

Codes and Culture

As part of Bank Mandiri's commitment to continually apply the principles of GCG, Bank Mandiri pick The code contains the basic rules guiding the behavior for all employees of the Bank in carrying out their duties and responsibilities of everyday so as to promote the establishment of professional behavior, responsible, reasonable, fair and trustworthy in doing business with customers, partners and colleagues.

Standards of conduct that must be applied by all individuals of the Bank consists of:

1. the work ethic as an elaboration of the basic principles of personal and professional behavior that is expected to be done by all beings Bank Mandiri in their duties.
2. The business ethics is a moral principle related to the behavior of individuals, protection of property bank, and the bank's business organizing one of them in interacting with stakeholders, as the basis of all human behavior Bank Mandiri in conducting business activities.

The Existence of the Code of Ethics

Based on the Joint Decree of the Board of Directors and Board of Commissioners No. 002/KEP.DIR.KOM/2000, the bank made a Code of Conduct containing the basic principles of personal and professional behavior performed by all employees of Bank Mandiri. Therefore, the existence of a code of conduct to guide the behavior and responsibilities for the Board of Commissioners, Directors and all employees of the Bank at all levels of the organization. In 2013, the Code was revised to suit the company's development.

The Contents of the Code of Ethics

Bank Mandiri's code of ethics includes setting the work ethic and business ethics.

The work ethic that governs the behavior of individuals Bank Mandiri, covering the following aspects:

1. Conflict of Interest

Conflict of interest is a condition in which the Board of the Bank in carrying out its duties and responsibilities have interests beyond the interests of the service, both concerning personal, family or the interests of other parties so that the Board of the Bank of the possible loss of objectivity in making decisions and policies appropriate authority has been given Bank him. Therefore:

- a. The entire Board of the Bank shall avoid activities that may pose a conflict of interest. If one reason or another cannot be avoided, then the question shall report to the direct supervisor.
- b. The entire Board of the Bank is prohibited from giving consent or request approval for the loan, as well as preferential rates or other specificity:

- i. Himself/herself.
- ii. Family.
- iii. Companies where he or his family have interests.
- c. The entire Board of the Bank are prohibited from working in another company as directors, employees, consultants or commissioners, unless the assignment or have obtained written permission from the Bank. Exclusively for members of the Board of Commissioners and Board of Directors, have a position to follow the provisions regarding corporate governance regulator.
- d. The entire Board of the Bank was barred from the partner directly or indirectly, either partner for goods or services to the Bank.
- e. The entire Board of the Bank is prohibited from taking goods belonging to the Bank's own interest, family or other outside interests.
- f. The entire Board of the Bank is only allowed to conduct securities transactions, foreign exchange, precious metals, derivatives and other goods for their own interests if there is no conflict of interest, breach of insider trading rules of the Capital Market Authority, and other regulations.

2. Confidentiality

- a. The entire Board of Bank is required to understand and maintain the confidentiality of any information, good information about customers and other information in accordance with prevailing regulations.
- b. The entire Board of the Bank to use the information received only for the banking activities and not for personal gain, and other family or activities outside the Bank.
- c. In providing information, each line of the Bank shall act in accordance with applicable regulations.
- d. To prevent abuse, the spread of customer information internally within the Bank carried out carefully and only to interested parties.
- e. The entire Board of the Bank are prohibited from disseminating information to outsiders about:
 - i. Bank activities with the Government of the Republic of Indonesia.
 - ii. Internal policies and procedures of the Bank.
 - iii. Management Information Systems, Data and Reports
 - iv. Data employee, whether active or not
 - v. Bank's business activities, including activities with customers and partners. Except with the consent of the Bank authorized officer or as a command based on applicable legislation.
- f. The obligation to keep the special things that should be kept secret remains in effect for former employees of the Bank.

01	02	03	04	05
Main Highlights	Management Report	Company at a Glance	Management Discussion and Analysis on Company's Performance	Review of Business Support Function

