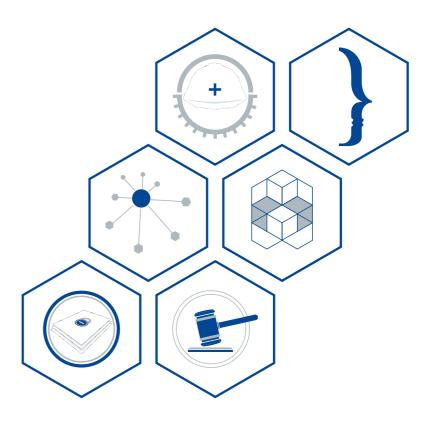


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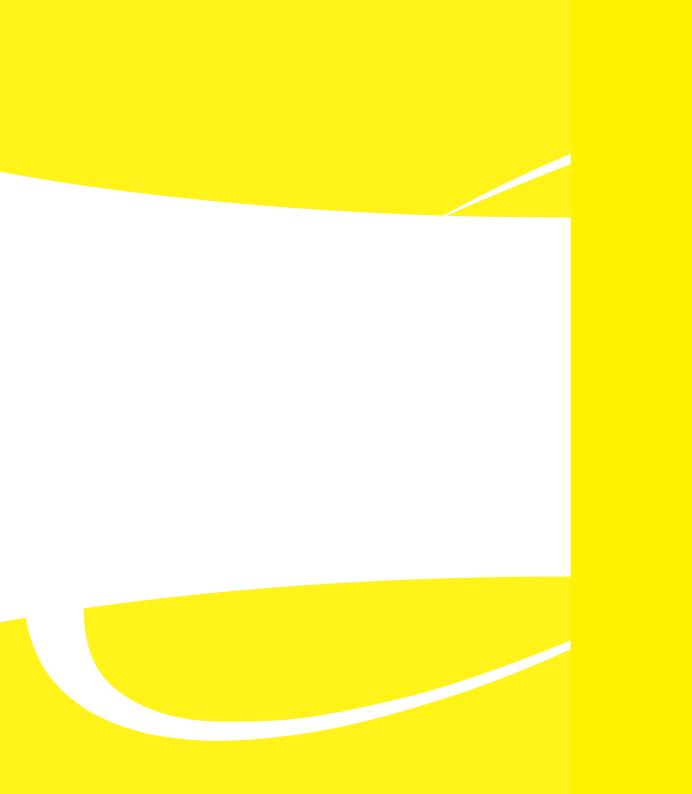
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PT Indika Energy Tbk

Employee Handbook

ETHICAL BUSINESS CONDUCT



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Employee Handbook

ETHICAL BUSINESS CONDUCT

PT Indika Energy Tbk.

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Message from the President Director

As a public company that is committed to implementing Good Corporate Governance, Indika Energy has responsibility and an obligation to create a sound and ethical business climate. The company has therefore created guidelines on policies and ethics to serve as a reference for all employees in performing their daily business activities, as a form of our shared responsibility.

This Employee Handbook on Code of Business Conduct discusses the values and actions that should be implemented by all employees, towards creating an ethical and conducive work environment. The Company believes that by prioritizing proper and ethical processes, policies, rules and institutions through corporate governance, all stakeholders including employees, suppliers, customers, banks and other creditors, regulator, environment, and the community at large can establish harmonious relationship and become valuable partners.

For Indika Energy Group, ensuring lawful and ethical employee behavior in relation to the company or co-workers as well as any third party, including suppliers or government officials, is important and requires special attention. The Management of Indika Energy Group believes that the creation of a sound business environment will not only benefit the State but also positively impact company progress, including the quality for its employees. As such, the Company continuously practice the principles of transparency, accountability, responsibility, independence, fairness, and equality in the company management in order to achieve its business goals.

This Handbook includes policy on Code of Business Conduct that employees of Indika Energy Group must comply with, as employees' behavior and action can either build up or ruin the company's reputation. Indika Energy Group expects that all employees will work together to implement Good Corporate Governance in a principled and ethical manner in accordance with the Corporate Value System adopted. Employees who violate this policy shall be subject to disciplinary sanctions as provided for by each company within Indika Energy Group.

Accordingly, every employee is required to understand and comply with the policies included in the Employee Handbook on Code of Business Conduct.

Jakarta, December 2013

Wishnu Wardhana

President Director and CEO Group

Foreword

Human beings are born in the world with a noble purpose and the potential to carry out good deeds that benefit humanity. In carrying out its business activities, Indika Energy Group firmly upholds these noble intention and supports good conduct as defined in this Employee Handbook on Code of Business Conduct. This Handbook applies to all employees with the expectation that it will assist in the achievement of mutual objectives and success.

All materials set out in this handbook have been prepared based on the Value System that has been adopted as part of the identity of Indika Energy Group. All employees of Indika Energy Group, without exception, must fully understand and comprehend the contents of the Employee Handbook on Code of Business Conduct and must maintain a commitment to implement it with full awareness and responsibility.

In order to encourage all employees of Indika Energy Group to behave in accordance with the principles and rules as set out in this Handbook, every Company within Indika Energy Group is urged to implement Code of Business Conduct in accordance with the principles as reflected in this Handbook.

Not only does it apply to employees of Indika Energy Group, but the provisions of the Employee Handbook on Code Business Conduct also applies to contractors, agents, vendors and sub-vendors, consultants and other external parties who will and are engaged in relationship with Indika Energy Group.

The Company also provides a reporting system on non-compliance with company value system, rules and policies as set out in the Employee Handbook on Code of Business Conduct. The reporting system is discussed in the whistleblowing section.

Supported by the commitment of all employees, Indika Energy Group will develop into a world-class energy enterprise with noble values and high standards of behavior to become the pride of Indonesia.

Corporate Value System

- **INTEGRITY**: Honest with oneself, others, and one's work at every moment by upholding prevailing ethical standards and legal norms.
- UNITY IN DIVERSITY: Viewing diversity as an asset to the company and accepting, valuing, completing, and sthengthening one another as a solidly unified entity.
- **TEAMWORK:** Actively contributeing and collaborating based on trust and shared interest rather than personal interest.
- ACHIEVEMENT: Achievement as the measure of success and the motivation to do what is best for the company.
- SOCIAL RESPONSIBILITY: Highly concerned for the environment and community, and contributing added value as well as contributing to the prosperity of the society.

