



CODE OF CONDUCT

Revision from code of conduct 2005 ver 21 January 2019

PT LIPPO KARAWACI. TBK, AND SUBSIDIARIES

Growing in stewardship. Transforming lives.



FOREWORD

The success of more than 20 years developing business from various pillars ranging from property, malls, hotel and leisure, to hospital business in Indonesia makes PT Lippo Karawaci Tbk, ("Lippo Karawaci" or "company") have very strong brand recognition as a leading company in Indonesia. Supported by a distinctive, focused and integrated business model, Lippo Karawaci keeps increasing its performance and commitment to create positive impact and reach all wider communities lives.

The positive impact is manifested in the company's sustainable development projects that have become the main drivers of community development around the areas as well as becoming the supporters for national economic development. Well-planned townships as well as large-scale integrated development projects with beautiful and green environment developed by the company will always be supplemented with the best physical and social infrastructures. The hospitals built and operated by the company, supported by sophisticated equipment and facility, provide international standard health service affordable to wider communities. Company's retail malls integrate entertainment, shopping and recreation in order to meet the trends and lifestyle demand of our growing community.

With our solid leadership, wide-range foreign investor base and sophisticated track record, Lippo Karawaci has established a solid ground to reach its growth target and transformation goals, increase market capitalization as well as provide added value to all its stakeholders; always strive to ensure that the achievement and positive image created are not only measured by numbers and financial ratios, market shares and the quality of its customer but also by the achievement through the integrity, appropriate and ethical behaviour of its leadership. With the determination to always appreciate and practice the Company's basic values, all employees are expected to meet the company's objectives to develop and maintain good image as well as to be able to contribute their best.

In line with the rapid growth of property industry, Lippo Karawaci has currently owned businesses that spread over cities around the nation, and there will be more to come, supported by individuals from diverse cultural background. Consequently, there is a possibility of the emergence of various perceptions among individuals in responding to a situation and therefore, it is necessary to publish a guide of standard acceptable behaviours and collaboration to direct all employees in dealing with the situation. It is expected that employees will be able to solve any issues related to ethical standard behavior to maintain the Company's positive image. To create a strong organization culture to support the continuous business growth based on the diversity, Corporate develop a guideline of standard behavior and collaboration. This guideline is intended to direct all employees from all levels to build productive organization culture based on the quality of integration of strong individuals.



The behavior guidelines and standard cooperation is scripted into the company's code of conduct. Management expects that this code of conduct be acknowledged, understood, internalized and exercised by all employees including the Board of Directors for the Company's advancement as well as reputation. Any conducts considered as an attempt to breach this Code of Conduct and to disgrace the Company's reputation as well as its integrity can result in termination of employment.

This code of conduct is the company's ultimate priority to be implemented consistently in daily operations for the growth of the Company.

p Lippo Karawaci, 21 January 2019

Ketut Budi Wijaya
President Director

Norita Alex
Director



STATEMENT OF EMPLOYEE'S COMMITMENT

Code of conduct demands sustainable commitment of all employees including the Board of Directors.

This book is distributed to all employees to serve as a guidelines for everyday behavior in the workplace. Employees need to read thoroughly and understand the whole content of this code of conduct. At the end of this book, each employee must sign to show their commitment presented in the last part of this book. This employee's commitment statement is stored in Employee personnel file. Supervisor or the appointed officer is obliged to provide explanation to employees when required as well as to provide example in daily work implementation (lead by example).

At every end of the year, during the performance evaluation, each unit leader is obliged to rediscuss this ethics policy and both sign for their commitment at the approval form. Amendment to the content of this code of conduct will be advised to all employees and employees will be requested to provide their commitment to the amendment.



CONTENTS OF CODE OF CONDUCT OF LIPPO KARAWACI

	Page
Foreword	2
Statement of Employee's Commitment	4
Content of Code of Conduct of Lippo Karawaci	5
 1. General Policy	 7
1.1. Introduction	7
1.2. Objective of Policy	7
1.3. Policy Scope of Coverage	7
 2. Relation with Other Employees	 8
2.1. Cooperation among Employees	8
2.2. Treatment Justice and Decision Objectivity	8
2.3. Prohibition of Harassment and Intimidation	9
 3. Relation with The Company	 10
3.1. Employment Status	10
3.2. Conflict of Interest	10
3.3. Working Time Discipline	11
3.4. Appearance and Dress Code	11
3.5. Occupational Environment and Safety	11
3.6. Information Access	12
3.7. Personal Investment	12
3.8. Media, Publication, Appearance in Public	13
3.9. Outside Corporate Activities	14
3.10. Political Activity	15
3.11. Information Handling	15
3.12. Copy Rights Protection	17
 4. Relation with Customers	 18
4.1. Relation with Customer	18
4.2. Product Selling and Advertising	18
4.3. Accepting and Offering Gift/Package and/or Other Gifts	19
4.4. Prohibition on Bribery Act	20
 5. Relations with Suppliers, Vendors (Partners including Outsourcing Companies), and Consultants	 21
5.1. Objective Evaluation in The Procurement of Corporate Equipment and Tools	21
5.2. Prohibition of Compensation Reception from Suppliers, Vendors (Partners including Outsourcing Company), and Consultants	21
5.3. Adherence of Suppliers, Vendors (Partners including Outsourcing Company), and Consultants toward Code of Conduct	22



