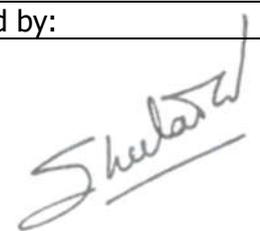


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# CODE OF CONDUCT AND COMPLIANCE PROGRAM CARSURIN

## CARSURIN Quality with Integrity

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## PREFACE

Established in 1968, CARSURIN is a private company specializing in the field of surveying and monitoring services. CARSURIN continues to expand its service coverage according to the demands. Information and our products can be found at our web page at [www.CARSURIN.com](http://www.CARSURIN.com). CARSURIN gives special attention to its clients by providing qualified services with integrity. In the process, its special business culture has encouraged the Company to give its best services.

For this reason, CARSURIN has committed to be part of IFIA International Federation of Inspection and implement a Code of Conduct and Compliance Program that refers to IFIA's Compliance Code. The Code is implemented to all businesses and offices of CARSURIN as a standard that must be applied to all employees and managers in CARSURIN.

The document consists of two parts as follows:

i. CARSURIN's Code of Conducts

References on professional technical and business conduct and ethics on integrity, conflicts of interest, confidentiality, bribery, and fair marketing

ii. CARSURIN's Compliance Program

Provide an explanation on requirements in the Code of Ethics and Conduct in CARSURIN

To ensure the effectiveness of the implementation, we are required to ensure that:

- The implementation of the Code of Conduct and Compliance Program are approved by IFIA.
- Policies and procedures are in accordance with the Code of Conduct
- We did enough training to our staff about the meaning and requirements of the Code of Conduct
- We are monitoring our compliance with the code of conduct.

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- We send the Compliance Program to an independent auditor which subsequently will report its findings to IFIA.

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# I. CARSURIN'S Code of Conduct

## 1. Background

CARSURIN is a private company specializing in the field of surveying and independent monitoring services which give special care to the needs of its clients. We have a proud history in providing services with high integrity. In the process, our special business culture has encouraged us to give our best services.

We want to achieve our goal to further develop our business culture in order to increase market share through client and employee satisfaction at the highest level, which ultimately will increase the company's revenue.

The trust of our clients, colleagues and the communities is very dependent on the reliability of good behavior and commitment of every individual in CARSURIN, therefore, each and every employee must have a behavior that reflects the image of CARSURIN so that we can achieve market success.

We strive in all that is done to achieve a specific and sustainable mission statement. More specifically in taking consideration of our commitment to implement an integrated ISO management system (ISO 9001: 2008, ISO 14001: 2004, 18001: 2006 OSHAS), ISO 17020, ISO 17025 and International Federation of Inspection (IFIA). We have set up a Company Policy regarding values and responsibilities, as the basis for assessing the specific actions and our day-to-day business activities in order to meet the standards provisioned in this Code as a guideline to improve the understanding, support in the implementation of a daily working activities which ultimately help us to become a service provider that is successful in the global market. The Code of Conduct set forth in this document is the minimum standard that applies to all employees and managers at CARSURIN. The Code of Conduct provides a guidance that assists the employees in dealing with legal issues and ethics in their daily working activities, thus increase the integrity and services of CARSURIN.

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All employees are allowed to submit questions or information by contacting the manager or relevant division (such as internal audit, Business Control, HR or others). An anonymous hotline is provided by companies for the employees to provide confidential information and instructions. The Board of Compliance and Chief Compliance Officer ensure that existing regulations continuously adhere. The Compliance Officer provides advice should a discrepancy appears. The Compliance Officer will investigate and handle the occurring cases. If necessary, the Compliance Committee will decide the confectionary of more than one case. The Compliance program is stipulated and enforced.

## 2. Values and Scope

All employees must be reliable in a professional manner and act with personal and professional integrities to achieve their best performance. All employees must uphold the good reputation and image of CARSURIN and refrain from actions that could have a negative impact on the Company or the Group as a whole. Hereinafter referred to as the 'Employee' is permanent and part-time employees, male and female, managers, senior managers and Directors of CARSURIN. This Code of Conduct is binding for all employees of the company, either wholly owned or 51% or more of its ownership is owned by CARSURIN.

No individual is allowed to violate this Code of Conduct, or deviate from this Code of Conduct unless required by law or in a state that is truly acceptable and justified.

## 3. General Compliance

We obey the law and the requirements of law as a basic principle. All employees must comply with legal regulations and other requirements such as accreditation standards apply. The same also applies to internal guidelines, principles, and business rules. We try not to get involved in all the activities that are clearly intended to manipulate the law or other regulations. We are used to obeying the laws, regulations and standards of the country/region where we work, corresponding to the validity limit set in the region unless they conflict with the universal ethics principles. Where possible, we will use our professional and critical skills to be improved and developed. All employees are required to be responsible for the property of the Company.

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#### 4. Confidentiality

The security of our client's personal data and the confidentiality of information are very important and must be ensured at all times; namely before, during and after providing services within the agreed scope. This includes technical data or design, patent registration, strategy, investment, sales and marketing plans, financial forecasts, client database, and others. The confidential information should be protected from access by third parties or other parties that are not related to the information. Employees who have access or control over confidential information or information relating to the ownership, must take appropriate security measures to prevent misuse and disclosure of the confidential and information.

Any attempts by unauthorized individuals to access confidential data is a violation of the code of conduct and should be reported immediately to a manager or officer of data protection or security officers. Regardless of how the information or data are stored in a data storage device, paper, and others), an internal information or personal information management or appraisal or business processes including internal procedures and other regulations, considered as confidential, except determined and publicized by the competent authority.

#### 5. Conflict of interest

Employees must avoid situations that may cause a conflict of personal interest. In the event of any personal conflict cannot be avoided, it should be reported to the manager. And if there are doubts about the conditions that occurred then the employee may request for consideration of his/her superiors.