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Corporate Governance Principles

TRANSPARENCY

In order to maintain objectivity in carrying out its business, the Company must provide all material and relevant information required by the shareholders and stakeholders by providing easy access to the information, providing it in a timely manner and trying to prepare the information in a form that is easy to understand and comprehend.

Such information is not limited to that required by relevant laws, regulations, and regulatory authorities, but also encompasses other important information that is expected to be useful for decision making of the shareholders.

Any information that according to the provisions of relevant laws and regulations, is considered to be Company's proprietary and confidential information does not need to be disclosed in accordance with the professional secrecy and confidentiality rights.

ACCOUNTABILITY

The company is to be managed properly, in a measurable manner and in accordance with the Company interests without prejudice to the interests of the shareholders, the stakeholders and business.

The company shall always be accountable for its performance in a transparent and reasonable manner, so that the Company may ultimately achieve better performance.

RESPONSIBILITY

In carrying out its business activity, the Company is always guided by the principle of prudence and shall ensure compliance with prevailing laws and regulations, the Articles of Association, and prevailing corporate practices, and shall fulfill its social responsibilities to the community and the environment, for the purpose of maintaining long-term business continuity.

INDEPENDENCE

The Company is managed independently in order to avoid domination and intervention of other parties.

The Company organs, namely the General Meeting of Shareholders, the Board of Commissioners and the Board of Directors shall carry out their functions and duties in accordance with the Articles of Association as well as the applicable laws and regulations without dominating each other in a manner that is free from conflict of interest or intervention and influence of third parties; so that decision shall be taken in an objective and accurate manner.

FAIRNESS AND EQUALITY

In carrying out its business activities, the Company must prioritize the interests of shareholders and other stakeholders based on the principles of fairness and equality.

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Terminologies

- 1. In this Code of Business:
 - Reference to 'Indika Energy' or the 'Company' shall mean PT Indika Energy, Tbk.
 - 'Group' and/or 'Indika Energy Group' shall mean PT Indika Energy Tbk. and its all subsidiaries [except its subsidiaries that constitute public company].
- 2. Depending on the context, 'Guidelines' shall mean Guidelines on Code of Business of the Group stipulated in this handbook and/or guidelines that are locally applicable by each company Group if provided for otherwise by each company within Indika Energy Group. In the event of inconsistency between the provisions of these Guidelines and the provisions of the company subsidiary Guidelines, the provisions of these Guidelines shall prevail.
- In this document, the term 'employee' is used to jointly refer to commissioners, directors, management, and employees of the company Group and temporary and/or contract employees, including secondee, trainee, and employee assigned to a certain project.

- 4. All references to the 'Management' or the 'Board of Directors' in this document means the Board of Directors of each company within Indika Energy Group.
- 5. All references to 'Employee Handbook: Safety' means handbook containing description on the Health, Safety and Environment (HSE) work pattern within Indika Energy Group that is known as i-Drive.
- 6. All references to 'Handbook on Company Value System' means a book containing guidelines and a set of explanation on policy, regulation, and behavior related to the Values and Culture adopted by Indika Energy Group.

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1

EMPLOYEES

EMPLOYEES AS INDIVIDUALS

Respecting Every Individual

Indika Energy Group believes that any individual is unique and has unique talents. All employee are entitled to develop his/her potential and Indika Energy Group is committed to respect each individual's talent by following and upholding Corporate values.

Therefore, Indika Energy provides equal opportunity to compete for available positions, as it seeks the best candidates. Employees are placed based on their individual capability and potential in a given field.

Equal Opportunity

Indika Energy Group provides equal employment opportunity for all employees regardless of their ethnicity, religion, race, customs and traditions (SARA), gender, age and or physical obstacles, except for positions requiring certain physical ability to perform the main functions of the job.

In accordance with the Value System adopted by the Company, while all employees are unique individuals, he/she remains part of larger Indika Energy Group and family. Accordingly, all employee must honor and show respect for other employees.

EMPLOYEE WORK ENVIRONMENT

Respect for Diversity

As a world-class national enterprise, Indika Energy Group respects the diversity of its employees. Similarly, the employees are required to respect the diversity of others employees in terms of sex, language, customs, religion, sexual orientation and socio-economi status.

All employees without exception must respect differences in opinion that may occur in the daily working process. It includes respect for different perspective that stem from background differences. The Company does not regards diversity as a harmful, but rather as an asset that can strengthen Indika Energy Group as a group of world-class companies.

Respectful Work Environment

It is the policy of Indika Energy Group to provide a respectful work environment for all employees which is free from all forms of intimidation, hostility, humiliation or unpleasant behavior which may lead to the feelings of being harmed, demeaned, belittled or insulted.

Indika Energy Group does not tolerate harassment/violation/unexpected acts that insults, embarrasses/humiliates and/or threates any individual and affect the work conditions and the work environment. Indika Energy Group realizes that anyone can become a victim or perpetrator of offensive, humiliating or intimidating acts; therefore all companies within Indika Energy Group requires employees to be sensitive and to comply with the applicable norms of morality and decency, to maintain dignity and uphold the Indonesian culture.

EMPLOYEES & SOCIAL ACTIVITIES

As one of the main values of Indika Energy Group, social responsibility is an inseparable part of the corporate culture. With respect to this value, every employee is expected actively participate in social activities with full awareness and high commitment.

In general, Indika Energy respects and supports the culture, traditions, customs of the areas where it has business operations. Each employee is expected to actively participate in social service programs aiming at strengthening commitment and relationship with local community.

Indika Energy Group believes that the active role of employees within the social environment and community will bring positively impact on the quality of relations between Indika Energy Group Companies and local community.

CASE & SOI UTION



Aryano Rosli is known as an outgoing and humorous person. However, not everyone feels comfortable with Aryano as he often tells dirty jokes to co-workers of the opposite sex. Silva is one of them. Silva feels uncomfortable with indecent jokes told by Aryano

Can Aryano action's be categorized as infringing the Code of **Business Conduct of Indika Energy?**



YES! The action taken by Aryano can be categorized as a violation of Code of Business Conduct stating that Indika Energy upholds commitment to maintain a work environment that is free from discrimination and sexual harassment, whereby all individuals are REQUIRED to be treated with respect and dignity.

Silva may report the action taken by Aryano to her Supervisor or Human Capital Division for resolution.

