



Application of Open Corporate Governance Guidelines

FSA Circular No. 32/SEOJK.04/2015 concerning Governance Guidelines covers 5 (five) aspects, 8 (eight) principles and 25 (twenty-five) recommendations on the application of aspects and principles of good corporate governance. Recommendations on the application of aspects and principles of good corporate governance in the Governance Guidelines are standard implementation of aspects and principles of good corporate governance that must be applied by the Company to implement the principles of good corporate governance. As for the description of its application, it can be conveyed as follows.

No	Aspect; Principle; Recommendation		Comply or Explain
A. Aspect 1: Public Company Relationship with Shareholders in Ensuring Shareholders' Rights.			
A.1.	Principle 1: Increase the Value of the General Meeting of Shareholders (GMS).		
A.1.1.	Recommendation 1:	Public companies have technical methods or procedures for voting, both openly and privately, that prioritize independence and the interests of shareholders.	In the Annual General Meeting of Shareholders (GMS) as well as the Extraordinary GMS, Bank Mandiri had carried out a voting process both openly and privately as stipulated in the GMS Rules of Procedure.
	Explanation:	<p>Every share with voting rights issued has one vote (one share one vote). Shareholders can exercise their voting rights when making decisions, especially in making decisions by means of voting. However, the mechanism for decision making by means of voting, both openly and privately, has not been regulated in detail.</p> <p>It is recommended that Public Companies have a voting procedure in making decisions on an agenda of the GMS. The voting procedure must maintain the independence or freedom of shareholders. For example, open voting is carried out by raising one's hand in accordance with the optional instructions offered by the GMS leadership. Meanwhile, closed voting is carried out on decisions that require confidentiality or at the request of shareholders, by using a ballot card or by using electronic voting.</p>	<p>At the 2018 Annual General Meeting of Shareholders, a closed voting mechanism was carried out with officers approaching all shareholders who then put their ballot cards into the box provided by the officer.</p> <p>The Company has made GMS Rules which could be uploaded on the Company's website and distributed to Shareholders at the time of the GMS.</p> <p>Description : Comply</p>
A.1.2.	Recommendation 2:	All members of the Board of Directors and Board of Commissioners of a Public Company attend the Annual GMS.	In the 2018 Annual GMS, all members of the Board of Directors and the Board of Commissioners attended.
	Explanation:	The presence of all members of the Board of Directors and Board of Commissioners of a Public Company is intended so that each member of the Board of Directors and members of the Board of Commissioners can pay attention, explain, and directly answer problems that occur or questions raised by shareholders regarding the agenda of the GMS.	<p>Description: Comply</p>
A.1.3.	Recommendation 3:	A summary of the minutes of the GMS was available on the Public Company Website for at least 1 (one) year.	Summary of the Minutes of the Annual GMS and Extraordinary GMS during 2020, both in Indonesian and English, had been announced 2 (two) working days after the implementation of the GMS had been uploaded on the Bank Mandiri Website, IDX Electronic Reporting System, FSA and KSEI eASY. On the Bank Mandiri website, information related to the implementation of the GMS had been presented, including the Summary of the Minutes of the GMS for the last 5 (five) years.
	Explanation:	Based on the provisions in Article 34 paragraph (2) of the Financial Services Authority Regulation Number 32/POJK.04/2014 concerning the Planning and Implementation of the General Meeting of Shareholders of Public Companies, the Public Company was required to prepare a summary of the GMS minutes in Indonesian and foreign languages (at least in English), and announced 2 (two) working days after the GMS was held to the public, one of which was through the Public Company Website. The availability of summary minutes of the GMS on the Public Company Website provided an opportunity for absent shareholders to obtain important information in organizing a GMS easily and quickly. Therefore, the provisions regarding the minimum period of availability of summary minutes of the GMS on the Website were intended to provide sufficient time for shareholders to obtain such information.	<p>In addition, Bank Mandiri had prepared GMS Highlights in both Indonesian and English which were uploaded 1 (one) working day after the implementation of the GMS on the Bank Mandiri website.</p> <p>Description : Comply</p>



No	Aspect; Principle; Recommendation	Comply or Explain
A.2.	Principle 2: Improve the Quality of Public Company Communication with Shareholders or Investors.	