##### 5.1. Avoiding conflict of personal and business interests.

All employees are required to avoid conflicts between personal and business interests.

With the following rules:

- Offering and contract can only be created and intended for the benefit of business competition and business.
  
- All purchases must be made in accordance with the procurement and purchasing regulations.

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- The financial interests of individuals or personal benefit of the clients, suppliers, contractors or other business partners of CARSURIN are contrary to the Code of Conduct.
- Direct investment in contractors, clients or other companies that will be acquired may create a potential conflict of interest.
- It is not allowed to issue the evaluation results, testing or certification that is contrary to the prevailing rules

### 5.2. Offering and receiving benefits/gifts

The employees must not offer or receive benefits or gifts in carrying out professional duties which may affect the business decisions. Gifts or invitations issued to business partners should be limited and should not be intended or interpreted as affecting business decisions. Restrictions on gifts and invitations are determined in accordance with the common business practice and can be changed in accordance with the prevailing regulations. Some restrictions are described in more details in CARSURIN's Compliance program and other restrictions are defined separately in accordance with the existing principle of predominance.

Gifts and invitations which value are higher than the norm/local customs, or higher than the limit which considered prevalent/general, are not permitted

### 5.3. Corruption

The impartiality and integrity of government officials should not be broken. Thus, officials, government representatives, representatives of regulatory authorities, competent politicians or representatives of other public institutions should not offer gifts or invitations for eating or other activities that could damage their impartiality and integrity.

Invitation for lunch and dinner only allowed within the limits prescribed by law and local customs. The impression of offering or receiving benefits should be avoided. At every service or task being performed, any money or other benefits which promised or paid to the authorities or their representatives are not allowed for themselves or the third parties. This condition does not apply to the payment of fines and fees charged formally. In this case, it should be published.

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Employees are not allowed to offer survey, inspection or certification services without payment or without a guarantee of conclusive results. It is prohibited to do bribery and collusion. Corruption is a criminal offense and will usually lead to legal proceedings.

## 6. Money laundering

All employees at every scope of duties are required to ensure that the product/service of CARSURIN and enterprise and also the process of merger or acquisitions made by the company are not being used for illegal purposes such as money laundering. Before doing a business agreement, employees must gather sufficient information about the transaction purpose and the partnership requested by certain clients. This also applies to information relating to the reputation of the clients or potential partners along with their partner, parent company, and subsidiaries.

Financial benefits, other benefits which are material or non-material obtained without reward (sponsorship) are allowed as long as they follow the guidelines and provisioned within the framework of sponsorship. Resources and the purpose of the sponsorship should be conveyed clearly and known by the Company in overall. In the case of doubt, suggestions and advice can be obtained and consulted with the related parties who appointed by the company (for example, finance/tax division) or the Chief Compliance Officer, anything higher than the limit which considered acceptable are not permitted.

## 7. Compliance with the law of rivalry and justice in the Competition and Marketing

CARSURIN follows the fair and legal principles in achieving its financial and commercial targets. We believe in a free market and socially responsible organization. We do not participate in activities that aim to achieve commercial advantages through illegal or unethical practices.

In particular, it is forbidden to cooperate with the competitors in terms of pricing, or to discuss or agree on the division of territories, customers, or sources of supply.

Moreover, exchanging information with the competitors that could be construed as an agreement on prices, price changes, discounts or pricing components, terms and conditions, costs, capacities, technical developments and investments, circulars and offering contents or common actions undertaken associated with suppliers or customers is not allowed.

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It is also not allowed to give a parallel offer without the intention of doing business, but it is only intended to provide information to competitors or affect the price. We do not make false or misleading statements for promotional purposes.

## 8. Customers orientation and business partners

Customers are the key to our success. Thus, they must be treated fairly and respectfully, and receive professional-standard advice and supports. Customers should be placed in a position where they are able to make decisions based on CARSURIN's services. As much as possible, all of our business partners, suppliers, agents, distribution partners or commissioning agents of services must also bound to this code of conduct.

## 9. Service Transparency

The test results and report data will only reflect the observations and facts. If a matter occurred where the test results and the report can affect the safety and well-being of consumers who use the products and services of our customers. Then, special attention should be given to the set of data, legibility, confidentiality, integrity and availability of our report data.

Results of CARSURIN's tests and reports are always published in a complete and accurate manner in accordance with the latest technical and professional standards. It is prohibited to intentionally give false or misleading information or inputs in the document, results, reports, calculations or descriptions.

All information and work result must be clear, understandable and can be reproduced. Customers have the right to receive the necessary information and a detailed explanation of how the work can be achieved. Processes and expert knowledge that is used in determining the work result must be disclosed upon request.

Opinions of experts should be given the same mark.

## 10. The integrity of information / communication

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All documents, files and reports, regardless of whether they are used for internal and external use, shall be maintained in the right and official way and contain accurate, truthful, trustworthy and valid/official information, particularly applies to balance sheet data or other files that are part of or related to accounting, including invoicing documents.

The official statement to the media representatives and correspondence with the investors or representatives of agencies in the financial markets is an exclusive area that is the responsibility of the Board of Directors or its representative and can only be performed by authorized personnel. Requests from external parties should be forwarded to such authorities. The same thing applies to statement to the government or its authorized representative. All official communications to external parties, in general, will be checked and signed by the person who was not involved in the drafting/formulation (four-eye principle).

### 11. Exceptions and non-association

Since CARSURIN has declared that it adheres to the principles that represent the values of ethics and uphold the standards, thus CARSURIN does not maintain business relations with companies that consciously violate the values of the prevailing principles and standards. Our guidance is the regulations of International Federation of Inspection Agency (IFIA).

