



# CODE OF CONDUCT AND COMPLIANCE PROGRAM

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## INTRODUCTION

Established in 1968, CARSURIN is a private company specializing in services to mitigate client risks through testing, inspection and certification (TIC) methods. CARSURIN continues to expand its scope of services in line with the demands of the market. Information and products can be found on the webpage at [www.CARSURIN.com](http://www.CARSURIN.com). CARSURIN pays special attention to its clients by providing quality services with high integrity. In the process, a distinct business culture has emerged that encourages the company to provide the best possible service.

For this reason, CARSURIN has committed to being part of the TIC Council and implement a Code of Conduct and Compliance Program that refers to the TIC Council Compliance Code. This Code of Conduct is implemented in all CARSURIN businesses and offices as the minimum standard that must be applied to all employees and managers at CARSURIN.

This document consists of two parts:

**i. CARSURIN Code of Conduct**

References regarding professional and ethical technical and business conduct concerning integrity, conflicts of interest and data protection, confidentiality of bribery, fair business conduct, health and safety, and fairness for workers.

**ii. CARSURIN Compliance Program**

Provides an explanation of the implementation requirements of the CARSURIN Code of Conduct and Conduct.

To ensure the effectiveness of the implementation, CARSURIN is required to ensure that:

- The implementation of the Code of Conduct and Compliance Program is approved by the TIC Council.
- Policies and procedures comply with the Code of Conduct.
- Sufficient training is conducted for staff regarding the meaning and requirements of the Code of Conduct.
- Supervision of compliance with the Code of Conduct is conducted.



- The Compliance Program is submitted to an independent examiner who will then report the results to the TIC Council.

For further information, please contact the Compliance Officer:

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## CODE OF CONDUCT CARSURIN

### I. FOUNDATION

CARSURIN is a private company specializing in services to mitigate client risks through testing, inspection and certification methods. CARSURIN has a proud history of providing quality services with high integrity. In the process, a distinct business culture has emerged that encourages the company to provide the best possible service.

CARSURIN aims to achieve its goals to further develop its business culture and to increase market share by achieving the highest levels of customer and employee satisfaction, which will ultimately lead to increased company revenue.

The trust of customers, colleagues, and the public depends on the reliability of good conduct and the commitment of every individual at CARSURIN. Therefore, every employee is required to behave in a way that reflects the image of CARSURIN, and in this way, CARSURIN can achieve success in the market.

CARSURIN strives in everything it does to achieve a specific and sustainable mission statement. More specifically, CARSURIN takes into account its commitment to implementing an Integrated ISO management system (ISO 9001, ISO 14001, ISO 45001), ISO 17020, ISO 17025, ISO 17065, ISO 27001, ISO 37001, and the TIC (Testing, Inspection and Certification) Council.

CARSURIN has established a Corporate Policy regarding values and responsibilities as a basis for assessing specific actions and daily business activities to meet these standards. This Code of Conduct is a guideline to enhance understanding, support the implementation of daily work, and ultimately help CARSURIN become a successful service provider in the global market. The Code of Conduct set out in this document is the minimum standard that applies to all CARSURIN employees and managers. This Code of Conduct can provide guidance to help employees deal with legal and ethical issues in their daily work, thereby improving and maintaining trust in CARSURIN's integrity and services.



For the purpose of this Code of Conduct, PT CARSURIN Tbk and each affiliated entity, whether fully owned or 51% or more of its ownership is owned by PT CARSURIN Tbk, will hereinafter be referred to as “CARSURIN” or the “Company”, either individually or as a whole.

All employees are allowed to submit questions or information by contacting the relevant manager or department (such as: Internal Audit, Business Control, HR, or others). An anonymous hotline is provided by the company that allows employees to provide information and guidance confidentially. The Compliance Board and Compliance Officer ensure that existing regulations are always adhered to. The Compliance Officer provides advice if a non-conformance arises. The Compliance Officer will investigate and handle cases. The Compliance Committee will decide on the further handling of a case, if necessary. The Compliance Program is established and enforced.

## **II. VALUE AND SCOPE**

All employees must be professionally reliable and act with personal and professional integrity to achieve their best. All employees must uphold CARSURIN's excellent reputation and image and refrain from actions that could negatively impact the company.

'Employees' refers to permanent and part-time employees, male and female, managers, senior managers, and the Board of Directors of CARSURIN. This Code of Conduct is binding on all employees of the company.

No individual is allowed to not comply with the Code of Conduct or act in deviation from this Code of Conduct, unless required by law or in a truly acceptable and justifiable circumstance.

## **III. GENERAL COMPLIANCE**

CARSURIN adheres to laws and legal requirements as a basic principle. All employees must comply with and implement legal regulations and other requirements, such as applicable accreditation standards. The same applies to internal guidelines, principles, and business regulations. CARSURIN must not engage in any activities that are clearly intended to manipulate legal or other regulations. CARSURIN is accustomed to complying with the laws, regulations, and standards of the countries/regions in which it operates, in accordance with the limits of reasonableness set in those regions, unless it conflicts with universal ethical principles. Whenever





possible, CARSURIN will use its professional and critical skills to improve and develop them. All employees are required to treat company property and assets responsibly.

#### **IV. CONFIDENTIALITY**

The security of customer personal data and confidentiality of information is very important and must be ensured at all times; before, during, and after providing services within the agreed scope. This includes technical or design data, patent registration, strategy, investment, sales and marketing plans, financial forecasts, customer databases, etc. Confidential information must be protected from access by third parties or other parties unrelated to the information. Employees who have access to or control over confidential information or information regarding ownership must take appropriate security measures to prevent misuse and disclosure of such confidential information.

Any attempt by an unauthorized individual to access confidential data constitutes a violation of the Code of Conduct and must be immediately reported to the manager or data protection officer or security officer.

Regardless of how the information or data is stored on data storage devices, paper, etc., internal or personal information, management information or employee assessments or business processes, including internal procedures and other regulations, are considered confidential, except as determined or published by the authorized body.

