



## Code of Ethic PT Archi Indonesia Tbk

*Below Code of Ethic is a summary of Code of Ethic of PT Archi Indonesia Tbk (“Company”). In addition, below Code of Ethic is prepared in two different versions (Indonesia and English), and if any discrepancy is found within the two, then the Code of Ethic in Indonesia is applicable.*

### **A. OBJECTIVES**

Archi Indonesia and its subsidiaries (the “Group”) is committed to high standards of Corporate behavior towards employees, customers, suppliers, contractors, governments and communities in which we operate. The purpose of the Code of Ethics is therefore to ensure that the Board of Directors, Board of Commissioners, and employees within the Group have a clear understanding of principles that are important in conducting our business. The principles are intended to guide directors, commissioners, and employees as to the ethical values that the Group requires to uphold. These values are an important factor in maintaining and building the reputation of the Group as a responsible and trustworthy business partner, employer, supplier and responsible and trustworthy citizen.

It is not possible to anticipate every situation. The guidelines in this Code of Ethics are necessarily broad and general in nature and are not intended to replace more detailed operating policies and procedures. Nevertheless, these basic principles can and should serve as a guide to each director, commissioner, and employee of the Group in his or her dealings with customers, suppliers, contractors, shareholders, colleagues and all others with whom the Group has relationships. Together with our vision and values, it forms the foundation for the way The Group will conduct business now and in the future. The Code of Ethics therefore applies to all directors, commissioners, and employees in the Group.

### **B. POLICY**

#### *1. Compliance with Laws, Regulations and Group’s Policies*

There are many laws and regulations applicable to the conduct of the Group’s business. Directors, commissioners, and employees of the Group should be familiar with, and strictly observe all laws and regulations in force covering their operations, including the Group’s internal policies and procedures.

Directors, commissioners, and employees of the Group should not engage in any activity that would cause the violation of applicable laws, rules and regulations in carrying out their duties, including rules and regulations related to Anti Bribery and Corruption. Directors, commissioners, and employees of the Group must not allow, facilitate or participate directly or indirectly in fraudulent or illegal operations.

#### *2. Ethical Business Conduct and Fair Relationship*

Directors, commissioners, and employees of the Group must accept responsibility for maintaining and enhancing the Group’s reputation for integrity and fairness in its business relationship. In its everyday business transactions, we must be seen to be dealing even-handedly and honestly with customers, suppliers, employees and others with whom we have a relationship.



Relationship with Customers – Directors, commissioners, and employees of the Group should employ appropriate business practices in our relationships with customers and will not make false or unsubstantiated representations about the quality or value of our products and services.

Relationship with Suppliers and Contractors – Directors, commissioners, and employees of the Group are expected to be honest and fair in all business interactions with suppliers, which include contractors, consultants and other agents. The choice of suppliers of goods and services must be made based on the best value, considering best price, reliability, quality, and service, received by the Group. In addition, the Group believes in doing business with those suppliers who demonstrate high standards of ethical behaviors. The Group will not knowingly use suppliers who operate in violation of applicable laws or regulations, including local environmental, employment and safety laws. Directors, commissioners, and employees of the Group who deal with suppliers of the Group must ensure there is no conflict of interest, including related parties' transactions, and that suppliers will keep the confidentiality of the information provided to them. All agreements with suppliers that are important for the conduct of the Group's business should be in writing and must at least specify the goods and services to be provided and the fees to be paid. Such agreements must be reasonable and align with market practices, the principles established in the Code of Ethics and relevant Company policies and procedures.

Relationship with Employees – the Group is committed to provide a work environment which is conducive, safe and free from discrimination and harassment. The Group's policy forbids any discrimination, harassment or intimidation because of race, religion, gender, age, nationality, citizenship, sexual orientation or disability. Workplace harassment can occur when one party demonstrates behavior that causes or is likely to cause harassment, alarm or distress to another party. Examples of behavior that may be considered harassment include but are not limited to threatening, abusive, or insulting language, comment or other non-verbal gesture that are degrading other parties, discrimination, physical violence, cyber-bullying, sexual harassment and stalk. Workplace harassment can also take place through different modes of communications, such as by email, text messaging, social media and meetings. Employees are encouraged to bring questions or concerns in this area to their management. The Group will not tolerate any acts of discrimination, harassment or intimidation and will investigate all complaints and incidents in a fair and timely manner. While on duty, employees must not conduct themselves in such a manner that will interfere with or prevent other employees from carrying out their duties properly. The Group respects employee privacy and dignity. Other than that, the Group's policy forbids to employ minors. Employees are encouraged to report this problem to management.

