

PT KGI SEKURITAS INDONESIA

CODE OF ETHICS

1. **OBJECTIVES**

This Code of Ethics aims to:

- i. Describe how PT KGI Sekuritas Indonesia (the “Company”) puts its core values into practice every day;
- ii. Set out the points of reference that guide the actions of every individual within the Company; and
- iii. Underscore the Company’s commitment to integrity and moral responsibility.

The purpose of this Code of Ethics is not to replace applicable laws and regulations but rather to define the approach to be taken and the guidelines to be followed above and beyond compliance with legal requirements, in order to achieve exemplary personal and professional conduct in the interests of the Company – the only possible guarantee of sustainability.

2. **SCOPE OF APPLICATION**

This Code of Ethics shall apply to all members of the Board of Directors and the Board of Commissioners, officers and employees (collectively the “Employees”) and supporting units of the Company.

3. **THE COMPANY’S VALUES AND PRINCIPLES**

The Company is guided by the following seven (7) core values and thirteen (13) principles:

Values:

- 1) Integrity;
- 2) Discipline;
- 3) Client Focus;
- 4) Accountability;
- 5) Sustainability;
- 6) Innovation;
- 7) Respect

Principles:

- 1) Uphold the highest standards of integrity and ethical conduct;
- 2) Prevent any acts involving conflicts of interest;
- 3) Prevent any form of bribery and corruption;
- 4) Comply with applicable laws and regulations;
- 5) Protect confidential information;
- 6) Safeguard the Company’s resources;
- 7) Adopt transparent and fair dealings with customers and other stakeholders;
- 8) Implement good corporate governance
- 9) Counter money-laundering activities;
- 10) Prohibit insider trading;
- 11) Provide transparent and accurate financial information;
- 12) Pursue sustainable performance;
- 13) Respect the dignity and rights of each individual;

4. **PRINCIPLES ELABORATED**

Each of the above-mentioned thirteen (13) principles is further elaborated below:

- (1) Highest Standards of Integrity and Ethical Conduct:
 - a. The Company carries out its activities in highly competitive environments which are at the same time governed by numerous laws. In addition to and beyond legal provisions, ethics in a business environment covers many issues that may sometimes appear contradictory. However, these powerful shared principles, which in the spirit of responsibility, good faith and common sense should guide the Company's actions in its day-to-day business activities to address the issues;
 - b. Every time the Employees interact with clients, partners and each other, they carry a piece of the Company's reputation. Business results are never more important than ethical conduct and compliance with this Code of Ethics and rules and regulations. Integrity and business ethics must form the foundation of the behavior of every Employee in running business activities.

- (2) Conflicts of Interest:
 - a. Employees should not put themselves in situations where their own interests or those of their affiliates could conflict with those of the Company or would risk damaging their independence of judgement or professional integrity, or the image or reputation of the Company;
 - b. In carrying out their duties and obligations, Employees shall always prioritize the economic interests of the Company above their personal economic interests and that of family and third-parties;
 - c. Employees are prohibited from misusing their authorities that may generate personal gains or advantages for related parties;
 - d. When Employees are confronted by a risk of a conflict of interest, they must, in a spirit of transparency, immediately inform their direct supervisor. They must also refrain from any involvement in relations between the Company and the third party concerned until such time a solution has been found;
 - e. Directors should disclose actual or potential conflicts of interest to the Board of Directors and Commissioners. The Board of Commissioners shall then determine what, if any, action may be appropriate in response;
 - f. Board of Commissioners should disclose actual or potential conflicts of interest through the General Meeting of Shareholders.

- (3) Gifts and Hospitality:
 - a. Networking activity shall be business-related, reasonable and justifiable, and never exercised to an extent that can be perceived as bribery or corruption. All Employees must ask themselves whether a gift, favour, entertainment or gratification, received or given, puts the recipient under an obligation to the giver. When gifts or invitations are received, especially when they are offered in a personal way and above the reasonable threshold intended to or would appear to improperly influence business decision, Employees must decline it and immediately report to their supervisor;
 - b. Every Employee is prohibited from:
 - (i) Giving or offering something, directly or indirectly, (no matter how nominal) to a government official and/or an individual representing a business partner, which may be construed as an attempt to improperly influence decision making in order to gain a business advantage.
 - (ii) Accepting something for his/her benefit, directly or indirectly, from business partners, which may influence decision making and impartiality of the recipient.
 - (iii) Making payments or facilitate any unauthorized payments to other parties in order to secure an improper business advantage that otherwise would be based on merits.