#### **V. CONFLICT OF INTEREST AND DATA PROTECTION**

Employees must avoid situations that could lead to conflicts with personal interests and data protection. If there is an unavoidable personal conflict and data protection issue, it must be reported to the manager. And if there are still doubts about the conditions that occur, then they can ask for consideration from their superiors.

##### **i. Avoiding Conflicts of Interest and Data Protection**

All employees are required to avoid conflicts between personal and business interests with regulations and to protect data as follows:

- Offers and contracts can only be made and intended for the business interests of the company.



- All purchases must be made in accordance with the established procurement and purchasing regulations.
- Individual financial interests or personal gain from customers, suppliers, contractors, or other business partners conflict with the CARSURIN Code of Conduct.
- Direct investment in contractors, customers, or other companies to be acquired can create potential conflicts of interest.
- It is not permitted to issue evaluation, test, or certification results that conflict with applicable regulations.

CARSURIN has identified potential sources of disaster, especially those related to data protection, with a good plan, namely as follows:

Device to be Saved	Potential Source of Disaster & Priority					Priority
	<i>Electronic Security</i>	<i>Pandemic Diseases</i>	<i>Fire</i>	<i>Power Outage</i>	<i>Physical Security (Flood Storm Sabotage)</i>	
<i>Servers</i>	V	V	V	V	V	1
<i>IT &amp; Telephone Equipment</i>			V	V	V	2
<i>Media / Software</i>			V		V	3

To support data readiness, information on plans for preparatory steps to deal with potential sources of disaster is provided to all employees.

- ii. Offering and Receiving Benefits/Gifts  
 Employees may not offer or accept benefits or gifts in carrying out professional duties that could influence business decisions. Gifts or invitations issued to business partners must be limited and may not be intended or interpreted to influence business decisions. Restrictions on gifts and invitations are determined according to general business practices and may change according to existing regulations. Some restrictions are described in more detail in



the CARSURIN Compliance program, and other restrictions are defined separately according to the prevailing customary principles.

Gifts and invitations with a value higher than local customs/habits, or higher than the limit considered customary/common, are not permitted.

iii. **Corruption**

The impartiality and integrity of government officials must not be undermined. Therefore, officials, government representatives, representatives of regulatory officials, authorized politicians, or representatives of other public institutions may not be offered gifts or invitations to meals or other activities that could damage their impartiality and integrity.

Lunch and dinner invitations are only permitted within the limits set by local law and custom. The impression of offering or accepting benefits must be avoided. In any service work or tasks carried out, no money or other benefits for themselves or third parties may be promised or paid to the authorized party or its representatives. This condition does not apply to the payment of fines and fees that are officially imposed; this must be done.

Employees are not allowed to offer testing, inspection or certification services without payment or without a guarantee of definite results. Bribery and collusion are prohibited. Corruption is a crime and will usually lead to legal proceedings.

**VI. MONEY LAUNDERING**

All employees in every scope of their duties are required to ensure that CARSURIN's service products and the company, as well as mergers or acquisitions carried out by the company, are not used for illegal purposes such as money laundering. Before entering into a business agreement, employees must gather sufficient information about the purpose of the transaction and partnership requested by a particular customer. This also applies to information relating to the reputation of potential customers or partners along with their partners, parent company, and subsidiaries.



Financial benefits, other material or non-material benefits obtained without compensation (sponsorship) may be permitted as long as they follow and are regulated within the framework of the sponsorship guidelines. The resources and objectives of this sponsorship must be clearly conveyed and known to the Company as a whole. If in doubt, suggestions and advice can be asked and consulted with the relevant parties appointed by the company (for example, the finance/tax division) or the Compliance Officer.

## **VII. COMPLIANCE WITH COMPETITION LAW AND FAIRNESS IN COMPETITION AND MARKETING**

CARSURIN adheres to the principle of achieving financial and commercial targets through fair and legal means. We believe in a free and socially responsible organization. We do not participate in activities aimed at achieving commercial gains through illegal or unethical practices.

Specifically, it is prohibited to cooperate with competitors in price fixing, or to discuss or agree on the division of territories, customers, or sources of supply.

Furthermore, the exchange of information with competitors that could be interpreted as an agreement regarding prices, price changes, discounts or price components, terms and conditions, costs, capacities, technical developments and investments, circulation and content of offers, or general actions taken in relation to suppliers or customers is not permitted.

It is not permitted to submit a parallel offer without the intention to conduct business, but only intended to provide information to competitors or influence prices. We do not make untrue or misleading statements for promotional purposes.

10 Principles of Fair Business Ethics at CARSURIN:

1. Opportunity for Loss Producers
2. Transparency & Accountability
3. Fair Trade Practices
4. Fair Payment
5. No Child Labor, No Forced Labor
6. No Discrimination, Gender Equality, Freedom of Association



7. Good Working Conditions
8. Capacity Building
9. Promote Fair Trade
10. Respect the Environment

#### **VIII. CUSTOMER AND BUSINESS PARTNER ORIENTATION**

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

#### **IX. TRANSPARENCY IN SERVICE**

The results of our tests and report data must reflect observations and facts. If the test results and report data can affect the safety and well-being of consumers who use the products and services of our customers, special attention must be paid to the data set, readability, confidentiality, integrity, and availability of our report data.

CARSURIN test results and reports are always published completely and accurately in accordance with the latest professional and technical standards. It is prohibited to deliberately provide false or misleading information in documents, results, reports, calculations, or explanations.

All information and work results must be clear, understandable, and reproducible. Customers have the right to receive the necessary information and detailed explanations about how the work results were achieved. The processes and expert knowledge used in determining the work results must be disclosed upon request. Expert opinions must be marked as such.



## **X. INFORMATION/COMMUNICATION INTEGRITY**

All documents, files, and reports, regardless of whether they are used for internal or external use, must be maintained correctly and formally and contain accurate, correct, reliable, and valid information. This applies in particular to balance sheet data or other files that are part of or related to accounting, including invoice documents.

Official statements to media representatives and correspondence with investors or representatives of bodies in the financial markets are the exclusive domain of the Board of Directors or designated representatives and may only be made by authorized employees. Requests from external parties must be forwarded to the authorized persons. The same applies to statements to the government or its official representatives. All official communications to external parties will generally be checked and signed by a person not involved in the drafting (four-eye principle).