3. Abuse of Position

- a. Prohibited abuse their authority and taking advantage, either directly or indirectly, from the knowledge gained from the Bank's business activities:
 - i. Personal gain.
 - ii. Benefits for family members.
 - iii. Benefits for other parties.
- b. May solicit or accept, allow, or agree to receive gratification associated with his position and contrary to its obligations under the legislation in force. It also includes a ban solicit or accept, approve or agree to accept a gift or remuneration from third parties obtaining or trying to obtain facilities from the Bank in the form of credit facilities (cash loan or non-cash loan), or in order to purchase or discounting letters bill of exchange, promissory notes, checks and paper trading or other liabilities of evidence, or other facilities related to the operations of the Bank. The types of gratuities and reporting mechanism will be regulated in separate provisions.
- c. May solicit or accept, approve or agree to accept a gift or remuneration from third parties obtaining or trying to get a job related to the procurement of goods and services of the Bank.
- d. In terms of customers, partners, and others to give gifts in the form of goods or in any other form at certain moments such as the Eid ul Fitr celebrations, disasters and others, if:
 - i. As a result of acceptance of the gift is believed to have a negative impact and influence the bank's decision, and
 - ii. The parcel prices beyond reasonable limits, the Board of the Bank who receives the gift should immediately return the gift with a polite explanation that the Board of the Bank are not allowed to receive gifts.
- e. In terms of gift giving as mentioned in paragraph (d) above for one reason or another hard-refundable, Bank Board member who receives the gift should be immediately reported to his superior to take follow-up in accordance with applicable regulations.
- f. In terms of customers, partners, and other parties provide goods sale, then throughout the campaign due to the receipt of goods believed to not cause a negative impact and influence the decision of the Bank, the Bank Board is possible to receive such promotional items.
- g. In order to procure goods and services from third parties for official purposes Bank, Board Bank should strive to get the best price with maximum price cuts. Rebate (discount) obtained should be recorded for the benefit of the Bank.
- h. Prohibited recourse to borrowing from clients or owed to customers.
- i. May not take the opportunity to use facilities Bank for its own advantage beyond that provided by the Bank.

4. Conduct

- a. The Bank's employees who have confidential information are not permitted to use such information to take advantage for himself, his family or other third parties, with:
 - i. Affect customers or individuals or institutions in conducting transactions with the Bank.
 - ii. Spread the information to customers or individuals or institutions.
- b. Prohibited from using internal information to make a purchase, or trade in securities, unless the information is already known by the public at large.
- c. Shall not abuse his position and take advantage, either directly or indirectly, for himself, his family members or other parties and/or influence the decision process related to him.
- d. The decision to sell or buy the assets of the Bank as well as other services to do with the interests of the Bank without being influenced by Insiders.

5. Integrity and Accuracy of Data Bank

- a. Must present data that is accurate and reliable.
- b. Not allowed to record and/or modify and/or delete bookkeeping, with the intent to obscure the transaction.
- c. Only allowed to make any changes or deletion of data based on the authorization of the competent authorities in accordance with procedures established Bank.
- d. Not allowed to manipulate the document.

6. Banking System Integrity

- a. Must always introspective and avoid the Bank's involvement in criminal activities in the field of finance and banking.
- b. Mandatory suspect unusual transactions and required preventive action in detecting suspected accounts have been used for activities such as money laundering, terrorism financing, corruption and other crimes

As for business ethics as the basis of the behavior of every member of the bank in operation, covering the following aspects:

1. Individual Behavior

- a. Personal integrity
 - i. Uphold moral, self-esteem and a strong discipline.
 - ii. The Bank's employees maintain personal integrity according to the rules, regulations, policies and systems in place.
 - iii. Committed to maintain the image and reputation of the Bank.
 - iv. Leaned all the acts and behavior of the pure conscience.
 - v. Act in a responsible and respectable and free from the influence that allows the loss of objectivity in the discharge of the Bank or cause loss of business or reputation.
 - vi. Refrain from activities associated with an organization or individual that allow conflicts of interest.

06
Corporate
Governance

07
Integrated Corporate
Governance

08
Corporate Social
Responsibility

09
Cross Reference of
ARA 2016 Criteria

10
Consolidated Financial
Statements

- vii. Both individually and together constantly strive to not get involved in things that can weaken or degrade the integrity of the banking system in Indonesia.
- b. Treatment / Action Discrimination
 - i. Uphold human rights.
 - ii. Discourage the practice of discrimination in all its forms.
 - iii. Harassment Board of Bank action required to avoid any action that violate public order and morality.

2. Protection of Possession Bank

- a. Bank Owned property
 - i. always maintain and protect all assets of the Bank both tangible and intangible.
 - ii. Banks use the property only for activities related to the interests of the Bank.
 - iii. Utilize the bank's possessions Bank with full responsibility, including the suitability of its designation.
- b. Protection of Confidential Information
 - i. Protect and prevent the information is valuable and confidential from loss, misuse, leakage and theft.
 - ii. Not disseminate reports/information regarding the Bank which are not intended for the public.
- c. Intellectual Property rights of Bank
 - i. Bank safeguards intellectual property rights.
 - ii. dedicate their competence for the benefit of the Bank as the Bank of intellectual property rights.
- d. Recording and reporting

Responsible for the accuracy and completeness of records and reports presented.

3. The organization Business Bank

- a. Mis-representation
 - i. The Bank's employees who represent the Bank in dealings with third parties acting according to the capacity and authority.
 - ii. The Bank's employees who represent the Bank to provide information, documents and reports are correct in the right way.
 - iii. The Bank management refrain from actions that could lead to a misunderstanding of the other party.
- b. Relationships with Partners
 - i. Always prioritize the interests of the Bank in dealing with business partners.
 - ii. Preventing corruption, collusion, and nepotism as well as a negative image in dealing with business partners.
 - iii. In collaboration with partners to apply the principles of professionalism and fairness which is based on good faith.
- c. Behavior in Compete
 - i. Was responsible for creating and maintaining healthy competition in the running business.
 - ii. Away, avoiding and preventing ways unhealthy competition in to develop his career.