This can cause the termination of the business relationship if a company is involved in the payment of bribes and violating the environmental laws. The relevant information should be reported to a designated division or to the compliance office.

At the time when the business agreement is already established and CARSURIN aware of the serious problem which violates the code of conduct, then the problem/information will be reported to the division appointed by the management or to the compliance office. This authority will then decide how to follow-up will be taken. If it has become clear that the behavior of the clients/partners may not change immediately, the business relationship should be terminated. A clause to this effect should be included in the general terms and conditions of the company's operations. It should also ensure that this clause has become an integral part of the contractual business relations.

### 12. Environment Protection

CARSURIN actively involved in environmental protection and emphasizes this commitment in the mission statement, environmental guidelines, and environmental insight. As our readiness to provide services for the benefit of humanity and the environment, CARSURIN encourages

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all employees to consider the consequences of their actions to the people, environment, and society. All employees must aware of the environmental impact of their activities and should avoid or reduce damage to the environment in accordance with their capabilities.

### 13. Charity and sponsorship

Donations from the company, sponsorship, and involvement in charities are only permitted within the framework of applicable laws and CARSURIN's internal guidelines. Organization or project must be regarded as generous and charitable if gives contribution to education, scientific activities, arts organization or cultural or social projects. Donations to political parties are only allowed if approved in writing by the Board of Directors. Acceptance of donations must be requested whenever possible.

### 14. Employees Protection

All employees are protected by the standards relating to health and safety in the workplace. Applicable national law, international conventions and the internal agreements between the Group and the employee's representative bodies. This protection is available to all employees.

### 15. Working environment

Employees who consume drugs that can affect their ability to drive a vehicle or operate equipment safely, however, continue to use vehicles and machines at work can harm himself and others. Alcoholism or drug dependence affects safety in the workplace and reduce performance. CARSURIN provide support in finding counseling or professional services (medical).

### 16. Implementation, Complaint Procedures, and Abuse Report

All employees must respect all the rules and principles contained in this code of conduct and behave in accordance with the regulations. Managers and senior managers are responsible for ensuring that all members of their team are familiar with the code of conduct and discussed regularly. Managers should set an example with regard to the Code of conduct and examples of behavior implemented in the workplace. Implementation of the code of conduct or other internal guidelines is not clear.

If employees find their deviations from the code or heard any mistakes or serious violations, particularly with regard to cases of fraud, corruption, violation of the law on competition,

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mistakes in financial reporting, or other behaviors that can lead to prosecution or in violation of the law in force, they should notify the manager or a designated body including anonymous hotline (see point 1). This information will be treated confidentially and will be used to investigate the case thoroughly and apply for necessary and appropriate corrective action. In serious cases, internal measures can be taken or inform the public prosecution service in order to avoid losses to the company.

All employees, clients, partners and representative bodies have the right to register complaints by one specified person in charge. This person should process complaints and inform the complainant on the corrective measures. A complaint note will be made and statistical data associated with the note of the complaint will be available.

Employees who report an error or violation of the code of conduct will not suffer any harm unless it was proved that he/she has deliberately given the wrong information or with malicious intent.

Apart from the fact that each violation case could damage the reputation of CARSURIN, a violation of the code of conduct can lead to disciplinary or legal action resulting in financial penalties or other sanctions. To ensure the integrity of the appointed ombudsman and to protect the employees, the Board of Directors has been fully waived their rights related to information in this case.

### 17. Closing

This code of conduct applies to CARSURIN. National regulations or special regulations of a region that do not conflict with the rules set forth in this document is allowed and supported. The rights of worker participation committee are not affected. The implementation of this code of conduct will be monitored. Modification of this code of conduct is possible from time to time. Senior managers and managers concerned should ensure that all employees are familiar with the current version of the code of conduct. The code of conduct is part of the general employee training and training and personal development.

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## II. CARSURIN's Compliance Program

This section provides requirements for the implementation of the Code Carsurin in all businesses and business practices.

### 1. IMPLEMENTATION

Carsurin has implemented a compliance program throughout the organization, our Code of Conduct reflects all IFIA Compliance requirements, and have been integrated into the Integrated Management System and other specific management systems.

### 2. COMPLIANCE PROGRAM



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- 2.1. By issuing Carsurin's Code of Conduct and Compliance Program, Carsurin confirms the implementation of IFIA Compliance Code.
- 2.2. Carsurin has sent a copy of this Code of Conduct to the General Director of IFIA for verification against the IFIA Compliance Code.

### 3. COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE

- 3.1. The board of directors has the ultimate responsibility of the Compliance Program; one of the board members will be the Compliance Officer, and he/she is responsible for implementing the compliance program to the entire organization of Carsurin. A deputy may be appointed to assist the Compliance Officer. The appointed deputy should be a Manager or Senior Manager.
- 3.2. Carsurin has established a Compliance Committee to carry out a regular review of the Program progress and make Policy Guidance. The Compliance Committee consists of, at least, a member of the Board of Directors as Chairman of the Committee, Head of Division and Compliance Officer.

### 4. HUMAN RESOURCES

- 4.1. Employee's Recruitment  
Prior to the offer of employment, the Carsurin's Employee Candidates will be informed about the Code of Conduct and the principles presented in section 1 of this document.
- 4.2. Employee's Commitment  
Carsurin will ensure that:
  - Each and every employee will be given a copy of the Code of Conduct and Compliance Program and will be asked to sign a statement that the person has received, read and understood the Code of Conduct and Compliance Program. These notes will be recorded in the employee's file folder.
  - Head of the division or department who reports directly to the board of directors will be required to sign an annual statement (see Attachment IA) which states that

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the Code of Conduct and Compliance Program has been implemented in the area that becomes his/her responsibility.

