



Position Abuse and Gratification

In the application of social responsibility related to fair operations, Bank Mandiri also strives to avoid misuse of office and gratuities in its operational activities. To that end, Bank Mandiri establishes the following policies:

1. All Bank's Officials have been prohibited to abuse their authority and taking advantage directly or indirectly, from the knowledge gained from the Bank's business activity for: 1) Personal advantage, 2) Advantage for their family member, 3) Advantage for other parties.
2. All Bank's Officials have been prohibited from requesting or accepting, allowing and approving to receive gratification related to their position and contrary to their obligations in accordance with the applicable law and regulations. That includes the prohibition to requesting or accepting, allowing and approving to accept a gift or reward from a third party who gets or trying to get a facility from the Bank in the form of credit facilities (cash loan and/ or non cash loan), or in the context of purchasing or discounting money orders, promissory notes, check and trade paper or other obligation proof, or other facilities related to the Bank's operational activity. The types of gratification and the reporting mechanism will be regulated in Gratification Control Operational Technical Guidelines.
3. All Bank's Officials have been prohibited to requesting or accepting, allowing or approving to receive a gift or reward from a third party who gets or trying to get a job related to the goods or services procurement from the Bank.
4. In the event of the customer, contractors, and other parties giving gifts in the form of goods or other forms on special occasions such as holidays, certain celebrations, disasters, etc. if: 1) The effect of the gift acceptance is believed to bring negative impact and affect the bank's decision, and 2) The value of the gift is beyond reasonable limits, then the Bank Mandiri's Officials who received the gift must immediately return the gift with a polite explanations that the Bank Mandiri's Officials are not allowed to accept any gifts.
5. In the event of gift giving as mentioned in point four above because of one thing or another cannot be returned easily, therefore the Bank Mandiri's Officials who received the gift must immediately report it to their supervisor to make a follow up in accordance to the applicable regulations.
6. In the event of the customer, contractors, and other parties giving promotional items, as long as the receipt of that promotional item is believed to not have a negative impact and affecting Bank's decision, the Bank Mandiri's Officials are allowed to accept that promotional item.

7. In the event of the goods and service procurements from the third party for the Bank's official needs, Bank's Officials always try to get the best price with maximum discount. The received discount must be recorded for the Bank's benefit.
8. Bank's Officials are prohibited to use their position to borrow from or owing to the customer.
9. All Bank's Officials are prohibited to take advantage of the opportunity to use Bank's facilities for their own advantage beyond those provided by the Bank.

Implementation Whistleblowing System and Code of Conduct

Bank Mandiri has had the whistleblowing system (WBS) mechanism called Letter to CEO (LTC) Program. LTC aimed to detect fraud acts or indications. The management of WBS has been carried out by an independent party, so that the implementation is more effective. The fraud types that were reported include corruption, swindle, theft, embezzlement, and forgery. A more detailed explanation regarding WBS has already been discussed in the Company Governance section of this Annual Report.

Beside WBS, Bank Mandiri also has implemented the Code of Conduct which is an ethical standard that governs the behavioral of the Bank Mandiri's Officials in carrying out business activities. The implementation of the Code of Conduct is expected to encourage professional, responsible, reasonable, appropriate, and trustworthy behavior in conducting business relation with fellow coworkers or business partners.

Insiders Behavioral

Bank's Officials who have classified information are not allowed to use the information to take advantage for themselves, their family or other third parties, by: 1) Influence the customers or individuals or institutions in conducting transactions with the Bank. 2) Spreading the information to the customers or individuals or institutions.

All Bank's Officials have been prohibited to use the internal information to make a purchase, or trade securities, unless the information is widely known to the public. Bank's Officials have been prohibited to abuse their position and take advantage directly or indirectly for themselves, their family member or other parties and/or influencing the decision process related to themselves. The decision making to sell or purchase the Bank's asset and other services has been made to prioritize the Bank's interest without being influenced by the Insiders.