Relationship with Competitors – the Group competes actively within its marketplace in an ethical and legitimate manner. The Group do not associate or participate in illegal competitive practices, nor do they disparage the Group's competitors and their products. Comparisons with our competitors must be fair and factually based on aspects such as price and performance.

Relationship with Media - When the Group provides information to the public, it has an obligation to accurately and completely report all related material facts in a timely manner. Directors, commissioners, and employees of the Group are not authorized to speak on behalf of the Group, unless they have been clearly designated as the Group's spokesperson on the matter in question as described in External Communications Policy. Where directors, commissioners, and employees of the Group do participate in blogs, social media or any other online space, even personal sites maintained outside of work hours, they should take care to ensure that they do not conflict with the interests of the Group.



Relationship with Communities - the Group has a long-standing commitment to being good citizens and neighbors in all the places where the Group does business. We believe that we have a responsibility to society to use its resources – assets, people and energy – wisely. The Group recognizes the importance of improving the quality of life in our local communities, and the Group supports local initiatives and encourages employee involvement.

### 3. *Conflict of Interests*

A “conflict of interest” arises when directors, commissioners, or employees of the Group (including family members and other Related Parties) have competing professional or personal interests that would either make it difficult to fulfil their duties properly, or would create an appearance of impropriety that could undermine customer or public confidence.

Directors, commissioners, and employees of the Group are expected to act in the Group’s best interests at all times and must take necessary steps to avoid actual, perceived or potential conflict of interest. When it is not possible to avoid a conflict of interest, directors, commissioners, and employees of the Group are required to disclose it immediately to his/her immediate supervisor, and disqualify themselves from handling transactions which put them, whether real or perceived, in a position of conflict.

Outside Engagements or Business Dealings – directors, commissioners, and employees of the Group must not have any outside engagements or business dealings that may create any conflicts of interest or other breaches of the provisions of this Code. Outside engagements or business dealings include but not limited to:

- a. Undertaking any other business or profession;
- b. Becoming employees or agents or holding any position of any other Company unless have approval from management;
- c. Having any financial interest in any other business or profession, other than bona fide investment holdings of shares or other securities listed or dealt on a registered Stock Exchange;
- d. Having any direct or indirect financial or business interest in or dealings with competitors, suppliers, customers or anyone else with whom they are engaged in a business relationship on behalf of the Group, which might or might appear to, create a conflict of interest, or impair the judgments they make on behalf of the Group;
- e. Engaging in any personal business dealings which detract from or conflict with their employment in the Group;
- f. Taking advantage of any opportunity for personal gain that properly belong to the Group or are discovered through the use of Corporate properties, information or their position, and situations where their loyalties may be divided between the Group’s interest and those of a personal, other parties, customer, supplier or competitor.

Any outside engagements or business dealings that may create a real, perceived or eventual conflicts of interest shall be declared to Internal Audit/Governance Team and Human Resources Department through the Compliance Confirmation and Undertaking Form. Further, directors, commissioners, and employees of the Group will also be required to disclose their shareholdings in the Archi securities in the Compliance Confirmation and Undertaking Form.



Related Parties – the Group is prohibited from engaging in business transaction with the following parties:

- a. The director, commissioner, or Group employee of the Group;
- b. The director's, commissioner's, or employee's spouse;
- c. The director's, commissioner's, or employees' children including dependents of the director, commissioner, or employee and/or spouse;
- d. Director, commissioner, or employee family relationship by marriage and descent to the second degree, horizontally as well vertically such as parent, director's, commissioner's, or employee's and/or spouse's sibling, descendant of director's, commissioner's, executive advisor's or employee's and/or spouse's sibling;
- e. Company owned directly or indirectly by each person stated in point (a) – (d);
- f. Company in which each person stated in point (a) – (d) serves as the management.