- Each and every employee will be asked to sign, as the requirements of his/her employment, a confidential agreement to prevent the disclosure of any confidential business information obtained during his/her working period to another party. Employees will not suffer demotion, penalty or other adverse consequences arising from the strict implementation of this program even if it resulted in the loss of business.

#### 4.3. Training

All employees, including Manager, are required to attend the Compliance training. Records regarding the completion of this training will be kept in a file folder of each employee.

#### 4.4. Consultation on the Development of Code of Conduct

All Carsurin's Employees have the opportunity to provide input to the development of codes of conduct at the time of his/her performance appraisal, training sessions or review meetings, or directly to the Compliance Officer.

#### 4.5. Employee's Performance Appraisal

Carsurin ensures that during the performance appraisal process, every employee has the understanding of the Code of Conduct and Compliance Program.

#### 4.6. Employee's "Help Line"

Carsurin established the provisions regarding "Help Line" (telephone line and e-mail address, directly to the Compliance Officer) which enables employees to obtain guidance on any questions or problems relating to the implementation or interpretation of the compliance program. At the request of the employee, the question will be dealt with confidentially and the anonymity of employees would be protected in a fair manner.

### 5. SECURITY MEASURES

Carsurin has implemented security measures in its organization area that contains confidential business information to ensure that (i) access is restricted to authorized personnel only and (ii) documents/data are stored in secured areas and destroyed in a safe manner,

### 6. COMMUNICATIONS TO THE EXTERNAL PARTY

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Carsurin ensures effective external communication:

- Disclose the Code of Conduct by distributing them to the customers and through the company's website: [www.carsurin.com](http://www.carsurin.com)
- Provide an internet based channel on its website ([www.carsurin.com](http://www.carsurin.com)) for inquiries, complaints or feedbacks from relevant parties.

## 7. REPORT ON VIOLATIONS

Carsurin's Employees are encouraged to report details of violations or alleged violations to (a) Carsurin's Compliance Officer or his authorized representative or (b) the supervisor of the employee or member of senior management or the employee's internal auditors who will then inform the Compliance Officer or the Board of Directors. Employees who report such violations should be fully protected against any form of retaliation unless the employee has acted malicious or has bad intentions. If required, the anonymity of employees must be protected in a fair manner. Carsurin's employees are required to report any request for, or offer, payment or improper profit/advantage acknowledged by the employees in the same manner as specified in section 7.1.

## 8. INVESTIGATIONS AND SANCTIONS

- 8.1. Carsurin's Compliance Officer or designated representative will initiate, if necessary, an investigation for violation of the Program which reported to him/her or under his/her consent.
- 8.2. Carsurin determined the documented procedures for the handling of investigations and sanctions that include requirements for:
  - 8.2.1. Administration to the records of all reported violations and subsequent actions.
  - 8.2.2. The perpetrators of the alleged violation have the right to be heard.
  - 8.2.3. The Compliance Committee decided corrective actions and the appropriate disciplinary action to be applied when a violation has been established. Such action may include warning, demotion, suspension or dismissal.
  - 8.2.4. The Compliance Officer receives the progress report from the appointed representative or the management at the location and prepares a periodic summary report to be submitted to the Compliance Committee related to the investigation, violations and implementation of corrective actions and disciplinary measures.

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## 9. EFFECTIVENESS OF PROGRAM IMPLEMENTATION

### 9.1. Management Statement

Carsurin requires the Head of Division and/or Department who reports directly to the Board of Directors on an annual basis across the organization to prepare and sign the Compliance Statement. This compliance statement is received by the Compliance Officer, from all locations and/or activities that apply, which in turn will submit an annual report summary to the Compliance Committee.

### 9.2. Internal audit

Carsurin requires the head of internal audit, as part of the internal audit plan, to verify that the Code of Conduct and regulations that have been implemented in the organization and that the Management Statement, under Section 9.1 (a) have been completed and (b) reflect the compliance with the Code and Regulations and (c) in the case of sites selected for audit, truly reflect the actual situation. The audit should review the course of the process which includes testing, in sampling basis, to ensure the application and implementation of an effective program. The Check List of internal IFIA Compliance audit will be used as a guide or reference as appropriate.

Compliance findings resulting from such audits should be reported to the Compliance Officer who will then submit a summary report to the Compliance Committee. The Compliance Officer and/or Compliance Committee will follow up with actions if necessary.

### 9.3. External Audit

#### 9.3.1. Frequency

The effectiveness of the implementation of this program will be investigated at least once a year by the appointed Independent External Auditor Firm.

#### 9.3.2. Independent External Auditor Firm

The Independent External Auditor Firm which appointed to conduct the audit is as follows:

- (a) The appointed Independent External Auditor Firm is conducting an audit of Carsurin's consolidated financial statements or other external audit firm which trusted to audit Carsurin's compliance program and, in other cases, (ii) is a member of national professional accounting organization

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which recognized or approved by IFIA Council and qualified to perform the Compliance Program verification.

