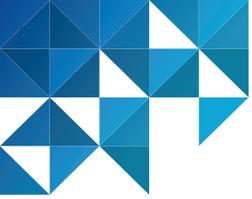




PT WIJAYA KARYA (Persero) Tbk

**PEDOMAN ETIKA DAN  
PERILAKU  
(CODE OF CONDUCT)  
PT WIJAYA KARYA (Persero) Tbk**

**2014 Edition**



# *Table Of Contents*

Front Cover	1
Table of Contents	2
Introduction	3
Background	4
Aim, Purpose and Benefit	5
Preparation Basis	6
Corporate Vision and Mission	7
Corporate Values and Management System Policy	8
Corporate Policy on Business Ethics	9
A. Integrity in Business and Work Activities	9
B. Risk Management	9
C. Relationship with Shareholders	10
D. Relationship with Bondholders	11
E. Relationship with Creditors	11
F. Relationship with Investor and Shareholders	11
G. Relationship with Clients	12
H. Marketing System	12
I. Relationship with End Users	12
J. Relationship with Partners	13
K. Procurement System and Project Contract	13



L. Relationship with Employees (Industrial Relationship)	13
M. Occupational Health and Safety	14
N. Environmental Management	15
O. Relationship with Public	15
P. Involvement in Politics	15
Q. False Statement, False Claim, and Conspiracy	16
R. Conflict of Interests	17
S. Business Ethics of Anti Corruption and Policy on Bribery Prohibition	17
T. Definition on Gifts, Rewards, and Inappropriate Donations	18
U. Relationship with State Officials	18
V. Confidentiality of Corporate Data and Information ... 18	
W. Information Disclosure	19
X. Fraud and Other Violations	19
Y. Socialization, Implementation, and Evaluation	20
Z. Violations Report on Code of Conduct (Whistle Blower Policy)	20



AA.Mechanism of Compliance Enforcement on Code of Conduct	20
BB.Integrity of Financial Statement	21
CC.Protection of Corporate's Assets	21
DD.Integrity of Corporate Governance and Its Subsidiaries	21
Code of Conduct is Reviewed and Updated Regularly	22
Statement of Commitment of the Board of Directors, Commissioners, and Employees	23
Record of Revision	24



# INTRODUCTION

PT WIJAYA KARYA (Persero) Tbk. (“the Company”) has strong commitment in implementing and enforcing Good Corporate Governance (GCG). One of the commitments is carried out through infrastructure of the GCG implementation including the existence of Code of Conduct.

In relations to the development and regulation changes as well as several requirements regarding the GCG implementation, therefore renewal of references and materials consisted in the Code of Conduct is needed.

Code of Conduct 2014 edition referred to the rules and several related regulations, as follows:

1. Law Number 19 of 2003 concerning State Owned Enterprises;
2. Law Number 40 of 2007 concerning Limited Liability Company;
3. General Code of Indonesia GCG, the National Committee of Governance (NCG), 2006;
4. Regulation of Minister of State Owned Enterprises Number PER – 01/MBU/2011 amended by Regulation of Minister of State Owned Enterprises Number PER-09/MBU/2012 concerning Implementation of Good Corporate Governance in State Owned Enterprises;



5. Circular Letter of Minister of State Owned Enterprises Number SE-05/MBU/2013 concerning Road Map to Clean State Owned Enterprises;
6. Road Map of Corporate Governance published by Financial Services Authority (OJK) of 2014;
7. *The Indonesia Corporate Governance Manual*, Financial Services Authority & International Finance Corporation (IFC), First Edition, 2014;
8. The Company's Articles of Association and its amendments; and Decree Number 16/S. MBU/2012 concerning Code of Corporate governance Assessment.

The changes of this Code of Conduct consist of changes on the applied principles to all of the Company's activities. The Company will consistently inform this Code of Conduct to all stakeholders to understand and tolerate the Company's work standard in accordance with the Code of Conduct.

This Code of Conduct is a reference for more detail corporate rules in accordance with the requirements of the organization units. The Company will always review this Code of Conduct continuously to achieve the best work standard.



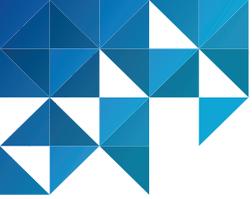
## BACKGROUND

The Company realizes the importance of good corporate governance implementation as a tool to increase the value and sustainable business growth not only to achieve profit but also to manage with trust, prudence, transparent and accountable for the Shareholders and Stakeholders.

The stakeholders' trust is a very decisive factor for the development and sustainable of the Company's business. The Company's credibility and trust of the stakeholders are very closely related with the Company's behavior in interacting with the stakeholders.

The management of the Company not only shall comply with the prevailing laws and regulations but also uphold the norms and ethics. The awareness to implement the good ethics will improve and strengthen the Company's reputation.

Code of Conduct Is a set of commitments comprised of business ethics of the Company and work ethic of the Company's personnel that organizes the policy of ethics values and is explicitly stated as behavior standard that shall be complied by all of the Company's personnel. The purpose of Code of Conduct prepared is to influence, form, and organize and conduct the conformity of behavior in order to achieve consistent output of the



Company's personnel behavior in accordance with the Company's value in achieving its vision and mission.