A.2.1.	<p>Recommendation 4: Public Company has a communication policy with shareholders or investors.</p> <p>Explanation: The existence of communication between the Public Company and shareholders or investors is intended so that shareholders or investors have a clearer understanding of the information that has been published to the public, such as periodic reports, disclosure of information, business conditions or prospects and performance, as well as the implementation of corporate governance. Open. In addition, shareholders or investors can also submit input and opinions to the management of the 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. The policy may include strategies, programs, and timing of communications, as well as guidelines that support shareholders or investors to participate in these communications.</p>	<p>Bank Mandiri has a communication policy with shareholders or investors as stipulated in the Corporate Secretary Guidelines Standard (SPCS) Chapter III.A.I. Information Disclosure.</p> <p>Information disclosure to stakeholders has been prepared with reference to Capital Market regulations and other relevant laws and regulations, which can be briefly grouped into:</p> <ol style="list-style-type: none"> Periodic and incidental reporting to related institutions (Financial Services Authority, Bank Indonesia, LPS, Ministry of Law and Human Rights, Indonesia Stock Exchange) and reporting through the Electronic Reporting System. General Meeting of Shareholders (GMS) Implemented in accordance with statutory provisions and Bank Mandiri's Articles of Association, which consists of the annual GMS and other GMS (Extraordinary GMS) Organizing other activities related to corporate actions and/or information disclosure, which include: <ul style="list-style-type: none"> - Public Expose (quarterly) - Analyst Meeting (quarterly) <p>The quarterly Public Expose and Analyst Meetings are intended, among others, to convey information to the public and investors regarding conditions, business prospects, performance and implementation of corporate governance. In addition, Bank Mandiri has also formed a special work unit tasked with maintaining and managing good relations with investors and serving as an information center on Bank Mandiri's performance for investors.</p> <p>Description: Comply</p>
A.2.2.	<p>Recommendation 5: Public Company discloses communication policies of Public Company with shareholders or investors on the Website.</p> <p>Explanation: Disclosure of the communication policy is a form of transparency on the commitment of the Public Company in providing equality to all shareholders or investors in the implementation of communications. The disclosure of information also aims to increase the participation and role of shareholders or investors in implementing the communication program for Public Companies.</p>	<p>The Company has a communication policy for the Public Company with shareholders or investors as outlined in the Corporate Secretary Guidelines Standard (SPCS) Chapter III.A.I. Information Disclosure. These policies have been disclosed on the Website. In addition, Bank Mandiri always manages information on the Website so that shareholders or investors of the Company can immediately obtain the latest information related to Bank Mandiri, both regarding Products/ Services, Performance, Management and Activities.</p> <p>Description: Comply</p>
B. Aspect 2: Functions and Roles of the Board of Commissioners		
B.1.	Principle 3: Strengthen the Membership and Composition of the Board of Commissioners.	
B.1.1.	<p>Recommendation 6: Determination of the number of members of the Board of Commissioners considered the conditions of the Public Company.</p> <p>Explanation: The number of members of the Board of Commissioners could affect the effectiveness of the implementation of the duties of the Board of Commissioners. Determination of the number of members of the Board of Commissioners of a Public Company had refer to the provisions of the applicable laws and regulations, which consisted of at least 2 people based on the provisions of the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning the Directors and Board of Commissioners of Issuers or Public Companies. In addition, it was also necessary to consider the conditions of the Public Company, which included among others the characteristics, capacity and size, as well as the achievement of objectives and the fulfillment of different business needs among Public Companies. However, the number of members of the Board of Commissioners that was too large had the potential to interfere with the effectiveness of the implementation of the functions of the Board of Commissioners.</p>	<p>Bank Mandiri had complied with the provisions of Article 20 POJK No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, that were the number of members of the Board of Commissioners was more than 2 (two) people. There were 10 (ten) members of the Board of Commissioners of Bank Mandiri, consisting of 5 (five) Independent Commissioners and 5 (five) non-Independent Commissioners.</p> <p>Description : Comply</p>



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B.1.2.	<p>Recommendation 7: Determine the composition of the members of the Board of Commissioners taking into account the diversity of expertise, knowledge and experience required.</p> <p>Explanation: The composition of the Board of Commissioners is a combination of characteristics both in terms of the organs of the Board of Commissioners and individual members of the Board of Commissioners, according to the needs of the Public Company. These characteristics can be reflected in the determination of the expertise, knowledge and experience required in the implementation of supervisory duties and providing advice by the Board of Commissioners of a Public Company. The composition that has taken into account the needs of the Public Company is a positive thing, especially in relation to decision making in the context of implementing the supervisory function which is carried out by considering a wider variety of aspects.</p>	<p>The requirements for proposing Candidates for the Board of Commissioners have been carried out by taking into account the needs and business complexity of Bank Mandiri, namely by taking into account the elements of diversity of expertise, educational background, experience and gender.</p> <p>Description: Comply</p>
B.2.	Principle 4: Improving the Quality of Implementation of Duties and Responsibilities of the Board of Commissioners.	