- 9.3.3. The use of complementary External Auditor Firm
- (a) If in one of the countries where Carsurin operates the auditing firm has no office and it is required to use a different external audit firm which conforms with the division or the Audit correspondent company which conducting audit with the same method and approach, Carsurin will report to the General Director of IFIA related to the arrangements which aim to ensure that the audit of the implementation of the program is achieved consistently across all locations. In such cases, the Carsurin's external audit firm will act as a coordinator of other external audit firms, and prepares consolidated underwriting reports.
  - (b) The Auditor may, with the approval of Carsurin, utilizes the services and reports of independent management certification system or accreditation body that have conducted an audit on Carsurin's management system based on international standards. However, the certification and accreditation bodies or their reports will not be used for the financial verification and related aspects, including the requirements of the Anti-bribery and Article 10, without the approval of IFIA's Board.
- 9.3.4. Notification to IFIA on the appointed External Auditor Firm.  
Before appointing the external audit firm(s), or before every proposal on changes, Carsurin will send the details to the General Director of IFIA to conform with IFIA's requirements.
- 9.3.5. Scope of Audit  
To indicate that Carsurin's service is in accordance with IFIA's Compliance Code, then Carsurin requires the external audit firm to:
- (a) Conduct, at least, assurance Audit Procedure in accordance with ISA which adapted for IFIA's Compliance Code:
    - i. Verify whether the current Code of Conduct and Regulation is the same version that was sent to and approved by IFIA.
    - ii. Verifying whether Carsurin have established a compliance program in accordance with the requirements of the code of ethics.
    - iii. Determine the existence of internal management system, processes and control of (a) alleged violation, (b) notes from the Compliance Committee and (c) training on compliance.
    - iv. Reviewing the management consolidated financial statements for:
      - ❖ Donations to political parties

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- ❖ Charitable Donations and Sponsors
- ❖ Intermediary Partners Remuneration
- ❖ Unreasonable expenses related to gifts, entertainments and reimbursement of expenses and verify whether the statements:
  - Reconciliation between the accounting records and supporting documentation has been approved by the Compliance Committee, where applicable.
- v. Verify that all Management Compliance Statement has been accepted and follow-up testing of the system has been done to ensure that all areas of concern or reports have been addressed or acted upon by the Compliance Officer or, where possible, by his/her appointed representatives.
- vi. Area and other audit procedures deemed appropriate by the external audit firm and approved with Carsurin's Service.

- (b) Conduct Assurance Review Procedure, as part of 9.3.5 (a), with sampling audit both from the fields/locations of Carsurin's services as well as from systems and documentation applicable for those locations. The audit sampling should be agreed between the auditor and Carsurin, based on compliance risk assessment and consider Carsurin's Organization and available specificity.
- (c) Maximizing Corporate Internal Audit function of Carsurin or internal Quality Auditor to avoid duplication of work and minimize costs.

### 9.3.6 "Assurance Report" from the External Auditor Firm

- (a) Carsurin requested the External Auditor Firm to issue Assurance Report in accordance with the Assurance Report format, In Attachment B, and can be adjusted in accordance with the reporting format that is considered appropriate by the external audit firm and/or as required by professional standards.
- (b) Carsurin will instruct the external audit firm to send a copy of the Assurance Report to the General Director of IFIA within 6 months from the closing date of Carsurin's fiscal year.

### 9.3.7. Reported Conditions

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Conditions that can be reported (mismatches finding) are the ones detected by the external auditor during the Assurance Review Procedure. It will be reported in Assurance Report regardless of whether Carsurin has taken corrective actions or not. The external audit firm does not have to input minor mismatches which detected in its Assurance Report. This will be communicated separately to the Compliance Officer / Branch Manager of Carsurin for corrective actions within the period determined by the auditor.

- 9.3.8. Follow-up on IFIA Assurance Report
- (a) The General Director of IFIA will input the Assurance Report into the summary of IFIA's Board Report.
  - (b) If the Assurance Report contains conditions that can be reported (mismatches finding), the General Director of IFIA will conduct follow-up, when applicable, on the conformity with the Complaints and Discipline Procedures of IFIA.

## 10. Implementation of Carsurin's Code of Conduct and Rules in its Business Relation

To ensure that Carsurin's Code of Conduct and Rules are applied, if appropriate, in our business relationships with external parties such as intermediaries, business partners, agents and subcontractors, contractors and suppliers, Carsurin will: Implement Carsurin's Code of Conduct and Rules in the business relation

### 10.1. Intermediary partners

Provide a copy of this Code to the Intermediary Partners to ensure that (a) all intermediary partners abide by this Code of Conduct (b) avoid improper payments channeled through Intermediaries and:

- 10.1.1. Conduct a detailed audit before appointing Intermediary Partners, or renew or substantially revise the appointment requirements of Intermediary Partners which appointed prior to the implementation of this Code of Conduct, which will include:
- i. Risk analysis
  - ii. Conduct interviews with Intermediary Partners

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- iii. To confirm, at the time they are appointed or re-appointed, agree that the contract with Carsurin oblige them to fully comply with the Carsurin's Code of Conduct and allow Carsurin to verify periodically.
- iv. An investigation into the Intermediaries background who often dealing with government officials, which will be conducted by independent investigators and the findings of the investigation will be reviewed and approved by Carsurin's Compliance Committee.
- v. Verify that the remuneration paid to the Intermediary Partners was appropriate and justified for the provided legitimate service, and does not facilitate improper payments by the Intermediary, through:
  - (a) Remuneration Analysis. This may include, if necessary, consider:
    - i. Other Remuneration which already given by Carsurin to another Intermediary partner with a similar business.
    - ii. Offers from other prospective Intermediary Partners
    - iii. Local market information about the tariff which paid to the business partners
    - iv. The determination of proposed tariff for the prospective intermediary partner
  - (b) Prior to the appointment of a prospective Intermediary, remuneration analysis review is conducted and approval of Carsurin's Compliance Committee is obtained for Intermediaries. Such actions are required to deal with government officials.

- 10.1.2. Conduct sustainable supervision on the compliance of Intermediary Partners with Carsurin's Code of Conduct and, possible improvements in case of violation, contract termination for serious violations.
- 10.1.3. If appropriate, train and support the Intermediary partners.
- 10.1.4. Records to the fulfillment of the above-mentioned requirements, including a copy of the contract with the Intermediary, maintain consistency with Carsurin's Code of Conduct.
- 10.1.5. Account for the remuneration of intermediary Partners is made separately in the general ledger account in Carsurin's accounting records. Carsurin will consolidate all payments made by any operation within the organization.
- 10.1.6. Prepare the Financial Consolidated Statement of Intermediary Partners per year.
- 10.1.7. Not doing business with Intermediary Partners who is known to be involved in bribery.