	Page
5.4. Consultation and Lobby with Suppliers, Vendors (Partners including Outsourcing Company), and Consultants	22
6. Relation with Competitors	23
7. Relation with Regulators	24
7.1. Cooperation with Regulators	24
7.2. Compliance to Provision/Regulation	24
7.3. Policy of Anti Money Laundering and Fraud Prevention	24
7.4. Payment of Tax and Official Retribution	25
8. Relation with Other Stakeholders	26
8.1. Policy of Anti Monopoly and Consumer Protection	26
8.2. Corporate Social Responsibility	26
8.3. Donation	26
8.4. Milieu	27
9. Reporting on Breach or Potential Breach	28

Appendix



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES

Ver : 21.01.2019

Policy Name : Corporate Code of Conduct**Chapter Name : General Policy**

1. GENERAL POLICY**1.1. Introduction**

Code of conduct is the basic foundation to act and behave ethically applying to all employees. Its basic principles refer to the Corporate vision, mission and values. With high ethical standard and solid internal control, as employees, we must become trustworthy by avoiding conflict of personal/group interest and corporate interest, making decision based on professionalism that can not be influenced by employee personal interest or certain group interest.

It is critical for us to work consistently by referring to the established basic values in which we may probably be faced with a situation that tests our decision or action against the values. All our actions and decision will directly impact on the Corporate reputation.

To support uniformity Lippo Karawaci employees, it is important to understand and apply this code of conduct.

1.2. Policy Objective

The objectives of this code of conduct are as follow:

- To serve as a guideline for the employees to understand and comply to the regulations and general ethical values
- To serve as a guideline for the implementation of basic norms, employees' behavior in conducting their work responsibilities and in decision making that will reflect the Corporate good image and reputation.
- To provide guideline for appropriateness in relationship building and to ensure employees' consistent behavior in their daily work.
- To ensure employees' consistent behavior in their daily work.

1.3. Policy Scope of Coverage

This policy applies for all employees with permanent or contract status, including the Board of Directors. The scope of this code of conduct includes:

1. Integrity and conflict of interest
2. Compliance to regulation and legislation (internal and external)
3. Accountability as employees
4. Respect for each other and guidelines to relate to other employees, company, customer, third parties such as supplier/vendor/consultant, competitor, etc.

2. RELATIONS WITH OTHER EMPLOYEES

2.1. Cooperation among Employees

Employees' relation with colleagues, subordinates or supervisor is based on the awareness of the importance of inter-dependence, working with the same vision and mission, trust and mutual respect in a healthy competitive environment with full commitment for the success of the Company:

2.1.1. Relations among Employees or Colleagues

Employees' relation with colleagues must be as members of a winning team with healthy competition. Each employee must demonstrate good, fair and honest behavior in relation with other people.

2.1.2. Relations with Subordinates

Every unit leader must become the role model in providing positive examples, particularly in terms of integrity and good work ethics. In managing his/her organization unit performance, the leader is responsible for defining clear performance standard and creating conducive working environment to achieve the corporate objectives of each working unit. Subordinates are provided with the necessary autonomy to perform their tasks as well as to contribute inputs to improve performance. In improving performance, each unit leader is obliged to pay attention to performance improvement and competency development of his/her subordinate, such as through education and training.

2.1.3. Relations with Supervisor

Relations of employees and supervisor must be based on mutual trust and mutual respect. Supervisor is the extension of corporate in achieving the corporate objective. In each working unit, supervisor and subordinates are responsible for ensuring open and honest communication. Employees and the supervisor are a part of one team with a common goal to reach working unit targets that are in line with the corporate objectives.

2.2. Treatment Justice and Decision Objectivity

Corporate respects employees' equal right and there are no discriminative practices in the job toward race, ethnic, gender, religion, origin and citizenship. Corporate requires objective decision making in each organization line. Decisions should be based on reliable facts and/or other information provided by professionals. Decision making containing conflict of interest must be avoided and corporate requires employees to expose transaction containing conflict of interest.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Other Employees**

2.3. Prohibition on Harassment and Intimidation

Corporate opposes all forms of harassment and intimidation, including attempts or acts of sexual harassment, either physically or verbally, as well as through the use of social media, directed towards either supervisors, subordinates, colleagues, partners or other corporate relations.

