UNOFFICIAL TRANSLATION

Financial Services Authority
of the Republic of Indonesia

DUPLICATE OF
REGULATION OF FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 10/POJK.04/ 2018
CONCERNING
IMPLEMENTATION OF GOVERNANCE FOR INVESTMENT MANAGER

WITH THE GRACE OF GOD ALMIGHTY

BOARD OF COMMISSIONERS OF FINANCIAL SERVICES AUTHORITY

Considering : a. that in line with the development of the Indonesian capital market and to enhance protection for stakeholders, it is necessary to improve the quality of investment managers, compliance with the provisions of laws and regulations, and transparency in corporate governance practices aligned with international investment management standards, as well as generally applicable ethical values, through the enhancement of good corporate governance;

b. that based on considerations as referred to in letter a, it is necessary to stipulate the Regulation of Financial Services Authority concerning Implementation of Governance for Investment Manager;

In view of : 1. Law Number 8 of 1995 concerning Capital Market (State Gazette of the Republic of Indonesia of 1995 Number 64, Supplement to State Gazette of the Republic of Indonesia Number 3608);

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2. Law Number 21 of 2011 concerning the Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to State Gazette of the Republic of Indonesia Number 5253);

HAS DECIDED TO:

Enact : REGULATION OF FINANCIAL SERVICES AUTHORITY CONCERNING IMPLEMENTATION OF GOVERNANCE FOR INVESTMENT MANAGER.

CHAPTER 1
GENERAL PROVISIONS

Article 1

In this Regulation of Financial Services Authority, the following terms shall mean:

1. Securities are promissory notes, commercial paper, shares, bonds, evidences of indebtedness, participation units of collective investment contracts, futures contracts related to Securities, and all derivatives of Securities.
2. Capital Market is an activity of trading and offering Securities to the public, the activity of a public company with respect to Securities it has issued, and the activities of Securities-related institutions and professions.
3. Investment Manager is a party other than an insurance company, pension fund or bank with respect to its own lawful activities, that, as a business, manages Securities Portfolios or collective investment portfolios for clients or groups of clients.
4. Good Governance of Investment Manager, hereinafter referred to as Governance is the Governance of Investment Manager that applies the principles of transparency, accountability, responsibility, independency, and fairness.

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5. General Meeting of Shareholders, hereinafter referred to as GMS, is an organ of an Investment Manager with authority not given to the board of director or the board of commissioners as stipulated in the Law Number 40 Year 2007 concerning Limited Liability Company and/or the articles of association.
6. Board of Directors is an organ of an Investment Manager, duly authorized and fully responsible for the management of the limited liability company for the interests of the limited liability company, in accordance with the objectives and purpose of the limited liability company, as well as representing the limited liability company, either inside or outside of the court, pursuant to the provisions in the articles of association.
7. Board of Commissioners is an organ of an Investment Manager in charge of conducting general and/or specific oversight in accordance with the articles of association as well as providing advice to the Board of Directors.
8. Independent Commissioner is a member of the Board of Commissioners who comes from outside the Investment Manager and meet the requirements as an independent commissioner as referred to in this Regulation of Financial Services Authority.
9. Audit Committee is a committee established by and accountable to the Board of Commissioners to assist in carrying out the duties and functions of the Board of Commissioners.
10. Controlling Shareholder is a party who either directly or indirectly owns:
    a. at least 20% (twenty percent) of the issued shares with voting rights of an Investment Manager; or
    b. less than 20% (twenty percent) of the issued shares with voting rights of an Investment Manager, but proven of having exercised

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control, directly or indirectly, over the said Investment Manager.

11. Business Plan is a written document that describes the plans of business activities of an Investment Manager for a period of 1 (one) year, including plans to improve business performance, as well as strategies to realize those plans according to specified targets and timelines, while ensuring the compliance with prudential requirements and implementation of risk management.
12. Customer is a Party using the service of the Investment Manager.
13. Website is a collection of web pages containing information or data that can be accessed through an internet network system.
14. Sharia Supervisory Board is a board that is responsible for providing advice and recommendations as well as overseeing the fulfilment of Sharia Principles in the Capital Market by the parties conducting sharia activities in the Capital Market.
15. Sharia Investment Manager is an Investment Manager whose articles of association state that:
    a. its activities and types of businesses;
    b. its management approach; and/or
    c. the services provided,

    are conducted based on the sharia principles in the Capital Market.
16. Affiliation is:
    a. a family relationship by marriage and descent to the second degree, horizontal as well as vertical;
    b. a relationship between a party and its employees, directors, or commissioners;
    c. a relationship between two companies with one or more Directors or Commissioners in common;

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d. a relationship between a company and a party that directly or indirectly, controls or is controlled by that company;
e. a relationship between two companies that are controlled directly or indirectly by the same party; or
f. a relationship between a company and a substantial shareholder.