## **XI. EXCEPTIONS AND NON-ASSOCIATION**

Since CARSURIN has declared itself to adhere to a principle that represents ethical values and upholds standards, CARSURIN does not maintain business relationships with companies that deliberately violate the values of the established principles and standards. Our guiding principle is the TIC (Testing, Inspection, and Certification) Council Rules. This can lead to the termination of business relations if a company is known to be involved in bribery and violating environmental laws. Relevant information must be reported to the designated section or to the Compliance Officer.

If a business agreement has already been established and CARSURIN subsequently becomes aware of serious problems related to non-compliance with the code of ethics, the problem/information will be reported to the section designated by management or to the compliance officer. This authority will then decide on the follow-up to be taken. If it has become clear that the customer's/partner's behavior is unlikely to change immediately, then the business relationship must be terminated. A clause to this effect must be included in the company's general terms and conditions of operation. It must also be ensured that this clause also becomes an integral part of the contractual business relationship.



## **XII. ENVIRONMENTAL PROTECTION**

CARSURIN is actively involved in environmental protection and emphasizes this commitment in its mission statement, environmental guidelines, and environmental insights. CARSURIN encourages all employees to consider the consequences of their actions for humans, the environment, and society, as we provide services for the benefit of humanity and the environment. All employees must be aware of the environmental impact of their activities and must avoid or reduce environmental damage to the best of their ability.

## **XIII. CHARITABLE ACTIVITIES AND SPONSORSHIP**

Company donations, sponsorships, and involvement in charitable activities are permitted only within the framework of applicable law and CARSURIN's internal guidelines. Organizations or projects must be considered philanthropic and charitable when making donations related to education, scientific activities, arts or cultural organizations, or for social projects. Donations to political parties are permitted only with the written approval of the Board of Directors. Acceptance of donations should be requested whenever possible.

## **XIV. EMPLOYEE PROTECTION**

All employees are protected by standards relating to health and safety at work. National law, international conventions, and internal group agreements with employee representative bodies apply. This protection is available to all employees.

## **XV. OCCUPATIONAL HEALTH AND SAFETY**

Employees who consume drugs that can affect their ability to drive vehicles or operate equipment safely, but nevertheless continue to use vehicles and machinery at work, can endanger themselves and others. Alcoholism or drug addiction affects safety at work and reduces performance. CARSURIN provides support in seeking counseling or (medical) professional services. CARSURIN is committed to proactively promoting and communicating to provide safe & healthy working conditions for the prevention of occupational injuries & illnesses by eliminating hazards/impacts and reducing occupational health and safety risks.



## **XVI. IMPLEMENTATION, COMPLAINT PROCEDURES, AND REPORTING OF VIOLATIONS**

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 this Code of Conduct and that it is discussed regularly. Managers must set an example with regard to the Code of Conduct and the example of behavior implemented in their work area. The implementation of the Code of Conduct or other internal guidelines is unclear.

If employees find any deviation from this Code of Conduct or hear of any serious errors or violations, especially relating to cases of fraud, corruption, violation of laws on business competition, financial reporting errors, or other conduct that could lead to prosecution or which constitutes a violation of applicable law, they must notify their manager or the designated body, including the anonymous hotline (see point 1). This information will be treated confidentially and will be used to thoroughly investigate the case and implement the necessary and appropriate corrective actions. In serious cases, internal steps can be taken or the public prosecution service can be informed to avoid damage to the company.

All employees, customers, partners, and representative bodies have the right to file a complaint through one of the designated responsible persons. This responsible person must process the complaint and inform the reporter about the corrective measures to be taken. A record of the complaint is made and statistical data related to the complaint record is made available. Employees who report errors or violations of the Code of Conduct will not suffer any harm unless it is proven that they deliberately provided false information or with malicious intent.

Despite the fact that each case of violation can damage CARSURIN's reputation, a violation of the Code of Conduct can lead to disciplinary action or legal action resulting in financial or other sanctions. To ensure the integrity of the appointed ombudsman and to protect employees, the Board of Directors has fully relinquished its rights regarding information in this case.

## **XVII. IMPLEMENTATION OF SUPPORTING REGULATIONS**

With regard to the points of the CARSURIN Code of Conduct as attached above, every CARSURIN employee always carries out their duties and responsibilities in dealing with other parties in





accordance with the company's internal regulations and applicable laws and regulations. For this reason, CARSURIN also encloses regulations relating to the application or implementation of certain parts of this Code of Conduct. These regulations will also address questions regarding interpretation and procedures applicable within CARSURIN. Furthermore, regarding the laws and regulations as referred to above, they will be attached in Appendix I.

#### **XVIII. CLOSING**

This Code of Conduct applies to CARSURIN. National regulations or specific regulations of a region that do not conflict with the regulations set out in this document are permitted and supported. The rights of the employee participation committee are not affected. The implementation process of this Code of Conduct will be monitored. Modification of this Code of Conduct is possible from time to time. The relevant senior managers and managers must ensure that all employees are familiar with the latest version of the Code of Conduct. The Code of Conduct is part of general employee training and personal training and development.



## CARSURIN COMPLIANCE PROGRAM

This section provides the implementation requirements of the CARSURIN Code of Conduct across all business operations.

### **I. IMPLEMENTATION**

CARSURIN has implemented a Compliance Program throughout its organization. Our Code of Conduct reflects all requirements of the TIC Council Compliance and is integrated into the Integrated Management System and other specific management systems.

### **II. COMPLIANCE PROGRAM**

- 2.1. By publishing the Code of Conduct and the CARSURIN Compliance Program, CARSURIN declares its commitment to implementing the TIC Council Compliance Code.
- 2.2. CARSURIN has submitted a copy of this Code of Conduct to the Director General of the TIC Council for verification against the TIC Council Compliance Code.