The harassment can be in the form of behavior that underestimates others based on race, religion, skin color, gender, age, origin, personal disability either done through comments, jokes and/or the like actions.

Intimidation can be in the form of behaviour that will generally cause someone to feel psychological pressure or in danger.

Corporate provides opportunities to employees to report discriminative, harassing and intimidative actions to the supervisor/higher supervisors of Human Resources Business Partner (HRBP).



3. RELATIONS WITH CORPORATE

3.1. Employment Status

Corporate assigns employment status in accordance with the prevailing regulations. Company prohibits employees to have relations with other employers. Should they have relations with other employers, they must inform and obtain advanced consent from the respective Director and the Talent Admin (HRG) Director Corporate.

Corporate can assign employees to work outside the corporate as its representative or in other company within PT Lippo Karawaci, TBK. or within Lippo Group. Corporate also provides opportunities to employees to be the members of corporate profession association or other activities that will increase corporate reputation by obtaining advance consent.

3.2. Conflict of Interest

Conflict of interest occurs due to difference between corporate economic interest and employee personal/certain group economic interest. Corporate requires employees to avoid decision making in the situation and condition of conflict of interest. Should decision must still be made, the intended parties are obliged to prioritize the company economic interest and prevent the corporate from any potential loss or possible corporate profit decrease. Decision makers are obliged to reveal condition of conflict of interest in each decision.

Each employee must avoid the situation that can cause conflict or potential to have conflict between personal/family/group interest and corporate interest including the following:

- Since the beginning, avoid condition that can make ourselves in the situation of conflict.
- Should this is not possible, recognize the conflict or potential conflict and report to the supervisor and Human Resources Business Partner. Finally, work together with them to settle the conflict.
- Employees must obtain approval from related Director and Director of Human Resource for occupation/position outside the company and be obliged to obtain official appointment from corporate.
- Employees are prohibited to misuse the name, facility and corporate good relation for personal interest in any form including money, good and facility from certain parties or customer or from management or related organization unit. The use of corporate name for humanity activity must obtain consent from management or related organization unit.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Corporate**

- Should employees have personal investment in other companies and the investment is assumed to disturb their decision making process, the respected employees are prohibited to make decisions. Should the investment be made before joining the corporate, the employees are requested to make formal report to the respected supervisor.
- Employees must declare and obtain written consent from the management should they or members of their family have a large percentage of shares in companies acquired or rented by the corporate.
- Employees are obliged to report to the respected supervisor or corporate leader for every business relation or transaction occurring with other company in which the employees are a representative of the corporate, whereas they or their family members have direct or indirect interest or will obtain profit from the business relation.
- Directors must state their business relation outside Lippo Karawaci. The statement will be documented by Human Resources Business Partner (HRBP).

3.3. Working Time Discipline

Employees are obliged to come and work punctually pursuant to working hours determined by corporate. Optimum working hours utilization must be observed. Employees must manage their working time effectively and efficiently as well as manage break time as regulated by the corporate. Tardiness and absence of employee in the working place must be with the related supervisor's consent.

3.4. Appearance and Dress Code

Employees must dress and appear neat and decent while paying attention to the prevailing social norms, position and maintaining corporate image and complying to the dress code if regulated by the corporate.

3.5. Occupational Environment and Safety

Corporate strives to provide conducive working environment to reach the highest performance for the achievement of Corporate goals. Thus, employees are obliged to maintain cleanliness, safety and conducive working environment and/or not performing activities that can disturb other employees. Working environment must be free from all kinds of pollutions (noise, air, cigarette pollution) and narcotics and drug abuse. Occupational health and safety of all employees are the main concern of corporate. Each employee must comply to policy and stipulation related to occupational health and safety.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Corporate**

3.6. Information Access

Corporate provides access to information through intranet or other digital network. Employees are allowed to seek information through the said network to support their work. Corporate imposes administrative sanction due to misuse of technology, including but not limited to, accessing certain websites containing pornographic materials, anti-social or anti-religion doctrines, or utilizing technology such as but not limited to social media devices in any form, to conduct, among others: dissemination of corporate confidential information, damaging the corporate image or the reputation of fellow employees including management of the corporate, spreading of hoaxes, and other violations prohibited by the legislation regulating the use of information and electronic transactions carried out using electronic media. The use of illegal software will be the employees' personal responsibility.

3.7. Personal Investment**3.7.1. Insider Information**

Insider trading or insider dealing is a crime. The example of this includes, but not limited to, employees purchasing or selling Corporate obligation (such as shares), whereas the employees have insiders information that, in this case, is (a) non-public, and (b) price sensitive. Employees are prohibited to perform obligation/share transaction when they have insiders information pertaining to that matter. The term 'dealing' (or 'trading') does not only refer to purchasing, selling and to exercise options of their own account but also for the family, friend and relatives.