In changing this Code of Conduct, the Company always takes into account the laws and regulations applied, Vision, Mission, and Corporate values, best practices applied in internal or external of the Company. As a dynamic guide, this Code of Conduct will be reviewed periodically and continuously as well as adjusted in accordance with the changes on the business dynamics by taking into account the Corporate Values, laws and regulations and the prevailing rules.



# AIM, PURPOSE, AND BENEFIT

The changes of this Code of Conduct are made with aim, purpose and benefit as follows:

- 1) The aim of the implementation of Code of Conduct is:
  - a. Each Company's personnel understand that all of the Company's activities are based on the good corporate governance principles;
  - b. Encourage all of the Company's personnel to have good behavior in conducting all of the Company's activities;
  - c. Create healthy and comfortable working ambience in the Company's surrounding;
  - d. Minimize the possibility of fraud or become part of the risk management and can develop the Company's reputation
- 2) The purpose of this Code of Conduct is:
  - a. As commitment to realize the implementation of vision and mission of the Company professionally and ethical in operating business;
  - b. As a practical guide for all of the Company's personnel which must be obeyed in conducting all of the Company's activities;



- c. As a practical guide to avoid conflict of interest in conducting all of the Company's activities;
  - d. Develop a harmonious, synergy, and mutually benefit relationship between the Company and the Company's personnel or other Stakeholders, in accordance with the soundness corporate principles and business ethics in achieving to be a highly competitive company.
- 3) Implementation of this Code of Conduct consistently and consequently conducted by the Company's personnel is expected to provide benefit for:
- a. Company
    - a.1. Push the Company's operation to be more efficient and effective given the relationship with Stakeholders that has Code of Conduct that must be taken into account;
    - a.2. Increase the Company's values to provide certainty and protection to the Stakeholders to produce good reputation, which ultimately realize long-term success of the business.
  - b. Shareholders

Add to the belief that the Company is managed with trust, prudently, efficiently, transparently, accountable and fairly to reach the level of profitability expected by the Shareholders by taking into account the interests of the Company.



c. Company's personnel

1. Provide guidance to each of the Company's personnel about the desired and less desired behavior by the Company;
2. Create a work environment that upholds the values of honesty, ethics and openness that will improve the performance and productivity of the Company's personnel as a whole.

d. Community and Other Relevant Parties

Create a harmonious relationship and mutual benefits with the Company, which in turn will create economic and social welfare for the community and other relevant parties.

# PREPARATION BASIC

The Company in preparing Code of Conduct is based on the following behaviors:

1. Always prioritize compliance on the prevailing laws and regulations and taking into account the norms applied in the community where the Company operates;
2. Always strive to avoid action or behavior that may create conflict of interest, corruption, collusion or nepotism and always prioritize the Company's interests on the personal, family or group interests.
3. Realize that the Company is required to grow and develop in accordance with the dynamics and development as well as demand from the Stakeholders.
4. Always prioritize safety and health for the stakeholders and all employees as well as community where the Company operates.
5. Always strive to be able to provide maximum contribution to the welfare of the community, state and nation.
6. Always strive to implement the principles of transparency, independency, accountability,



responsibility and fairness in managing the Company.

7. As a Public and Listed Company in Stock Exchange, the Company realizes that Code of Conduct is a commitment of GCG implementation infrastructure, to improve the Company's image and reputation as well as market confidence in interacting and positioning investment in the Company.

# CORPORATE VISION AND MISSION

## 2020 VISION

In EPC field of business and integrated Investment is made to make a clear destination of the Company's roadmap, in which WIKA aims to be one of the "Best" in Southeast Asia in 2020. The best in Southeast Asia means to be the Top 3 among the Benchmark Companies in terms of:

1. Net Profit (absolute value)
2. Price Earning Ratio (PER)
3. Market Capitalization

Those indicators are very related with the Company's performance indicator aspects, profitability and WIKA brand image.

Benchmark Companies are companies in Indonesia that have operated in Overseas and/or equal companies with WIKA in ASEAN.

## WIKA MISSION

In this case explaining that WIKA is committed to produce excellent products in the field of energy, industry and infrastructure as well as to fulfill the expectation of



related parties based on the business ethics to achieve Good Corporate Citizen and Company Sustainability, strategic expansion to Overseas and to implement best practices integrated management system.

