directors has a Self Assessment policy for evaluation of the Board of Directors' performance</p> <p>Explanation : Similar to what applies to the Board of Commissioners, Board of Directors' Self Assessment Policy is a guideline utilized as a form of accountability for collegiate evaluation of the Board of Directors' performance. Self Assessment is intended to be performed by individual members to collegiately evaluate the implementation of the Board of Commissioners' performance, and not to evaluate the individual performance of each member of the Board of Commissioners. By Self Assessment, it is expected that individual members of the Board of Directors can contribute to continuously enhance the Board of Directors' performance.</p> <p>The policy may include assessment activities to perform, along with their intent and purpose, periodic implementation time, and assessment benchmarks or criteria to use in accordance with the recommendations provided by the Public Listed Company's remuneration and nomination function. The establishment of the function itself has been mandated in the Financial Services Authority Regulation concerning Remuneration and Nomination Committee in Issuers or Public Listed Companies</p>	<p>The Board of Directors has a self assessment policy. Directors' Performance Assessment is carried out by each member The Board of Directors through a Self Assessment mechanism to assess the performance of collegial Directors' performance, rather than assessing performance individual members of the Board of Directors. As described in the Annual Report in the Directors Performance Evaluation section.</p> <p><b>Description: Comply</b></p>
C.2.2.	<p>Recommendation 16 : Self Assessment policy for evaluation of the Board of Directors' performance is to be disclosed in the respective Public Listed Company's Annual Report.</p> <p>Explanation : Disclosure of Self Assessment policy for evaluation of the Board of Directors' performance is made not only to adhere to the principle of transparency as a form of accountability of the implementation of its duties but also to provide important information regarding improvement measures in the management of Public Listed Companies. Such information is highly useful to provide assurance to shareholders or investors that the company management is continuously directed towards betterment. The disclosure will allow shareholders or investors to obtain knowledge about the check and balance mechanism applied to evaluate the Board of Directors' performance.</p>	<p>Self assessment policy to assess the performance of the Directors has been disclosed in the 2018 Book Annual Report.</p> <p><b>Description: Comply</b></p>
C.2.3.	<p>Recommendation 17 : Board of Directors has policy(ies) for resignation of the Board of Directors' members due to involvement in financial crime.</p> <p>Explanation : Policy for resignation of Board of Directors' members involved in financial crime is a policy that can enhance shareholders' trust to Public Listed Companies, allowing companies to maintain their integrity. The policy is required in order to support adequate legal processes and to prevent such legal processes from disrupting business activities. In addition, from morality perspective, such policy also builds an ethical culture within the environment of Public Listed Companies. The policy may be included in the Guideline or Code of Conduct applicable to the Board of Directors.</p> <p>Furthermore, involvement in financial crime is defined as any member of the Board of Directors being convicted by the authority. Financial crime as defined above includes manipulation and various forms of embezzlement in financial service activities, as well as Money Laundering as specified in Law Number 8 of 2010 on Prevention and Eradication of Money Laundering.</p>	<p>Bank Mandiri has a policy related to the resignation of members of the Board of Directors if involved in financial crimes as stated in the Company's Articles of Association.</p> <p>Based on Article 11 paragraph (24) letter f of the Articles of Association, the term of office of members of the Board of Directors ends if they no longer fulfill the requirements as members of the Board of Directors based on the provisions of the Articles of Association and legislation, including being involved in Financial crimes. In the event that a member of the Board of Directors resigns because of being involved in a financial crime, then the member of the Board of Directors must submit a written resignation request concerning Bank Mandiri and Bank Mandiri must hold a GMS to decide on the resignation request at the latest 90 (ninety days after receipt of the resignation letter.</p> <p><b>Description: Comply</b></p>
D.	Aspect 4 : Stakeholder Engagement	





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D.1.	Principle 7 : Improving Corporate Governance Aspects through Stakeholder Engagement.	