17. Public Accountant is an individual who has obtained a license to provide services as regulated in the provisions of law and regulations concerning Public Accountants and is registered with the Financial Services Authority.
18. Stewardship is a form of responsibility of the Investment Manager (fiduciary duties) for the managed funds entrusted by the Customers.

Article 2

(1) Parties that may conduct business activities as Investment Managers are Securities companies that has obtained a business license as an Investment Manager from the Financial Services Authority.
(2) The Investment Managers as referred to in clause (1) are obligated to implement Governance in performing business activities at all levels or organizational hierarchy.
(3) The implementation of Governance as referred to clause (2) includes at least:
a. shareholder commitment and GMS;
b. implementation of duties and responsibilities of the Board of Directors;
c. implementation of duties and responsibilities of the Board of Commissioners;
d. prohibitions of the Board of Directors and the Board of Commissioners;
e. remuneration of the Board of Directors and the Board of Commissioners;

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f. Sharia Supervisory Board;
g. business ethics;
h. conflict of interest handling policy;
i. internal control;
j. Business Plan;
k. Stewardship;
l. policy on violation reporting system and Customer complaint system;
m. Website; and
n. reporting.

CHAPTER II
SHAREHOLDER COMMITMENT AND GMS

First Section
Shareholder Commitment

Article 3

(1) The shareholders of Investment Manager are obligated to meet the requirements of integrity and financial viability.
(2) The fulfilment of the integrity and financial viability requirements as referred to in clause (1) shall be assessed by the Financial Services Authority through a fit and proper test.
(3) The integrity and financial viability requirements as referred to in clause (1), as well as the fit and proper test as referred to in clause (2) shall be stipulated in the provisions of laws and regulations in the Capital Market sector governing the licensing of Securities companies conducting business activities as an Investment Manager and the Regulation of Financial Services Authority concerning the fit and proper test for the lead party of financial services institutions.

Article 4

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(1) The shareholders are prohibited from intervening in the exercise of business activities/operations of the Investment Manager.

(2) The shareholders who serve as members of the Board of Directors, members of the Board of Commissioners, members of the investment committee, and/or investment management team are obligated to prioritize the interests of the Customer and Investment Manager.

Second Section
GMS

Article 5

(1) Investment Manager is obligated to convene a GMS in accordance with the provisions of laws and regulations and the Investment Manager articles of association.

(2) The convening of the GMS as referred to in clause (1) is obligated to be preceded by the summon of the GMS.

(3) The summon of the GMS as referred to in clause (2) is obligated to be made at the latest 14 (fourteen) days before the date of the GMS, without taking into account the date of summon and the date of the GMS.

(4) The summon of the GMS as referred to clause (2) shall at least contain information regarding:

a. date and time of the GMS;

b. venue of the GMS;

c. meeting agenda; and

d. information stating that materials related to the meeting agenda are available for the shareholders since the date of the GMS summon until the GMS is held.

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(5) The summon of the GMS as referred to in clause (2) shall be made by registered mail, electronic mail, Website, and/or advertisement in a newspaper.

(6) The obligations as referred to in clause (2) through clause (5) may not be carried out as long as all shareholders with voting rights are present at the GMS and the resolutions of the GMS remain valid if approved unanimously.

Article 6

(1) The Investment Manager is obligated to provide the shareholders with material for meeting agenda.

(2) The material for meeting agenda as referred to in clause (1) are provided in the form of copies of physical and/or electronic document.

(3) The copies of physical documents as referred to in clause (2) shall be provided for free of charge at the Investment Manager office if requested in writing by the shareholder.

Article 7

The resolution passed at the GMS is obligated to:

a. support the sound operational development of the Investment Manager and the Indonesian Capital Market; and

b. prioritize the interests of the Customer.

Article 8

(1) The convening of GMS as referred to Article 5 is obligated to be recorded in the GMS minutes and properly documented.

(2) The Investment Manager is obligated to submit the summary of the GMS minutes and proof of the GMS summon as referred to in Article 5 clause (5) to the Financial Services Authority no later than 7 (seven) working days after the date of the GMS.