### **III. COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE**

- 3.1. The Board of Directors has ultimate responsibility for the Compliance Program. One member of the Board will be the Compliance Officer and is responsible for implementing the Compliance Program throughout the CARSURIN organization. A deputy may be appointed to assist the Compliance Officer in their duties. The appointed deputy must be a Manager or Senior Manager.
- 3.2. CARSURIN has established a Compliance Committee to conduct periodic reviews of program progress and establish Policy Guidelines. The Compliance Committee must consist of at least one Board Director as Committee Chair, the Division Head, and the Compliance Officer.



## IV. HUMAN RESOURCES

### 4.1. Employee Recruitment

Before a job offer is made, potential CARSURIN employees must be informed of the Code of Conduct and the principles conveyed in Section 1 of this document. CARSURIN employees must be at least 18 years old or the minimum legal working age in the country of operation.

### 4.2. Employee Commitment

CARSURIN will ensure that:

- Every employee will be given a copy of the Code of Conduct and Compliance Program and will be required to sign a statement that they have received, read, understood, and are ready to implement compliance with the CARSURIN Code of Conduct as per Appendix A. This record will be kept in the employee's file folder.
- Division heads and/or departments reporting directly to the Board of Directors will be required to sign the statement in Appendix A, stating that the Code of Conduct and Compliance Program have been implemented in their areas of responsibility.
- Every employee will be required to sign, as a condition of employment, a confidentiality agreement to prevent disclosure to any other party of any confidential business information obtained during employment.
- Employees will not experience demotion, penalties, or other adverse consequences resulting from the strict implementation of this program, even if it results in business losses.

### 4.3. Training

All employees, including Managers, are required to attend compliance training. Records of completion of this training will be kept in each employee's folder file.



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

All CARSURIN employees have the opportunity to provide input on the development of the Code of Conduct during their performance appraisals, training sessions or review meetings, or directly to the Compliance Officer.

#### 4.5. Employee Performance Appraisal

CARSURIN ensures that during the employee performance appraisal process, each employee has an understanding of the Code of Conduct and the Compliance Program.

#### 4.6. Employee "Helpline"

CARSURIN makes provisions for a "Helpline" (telephone/e-mail directly to the Compliance Officer) where employees can obtain guidance on any questions or issues relating to the implementation or interpretation of the Compliance Program. At the employee's request, such inquiries will be handled confidentially, and the employee's anonymity will be protected to the extent reasonably practicable.

#### 4.7. Human Rights

CARSURIN is committed to upholding the Human Rights of workers based on the constitution and applicable laws and regulations, as well as the International Labor Organization (ILO). We respect, protect, and strive to fulfill human rights in all our operations, supply chains, and community engagements. This includes, but is not limited to the prohibition of discrimination, forced labor, child labor, and hazardous working conditions, while promoting diversity and inclusion. We prioritize the welfare, safety, and fair treatment of employees, ensuring equal opportunities, fair wages, and guaranteeing freedom of association such as forming, joining, and managing organizations of their choice following applicable laws and regulations. We conduct routine human rights assessments, implement remediation plans, and engage with stakeholders to address potential and actual impacts. CARSURIN also encourages the participation of women and people with disabilities in the workforce, including but not limited to self-development, mentoring, and funding. Various follow-up actions are taken to reduce ethnic, gender, and religious gaps, as well as other forms of discrimination regulated by international law. Various follow-up



actions are also taken to encourage the inclusion of minorities/vulnerable groups in the workplace, such as retirees, ethnic minorities, and people over 50. CARSURIN will not impose physical or mental sanctions, including those that are coercive and potentially violate human rights. Additionally, CARSURIN supports the roles of parents/caregivers, such as granting leave permits for parents or caregivers of minors or elderly family members in need.

## **V. SECURITY MEASURES**

CARSURIN has implemented security measures within its organizational areas containing confidential business information to ensure that (i) access is restricted to authorized personnel only, and (ii) documents/data are stored in designated secure areas and destroyed in a secure manner.

## **VI. COMMUNICATION TO EXTERNAL PARTIES**

CARSURIN ensures effective external communication by:

- Communicating the Code of Conduct openly by distributing it to customers and through the webpage [www.CARSURIN.com](http://www.CARSURIN.com).
- Providing an internet-based collection point on the webpage [www.CARSURIN.com](http://www.CARSURIN.com) to receive questions, complaints, or feedback from stakeholders.

## **VII. REPORTING VIOLATIONS**

CARSURIN employees are encouraged to report details of violations or suspected violations to (a) the CARSURIN Compliance Officer or designated deputy, or (b) the employee's supervisor or a member of senior management or the employee's internal auditor, who will then inform the Compliance Officer or Board of Directors.

Reporting employees must be fully protected against any form of retaliation unless the employee acts maliciously or in bad faith. If requested, the employee's anonymity must be protected to the extent reasonably practicable.

CARSURIN employees are required to report any solicitations for, or offers of, improper payments or benefits that come to their attention in the same manner as set out in section 7.1.



## **VIII. INVESTIGATION AND SANCTIONS**

- 8.1. The CARSURIN Compliance Officer or designated deputy will initiate, if necessary, an investigation into program violations reported to or known by them.
- 8.2. CARSURIN establishes documented procedures for handling investigations and sanctions, which include requirements for:
  - 8.2.1. Maintaining records of all reported violations and subsequent actions taken.
  - 8.2.2. Ensuring alleged violators comply with and participate in investigations and have the right to be heard.
  - 8.2.3. Empowering the Compliance Committee to decide on appropriate remedial and disciplinary actions to be implemented upon the determination of a violation. Such actions may include reprimands, demotions, suspensions, or dismissals.
  - 8.2.4. Requiring the Compliance Officer to receive progress reports from the designated deputy and/or from management at the location concerned and prepare periodic summary reports for the Compliance Committee regarding the investigation of violations that have occurred and the implementation of corrective and disciplinary actions.

## **IX. EFFECTIVENESS OF PROGRAM IMPLEMENTATION**

### **9.1. Management Statement**

CARSURIN requires Division Heads and/or Departments reporting directly to the Board of Directors throughout the organization to annually prepare and sign a Compliance Statement. This Compliance Statement is received by the Compliance Officer from all locations and/or activities implementing, who will then submit a summary annual report to the Compliance Committee.