B.2.1.	<p>Recommendation 8: The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.</p> <p>Explanation: The Board of Commissioners' self-assessment policy is a guideline used as a form of accountability for collegially assessing the performance of the Board of Commissioners. Self-assessment or self-assessment is carried out by each member to assess the performance of the Board of Commissioners collegially, and not to assess the individual performance of each member of the Board of Commissioners. With this self-assessment, it is hoped that each member of the Board of Commissioners can contribute to improving the performance of the Board of Commissioners on an ongoing basis.</p> <p>This policy may include the assessment activities carried out and their aims and objectives, periodic implementation time, and the benchmarks or assessment criteria used in accordance with the recommendations given by the nomination and remuneration function of the Public Company, where these functions are mandatory in the Regulations of the Authority. Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.</p>	<p>The Board of Commissioners has a self-assessment policy which is regulated in the BOC Charter. Performance appraisal of the Board of Commissioners is carried out by each member of the Board of Commissioners through a self-assessment mechanism based on assessment criteria related to the implementation of the duties and responsibilities of the Board of Commissioners which include aspects of structure, direction and supervision.</p> <p>Description: Comply</p>
B.2.2.	<p>Recommendation 9: Self-assessment policy to assess the performance of the Board of Commissioners, disclosed in the Annual Report of the Public Company.</p> <p>Explanation: Disclosure of the self-assessment policy on the performance of the Board of Commissioners is carried out not only to fulfill the transparency aspect as a form of accountability for the implementation of its duties, but also to provide assurance, especially to shareholders or investors, on the efforts that need to be made to improve the performance of the Board of Commissioners. With this disclosure, shareholders or investors know the check and balance mechanism on the performance of the Board of Commissioners.</p>	<p>The self-assessment policy to assess the performance of the Board of Commissioners has been disclosed in this Annual Report.</p> <p>Description: Comply</p>



No	Aspect; Principle; Recommendation	Comply or Explain
B.2.3.	<p>Recommendation 10: The Board of Commissioners has a policy regarding the resignation of a member of the Board of Commissioners if involved in a financial crime.</p> <p>Explanation: The resignation policy of a member of the Board of Commissioners who is involved in a financial crime is a policy that can increase the trust of stakeholders in the Public Company, so that the integrity of the company will be maintained. This policy is needed to assist the smooth running of the legal process and so that the legal process does not interfere with 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 Guidelines or Code of Ethics that apply to the Board of Commissioners.</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 Commissioners from an authorized party. Financial crimes referred to 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 Number 8 of 2010 concerning Prevention and Eradication of Money Laundering.</p>	<p>Bank Mandiri has a policy regarding the resignation of a member of the Board of Commissioners if they are involved in a financial crime as stated in the Articles of Association of Bank Mandiri, namely that the term of office of the Board of Commissioners ends, one of which is due to violation of laws and regulations and when resigning.</p> <p>Based on Article 14 paragraph (26) letter f of Bank Mandiri's Articles of Association, the term of office of a member of the Board of Commissioners ends if he no longer meets the requirements as a 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 resigns, including if he is involved in a financial crime, then the member of the Board of Commissioners concerned must notify Bank Mandiri in writing of his intentions and Bank Mandiri must hold a GMS to decide on the request for resignation of the member of the Board of Commissioners at the latest. 90 (ninety) days after receipt of the resignation letter.</p> <p>Description: Comply</p>