DO

- Respect for co-workers, the company, and all parties related to our daily work.
- Familiarize yourself with laws and regulations that apply in your workplace.
- Avoid prejudice by eliminating personal judgment when communicating with your co-workers who come from different backgrounds, etc.
- When communicating, use language that can be understood by all parties, do not make one of the parties feel socially isolated.
- Report immediately if you have received physical abuse and/or sexual harassment.

DO NOT

- Commit violence, discrimination and sexual harassment at the workplace.
- Give judgment based on personal opinion, sex, race, age, religion or other dimension of difference. All people must be treated equally before law and given equal opportunity.
- negative label a specific individual or group.
- Make jokes that offend SARA.
- Disseminate negative rumors/news on your co-worker at the workplace.
- Distribute indecent or pornographic issues.





HEALTH, SAFETY, & ENVIRONMENT

HEALTH, SAFETY, AND ENVIRONMENT (HSE)

Indika Energy Group realizes that occupational safety and health of its employees is the most important consideration. In all activities, Indika Energy Group always prioritizes Health, Safety and Environment (HSE). Regardless of how much profit the Group can make, employee safety and security are the main priority. Healthy employees who work in a safe and conducive condition will be better able to achieve the company's goals. Therefore, as the most important resource, employees will be provided with training and placed at the proper position with work procedures put in place to protect the health and safety of the employees.

As the realization of its commitment to protect and keep employees safe, Indika Energy Group has prepared regulations and established I-Drive philosophy as specified in the Employee Handbook on Safety. I-Drive refers to the Health, Safety and Environment management system of Indika Energy Group which is defined as follows:

- I Indika Energy means that each company within the Group and each individual, is committed to perform i-Drive.
- **D Direction** means that guidance and directives are provided by the Board of Directors of each company within the Group related to the Health, Safety and Environment principles.
- **R Responsibility** refers to shared responsibility of all members of the Board of Directors and all Employees of Indika Energy Group to carry out Health, Safety and Environment principles to the best of their ability.
- **I Initiative** means ideas and efforts of Indika Energy Group company employees to continuously improve the implementation of Health, Safety and Environment.
- **V Values** refer to the Value System in which Health, Safety and Environmental Protection as an absolute and non-negotiable subject.
- **E Excellence** is the standard to be achieved by Indika Energy Group as a world class company.



In accordance with the company policies, the Management encourages all employees to actively participate by reporting any unsafe or risky work activity that endangers employee safety. Any employee MUST comply with, observe each other, and follow all procedures specified in the Employee Handbook: Safety.

All parties must realize and understand that Health, Safety, and Environment is closely related to the effectiveness and efficiency of employee performance. As such it the key to future success.

Beside being guided by the I-Drive Philosophy, Indika Energy adheres to several principles as follows in implementing the Health, Safety, and Environment systems;

- 1. All accidents can be prevented by implementing safety and health supervisory program policies.
- 2. The safety and health supervision is the most important part of daily work activity.
- 3. Accident prevention is good action that provides the best outcome. In addition, by reducing the risk of accidents, a conducive workplace is created for all employees, Indika Energy in this way indicates its responsibility to all stakeholders, and work productivity is increased.
- 4. The Management is responsible for providing a safe workplace for employees. The Indika Energy Group Management Team is committed to provide the resources required for support and implement safety policy.

- 5. The Employees are responsible or working in accordance with the safety procedures and Company Regulations and for preventing any accident and injury. In accordance with the prevailing rules, the Management shall provide a communication line with guaranteed confidentiality, where employees may report and/or get information and advice related to the safety and health.
- 6. All employees, without exception, are strictly prohibited from possessing and consuming alcohol, drugs, psychotropic substances, and other addictive substances that may threaten safety, health and productivity during the work hours at all work sites of Indika Energy Group.
- 7. The Management of Indika Energy Group shall provide a good role model to realize the commitment to safety and health at the workplace. Accordingly, the Management shall monitor and ensure that all objectives of the safety, health, and environment programs are achievable.
- 8. The safety program applies to all employees and all persons related to the scope of our business. Good teamwork is required to realize the program objectives. Jointly, we can prevent an accident and injury. Jointly, we can maintain the Safety, Health and Environment of our workplace, where we earn our livelihood.



CASE & SOLUTION



Aryano finds that some of his co-workers do not comply with the rules when working at site. At times, some go without the helmet. Others smoke at the site.

Can Aryano report this co-workers' action as violation?



YES! Zero Accident is a commitment that has been announced by the Company and must be complied with by all employees. The Company is obligated to protect employee safety and health as well as provide a safe work environment. To achieve this, the Company has established regulations as set forth in the Employee Handbook: Code of Business Conduct and Employee Handbook: Safety. Aryano MUST report his co-workers' actions to the Supervisor of Health, Safety and Environment or Human Capital Division for resolution.



One day, there was sudden earthquake. The building officer announced that all employees in the building should come down, go outside the building and that there would be a power outage. Several employees scrambled into the lift to go down.

Does it violate the safety regulation?



YES! The action violates the safety regulation stating that in the emergency situation, it is prohibited from using the lift. In any situation, safety must be the main priority. Do not take risky action that endanger your safety. Such action may be subject to sanctions.

DO

- Implement the security system and HSE in a consistent manner and be responsive to any emergency condition due to security disruption, accident, pollution or natural disaster.
- Immediately contact 021-25579888 extension 8500 for emergency medical action.
- Actively participate in and comply with safety and health program.
- Report all problems that potential to cause fire, damage equipment and workplace to the superior and Corporate Services unit.
- Check all switches, cables, and portable electronic equipment before use.
- Ask for help if you intend to remove heavy things.

DO NOT

- Use lift in emergency situation, such as earthquake, fire.
- Bring and consume alcoholic drinks, illicit drugs and the like at the business hours in the workplace.
- Work when you are under the influence of alcohol, illicit drugs both legal/illegal.
- Leave document drawer open or open several document drawers at the same time.
- Put large and heavy object on the cabinet.
- Smoke in the building.
- Use flammable chemical object in the building.
- Use defective or damaged equipment.





3 INTEGRIT

Maintaining trust is one of the priorities and principal behaviors in Indika Energy Group. The Company is committed to carry out its business with full integrity in an ethical manner. Employees of Indika Energy Group are not allowed to either directly or indirectly commit any act that is contradictory to the integrity and ethics of Indika Energy Group, which may damage business reputation of the organization.

