

CODE OF CONDUCT
PT DUTA INTIDAYA, TBK.

INTRODUCTION

Good corporate governance is a requirement in the global development of the business of the company and enhancement of company's image.

PT Duta Intidaya Tbk, hereinafter referred to as the **Company**, realises the importance to have strong good corporate governance. To that end, the Company prepares this Code of Conduct to be used as the core basis in operating the business of the Company.

The Code of Conduct of the Company is built upon four pillars, namely: workplace, marketplace, environment and community. These four pillars are essential to achieve the agenda of the Company and in its continuing development with due observance to the principles of good corporate governance.

A significant part of this Code of Conduct is ethics. The Code of Conduct should be used as an essential reference for the Company's departments and employees in implementing the corporate values built on the said four pillars. In addition to ethics, the Code of Conduct also governs a set of rules of conduct for the specific departments of the Company in its position as a public listed company.

Interpretation and implementation of the Code of Conduct shall always be adapted to the development of law, social, norms, rules and business development of the Company. This Code of Conduct may be adjusted from time to time with any such adjustment to be informed to all employees, shareholders and third parties.

JAKARTA, 2016

PT DUTA INTIDAYA TBK

1. BUSINESS ETHICS AND WORK ETHICS

1.1 SCOPE OF ETHICS

The long-term success in the implementation of good corporate governance needs to be based on high integrity. Therefore, business ethics is the core and integral part of good corporate governance. The business ethics of the Company include ethics to be used by the Company in dealing with internal employees, as well as other third parties with whom the Company deals on a day-to-day basis, including customers, business partners, incoming investors or any state institution.

Another part of ethics is work ethics, which generally needs to be reflected by each employee and staff of the Company. The work ethics shall be used by all employees of the Company, including the Board of Directors and Board of Commissioners, as guidance of desirable behaviour by the Company.

1.2 BUSINESS ETHICS

(a) Customers

Customers include all parties who are the purchasers or users of the products or services provided and/or marketed by the Company.

Code of Conduct:

- (i) The Company is committed to treat the Customer ethically, fairly, and in compliance with applicable laws, including but not limited to the customer protection law, and be responsible for preserving the Customers' trust by making certain that the Company's products and services are always safe and of a high quality.
- (ii) The Company is committed to price, quality, delivery time, after-sales service and product warranties in accordance with applicable standards.
- (iii) The Company (including the Commissioners, Directors and Employees) is not allowed to give to or accept from the customers gifts, which may influence the decision-making of the Company.
- (iv) The Company shall maintain and protect the confidential information of the Customers and obtain prior consent from the Customer in terms of data utilization.
- (v) The Company adheres to advertising ethics and applicable laws and regulations.

(b) Suppliers

Suppliers include all parties that have business relationships with the Company, including any distributors or other relevant parties. In dealing with Suppliers, the Company and its Employees shall act with due care, as well as maintaining transparency and prudence in evaluating the Suppliers.

Code of Conduct:

- (i) The Company shall choose Suppliers based on common interests, equality and mutual trust, supported by fairness and social responsibility regardless of ethnic, religious beliefs, race and social groups.

- (ii) The Company shall comply with applicable laws and regulations, including but not limited to any regulation in the health and pharmacy sectors.
- (iii) The Company shall select business partners based on professionalism and in line with QCDSM (Quality, Cost, Delivery, Safety, Morale) values.

(c) **Competitors**

Competitors include other parties providing, retailing or trading similar products and/or services or substitutes to the products and/or services provided by the Company.

Code of Conduct:

- (i) The Company supports fair and healthy competition in accordance with applicable laws and regulations, including but not limited to the Business Competitions regulation.
- (ii) The Company is not allowed to develop cooperation with competitors that could be viewed as an agreement to restrain trade in any way.
- (iii) Directors and Employees of the Company are not allowed to take part in the management and/or to own shares in a competing entity, either directly or indirectly.

(d) **Employees**

Employees include each individual who works and serves the Company and receives a salary based on an employment relationship.

Code of Conduct:

- (i) The Company honors and provides the universal principle of human rights and the rights and obligations of Employees based on applicable laws and regulations, as well as protecting the Employees from discrimination or harassment.
- (ii) The Company treats the Employees as the most important aspect and valuable asset of the Company, therefore, employees need to be respected and their competence and character must be enhanced.
- (iii) The Company conducts all business activities in a manner that protects the health and safety of its employees.
- (iv) The Company will evaluate employees based on their qualifications, demonstrated skills and achievements. The Company prohibits any form of unlawful discrimination.
- (v) The Company is committed to honouring the rights of the employees and building an atmosphere of open and two-ways communication with the Employees.

(e) **Shareholders**

Shareholders include all individuals or institutions that are registered in the Shareholder Register of the Company.