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## 10.2. Joint Venture Partners

- 10.2.1. Carsurin will conduct a detailed audit on the prospective joint venture partners as mentioned in section 10.1.1.
- 10.2.2. Carsurin is not doing business with joint Venture Partners who is known to be involved in bribery.
- 10.2.3. Carsurin will oversee the compliance of Joint Venture Partners in accordance with Carsurin's Code of Conduct through supervision on the behavior and, if needed, perform periodic verification.

## 10.3. Agents and subcontractors

- 10.3.1. Carsurin will conduct a detailed audit on the prospective agents and subcontractors as mentioned in section 10.1.1.
- 10.3.2. Carsurin will, if necessary, provide training for Agents and Subcontractors.
- 10.3.3. Carsurin is not doing business with agents and subcontractors who are known to be involved in bribery.
- 10.3.4. Carsurin will oversee the compliance of agents and subcontractors in accordance with Carsurin's Code of Conduct through supervision on the behavior and, if needed, perform periodic verification.

## 10.4. Contractors and Suppliers

- 10.4.1. Carsurin will conduct procurement practices in fair and transparent manners.
- 10.4.2. Carsurin will conduct a detailed examination to evaluate prospective Main contractors and suppliers. Carsurin Compliance Committee will provide a guide to employees in relation to the definition of "Prospective Main Contractors and Suppliers" and the scope of due diligence.
- 10.4.3. Carsurin will share this Code of Conduct to the Main Contractors and Suppliers.
- 10.4.4. Carsurin will avoid dealing with contractors and suppliers who are known to be involved in bribery.

## 11. Complaints and Disciplinary Procedures

- 11.1. Complaints of alleged non-compliance with the Code of Conduct by other IFIA Members will be submitted to IFIA in accordance with IFIA's Complaints and Discipline Procedures. Members shall refrain to submit a complaint to other parties unless necessary to protect the Member's reputation.

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11.2. Violations of this Code of Conduct may result in sanctions by IFIA's Council in accordance with the rules, including the right of appeal, which provisioned in IFIA's Complaints and Discipline Procedures.

## 12. Special Implementation of Carsurin's Code of Conduct

### 12.1. Integrity

12.1.1. Carsurin will provide guidance to employees to deal with customers who expect them to abuse tolerances to obtain acceptable results.

12.1.2. Relating to the business sectors in which Carsurin is active, we will comply with the prevailing Integrity Regulations that apply to certain sectors which issued by IFIA's Committee

### 12.2. Conflict of interest

12.2.1. To avoid conflicts of interest, or the possibility of a conflict of interest, in Carsurin's business transactions and services, we maintain a policy on conflict of interest.

12.2.2. Carsurin policy provides guidelines to employees to avoid conflicts of interest between:

- i. Carsurin and related entities in which we have financial or commercial interests, as well as parties requesting service from us, and
- ii. Company(s) owned by Carsurin and/or related division(s) in different activities but may provide services to the same customer or service from a division with other divisions.

12.2.3. Carsurin's policy provisions, as a minimum requirement, that Carsurin's Employees cannot :

- a. directly or through relatives, friends or intermediaries, acquire an interest from suppliers, customers or competitors of Carsurin, except for acquiring shares of suppliers, customers or competitors on a public stock exchange, and only at a level that does not have a significant impact on the relationships of supplier, customer or competitor and does not make employees too dependent on the investment conditions.
- b. Served at any position in the Company's competitors or customers;
- c. Doing any business with a company owned by family members or by individuals or organizations associated with their family
- d. Employ family members without the consent of Carsurin's Management.

### 12.3. Confidentiality

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12.3.1. Carsurin requires each employee to sign an agreement to not disclose, which prohibits the disclosure of confidential business information which obtained during their work, to other parties.

12.3.2. Carsurin's Partners ensure that all intermediaries, joint venture partners, agents, subcontractors, contractors and suppliers have knowledge regarding the confidential business information that they obtain during their job handling through employment relationship with Carsurin, and that they must not disclose confidential information to other parties.

#### 12.4. Anti-Bribery

##### 12.4.1. Compliance with Laws

a. Carsurin ensures that the Code of Conduct and the rules in this Program are in accordance with the requirements of the IFIA's Compliance Code and prevailing local laws which relevant to countering bribery in all the jurisdictions in which it operates.

b. In terms of local laws stipulate additional or different requirements, which are not covered by our program, Carsurin will modify this program in accordance with the related country. The records will be saved in the country where our program has been modified.

##### 12.4.2. Risk Analysis

Carsurin's Compliance Committee and/or senior executives, or his/her representative, in every country where Carsurin operates, will organize a periodic review to assess the risk of bribery and determine appropriate control:

- i. Before starting the services/new service or starting operations in a new country and
- ii. Every time there is a significant violation towards Carsurin's Code of Code and Regulations that led to reviews on control measures.

##### 12.4.3. Donations to Political Parties

In order to ensure that Carsurin, employees, agent or intermediary will not contribute directly or indirectly to political parties, organizations or individuals engaged in politics, as a way to gain profits in business transactions, Carsurin has implemented the following matters:

- i. Carsurin established policies and criteria related to donations to political parties.

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- ii. Proposals for contributions/donations to politics would be subject to review and approval by the Carsurin's Compliance Committee with the prevailing laws in the countries concerned.
- iii. All contributions/donations to a political party created by Carsurin will be taken into account in the general financial ledger account separately in Carsurin's accounting records. Carsurin will consolidate all payments made by the respective division of such operation as a constituent part of the Organization's financial statements.
- iv. Every year, Carsurin will prepare consolidated financial statements relating to the contributions/donations to political parties including those made on behalf of employees, agents, and intermediaries.

