

Bank Mandiri Tax Policy Commitment

1. Introduction

Bank Mandiri is dedicated to upholding a responsible and transparent approach to taxation, guided by the principles of integrity, accountability, and full compliance with the tax laws in all jurisdictions where we operate. This policy is designed to guide our role as responsible tax contributors to the government while supporting the economic and social development of Indonesia as our origin country. By managing our tax costs and risks prudently, meeting tax obligations on time, and ensuring transparent disclosures, we aim to uphold Good Corporate Governance (GCG) with local tax authorities and contribute fairly to the societies.

2. Guiding Principles

Bank Mandiri's Tax Policy is based on the following key principles:

- **Compliance with Tax Laws:** We are fully committed to complying with both the spirit and the letter of tax laws and regulations in all jurisdictions where we operate, including compliance with key regulations such as General Provisions and Tax Procedures Law, Income Tax Law, and Value Added Tax Law in Indonesia.
- **Transparency:** We ensure transparent communication regarding our tax practices, including our tax contributions. Relevant tax information disclosed in our financial reports in alignment with Pernyataan Standar Akuntansi Keuangan (PSAK) 46 or IAS 12 - Income Taxes in International Financial Reporting Standards (IFRS), ensuring we meet stakeholder expectations.
- **Prevention of Aggressive Tax Planning:** We refrain from engaging in aggressive tax planning or using artificial structures to reduce taxable income. We do not shift value to low-tax jurisdictions or engage in tax avoidance schemes. We also pledge not to use tax structures without commercial substance and refrain from using secrecy jurisdictions or so-called "tax havens" for tax avoidance purposes.
- **Fairness:** We apply the arm's length principle when determining transfer prices for intragroup transactions, ensuring the price is fair and consistent with market conditions. We choose the most appropriate transfer pricing methods in accordance with Indonesia's tax regulations and ensure that intragroup transactions reflect real economic value.
- **Ethical Practices:** Our tax practices align with international standards for the automatic exchange of financial information to combat tax evasion, such as the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS). We ensure our tax activities are consistent with Bank Mandiri's broader commitment to ethical conduct and global transparency.
- **Governance and Accountability:** We maintain robust internal controls to govern our tax affairs, ensuring that tax decisions are made with full consideration of ethical standards, regulatory requirements, and risk management practices.

3. Specific Commitments

- **Compliance with International Standards:** Bank Mandiri adheres to international tax standards, including the The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and complies with global tax frameworks.
- **Responsible Tax Practices:** All intra-group transactions are conducted in line with the arm's length principle, supported by proper documentation, and in compliance with applicable tax laws and regulations. We reject any tax avoidance practices through transfer pricing manipulation or shifting value to low-tax jurisdictions.
- **Engagement with Tax Authorities:** We foster open and cooperative relationships with tax authorities in all jurisdictions where we operate, seeking to resolve disputes constructively and proactively disclosing relevant tax information in accordance with local and international regulations.
- **Disclosure of Taxes Paid and Collected:** Bank Mandiri includes detailed disclosures regarding taxes collected and paid in the countries where we operate in our Annual Report, ensuring transparency about our tax contributions.
- **Customer Tax Integrity:** We ensure that our products and services are not designed to facilitate tax evasion or aggressive tax planning. We encourage customers to seek independent tax advice when necessary and expect them to comply fully with tax regulations and disclose their tax positions transparently to the relevant authorities.
- **Risk Management:** We assess and manage tax risks carefully to ensure that the correct amount of tax is paid in each jurisdiction. We regularly evaluate changes in tax regulations and business models to mitigate any potential risks.

4. Approval and Oversight

Bank Mandiri's Tax Policy is subject to the approval of the Board of Directors. The Board oversees the implementation and ensures that the policy remains in compliance with relevant tax laws, regulations, and ethical standards. The policy is regularly reviewed to ensure its continued relevance and effectiveness.

5. Final Statement

At Bank Mandiri, we acknowledge that tax compliance is a fundamental aspect of our corporate responsibility. Our Tax Policy embodies our commitment to transparency, accountability, ethical practices, and full compliance with the tax laws in all jurisdictions, aligning with both our business objectives and the broader societal goals of the countries where we operate. We are committed to managing our tax obligations with the highest ethical standards, ensuring a fair and responsible contribution to public finances.