

# APPLICATION OF CORPORATE GOVERNANCE GUIDELINES TO PUBLIC COMPANIES

## IMPLEMENTATION OF CORPORATE GOVERNANCE ASPECTS AND PRINCIPLES PURSUANT TO FINANCIAL SERVICES AUTHORITY REGULATIONS

The Company implements Corporate Governance Guidelines for Public Company as stipulated in POJK No. 21/POJK.04/2015 dated 16 November 2015 on the Enactment of Governance Guidelines of Public Companies as elaborated under SEOJK No. 32/SEOJK.04/2015 dated 17 November 2015 on the Corporate Governance Guidelines of Public Companies. The following are description on the implementation of these regulations:

NO.	ASPECTS – PRINCIPLES - RECOMMENDATIONS	COMPLY OR EXPLAIN
<b>A. ASPECT 1: RELATIONSHIP BETWEEN PUBLIC COMPANY AND SHAREHOLDERS IN ENSURING THE RIGHTS OF SHAREHOLDERS.</b>		
A.1. Principle 1: Enhancing the Value of General Meeting of Shareholders (GMS).		
<b>A.1.1 Recommendation 1:</b>	The Public Company has technical means or procedure for both open and closed voting that prioritize independency and interest of Shareholders.	In the Annual General Meeting of Shareholders (GMS) and Extraordinary GMS, Bank Mandiri has exercised open and close voting which is stated in the GMS Mechanisms.
<b>Explanation:</b>	<p>Every issued share with voting right has one vote (one share one vote). The Shareholders may use their voting rights during the decision-making process, in particular to decision with voting mechanism. However, both open and closed voting mechanism has not been regulated in detail.</p> <p>The Public Company is recommended to have voting procedure in decision making of GMS agenda. Such voting procedure must maintain independency or freedom of Shareholders. As an example, an open voting mechanism is implemented by raising hand in accordance with option as offered by the GMS chairman. Whilst a close voting mechanism is conducted in any decision that required confidentiality or by request from Shareholders through voting card or electronic voting.</p>	<p>The voting mechanism at the GMS is regulated in the Bank's Articles of Association.</p> <p>In the 2023 Fiscal Year Annual GMS, the open voting mechanism, and specifically for the agenda of changes of the management was done with close mechanism which was carried out by the Bank's officers and collects the voting rights by approaching all present shareholders, in which voting are stored in the voting box.</p> <p>The Bank has developed the GMS Procedures that can be downloaded in the Company's website and were distributed to the Shareholders during the GMS.</p> <p><b>Remark: Comply</b></p>
<b>A.1.2 Recommendation 2:</b>	Commissioners of Public Company attends the Annual GMS.	The Annual GMS Fiscal Year 2023 was attended by all members of the Board of Commissioners and Board of Directors
<b>Explanation :</b>	The presence of all members of the Board of Directors and the Board of Commissioners of the Public Company is intended so that each member of the Board of Directors and the Board of Commissioners can pay attention to, explain, and answer directly the issues or questions as raised by shareholders related the GMS agenda.	<b>Remark: Comply</b>

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<b>A.1.3.</b> <b>Recommendation 3:</b>	The Summary of Minutes of GMS is available in the Public Company's website at least for one (1) year.	The Annual GMS minutes of meeting of 2023, in both Indonesian and English language, was announced at the latest 2 (two) working days following the GMS, which is published on the Bank's website, IDX Electronic Reporting System, OJK and eASY KSEI. The Bank's website presented the GMS convention, including GMS minutes for the last 5 (five) years.
<b>Explanation :</b>	Based on Article 34 paragraph (2) of the OJK Regulation No.32/POJK.04/2014 on the Plan and Implementation of the General Meeting of Shareholders of Public Company, The Public Company is required to make summary of GMS Minutes in Indonesian and foreign language (minimum in English), and announced to the public within two (2) working days after the GMS is held, one of which is through the Public Company Website. The availability of summary of GMS Minutes in the Public Company Website provides an opportunity for shareholders who are not present, to easily obtain important information in GMS implementation. Therefore, the provision on the minimum period of availability of GMS Minutes summary in the Website are intended to provide sufficient time for shareholders to obtain such information.	In addition, Bank Mandiri has prepared GMS Highlights both in Indonesian and English which are uploaded 1 (one) working day after the GMS on the Bank Mandiri Website and proof of the announcement of the GMS results has been reported by the Company to OJK and the Indonesia Stock Exchange through Letter No. HBK. CSC/CMA.980/2023 dated 16 March 2023 and reported through the OJK Electronic Reporting System and the Indonesia Stock Exchange.
<b>Remark: Comply</b>		
A.2 Principle 2: Enhancing the Quality of Communication between Public Company with Shareholders or Investors.		