B.2.4.	<p>Recommendation 11: The Board of Commissioners or the Committee that carries out the Nomination and Remuneration function formulates a succession policy in the Nomination process for members of the Board of Directors.</p> <p>Explanation: Based on the provisions of the Financial Services Authority Regulation Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies, the committee that carries out the nomination function has the duty to formulate policies and criteria required in the nomination process for candidate members of the Board of Directors. One of the policies that can support the Nomination process as referred to is the succession policy for members of the Board of Directors. The succession policy aims to maintain the continuity of the regeneration process or leadership regeneration in the company in order to maintain business sustainability and the company's long-term goals.</p>	<p>Bank Mandiri already has a Remuneration and Nomination Committee which assists the Board of Commissioners to be able to submit suggestions to series A Dwiwarna shareholders in terms of, among others:</p> <ol style="list-style-type: none"> 1. Develop, implement and analyze the nomination criteria and procedures for candidates for the Board of Commissioners and Directors. 2. Identifying candidates for the Board of Directors, both from within and from outside, and candidates for the Board of Commissioners who meet the requirements to be proposed/appointed as Director or Board of Commissioners. <p>In order to prepare for future leadership regeneration, Bank Mandiri has designed a Talent and Succession Management program, a succession policy for the Board of Directors that has been aligned with the Minister of BUMN Regulation No. PER-03/MBU/2015 concerning requirements, procedures for appointing and dismissing members of the Directors of BUMN. In addition, as a Public Company, the Company'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 Company's Directors are carried out based on the principles of professionalism and Good Corporate Governance (GCG).</p> <p>Description: Comply</p>
C. Aspect 3: Functions and Roles of the Board of Directors		
C.1.	Principle 5: Strengthen the Membership and Composition of the Board of Directors.	
C.1.1.	<p>Recommendation 12: Determine the number of members of the Board of Directors considering the conditions of the Public Company and its effectiveness in decision making.</p> <p>Explanation: As a corporate organ authorized in managing the company, the determination of the number of Directors will greatly affect the performance of the Public Company. Thus, the determination of the number of members of the Board of Directors must be done through careful consideration and must refer to the provisions of the applicable laws and regulations, which are based on the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning the Directors and Board of Commissioners of Issuers or Public Companies at least consists of 2 (two) people. In addition, in determining the number of Directors must be based on the need to achieve the goals and objectives of the Public Company and adjusted to the conditions of the Public Company, which includes the characteristics, capacity and size of the Public Company and how the effectiveness of decision making by the Board of Directors can be achieved.</p>	<p>Bank Mandiri has complied with the provisions of Article 20 POJK 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, namely the Board of Directors of an Issuer or Public Company consisting of at least 2 (two) members of the Board of Directors. As of 31 December 2019, the number of Directors of Bank Mandiri was 12 (twelve) and the determination was based on the complexity and needs of Bank Mandiri.</p> <p>In the Board of Directors regulation, it has been regulated regarding the decision making mechanism of the Board of Directors.</p> <p>Description: Comply</p>



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C.1.2.	<p>Recommendation 13: Determine the composition of the members of the Board of Directors taking into account the diversity of expertise, knowledge and experience required.</p> <p>Explanation: Like the Board of Commissioners, the diversity of the composition of the members of the Board of Directors is a combination of characteristics desired, both in terms of the organs of the Board of Directors and individual members of the Board of Directors, according to the needs of the Public Company. This combination is determined by taking into account the expertise, knowledge and experience appropriate to the division of duties and functions of the Board of Directors in achieving the objectives of the Public Company. Thus, consideration of the combination of characteristics referred to will have an impact on the accuracy of the nomination process and the appointment of individual members of the Board of Directors or the Board of Directors collegially.</p>	<p>The composition of the Board of Directors of Bank Mandiri has been determined by taking into account the needs and business complexity of Bank Mandiri, namely by taking into account the elements of diversity of expertise, educational background, and experience and not differentiating gender. The diversity of the composition of the Board of Directors is expected to provide alternative solutions to an increasingly complex problem faced by the bank compared to the members of the Board of Directors who are homogeneous in nature, so that the resulting decision is the best decision.</p> <p>Description: Comply</p>
