

APPLICATION OF CORPORATE GOVERNANCE GUIDELINES TO PUBLIC COMPANIES

NO.	ASPECTS – PRINCIPLES - RECOMMENDATIONS	COMPLY OR EXPLAIN
		<p>4. Pillar 4 (Monitoring, Evaluation and Follow-up) is part of the Fraud Control System in order to monitor the follow-up results of investigations and evaluation of fraud incidents, to improve weaknesses and strengthen the Internal Control System in order to prevent the recurrence of fraud due to similar weaknesses. Written reporting to the President Director and the Board of Commissioners is carried out in an orderly manner to monitor the established follow-up list.</p> <p style="text-align: right;">Remark: Comply</p>
D.1.3. Recommendation 20:	<p>Perusahaan Terbuka memiliki kebijakan tentang seleksi dan peningkatan kemampuan pemasok atau vendor.</p> <p>Explanation :</p> <p>The Public Company has policy on vendor or supplier selection and capability improvement.</p> <p>The Policy on vendor or supplier selection is useful to ensure that the Public Company can obtain the required goods or services at competitive prices and good quality. While the policy of increasing the capability of supplier or vendor is useful for ensuring the efficient and effective supply chain. The capability of supplier or vendor to supply/fulfil the goods or services needed by the company will affect the quality of the company's output.</p> <p>Thus, the implementation of these policies can guarantee the supply continuity in terms of quantity and quality as required by the Public Company. The scope of this policy includes criteria in selecting supplier or vendor, transparent procurement mechanism, effort to improve supplier or vendor capability, and fulfil the right relating to supplier or vendor.</p>	<p>Bank Mandiri has a policy regarding Selection and Capacity Building for Suppliers or Vendors, namely:</p> <ol style="list-style-type: none"> 1. Operational Policy (KOPR), article 205 on Operational Facilities and Infrastructure - Procurement 2. Procurement Standard Operating Guidelines (SPO) that regulate, among others (Chapter III): <ol style="list-style-type: none"> a. General provisions include: <ol style="list-style-type: none"> i) Principles of Procurement ii) Procurement Ethics iii) Purpose of the Procurement Process iv) Monitoring of Domestic Products Use v) Procurement Planning vi) Loading Guidelines b. Provisions for the implementation of the procurement of goods and services include: <ol style="list-style-type: none"> i) Procurement of Goods and Services Mechanism ii) Procurement Process iii) Stages of the Procurement Process iv) Execution of Work and Handover of Work v) Provisions for Change of Work (plus/minus) specifically in the field of construction implementation services. vi) Implementation of Procurement Activities to Overcome Certain Conditions. vii) Document and Payment Process. 3. Procurement Operational Technical Guidelines (PTO) that regulate, among others (Chapter III): <ol style="list-style-type: none"> a. Implementation Provisions <ol style="list-style-type: none"> i) Accreditation Partners (Goods and Services Providers) <ul style="list-style-type: none"> • General & including aspects that are reviewed in carrying out the qualifications of prospective Goods and Services Providers) • Procedures for partner accreditation (Goods and Services Providers) (including aspects considered in determining recommended partners to be invited in a procurement process) • Partner Monitoring includes: <ul style="list-style-type: none"> » Monitoring Partner Data » Partner Performance Monitoring, which consists of <ol style="list-style-type: none"> a) Evaluation of Partner Performance Periodically b) Evaluation of Partner Performance based on Contract » Increasing Partner Competence » Sanctions for Associates <p style="text-align: right;">Remark: Comply</p>
D.1.4. Recommendation 21:	<p>The Public Company has policy on fulfilment of creditor rights.</p> <p>Explanation :</p> <p>The policy on fulfilment of creditor rights is used as a guideline in providing loan to creditor. The purpose of the policy is to maintain the fulfilment of right and maintain creditor trust in the Public Company. The policy includes consideration in making agreement, as well as follow-up in fulfilling the obligation of the Public Company to creditor.</p>	<p>The fulfilment of creditors' rights at Bank Mandiri is stated in the loan agreement with creditor. The following creditors' rights are stated in the agreement, among others:</p> <ol style="list-style-type: none"> 1. Receive the audited financial statements; 2. Receive the loan progress/use report; 3. Receive late sanction on report submission; 4. Receive written notification, request, and approval <p style="text-align: right;">Remark: Comply</p>