Integrity starts with awareness and consistent, orderly, well organized and disciplined actions which are conducted in a continuous manner and becomes everyday behavior. The value of integrity is practiced by acting in accordance with the applicable norms; communicating intentions, ideas, and feeling openly; and always being honest, even in a difficult situation.

To ensure comprehension of this policy, Indika Energy Group has elaborated several business integrity topics, as follows: CONFLICT OF INTEREST, ILLEGAL GIFT, DONATION and ANTI-CORRUPTION BEHAVIOR. Other principles that constitute derivatives of the Integrity Value System can be learnt from the Handbook on Company Value System.

Topics of discussion on the Integrity principles in business are as follows:

CONFLICT OF INTEREST

A conflict of interest arises when employees of Indika Energy Group have the opportunity to obtain benefits or personal gain from transactions related to the company outside of the benefits of personal gains that any employee in that position would be entitled to, or to prioritize his/her personal interests above than the employee obligations and responsibilities to Indika Energy Group.

Prioritizing company interests is the main obligation of all Indika Energy Group Employees. Accordingly, all actions failing to prioritize the company interests constitute a violation.

An employee is considered to have committed action ignoring the company interests if he/she takes advantage of the employment by an Indika Energy Group company by intentionally setting and/or facilitating matters related to the company interests constitute a violation.

Parties who have an opportunity to engage in a conflict of interest in this code include as follows:

- 1. All employee family members including spouses (husband/wife), children, father, mother, brothers, sisters or related either by blood or marriage as well as relatives and descendants up to the second level, both horizontally or similar capacity. including spouse (husband/wife), children, father, mother, brothers or sisters having a family relationship either by blood or marriage and descendant up to the second level, both horizontal and vertical.
- Any organization that is not related to the company, in which the employee or a
 member is an official, owner, partner, beneficial owner of all types of company
 shares/or properties whereby such person has fairly significant interest/benefit or
 has position as the company supervisor or similar capacity.
- 3. Any employee or employee partner who has a material interest, either directly or indirectly in the company dealings.

It is impossible to mention all conditions, situations or relationships that may constitute a conflict of interest. Therefore, condition, situation or relationship must be self-evaluated and shall become the employee responsibility. However, the Company has specifically regulated the potential for conflict of interest as related to 4 topics, as discussed.



1. Business Ownership in Other Organizations

The Employee is not allowed to have relationship with other organizations which may put him/her in a conflict of interest or cause him/her to have economic interest that differ from the major interest of his/her employer company within Indika Energy Group. It is a violation when an employee of Indika Energy Group has financial interest in a company tries to establish a business relationship with any company within Indika Energy Group, particularly if the employee is able to influence the decision making with respect to the business of any company within Indika Energy Group and the relevant organization. The employee must transparently state and report to his/her immediate superior in the event of potential conflict of interest in a business decision and shall voluntarily abstain from any involvement in matters with respect to the decision making related to the company where he/she has a conflict of interest, or conflicting economic interests, either directly or indirectly.

2. Use of Company Assets

It is a violation and a conflict of interest if employee of any company within Indika Energy Group uses company assets for his personal interest that he/she is not entitled to use for personal usage. Similarly, if the employee may not permit any third party to use the assets of any company within Indika Energy Group without prior approval from the company and without fair payment to the company.

3. Asset Acquisition

It is a violation of this policy, if an employee acquires a certain asset of the company and the employee is involved and/or entitled to act as a decision maker, or to provide recommendations, that may affect the company's actions with respect to the amount of asset value, or other assets received by the employee.

4. Employment Relationship

It is a violation of this policy if an employee of Indika Energy Group to serve as a member of the Board of Commissioners or member of the Board of Directors, or to work for or have personal contracts with suppliers/sub-vendors, competitors or customer of any company within Indika Energy Group that the employee works for.

All employees are required to report to his immediate superior any potential transactions or situations whereby a conflict of interest may arise or a condition whereby there are competing economic interest.

Employees shall periodically fill out a form detailing any relationship or ownership that may be deemed as a conflict of interest.

Failure to fill out the form shall serve as the basis for the imposition of disciplinary measure including the possible termination of employment.

From time to time the management will determine whether a conflict of interest may adversely affect an employee in taking considerations or carrying out his duties. In the event that the superior considers that the employee has a conflict of interest or competing economic interest the superior may prohibit the employee to participate in any related transparent.

REMEMBER

Situations or transactions may involve a conflict of interest if:

- An employee who is involved in a legal claim proceeding positions himself or co-worker as a counterparty of the company or has interests that endanger the company's interest.
- An employee or co-worker in a position of significant financial authority or responsibility at the company (such as: staff, director, principal shareholder, partner, owner) engages in a business with Indika Energy Group company tries to establish business with the company or competes with the company.



ILLEGAL GIFTS/ACCEPTANCE

Employees of Indika Energy Group are not allowed either directly or through intermediaries, to offer, promise or give gift, payment or other benefits of any kind to the government employees, personnel or officials.

In terms of Illegal Gift, Indika Energy has prepared strict rules, among other as follows:

1. Bribe

Employees of Indika Energy Group are not allowed from giving money and/or items that may be interpreted as an effort to encourage client or any other third party to utilize their influence to:

- Assist any company within Indika Energy Group to acquire or retain business.
- Favor any company within Indika Energy Group.
- Favor any individual.

Indika Energy is committed to comply with the provisions of applicable laws and regulations, particularly Law on Eradication of Criminal Acts of Corruption as may be amended from time to time.

It is necessary to understand that the company may be subject to a highly significant fine value if it fails to comply with the provisions of the Law on Eradication of Criminal Acts of Corruption, particularly with regards to bribery and other corruption practices.

Similarly, employees who intentionally violate the provisions of the Law on Eradication of Criminal Acts of Corruption shall be subject to punishment in accordance with the applicable regulations.

2. Gift

In line with its commitment to promote good business climate, Indika Energy Group prohibits its employees giving, receiving, and requesting presents and gifts in any form whatsoever from/to external party that have or will establish business relationship with Indika Energy Group. Provision of travel, accommodation, gift or entertainment, including luxury dining shall be deemed as a gift and therefore subject to the same prohibitions.

DONATION

Indika Energy Group does not give donation to, or sponsor, political parties or individuals that may potentially generate inappropriate profits or gain improper influence.