## **2020 VISION**

**To be one of the best integrated EPC (Engineering Procurement & Construction) and Investment Company in Southeast Asia**

## **WIKA MISSION**

- 1. Providing excellent and integrated products and services in EPC and investment for infrastructure, building, energy, industrial plant, concrete industry and property.*
- 2. Satisfying the expectation of key stakeholders.*
- 3. Implementing Business Ethics to be Good Corporate Citizen and Promote Corporate Sustainability.*
- 4. Strategic Overseas Expansion.*
- 5. Implementing “Best Practices” Integrated Management System.*

# CORPORATE VALUES AND WIKA MANAGEMENT SYSTEM POLICY

## Corporate Values

WIKA employees uphold integrity in running their duties and believe in the following values:

### 1. Commitment

Act in accordance with agreement and promises

### 2. Innovation

Find a better solution at all time

### 3. Balance

Maintain the balance of all aspects

### 4. Excellence

Provide better results

### 5. Relationship

Maintain good partnership for both parties

### 6. Team Work

Synergy, cooperation within and across work units

### 7. Integrity

Nurture unity and sincerity by upholding fairness, accountability, integrity, transparency and honesty



## **WIKA Management System Policy**

The Management and all employees of PT Wijaya Karya (Persero) Tbk. are committed to implement and develop:

1. Occupational Health and Safety Management System in the context of protection and prevention of accident and occupational diseases
2. Risk Management System
3. Quality Management System
4. Security Management System
5. Environmental Management System in the context of protection and prevention of environmental pollution

To achieve profit and soundness business by producing excellent Engineering and Construction products and services, competitive and satisfying the customers' expectation and all relevant parties.

That policy will be improved continuously in accordance with the Good Corporate Governance principles, applicable laws and regulations, and other requirements.

# CORPORATE POLICY ON CODE OF CONDUCT

## **A. Integrity in Business and Work Activities**

Company implements ethical standards in executing all business activities in accordance with Good Corporate Governance principles comprised in the Company's policy. The Company operates its business in the scope of main business in the field of construction, investment, Engineering, Construction and Procurement (EPC), Independent Power Producer (IPP) and area management including:

- (1) Infrastructure Construction Business Field;
- (2) Building Construction Business Field;
- (3) Mechanical and Electrical Construction Business Field; and Energy Business Field;
- (4) Realty and Property;
- (5) The Company also diversifies its business consisting industry and mining, realty, property, construction engineering, operation & maintenance (O & M) that are managed by Subsidiaries.



All work units in Head Office, Operations Division and Subsidiaries shall conduct socialization of this Code of Conduct to maintain honesty, integrity and fairness in all of the business activities in the Company's work environments.

The Company prohibits all Company's management that consist of the Board of Commissioners, Directors, all work units from Head Office, Operations Division, Branch Office, Subsidiaries and related parties to conduct transaction that is inappropriate with the laws and Good Corporate Governance principles.

The Company applies the audited supervisory function through internal or external audit in accordance with the appropriate principles and applicable rules as well as always strives for violations of applicable norms and laws may be subject to sanction under the provisions of the Company's policies and/or laws and regulations. Each work units shall always follow up each finding of audit results reported by supervisory function.

The Company's Policy in maintaining integrity of business activities are:

1. All personnel and/or Company's organs in the Company shall comply with applicable laws and rules wherever the Company is operated;
2. The Company always strives to seek information through legitimate ways, keep and use it in

accordance with the principles of applicable business ethics;

3. The Company avoids illegal action, unfair practices, and fraudulent behavior in the Company's operations to earn profit;
4. All of the Company's personnel shall put the Company's interest first and avoid any conflict of interest.

## **B. Risk Management**

PT Wijaya Karya (Persero) Tbk realizes that the operations of the Company always come with various risks, both controllable and uncontrollable risks. Therefore, the Company realizes the importance of risk management that is integrated, optimum, and sustainable.

The Company always conducts risk control and policy management in integrated and sustainable manner to achieve soundness Company's operations and able to earn optimum profit.

The Company must identify the possibility of risks both from external and internal. Based on that identification, the Company will conduct needed actions to minimize those risks, such as relevant insurance with transaction, review and/or negotiate a contract so that the Company's interest is protected legally.



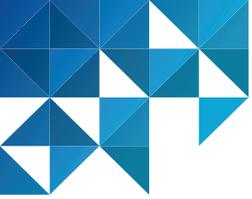
The Company always monitor and review the risks regularly, so those risks are expected to be under control and do not reduce the Company's values significantly. But the Company realizes there are risks that are out of the Company's control that cannot be diminished completely internally. But, the Company always evaluates the risk through risk management assessment to minimize the risk potential.

The Company formed team or risk management forum that provides advice in taking decision, to handle new project that has not been, currently is, and will be executed by the Company in all activities conducted in all work units.

PT Wijaya Karya (Persero) Tbk has commitment to disclose transparently the risks that significantly can influence the Company's values, therefore, the Stakeholders can consider the relevant risks when conducting business transaction with the Company.

### **Risk Management in the Company consists of:**

1. The Company identifies the risks very carefully, for both the risks that are under control and out of control of the Company;
2. The Company handles all risks based on priority and resources owned;
3. The Company discloses the risks and its management in the Annual Report.



## **C. Relationship with Shareholders**

The Company will treat its Shareholders fairly. Shareholders who own shares with the same classification will be treated equally and can use their rights in accordance with the Articles of Association and prevailing laws.

Each shareholder is entitled to vote based on the shares classification and volume owned. Each shareholder is entitled to obtain complete and accurate material information about the Company.

The Company refused the Shareholders to be involved in the Company's operations activities that become the responsibilities of the Board of Directors based on the applicable Articles of Association and prevailing laws. Included in the definition of involvement is the action or direction that is directly and indirectly influences the Company's management or decision making under the authority of the Board of Directors. This provision is intended to reinforce the independence of the Company as a legal entity that can thrive professionally in accordance with its business objectives.

