

## Gratuity 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 a follow-up to directions from KPK related to establishment of fair value limits and adjustments to the current condition where Banks needs to maintain good partnership with all stakeholders in the course of their daily operations, Bank Mandiri had made improvements to the Operational and Technical Guidelines for Gratuity Control, which have taken into effect on 2 October 2019.



### **Bank Mandiri was re-elected for the fourth time as a BUMN (State-Owned Enterprise) with the Best Gratuity Control System.**

As proof of Bank Mandiri's commitment to controlling gratification and combating corruption in Indonesia, the Bank Mandiri has been selected 4 (four) times as a BUMN with the Best Gratification Control System by the KPK from 2015 to 2018. For 2019 there was no agency election with the Best Gratification Control System by the KPK.

### **Anti-Bribery Management System**

In order to continuously support the Gratuity Control program, specifically on Anti-Bribery Management System, which is in accordance with ISO 37001:2016 standard of Anti-Bribery Management System, Bank Mandiri has established the following things:

1. Prohibits bribery and similar practices within the corporate environment;
2. Comply with anti-bribery policies and related regulations;
3. Synchronizes anti-bribery policies with corporate objectives;
4. Good Corporate Governance that supports the achievement of anti-bribery objectives;
5. Commitment to satisfy Anti-Bribery Management System requirements;
6. Encourages the enhancement of anti-bribery awareness to all Stakeholders;
7. Implements sustainable improvement principles in Anti-Bribery Management System;



- 8. Provides the responsibility, authority and independency to the Anti-Bribery Compliance Function;
- 9. Sanctions the violator of the policy of Anti-Bribery Management System.

**Integrity Pact**

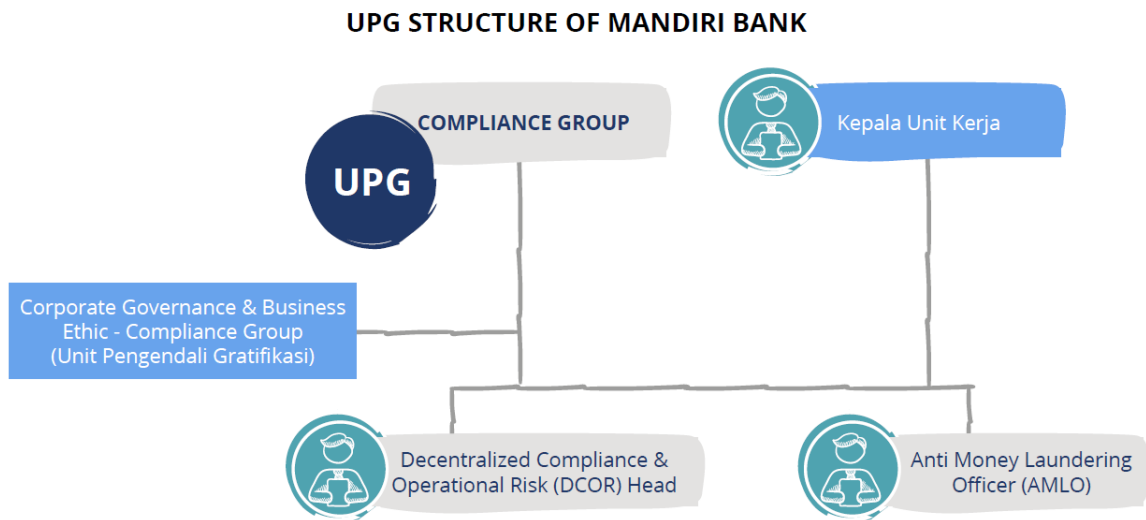
In order to support the gratuity control program, Bank Mandiri has a program to sign the Integrity Pact which is a statement of all levels of Bank Mandiri to commit to upholding moral and integrity, protecting and maintaining the image, credibility and interests of Bank Mandiri by not requesting or receiving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

**Management Of Gratification Control**

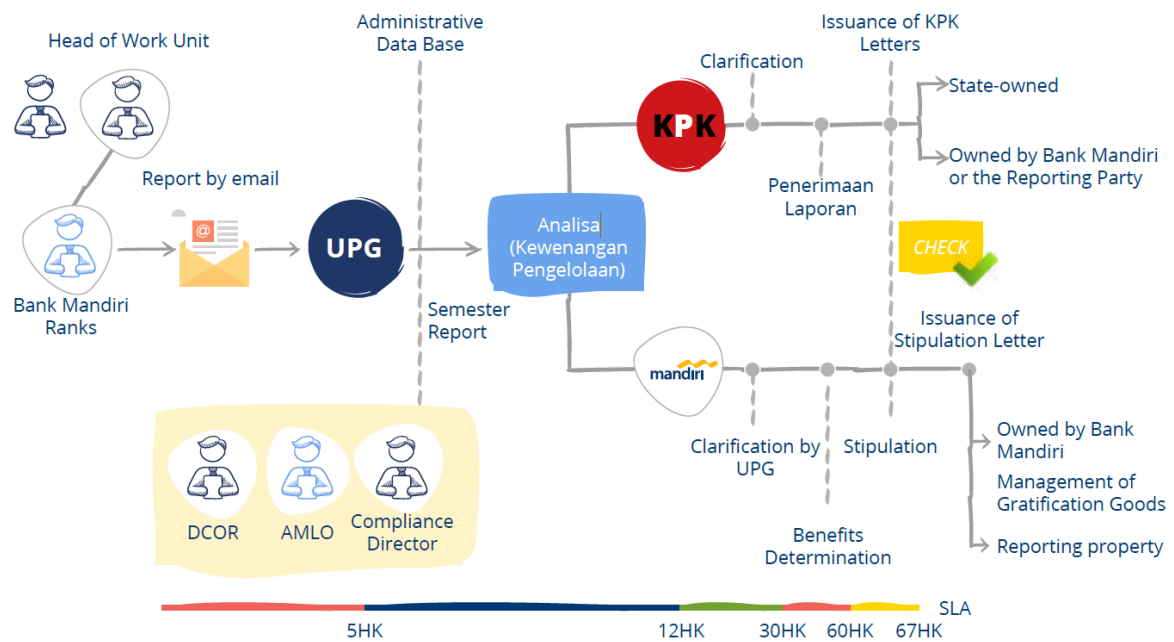
**Organizational Structure Of Gratification Control Units**

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 :



**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.