In accordance with the provisions of the Company and the applicable laws and regulations, donation may be given under certain circumstances as follows:

- a. Donation to government agencies for public purposes. This donation EXCLUDES donation for the purpose of official nomination and/or election of members of a political party (regional head elections/pilkada).
- b. Donation to professional associations or educational, social, religious, sport institutions, etc., provided that the donation recipient does not attempt to influence the laws and regulations or to participate in the campaign for a candidate of public office, to give benefit to private stakeholders or any individual.

Donations should be well estimated or planned in the annual budget in conjunction with the preparation of the Business Plan.

Any donation for political purpose that is given by an employee shall be the responsibility of that employee. The employee must expressly state that he was acting on his own behalf and not as a representative of the Company.

In order to avoid any potential abuse, all contributions/donations in any form whatsoever that are given on behalf of the Company must be legally recorded in an accountable manner.



Every donation must be supported by the following documentation:

Receipt

Receipt must be given for any donation

Bookkeeping

Record-keeping or bookkeeping is one of the indicators of consistency, orderliness, regularity, and discipline. The Company book must be properly kept so that it accurately reflects the transactions.

No company employee is allowed to falsify the records in any way whatsoever.

Report on activity implementation

ANTI-CORRUPTION BEHAVIOUR

Compliance with the rules is obviously in line with the anti-corruption attitude and behavior. Staying away and not committing corruption reflect the compliance with the rules as set out in the Employee Handbook: Code of Business Conduct.

With the preparation of this Employee Handbook: Code of Business Conduct, it is expected that the Anti-Corruption Behavior can be established and conducted by all parties related to Indika Energy.

1. Management

All ranks and files of the company management must be able to model compliance with the Code of Business Conduct. Honesty and integrity must become the main priority and all business actions conducted are free of corruption.

2. Employees

All employees, including new employees and contract employees, will receive a copy of the Employee Handbook on Code of Business Conduct and must return a signed statement of willingness to comply with all Code of Business Conducts and willingness to ensure that all business actions conducted are free from corruption practices.

3. Vendors & Sub-Contractors

All vendors and sub-contractors must comply with all provisions set out in the Employee Handbook on Code of Business Conduct, which will be communicated at the signing of work agreement or contract with companies within Indika Energy Group.



CASE & SOLUTION

Is Aryano act right?



Aryano receives a parcel of the sophisticated gadget as an expression of gratitude since the vendor who has been selected as the implementing agency for a project leader. Aryano feels uncomfortable receiving this gift and returns it to the vendor, while trying to maintain his good relationship.



Cyntia becomes aware that Aryano has marked up the value of an ongoing project. However, Cyntia does nothing since as she thinks that Aryano has showed good behavior so far.

Is Cyntia act right?



RIGHT! Indika Energy has expressly stipulated that employees are not allowed to receive gifts from vendor or other parties that are working together with Indika Energy. If Aryano accepts this, he will violate the regulation on illegal gifts. Anyone violating this regulation shall be subject to sanction.



WRONG! Cyntia must report Aryano's actions as violating the Anti-Corruption Behavior regulations. Anyone violating this regulation shall be subject to heavy sanctions and Cyntia may also subject to reprimand for doing nothing.



DO

- Maintain good relationship with contractors or suppliers in the context of work relationship that is professional, mutually respect and is free from corruption.
- From the beginning of each new working partnership, inform and explain the policy of Indika Energy regarding the provision and acceptance of gifts.
- Act in accordance with rules, truth and professionalism.
- Report matters that are deemed improper such as using assets for the interest rather than the company's interest.
- When in doubt, report and seek advice from others who are more knowledgeable or more competent to decide whether the actions were right or wrong.
- Stop yourself and/or any person working with you from making decision that may cause a conflict of interest.

DO NOT

- Commit bribery, corruption and act that is contradictory to the company regulations and laws.
- Hesitate to reject an gift offer from clients. Most clients will understand your decision as they actually have same regulations.
- Utilize your position to try influence others (company employee or/non-employee) to provide political contribution or support to a specific party or politician.
- Hesitate to ask others who have more knowledge of work rules.
- Make personal decisions on business transaction without the knowledge and authority of the company.
- Manipulate attendance time or use work hours for personal matters instead of company interests.





4

INFORMATION MANAGEMENT

One of Indika Energy Group's most important assets is company information, which is vital to company performance and competitiveness. In addition, company data and information is also essential to ensuring the company stability

All employees, particularly those who have access to and authority in the field of information must possess knowledge and comprehension on how to acquire, manage, and utilize information for the greatest interests of the company.

Every employee must be responsible to protect:

- 1. Confidential data and information owned by any company within Indika Energy Group.
- 2. The security of Information Technology (IT) and information system instruments of the company.

Due to the important value of the information for the company, Indika Energy provides for this issue in 5 discussions as follows: CONFIDENTIAL DATA AND INFORMATION, INSIDER DEALINGS, USE OF INFORMATION TECHNOLOGY INSTRUMENTS, DATA AND INFORMATION SECURITY and USE OF SOCIAL MEDIA AND INFORMATION.

REMEMBER

Confidential Data and Information

Confidential information such as financial data of the Company or client data may not be transmitted by internet or other external network without prior approval of the Management.

CONFIDENTIAL DATA AND INFORMATION

Indika Energy defines confidential data and information as all information directly relating to the Company or any company within Indika Energy Group, including but not limited to: financial statements, business information, data, financial models, projections, reports, concepts, knowledge, engineering, processes, procedures, work under the quotation process for equipment, service production and manpower, marketing strategy, financing plan/scheme, agreement with the supplier (including transportation company), acquisition plan, divestment or organizational change, data and information on company products and technology, unless the data and information in question has been widely published and is openly available.

Every employee of Indika Energy, without exception, is required to be aware of their obligation to maintain and protect company data and information as part of the company's assets. Failure to comply with such obligations shall be subject to sanction in accordance with the provisions set out in the Employee Handbook: Code of Business Conduct.

Every Indika Energy employee is required to comply with the regulation not to disclose company secret to other parties or to use them for personal benefit. Neither employee nor ex-employee are allowed to disclose the company secret or other confidential data and information.



Maintaining and protecting such data and information remains the obligation of the employee even after the employee no longer works for any company within Indika Energy Group, Forms of company secret include, but not limited to, the following:

Data and Information on Technological Innovation and Business Model

The Company retains its business position through technological innovation and business model development, in order to improve its product and service quality and decrease cost. These innovations are developed at significant costs by the company and constitute the valuable secret of the company. Disclosure of confidential data and information owned by the company may seriously endanger the company's position and competitiveness.