The Company's operations activities that involved stakeholders shall uphold on the principles of accountability and transparency, so that the Company's independence as a professional legal entity can be developed properly in accordance with its business objectives.



The Company will strive hard to ensure that the Company experienced sustainable growth to be able to give optimum contribution to its shareholders.

The Shareholders in the General Meeting of Shareholders decide determination of dividend.

#### **D. Relationship with Bondholders**

The Company can issue bonds to increase the Company's capital work that will be used to develop the business. Therefore, the Company has commitment to use that fund accountably, transparently, and efficiently.

The Company will always deliver material information regarding bonds issuance, to investors / potential investors fairly, correctly and accurately.

The Company is committed to fulfill the Company's obligations to the bondholders. The fulfillment of such obligation including interest payment, principal repayment, and other rights of bondholders in accordance with the provisions in trustee agreement between the Company, Bondholders and Third Party made for the issuance of bonds.

In the General Meeting of Bondholders (RUPO) or General meeting of Medium Term Noted, the Company will fulfill all requirements set in the prevailing laws enforce. In addition, in the implementation of Good Corporate Governance principles, the Company will ensure equal treatment to all bondholders and fulfillment of their legitimate rights.

## **E. Relationship with Creditors**

The Company can cooperate with Creditors such as Bank or related Financial Institution to increase the Company's capital work ability and utilize the facilities given by Creditors. Therefore, the Company has commitment to use the capital work and facilities accountably, transparently, and efficiently. The Company will always deliver the material information related with Creditor, to investors / potential investors fairly, correctly and accurately.

The Company also has high commitment to fulfill its obligation to the Creditors in time. The fulfillment of such obligation including the interest payment, principal repayment, and other rights of Creditors in accordance with the provisions agreement between the Company and the Creditors and the prevailing laws.

In the execution of agreement with Creditors, the Company will fulfill all requirements set in the prevailing laws. In addition, in the implementation of Good Corporate Governance, the Company will ensure the fulfillment of legitimate rights of the Creditors in accordance with the provisions of laws enforce.

## **F. Relationship with Investor and Shareholders**

The Company is committed to grow the sustainable operations activities based on the prevailing business standard so that the Company can deliver optimum contribution to the Shareholders.



That the communication process between the Investor and Shareholders is conducted in one door (one door policy), which is through Corporate Secretary with the consent and approval from the Board of Directors (related with material information).

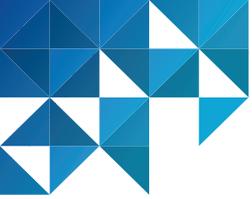
Each reporting, statement, and information disclosure to the Investor shall be made transparently, accountably, accurately, and completely. Each Investor and Shareholders shall comply with the Company's Articles of Associations and all resolutions adopted lawfully in RUPS.

Provide equal (fair) treatment to Shareholders and Investors to be able to exercise their rights according with the Company's Articles of Association and prevailing laws and regulations.

## **G. Relationship with Clients**

The Company positions clients as one of the parties who support the Company's performance achievement. The policy implemented by the Company generally guarantees the cooperation relationship with the Clients is conducted in transparent, professional, and equal manner.

The Company provides material information correctly, accurately, and timely as the basis in decision making for Clients.



The Company in conducting its business activities always emphasize on the work quality and Clients satisfaction from the planning process until the completion of the work.

The Company conducts satisfaction survey at least once a year to Client for on progress and completed projects. From the survey results, the Company will make programs to improve the Clients satisfaction from year to year.

## **H. Marketing System**

The Company has strong information system that enables decision making is made accurately and quickly, so the opportunities of getting variety of profitable projects or works can be done integrated in the Company's level. Various market information from many resources (department/institution, consultant, individual relationship and others) are managed optimally by the Company in getting variety of mutually beneficial projects or works.

The Company always strives to provide alternative solutions to the customers based on mutually beneficial principles.

The mutually beneficial projects can be conducted integrated on the Company's level.



The Company realizes the tight competition in Construction Business, the Company always see the business growth and progress of its competitors by comparing the performance from previous years. The Company appreciates healthy competition principles in the business activities.

## **I. Relationship with End Users**

The Company always strives to provide services with the best quality to improve its product quality by applying the Quality Management System ISO 9001:2008 as an improvement from Quality Management System ISO 9001:2000. The Company will always try to maintain, improve, and manage various facilities gradually based on priorities, to ensure the availability of facilities or equipments with adequate quality.

To provide the best services to End Users, the Company conducts some approaches including:

1. The Company obtained certification of ISO 9001:2000 for quality management system;
2. The Company enhances and improves the product quality based on the Company's ability;
3. The Company provides adequate after sales services in accordance with contract.

## **J. Relationship with Partners**

The Company provides same opportunities to all partners who have same qualification without discrimination. The consideration of employment is based on the criteria as follows:

1. Has the skill, experience, and technical as well as managerial abilities in the business that can be proven with the issuance of qualification by related association;
2. Has adequate resources in executing the work;
3. Has good and adequate track record;
4. Never made false statement about the qualifications owned;
5. Mutually beneficial cooperation.

