

PT KGI SEKURITAS INDONESIA COMPLIANCE POLICY

The purpose of this Policy is to set out the objectives, scope of responsibilities, scope of authority, reporting line as well as staffing of the Compliance function (the “Compliance”) within PT KGI Sekuritas Indonesia (the “Firm”).

1. OBJECTIVES

Compliance is an independent function within the Firm with the objective to:

- a. Establish and maintain effective compliance risk management and control systems, including monitoring and reporting, within the Firm.
- b. Promote and foster compliance with rules, regulations, prescribed best business practices, as well as code of ethics in every aspect of the Firm.
- c. Provide timely advice to the Firm on relevant changes in the compliance environment.

2. SCOPE OF RESPONSIBILITIES

Compliance Risk Mitigation

- a. Developing and maintaining regulatory compliance policies such as that of AML/CTF Policy, Client Complaint Handling policy, Violation Handling and Reporting Policy.
- b. Establishing an evaluation system to determine and measure compliance with regulatory requirements as well as internal policies and procedures across all functions of the Firm.
- c. Assisting senior management in identifying and assessing regulatory and compliance risks associated with the Firm’s current and proposed future business activities.
- d. Creating awareness of all staff regarding their responsibilities towards regulatory compliance obligations including communicating new/revised regulatory obligations.
- e. Identifying and keeping an inventory available to all staff of essential laws and regulation pertinent to the Firm.
- f. Liaising with regulators and relevant external bodies such as Financial Services Authority and Indonesia Stock Exchange to ensure effective communication.

Compliance Risk Monitoring and Reporting

- a. Evaluating and assessing at least annually the relevance and effectiveness of the controls and policies in addressing compliance risks across all functions of the Firm and make recommendation (if applicable) as required under Article 38(1)(b) of OJK Reg. No. 57/POJK.04/2017 on Corporate Governance.
- b. Monitoring, identifying and taking follow-up action on Compliance matters that warrant the attention of the Board of Directors as required under Article 38(1)(d) of OJK Reg. No. 57/POJK.04/2017 on Corporate Governance.
- c. Supporting business unit heads which conduct first line monitoring activities to ensure ongoing compliance with regulations and internal policies.

- d. Exercising any specific legal responsibilities such as reporting suspicious transactions related to AML/CTF.
- e. Completing the compliance self-assessment half-yearly (the “Self-assessment”) and reporting half-yearly to the Board of Directors and Board of Commissioners the compliance operation together with the result of the Self-assessment accordingly. After the said reporting, providing the Regional Compliance with the meeting minutes and the attachment hereto.
- f. Managing violation handling and reporting procedures.
- g. Reporting compliance breaches to appropriate internal and external authorities.

3. SCOPE OF AUTHORITY

- a. Compliance is authorized to examine all areas of the Firm concerning compliance.
- b. To accomplish its objectives, Compliance has full and unrestricted access to any personnel as well as regulatory information and documents at any time but must comply with confidentiality requirements of the Company.

4. REPORTING LINE

- a. Under Article 38(1)(d) and Article 39(1) of OJK Reg. No. 57/POJK.04/2017 on Corporate Governance, Compliance is responsible to the Board of Directors.
- b. Under Article 39(2) of OJK Reg. No. 57/POJK.04/2017 on Corporate Governance, Compliance is required to report on the implementation of Compliance to the Board of Directors with the Board of Commissioners copied on.
- c. Functionally, Compliance reports directly to the Board of Directors as well as Regional Function Head of Compliance of the Parent Company.

5. STAFFING

Compliance must ensure their staff are well equipped with up-to-date knowledge of regulatory requirements to meet the objectives of this Policy.

6. EFFECTIVE DATE

This Policy and subsequent amendments (if any) shall become effective immediately upon its announcement following the approval by the Board of Commissioners and Directors.