<b>A.2.1.</b> <b>Recommendation 4:</b>	Public Company has communication policy with the Shareholders and Investors.	The Bank has a communication policy with shareholders or investors, as stipulated in the Corporate Secretary Charter, Chapter III.A.I. Disclosures.
<b>Explanation :</b>	<p>The communication between Public Company and shareholders or investors is intended so that shareholders or investors obtain clarity of information that has been published to the public, such as periodic reports, information disclosure, business condition or prospect and performance, as well as implementation of public company governance. In addition, the shareholders or investors can also submit input and opinion to the management of Public Company.</p> <p>The communication policy with shareholders or investors shows the commitment of the Public Company in carrying out communication with shareholders or investors. This policy can include strategies, programs, and timing of communication implementation, as well as guideline that support shareholders or investors to participate in the communication.</p>	<p>The disclosure to the stakeholders is formulated by referring to the Capital Market regulations and other relevant laws and regulations, which can be summarized as follows:</p> <ol style="list-style-type: none"> <li>1. Periodic and or incidental reporting to regulators (OJK, Bank Indonesia, LPS, Ministry of Justice and Human Rights, Indonesia Stock Exchange) and reporting through Electronic Reporting System.</li> <li>2. General Meeting of Shareholders (GMS).</li> <li>3. Implemented according to laws and the Bank's Articles of Association consisted of the Annual GMS and Extraordinary GMS.</li> <li>4. Organizing other activities related to corporate actions and/or disclosures such as:                             <ol style="list-style-type: none"> <li>a. Performance Presentation (quarterly)</li> <li>b. Public Expose (annually)</li> <li>c. Analyst Meeting (quarterly)</li> </ol> </li> </ol> <p>The Performance Presentation, Public Expose dan Analyst Meeting exercised quarterly and annually were aimed at disclosing information to public and investors on the Bank's conditions, business prospects, performances, as well as its corporate governance implementation.</p> <p>The Bank also has established specific unit that is tasked to maintain and manage good relations with investors, as well as serve as a centre of information on the Bank's performance to the investors.</p>
<b>Remark: Comply</b>		
<b>A.2.2.</b> <b>Recommendation 5:</b>	The Public Company discloses the Communication Policy of Public Company with shareholders or investors in Website.	The Bank has in place the communication policy on Public Company with shareholders or investors as stated in the Corporate Secretary Charter, Chapter III.A.I Disclosures. The policy is provided in the Website. The Bank also continually manages the information in the website, hence latest information is ready for the shareholders and investors, such as Products/Services, Performance, Management, and Activities.
<b>Explanation :</b>	Disclosure of communication policy is a form of transparency on the commitment of the Public Company in providing equality to all shareholders or investors for the 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.	<b>Remark: Comply</b>

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<b>B. ASPECT 2: FUNCTION AND ROLES OF THE BOARD OF COMMISSIONERS</b>		
B.1 Principle 3: Strengthen the Membership composition of the Board of Commissioners.		
<b>B.1.1. Recommendation 6:</b>	Determination of total members of the Board of Commissioners takes into account the conditions of the Public Company.	Bank Mandiri has complied with the Articles 20 POJK No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers and Public Companies, namely number of members of the Board of Commissioners is more than 2 (two) members and Article 35 paragraph (1) of POJK No. 17 of 2023 concerning the Implementation of Governance for Commercial Banks, namely that Banks are required to have members of the Board of Commissioners with at least 3 (three) personnel and at most equal to the number of members of the Board of Directors.
<b>Explanation :</b>	The total members of the Board of Commissioners may affect the effectiveness of the duties of the Board of Commissioners. Determination of total members of the Board of Commissioners of a Public Company must refer to the provisions of the prevailing law in which at least consists of two (2) people based on the provisions of the POJK No. 33/POJK.04/2 14 on The Board of Directors and Commissioners of Issuers or Public Companies. In addition, it is also necessary to consider the condition of the Public Company, which includes among other, the characteristic, capacity and size, as well as achievement of target and fulfillment of different business needs among the Public Companies. However, exorbitant Board of Commissioners has the potential to disrupt the effectiveness on the implementation function of the Board of Commissioners.	As of 31 December 2023, the number of members of the Board of Commissioners of Bank Mandiri is 11 (eleven) personnel consisting of 6 (six) Independent Commissioners and 5 (five) non-Independent Commissioners. <b>Remark: Comply</b>
<b>B.1.2. Recommendation 7:</b>	Determination on the composition of members of the Board of Commissioners takes into account on diversity of expertise, knowledge and required experience.	The composition of members of the Board of Commissioners takes into account the diversity of expertise, knowledge and experience needed as disclosed in the Section of Composition and Assignment of the Bank's Board of Commissioners.