### **9.2. Internal Audit**

CARSURIN requires its Head of Internal Audit, as part of the internal audit plan, to verify that the Code of Conduct and Regulations have been implemented within the organization and that the Management Statement, as per section 9.1 (a), has been completed and (b) reflects compliance with the Code of Conduct and Regulations and (c) in terms of the locations selected for audit, has actually reflected the actual situation. The audit must review the course of the process and include testing, on a sampling basis, to ensure effective application



and implementation of the program. The internal TIC Council Compliance Audit checklist will be used as a guide or reference as appropriate.

Compliance findings resulting from the audit must be reported to the Compliance Officer, who will then submit a summary report to the Compliance Committee. The Compliance Officer will take follow-up action as necessary.

### 9.3. External Examination

#### 9.3.1. Frequency

An assessment of the effectiveness of the implementation of this program will be conducted at least once a year by an appointed independent External Auditor Office.

#### 9.3.2. Independent External Auditor Office

The independent External Auditor Office appointed to carry out the examination is as follows:

- (a). The appointed independent External Auditor Office (i) is the one that audits CARSURIN's consolidated financial statements or another trusted external audit firm to audit the CARSURIN Compliance Program and, in other cases, (ii) is a member of a recognized national professional accounting organization or one approved by the TIC Council Board that has qualified to perform Compliance Program verification.

#### 9.3.3. Use of Complementary External Auditor Offices

- (a). If in any country where CARSURIN operates, the audit firm does not have an office and it is necessary to use a different external audit firm that corresponds with the section or correspondent firm of the Audit that conducts audit with the same approach and methods, CARSURIN will report to the Director General of the TIC Council regarding the arrangements made to ensure that the examination of the program implementation is achieved consistently across all locations. In such cases, CARSURIN's external audit firm



will act as the coordinator of the other external audit firms and prepare a Consolidated Audit Report.

- (b). The External Auditor Office may, with the approval of CARSURIN, utilize the services and reports of independent management system certification or accreditation bodies that have audited CARSURIN's management system based on international standards. However, such certification and accreditation bodies or their reports will not be used for financial verification and related aspects, including Anti-bribery requirements and Article 10, without the prior approval of the TIC Council Board.

#### 9.3.4. Notification to TIC Council Regarding Selected External Auditor Offices

Before appointing an external audit firm, or any proposed changes, CARSURIN will submit details to the Director General of the TIC Council to obtain confirmation of compliance with TIC Council requirements.

#### 9.3.5. Scope of Examination

To demonstrate that CARSURIN's services comply with the TIC Council Compliance Code, CARSURIN requires an external audit firm to:

- (a) Conduct, at a minimum, the ISA Assurance Examination Procedures adapted for the TIC Council Compliance Code:
- i. Verify that the current CARSURIN Code of Conduct and Compliance Program remain the same as those submitted to and approved by the TIC Council.
  - ii. Verify that CARSURIN has established a Compliance Program that is integrated with the requirements of the Code of Conduct.
  - iii. Observe the presence of internal management systems, processes, and controls in terms of (a) alleged violations, (b) Compliance Committee records, and (c) compliance training.
  - iv. Review management's consolidated financial statements as follows:
    - Contributions to political parties
    - Charitable donations and sponsorships





- Intermediary partner remuneration
  - Unreasonable expenses related to gifts, hospitality, and expenditures/costs
  - Verify whether the reconciliation statement between accounting records and supporting documentation has been approved by the Compliance Committee, where possible.
- v. Verify that all Management Compliance Statements have been received and conduct tests on the follow-up system used to ensure that all matters of concern or reports have been addressed or followed up by the Compliance Officer, or where possible, by their designated deputy.
- vi. Audit other areas and procedures deemed appropriate by the External Audit Office and agreed upon with CARSURIN Services.
- (b) Conduct Audit Review Procedures, as part of 9.3.5 (a), with audit sampling from both CARSURIN's service fields/locations and the systems and documentation applicable to those locations.
- (c) Ensure audit sampling is agreed upon between the auditor and CARSURIN based on a compliance risk assessment and considering CARSURIN's organization and existing specificities.
- (d) Maximize the function of CARSURIN's Corporate Internal Audit or Internal Quality Auditor to avoid duplication of work and minimize costs.
- 9.3.6. "Audit Report" from the External Auditor Office
- (a) CARSURIN requests the External Auditor Office to issue an Audit Report following the Audit Report format in Appendix B, which can be adapted to the reporting format deemed 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 Audit Report to the Director General of the TIC Council within 6 months from the closing date of CARSURIN's fiscal year.



#### 9.3.7. Reportable Conditions

Reportable conditions (findings of non-compliance) detected by the external auditor during the Audit Review Procedures will be reported in the Audit Report regardless of whether CARSURIN has taken corrective action or not. The external audit office does not have to include minor non-conformities detected in its Audit Report. These will be communicated separately to the CARSURIN Compliance Officer/Branch Manager for corrective action within a timeframe determined by the auditor.

#### 9.3.8. TIC Council Follow-up to the Audit Report

- (a) The Director General of the TIC Council will follow up on the Audit Report received into the summary TIC Council Board Report.
- (b) If the Audit Report contains reportable conditions (findings of non-compliance), the Director General of the TIC Council will follow up, where applicable, on compliance with the TIC Council Complaints and Disciplinary Procedures.

### **X. IMPLEMENTATION OF THE CODE OF CONDUCT AND CARSURIN RULES RELATIONS**

To ensure that the Code of Conduct and CARSURIN Rules are implemented, as appropriate, in our business relations with parties outside the organization such as intermediaries, business partners, agents and subcontractors, contractors, and suppliers, CARSURIN will implement the application of the Code of Conduct and CARSURIN Rules in Business Relations.