D.1.1.	<p>Recommendation 18 : Public Company has a policy for prevent insider trading.</p> <p>Explanation : Any individual in possession of insider information is prohibited from conducting Stock transactions using such insider information as specified in the Law on Capital Market. Public Listed Company can minimize the risk of insider trading by taking preventive measures, e.g. By explicitly separating confidential data and/or information from public data/ information, and by making proportional, efficient delegation of duties and responsibilities related to the management of such information.</p>	<p>Policy for preventing insider trading is set in</p> <p>SP Human Capital</p> <ul style="list-style-type: none"> <li>- Chapter III.C.2.c concerning the Code of Conduct concerning the Code of Conduct and Business Ethics which are ethical standards that must be followed by all levels of the bank in carrying out their daily duties and services and conducting business relationships with customers, partners and colleagues.</li> <li>- Chapter III.C.2.e concerning employee Discipline Regulations governing obligations, prohibitions and sanctions to employees.</li> </ul> <p>SP Corporate Secretary</p> <p>Chapter III.A.5 Principles of Information Disclosure, which regulates:</p> <ul style="list-style-type: none"> <li>- Any Insider in possession of insider information is prohibited from influencing any parties, including any Insider's families, to perform share purchase or sales.</li> <li>- Any Insider other than the Board of Directors and Board of Commissioners who is found to violate the abovementioned provision and is proven to having conducted any transaction and/or provided insider transformation shall be charged with disciplinary action as specified in the Human Resources Guideline Standard.</li> <li>- Any member of the Board of Directors and Board of Commissioners and other parties who, due to their position or relationship with the Bank, is found to conduct insider trading shall be held accountable in accordance with the applicable provisions.</li> </ul> <p><b>Description: Comply</b></p>
D.1.2.	<p>Recommendation 19 : Public Listed Company has anti corruption and anti fraud policy in place.</p> <p>Explanation : Corruption policy serves to ensure that a Public Listed Company's business activities are carried out in a legal, prudent manner, and in accordance with good governance principles. Such policy may be a part of the code of conduct or set separately. The policy may include, among others, programs and procedures implemented to address corruption, kickback, fraud, bribery, and/or gratification within a Public Listed Company. The scope of the policy should reflect the respective Public Listed Company's prevention of any forms of corruption, either giving to or receiving from, any parties.</p>	<p>Bank Mandiri has had an Anti-fraud Strategy policy in place, effective as of May 2, 2012, as a follow-up of BI's Circulating Letter No. 13/28/DPNP dated 09 December 2011 concerning Implementation of Anti-fraud Strategy (SAF). The SAF governs, among others, organizations and 4 SAF Pillars within Bank Mandiri, i.e.:</p> <p>Pillar 1: Prevention Pillar 2: Detection Pillar 3: Investigation, Reporting, and Sanction Pillar 4: Monitoring, Evaluation, and Follow Up</p> <p>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.</p> <p><b>Gratification Control</b></p> <p>Bank Mandiri has had a Gratification Control PTO and a Gratification Control Unit (GCU) in place to perform gratification control function in accordance with the Decree (SK) of the Board of Directors effective as of July 3, 2015.</p>

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D.1.3.	<p>Recommendation 20 : Public Listed Company has a policy in place for supplier or vendor selection and capability improvement.</p> <p>Explanation : Policy regarding supplier or vendor selection useful to ensure that the Public Company to obtain goods or services that are needed at competitive prices and good quality. Where as policy increasing the ability of suppliers or vendors beneficial to ensure that the chain supply chain runs efficiently and effective. Ability of suppliers or vendors in supplying/ fulfilling goods or services what the company needs will affect quality of the company's output.</p> <p>Thus, the implementation of policies it can guarantee continuity of supply, both in terms of quantity and quality Public Company needs. As for coverage this policy covers the criteria in the election supplier or vendor, procurement mechanism transparent, capacity building efforts supplier or vendor, and fulfillment of rights relating to suppliers or vendors.</p> <p>The company has procurement related policies goods and services that contain selection and increasing supplier capacity or vendor stated in the Guidelines standard Procurement.