3.7.2. Provisions for Corporate Share Transaction

Each employee must submit to all laws, provisions and regulations related to corporate obligation/share trade and other corporate obligation that can be influenced by corporate business activity.

Employees can not use their position to obtain special treatment in purchasing or selling obligation/share for personal or their families unless otherwise determined by the corporate.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Corporate**

3.7.3. Blackout Period

“The Board of Directors, LPKR top executives, and related employees (including their spouses and minors) are prohibited from trading Company shares two weeks before the release of the Company’s quarterly and annual financial statements, and they are also prohibited to trade Company shares for 24 hours after the release of financial statements.

Moreover, for those Board of Directors, LPKR top executives, and related employees (including their spouses and minor) who have knowledge of any confidential information that could have any impact to the Company’s share price are prohibited from trading Company shares until 24 hours after shares are disclosed to the public.”

3.8. Media, Publication, Appearance in Public**3.8.1. Questions from Media and Other External Parties**

Employees are not allowed to answer question or provide statement to mass media and other external parties as inaccurate response and abjuration can result in bad publication and can seriously influence corporate reputation and/or position legally.

Public Relation, Social Politic & CSR Division is responsible to formulate and direct the policy pertaining to relationship with the media and has the accountability to maintain the corporate image and manage corporate communication with public. Public Relation, Social Politic & CSR Division will assist each business unit in interacting with the media pertaining to matters relating to this accountability.

Corporate manages relation with mass media as follows:

- Corporate applies One Window Policy through Public Relation, Social Politic & CSR Division for information dissemination in the corporate level and request for interview.
- Mechanism for external relation will be coordinated with Public Relation, Social Politic & CSR Division. This includes the recommendation for selection of mass media that will be used and the coordination required to always maintain the corporate integrity in the context of information to be revealed/exposed to public.
- Each corporate press release must be reviewed and approved by the related Director and President Director.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Corporate**

- Media relation must be performed effectively and efficiently by taking into consideration the following:
 - Maintaining high standard of credibility and professionalism in relating with media representative.
 - Relation with the media must not be risked by momentary benefit such as bribery.

3.8.2. Complaint Handling

Complaint is dealt in a friendly, efficient and timely manner. Solutions to complaints should also refer to corporate provision and policy. Failure to comply to this policy can cause damage of corporate reputation, possibility of lawsuit and penalty by regulators, including fine penalty.

Should the complained matter be true, improvement action must immediately be taken. Responsive as well as accurate approach will result in positive impression from customer and improve their perception on the company.

Always involve Disputes & Special Project Division should complaint be an accusation of legitimacy or unethical action or should there be financial charge.

3.9. Outside Corporate Activities

Outside corporate activities are performed to support work responsibility such as membership in association. Company provides opportunities to employees to actualize themselves outside work activities. Outside Corporate Activities are categorized into professional organization, social community sport, religion, etc. that are not directly related to work.

Corporate prohibits employees to perform outside corporate activities and/or become the members of community/club/organization outside corporate if:

- The community/club/organization is not acknowledged by the government and/or holding values that contradict the corporate values,
- Employees misuse corporate facilities to perform activity in the community/club/organization,
- The activities reduce employees' working hour and/or employees' concentration on their duties as well as neglecting their responsibilities as employees.

**3.10. Political Activities**

There is no financial fund or corporate asset that may be used to contribute to any political activity. The Corporate does not compensate or reimburse any cost related to direct or indirect political activity.

3.11. Information Handling

Employees must maintain all forms of corporate information to support decision making process for corporate interest. Included in the criteria of corporate information are, but not limited to, corporate owned data (either in form of copy rights or not) related to the corporate and its stakeholder, as well as qualitative and quantitative data in the forms of ticket, file, diskette, microfilm, photograph, customer and project information, financial report, letter/memorandum, manual, policy, procedure, programs and corporate plans.

This information handling includes information confidentiality including:

- **Information openness and handling information confidentiality**

Information confidentiality includes inside information and proprietary information:

- **Inside information** consists of all non-public information, either in written or verbal forms, received from customers, potential customers or other third parties in order that the information be concealed and used only for corporate business purpose.
- **Proprietary information** such as business strategy, business research, new product/project plans, financial information or unpublished price, business practices and plans, etc. that should it be revealed to outsiders, can damage corporate interest.

Employees must keep confidentiality of all confidential business information including inside information and proprietary information, by observing that:

- Each work unit must ensure access to work space and computer has been well protected.
- Employees are obliged to not reveal their passwords and User Ids to access the computer system and change them periodically.
- Employees must ensure that working papers and documents created, photocopied, faxed, stored and disposed are freed from the risk of possible access by unauthorized party.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Corporate**

- Employees are obliged to clean written information on the whiteboard and secure PC data in the meeting room when the discussion is concluded. Failure to comply to this guidelines may result in information leakage to unconcerned parties.
- Employees are not allowed to discuss confidential information in public places.
- Should employees resign, they are obliged to maintain the confidentiality of the inside information and proprietary information until they are available for public information. Disclosing any of the information may result in legal prosecution.