<b>Explanation :</b>	The composition of the Board of Commissioners is a combination of characteristics from both organ and individual perspective according to the need of respective Public Company. These characteristics can be reflected in the determination of expertise, knowledge and experience required in the implementation of supervisory and advisory duty by the Board of Commissioners of the Public Company. The composition that has taken into account the need of the Public Company is a positive, especially related to decision making related with supervisory function as carried out by considering various broader aspects.	<b>Remark: Comply</b>
B.2. Principle 4: Enhancing the Quality of Implementation of Duties and Responsibilities of the Board of Commissioners.		
<b>B.2.1. Recommendation 8:</b>	The Board of Commissioners has Self-Assessment Policy to evaluate the performance of the Board of Commissioners.	The Board of Commissioners has in place the self-assessment policy that regulated in the BOC Charter. The Performance Assessment of the Board of Commissioners is carried out by each member of the Board of Commissioners through self-assessment mechanism based on assessment criteria of duties implementation and responsibilities of the Board of Commissioners covering the aspects of structure, directives and oversight.
<b>Explanation</b>	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 collegial performance of the Board of Commissioners, 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 in improving the performance of the Board of Commissioners on an ongoing basis.	<b>Remark: Comply</b>
	This policy can include the assessment activity as carried out along with the purpose and objective, periodic period of implementation, and benchmark or assessment criteria being used in accordance with the recommendations from the Remuneration and Nomination function of Public Company as required by OJK Regulation on the Remuneration and Nomination Committee of Issuer or Public Company.	

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<p><b>B.2.2.</b> <b>Recommendation 9:</b></p> <p><b>Explanation :</b></p>	<p>The Self-Assessment Policy to evaluate the performance of the Board of Commissioners is disclosed in the Annual Report of Public Company.</p> <p>The disclosure of Self-Assessment Policy on performance of the Board of Commissioners is conducted not only to comply with transparency aspect as form of accountability of its duties but also to provide assurance to the Shareholders or investors on efforts that need to be done in improving the performance of the Board of Commissioners. Upon the availability of disclosure, the Shareholders or investors acknowledge the check and balance mechanism towards the Board of Commissioners.</p>	<p>The self-assessment policy on the Board of Commissioners' performance assessment has been disclosed in this Annual Report.</p> <p><b>Remark : Comply</b></p>
<p><b>B.2.3.</b> <b>Recommendation 10:</b></p> <p><b>Explanation :</b></p>	<p>The Board of Commissioners has policy on resignation of member of the Board of Commissioner when involved in financial crime.</p> <p>The resignation policy of member of the Board of Commissioners being involved in financial crime is a policy that can increase the stakeholders' trust in the Public Company, so that corporate integrity will be maintained. This policy is needed to help the legal process and so that the legal process does not interfere 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 Code or the Code of Ethics that applies to the Board of Commissioners.</p> <p>Furthermore, being involved in financial crimes shall means the convicted status from the authorities of respective member of the Board of Commissioners. The financial crimes are manipulation and various forms of embezzlement in financial service activities as well as Money Laundering Criminal Action as referred to Law Number 8 of 2010 on Prevention and Eradication of Money Laundering Crimes.</p>	<p>Bank Mandiri has in place the policy on resignation of member of the Board of Commissioners when involved in financial crime as stated in the Bank's Articles of Association, namely the tenure of the Board of Commissioners is ended upon the violations of laws and regulations and upon resignation.</p> <p>Referring to the Article 14 paragraph (26) letter f of the Bank's Articles of Association, the tenure of member of the Board of Commissioners is ended if no longer meet the requirements as member 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 is resigning including if involved in the financial crime, thus a concerned member of the Board of Commissioners shall inform in writing regarding his/her intention to the Bank, and the Bank shall convene the GMS to take decision on the resignation of a member of the Board of Commissioners within 90 days after the acceptance of the resignation.</p> <p><b>Remark : Comply</b></p>
<p><b>B.2.4.</b> <b>Recommendation 11:</b></p> <p><b>Explanation :</b></p>	<p>The Board of Commissioners or Committee that perform the Remuneration and Nomination Function formulates the succession policy in the nomination process of member of the Board of Directors.</p> <p>Based on the provision of the OJK Regulation No. 34/POJK.04/2014 on the Remuneration and Nomination Committee of Issuer or Public Company, the committee that carries out the nomination function has the task of formulating policy and criteria needed in the nomination process of potential member of the Board of Directors. Policy that can support the nomination process is the succession policy of member of the Board of Directors. The policy on succession aims to maintain the continuity of the regeneration of leadership in the company in order to maintain the business continuity and the company's long-term objective.</p>	<p>Bank Mandiri has established the Remuneration and Nomination Committee that assists the Board of Commissioners to propose recommendations to the shareholders of series A Dwiwarna, in terms of the following: Developing, implementing and analysing the nominating criteria and procedures for candidates of the Board of Commissioners and Directors.</p> <p>Identifying candidates of Directors from internal and/or external of the company, and candidates of Commissioners that meet the requirements for being proposed/appointed as Director or Commissioner.</p> <p>To prepare future leadership regeneration, Bank Mandiri designed the Talent and Succession Management program, a succession policy for the Board of Directors which refers to SOE Minister Regulation No. PER-11/MBU/2021 concerning requirements, procedures for appointment and dismissal of SOE Board of Directors members as last amended by SOE Minister Regulation No. PER-3/MBU/03/2023. In addition, as a Public Company, the Bank's Policy also refers to POJK No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies. The appointment and dismissal of the Bank's Board of Directors is carried out based on the principles of professionalism and Good Corporate Governance (GCG).</p> <p><b>Remark : Comply</b></p>

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NO.	ASPECTS – PRINCIPLES - RECOMMENDATIONS	COMPLY OR EXPLAIN
<b>C. ASPECT 3: FUNCTION AND ROLES OF THE BOARD OF DIRECTORS</b>		
<b>C.1. Principle 5: Strengthen the Membership composition of the Board of Directors</b>		
<b>C.1.1. Recommendation 12:</b>	Determination of total members of the Board of Directors takes into account on the condition of the Public Company and effectiveness in decision making.	Bank Mandiri has complied with Article 20 POJK 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies, namely the Board of Directors of Issuers or Public Companies consists of 2 (two) members and Article 6 paragraph (1) of POJK No. 17 of 2023 concerning the Implementation of Governance for Commercial Banks, namely Banks are required to have at least 3 (three) members of the Board of Directors.