But the Company in running its function as good corporate citizen has commitment to fostering new partnership to develop gradually through the qualification process set by the Company.

## **K. Procurement System and Work Contract**

The Company implements procurement process referring to the principles of Good Corporate Governance by upholding the principles of transparency, cost efficiency, competitiveness, fairness, and conflict of interest free in accordance with the prevailing laws and regulations.



The Company complies the business ethics of procurement of products and services as follows:

1. Conduct the task of products and services procurement with order and take into account the prevailing rules and regulations as well as applied procedures;
2. Work professionally, independence, honestly, and responsible as well as keep the document confidentiality of the products and services procurement to avoid any fraud;
3. The Company's management who has the potential of conflict of interest, may not involve the process of products and services procurement directly or indirectly;
4. Work Contract between the Company and Partner shall state the ability of Partner to fulfill its obligations in accordance with the agreed requirements, and protect the rights of the Partner based on the obligations conducted in accordance with the agreed contract as well as charge sanction of the unfulfilled obligation.

## **L. Relationship with Employees (Industrial Relationship)**

The employees of PT Wijaya Karya (Persero) Tbk. consist of organic and skilled employees as comprised in the Collective Work Agreement (PKB) between the Company and Labor Union of PT Wijaya Karya (Persero)



Tbk. For both employees classification, the Company has commitment to treat all employees in accordance with their rights and obligations set in the prevailing laws and regulations and PKB.

The Company applies management system of Human Resources assets based on the principles of transparent, fair, motivate, and free from bias because of the differences of religion and believe, race, tribe, origin, gender, and ancestry and matters that are not related with performance. The Company also admits the rights of employees to unite, gather and express opinions in accordance with the prevailing laws and regulations.

The Company always develops and improves the quality of employees that is the Company's main assets by realizing "Human Asset Development". Therefore, the development and improvement of Human Resources quality in the Company is an important matter.

The Company has Head Office, Subsidiaries and Operations Division Office operated in various regions with different religion, culture, tradition, customs, and employees conditions as well as local laws and regulations. Although sensitive to those differences, the Company implements practices based on the principles of Good Corporate Governance.



The Company determines several policies concerning employees and industrial relationship as follows:

1. Conduct proper job structure to motivate and empower the employees;
2. Manage the remuneration scheme to be accepted by the employees, generally by following rules, comparable and competitive with similar industry;
3. Provide opportunity to employees to participate in education and trainings in accordance with the competence and need of the Company;
4. Improve discipline of the employees to comply with the rules and policies have been set;
5. Determine reward based on achievement and punishment based on the mistakes of the employees fairly;
6. Provide rights to the employees to unite, gather and express opinion in accordance with the prevailing laws;
7. Position PKB as the Company's commitment;
8. Provide good and safe work condition to employees;
9. Provide rights of post-service in accordance with the prevailing regulations.



The Company is fully realized the existence of dynamic changes of business environment. Therefore, all of the Company's personnel from the Board of Commissioners, Directors, management and employees will always strive to maintain partnership to be supportive in achieving together aims and progress. The Company will always strive to improve the quality of management and employees to work efficiently and effectively.

The employees also have several obligations that shall be fulfilled to the Company. The obligations of the employees to the Company are:

1. Each employee shall comply with PKB, Corporate values and all the rules established by the Company
2. Each employee shall put the interest of the Company first which directly or indirectly related with their responsibilities
3. Each employee shall put all energy and efforts in implement the task assigned to them
4. Each employee shall keep the assets and good reputation of the Company
5. Each employee who becomes the leader shall maintain and become role model to the surrounding employees



## **M. Employees Occupational Health and Safety**

The Company emphasizes on the occupational health and safety, therefore the optimum management of occupational health and safety is really important for long-term success.

The Company provides safe and healthy working environment. Therefore the business location, facilities, and other Company's infrastructures shall comply with the prevailing laws and regulations concerning occupational health and safety.

Employees Occupational Health and Safety is managed by the Company with the followings:

1. Implement Occupational Health and Safety Management System OHSAS 18001:2007;
2. Implement various Occupational Health and Safety Management System implementation in accordance with the prevailing rules consistently by providing optimum protection to the Company's employees from matters that might endanger the occupational health and safety;
3. Strive for continuous improvement on several infrastructures related with K3;
4. Obtain several certifications related with K3 (SMK-3 for some projects, Zero Accident Award);
5. Involve employees' participation as part of the improvement of occupational health and safety.

## **N. Environmental Management**

The Company run the Company's operations by complying with the law and practice of the construction industry standards and regulations, and policies and standards of environmental management systems due to the consideration of the protection of the environment. Thus, the Company implements an Environmental Management System ISO 14001: 2004.

The Company always evaluate the environmental policy. In carrying out the work, each employee shall identify, control and prevent environmental pollution. The environmental management system will be improved continuously.

## **O. Relationship with Public**

PT Wijaya Karya (Persero) Tbk. is very aware that wherever it operates always associated with the community that has different characteristics. Therefore, PT Wijaya Karya (Persero) Tbk has a commitment that a good relationship and surrounding community development is a basic foundation for long-term success of the Company.