- **Customer Confidentiality and Personal Data**

Customer Confidentiality

Revealing customer information to outside party is a serious legal violation. The violation can cause sanction by regulator, lawsuit by customer, or legal suit from law enforcement officer to employee personally.

Revealing customer information to a third party can be done with customer written consent and/or corporate has been provided written authorization and legal requirement to conceal the information (for instance, on the request of the court, the police department and/or regulator as regulated by the law.

Personal Data

In line with corporate growth and the increasing number of customers, the information stored by the corporate is also increasing. This information includes various matters pertaining to individuals such as customers, potential customers, staff, suppliers and other third parties, including employee personal data. Some of the data is personal in nature such as those related to asset purchase for investment, corporate service use, medical record or family matters.

Employees must always respect their privacy. Thus, they are obliged to:

- Store only relevant data and not to store excessive and unnecessary data.
- Withhold distribution to unnecessary parties and only reveal it to other parties should consent have been obtained or there are reasons related to job or valid business/law.
- Information related to employees sensitive and personal data can only be used for ob-related matters and/or be provided/informed with written approval of the respected employees.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES

Ver : 21.01.2019

Policy Name : Corporate Code of Conduct

Chapter Name : Relations with Corporate

3.12. Copy Rights Protection

While working, employees create work results related to their accountabilities. The work results are acknowledge as company property. These include building design, system, manual, business strategy or service strategy, etc. in the form of hard copy of soft copy. Quoting, altering, adding, reducing or copying any of these company properties without written consent from the management is a harming the corporate and breaching the prevailing provision/law.

4. RELATIONS WITH CUSTOMER

4.1. Relations with Customer

Employees are obliged to observe the need of each customer and establish sustainable relations pursuant to corporate vision and mission. Customer service is performed professionally with courtesy, friendliness, and genuineness as regulated by the prevailing corporate policy. Should employee deliberately or indeliberately (due to any personal reason) fail to provide the fore-mentioned service, in which the employee's action can harm and damage the corporate image, corporate can give sanction to the employee.

4.2. Product Selling and Advertising

Corporate product and service are getting more varied and complex. As such, product selling requires knowledge, skill, competence and specific behavior.

When selling the corporate product, employees are obliged to pay attention to:

- Employees only sell corporate products and other products approved by the management.
- Employees must possess adequate product knowledge and identify the customers or potential customers (such as: customer need, risk appetite, right customer for the product to be sold, financial condition and personal situation of the customer) as the basis to make decision whether the product will meet the customer need.
- Employees must describe the product clearly and ensure that customer fully understand the product and its risks.

Advertisement through media, billboard, internet, presentations and conference is one of the significant techniques to expose the description of the corporate and market the products. However, failure to handle this professionally can potentially cause huge damage.

Corporate must run appropriate and accountable advertisement. In terms of advertising, the following matters need to be observed:

- Accurate (not misleading) and proper (not offensive to people / institution / country).
- Expose risks contained in the advertisement (if any).
- Clear and easy to understand.
- Respect cultural sensitivity.

Public Relation, Social Politic & CSR Division must ensure that all advertisements have been reviewed to comply to the prevailing law and provision.



4.3. Accepting and Offering Gift/Package and/or Other Gifts

4.3.1. Accepting Gift/Parcel

Employees, including their family members, are prohibited to receive all kinds of parcels, gifts, service, entertainment or other things / other specific form of gift (including promise) from any party such as from customer, business relations, contractor, broker, and partners expecting business compensation or put influence to both present and future corporate decision making.

Receipt of gift/parcel and/or any form, either directly or indirectly, must be presented/reported to Talent Admin (HRG) Division to be distributed to institution/social institution with approval from a minimum of equivalent to Division Head / General Manager level. Regardless form and value, all gifts/parcels and/or other form must be reported in writing (using the attached form) to direct supervisor at Division Head / General Manager level or its equivalent, copied to Human Resources Business Partner (HRBP).

Exception to the above provisions:

- Present in the form of calendar, agenda and dining treatment related to the job with immaterial value (under US\$ 20)
- Sample of products provided to corporate or individual employee with no selling value or immaterial value (under US\$ 10).

This exception may not be misused or deliberately splitting the nominal values. Should employees be encountered manipulating the value, they will be given sanction pursuant to the prevailing corporate regulation.