</p>	<p>Bank Mandiri has a policy on Selection and Enhancement of the ability of Suppliers or Vendors, namely:</p> <ol style="list-style-type: none"> <li>1. Operational Policy (KOPR), article 205 concerning Operational Facilities and Infrastructure - Procurement (Procurement)</li> <li>2. Procurement Operational Guidelines (SPO) standards which regulate, among others (Chapter III): <ol style="list-style-type: none"> <li>A. General provisions include: <ol style="list-style-type: none"> <li>1) Basic Principles of Procurement</li> <li>2) Procurement Ethics</li> <li>3) Procurement Planning</li> <li>4) Loading Guidelines</li> </ol> </li> <li>B. Provisions for the Implementation of Procurement of Goods and Services include: <ol style="list-style-type: none"> <li>1) Procedures for Procurement of Goods and Services</li> <li>2) Procurement Process</li> <li>3) Procurement Process Stages</li> <li>4) Job Implementation and Job Handover</li> <li>5) Provisions for Employee Change (added/less) specifically in the field of construction services.</li> <li>6) Implementation of Procurement Activities to Overcome Certain Conditions.</li> <li>7) Document and Payment Process.</li> </ol> </li> </ol> </li> <li>3. Procurement Technical Operational Guidelines (PTO) which regulate, among others (Chapter III): <ol style="list-style-type: none"> <li>a. Reviewing aspects in implementing candidate qualifications Provider of goods and services</li> <li>b. Procedure for partner accreditation (Provider of Goods and Services)</li> <li>c. Aspects that need to be considered in a procurement process</li> <li>d. Partner Monitoring includes: <ol style="list-style-type: none"> <li>1) Partner Data Monitoring</li> <li>2) Partner Performance Monitoring consisting of: <ol style="list-style-type: none"> <li>a. Periodic Partner Performance Evaluation</li> <li>b. Partner Performance Evaluation based on the Contract</li> </ol> </li> </ol> </li> </ol> </li> </ol> <p><b>Description: Comply</b></p>
D.1.4.	<p>Recommendation 21 : Public Listed Company has policy(ies) in place regarding fulfillment of creditor's rights.</p> <p>Explanation : Policy(ies) regarding fulfillment of creditor's rights is used as a guideline in taking loans from any creditor. The policy aims at maintaining fulfillment of creditor's rights while also maintaining creditor's trust to the respective Public Listed Company. The policy may include considerations in setting up agreements and follow ups in fulfillment of a Public Listed Company's duties to creditors.</p>	<p>The policy on fulfilling creditor rights is regulated in:</p> <p>Fund Product SPO, Product Manual and SPO Customer Complaint Management, which briefly regulates:</p> <ol style="list-style-type: none"> <li>1. Right to obtain a sufficient explanation of the characteristics of the product.</li> <li>2. Right to be able to access the fund product terms and conditions through the Bank Mandiri website.</li> <li>3. Ease to transact through branches, e-banking services or other facilities determined by the Bank.</li> <li>4. Obtain interest in the amount according to the provisions in force at the Bank.</li> <li>5. Procedures for handling and resolving customer complaints.</li> </ol> <p>Bank Mandiri Funds and Services Policy, Articles 240 Customer Protection</p>



No	Aspects; Principles; Recommendation		Comply or Explain
			<p>In the activity of raising funds and providing services, the Bank pays attention to the principle of customer protection.</p> <p>To protect customers, the Bank pays attention to the rights and obligations of customers while taking into account the interests of the Bank. The rights and obligations of the parties are poured into documents both application documents, as well as agreement documents and other forms of documents.</p> <p>Banks are required to ensure customers understand the rights and obligations of customers as stated in the document before making a Bank transaction.</p> <p><b>Description: Comply</b></p>
D.1.5.		<p>Recommendation 22 : Public Listed Company has a whistleblowing system in place.</p> <p>Explanation : Well-developed whistleblowing system policy will provide assurance regarding protection for witness or whistleblower of an indication of violation committed by the respective Public Listed Company's employee or management. Implementation of such system policy will impact on the realization of good corporate governance culture. Whistleblowing system policy may include, among others, type of violations reportable via the whistleblowing system, method of reporting, protection and confidentiality assurance of the whistleblower's identity, report handling, report managing party, and result of handling and follow up of report.</p>	<ol style="list-style-type: none"> <li>1. Bank Mandiri has had a whistleblowing system in place under the name Letter To CEO (LTC). LTC is a facility used to submit reports regarding frauds or indications of fraud, either committed by employee or vendor, to the Group's CEO by emphas Permission on the disclosure of the report in order to enhance the effectiveness of Bank Mandiri's internal control system.</li> <li>2. Bank Mandiri's LTC has been implemented since 2009, and has been refined in 2018.</li> <li>3. LTC is regulated in the Letter to CEO (LTC) Technical Guidelines on August 1, 2018.</li> <li>4. Since revitalization in 2018, LTC management has involved parties independent to provide a safe environment that encourages employees and stakeholders to report. The reporter can include a complete identity or anonymously (the identity is only known to independent parties).</li> <li>5. Submission of LTC reports can be submitted through the media as follows: <ul style="list-style-type: none"> <li>- Website <a href="https://whistleblowing.tips/wbs/@bmri-lettertoceo">https://whistleblowing.tips/wbs/@bmri-lettertoceo</a></li> <li>- Email to <a href="mailto:bmri-lettertoceo@rsm.id">bmri-lettertoceo@rsm.id</a></li> <li>- Letter to POBOX 1007 JKS 12007</li> <li>- SMS and WA ke 0811-900777</li> </ul> </li> </ol> <p><b>Description: Comply</b></p>