In relationships and partnerships with local community, PT Wijaya Karya (Persero) Tbk will always apply various principles, include:



1. 1. Adapt to the development of noble cultural values surrounding communities.
2. 2. Participate actively in assisting the development of society as a sense of social responsibility of the Company.

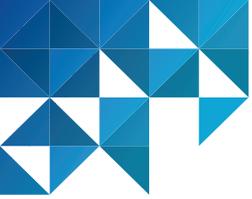
## **P. Involvement in Politics**

The Company has a policy that requires the Board of Commissioners, Board of Directors, Management and Employees who represent the Company in any government and political affairs, to comply with laws and regulations governing the Company's involvement in public affairs.

The Company recognize the right of every person to express their political aspirations in accordance with their beliefs. Therefore, the Company does not allow anyone coercing others to restrict the rights of the individual concerned to express their political aspirations.

The Company has a policy to require that employees who are active in political parties and/or be a candidate for a political party in the elections to resign from the Company in accordance with the prevailing laws and regulations.

The Company and Subsidiary Company prohibits donations to any political party as defined by regulations.



Practices applied by Company in relation to engagement with the politics of which stated that the Company will not provide the funds, assets, or facilities of the Company for the benefit of political parties, one or more candidates for legislative, executive and judicial unless carried out in accordance with the provisions of regulations.

### **Q. False Statement, False Claim, and Conspiracy**

Each party in the Company, which is related to the project start from proposal preparation, negotiation and administration, including accounting for costs and liabilities, assessment and report writing, shall be aware of the importance of making a statement (oral or written) are accurate and true claim to the Board of Directors, Commissioners, Shareholders, Government and other parties.

The act of deliberation in declaring statement or claim that is false or misleading or that involves a conspiracy with others to cause disadvantage to the Company or other parties may result in administrative penalties or even criminal charges for those involved, including Board of Commissioner, Board of Directors, employees and other parties in accordance with the prevailing of law and regulations.



Practices that categorized as False Statement are:

1. Deliberate action for the conspiracy, planned action consciously to trick certain parties with intentions to take advantage of personal or group;
2. Deliberate action to make a statement that is misleading and incorrect in the process of assessment, negotiation, or audit;
3. Deliberate action to make a false statement with intent for fraud, for example, to hide a serious technical problem or not reported any delays in work schedules that have been set;
4. Deliberate action to falsify documents and certificates.

Practice categorized in False Claims is an action that is consciously done in an attempt to enter billing or payment request based on the false data. The implementation of the above criteria, including data of shipping documents, billing of partner or sub-contractors, and others which are the basis for making a claim.

Practices categorized as Conspiracy is an action that is consciously done in an effort to plan and carry out cooperation or collusion with certain parties to commit fraud, manipulation and violations of law and/or regulation of the Company with the intention of taking advantage of personal or group.

## R. Conflict of Interests

The Company defines conflict of interest as a situation in which a person (member of the Board of Commissioners, Board of Directors, or employee) because of the position or authority in the Company has a personal interest that could affect the execution of the tasks mandated by the Company objectively. Conflict of interest raises a conflict between personal economic interest, groups or families and the economic interest of the Company. In many cases, a person may not meet these two conflicting interests without having to compromise on one or the other, and therefore any conflict of interest must be disclosed whenever happen.

The main principles adopted by PT Wijaya Karya (Persero) Tbk, which shall be followed to prevent conflicts of interest and further implications are:

1. 1. The Board of Commissioners and Board of Directors must disclose shareholdings in the Company or/in other companies in the Special Register, as required by regulations;
2. 2. The Board of Commissioners, Directors and employees do not use his position for personal interest or for the interest of person or other related parties
3. 3. The Board of Commissioners, Directors and employees must avoid any activity outside



the office which could adversely affect the independency and objectivity of judgment in decision making.

#### 1) Conflict of Interest related to Procurement

Board of Commissioners, Directors and Employees are prohibited from participating in any activity that involves the procurement of a company where concerned member or concerned family has a significant equity interest or has a financial interest on such transactions.

The Company defines participate in the procurement process as follows:

1. Invite, approve, or discuss future work with contractors who compete that every business entity which is likely in the future may be competitors or contract winner of the Company.;
2. Ask for or accept money, gifts or other valuable things, either directly or indirectly, from contractors who competed;
3. Try to obtain or disclose information relating to the procurement process without rights and contrary to Company's policy.

#### 2) Conflict of Interest related to Side Activities

Board of Commissioners, Board of Directors and employees may be allowed to perform other activities



outside working hours, with the requirement that such activities do not have a conflict of interests with the Company and/or those activities do not reduce the ability of the concerned member to fulfill its mandated tasks.

Each Board of the Company must uphold the high standards of performance without exception and to the extent possible to act objectively and independently in all daily activities.

## **S. Business Ethics of Anti Corruption and Policy on Bribery Prohibition**

In order to build the company's commitment to be a good corporate citizen, The Company supports the efforts made by all parties to create a business climate that is free from corruption, collusion and nepotism (KKN). Therefore, The Company will constantly strive to implement business ethics based on noble values and business principles in accordance with prevailing law and regulations.