4.3.2. Offering Gift/Parcels and/or Other Gifts

Corporate avoids offering gift/parcel and/or other gifts to influence/cause conflict of interest in the decision making process. In reasonable extent through mutual beneficial business consideration, corporate can provide food parcel on religious days or other events with the approval of related Director.

Employees are prohibited to promise money/commision, gift or other forms to external parties that can be categorized as gratification of bribery form.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Customer**

Should offering gift/parcel and/or other rewards is inevitable, the following matters need to be considered:

- Offering gifts/parcels and/or other rewards can only be done should the relationship between corporate and the other parties be anticipated to provide good prospect for the corporate.
- Offering gifts, parcels and/or other rewards is only limited to meals and beverage in decent places, not in form of negative entertainment.
- Feast and cocktail held at employees' house should be avoided as much as possible and can only be held in certain conditions with written consent from the respected supervisor equivalent to Division Head / General Manager level.
- Gift and souvenirs given to customer and other parties must have aesthetic value, of moderate price and pursuant to the Corporate Identity Guide of Lippo Karawaci.

4.4. Prohibition on Bribery Act

Bribery is an effort conducted by other parties to employees and/or vice versa with the objective of affecting decision making and performed merely for personal interest/profit of both parties.

Bribery is defined as reception or granting of unnecessary reward or promise in the most versatile meaning, either in forms of money, goods, service, facilities, or other easiness with/or without neglecting the prevailing procedure and law in settling a certain transaction/work.

To maintain corporate image and ensure objectivity in decision making, corporate disapproves all forms of bribery. Thus, employees are prohibited to:

- Offer or provide payment or benefit in any form that is unofficial or not in accordance with the formal procedure parties authorized in making decision on corporate activity;
- Offer reward not in accordance with the procedure to employees, customer or potential customer to business relationship with corporate;
- Receive payment or benefit that in unofficial or not in accordance with the prevailing procedure.



Policy Name : Corporate Code of Conduct

Chapter Name : Relations with Suppliers, Vendors (Partners including Outsourcing Companies) and Consultants

5. RELATIONS WITH SUPPLIERS, VENDORS (PARTNERS INCLUDING OUTSOURCING COMPANIES) AND CONSULTANTS

5.1. Objective Evaluation in The Procurement of Corporate Equipment and Tools

Decision making on corporate equipment and tool procurement (supply, repair, maintenance, construction of facilities, equipment and tools) must be based on quality, price, after sales service as well as other easiness/adventages that can be obtained by the corporate from the transaction by paying attention to:

a. Bidding Price Information

Transaction between corporate and partners are tendered with the purpose of obtaining the optimum level of goods or service quality as well as purchasing efficiency through quality comparison and price level offered by the corporate partners. Price confidentiality must be assured.

b. Discount/Commision

All discount/commission provided by the corporate partners, either noted on behalf of employees or corporate, must be recorded for the corporate and not for employee personal interest or individuals in the respected employee work unit.

In every transaction with partners or suppliers, corporate requires that the implementation is objective in terms of price, quality, availability, terms and service.

5.2. Prohibition of Compensation Reception from Suppliers, Vendors (Partners including Outsourcing Company) and Consultants

Employees are prohibited from requesting or receiving financial and non-financial compensation, including promise, entertainment, gifts, such as but not limited to wedding presents, for personal benefit of the partners. Exception to this provision is for the following matters:

- Present in the form of calendar, agenda and dining treatment related to the job with immaterial value (under US\$ 20)
- Samples of products provided to corporate or individual employee with no selling value or immaterial value (under US\$ 10).

This exception may not be misused or deliberately splitting the nominal values. Should employees be encountered manipulating the value, they will be given sanction pursuant to the prevailing corporate regulation.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES

Ver : 21.01.2019

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Chapter Name : Relations with Suppliers, Vendors (Partners including Outsourcing Companies) and Consultants

5.3. Adherence of Suppliers, Vendors (Partners including Outsourcing Company) and Consultants toward Code of Conduct

Each partner is encouraged to understand and comply to the corporate policy and provision related to goods and service procurement, including the prevailing code of conduct. As an example, partners printing marketing property flyer/brochure must follow and attend to the agreed standard and maintain the mutually agreed confidentiality.

5.4. Consultation and Lobby with Suppliers, Vendors (Partners including Outsourcing Companies) and Consultants

Consultation activity and lobby with partners must be conducted by referring to objective principles and criteria. Consultation, lobby and negotiation by corporate party must be conducted with the appointed officer or partner/supplier representatives. Transaction with a third party outside partner interest is not allowed, even with an excuse "on virtue" of the partners.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Competitor**

6. RELATIONS WITH COMPETITOR

In business implementation and daily operational activities, relations with competitor is inevitable, either in business competition or in a cooperation or information exchange. As a result, it is necessary to develop a guideline in relation to competitor as follow:

- To refrain communication with competitors unless with good reasons to avoid unfavorable internal and external interpretation.
- To perform the principles of prudence and good communication ethics.
- Not to make unreasonable comparison with competitors.
- Not to harm the image of a person, company, other organization or the nation.