<b>Explanation :</b>	Being the Company's organ that is authorized in managing the Company, the determination of total members of the Board of Directors has significant impact to the Company's performance. Thus, the determination of the total members of the Board of Directors must be done through careful consideration and refer to the provisions of the applicable regulation, whereby based on OJK Regulation No.33/POJK.04/2 14 on the Board of Directors and Board of Commissioners of Public Company, shall at least consists of 2 (two) people. In addition, the determination of total members of the Board of Directors must be based on the need to achieve the objectives and purpose of public company and being adjusted to the conditions of the public company including the characteristic, capacity and size of the public company and effectiveness of the decision making by the Board of Directors.	As of 31 December 2023, number of the Bank's Directors are 12 (twelve) members, and has been stipulated based on complexity and requirements of the Bank. In the Board of Directors rules, the mechanism of decision making of the Board of Directors has been stipulated.  <b>Remark : Comply</b>
<b>C.1.2. Recommendation 13:</b>	Determination on the composition of members of the Board of Directors takes into account on diversity of expertise, knowledge and required experience.	The determination of the Bank's Board of Directors' composition has taken into account the Bank's needs and business complexity, namely by considering the diversity of skills, educational background, and professional experience, and is gender equality. The Board of Directors' structure diversity is expected to provide alternative in resolving the increasingly complex issues faced by the Bank, compared to member of Directors that are naturally homogenic, thereby delivering the best decisions in the decision-making process.
<b>Explanation :</b>	Similar with the Board of Commissioners, the composition diversity of members of the Board of Directors is a combination of required characteristic from both organ and individual perspective according to the needs of respective Public Company. The combination is determined in view of expertise, knowledge and experience in accordance with segregation of tasks and functions of the Board of Directors in achieving the purpose of the Public Company. Thus, consideration of the combination of characteristics will have an impact on the accuracy of the collegial nomination and appointment of individual member of the Board of Directors or Directors.	<b>Remark : Comply</b>
<b>C.1.3. Recommendation 14:</b>	Member of the Board of Directors in charge of accounting or finance has expertise and/or knowledge in accounting field.	The director in charge of accounting or finance at Bank Mandiri is the Director of Finance, namely Mr. Sigit Prastowo with experience and competence in the field of Treasury (Finance), who in carrying out his duties requires the knowledge in accounting. In addition, to support the implementation of his duties, he often participates in forums and seminars related to finance both at home and abroad.
<b>Explanation :</b>	The Financial Report is a management accountability report for resources management owned by the Public Company, which must be compiled and presented in accordance with Financial Accounting Standards in Indonesia as well as related OJK regulations, including regulation in the Capital Market sector which regulates the presentation and disclosure of Public Company Financial Statement. Based on the laws and regulations in the Capital Market sector that regulates the responsibility of the Board of Directors for the Financial Report, the Board of Directors is jointly responsible for the Financial Report, signed by the President Director and member of the Board of Directors in charge of accounting or finance.	<b>Remark : Comply</b>
	As such, the financial disclosure and information presented in the financial statements will be very much dependent on the skills, and/or expertise of the Board of Directors, specifically member of the Board of Directors in charge of accounting or finance. Adequate qualifications and/or expertise in accounting that at least proficient by the concerned members of the Board of Directors, will ensure confidence in the preparation of financial statements, thereby the financial statements can be relied on by the stakeholders as a basic in decision making economically related to the concerned Public Company. The expertise and/or skills shall be affirmed by educational background, training certificates, and/or related work experiences.	