The Company defines bribe as any form of money, commissions, loan, gift, pleasure, facilities and any valuable economic benefits, which is given or requested, as compensation, directly or indirectly, with the intent to obtain preferential treatment or bias in favor, illegally.



The Company prohibits any form of administration, request, receipt or attempt to obtain a bribe. Violation of this provision may result in disciplinary action by PT Wijaya Karya (Persero) Tbk.

The Company make guidance on ethical behavior (Code of Conduct), which contains the values of business ethics and develop a Code of Conduct adopted with the Company's development and changes in regulations.

## **T. Definition on Gifts, Rewards, and Inappropriate Donations**

PT Wijaya Karya (Persero) Tbk defines gifts, rewards, and donations (donations) are not justified is as all forms of acceptance by an officer or employee of PT Wijaya Karya (Persero) Tbk from parties with an interest in PT Wijaya Karya (Persero) Tbk with the intention to influence an officer or employee concerned in order to benefit the interests of the gift giver. Those acceptances as legal and business ethics cannot be justified.

In line with the principles of the Anti-Corruption as mentioned above, PT Wijaya Karya (Persero) Tbk prohibit the Board of Commissioners, Board of Directors and employees to give or offer, or accept, directly or indirectly, any valuable thing (including in the form of gifts, rewards, and donations (donation) to the employer (client) or a government official to influence or as a reward for what he had done.

## **U. Relationship with State Officials**

Company's policy to develop and maintain good relationship and effective communication with every state official who has authority in the operations of the Company within the tolerance limits allowed by law.

Any contact with government officials should be maintained as a relationship that is both objective and reasonable (arms-length) and to avoid the occurrence of irregularities.

Treatment of state officials must be done within the law in force, in an ethical manner and not in conflict with the prevailing norms and regulations.

## **V. Confidentiality of Corporate Data and Information**

Any official who has the authority must submit relevant information to the auditor and cooperate fully with the internal auditors and external auditors in the compliance audit process or other investigations.

The Company has a policy to prohibit any member of the Board of Commissioners, members of the Board of Directors, Internal Auditor, the External Auditor, the Committee under the Board of Commissioners and employees to disclose confidential information about the Company or the Company's customers out either during work or afterwards. Given that the disclosure of the confidential information would be detrimental to the Company or its customers and provide benefits to



other parties, the disclosure of confidential information provision according to the need shall obtain the approval of the Board of Directors.

The Company also works with special data belonging to employers, associates and joint venture partners. This is a trust that is very important and must be maintained by the Company. Therefore, no one should disclose such confidential information to outside parties without the approval of the Board of Directors, or none may disclose such confidential information to others unless required by law.

## **W. Information Disclosure**

The Company will disclose relevant important information in report to the authorities (Annual Reports, Periodic Reports etc.) in accordance with the regulations in force on time, accurate, clear and objective.

The Company will always strive to pioneer and take the initiative in the disclosure of financial and non-financial information that is important for decision-making capital owners, creditors and other interested parties both mandatory disclosure and voluntary. Disclosure of such information, by PT Wijaya Karya (Persero) Tbk is done through the Annual Report and other media as deemed necessary.

In addition to the information as required by the prevailing regulations (balance sheet, profit and loss,



cash flows, changes in capital, etc.), the Company also reveals important information in the Annual Report include:

1. Aim, objective and strategy of the Company are not detrimental to the Company's interest;
2. Assessment of the Company by the Audit Committee, the External Auditor, Credit Rating Agency and other agencies;
3. Curriculum vitae of members of the Board of Commissioners, Board of Directors, Key Executive Company, as well as salary and their allowances;
4. The number of meetings of Board of Commissioners and Board of Directors along with the level of attendance;
5. The system of honorarium for External Auditor;
6. The system of salary and allowances for members of the Board of Commissioners, Board of Directors and the Internal Auditor;
7. The material risk factors that can be anticipated, including management's assessment on the business climate and risk factors;
8. Material information regarding employees and stakeholders
9. Claims regarding the value of the materials submitted by the Company or to the Company, as well as a substantial case in judicial or arbitration body involving the Company;



10. Conflict of interest that might occur and/or ongoing; and
11. Implementation of Good Corporate Governance.

## **X. Fraud and Other Violations**

The Company prohibits any form of fraud and always applies the procedures to be followed with regard to the findings, recognition, reporting, investigation and investigation on suspicion of fraud.

According to the Company, things categorized as fraud include:

1. Dishonesty;
2. Embezzlement;
3. Forgery or alteration of the marketable securities such as checks;
4. Manipulation of assets owned by the Company, Employee, Business Partner or Partner;
5. The transfer of cash, marketable securities or other assets of the Company for personal use;
6. Handling and reporting of Company's transactions that contrary with the prevailing procedure and regulations;
7. Manipulation on the Company's accounting records or financial statements for personal interests or other interests that cause disadvantages for the Company.