- (4) Compliance with Rules and Regulations:
 - a. Every Employee should adhere to good corporate governance practices by complying with applicable rules and regulations as well as internal policies and procedures.

- b. Where there is a difference between a legal requirement and this Code of Ethics, the Employees shall seek to apply the higher standard.
- (5) Confidentiality of Information:
- a. The Company is committed to keeping personal information private given the high degree of trust by the clients who share their personal information with the Company. Therefore, the Employees must maintain that trust by protecting the privacy and security of the information, and must respect the privacy of all individuals and take the necessary and legally required precautions to protect personal data.
 - b. Employees are prohibited from:
 - (i) releasing the personal information of others to third parties without a legal requirement to do so unless such information is readily available in the public domain.
 - (ii) releasing the personal information of others to anyone within the Company who does not have a clear business need to know and authorization to receive the information.
 - (iii) releasing data concerning the personal affairs of any Employee to anyone outside of the Company.
 - c. This confidentiality obligation continues beyond the termination of employment of the Employee.
- (6) Protecting and Safekeeping Corporate Assets:
- a. Employees have a duty to safeguard the Company's assets, as if they were their own, against theft, loss or misuse. Assets may include:
 - (i) Intangible assets (e.g. customer lists and database, software code, and a variety of information in written or digitally stored form)
 - (ii) Tangible assets (e.g. money, equipment, and supplies)
 - b. Employees shall act as good stewards of the Company's assets by exercising constant vigilance in protecting the Company's trade secrets and business data against industrial espionage.
 - c. Similarly, responsible management of the Company's resources requires an accurate accounting for uses made of the Company's material assets. The Company's resources must not be diverted for unauthorized uses.
 - d. Every Employee with access to company money or property has an absolute responsibility to manage it with the utmost level of integrity and take reasonable care to avoid any misuse of such assets. All business transactions must be authorized by management and comply with delegations of signature authority and processes for approval.
- (7) Fair dealing:
- a. Employees should all strive to deal fairly and honestly and in good faith with their customers with the highest levels of integrity to build a long-term, mutually beneficial relationship. To that end, Employees must not take unfair advantage of anyone through misrepresentation of material facts or any other unfair-dealing practice.
 - b. The Company seeks to outperform its competitors fairly and honestly, achieving competitive advantage through superior performance and never through unethical or illegal business practices such as making unfounded disparaging comments about competitors or their products or services.
- (8) Effective corporate governance and risk management:
- a. The Board of Commissioners and Directors and Risk Committee Members recognize the importance of corporate governance and risk management controls and have instituted various measures to uphold them
 - (i) Clear organization structures with transparent lines of responsibility and

greatest care in ensuring the quality and accuracy of the information he or she transmits within the Company and the Group and to the regulators.

(12) Sustainable Performance and Innovation:

The Company is committed to generating sustainable value for its clients, Employees and shareholders by responsibly balancing risks and returns and by putting long-term success over short-term gain. The Company does so by ensuring it has appropriate oversight, controls and governance in place. The Company continuously improves its processes by embracing new and better ways of doing things while ensuring that any risks from any innovation are properly reviewed and assessed.

(13) Responsibility toward the Company's Personnel:

The relationship between the Company and its personnel at every level is one based on mutual respect, reciprocal trust and shared objectives. Treating each other with respect, as further outlined below, is the foundation of good business conduct.

a. Employees (other than Directors or Commissioners)

- (i) All employees have an annual appraisal during which performance and the code of conduct are assessed constructively.
- (ii) The Company includes its employees in the development by engaging in ongoing dialogue.
- (iii) The Company believes in the power of people and has respect for individuals of all background, capabilities and opinions. The Company develops its employees' professional skills and careers without any discrimination.
- (iv) The Company pursues lasting performance by developing, nurturing and investing in the best talent, and by managing based on merit.
- (v) The Company promotes inter-departmental cooperation for the good of the Company and its stakeholders.

b. Workplace Environment

- (i) The Company is committed to providing its Employees a workplace that is free from known safety and health hazards, and a work environment free from discrimination, harassment, or personal behavior not conducive to a productive work climate.
- (ii) Drugs, alcohol and prohibited substances: Employees are expected to perform their job duties free from the influence of any substance that could impair job performance or pose unacceptable safety risk to the Employee or others. The Company therefore prohibits working under the influence of alcohol, illegal drugs or controlled substances. In addition, the use, possession, distribution or sale of alcohol, illegal drugs or other controlled substances in the workplace (other than for approved medicinal purposes) is strictly prohibited.

c. Complaints

Complaints are an expression of dissatisfaction with working conditions, safety standards, job security and/or interpersonal relationships that create an unpleasant working environment. The submission of a work complaint shall be made by the Employee to his/her supervisor through appropriate channel and the complaint must be handled promptly and fairly.