C.1.3.	<p>Recommendation 14: Anggota Direksi yang membawahi bidang akuntansi atau keuangan memiliki keahlian dan/atau pengetahuan di bidang akuntansi.</p> <p>Explanation: Laporan Keuangan merupakan laporan pertanggungjawaban manajemen atas pengelolaan sumber daya yang dimiliki oleh Perusahaan Terbuka, yang wajib disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan yang berlaku umum di Indonesia dan juga peraturan OJK terkait, antara lain peraturan perundang-undangan di sektor Pasar Modal yang mengatur mengenai penyajian dan pengungkapan Laporan Keuangan Perusahaan Terbuka. Berdasarkan peraturan perundang-undangan di sektor Pasar Modal yang mengatur mengenai tanggung jawab Direksi atas Laporan Keuangan, Direksi secara tanggung renteng bertanggung jawab atas Laporan Keuangan, yang ditandatangani Direktur Utama dan anggota Direksi yang membawahi bidang akuntansi atau keuangan.</p> <p>Dengan demikian, pengungkapan dan penyusunan informasi keuangan yang disajikan dalam laporan keuangan akan sangat tergantung pada keahlian, dan/atau pengetahuan Direksi, khususnya anggota Direksi yang membawahi bidang akuntansi atau keuangan. Adanya kualifikasi keahlian dan/atau pengetahuan di bidang akuntansi yang setidaknya dimiliki anggota Direksi dimaksud dapat memberikan keyakinan atas penyusunan Laporan Keuangan, sehingga Laporan Keuangan tersebut dapat diandalkan oleh para pemangku kepentingan (<i>stakeholders</i>) sebagai dasar pengambilan keputusan ekonomi terkait Perusahaan Terbuka dimaksud. Keahlian dan/atau pengetahuan tersebut dapat dibuktikan dengan latar belakang pendidikan, sertifikasi pelatihan, dan/atau pengalaman kerja terkait.</p>	<p>The director in charge of accounting or finance at Bank Mandiri is the Director of Finance, namely Mr. Panji Irawan with experience and competence in the field of Treasury (Finance), who in carrying out his duties requires knowledge in the field of 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.</p> <p>Description: Comply</p>
C.2.	Principle 6: Improving the Quality of Implementation of Duties and Responsibilities of the Board of Directors.	
C.2.1.	<p>Recommendation 15: The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors.</p> <p>Explanation: As with the Board of Commissioners, the Board of Directors 'self-assessment policy is a guideline used as a form of accountability for collegial evaluation of the Board of Directors' performance. Self-assessment or self-assessment is conducted by each member of the Board of Directors to assess the performance of the Board of Directors collegially, and not to assess the individual performance of each member of the Board of Directors. With this self-assessment, it is hoped that each member of the Board of Directors can contribute to improving the performance of the Board of Directors on an ongoing basis.</p>	<p>The Board of Directors has a self-assessment policy. Performance appraisal of the Board of Directors is carried out by each member of the Board of Directors through a Self Assessment mechanism to assess 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 Performance Evaluation section of the Board of Directors.</p> <p>Description: Comply</p>



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C.2.2.	<p>Recommendation 16: Self-assessment policy to assess the performance of the Board of Directors is disclosed in the annual report of the Public Company.</p> <p>Explanation: Disclosure of the self-assessment policy on the performance of the Board of Directors is carried out not only to fulfill the transparency aspect as a form of accountability for the implementation of its duties, but also to provide important information on efforts to improve the management of the Public Company. This information is very useful to provide assurance to shareholders or investors that there is certainty that the company's management will continue to be in a better direction. With this disclosure, shareholders or investors know the check and balance mechanism on the performance of the Board of Directors.</p>	<p>The self-assessment policy to assess the performance of the Board of Directors has been disclosed in the 2019 Annual Report.</p> <p>Description: Comply</p>