- d. Relations with Other Organizations
 - i. Can make business contacts with other organizations including competitors along provide benefits to the Bank.
 - ii. Refrain from all forms of collaboration/partnership is not worth the other parties.
- e. Obtaining and Using Third Party Information
 - i. Avoid the acquisition of confidential information from third parties / competitors in a way that inappropriate.
 - ii. Not recruit employees of a competitor in order to obtain confidential information of the company's competitors.
- f. Relationship with Regulator

Uphold the principles of ethics and regulations in relationships with the Regulator.

Disclosure and dissemination of the code of ethics

Disclosure and dissemination of the code of conduct has been made to all employees of Bank Mandiri, which consists of the Board of Commissioners, Board of Directors, senior officers under the Board of Directors and all employees of the Bank, including through:

1. The official site of the company.
2. Email administrator sent to all employees of the Bank.
3. At the signing of the collective agreement made between the union and company management company.
4. Installation Standing banners, flyers and other advertising media at the company's office area.

Efforts Implementation and Enforcement of the code of ethics

Letter to CEO (LTC) is a reporting mechanism that can be used by employees to report alleged violations of the implementation of the code of conduct to superiors. Such violations will be further processed if accompanied by data and/or accurate evidence. Sanctions will be imposed for any violation of the code of conduct in accordance with applicable regulations. Throughout the 2016 complaint for violations of the code of conduct documented integrated on LTC mechanism as described in section Whistleblowing System on page 392-393.

Efforts implementation and enforcement of the code of ethics of Bank Mandiri in the form of commitment, attitude, actions and conditions that can be done in a sustainable manner described as follows:

1) Statement of Compliance with the Code of Bank Mandiri

Every human being the Bank was required to read and understand the fine and required to sign a "Statement of Compliance the Board of the Bank of the Code of Conduct and corporate culture.

01	02	03	04	05
Main Highlights	Management Report	Company at a Glance	Management Discussion and Analysis on Company's Performance	Review of Business Support Function

2) Management Commitment and Employee entire Bank Mandiri

Commitment not to accept gratuities in the form of money and/or goods and/or gifts associated with the obligations or duties. Publication commitment publicized through the media and the official website of the company.

3) Annual Statement of Conflict of Interest

Every year, all human the Bank shall make an annual statement (annual disclosure) related to conflicts of interest. Each quarter there is an obligation for every unit to report transactions/decisions that conflict of interest. This statement is in line with the Conflict of Interest Guidelines for Handling of Bank Mandiri, which is a derivative policy of the Code of Bank Mandiri.

4) The Integrity Pact

The integrity pact signed by the competent authorities and all partners / partner the Bank is involved in the loan process, procurement of goods and services, as well as accreditation partner. In addition, in order to control the implementation of Gratification, the Board of Commissioners, Board of Directors, Executive Officers of the Bank and all employees of the bank also required to sign an Integrity Pact Annual

5) Awareness Program

Bank Mandiri has an induction program Code of the Bank in the form of a jump start education programs and dissemination of Bank Mandiri continuous and consistent policy aimed at new employees of Bank Mandiri. For the entire unit of the Bank Mandiri also provided socialization related codes of conduct such as anti-fraud strategy of the Bank, compliance culture, and a culture of service.

Internalization of corporate culture

As the embodiment of the spirit of the Bank to grow and develop together as a large group, the Bank has a Working Culture of Excellence "Culture of Excellence" which is based on the 5 TIPCE Cultural Values and Behavior 11 Insan Mandiri Utama.

Bank Mandiri process of internalizing and socializing Working Culture of Excellence "Culture of Excellence" at all levels within the Group Mandiri through various media such as in class training, discussion and direction of management during a visit to the region, SMS/email, article in the magazine Self, materials teleconference/video, and others.

In addition to using the media mentioned above, Bank Mandiri also creates a system called culture excellence scoreboard. To improve human enthusiasm Mandiri in implementing the work culture is superior.

The internalization process superior work culture is intended that the bank not only excel in the financial aspect, but also in the non-financial aspects. In addition, the bank may have qualified individuals who may be supporting the achievement of the Bank's vision to be the best in ASEAN by 2020.

Type Sanctions Violations Code

Sanctions are categorized into three types, namely sanctions mild, moderate and severe. Each violation of the Code will be penalized in accordance Employee Discipline Regulations in force at the Bank, including criminal sanctions provided for in the legislation in force.

Reports are Completed Actionable

During 2016 there were 354 the number of code violations or violations of discipline consisting of 164 lighter penalties, 166 penalties and 24 being severe sanctions.