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<b>C.2. Prinsip 6 : Meningkatkan Kualitas Pelaksanaan Tugas dan Tanggung Jawab Direksi</b>		
<p><b>C.2.1 Recommendation 15:</b></p> <p><b>Explanation :</b></p>	<p>The Board of Directors has Self-Assessment Policy to evaluate the performance of the Board of Directors.</p> <p>Similar with the Board of Commissioners, the Board of Directors' Self-Assessment policy is a guideline being used as a form of accountability to evaluate collegial performance of the Board of Directors. The self-assessment is conducted by each member of the Board of Directors to assess the collegial performance of the Board of Directors, and not to assess the individual performance of each member of the Board of Directors. With this self-assessment, it is expected that each member of the Board of Directors can contribute to improve the performance of the Board of Directors on an ongoing basis.</p> <p>This policy can include the assessment activity as carried out along with the purpose and objective, periodic period of implementation, and benchmark or assessment criteria being used in accordance with the recommendations from the Remuneration and Nomination function of Public Company as required by OJK Regulation No. 34/POJK.04/2014 on the Remuneration and Nomination Committee of Issuer or Public Company.</p>	<p>The Board of Directors has a self-assessment policy. The performance assessment of the Board of Directors is carried out by each member of the Board of Directors through a self-assessment mechanism to evaluate the performance of the Board of Directors collegially, and not to assess the individual performance of each member of the Board of Directors. As described in the Annual Report in the section of the Performance Assessment of the Board of Directors.</p> <p><b>Remark : Comply</b></p>
<p><b>C.2.2 Recommendation 16:</b></p> <p><b>Explanation :</b></p>	<p>The Self-Assessment Policy to evaluate the performance of the Board of Directors is disclosed in the Annual Report of Public Company.</p> <p>The disclosure of Self-Assessment Policy on performance of the Board of Directors is conducted not only to comply with transparency aspect as form of accountability of its duties but also to provide assurance to the Shareholders or investors on efforts that need to be done in improving the performance of the Board of Commissioners. Upon the availability of disclosure, the Shareholders or investors acknowledge the check and balance mechanism towards the Board of Directors.</p>	<p>The self-Assessment policy on the performance of the Board of Directors has been disclosed in the 2023 Fiscal Year Annual Report in the Board of Directors Performance Evaluation section.</p> <p><b>Remark : Comply</b></p>
<p><b>C.2.3 Recommendation 17:</b></p> <p><b>Explanation :</b></p>	<p>The Board of Directors has policy on resignation of member of the Board of Commissioner when involved in financial crime.</p> <p>The resignation policy of the Board of Directors involved in financial crimes is a policy that can increase the stakeholders' trust in the Public Company, so that corporate integrity will be maintained. This policy is needed to help the legal process and so that the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy will build an ethical culture within the Public Company. This policy can cover in the Code or the Code of Ethics that applies to the Board of Directors.</p> <p>Furthermore, what is meant by being involved in a financial crime is the status of being convicted of a member of the Board of Directors from an authorized party. These financial crimes include manipulation and various forms of embezzlement in financial service activities as well as the Criminal Act of Money Laundering as referred to in Law No. 8 of 2010 concerning Prevention and Eradication of Money Laundering.</p>	<p>Bank Mandiri has in place the policy on resignation of member of the Board of Directors when involved in financial crime as stated in the Bank's Articles of Association.</p> <p>Referring to the Article 14 paragraph (26) letter f of the Bank's Articles of Association, the tenure of member of the Board of Directors is ended if no longer meet the requirements as member of the Board of Directors based on the Articles of Association and other laws and regulations, including involvement in financial crime. In the event that a member of the Board of Directors is resigning including if involved in the financial crime, thus a concerned member of the Board of Directors shall inform in writing regarding his/her intention to the Bank, and the Bank shall convene the GMS to take decision on the resignation of a member of the Board of Directors within 90 days after the acceptance of the resignation.</p> <p><b>Remark : Comply</b></p>



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<b>D. ASPECT 4: STAKEHOLDERS PARTICIPATION</b>		
D.1. Principle 7: Enhancing Governance Aspect Through Stakeholders Participation.		