Gifts and Entertainments – no gifts, invitations, hospitalities, donations, or sponsorship shall be accepted for any directors, commissioners, and employees of the Group personal benefit including family members or any Related Parties in circumstances where it could be regarded as likely to influence the outcome of any business transaction or impact upon the director's, commissioner's and employee's business judgement. Where circumstances make it impossible, difficult or impractical to reject the gifts, invitations or hospitality, directors, commissioners, and employees of the Group should immediately declare such gifts, invitations or hospitality via submission of Gifts and Entertainments Declaration Form to Internal Audit/Governance Team and Human Resources Department. This applies to all except perishables and those of a token value (USD 250 or the equivalent value in other currencies and below). A copy of the Gifts and Entertainments Declaration Form shall be forwarded to for monitoring and evaluation on quarterly basis or immediately shall the case is considered urgent and significant. In general terms, if you have any doubt about whether an item should or should not be declared, directors, commissioners, and employees of the Group are advised to declare it.

Anti-Bribery – Group commitment to conduct business with full integrity require high global standard consistency; zero tolerance of kickbacks and corruption that apply to all Group regardless local business practice. Directors, commissioners, and employees of the Group shall continuously explain, during internal and external communication with third parties, that Group have zero tolerance for bribery and corruption and shall not (directly or indirectly) offer, compensate, ask for or receive bribe, gift or assistance in any form to inappropriately influencing business decision. Directors, commissioners, and employees of the Group (including family members and Related Parties) must not receive bribe, prohibited commissions or other prohibited payments from third parties in any form, for any reason. Directors, commissioners, and employees of the Group shall not, directly or indirectly (i.e. through vendor/supplier, agent, distributor, consultant, lawyers, intermediary or others) offer or give bribe or inappropriate benefit (including facilitation) to authorities or individual or third parties, which are intended, or implied impression to the relevant parties, to influence his/her decision affecting matters related to the Group.

Non-solicitation – during the term of employment and for a period of one (1) year immediately thereafter, directors, commissioners, and employees of the Group are restricted from soliciting any employees from the Group.

Insider trading – directors, commissioners, and employees of the Group in the possession of non-public information, must not engage in or procure another person to engage in, any securities (including shares) transactions with respect to the securities of the Corporation, whether it is for themselves, anyone else or for the Group.

#### 4. *Group Properties and Assets*

Directors, commissioners, and employees of the Group are responsible for the proper use, protection and maintenance of all the Group's properties and assets. These properties and assets include, but are not limited to physical properties (i.e. computers, phones, etc.), records (i.e. Company data, etc.), and intellectual properties (i.e. patents, trademarks, registered designs, etc.).

The Group's properties and assets should only be used for legitimate business purposes. Employees must not, without authorization, obtain, use or divert The Group properties and assets for their personal use or benefit. Directors, commissioners and employees of the Group are prohibited to using any the Group's attributes for any activities outside the Group unless have approval from management.

Similarly, directors, commissioners, and employees of the Group are responsible for safeguarding the Group's assets and ensuring the efficient and appropriate use of the Group's funds including expenses. While spending or committing Group's funds, directors, commissioners, and employees of the Group must be sure that the transaction is proper and documented and that the Group receives appropriate value in return.

Computers – directors, commissioners, and employees of the Group must use office computers/ laptop only in the way in which they have been instructed as described in the IT Security Policy. They should protect their own password and not use anyone else's ID or password to access records. Unless authorized, directors, commissioners, and employees of the Group must not dispose of any computers in an unauthorized manner, such as by selling, lending or giving it away without proper permission.

Use of IT Systems – directors, commissioners, and employees of the Group must act responsibly when updating their personal data or uploading any information (statements, documents, video, photos, etc.) in any IT systems provided by the Group as described in the IT Security Policy. They must not knowingly update false information nor upload any materials that are defamatory, offensive, obscene, and inappropriate or that violate or infringe any laws, copyright, trademark or any other intellectual properties, personal or proprietary rights of any person, any obligation of confidence, including on-line criminal activities. Directors, commissioners and employees of the Group prohibited to upload any content related with the Group in the personal media social, unless have approval from management.