#### 10.1. Intermediary Partners

CARSURIN provides a copy of this Code of Conduct to intermediary partners to ensure (a) each intermediary partner complies with this Code of Conduct (b) avoids any improper payments channeled through intermediaries, and:

- 10.1.1. Conducts a detailed review before appointing an intermediary partner, or renewing, or substantially revising the terms of appointment of an intermediary partner appointed prior to the effective date of this Code of Conduct, which will include:



- i. Risk analysis
  - ii. Conducting interviews with prospective intermediary partners
  - iii. Obtaining confirmation, upon appointment or reappointment, of agreement that the contract with CARSURIN requires them to fully comply with the CARSURIN Code of Conduct and allows CARSURIN to conduct periodic verification.
  - iv. An investigation into the background of intermediaries who frequently deal with government officials, which will be carried out by an independent investigator and the findings of the investigation will be reviewed and approved by the CARSURIN Compliance Committee.
  - v. Verifies that the remuneration paid to intermediary partners is appropriate and justified for the legitimate services provided, and does not facilitate improper payments by intermediaries, through:
    - (a). Remuneration analysis. This may include, if necessary, considering:
      - i. Other remuneration already given by CARSURIN to other intermediary partners with similar businesses
      - ii. Offers from other prospective intermediary partners
      - iii. Local market information regarding rates paid to business partners
      - iv. Determination of the proposed rate for prospective intermediary partners
    - (b). Before the appointment of a prospective intermediary, a remuneration analysis review is conducted and approval is given by the CARSURIN Compliance Committee for intermediaries required to deal with government officials.
- 10.1.2. Continuous supervision of the intermediary partner's compliance with the CARSURIN Code of Conduct and, in the event of a violation, making the necessary corrections. For serious violations, contract termination. If appropriate, provide training and support to intermediary partners.



- 10.1.3. Records of the fulfillment of the requirements mentioned above, including copies of contracts with intermediaries, consistency with the CARSURIN Code of Conduct are maintained.
- 10.1.4. Accounts for intermediary partner remuneration are created separately in the general ledger accounts in CARSURIN's accounting records. CARSURIN will consolidate all payments made by any operation within the organization.
- 10.1.5. Does not do business with intermediary partners known to be involved in bribery.

## 10.2. Joint Venture Partners

- 10.2.1. CARSURIN will conduct a detailed review of prospective joint venture partners, as in section 10.1.1.
- 10.2.2. CARSURIN does not do business with joint venture partners known to be involved in bribery and/or against the standard of CARSURIN core values.
- 10.2.3. CARSURIN will monitor the compliance of joint venture partners with the CARSURIN Code of Conduct through behavioral supervision, and if necessary, conduct periodic verification.

## 10.3. Agents and Subcontractors

- 10.3.1. CARSURIN will conduct a detailed review of prospective agents and subcontractors, as in section 10.1.1.
- 10.3.2. CARSURIN will, if necessary, provide training for agents and subcontractors.
- 10.3.3. CARSURIN does not do business with agents and subcontractors known to be involved in bribery and/or against the standard of CARSURIN core values.
- 10.3.4. CARSURIN will monitor the compliance of agents and subcontractors with the CARSURIN Code of Conduct through behavioral supervision, and if necessary, conduct periodic verification.



#### 10.4. Contractors and Suppliers

- 10.4.1. CARSURIN will carry out procurement practices in a fair and transparent manner.
- 10.4.2. CARSURIN will conduct a detailed review to evaluate prospective major contractors and suppliers. The CARSURIN Compliance Committee will provide guidance to employees regarding the definition of "prospective major contractors and suppliers" and the scope of due diligence conducted.
- 10.4.3. CARSURIN will notify major contractors and suppliers of this Code of Conduct.
- 10.4.4. CARSURIN will avoid dealing with contractors and suppliers known to be involved in bribery and/or against the standard of CARSURIN core values.

### **XI. COMPLAINT AND DISCIPLINARY PROCEDURES**

- 11.1. Complaints about alleged non-compliance with the Code of Conduct by other TIC Council members will be submitted to the TIC Council in accordance with the TIC Council Complaint and Disciplinary Procedure. Members will refrain from communicating such complaints to other parties unless it is necessary to protect the member's reputation.
- 11.2. Violations of this Code of Conduct may result in sanctions by the TIC Council Board in accordance with the rules, including the right of appeal, set out in the TIC Council Complaint and Disciplinary Procedure.

### **XII. SPECIFIC IMPLEMENTATION OF THE CARSURIN CODE OF CONDUCT**

- 12.1. Integrity
  - 12.1.1. CARSURIN will provide guidance to its employees on dealing with customers who expect them to misuse tolerance to achieve acceptable results.
  - 12.1.2. With respect to the business sectors in which CARSURIN is active, we will comply with the Integrity Rules applicable to specific sectors issued by the TIC Council Committee.



## 12.2. Conflict of Interest

12.2.1. To avoid the occurrence of conflicts of interest, or the appearance of conflicts of interest in CARSURIN's business transactions and services, we maintain a policy on conflicts of interest.

12.2.2. CARSURIN's policy provides guidance to employees to avoid conflicts of interest between:

- i. CARSURIN and related entities in which we have a financial or commercial interest, as well as parties requesting services from us, and
- ii. CARSURIN-owned companies and/or divisions involved in different activities but which may provide services for the same customer or services to one division by another division.

12.2.3. CARSURIN's policy provides, as a minimum requirement, that CARSURIN employees must not:

- a. directly or through relatives, friends, or intermediaries, acquire an interest from CARSURIN's suppliers, customers, or competitors, except to acquire shares of suppliers, customers, or competitors on the public stock exchange, and only at a level that does not provide significant influence on the relationship of suppliers, customers, or competitors and which does not make employees overly dependent on such investment conditions;
- b. Serve in any position in a competitor or customer company;
- c. Conduct any business with family-owned companies or with individuals or organizations related to their families;
- d. Employ family members without the consent of CARSURIN Management.

## 12.3. Confidentiality

12.3.1. CARSURIN requires each employee to sign a non-disclosure agreement, which prohibits the disclosure of confidential business information, obtained during employment, to other parties.

12.3.2. CARSURIN ensures that all intermediary partners, joint venture partners, agents, subcontractors, contractors, and suppliers are aware of the confidentiality of business information they obtain while handling work through



employment 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 rules in this program comply with the requirements of the TIC Council Compliance Code and relevant local laws to combat bribery in all jurisdictions in which it operates.
- b. In the event that local laws establish additional or different requirements, which are not covered by our program, CARSURIN will modify this program according to the country concerned. Records will be kept of the countries where our program has been modified.