<p><b>D.1.1.</b> <b>Recommendation 18:</b></p> <p><b>Explanation :</b></p>	<p>The Public Company has the Policy to prevent Insider Trading.</p> <p>A person with inside information is prohibited from conducting a Securities transaction by using inside information as stipulate under the Capital Market Law. Public company can minimize the occurrence of insider trading through prevention policies, for example by firmly separating between confidential and public data as well as distributing the duties and responsibilities on information management in proportional and efficient manner.</p>	<p>The policy to prevent insider trading is regulated in SP SDM</p> <ul style="list-style-type: none"> <li>Chapter III.C.2.c regarding the Code of Conduct and Business Ethics, which are ethical standards that must be guided by all levels of the bank in carrying out daily duties and services and conducting business relations with customers, partners and colleagues.</li> <li>Chapter III.C.2.e regarding employee disciplinary regulations governing obligations, prohibitions and sanctions on employees.</li> </ul> <p>SP Corporate Secretary Chapter III.A.5 Principles of Information Disclosure, which regulates</p> <ul style="list-style-type: none"> <li>Insiders who have insider information are prohibited from influencing any party, including the Insider's family, to buy or sell shares</li> <li>Insiders other than the Board of Directors and the Board of Commissioners who commit violations as stipulated above and are proven to have carried out transactions and/or provide insider information will be subject to disciplinary sanctions as stipulated in the Human Resources Guidelines Standards (SPSDM)</li> <li>The Board of Directors and the Board of Commissioners and parties due to their position, profession/ relationship with</li> </ul> <p><b>Remark : Comply</b></p>
<p><b>D.1.2.</b> <b>Recommendation 19:</b></p> <p><b>Explanation :</b></p>	<p>The Public Company has the anti-corruption and anti-fraud policies.</p> <p>The anti-corruption policy ensures that the business activities of the Public Company are carried out legally, prudently and in accordance with the principles of good governance. The policy can be part of a code of ethics, or in a separate form. This policy may include, among others, the programs and procedures implemented in dealing with corrupt practices, kickbacks, fraud, bribery and/or gratuities in public companies. The scope of the policy must describe the prevention of the Public Company against all corrupt practices, either giving or receiving from other parties.</p>	<p><b>Gratuity Control</b></p> <p>Bank Mandiri realizes the gratuity control is vital to maintain business process in line with business ethics that uphold high integrity value. To that end, since 2013, Bank Mandiri has in place the Gift Disclosure Statement regulating the prohibition to accept gratification for all Employees, and since 2015, the Bank has in place the Gratification Control Unit to carry out gratuity control function at the Bank.</p> <p>In addition, gratuity control aims at building the values of good corporate governance and embedding integrity value to all employees thereby all business activities with Customer, Vendor, Partner, and all Stakeholders are always founded upon ethics, mutual trusts, and responsibility. As such business interests can be performed properly and ethically while keeping in line with the gratuity prohibition rules. Currently, the Bank strives to carry out continuous improvement in implementing its gratuity control.</p> <p>To adapt to applicable regulations and current business developments for the Bank to be able to carrying out daily business activities and maintain good cooperative relations with all stakeholders, Bank Mandiri has periodically made improvements to the Gratification Control Technical Operational Guidelines (PTO) which were last refined on 8 December 2023.</p> <p><b>Anti-Bribery Management System</b></p> <p>To foster the effort in eradicating corruption continuously, the Bank has received ISO 37001:2016 certificate of Anti-Bribery Management System on 10 August 2020 and the scope of ISO 37001:2016 of Anti-Bribery Management System has been extended to Procurement, Vendor Management and Internal Audit Process on 20 September 2022.</p>

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		<p><b>Implementation of Anti-Fraud Strategy</b></p> <p>Bank Mandiri has implemented an Anti-Fraud Strategy in accordance with the POJK No. 39/POJK.03/2019 for Commercial Banks. As part of the improvement of the Internal Control Policy, Bank Mandiri continues to make improvements to these regulations. This is also done in every policy such as Standard Operating Procedures (SPO), Technical Operational Guidelines (PTO) and other regulations.</p> <p>Bank Mandiri's Anti-Fraud Strategy regulates 4 pillars, namely:</p> <ol style="list-style-type: none"> <li>1. Pillar 1 (Prevention) It is the responsibility of all levels of the Bank (work unit) and is part of the Fraud Control System in order to reduce the potential for fraud. Programs implemented in this pillar include:             <ol style="list-style-type: none"> <li>a. Anti-Fraud Awareness, such as socialization of Anti-Fraud Statement, Employee Awareness Program and Customer Awareness Program. The Employee Awareness Program is carried out by providing training, socialization, publication of fraud awareness through the Bank's internal media that reaches all employees and block leave obligations for each employee. Customer Awareness Program is carried out through the use of social media effectively, periodically and dynamically.</li> <li>b. Identification of Vulnerabilities, such as the application of Risk Management principles where all policies and procedures are designed with due regard to internal control, the application of GCG principles and Compliance. The implementation of work by employees in accordance with their authority and responsibilities is stated in the job description of each employee, and signed by the employee concerned. In addition, the signing of the Annual Disclosure by all employees at the beginning of the year.