D.1.6.		<p>Recommendation 23 : Public Listed Company has policy(ies) in place regarding the provision of longterm incentive to the Board of Directors and employees.</p> <p>Explanation : Long-term incentive is a type of incentive provided based on long-term performance achievement. Long-term incentive plan is based on the idea that a company's longterm performance is reflected on share value growth or other long-term targets. Long-term incentive is useful to maintain loyalty and to motivate the Board of Directors and employees to improve their performance or productivity, which in turn will lead to improvement of the company's long-term performance.</p>	<p>Bank Mandiri has a policy of providing long-term incentives to Commissioners and Directors in accordance with the provisions in Financial Services Authority Regulation No.45/POJK.03/2015 concerning Implementation of Governance in the Provision of Remuneration for Commercial Banks. Bank Mandiri implements Governance in Providing Remuneration that has considered various aspects, including bank financial stability, the creation of risk management, term liquidity requirements short and long term, and potential income in the future. Bank Mandiri can postpone deferred variable remuneration (Malus) or withdraw variable paid remuneration (Clawback) to officials classified as Risk Taker (MRT) Materials. As a follow-up initiative in line with the cultural transformation, Bank Mandiri is in the process of drafting a concept related to the implementation of the Risk Taker Material for officials (L2 / BoD Minus One).</p>

No	Aspects; Principles; Recommendation		Comply or Explain
		The presence of long-term incentive is a Public Listed Company's concrete commitment to encouraging the implementation of long-term incentive for the Board of Directors and employees, under the conditions that the procedure and form is in accordance with the respective Public Listed Company's longterm objectives. The policy may include, among others, the purpose and objectives of the long-term incentive, incentive requirements and procedure, and the conditions and risks the Public Listed Company should take into account in providing incentive. Such policy may also be included in the respective Public Listed Company's existing remuneration policy.	
E.	Aspect 5: Information Transparency		
E.1.	Principle 8 : Improving the Implementation of Information Transparency		
E.1.1.	Recommendation 24 :	Public Listed Company utilizes information technology in a broader extent other than website as a media for information transparency.  Explanation : Utilization of information technology is helpful as a media for information transparency. Disclosure is made not only for information specified in the applicable legislative regulations, but also other information related to the respective Public Listed Company that is considered beneficial for the shareholders or investors. Broader utilization of information technology other than website is expected to enable companies to improve the effectiveness of company information distribution. However, utilization of information technology should take into account the benefits for the respective company and the cost required.	Bank Mandiri has managed the Website The company is always as optimal as possible provide the latest information and accurate for the Public. Besides the Website, the Bank Mandiri also utilizes technology and Other social media applications like SMS Banking, Mobile Banking, Instagram, Facebook and Twitter for media openness information.  <b>Description: Comply</b>
E.1.2.	Recommendation 25 :	Public Listed Company's Annual Report discloses the owner of end benefit in the respective company's share ownership by at least 5% (five percent), in addition to the disclosure of the owner of end benefit in the company's share ownership by the majority shareholders and controlling shareholders  Explanation : Capital Market legislative regulations governing the disclosure of Public Listed Company's annual report has specified the duty of disclosure of information regarding shareholders with 5% (five percent) or more shares in the respective Public Listed Company, as well as the duty of disclosure of information regarding majority shareholders and controlling shareholders of the company, either directly or indirectly, up to the owner of end benefit in the share ownership. The Governance Guideline recommended disclosure of the owner of end benefit in Public Listed Company share ownership by at least 5% (five percent), in addition to the disclosure of the owner of end benefit in the company's share ownership by the majority shareholders and controlling shareholders	Bank Mandiri has disclosed information regarding shareholders who have 5% or more of the Company's shares in the Report Yearbook for 2018.  <b>Description: Comply</b>