##### 12.4.2. Risk Analysis

The CARSURIN Compliance Committee and/or senior executives, or their representatives, in each country where CARSURIN operates will organize a periodic review to assess the risk of bribery and determine appropriate control measures:

- i. Before starting new services or starting operations in a new country, and
- ii. Whenever there is a significant breach of the Code of Conduct and CARSURIN Regulations that results in a review of control measures having to be carried out.

##### 12.4.3. Donations to Political Parties

In order to ensure that CARSURIN, employees, agents, or intermediaries will not make contributions/donations directly or indirectly to political parties, organizations, or individuals involved in politics, as a way to gain advantage in business transactions, CARSURIN has implemented the following:

- i. CARSURIN establishes policies and criteria related to donations to political parties;
- ii. Proposals for political contributions will be subject to review and approval by the CARSURIN Compliance Committee taking into account applicable laws in the relevant country;



- iii. All contributions/donations to political parties made by CARSURIN will be accounted for in separate general financial ledger accounts in CARSURIN's accounting records. CARSURIN will consolidate all payments made by each of these operating sections as a component of the organization's financial statements;
- iv. Every year CARSURIN will prepare consolidated financial statements relating to all contributions/donations to political parties made including those made on behalf of employees, agents, and intermediaries.

#### 12.4.4. Donations for Charity and Sponsorship

To ensure that charitable donations and sponsorships are not used as a reason for bribery:

- i. CARSURIN establishes policies and criteria for charitable donations and sponsorship funds;
- ii. The CARSURIN Compliance Committee will set an approval level for the value of charitable donations and sponsorships issued;
- iii. Before giving approval to any proposed charitable donation or sponsorship with a value above Rp. 10,000,000 (ten million rupiah) a thorough check will be carried out to ensure that:
  - a. The organization receiving the donation or sponsorship has a clear reputation and clear objectives for the public interest and has the financial and personnel resources needed to achieve its objectives. Supervision will be carried out to ensure that the organization is not a “cover” for other purposes. Donations to individuals will be avoided unless approved and monitored by the CARSURIN Compliance Committee;
  - b. No conflict of interest occurs;
- iv. Sponsorship agreements will be made in writing and state the interests offered by CARSURIN: if any funds are offered, the use of these funds will be presented in detail and there must be an opportunity to examine the use of these funds;





- v. Records relating to the activities of all charitable donations and sponsorships will be kept and the implementation process monitored to ensure that they have been used for their intended purpose;
- vi. All charitable donations and sponsorships made by CARSURIN will be accounted for in separate general financial ledger accounts in CARSURIN's accounting records. CARSURIN will consolidate all payments made by each of these operating sections as a component of the organization's financial statements.
- vii. Every year CARSURIN will prepare a consolidated Financial Report relating to charitable donations and sponsorships made by CARSURIN on behalf of the organization.

#### 12.4.5. Payment Facilities

- i. Facilitation payments will be suppressed and only made when absolutely necessary.
- ii. Whenever CARSURIN grants permission for facilitation payments to be made, such payments will be subject to compliance with the following requirements:
  - a. There is no doubt about CARSURIN's right to the action taken;
  - b. The requester of facilitation payment in carrying out his duties has clear obligations and has limited authority;
  - c. Payment is simple;
  - d. Payment can be accounted for.

#### 12.4.6. Gifts, Hospitality, and Financing

CARSURIN prohibits all employees or personnel under the control of PT CARSURIN Tbk from accepting any gift (gratuities, gifts or donations or sponsorships or hospitality and or other similar benefits) which may be considered as an attempt at bribery, unless stipulated otherwise by the Company. If employees receive souvenirs when attending training, conferences, seminars and the like as well as forms of marketing tools (Marketing Tools) such as Agendas, Pens which include the company logo, then this is not included in the bribery category.



12.4.7. Accounting and Bookkeeping

CARSURIN will carry out accurate bookkeeping and recording appropriately and fairly in documenting all financial transactions. Recording outside of official bookkeeping and recording is prohibited.

12.5. Fair Marketing

12.5.1. CARSURIN will create guidelines for employees, agents, and intermediaries to ensure that they understand and comply with the principles governing fair marketing methods;

12.5.2. Presentations and publications made by CARSURIN will be made accurately and clearly reflecting the network and affiliations, resources/capabilities, experience, and services provided by CARSURIN

## Appendix I

### Local Laws and Regulations

COUNTRY	RELEVANT LAWS
Republic of Indonesia	<ul style="list-style-type: none"> <li>• Law of the Republic of Indonesia Number 30 of 2000 concerning Trade Secrets.</li> <li>• Criminal Code, especially Articles 322 and 323 concerning Disclosing Secrets.</li> <li>• Law of the Republic of Indonesia Number 8 of 2010 concerning the Prevention and Eradication of the Crime of Money Laundering.</li> <li>• Law of the Republic of Indonesia Number 5 of 1999 concerning the Prohibition of Monopoly Practices and Unfair Business Competition.</li> <li>• Law No. 28 of 1999 concerning the Implementation of a Clean State and Free from Corruption, Collusion, and Nepotism.</li> <li>• Law No. 31 of 1999 concerning the Eradication of Corruption Crimes.</li> <li>• Law No. 20 of 2001 concerning Amendments to Law No. 31 of 1999 concerning the Eradication of Corruption Crimes.</li> <li>• Law No. 30 of 2002 concerning the Corruption Eradication Commission.</li> </ul>
Democratic Republic of Timor Leste	<ul style="list-style-type: none"> <li>• The Constitution of the Democratic Republic of Timor Leste.</li> <li>• Law No. 08 of 2009 concerning the Anti-Corruption Commission</li> </ul>



## Appendix A

Confidential

### Acceptance Letter and Compliance Commitment CODE OF CONDUCT CARSURIN

I, the undersigned,

Full Name : .....

Position : .....

Department : .....

Division : .....