7. RELATIONS WITH REGULATOR

7.1. Cooperation with Regulator

Openess and transparency are principles that must be adhered to in relation to regulator. Employees are expected to cooperate fully with the regulators. Should there be questions pertaining to handling information request and/or relations with regulators, employees must contact Corporate Secretary Division. Similarly, should there be a breach of regulation in a work unit, employees are obliged to report it immediately through the related supervisor to the Corporate Secretary Division to obtain advice on the best approach. Report is provided without trying to conceal the issue faced.

7.2. Compliance to Provision/Regulation

In order to support the smooth operational activities, the corporate enforces various external or internal provisions, policies or regulations obliged to be complied and implemented by each employee.

Internal regulations are categorized as all corporate provisions, procedures, policies and regulations, either in operations or human resource. Employees are obliged to read, understnad and comply to every prevailing provision, procedure, policy or regulation and/or all directions/instructions related to their positions in the organizational structure.

In addition, employees are responsible to understand and comply to the prevailing law and regulations. In this case, the Corporate Secretary Division can assist to develop a list of acts and regulations prevailing to corporate activities in Indonesia.

Employees must also understand not to cooperate with customers/third parties breaching the law and damaging milieu. Deviation, failure to comply of breach on the external or internal provision, procedure, policy and regulation is imposed sanction pursuant to the prevailing provision.

7.3. Policy of Anti Money Laundering and Fraud Prevention

7.3.1. Money Laundering

Money laundering is a crime conducted to conceal the origin of transferred funds that were the result of a felony to look legal.

Employees are obliged to guard against the possibility of money laundering activity to the Corporate Secretary Division. Employees are obliged not to inform customers or other parties not having interest should suspected transaction occur.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Regulator**

7.3.2. Fraud Prevention

Fraud is defined as law, internal or external regulation as well as other legislation breaching act deliberately conducted with intention to cheat/deceive to obtain money or other advantages/benefits for the sake of personal or other party interest. Thus, it can cause corporate loss either financially or non-financially (including those that will potentially cause loss).

Employees must guard against fraud risk and assist the corporate effort to eliminate fraud.

7.3.3 Bribery

Bribery is defined as an act of breaking the law, internal or external regulation, and other legislation intentionally performed to expedite work or a project or some other purpose for the benefit of Corporate or Person, including family members or a certain group of individuals. Corporate Employees are forbidden to offer or receive a bribe from a regulatory officer and/or official in the form of either financial or non-financial compensation, including promise, entertainment, gifts such as but not limited to wedding presents.

7.4. Payment of Tax and Official Retribution

In relation to the corporate effort to be good corporate citizen, the corporate comply to the prevailing taxation regulation. Corporate encourages customers to meet their obligations related to tax and strictly rejects the effort to avoid tax-related obligation. Employees are obliged to support the effort.



8. RELATIONS WITH OTHER STAKEHOLDER

8.1. Policy of Anti Monopoly and Consumer Protection

Corporate respects and comply to acts on anti monopoly that support healthy and competitive business climate as well as to always protect customers' interest from any unreasonable business practices and treatments.

8.2. Corporate Social Responsibility

In order to meet stakeholders' rights as well as to adhere to legislation/code of conduct/convention in corporate social responsibility, corporate is also responsible in improving community development and welfare where corporate exists through specific social development programs implementation.

Thus, social responsibility is an effort to create added value and benefits for stakeholders as well as corporate through mutually beneficial activity implementation for both parties.

The objective of the corporate to run good, correct and sustainable social responsibility activities is to ensure continuing corporate business as well as beneficial for the environment and the nation as well as stakeholders. And in implementing corporate social responsibility, corporate focusses on education, social welfare, health, religious affairs and particularly in assisting communities facing calamities.

8.3. Donation

Donation is corporate contribution or participation either at its own initiative or other party's request that can be in the form of financial support, provision of basic needs or social programs and provided particularly to community around the area where the corporate is located, organization, institution or other party.

Donation serves as a tangible attention and/or corporate social responsibility toward the needing condition of the community.

Donation provided by the corporate is focused on activities in education, natural disaster, health, religion and community welfare. On the other hand, corporate **will not be involved** in the activity of practical politics and discrimination (tendency to be in favor of a certain ethnic, religion, race and among specific groups). This includes donation grant for political party, legislative candidate and/or other practical political activities either in central or regional level.