Confidential Information – directors, commissioners, and employees of the Group must make sure that confidential information is preserved and protected. Confidential information is an information which is not generally known outside the organization and either gives or could give the Group a competitive disadvantage or could lead to the loss of an existing competitive advantage, if it became known in the public domain. This kind of information must not be revealed to anyone outside the organization. Confidential information includes personal information of directors, commissioners and employees of the Group.

Therefore, directors, commissioners, and employees of the Group should:

- a. Treat all information related to the Group's and personal affairs as strictly confidential;
- b. Protect such information from misuse, using information only to the extent necessary to perform the assigned job duties and not using such information or permitting such information to be used for unauthorized purposes;
- c. Ensure that all information, to whom they have access, is neither used nor appear to be used for their personal advantage or for the advantage of a third party;

- d. Identify, assess and evaluate the nature of their respective documents or data or information before conveying them to internal and external parties;
- e. Not disclose information of the Group to anyone, except where there is a legal right or duty to disclose.
- f. Use personal information only for the purpose for which it was mentioned unless otherwise approved by the relevant individual.

This obligation continues to remain in effect after the directors, commissioners, and employees of the Group are no longer employed by the Group.

It is to be noted that some information does not necessarily remain as Confidential Information indefinitely. If it is made public through the Group announcement or the Group's designated spokesperson, the information will no longer be considered confidential and the restrictions on disclosure will not apply. The disclosure restriction would also not apply in cases where disclosure is (a) legally required; and/or (b) for the purpose of self-defense.

Intellectual Property – comprises any and all other intellectual property rights. Directors, commissioners, and employees of the Group have a duty to protect the Group's intellectual property, just as they have the obligation to respect that of others. Any invention, discovery, improvement work product, and other technological development made by an employee during his/her employment with the Group related directly or indirectly to the business of the Group, remain the property of the Group.

Official Records - Information is a valuable asset and its integrity depends on the honesty, completeness and accuracy of its records. This means that anyone preparing the Group's records and reports must be diligent in assuring the accuracy and completeness of all data, records, reports and expenditure connected with the Group. The books and records of the Group must accurately reflect the nature of the underlying transactions. Books and records must be maintained, in all respects, according to law, the accounting principles and the policies and procedures that the Group has adopted. The Group will not evade tax obligations and all taxable benefits which employees may receive, will be listed and declared for tax purposes. Employees must keep copies of Group records at a safe location. Directors, commissioners, and employees of the Group are not permitted to falsify record or make false or misleading records, including removing the information that makes the information become false or misleading.

#### *5. Job Performance*

Job Performance – directors, commissioners, and employees of the Group are required to perform tasks assigned in a responsible and reliable manner and to manage time at work efficiently, without wasting the Group's time and resources by taking part in unauthorized activities including, but not limited, to trading, gambling or political activities on the premises.

#### *6. Other Stakeholders*

Human Rights – the Group respects human rights as an absolute and universal standard. In countries where the Group is present, we will aim to support progress on human rights issues in accordance with what reasonably can be expected from a commercial organization.

Political Activities – the Group is not a political organization. It neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.

### *7. Health, Safety and Environment*

Workplace Health and Safety - the Group is committed to providing a healthy and safe work environment for employees, customers, business partners and visitors. Directors, commissioners, and employees of the Group have responsibilities to support this commitment. Directors, commissioners and employees of the Group are responsible for complying with health and safety rules that apply to the job. Directors, commissioners, and employees of the Group are also responsible for taking precautions necessary to protect themselves and others, which includes reporting accidents, injuries and unsafe practices or conditions immediately.