C.2.3.	<p>Recommendation 17: The Board of Directors has a policy regarding the resignation of a member of the Board of Directors if involved in a financial crime.</p> <p>Explanation: The resignation policy of a member of the Board of Directors who is involved in a financial crime is a policy that can increase the trust of stakeholders in the Public Company, so that the integrity of the company will be maintained. This policy is needed to assist the smooth running of the legal process and so that the legal process does not interfere with business activities. In addition, in terms of morality, this policy will build an ethical culture within the Public Company. This policy can be included in the Guidelines or Code of Ethics that apply 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 Number 8 of 2010 concerning Prevention and Eradication of Money Laundering.</p>	<p>Bank Mandiri has a policy regarding the resignation of a member of the Board of Directors if involved in a financial crime as stated in the Articles of Association of the Company.</p> <p>Based on Article 11 paragraph (24) letter f of the Articles of Association, the term of office of members of the Board of Directors shall end if they no longer fulfill the requirements as members of the Board of Directors based on the provisions of the Articles of Association and laws and regulations, including being involved in financial crimes. In the event that a member of the Board of Directors resigns due to being involved in a financial crime, then the member of the Board of Directors concerned must submit a written resignation request regarding this intention to Bank Mandiri and Bank Mandiri is obliged to hold a GMS to decide the request for resignation of the member of the Board of Directors no later than 90 (ninety) days after receipt of the resignation letter.</p> <p>Description: Comply</p>
D. Aspect 4: Stakeholder Participation		
D.1.	Principle 7: Improve Aspects of Corporate Governance through Participation of Stakeholders.	
D.1.1.	<p>Recommendation 18: Public Company has a policy to prevent insider trading.</p> <p>Explanation: A person who has inside information is prohibited from engaging in a Securities transaction using inside information as referred to in the Capital Market Law. Public Companies can minimize the occurrence of insider trading through preventive policies, for example by strictly separating data and/or information that is confidential and public in nature, as well as dividing the duties and responsibilities of managing the information in a proportional and efficient manner.</p>	<p>The policy to prevent insider trading is regulated in SP SDM</p> <ul style="list-style-type: none"> - Chapter III.C.2.c regarding the Code of Conduct 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. . - Chapter III.C.2.e regarding employee disciplinary regulations governing obligations, prohibitions and sanctions on employees. <p>SP Corporate Secretary Chapter III.A.5 Principles of Information Disclosure, which regulates:</p> <ul style="list-style-type: none"> - Insiders who have insider information are prohibited from influencing any party, including the Insider's family, to buy or sell shares - 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) - The Board of Directors and the Board of Commissioners and parties due to their position, profession/ relationship with the Bank who carry out insider trading are liable to comply with applicable regulations <p>Description: Comply</p>



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D.1.2.	<p>Recommendation 19: Public companies have anti-corruption and anti-fraud policies.</p> <p>Explanation: The anti-corruption policy is useful to ensure 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>Bank Mandiri has had an Anti-Fraud Strategy Policy which has been in effect since May 2, 2012 and last updated on March 30, 2020.. The SAF document has been updated in line with changes in the Bank's business and operations as well as a follow-up to OJK Regulation No. 39/POJK.03/2019 dated 19 December 2019 regarding Strategy Implementation Anti Fraud (SAF) for Commercial Banks, which is valid since March 30, 2020.</p> <p>Fraud control is part of the Internal Control Policy (Internal Control System) which includes the 4 SAF Pillars at Bank Mandiri, namely:</p> <p>Pillar 1: Prevention</p> <p>Pillar 2: Detection</p> <p>Pillar 3: Investigation, Reporting, Sanctions and Legal Process</p> <p>Pillar 4: Monitoring, Evaluation and Follow Up</p> <p>The implementation of the Anti-Fraud Strategy (SAF) at Bank Mandiri has been stipulated in several Policies, Standard Procedures, Technical Guidelines and other Bank Internal Documents. Bank Mandiri routinely submits bank-wide SAF Implementation reports to the OJK at the end of each semester and reports of significant fraud on cases that can disrupt the Bank's operational activities in accordance with applicable regulations.</p> <p>Gratuity Control</p> <p>Bank Mandiri has a Gratification Control PTO and has a Gratification Control Unit (UPG) to carry out the function of gratification control based on the Decree (SK) of the Board of Directors which took effect from 3 July 2015</p>