Company Name (If not CARSURIN and its affiliates) .....

Relationship with CARSURIN: Management / Employee / Affiliate / Other .....

hereby declare that in the implementation of the CARSURIN Compliance Program at each location and/or activity, as stated above, I and will ensure that staff reporting to me: have received, read, understood, and are ready to carry out compliance with the CARSURIN Code of Conduct in its entirety and complete all necessary corrective actions and disciplinary actions by the Compliance Committee in connection with violations of the CARSURIN Code of Conduct.

Signed in.....

On Date.....

Signature.....



## Appendix B

Confidential

### Integrity Pact

The undersigned:

Full Name :  
Position :  
NIK Number :

Hereinafter referred to as the "**Statement Maker**"

Hereby declares, agrees and fully binds himself to the following matters:

1. That at the time of signing this Declaration Letter of Integrity Pact ("Statement Letter"), the Statement Maker works as an employee of PT CARSURIN Tbk (hereinafter referred to as the "Company"), with the position as mentioned above.
2. The Statement Maker is willing and subject to Company Regulations, the Company's Code of Conduct, confidentiality and will uphold these to maintain the integrity of the Company. And the Statement Maker is fully aware that in his position as an employee, the Statement Maker has full responsibility for the work he does both to the Company and to Third Parties.
3. The Statement Maker knows and is fully aware of the risks or consequences faced by the Company if there are any irregularities in any form that may result in losses to the Company and/or Third Parties.
4. In this regard, the Statement Maker promises and binds himself to carry out work in accordance with applicable procedures and regulations and will not take any deviant actions in any form, either directly or indirectly, which may cause losses to both the Company and/or third parties, including but not limited to acts of abuse of authority and position and/or actions that have a conflict of interest with the Company or acts of corruption by accepting compensation in the form of money, goods, services or other forms with the aim of providing personal gain to the Statement Maker and/or other parties known by the Statement Maker.
5. The Statement Maker promises and binds himself, if in carrying out his duties and work the Statement Maker takes actions that deviate and are not in accordance with the professional Code of Conduct or applicable company procedures and legal regulations, including taking deviant actions as referred to in point 4, then the Statement Maker will be fully responsible for all risks and consequences arising from these actions, including being responsible for any legal demands and/or compensation from the Company and/or third parties and/or any related parties.
6. The Statement Maker promises that if in the future, both while still an employee or no longer an employee of the Company, there is a legal claim, both criminal and civil, due to deviant actions



taken, then the Statement Maker will not involve the Company and will release/release the Company from all legal demands from third parties and/or other parties who are harmed as a result of the deviant actions taken by the Statement Maker.

7. The Statement Maker will report according to the company's organizational structure, and coordinate with related parties in the company with respect.

This Statement Letter is made and signed by the Statement Maker in truth without any pressure or coercion from any party.

Date.....

Statement Maker,

Approved by,

Company

Signature.....

Signature.....



## Appendix C

### External Auditor Office Audit Report

"Audit Report on the CARSURIN Compliance Program"

#### 1. Purpose of the Examination

We have carried out review procedures on CARSURIN's Compliance Program management and reporting process during the year ..... or the period ..... s.d ..... to determine whether it complies with the requirements of the TIC Council compliance code dated ..... and whether it has been implemented properly in the CARSURIN Organization. CARSURIN is responsible for the development and maintenance of the management process and internal reporting process of the Compliance Program.

Our responsibility is to report on the management and reporting process of the Compliance Program in accordance with our Review Procedures.

#### 2. Scope of Examination

The scope of this examination procedure is to:

- i. Verify whether the current Code of Conduct and Rules are still the same as those submitted and approved by the TIC Council.
- ii. Verify whether CARSURIN has established a compliance program that complies with the requirements of the Code of Conduct.
- iii. Look for the existence of an Internal Management System, processes and controls over (a) alleged violations (b) Compliance Committee records and (c) training related to compliance.
- iv. Examination of Management's Consolidated Financial Statements regarding;
  - Contributions to Political Parties
  - Charitable donations and sponsorships
  - Unreasonable expenses related to gifts, hospitality and financing.
  - Intermediary Partner Remuneration

And verify whether the statement regarding:



- If required, reconciliation between Accounting Records and supporting documents has been approved by the Compliance Committee.
- v. Verify that all Management Statements from Senior Managers in all departments/operations have been received and test the follow-up system used to ensure that all concerns or reports have been addressed or followed up by the Compliance Officer or designated representative.
- vi. Other areas and other examination procedures that we deem appropriate and approved by CARSURIN.

We put this examination primarily on management information or other information provided to us by company management and staff.

We also conducted interviews with personnel responsible for the Compliance Program, including the Compliance Officer, managers and other related employees both at the group level and in other countries. We also carried out testing, on a sampling basis, of related documents including Company Policies, management and reporting structures, documents and systems in force in ..... (Mention the countries visited).

There are no generally accepted international standards for this examination except for the existing Audit Agreement. In the absence of such standards, we base our examination approach on best practices and on the Code of Conduct standards of the International Accounting Federation which have been adjusted.

Therefore, we plan and carry out our own procedures to obtain a sufficient basis for drawing conclusions. However, since we do not carry out an audit, we do not express an audit opinion.

### 3. Results of the Examination

Based on the results of our examination, the following aspects are noted for follow-up:

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Based on our examination procedures, with the exception of the above findings (if any) nothing has come to our attention to cause us to believe that:

- i. The Compliance Program does not comply with the requirements of the CARSURIN Code of Conduct.
- ii. The Compliance Program has not been properly enforced and implemented.
- iii. The system for collecting, analyzing and aggregating violations of the Compliance Program is not functioning as designed
- iv. Management's Consolidated Financial Statements relating to Intermediary Partner Remuneration, Contributions to political parties, charitable donations and sponsorships, unreasonable expenses related to gifts, hospitality and financing do not reflect the figures reported by the reporting affiliates or units.

4. Recommendations

From the results of our work, we have provided the following recommendations for management which have been agreed upon:

\_\_\_\_\_  
\_\_\_\_\_

Name of External Audit Firm

Date