

Document Procurement

Efforts are consistently made by the Bank to ensure sustainable governance through a procurement of goods and services process that accords with the Procurement SOPs (Standard Operating Procedures) & PTO (Technical Operational Guidelines), which serve as references for all unit in conducting the procurement process.

BANK MANDIRI PROCUREMENT BASIC PRINCIPLES

In carrying out procurements, the Company refers to the basic principles for the implementation of procurement, which are as follows:

EFFECTIVE	Procurement activities are conducted in accordance with the needs / plans that have been established and provide optimal benefits for the Company.
EFFICIENT	Procurement activities are carried out in accordance with the Company Work Plan based upon an agreed timeframe and in an accountable manner.
TRANSPARENT & COMPETITIVE	A procurement must be implemented in a transparent manner and provide opportunities for providers of goods and services that meet the requirements, and be carried based on the principle of healthy competition among providers of goods and services that fulfill the requirements based upon clear and transparent terms.
TRANSPARANT	All conditions and information on the conducting of procurements is informed to providers of goods and services.
FAIR AND NON-DISCRIMINATORY	Provides equal treatment to all providers of goods and services and does not benefit a particular party in any manner or for any reason.
ACCOUNTABLE	The procurement process, outcome, and payment must be accountable
RESPONSIBLE	The procurement process is carried out carefully and in compliance with the applicable regulations.
INDEPENDENT	Procurement decisions are taken objectively and are free from third party intervention

EBANK MANDIRI PROCUREMENT ETHICS

All parties involved in the procurement process in Bank Mandiri, including the Procurement Implementation Unit, Goods and Services Users and providers of goods and services, must adhere to the following set of ethics:

- Carry out their respective obligations in an orderly manner with a sense of responsibility so as to achieve smoothness and accuracy in the procurement process.
- Working in a professional and independent manner on the basis of honesty and maintaining the confidentiality of documents.
- No mutual influence, directly or indirectly, so as to prevent and avoid unfair competition.
- Accepting and accounting for all decisions made in accordance with the agreement of the parties.

- e. Avoiding and preventing conflicts of interest between the parties.
- f. Avoiding and prevent waste in the implementation of procurement activities.
- g. Avoiding and prevent abuse of authority for the purpose of personal, group or third party gain so as directly or indirectly be prejudicial to the Company.
- h. Avoiding and preventing corruption, collusion and nepotism in the procurement process.
- i. Not accepting gifts or benefits of any kind, either directly or indirectly.

PROCUREMENT OF GOODS AND SERVICES POLICIES

Bank Mandiri has guidelines for the procurement of goods and services that apply the principles of effectiveness, efficiency, openness and competitiveness, transparency, fairness and non-discrimination, accountability, responsibility and independence in accordance with the prevailing legislation. The guidelines are set out in the Procurement SPO of 2014.

Bank Mandiri has other policies related to the procurement of goods and services that are set forth in the Procurement SPO, which provides guidelines for the conducting of goods and services procurements of both a strategic and nonstrategic nature so as to support the operations of the Bank in accordance with the desired quality, quantity and time limits base on the best price by applying the principles of sound risk control management.

To ensure effective, safe, fast, transparent, efficient and accountable procurement operations, the Company applies the following policies:

1. Separation of functions in Procurement Implementation Units between units that select candidate vendors, the executors of the procurement process, those responsible for preparing own estimates; and the compliance unit.
2. Always adhering to internal and external regulations.
3. Application of the principles of risk management, including the identification, assessment, mitigation, monitoring and measurement of operational risk.
4. Adhering to the company work culture that is based on the values of Trust, Integrity, Professionalism, Customer Focus, and Excellence, GCG, the Code of Conduct, Business Ethics and prudential principles.

Those responsible for conducting procurements are required to sign Integrity Pacts.

SELECTION CRITERIA FOR PROVIDERS OF GOODS AND SERVICES ("VENDOR")

In regard implementation of Goods and Service Provider Selection, the Company determine the aspect to reviewed periodically as the basis of Vendor Selection.

Reviewed Aspects under qualifying providers of goods and services include:

1. legal and administrative aspects,
2. technical aspects
3. financial aspects.

The Company established criteria for provider recommended to be invited in a procurement process, the criteria shall include:

1. Classified under group of goods/service provider of the Company Vendor List;
2. business scalability in accordance with the volume of goods / services.
3. No Sanctions applied under the period of procurement.
4. Ability and / or adequate capacity as required in relation of procurement.
5. Do not have an affiliate relationship with another company invited to such procurement process.

VENDOR EVALUATION BASED ON VENDOR REGISTERED LIST

Vendor evaluation running by 2 (two) models :

1. Project Performance Evaluation

Performance evaluation conducted on the timeliness, quality aspect of the supply of goods / services and administration as well cooperation on each project executed.

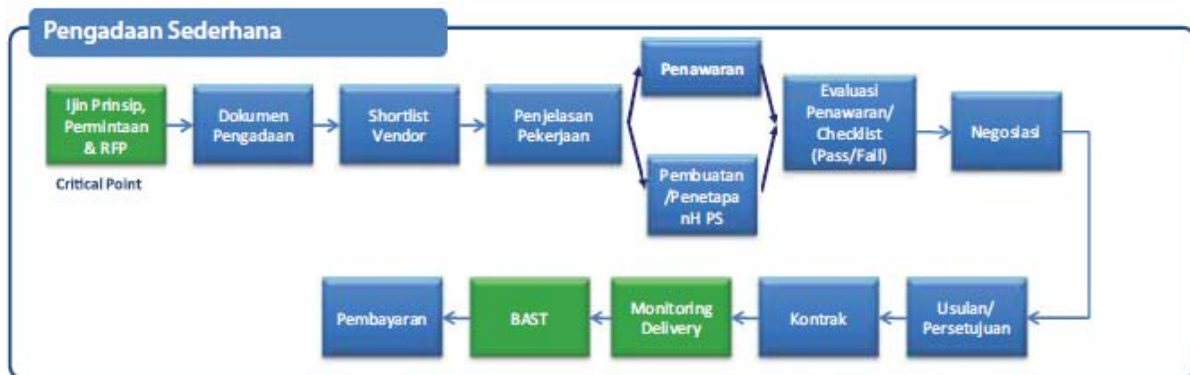
2. Periodic Evaluation

Evaluation conducted periodically in certain period to monitor the development of technical aspect as well as financial aspect of the Vendor.

PROCEDURES FOR PROCUREMENT OF GOODS AND SERVICES IN 2014

Bank Mandiri's procedures for the conducting of procurements of goods and services are as described in the three diagrams below:

Simple Procurement Process Flow



Medium Complexity Procurement Process Flow



High Complexity Procurement Process Flow