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES**Ver : 21.01.2019****Policy Name : Corporate Code of Conduct****Chapter Name : Relations with Other Stakeholder**

Corporate donation given needs to:

- be selective and strictly evaluated on the objective, reputation of the proposing party and the organization/institution management.
- be precisely targeted and pursuant to the need.
- maintain coordination/communication with other work units in the corporate. Thus overlapping does not occur.
- conform with the budget.
- coordinate every donation request with Public Relation, Social Politic & CSR division. Donation request from the community around corporate location is evaluated and decided by business unit leader. In a certain situation, should there be other business units that will give donation in the same region, it is obliged to coordinate with Public Relation, Social Politic & CSR division. Should donation request originate from organization, institution and/or individual from a larger area such as province and nation-wide, Public Relation, Social Politic & CSR division will coordinate with the related business unit as well as inform the related Director.
- For evaluation data of the next donation activity, donation request and realization must be administered well.

8.4. Milieu

Corporate always supports all kinds of action in the effort of protecting, developing and preserving the environment (go green).



PT LIPPO KARAWACI, TBK. AND ITS SUBSIDIARIES

Ver : 21.01.2019

Policy Name : Corporate Code of Conduct

Chapter Name : Reporting on Breach or Potential Breach

9. REPORTING ON BREACH OR POTENTIAL BREACH

Employees are obliged to communicate as well as remind each other to comply to provisions prevailing in corporate code of conduct guide.

Should an employee suspects a possible breach on acts, internal and external regulation or corporate code of conduct or should an employee be requested to do something indecent and beyond law, the employee must immediately report the breach to direct supervisor or related Human Resources Business Partner (HRBP).

Corporate supports employees reporting the breach by paying attention to:

- Should a wrong deed is revealed, the issue will be investigated.
- Report will be treated carefully and confidentially.
- The employee will be updated on the result of the investigation.
- Employees must report the issue to their related supervisors. However, should employees feel inconvenient, for example when the supervisor is involved, they can report through Whistle Blowing system.

Reports can be in the form of breach on corporate law and premission, fraud, bribery, corruption or crime and similar serious event as well as issues we believe may cause reputation risk for corporate should the issues be known by public. Employees should NOT use this scheme as to complain or use it to attack colleagues.



Form of Company's Code of Conduct

I, the undersigned state trully without force from any party that:

1. Having read, understood and comprehended the content of Code of Conduct of Public-listed Lippo Karawaci limited company and willing to obey and comply to all provisions regulated in the code of conduct.
2. Having understood and received all risks that breaches on the provisions can result in sanction imposition in working including the possibility of being discharged and/or charged with a legal action.

In addition, I will perform the following:

1. I will immediately report should there be any potential/breach on code of ethic of the Public-listed Lippo Karawaci limited company.
2. During my working hours, I will work optimally for the Public-listed Lippo Karawaci Limited company and have no unreported and/or disapproved side jobs or be involved in any activity that can arise conflict of interest or disturb my working assignment in the Public-listed Lippo Karawaci Limited Company or things that can disturb or harm the reputation of the Public-listed Lippo Karawaci Limited Company.

_____, _____ (City, month-date-year)

Signature,

Name :

Employee Identification Number:

Position :

Unit/Division :

Company :



Form of Regularization/Permit Request

Name :

Employee Identification Number:

Position :

Unit/Division :

Company :

Herewith I propose request/permit to the Management of public-listed Lippo Karawaci Limited Company in connection with the action that has will be done as follow:

(State briefly and concisely the activity that will be requested for written consent as well as the reasons)

Reasons:

Employee,

_____ (Full Name)

Date:

Corporate decision

- ☐ Approve, Allow the employee above to perform the activity mentioned
- ☐ Disapprove

Reason/Recommendation:

Direct Supervisor	Supervisor of Direct Supervisor
(_____ / _____) (Full Name/Position)	(_____ / _____) (Full Name/Position)
Date:	Date:



Report of Acceptance of gift/parcel and/or other Presents

Reported by,

Name :

Employee Identification Number:

Position :

Unit/Division :

Company :

Herewith, I report to have received gift/parcel and/or other presents that I specify below without requesting or can be perceived as requesting action, proposing and/or forcing the giver:

No	Type of Givings	Sender/giver	Price estimation	Usage for

Employee's comment and perception pertaining to the intention of the gifts

Direct Supervisor	Supervisor of direct supervisor	Authorized Division Head
() (name & position)	() (name & position)	() (name & position)
Date:	Date:	Date:

Supervisor's comment/note



Report on Occurrence of Potential Conflict of Interest

I, the undersigned:

Name :

Employee Identification Number:

Position :

Unit/Division :

Company :

Report the occurrence of potential conflict of interest on the following date and chronologies:

Date (dd/mm/yy):Chronologies:

__/__/__

__/__/__

__/__/__

__/__/__

__/__/__

I wrote this report in conscious state and truly without pressure or force from any party.

_____, _____ (city/date-month-year)

Reporter,

(Full Name)