Code of Conduct:

- (i) The Company treats its shareholders in a fair manner, including in providing accurate and timely material information, in accordance with the Articles of Association of the Company and prevailing laws and regulations.
- (ii) The Company endeavors to deliver optimal performance and maintain a good corporate image to increase the added-value to the shareholders.

(f) **Potential Investors**

Potential Investors include all individuals or institutions that have the potential or intention to participate in the Company by way of share ownership, including investment supporting institutions.

Code of Conduct:

- (i) The Company provides accurate and timely information in accordance with applicable laws and regulations.

(g) **State Institutions**

State Institutions include all state institutions, which include legislative, executive, judiciary and other institutions, both at the national or regional levels, and the officers employed at such institutions.

Code of Conduct:

- (i) The Company establishes harmonious, constructive and respectful relationships with due observance to applicable laws and regulations.
- (ii) The Company supports national and regional programs, particularly those involving education, health, and environment.

(h) **Community**

Community includes a group of people who live together in a certain location and having direct or indirect relationship with the activities of the Company.

Code of Conduct:

- (i) The Company, wherever it is located, builds and fosters congenial and harmonious relationships and endeavors to provide benefits through empowerment programs, particularly to communities in the surrounding areas of the Company.
- (ii) The Company respects social, culture, tradition, modesty, beliefs and religions.

(i) **Mass Media**

Mass Media includes institutions that provide information, education, promotion, social control and entertainment to the public. Mass media includes printed, electronic and online media.

Code of Conduct:

- (i) Only the designated public relation representatives of the Company are

authorised to give statements (written or oral) or written articles to any representative from newspapers, radio, television, or any other media on any matter connected to the Company. If approached by any form of media, employees shall not make any comment, and shall only take details, name and telephone number, stating that they will pass such details to the public relation representatives of the Company.

- (ii) Under no circumstances shall employees give out names of people for media to contact.

(j) **Social Media**

Social Media shall include all platforms of social media used by the Company.

Code of Conduct

- (i) Social Media should never be used in a way that breaches any other part of the Code of Conduct or any other policies or procedures of the Company.
- (ii) Each business unit should authorise only one department to handle business use of social media. Only the designated representative(s) of the Company is(are) authorised to post and respond to comments on any social media platform. Under no circumstances shall employees post a response on behalf of the Company on social media.
- (iii) If any employee is aware of a conversation on social media that relates to the brands of the Company, they should immediately refer to it to the designated department.
- (iv) Occasional personal use of social media at the office or by means of the computers or networks of the Company is permitted so long as it is kept to a minimum, is one in the Personnels' own time and do not interfere with the productivity or employment responsibilities of the employees.

1.3 **WORK ETHICS**

The Work Ethics guideline applies to the Board of Commissioners, Board of Directors and Employees of the Company. For the purposes of this provision, all members of the Board of Commissioners, Board of Directors and Employees of the Company shall be referred to as the **Personnels**.

Work Ethics principles cover the rules of conduct of the Personnels in their relationship in each of the relevant areas as follows:

- (a) Within the Company

Code of Conduct:

- (i) All Personnels shall be a good member of the Company by complying with the internal policies and rules of the Company, the Company Regulations and all applicable laws and regulations.
- (ii) All Personnels shall apply and develop their optimum potentials for the benefit of the Company.
- (iii) All Personnels shall participate in creating a conducive working environment and jointly develop a good working culture.

- (b) In the use of authority and position in the Company:

Code of Conduct:

- (i) To responsibly use their authority and position for the interests of the Company, and not to serve for their own interests or other interests.
- (ii) To maintain and utilize all data, information, assets and facilities of the Company for the benefit of the Company, and not to serve for their own interests or other interests.
- (iii) To keep the Company's good reputation by being conscious of their conduct and behavior, both outside and inside the Company.

- (c) Maintaining Confidential Information of the Company

All Personnels are responsible for maintaining the confidentiality of the Confidential Information of the Company and are prohibited from abusing such information. The Confidential Information of the Company obtained by the Personnels shall remain confidential after the resignation, termination and/or expiration of their employment at the Company.

Code of Conduct:

The Confidential Information of the Company shall include strategic documents and/or information that are formulated or acquired by the Company which may not be disclosed and conveyed to external parties, based on the following considerations:

- (i) To maintain the Company's competitive advantage; and/or
- (ii) To honor agreements or laws or regulations, which require the Company to maintain the confidentiality of such information.

In more details, confidential information of the Company includes:

- (i) Financial statements and/or material transactions that have not been disclosed to the public;
- (ii) Strategic corporate plans;
- (iii) Information bound by confidentiality agreement;
- (iv) Products of the Company that are still in the development stage;
- (v) Uniqueness of technology;
- (vi) Material information that is not yet available to the public; and
- (vii) Other information that is considered confidential.

- (d) In their relationship as superior or subordinate in the Company

Code of Conduct:

- (i) Superiors act as role models, leaders and mentors for their subordinates.
- (ii) Subordinates proactively develop and express their potentials under the

direction and guidance of their superior.