D.1.3.	<p>Recommendation 20: Public Company has a policy regarding the selection and improvement of suppliers or vendors.</p> <p>Comment: The policy on supplier or vendor selection is useful to ensure that the Public Company obtains the required goods or services at a competitive price and good quality. Meanwhile, the policy of increasing the ability of suppliers or vendors is useful to ensure that the supply chain runs efficiently and effectively. The ability of suppliers or vendors to supply/fulfill 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 ensure continuity of supply, both in terms of quantity and quality required by the Public Company. The scope of this policy includes criteria in selecting suppliers or vendors, transparent procurement mechanisms, efforts to increase the ability of suppliers or vendors, and fulfillment of rights related to suppliers or vendors.</p> <p>The Company has a policy regarding the procurement of goods and services which contains the selection and improvement of the ability of suppliers or vendors which are contained in the Procurement Guidelines standard.</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 (Procurement) 2. Procurement Standard Operational Guidelines (SPO) that regulate, among others (Chapter III): <ol style="list-style-type: none"> A. General provisions include: <ol style="list-style-type: none"> 1) Principles of Procurement 2) Procurement Ethics 3) Purpose of the Procurement Process 4) Monitoring of Domestic Products 5) Procurement Planning 6) Loading Guidelines B. Provisions for the implementation of the procurement of goods and services include: <ol style="list-style-type: none"> 1) Procedures for Procurement of Goods and Services 2) Procurement Process 3) Stages of the Procurement Process 4) Execution of Work and Handover of Work 5) Provisions for Change of Work (plus/minus) specifically in the field of construction implementation services. 6) Implementation of Procurement Activities to Overcome Certain Conditions. 7) 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"> 1. Accreditation Partners (Goods and Services Providers) <ol style="list-style-type: none"> a. General & including aspects that are reviewed in carrying out the qualifications of prospective Goods and Services Providers) b. Procedures for partner accreditation (Goods and Services Providers) (including aspects considered in determining recommended partners to be invited in a procurement process)



No	Aspect; Principle; Recommendation	Comply or Explain
		<p>c. Partner Monitoring includes:</p> <ol style="list-style-type: none"> 1) Monitoring Partner Data 2) 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 3) Increasing Partner Competence 4) Sanctions for Associates <p>Description: Comply</p>
D.1.4.	<p>Recommendation 21: The Public Company has a policy on fulfilling creditors' rights.</p> <p>Explanation: The policy on fulfilling creditor rights is used as a guide in making loans to creditors. The purpose of this policy is to maintain the fulfillment of rights and maintain creditor trust in the Public Company. The policy includes considerations in entering into agreements, as well as follow-up actions in fulfilling Public Company obligations to creditors.</p>	<p>The policy regarding the fulfillment of creditors' rights is regulated in:</p> <p>SPO for Fund Products, Product Manuals and SPO for Customer Complaint Management, which briefly regulates:</p> <ol style="list-style-type: none"> 1. The right to obtain an adequate explanation of the characteristics of the product. 2. The right to be able to access the terms and conditions of fund products through the Bank Mandiri website. 3. Convenience for transactions via branches, e-banking services or other means as determined by the Bank. 4. Receive interest in the amount according to the applicable Bank regulations. 5. Procedures for handling and resolving customer complaints. <p>Bank Mandiri Treasury, Funds and Services Policy, Article 240 Customer Protection.</p> <p>In raising funds and providing services, the Bank observes the principles of customer protection.</p> <p>To protect customers, the Bank pays attention to the rights and obligations of the customer while still taking into account the interests of the Bank. The rights and obligations of the parties are stated in documents both application documents, agreement documents and other document forms.</p> <p>Banks are required to ensure that customers understand the rights and obligations of customers as stated in these documents before conducting Bank transactions.</p> <p>Operational Policy (KOPR) article 209 Services and Cooperation with Third Parties.</p> <p>The Bank implements customer protection by prioritizing the principles of transparency, fair treatment, reliability, confidentiality and security of customer data/information and handling complaints and dispute resolution in a simple, fast, and affordable cost.</p> <p>Description: Comply</p>