#### 12.4.4. Donations to Charity and sponsorship

To ensure that charitable contributions and sponsorship are not used as an excuse to commit bribery:

- i. Carsurin establishes policies and criteria for charitable donations and sponsorship.
- ii. Carsurin's Compliance Committee will determine an approval level on the value of charitable donations and sponsorship.
- iii. Prior giving approval to any proposed charitable contributions or sponsorships with a value of more than Rp. 10,000,000 (ten million), an audit will be conducted to ensure that:
  - a. Organizations that receive donations or sponsor has clear reputation and objective of public interest as well as the required financial resources and personnel to achieve its objectives. A monitoring will be conducted to ensure that the organization is not used as a "cover-up" for other purposes. Donations to individuals are avoided unless approved and monitored by Carsurin's Compliance Committee.
  - b. Avoid conflicts of interest.
- iv. Sponsorship will be made in the written agreement stating the interest offered by Carsurin: if there are funds offered, the use of these funds will be conveyed in details and there should be opportunities to audit the use of these funds.
- v. Records on all activities associated with charitable donations and sponsorships will be saved and the implementation process is monitored to ensure that it has been used for its intended purpose

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- vi. All charitable contributions and sponsorships made by Carsurin will be taken into account in the general financial ledger account separately in such Carsurin's accounting records. Carsurin will consolidate all payments made by each part of this operation as a constituent of the Organization's financial statements.
- vii. Every year, Carsurin will prepare consolidated financial statements related to charitable donations and sponsorships made by Carsurin on behalf of the organization

#### 12.4.5. Payment facilities

- i. Payment Facilities will be suppressed and only made if it is absolutely necessary.
- ii. Whenever Carsurin gives permission to facilitate payments, such payments will comply with the following requirements:
  - a. No case of doubt rises on Carsurin's right for the actions.
  - b. The requestor of payment facility in performing his/her duties should have clear obligations and has limited powers.
  - c. The payment is simple
  - d. The payment is accountable

#### 12.4.6. Gifts, Entertainment, and Reimbursement of Expenses shall ensure that its acceptance is not:

- a. Affecting, or is deemed to affect contract transaction or material contract or
- b. Serve, or is deemed to serve, as an inducement to violate duties, Carsurin will implement the following matters:
  - i. Carsurin's Compliance Committee will set a limit/guidance on the value of gifts or entertainment or reimbursement of expenses that can be provided without special permission from Carsurin's Compliance Committee.
  - ii. Guidelines will be given to employees regarding the conditions under which
    - (a) gifts, or entertainment or reimbursement of expenses are acceptable
    - (b) gifts can be saved by the employee or must be submitted to Carsurin's management to be destroyed
  - iii. The categorization of the gift, entertainment or reimbursement of expenses in general will be given to employees to comply with the

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code of conduct. Examples of such categorization means that they should:

- Made for the right reason: the gift and entertainment should be given as an act of appreciation or purely for business purposes.
  - No obligation: gifts, entertainment or reimbursement of expenses do not place the recipient under any obligation.
  - No expectations: expectations are not created in the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction.
  - Made openly: if made secretly then the purpose should be suspected.
  - In accordance with stakeholder's perception: If a transaction is known by the stakeholders, the transaction will not be viewed unfavourably by the stakeholders.
  - Reported: Gifts or reimbursement of expenses must be noted and reported to the management.
  - Fair Value: gifts or entertainments should be in small value in accordance with common business practices.
  - Legality: it conforms to the laws of the country where it is made and any other applicable laws;
  - Conforms to the recipient's rules: the gift, entertainment or reimbursement of expenses meet the rules or code of conduct of the receiver.
  - Infrequent: such giving or receiving is not a regular happening between the giver and the recipient.
- iv. All expenses or receipts that are not common, beyond the limits/rules as provisioned in section 12.4.6 (i), relating to gifts, entertainments and reimbursement of expenses, will be reported in separate accounts in the respective financial statements of each divisions in the organization.
- v. Carsurin will prepare an annual consolidated financial statements for such unusual expenses or receipts.

#### 12.4.7. Accounting and book-keeping

Carsurin will perform accurate and fair book-keepings and records in documenting all financial transactions. Records excluding Book-keeping and official notes are banned.

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#### 12.5. Fair Marketing

- 12.5.1. Carsurin will make a guideline to employees, agents and intermediaries to ensure that they understand and comply with the Principles governing fair marketing
- 12.5.2. Presentations and publications made by Carsurin are done accurately and clearly reflecting the network and affiliations, resources/capabilities, experience and services provided by Carsurin.

### Appendix I

#### LOCAL LAWS AND REGULATIONS

COUNTRY	RELATED LAWS
The Republic of Indonesia	<ul style="list-style-type: none"> <li>• THE LAW OF THE REPUBLIC OF INDONESIA NUMBER 30 YEAR 2000 ON TRADE SECRET.</li> <li>• PENAL CODE STATUTE BOOK particularly on ARTICLE 322 AND 323 ON REVELATION OF SECRETS.</li> <li>• THE LAW OF THE REPUBLIC OF INDONESIA NUMBER 8 YEAR 2010 ON PREVENTION AND ERADICATION OF MONEY-LAUNDERING.</li> </ul>

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	<ul style="list-style-type: none"> <li>• THE LAW OF THE REPUBLIC OF INDONESIA NUMBER 5 YEAR 1999 ON BAN ON MONOPOLISTIC AND UNFAIR BUSINESS COMPETITION.</li> <li>• LAW NO. 28 YEAR 1999 ON GOOD GOVERNANCE, FREE FROM CORRUPTION, COLLUSION, AND NEPOTISM.</li> <li>• LAW NO. 31 YEAR 1999 ON CORRUPTION ERADICATION.</li> <li>• LAW NO. 20 YEAR 2001 ON AMENDMENTS TO LAW NUMBER 31 YEAR 1999 ON CORRUPTION ERADICATION.</li> <li>• LAW NO. 30 YEAR 2002 ON CORRUPTION ERADICATION COMMISSION</li> </ul>
The Democratic Republic of Timor Leste	<ul style="list-style-type: none"> <li>• CONSTITUTION OF THE DEMOCRATIC REPUBLIC TIMOR LESTE.</li> <li>• LAW NO. 08 YEAR 2009 ON CORRUPTION ERADICATION COMMISSION.</li> </ul>

Attachment A :

Confidential

### Management's Statement

Carsurin's Compliance Program

Management's Statement for the year ended on ..... 20.....