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(3) The summary of the GMS minutes as referred to in clause (2) is obligated to at least contain information as follows:

a. date, venue, time, and agenda of the GMS;
b. members of the Board of Directors and members of the Board of Commissioners present at the GMS;
c. number of shares with valid voting rights present at the GMS and its percentage to the total number of shares with valid voting rights;
d. the mechanism for passing the resolutions during the GMS;
e. voting results, including the number of votes in favor, against, and abstentions for each agenda item of the meeting, if passing of resolution is conducted by voting; and
f. the GMS resolution.

Article 9

(1) Shareholders may make binding resolutions outside the GMS provided that all shareholders with voting rights agree in writing by signing the relevant proposal.

(2) The making of binding resolutions outside the GMS as referred to in clause (1) shall be made in accordance with the provisions of laws and regulations.

(3) The binding resolution outside the GMS as referred to in clause (2) is obligated to be submitted by the Investment Manager to the Financial Services Authority no later than 7 (seven) working days after all shareholders have signed that resolution outside of the GMS.

CHAPTER III

BOARD OF DIRCTOR AND BOARD OF COMMISIONER

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First Section
The Exercise of Duties and Responsibilities
of the Board of Directors

Article 10

The determination of number and composition of members of the Board of Directors must consider:

a. the provisions of laws and regulations in the Capital Market sector governing the licensing of Securities companies conducting business activities as Investment Managers;
b. the condition of the Investment Manager;
c. the diversity of knowledge, experience and/or expertise required; and
d. the effectiveness of the decision-making process.

Article 11

(1) Each member of the Board of Directors is obligated to meet the requirements of:
    a. integrity;
    b. financial reputation;
    c. competence and expertise in Capital Market;
    d. individual license;
    e. domicile; and
    f. prohibition of concurrent positions.
(2) The fulfilment of requirements as referred to in clause (1) shall be assessed through a fit and proper test by the Financial Services Authority.
(3) The requirements for members of the Board of Directors as referred to in clause (1) as well as the fit and proper test as referred to in clause (2) shall be stipulated in the provisions of laws and regulations in the Capital Market sector governing the licensing of Securities companies conducting business activities as Investment Managers and the Regulation of Financial Services Authority

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concerning the fit and proper test for the lead party of financial services institutions.

(4) If a member of the Board of Directors no longer meets the requirements as referred to in clause (1), the said member of the Board of Directors is prohibited from taking legal actions in the capacity as a member of the Board of Directors.

Article 12

(1) The Board of Directors is tasked with and being responsible for the managing of the Investment Manager for the benefit of the Investment Manager in accordance with the purposes and objectives set forth in the articles of association.

(2) The duties and responsibilities regarding management as referred to in clause (1) shall be carried out in accordance with the authority of the Board of Directors as stipulated in the provisions of laws and regulations and the articles of association.

(3) Each member of the Board of Directors is obligated to carry out the management as referred to in clause (1) with good faith, prudence, and full responsibility.

(4) The Board of Directors is responsible for the Governance implementation as referred to in Article 2 clause (2).

Article 13

(1) The Board of Directors is obligated to provide accurate, relevant, and timely data and information to the Board of Commissioners.

(2) The Board of Directors of the Sharia Investment Manager and/or the Board of Directors of the Investment Manager with a sharia investment management unit is obligated to provide accurate, relevant, and timely data and information to the Board of Commissioners and Sharia Supervisory Board.

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Article 14

(1) The Board of Directors is obligated to follow up on the findings and recommendations of:
   a. risk management, compliance, and internal audit functions;
   b. findings of external audit;
   c. the results of the Board of Commissioners supervision; and/or
   d. the results of the Financial Services Authority supervision.

(2) In addition to the obligations as referred to in clause (1), if the Investment Manager manages sharia investment products, the Board of Directors is obligated to follow up on the findings and recommendations resulting from the results of the Sharia Supervisory Board supervision.

Article 15

(1) The Board of Directors is fully responsible, including financially, for all actions related to the Investment Manager activities conducted by the Investment Manager Representative, employees, and other parties working for the Investment Manager.

(2) Each member of the Board of Directors shall be individually liable for any losses incurred by the Investment Manager if he/she is found at fault or have neglected his/her duty.

(3) The responsibilities as referred to in clause (1) and clause (2) shall apply jointly and severally to each member of the Board of Directors.