Intellectual Property Rights

Employees must protect intellectual property rights belonging to the company as well as third-party rights, and are not allowed to infringe such rights.

These intellectual property rights include, but are not limited to, any idea, process, brand, identity, invention, patent, copyright, design or improvement brought forward by an employee related to the company business or developed or procured by means of the company resources.

This includes any data and information having economic value for the company due to its confidentiality - something that gives the company an advantage over its competitor. Employees are obligated to protect all company and third party intellectual property right insofar as possible, even where such intellectual property rights are not protected by patent or copyright. They include but not limited to: technology (data and information about research and development) for new products or improved products, disclosure of invention, application of patent in process (laboratory outcome, images), business method, lists (customers, suppliers, vendors), manufacture (process, raw materials, components) and business knowledge (business risks, business opportunities, budget).

The company shall at any time, be entitled to terminate the employment of any employee possessing or storing confidential information if the company without prior notice and authorization.

INSIDER DEALINGS

Capital Market Law defines insider dealings and insider information as all actions taken based on data and information of either Indika Energy or any company within Indika Energy Group that is not yet for public and may affect the sale value of the company's assets or the asset purchase or sale of the company.

executing transaction related to Indika Energy Group assets based on insider information may be categorized as a criminal act/the definitions of assets include, but not limited to stocks, account payables-receivables, bonds, financial notes, and company investment the value of which is determined by the price of the assets themselves.

All employees of Indika Energy Group are expected to comply with the provisions of applicable laws and regulations in relation to company asset transactions. Additionally, involvement in a market abuse is an illegal act. Market abuse includes but is not limited to: falsifying data and information or participating in any activity intended to manipulate the official public price of such assets.

Employees of Indika Energy Group who have access to insider information, either as part of routine work or through involvement in particular work or who are otherwise considered an 'insider' in accordance with the provisions of the applicable laws and regulations, are prohibited from purchasing, selling or otherwise being in asset transaction of Indika Energy Group or its subsidiary; or influencing other parties; or providing information to other parties who are reasonably suspected to be able to misuse such information. Employees who have an access to insider information must be included in the list of data and information holder of Indika Energy and are prohibited from involving in any company's asset transaction without company approval.

Employees of Indika Energy Group who have access to insider information are also prohibited from involving in speculative transactions, such as: data and information exchange, spread betting (asset value gambling), short selling (stock sale-purchase) or other similar transactions. Senior Management is prohibited to performing short selling transaction in any situation whatsoever.



USE OF INFORMATION TECHNOLOGY INSTRUMENTS

This policy is intended to safeguard the security of company data and information and avoid any legal consequence that may arise from improper use of company network.

All employees of Indika Energy must acknowledge, comply, and execute the following set if data management regulations:



Electronic mail/E-mail

E-mail is often the main instrument of evidence in a case and investigation. E-mail frequently reveals the actual event and is virtually indestructible. But, E-mail can also be easily misinterpreted, *taken out of the context or give a misleading impression*.

Always remember the following when using E-mail:

- Employees are not allowed to access or read e-mail that is not intended for her/ him.
- 2. The company is entitled to access E-mail messages of all employees of Indika Energy if necessary, with the authorization from the Board of Ethics.
- 3. E-mail must be used for solely business purpose.
- 4. Guidelines on memorandum or inter-office letter shall also apply for E-mail.
- 5. Data storage capacity, and data storage for e-mail exchanges, is limited according to the company policy.

Deleting E-mail messages from "inbox" does not mean that such message has been erased.



Internet

The use of internet in the office by employees by means of company devices is solely restricted to business related purposes such as communicating with clients and suppliers, conducting research for the related topics, and searching business data and information required. All prevailing policies of the company apply to, including but not limited to, matters related to the intellectual property rights, privacy, misuse of the company resources, sexual abuse, and confidentiality.

The following actions are categorizes as internet misuse/violations:

- 1. Accessing and downloading pornographic materials, gambling and games.
- 2. Committing illegal act for personal benefits or gains.
- Creating or installing indecent words or elements, or sending improper jokes or materials that may offend other parties
- 4. Uploading or downloading commercial software without the authorization of the company/breaching the copyrights of the company.
- Downloading software or electronic data/document without using proper protection from computer virus.
- To intentionally or unintentionally disturb the normal operation of the company internet.

Employee access to the internet shall be supervised by the Company and/or by any company within Indika Energy Group.

This includes as follows:

- 1. Visit to WorldWideWeb site.
- 2. Chat, newsgroup or E-mail message.
- 3. Transfer of data/document inside or outside the company internal network.





Information Technology Instruments

Hardware and software provided by the any company within Indika Energy Group constitute the proprietary of that company and are solely intended for authorized business purposes. The Right to access the internet or network through either hardware or software is solely restricted for authorized business purposes.



· Copyright and License

Employees are responsible for the proper use of materials and software protected by copyright and licenses. Employees are not allowed to misuse the copyright and license related to Information Technology instruments owned by the company, including accessories thereof. Employees must obtain prior approval from ICT division before installing any hardware and software whatsoever.

DATA AND INFORMATION SECURITY

Employees of Indika Energy are required to maintain the security of data and information of the company and or any company within Indika Energy Group wherever they are, either in the office or outside the office.

In addition, employees of Indika Energy must comply with the provisions of laws and regulation applicable in the Republic of Indonesia and any places where the employees are assigned both inside of the country and overseas.

In performing any activity outside the workplace, employees must consider that any conversation whether held the face to face or over the telephone may be heard by other persons, by electronic means or others. Employees must ensure that discussion or conversation conducted in public on issues of importance to the Company and/or any company within Indika Energy Group are not intercepted by any unauthorized person.

Employees must also ensure that they do not leave document belonging to any company within Indika Energy Group in public without supervision. For example, an employee may not leave a briefcase containing confidential data/information in a hotel room, and if disposing of Indika Energy Group company documents must confirm that the information therein are no longer readable.



USE OF SOCIAL AND INFORMATION MEDIA

When using social media, employees of Indika Energy must maintain the reputation and be sensitive to the interest of all Indika Energy Group companies, remembering at all times the necessity to keep sensitive information confidential.