To : \_\_\_\_\_ (Name of the Compliance Officer or its Appointed Representative)

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<b>Manager's Name</b> : _____	<b>Job Title</b> : _____
<b>Location and or activities included in this statement:</b>	
_____	
_____	

I ..... (Manager's Name) hereby declare that in the implementation of Carsurin's Compliance Program for the year ended on ..... 20..... at each location and/or activities, as mentioned above, which under my responsibility:

1. As far as my knowledge, and staff who report to me, has comply with the Code of Conduct and Regulations;
2. I have verified that the Code of Conduct and Regulations have been distributed to every employee who previously have not received the Code of Conduct and Regulations;
3. I have sent the complete report of all violations or suspected violations toward the code of conduct and regulations, including any requests or offers of payments or benefits that are not right, that I know of
4. I have implemented all corrective actions and disciplinary actions required by the Compliance Committee on the violations of the Code of Conduct.

Located at ..... Date.....

Signature.....

Attachment B :

Confidential

### Employee's Statement

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Carsurin's Compliance Program

Employee's Statement for the year ended on ..... 20.....

To : \_\_\_\_\_ (Name of the Compliance Officer or its Appointed Representative)

<b>Employee's Name</b> : _____	<b>Job Title</b> : _____
<b>Location and or activities included in this statement:</b>	
_____	
_____	

I ..... (Employee's Name) hereby declare that in the implementation of Carsurin's Compliance Program for the year ended on ..... 20..... :

5. I have read, understood, and agreed to abide by the Code and the rules as stipulated in the Carsurin's Compliance Code.
6. I agree to report violations of the Code and Regulations, including any requests or offers of improper payments or benefits, that I may know
7. I agree to be fully and completely implement all corrective and disciplinary actions required by the Compliance Committee in the event of any violation of the Code and Regulations.

Located at ..... Date.....

Signature.....

Attachment C

External Auditor's Assurance Report

"Assurance Report of Carsurin's Compliance Program"

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## 1. Audit Purpose

We conduct a procedural review of the management process and Carsurin Compliance Program report for the year ..... or for the period from ..... to ....., in order to determine if it is in accordance with the requirements of IFIA's Compliance Code dated ..... .. and if it has been properly implemented in Carsurin's Organization.

Carsurin is responsible for the development and maintenance of management processes and internal reporting process of the Compliance Program. Our responsibility is to report the management and reporting processes of the compliance program in accordance with our Procedure Reviews:

## 2. Scope of Audit

The scope of the audit procedure is to:

- i. Verify whether the current Code of Conduct and Regulation is the same version that was sent to and approved by IFIA.
- ii. Verifying whether Carsurin has established a compliance program in accordance with the requirements of the code of ethics.
- iii. Determine the existence of internal management system, processes, and control of (a) alleged violation, (b) notes from the Compliance Committee and (c) training on compliance.
- iv. Review the management Consolidated Financial Statement for:
  - Donations to Political Parties
  - Charitable donations and sponsorship
  - Unusual expenses related to gifts, entertainments and reimbursement of expenses.
  - Remuneration of the Intermediary Partners.

And verify if statements regarding:

- If required, the Compliance Committee has approved the reconciliation between Accounting Records and supporting documents.
- v. Verify that all Management Statements from Senior Managers in all departments/operations is accepted and test the follow-up system used to ensure that all concerns and report has been handled or are being followed up by the Compliance Officer or designated representative.
  - vi. Other areas and audit procedures that we deemed as necessary and approved by Carsurin.

We based our audit primarily on the information from the management or other information provided to us by the management and the company's staffs. We also conduct interviews

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with personnel in charge of the Compliance Program, including Compliance Officers, managers and other related employees both at the group level or other Country. We also conduct tests, through sampling method, on documents related to the Company's policies, management and reporting structure, documents as well as the existing system in ..... (state the visited country).

There is no international standard that is generally applied for this audit except for the existing Assurance Agreement. With the absence of such standard, we based our review approach on the best common practice and to the adjusted international Accounting Federation Code of Ethic standards.

Thus, we plan and conduct our own procedure to obtain sufficient ground to reach a conclusion. However, as we do not conduct audit procedure, we do not provide any audit opinion.

### 3. Audit Result

Based on our review, the following aspects are to be noted and followed up:

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Based on our review procedure, with the exception of the above findings (if any) there are no other concerns which results us to believe that:

- i. The Compliance Program does not comply with the requirement of Carsurin Compliance Code;
- ii. The Compliance Program has not been properly implemented and executed;
- iii. The gathering, analysis and aggregation system on violation of Compliance Program is not functioning as initially designed, and
- iv. The Consolidated Financial Statement of the management related to remuneration of Broker Partners, donations to Political Parties, donations to charities and sponsors, unusual expenses on gifts, hospitalities and financings does not reflect the amount reported by reported affiliates or units.

### 4. Recommendations

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From our work, we have provided the following recommendations to the management where it is agreed that:

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Name of External Audit Firm

Date