D.1.5.	<p>Recommendation 22: Public Company has a whistleblowing system policy.</p> <p>Explanation: A well-developed whistleblowing system policy will provide assurance of protection to witnesses or reporters for indications of violations committed by employees or management of the Public Company. The application of this system policy will have an impact on the formation of a culture of good corporate governance. The whistleblowing system policy covers, among others, the types of violations that can be reported through the whistleblowing system, how to complain, protect and guarantee the confidentiality of the reporter, the handling of complaints, the party who manages the complaint, and the results of the handling and follow-up of complaints.</p>	<ol style="list-style-type: none"> 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. 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 7 December 2020. 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). 4. Submission of LTC reports can be submitted through the following media: <ul style="list-style-type: none"> - Website https://whistleblowing.tips/wbs/@bmri-lettertoceo - Email to bmri-lettertoceo@rsm.id - Letter to POBOX 1007 JKS 12007 - SMS and WA to 0811-9007777 <p>Description: Comply</p>



No	Aspect; Principle; Recommendation	Comply or Explain
D.1.6.	<p>Recommendation 23: Public Company has a policy of providing long-term incentives to Directors and employees.</p> <p>Explanation: Long-term incentives are incentives based on long-term performance achievement. Long-term incentive plans have the premise that the company's long-term performance is reflected by the growth in value of the company's stock or other long-term targets. Long-term incentives are useful in order to maintain loyalty and provide motivation to Directors and employees to increase their performance or productivity which will have an impact on improving the company's performance in the long term.</p> <p>The existence of a long-term incentive policy is a real commitment of the Public Company to encourage the implementation of long-term incentives for Directors and Employees with terms, procedures and forms that are adjusted to the long-term goals of the Public Company. Such policies may include, among others, the aims and objectives of providing long-term incentives, terms and procedures for providing incentives, and conditions and risks that must be considered by the Public Company in providing incentives. This policy can also be included in the remuneration policy of the existing Public Company.</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. 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> <p>Description: Comply</p>
E. Aspect 5: Information Disclosure		
E.1.	Principle 8: Improve Implementation of Information Disclosure.	
E.1.1.	<p>Recommendation 24: Public Companies take advantage of the use of information technology more widely than the Website as a medium for information disclosure.</p> <p>Explanation: The use of information technology can be useful as a medium for information disclosure. The disclosure of information that is carried out is not only disclosure of information that has been regulated in the laws and regulations, but also other information related to the Public Company which is deemed beneficial for shareholders or investors to know. With the wider use of information technology in addition to the Web site, it is hoped that the company can increase the effectiveness of the company's information dissemination. Even so, the use of information technology is carried out by taking into account the benefits 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>Description: Comply</p>
E.1.2.	<p>Recommendation 25: The Annual Report of the Public Company discloses the ultimate beneficial owner in the share ownership of the Public Company of at least 5% (five percent), in addition to disclosing the ultimate beneficial owner in the share ownership of the Public Company through the major and controlling shareholders.</p> <p>Explanation: The laws and regulations in the Capital Market sector governing the submission of annual reports for Public Companies, which stipulate the obligation to disclose information regarding shareholders who own 5% (five percent) or more of the shares of Public Companies, as well as the obligation to disclose information regarding major and controlling shareholders. Publicly listed companies, either directly or indirectly, up to the ultimate beneficial owner in ownership of the shares. In this Governance Guidelines, it is recommended to disclose the ultimate beneficial owner of share ownership of a Public Company of at least 5% (five percent), in addition to disclosing the ultimate beneficial owner of share ownership by the major and controlling shareholders.</p>	<p>Bank Mandiri disclosed information regarding shareholders who own 5% or more of the Company's shares in the 2019 Annual Report.</p> <p>Description: Comply</p>