5. ACCOUNTABILITY

To comply with this Code of Ethics:

- (1) All Employees must be familiar with, understand and uphold this Code of Ethics and be aware of policies that are relevant to their job responsibilities.
- (2) All Employees will be required to execute an annual statement acknowledging that they have received, read and understood this Code of Ethics and have complied with the requirements

- thereof and their continuing commitment to the values and principles in this Code of Ethics.
- (3) Supervisors are responsible for creating and fostering a culture of ethical business practices, integrity and lawfulness by acting as ethical role models and behaving in an exemplary way that embodies the values contained in this Code of Ethics.
 - (4) Supervisors are expected to refer to this Code of Ethics with their team members and make sure they understand it. Supervisors have a duty to provide guidance in ethical business conduct, and their doors should always be open. However, if employees do not feel comfortable approaching their supervisors, they can report their concern or discuss their question with Compliance Department or Board of Directors.
 - (5) Supervisors have the duty to draw the attention of their team members to any risks that their activities could be challenged on ethical grounds.
 - (6) Board of Commissioners and Directors are responsible for the general oversight of the implementation of this Code of Ethics.
 - (7) If there is any doubt concerning the implementation of this Code of Ethics, Employees may consult with their supervisor or Compliance Department or the Board of Directors.

6. ETHICS VIOLATION HANDLING AND REPORTING PROCESS

- (1) Each Employee is personally responsible for raising to the Company's attention any actual or suspected violations of this Code of Ethics, or any law or regulation.
- (2) Under Article 26 of OJK Regulation No. 57/POJK.04/2017 governing Corporate Governance effective 26 September 2018, the Board of Commissioners is required to:
 - (i) report to OJK within 3 working days of knowledge of any law violation relating to the financial services sector by any employee of the Company which may endanger the business activities of the Company; and
 - (ii) hold a meeting by inviting the Board of Directors to discuss the violation.
- (3) If an Employee wishes to report a behavior or a situation that contravenes this Code of Ethics or rules, he or she may do so in accordance with the Company's Violation Handling and Reporting Policy that is in place. Reports of actual or suspected violations can be made through:
 - (i) Direct Supervisor;
 - (ii) Compliance Department;
 - (iii) Board of Directors; or
 - (iv) Board of Commissioners.
- (4) However, the reporting of wrongdoing will not absolve anyone from accountability for personal involvement in any wrongdoing.
- (5) The Company is obliged to investigate the violations and to treat the person who reports the violations with full confidentiality in accordance with the Company's Violation Handling and Reporting Policy.
- (6) The Company is committed to fostering an ethical culture in which individuals feel comfortable making reports or raising concerns regarding illegal or unethical conduct without fear of retaliation. Retaliation occurs when negative action is taken against an employee because he or she made a good faith report or raised a good faith concern about possible illegal or unethical conduct in the workplace. Adverse treatment of individuals who raise concerns in good faith is a violation of both this Code of Ethics and ethical principles and will not be tolerated. Any individual who retaliates against someone who has made a report or

raised a concern in good faith is subject to discipline, up to and including termination of employment.

7. SANCTIONS

- (1) The Company will take appropriate disciplinary action against any Employee whose actions are found to violate this Code of Ethics or the Company's prevailing policies or procedures. Disciplinary actions can include immediate termination of employment. This applies to all Employees, regardless of title.
- (2) Sanctions for Employees who violate this Code of Ethics shall be decided by the Board of Directors.
- (3) Sanctions for members of the Board of Commissioners and Board of Directors who violates this Code of Ethics shall be decided in the meeting of shareholders.
- (4) It is important to keep in mind that violations of legal and regulatory requirements can carry their own civil and criminal penalties, including fines and imprisonment. Where the Company has suffered a loss, it may pursue its remedies against those responsible. The Company will always fully cooperate with appropriate authorities when laws have been violated.

8. EFFECTIVE DATE

This Code of Ethics, including its amendments, shall become effective upon approval by the Board of Commissioners and Board of Directors.

Updates or amendments to this Code of Ethics may be made from time to time to be in line with any change in applicable laws and regulations, or changes in other relevant factors, and Employees will be informed of such accordingly.