Every employee within Indika Energy Group must comply with all provisions on employee ethics in order to comply with provisions of Code of Business Conduct and the company Value System in its entirely. Employees shall be fully responsible for any material published in social media and any company within Indika Energy Group may seek accountability for the issues that arise from social media usage which disrupt the continuity of company business.

As a part of this policy implementation, all employee are urgently requested not to publish any internal debates that occur, to respect copyrights, and not to co-opt other individual's work for personal interest or benefit.

The company invites all employees to participate in maintaining the reputation of their co-workers and preventing hostility on social media. It is necessary to remember that the information published on social media is publicly accessible and may impact the employment relationship and performance of the employee in question.

CASE & SOLUTION



One day, Mister Mulih, a driver specifically assigned to a Company official, overheard a conversation about the Company business plan related to the structural reorganization and business takeover that was not published officially yet. Upon his arrival at the office, Mister Mulih told his co-worker about it, although this information had nit yet been officially disseminated.



YES! Company Policy that has not been published is included in confidential information that must not be used as a subject of conversation other than by the parties having capacity and authority over such issue. Revealing the Company secret is classified as an act that may be subject to sanction.



DO

- Understand that personal documents as well as business documents may contain personal data.
- Make sure you understand the difference between information that is to be kept permanently confidential and information that is temporarily confidential.
- Act in a wise, competent, reliable manner and in accordance with the guidelines of the laws in making decision related to the information that must be kept.
- Be careful in writing and sending E-mail.
- Ask yourself "should I communicate this matter and what is the best way to do it?"
- Before you provide information, make sure that you are authorized to you do so, particularly if such information is published through the Indika Energy network or Indika Energy intranet.

DO NOT •

- Involve yourself in a business transaction with company outside Indika Energy Group when you have confidential information related to such company.
- Purchase, sell or engage in security dealings of Indika Energy Group when you have insider information related to the Company. This applies even when you are no longer the company employee.
- Involve yourself in the distribution of false information or transaction that manipulates the price of listed stocks that are publicly traded.
- Install either software or hardware without official license and permit.
- Access information system instrument in an unauthorized manner that may harm the Company.
- Manipulate the Company data and information.
- Provide relevant and proportional information to the stakeholders without considering the Company interests.
- Distribute data and information to other non-interesting parties.





5

COMPANY'S ASSET RECORD, CONTROL AND PROTECTION

The financial aspect of a company cannot be separated from its assets. Both are essential requirements/conditio sine qua non for the existence of company. If one of these aspects experience problems, the company will not be able to operate properly and this may threaten its business continuity within Indika Energy Group.

Every employee, regardless of his position is therefore required to protect, accurately report and maintain his/her company's finances assets.

Anyone who fails to meet this requirement may be deemed to have endangered the safety of the company and its all employees.

The following are a number of policies and rules that must be observed and complied with by all employees in order to protect the company's assets and finance.

ACCURATE RECORD

All companies within Indika Energy Group must properly maintain their records to accurately reflects transactions. No Employee of any company within Indika Energy Group is allowed to falsify records in any way whatsoever.

The obligation to keep accurate records must be carried in accordance with the provisions of applicable laws and regulations, among other the Standard of Financial Accounting, Law on Taxation, Law on Accounting, Law on Prohibition of Monopolistic Practices and Unfair Business Competition, Law on Limited Liability Companies, etc.

- They fully reflect matters related to the transactions of the company within Indika Energy Group such as a receipt (invoice), expenditures, assets (wealth), liability.
- All transactions are recorded in accordance with prevailing laws and regulations.
- They comply with Health, Safety and Environment (HSE), manpower, accounting standards and financial reporting as well as other relevant policies.

FINANCIAL CONTROL

Operational units and divisions shall be responsible for implementing control procedures that may provide a good guarantee that:

- Transactions are conducted in accordance with the authority of the management.
- Transactions are recorded in such way that enables the accurate preparation of financial in accordance with the prevailing laws and regulations and applicable Accounting Standards.
- Transactions between a company and its subsidiaries or the Management must be able to be accounted for correctly and a well-ordered manner.

STATEMENT OF INTEGRITY PACT

From time to time, managers are required to deliver a statement to the President Director acknowledging their responsibility for the preparation and integrity of the company's financial statements. The statement includes mention of the management's responsibility to build a strong ethical climate and uphold an adequate internal accounting control system.

Any transaction must be recorded or disclosed, including:

- Receipt of or payment to government official or employee.
- Receipt of rebates or discount/payment refund.
- Any irregularities, which if found must immediately be reported to the management.

Every company within Indika Energy Group must comply with applicable laws and regulations, the accounting procedures prevailing in its operational jurisdiction, international rules, and other policies applicable as to the company as part of Indika Energy Group.

Indika Energy Group requires all its employees to ask for approval prior to conducting transactions and to ensure that transaction record are accurately recorded in the company's accounts, financial statements and documents.



ASSET PROTECTION

All Indika Energy Group assets, whether financial, physical or intellectual property are able to be considered valuable, and may only be used for the business purposes of the relevant company within Indika Energy Group.

These assets must be guaranteed and protected.

Assets Owned by the Company

All employees must be responsible for assets of Indika Energy Group assets when performing their job. We are all responsible for proper maintenance and usage of Indika Energy Group assets.

The assets include building, work equipment, communication facilities, funding, account, computer program, technology, document, using method, data, patent, trade mark, time and other resources or properties of Indika Energy Group.

Employees of Indika Energy Group shall be responsible for maintaining assets of Indika Energy Group, for combating waste, loss, damage, misuse, theft, and violation as well as using assets in a responsible manner.

Assets Owned by Other Persons

Indika Energy Group respects the property rights of other persons, whether in the form of physical assets or intellectual assets. The Company expects that the employees, permanent staff and contract staff, shall not damage or inappropriately use the property rights of other persons, infringe valid patent rights, trade mark or copyright of other persons, disseminate confidential data and information without authority to do so. The Company expects that other parties shall have the same attitude towards all physical and intellectual property rights owned by Indika Energy Group.

RECORD MANAGEMENT

All employees must protect the intellectual property rights of any company within Indika Energy Group and implement preventive measures as required, including but not limited to, procedures for confidential trade data and information as predetermined by any company within Indika Energy Group.

REMEMBER

Indika Energy requires all employees to ask for approval from their superior prior to all transactions to ensure an accurate record of all transactions (including in providing office loan).