</li> <li>c. Know Your Employee (KYE) Policy is a principle applied by the Bank to get to know each employee well both in terms of ability and personality. KYE is carried out through a candidate selection process as well as monitoring the character and lifestyle of employees</li> </ol> </li> <li>2. Pillar 2 (Detection) It is the responsibility of all units, both first-line, second-line, and third-line and is part of the fraud control system in order to identify and find fraud in the bank's business activities. The programs implemented by Bank Mandiri in this pillar include:             <ol style="list-style-type: none"> <li>a. Whistleblowing System-Letter to CEO, which is managed by an independent party to minimize conflicts of interest and provide a sense of security to whistleblowers.</li> <li>b. Fraud Detection System, which has been implemented to support the Bank's detection activities which includes detection of transactional fraud and non-transactional fraud.</li> <li>c. Surprise Audit, whose implementation is prioritized in business units that are at high risk or prone to fraud.</li> <li>d. Surveillance System, which aim to monitor and review the internal control effectiveness (including fraud control system).</li> </ol> </li> <li>3. Pillar 3 (Investigation, Reporting, Sanctions and Legal Process) is part of the Fraud Control System in the context of handling fraud that occurs through investigations and the results are reported to the President Director, Board of Commissioners, and Regulators, including the proposed imposition of sanctions and legal processes for fraudsters. In order to strengthen the function of the Third Pillar, delegation of authority for the implementation of investigations and imposition of sanctions to each region has been carried out to accelerate the process of handling cases and recovery.</li> </ol>



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		<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;"><b>Remark: Comply</b></p>
D.1.3. <b>Recommendation 20:</b>	<p>Perusahaan Terbuka memiliki kebijakan tentang seleksi dan peningkatan kemampuan pemasok atau vendor.</p> <p><b>Explanation :</b></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"> <li>1. Operational Policy (KOPR), article 205 on Operational Facilities and Infrastructure - Procurement</li> <li>2. Procurement Standard Operating Guidelines (SPO) that regulate, among others (Chapter III):             <ol style="list-style-type: none"> <li>a. General provisions include:                 <ol style="list-style-type: none"> <li>i) Principles of Procurement</li> <li>ii) Procurement Ethics</li> <li>iii) Purpose of the Procurement Process</li> <li>iv) Monitoring of Domestic Products Use</li> <li>v) Procurement Planning</li> <li>vi) Loading Guidelines</li> </ol> </li> <li>b. Provisions for the implementation of the procurement of goods and services include:                 <ol style="list-style-type: none"> <li>i) Procurement of Goods and Services Mechanism</li> <li>ii) Procurement Process</li> <li>iii) Stages of the Procurement Process</li> <li>iv) Execution of Work and Handover of Work</li> <li>v) Provisions for Change of Work (plus/minus) specifically in the field of construction implementation services.</li> <li>vi) Implementation of Procurement Activities to Overcome Certain Conditions.</li> <li>vii) Document and Payment Process.</li> </ol> </li> </ol> </li> <li>3. Procurement Operational Technical Guidelines (PTO) that regulate, among others (Chapter III):             <ol style="list-style-type: none"> <li>a. Implementation Provisions                 <ol style="list-style-type: none"> <li>i) Accreditation Partners (Goods and Services Providers)                     <ul style="list-style-type: none"> <li>• General &amp; including aspects that are reviewed in carrying out the qualifications of prospective Goods and Services Providers)</li> <li>• Procedures for partner accreditation (Goods and Services Providers) (including aspects considered in determining recommended partners to be invited in a procurement process)</li> <li>• Partner Monitoring includes:                         <ul style="list-style-type: none"> <li>» Monitoring Partner Data</li> <li>» Partner Performance Monitoring, which consists of                                 <ol style="list-style-type: none"> <li>a) Evaluation of Partner Performance Periodically</li> <li>b) Evaluation of Partner Performance based on Contract</li> </ol> </li> <li>» Increasing Partner Competence</li> <li>» Sanctions for Associates</li> </ul> </li> </ul> </li> </ol> </li> </ol> </li> </ol> <p style="text-align: right;"><b>Remark: Comply</b></p>
D.1.4. <b>Recommendation 21:</b>	<p>The Public Company has policy on fulfilment of creditor rights.</p> <p><b>Explanation :</b></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"> <li>1. Receive the audited financial statements;</li> <li>2. Receive the loan progress/use report;</li> <li>3. Receive late sanction on report submission;</li> <li>4. Receive written notification, request, and approval</li> </ol> <p style="text-align: right;"><b>Remark: Comply</b></p>