## **Y. Socialization, Implementation, and Evaluation**

Company carries out socialization, implementation and evaluation of the Code of Conduct. Company forms GCG Compliance Team, chaired by Corporate Secretary who is responsible for socialization program, implementation, coordination, and evaluation of the implementation of compliance with the Code of Conduct.

## **Z. Violations Report on Code of Conduct (Whistle Blower Policy)**

Each member of the Board of Commissioners, Board of Directors, existing Committees and employees can submit a report on alleged violations of the Code of Conduct to the Company personally, by mail or email.

GCG Compliance Team will receive and follow up complain.

Some important things that should be considered as follows:

1. Generally, in principle, all of the informants must clearly disclose their identity. In this case, the confidentiality of the informant's identity will be protected.
2. The use of unmarked letter (anonymous letter) will be treated only as initial information where follow-up depending on the level of confidence GCG Compliance Team for the truth of the substance of the reported problems.



3. No punishment given to the informant when the violation does occur, unless he is also involved in the violation of the Code of Conduct. In this case, that disclosure may constitute a mitigating factor. If the violation does occur and the informant was not involved in it, then the informant will be rewarded accordingly.
4. GCG Compliance Team will hold to the principle of presumption of innocence.
5. Complaint Media is not intended as a mechanism to communicate personal complaints unrelated to the alleged violation of the Code of Conduct.

## **AA. Mechanism of Compliance Enforcement on Code of Conduct**

Each report of alleged violation of the Code of Conduct followed by GCG Compliance Team. In a follow-up implementation, the GCG Compliance Team can coordinate or cooperate with related Company's Organ. Each section Company's Organ shall provide full support to the GCG Compliance Team in following up reports of alleged violation of the Code of Conduct.

Results of follow-up in the form of follow-up report and recommendation by the GCG Compliance Team submitted to the Board of Directors or Board of Commissioners in accordance with the scope and responsibilities.

GCG Compliance team can recommend the establishment of the Fact Finding Team (TPF) to conduct further investigation of report of alleged violation of the Code of Conduct. The results of investigation by the Fact Finding Team submitted to the Council of Honorary Employee. The Council of Honorary Employee after a discussion in the Council Meeting of Honorary Employee shall provide recommendations to the Board of Directors or Board of Commissioners in accordance with the scope and responsibilities.

Board of Directors and/or Board of Commissioners as the competent authority in accordance with the scope and responsibilities may impose sanction, action of coaching, and/or any other relevant terms of the alleged violations of the Code of Conduct.

Implementation of the compliance enforcement to the Code of Conduct is based on the related policy that has been owned by the Company and related policy to be developed by the Company to adjust with the Company's development and changes in regulations.

## **BB. Integrity of Financial Statement**

The Board of the Company shall maintain the integrity of the financial statements. Behaviors of all positions in the Company in support of the integrity of the financial statement are:



1. Record with accurate, valid and on time based on the accurate and accountable source;
2. Carry out charging of the Company that is based on honesty and responsibility;
3. Prepare work reports related to the function and responsibility honestly, on time, true and accurate to be used as a decision-making and performance improvement feedback.

### **CC. Protection of Company's Assets**

The Board of the Company shall ensure to protect and secure all such assets from ownership basis, income, information owned, property and equipment of any potential disruption, including liabilities to third parties and/or property that is being constructed:

1. The assets to be protected, but not limited to buildings, equipment, supplies, communication facilities, funds, accounts, computer programs, information technology, documents, skills and other (contracts etc), intellectual property rights and any resources or other property owned by the Company;
2. The Board of the Company shall use and utilize the assets of the Company in accordance with the prevailing policy and procedure and immediately report to his superior if there are abnormalities, loss or damage to the work equipment;

3. The Board of the Company does not utilize the assets of the Company for personal interest;
4. The use of the Company's assets are carried out effectively and efficiently to achieve the objectives of the Company;
5. The Board of the Company that has expired term of office or retired or not working anymore in the Company, shall return all assets that have been used and given the Company as official facilities during his term of office.

#### **DD. Integrity of Corporate Governance and its Subsidiaries**

Control of operations, finance, risk and strategy in subsidiaries/affiliated entities, the Company shall hold the principle of synergy and integrity to produce value-added shareholders (shareholder value added/SVA). Integrity of the Company's relationship with its Subsidiaries shall be managed in the Policy and Code of Corporate Governance and the Subsidiary or Subsidiary Governance.

The things that set are Policy and Relation Procedure related to:

1. Marketing;
2. Production;
3. Human resources, including in this case Dual Positions;



4. Finance;
5. System and the development of risk control;
6. Work Plan and Budget of the Company; (KPI-subsiidiaries)
7. Long-term plan
8. Formation and Control of Affiliated Companies; and
9. Program of PKBL and the Government Assignment Program

## **EE. Code of Conduct is Reviewed and Updated Regularly**

Code of Conduct is an integral part of the Good Corporate Governance which is the policy of

Business Ethics and Work Ethics applied at all levels of the Company. Therefore, the Board of the Company shall always think and act right and proper in the circumstances and conditions that promote the interests of the Company. In order to maintain the conformity, this code of conduct will be reviewed and updated regularly in accordance with the development and needs.