Alcohol and Drugs - Alcohol and/or drugs can impair an individual's capacity to perform his/her job safely and efficiently and with respect for him/herself, his/her colleagues and customers. The use of such substances may result in injury or a threat to the well-being of an individual, colleagues, customers or society. Directors, commissioners, and employees of the Group are prohibited from working under the influence of alcohol, illegal drugs (i.e narcotics, morphine, etc.), and controlled substances or misused over-the-counter or prescription drugs in the workplace. Involvement with the manufacture, possession, use, distribution, sale, purchase, or transfer of illegal drugs is strictly prohibited. Event or activity held related with the Group, even if occur out of working hours must be free from alcohol unless approved by the management.

Environment - the Group recognizes its responsibilities in protecting the environment. In delivering its responsibilities, the Group will manage its investments in balance with good environmental management. The Group will comply with all regulations governing environmental protection and management and positively impacting to the environment.

## **C. COMPLIANCE WITH THE CODE**

It is the responsibility of the Group's Directors and Ethic Committee to ensure that the principles and the guidelines on ethics embodied in this Code are communicated to, understood and observed by all employees.

Directors, commissioners, and employees of the Group should be aware of their personal responsibility in complying with the Code of Ethics. Breaches of Code of Ethics are treated seriously, and may result in disciplinary action, up to employment termination.

### *Reporting and Compliance Procedures*

It is the obligation of directors, commissioners, and employees of the Group to ask question and/or report any violations or suspected violations of this Code. If an employee prefers to report any violations or suspected violations to the Code of Ethics to his/her Department Manager/Head directly, any of these persons who received such report should immediately inform the directors and commissioners of the Group. The employee may report violations or suspected violations of this Code on a confidential or anonymous basis.



All violations or suspected violations also can report to:

- Hotline operated by Governance / Internal Audit and Human Resources at (021) 5761719 (Jakarta) or via sms/phone 0811890960 / toll free 08001401369 (Tokatindung);
- Directly to the Ethics Committee and Secretary of Ethics Committee by email to [integrity@archimining.com](mailto:integrity@archimining.com) or [laporan@helpgloblethics.com](mailto:laporan@helpgloblethics.com)
- Directly to the Ethics Committee and Secretary of Ethics Committee by letter to PT Archi Indonesia Integrity, Menara Rajawali 19th Floor, Jl. Dr. Ide Anak Agung Gde Agung Lot#5.1, Kawasan Mega Kuningan, Jakarta 12950.

Any such information received will be reviewed and acted upon.

If it is ensured that an investigation is necessary, the case will be investigated by performing consultation with parties it deems fit and will make a decision as to whether or not a violation has occurred. In conducting the investigation, the Group is allowed to access and perform examination on Company' assets i.e. computer, official record, email and any other work-related documents.

The Group will protect a whistle blower action in good faith. No such protection will be extended to any person who intentionally or willfully gives wrong or misleading information against someone else. The Group takes a serious view of malicious or vexatious reports and will be followed up in accordance with the Group Regulations.

#### *Compliance Confirmation and Undertaking*

Directors, commissioners and employees within The Group will be required to formally acknowledge their compliance with this Code each year. A signed Compliance Confirmation and Undertaking form is a requirement for continuation of employment at The Group.

The signed Compliance Confirmation and Undertaking Forms from the directors, commissioners and employees will be consolidated by Internal Audit/Governance Team and Human Resources Department for evaluation if there are any breaches to this Code. The result of the assessment will be notified to the Group Ethic Committee, based on each case, for further actions.

#### *Integrity Undertaking*

Member of directors, commissioners and employees of the Group who hold positions of trust and confidence will be required to sign Integrity Undertaking upon appointment and/or upon joining The Group.

#### *Guidance Notes*

No Code of Conduct can spell out the appropriate behavior for every situation, nor should it seek to do so. In the final, The Group relies on each of us to make a judgment on what is right and proper in any particular situation.



If you are having difficulty in determining whether a certain action is appropriate you should be able to answer “yes” to the following questions before taking action:

- Is my action legal, and does it comply with The Group’s policy?
- Is this action the “right thing to do”? Does my action “feel right?”
- Would this action withstand public scrutiny?
- Will this action uphold The Group’s reputation as an ethical The Group?

If the answers are not an unqualified “yes”, we don’t do it.

- End -