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<b>D.1.5.</b> <b>Recommendation 22:</b>	<p>The Public Company has the Whistleblowing System policy.</p> <p>A well-developed Whistleblowing system policy will provide certainty of protection to witness or reporter for an indication of violation committed by employees or management of the Public Company. The implementation of the policy will have an impact on establishing a culture of good corporate governance. The Whistleblowing system policy includes, among others, type of violations that can be reported through the Whistleblowing system, complaint procedure, protection and guarantee of the confidentiality of the reporter, handling procedure for received complaints, parties that managing the complaints, and the results and follow-up of complaints handling.</p>	<ol style="list-style-type: none"> <li>1. Implementation of the Whistleblowing system at Bank Mandiri is called the Letter to CEO (LTC). LTC is a facility for reporting fraud or indications of fraud from Bank Mandiri employees and stakeholders to the President Director with an emphasis on disclosure of complaints to increase the effectiveness of the implementation of the internal control system within Bank Mandiri.</li> <li>2. Bank Mandiri's LTC has been implemented since 2009 with the LTC arrangement in the Letter to CEO (LTC) Technical Operational Manual which is continuously updated with the latest update on 03 October 2022.</li> <li>3. Since its revitalization in 2018, LTC management has involved independent parties to provide a safe-environment that encourages employees and stakeholders to dare to report. The reporter can include his complete identity or anonymously (the identity is only known by independent parties).</li> <li>4. Submission of LTC reports can be submitted through the following media:                      Website <a href="https://bmri-wbstlc.tipoffs.info/">https://bmri-wbstlc.tipoffs.info/</a>                      Email to <a href="mailto:bmri-wbstlc.tipoffs.info">bmri-wbstlc.tipoffs.info</a>                      Letter to POBOX 1007 JKS 12007                      SMS and WA to 0811-9007777</li> </ol>
<b>Remark : Comply</b>		
<b>D.1.6.</b> <b>Recommendation 23:</b>	<p>The Public Company has a long-term incentive policy for the Board of Directors and employees.</p> <p>Long-term incentive is a given incentive based long-term performance achievement. The long-term incentive plan has the rationale that the long-term performance of the company is reflected in the growth of shares value or other long-term target of the company. Long-term incentive shall have the benefit to maintain loyalty and provide motivation to the Board of Directors and employees to improve their performance or productivity, which will have an impact on improving the company's performance in the long run.</p> <p>The availability of a long-term incentive policy is an actual commitment by the Public Company to encourage the implementation of long-term incentive to the Board of Directors and Employees with terms, procedures and forms being adjusted to the long-term objectives of the Public Company. The policy can include, amongst other, the purpose of objective in providing the long-term incentive, terms and procedures in providing the incentive, and condition as well as risks that must be considered by the Public Company in providing the incentives. This policy can also be included in the existing public company remuneration policy.</p>	<p>Bank Mandiri has a policy of providing long-term incentives to Commissioners and Directors according to the provisions in POJK No. 45/POJK.03/2015 concerning Implementation of Governance in Providing Remuneration for Commercial Banks. Bank Mandiri implements Governance in the Provision of Remuneration that has considered various aspects, including bank financial stability, the creation of risk management, short-term and long-term liquidity needs, and potential future income.</p> <p>Bank Mandiri can postpone deferred variable remuneration (Malus) or withdraw variable remuneration that has been paid (Clawback) to officials who are classified as Material Risk Taker (MRT).</p>
<b>Remark : Comply</b>		

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<b>E. ASPECT 5: INFORMATION DISCLOSURE</b>		
E.1. Principle 8: Enhancing the Disclosure Implementation.		
<p><b>E.1.1.</b> <b>Recommendation 24:</b></p> <p><b>Explanation :</b></p>	<p>The Public Company utilizes technology information wider than the Website as a media for information disclosure.</p> <p>The use of information technology can be useful as a medium for information disclosure. The disclosure of information is not only information disclosure that has been regulated in legislation, but also other information related to the Public Company, which upon consideration is deemed useful to shareholders or investors. Upon the use wider of information technology than the Website, the company is expected to improve the effectiveness of information dissemination. Nevertheless, the use of information technology is carried out while taking into account the benefit and costs of the company.</p>	<p>Bank Mandiri managed the Company's Website as optimal as possible to always provide the most recent and accurate information for the Public. Apart from the website, Bank Mandiri also utilizes technology and other social media applications such as SMS Banking, Mobile Banking, Instagram, Facebook and Twitter for information disclosure media.</p> <p><b>Remark : Comply</b></p>
<p><b>E.1.2.</b> <b>Recommendation 25:</b></p> <p><b>Explanation :</b></p>	<p>The Annual Report of Public Company disclose the ultimate benefit owner in Public Company share ownership at least 5% (five percent), other than final beneficial owner disclosures in ownership shares of the Public Company through main and controlling shareholder.</p> <p>The Capital Market Regulation that regulates the submission of annual reports of Public Company has regulated the obligation to Disclose information regarding shareholders with 5% (five percent) or more shares of the Public Company, as well as the obligation to disclose information about directly or indirectly main and controlling shareholders of Public Company up to the owner of the last benefit in the ownership of the shares. In this Governance Guideline, it is recommended to disclose the ultimate benefit owner of the shares of the Public Company at least 5% (five percent), in addition to disclosing the owner of the final benefit of share</p>	<p>Bank Mandiri has disclosed information regarding shareholders with 5% or more shareholding of the Company's shares in the 2023 Annual Report.</p> <p><b>Remark: Comply</b></p>