CASE & SOLUTION



Aryano is a Manager who is entitled to a company car that uses Pertamax Plus fuel. However, to save money, Aryano uses lowerquality Premuim fuel instead of the recommended fuel. Consequently, the engine breaks down in a short period of time.



Aryano's failure to maintain the Company's asset can be categorized as a violation of Code of Business Conduct. The Company car is a facility granted to support the employee performance and it should be maintained in accordance with the standards and procedures established by the company.



Aryano Manager asked him to destroy a pile of document containing financial accounting record and evidence for the last six months , as many irregularities were found. Aryano declined to do so since it violates the Company regulation.

Is Aryano act right?



Yes! If Aryano destroys such financial document, he violates the Company regulation, namely destroying the Company document. In addition, irregular financial recording can be defined as a careless financial control.

DO

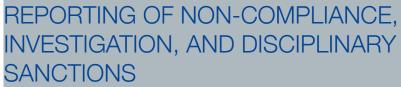
- Use all Company properties carefully and only in the interest of the Company business.
- Record all Company expenditures honestly and meticulously as well as keep all evidence of the aforementioned expenditures.
- Ensure to always obtain approval from the superior for all transactions related to the Company.
- Always be aware that protecting the Company finance and assets is a priority and act that must become a habitual practice.
- Use Company time (working hours) with full responsibility.

DO NOT

- Use company money for personal interest.
- Use assets/properties owned by the company for the interest of other parties except to the knowledge of the Company.
- Conceal, edit, destroy or modify the company data or document except in accordance with existing rules and guidelines.
- Intentionally make false or misleading notes on the report, data or expenditure claim.







and prevented as early as possible.

As a company that upholds compliance with the applicable laws, acts and regulations, Indika Energy Group urges the company management to provide a role model and wise management policies that enable good management business activities and encourages good employee behavior, so that potential irregularities can be identified

In accordance with Good Corporate Governance rules, Indika energy companies require all stakeholders without exception to report on any violations they become aware of. Violation of the provisions set forth in the Employee Handbook: Code of Business Conduct or other laws and policies that regulate the company operations may result in consequences to the individual(s) in question.

Failure to comply with the Code of Business Conduct that involves a criminal act may cause for a lawsuit by the relevant authorities. Employees who violate rules, laws or provisions of any company within Indika Energy Group may be subject to disciplinary sanction including termination of employment relationship.

Indika Energy has established a reporting system for violation or non-compliance. This whistleblowing policy for a reporting of non-compliance is a system that allows parties to confidentially convey data and information on indicated violations in and Indika Energy Group. This system was established in order to prevent conflict and dispute among the involving parties and to seek best solutions to problems that may arise.



This complaint mechanism is very important since violationmay potentially harm the reputation of, and damage public trust in the Indika Energy Group company in question. Complaint received through the whistleblowing mechanism will receive attention and be followed up, and the appropriate legal penalties will be implemented as necessary in order to deter potential perpetrators intending to commit same violation.

Employees of Indika Energy Group who become aware of any indicated violation and decide to a file report may may do so to their immediate superior in accordance with the applicable rules and procedures.

The reporting system of non-compliance enables and requires all stakeholders in Indika Energy Group, including employees, suppliers or the related community members to report violation of Code of Business Conduct within Indika Energy Group. All reports on non-compliant act will be followed-up if the following complaint criteria are met:

- The report explains who, what, when, where, why and how did it happen.
- It is supported by with the evidence (data, document, picture and recording) that supports/clarifies any violation act.
- It is expected that the report includes source of data and information to have a
 deep understanding of the report.



If the aforementioned criteria are met, the reporting party (employee, supplier or any related community member) may send the complaint through Indika Energy website for Whistleblowing or by mail addressed to:

DEWAN ETIK INDIKA ENERGY

PT Indika Energy Tbk.
Graha Mitra 7th Floor
Jl. Gatot Subroto Kav.21
Jakarta - 12930
(Envelope must be marked "Strictly Confidential"))

The Company shall not deem the reporting party as a trouble maker, but rather the witness of an incident. Every input or violation will be professionally followed-up and the confidentiality of the reporting party will be fully guaranteed.

Every reporting party shall be protected from retaliation with respect to the reporting of the Code of Business Conduct violations. within Indika Energy Group.

CASE & SOLUTION



Silva is the owner of a vendor that is in negotiations with Indika Energy. One day, one of the employees named Aryano contacted Silva and asked her to pad out budget proposed to the Company and upon the approval Aryano asked her to transfer the money to his personal account.

Can Aryano action be subject to sanction?



YES! Aryano's action can be categorized as a violation of Code Business Conduct on anti-corruption behavior since he specifically asked the vendor to commit fraud to expedite the business negotiation and he shall be subject to heavy sanction. Silva is expected to make report to the Board of Ethics through the Whistleblowing function on the website or through physical correspondence to its address, along with collaborating evidence to such as the transfer slip, e-mails and other supporting items.

DO

- Always be alert to any potential violation of Code of Business Conduct either by employees by either the employees or any third party.
- In the event of any suspected violation, immediately report to your immediate superior or Board of Ethics (*Dewan Etik*).
- Keep any evidence that supports the report of violation.
- Comply with all regulations set out in the Employee Handbook: Code of Business Conduct

DO NOT

- Say nothing or pay no attention if you become aware of any violation within the company.
- Conceal information related to offenses committed by any employee or third party.
- The benefits of proceeds of corruption and or other frauds committed by any employee or third party.
- Report with the intent of discrediting of defaming a specific individual

STATEMENT OF WILLINGNESS TO ENGAGE IN BEHAVIOR IN ACCORDANCE WITH THE EMPLOYEE HANDBOOK ON CODE OF BUSINESS CONDUCT AND INTEGRITY PACT

I the undersigned:	
(NAME)	
On this day (DAY/DATE)	
Employee Handbo relation to the impl to always keep an	stood, and familiarized with all policies and rules set out in the ok on Code of Business Conduct and hereby undertake, in ementation of the integrity system within Indika Energy Group, d uphold trust, maintain confidentiality and good reputation of ndika Energy Group.
acted in contrary provisions set out i	a later date, it is proved that I have committed violation(s) and to the behavior adopted by the Corporate Value System and in the Employee Handbook on Code of Business Conduct, I ame consequences of my action in accordance with the applicable

Jakarta,

Signature & Full Name

rules.