(iii) To mutually accept, respect and foster good cooperation in an atmosphere of openness based on sincerity and good faith.

(e) In their relationship among Personnels:

Code of Conduct:

(i) To mutually respect, encourage and foster a good cooperation in carrying out their respective duties and responsibilities.

(ii) To reinforce integrity and foster transparency and encourage a harmonious relationship as members of the Company.

2. CORPORATE SECRETARY

The Corporate Secretary is a function that is established to assist the Board of Directors in ensuring compliance by the Company with applicable laws and regulations and in implementing good corporate governance.

The Corporate Secretary is responsible to the Board of Directors and is tasked with the following responsibilities:

- (a) To provide advice to the Board of Directors and Board of Commissioners relating to capital market laws and regulations;
- (b) To ensure that the meetings of the Board of Directors and Board of Commissioners are conducted properly and on a timely manner and that the meeting's decisions are properly documented and archived;
- (c) To ensure that the General Meeting of Shareholders is conducted properly and in good order;
- (d) To act as a liaison or contact person between the Company and the Indonesia Financial Services Authority (*Otoritas Jasa Keuangan*), the stock exchange where the securities of the Company are listed, and the public;
- (e) To ensure that the administration, registration, and reporting to the Financial Services Authority (*Otoritas Jasa Keuangan*) and the stock exchange where the securities of the Company are listed are implemented properly and in a timely manner;
- (f) To make disclosures to the public (including to provide information in the Company's website) in accordance with prevailing laws and regulations;
- (g) To establish good relationships with stakeholders to foster trust in the ability of the management to run the Company and create long-term value for the stakeholders; and
- (h) To keep updated with developments in capital market sector, particularly applicable laws and regulations and international practices on good corporate governance.

3. **AUDIT**

As a part of the implementation of good corporate governance of the Company, the Company conforms its management control tools to be in line with the regulations applicable to audit and risk management comprising of:

3.1 Audit Committee

The Audit Committee is a committee established by and responsible to the Board of Commissioners. The primary function of the Audit Committee is to assist the Board of Commissioners in carrying out its overview function in reporting of financial statements, audit, risk management and compliance with applicable laws and regulations.

3.2 Internal Audit

Internal Audit is an activity associated with providing independent and objective assurance and consultations, with the aim to increase the values and improve operations of the Company through a systematic approach, by way of evaluating and increasing internal control effectiveness.

3.3 External Auditor

As part of its accountability in operating and managing the Company, the Board of Directors periodically submits financial statements of the Company in accordance with the accounting principles and practices that are generally accepted in Indonesia. The Board of Directors is responsible in implementing good general accounting policies to establish and maintain the internal control in recording, processing, summarizing and reporting of transactions that are within the authority and control of the Board of Directors.

In order to provide reasonable assurance that the financial statements of the Company have been presented fairly in all material respects, the Company shall appoint an external auditor to audit the financial statements of the Company.

4. CONFLICTS OF INTEREST

All Personnels of the Company shall maintain their objectivities and avoid any situation that may result in a conflict of interests. A conflict of interest arises when the capability of the Directors or Employees, to perform their duties and responsibilities, in whole or in part, is affected by third parties, personal relationships and activities outside the Company.

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Therefore,

(a) For any transaction:

- (i) between the Company and a Director/Commissioner/primary shareholder of the Company, or
- (ii) that involves the economic interests of the Company and the personal economic interests of the Director/Commissioner/primary shareholder of the Company,

hereinafter referred to as **Conflict of Interest Transaction**, shall be reviewed by the legal advisors of the Company to ensure compliance with applicable laws and regulations.

- (b) If, according to the laws and regulations, a Conflict of Interest Transaction requires approval from independent shareholders of the Company, such proposed transaction shall require prior approval from the Board of Commissioners of the Company.
- (c) In particular, Personnels shall not (without prior written consent] during their employment be interested in, or engage in, or be concerned with, any other business, or provide goods or services to any individual or organization which has, or is seeking to have, a business relationship with the Company, or is a competitor of the Company.
- (d) Each Conflict of Interest Transaction shall be carried out under customary terms and at a fair price, and shall not be detrimental to the Company. Appropriate internal control procedures shall be carried out to support such requirements.
- (e) If a Personnel (including executive) has a conflict of interest with the Company or the Company Group, or if a transaction involving a Personnel is deemed by other relevant parties as a conflict of interest transaction with the Company or the group of the Company, the Personnel shall immediately disclose such transaction in writing to the Board of Directors of the Company.
- (f) Every Personnel of the Company or any company controlled by the Company who has a conflict of interest with the Company or any company controlled by the Company must not be involved in the decision making process related to such conflict of interest.
- (g) Where there is doubt whether a certain transaction is considered as a conflict of interest, the Employees may consult with their supervisors, human resources division and/or legal advisors in the Company.