(4) The members of the Board of Directors cannot be held accountable for the losses as referred to in clause (1) and clause (2) if they can prove that:
   a. the loss is not due to their fault or negligence;
   b. they have managed with good faith and prudence for the interest of and in accordance

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with the purposes and objectives of the Investment Manager;

c. they do not have conflict of interest either directly or indirectly regarding management actions that resulted in losses; and

d. they have taken actions to prevent the occurrence and continuation of such losses.

Article 16

(1) To support the effectiveness of the execution of its duties, the Board of Directors may establish committees and/or supporting units of the Board of Directors.

(2) The Board of Directors is obligated to ensure that the committees and/or supporting units as referred to in clause (1) performs the duty effectively.

Article 17

The Board of Directors is obligated to be accountable for the implementation of its duties to the shareholders at the GMS.

Article 18

(1) The Board of Directors is obligated to convene a meeting of the Board of Directors at least 1 (once) every 2 (two) months.

(2) The meeting of the Board of Directors as referred to in clause (1) may be convened if attended by a majority of all members of the Board of Directors.

(3) Each member of the Board of Directors is obligated to be present in at least 75% (seventy-five percent) of the total number of the Board of Directors meetings as referred to in clause (1) in 1 (one) year.

(4) The decision of the Board of Directors meeting as referred to in clause (1) shall be made:

a. based on a consensus; or

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b. based on a majority vote, if consensus is not reached.

(5) The results of the meeting as referred to in clause (1), including any dissenting opinions and the reasons thereof, is obligated to be recorded in the minutes of the meeting, signed by the chairman of the meeting, disseminated to all members of the Board of Directors, and properly documented.

Article 19

Each strategic policy and decision are obligated to be decided through a Board of Directors meeting.

Article 20

Members of the Board of Directors must improve their knowledge and understanding to assist in the exercise of their duties through continuous education and/or training.

Second Section
The Exercise of Duties and Responsibilities
of the Board of Commissioners

Article 21

(1) The Investment Manager is obligated to have at least 2 (two) members of the Board of Commissioners.

(2) If the Board of Commissioners consists of 2 (two) members, 1 (one) of them is obligated to be an Independent Commissioner.

(3) If the Board of Commissioners consists of more than 2 (two) members, the number of Independent Commissioners is obligated to be at least 30% (thirty percent) of the total number of members of the Board of Commissioners.

Article 22

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(1) In addition to fulfilling the provisions of Article 21, the membership of the Board of Commissioners must take into account:
   a. the provisions of laws and regulations in the Capital Market sector governing the licensing of Securities companies conducting business activities as Investment Managers;
   b. the condition of the Investment Manager;
   c. the diversity of knowledge, experience, and/or expertise required; and
   d. effectiveness in decision-making process.

(2) The number of members of the Board of Commissioners shall not exceed the number of members of the Board of Directors.

Article 23

(1) Each member of the Board of Commissioners is obligated to fulfil the requirements of:
   a. integrity;
   b. financial reputation
   c. competence and expertise in Capital Market; and
   d. prohibition of concurrent positions.

(2) The fulfilment of requirements as referred to in clause (1) shall be assessed by the Financial Services Authority through a fit and proper test.

(3) The requirements of members of the Board of Commissioners as referred to in clause (1), as well as the fit and proper test as referred to in clause (2) shall be stipulated in the provisions of laws and regulations in the Capital Market sector governing the licensing of Securities companies conducting business activities as Investment Managers and the Regulation of Financial Services Authority concerning the fit and proper test for the lead party of financial services institutions.

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(4) If a member of the Board of Commissioners no longer meets the requirements as a member of the Board of Commissioners as referred to in clause (1), the said member shall be prohibited from taking legal actions in the capacity as a member of the Board of Commissioners.

Article 24

The Independent Commissioner as referred to in Article 21 is obligated to fulfil the following requirements:

a. not being a person who has worked or had authority and responsibility to plan, lead, control, or supervise the activities of the Investment Manager in the last 6 (six) months, except for reappointment as an Independent Commissioner of the Investment Manager in the following period;
b. not having any shares, either directly or indirectly, in the Investment Manager;
c. not having any affiliate relationship with the Investment Manager, members of the Board of Commissioners, members of the Board of Directors, members of the Sharia Supervisory Board, or Controlling Shareholders of the Investment Manager; and
d. not having any business relationship, either directly or indirectly, related to the Investment Manager's business activities.

Article 25

(1) The Board of Commissioners is tasked with and be responsible for supervising the management policy, the general management of the Investment Manager, and providing advice to the Board of Directors.
(2) In carrying out the supervision as referred to clause (1), the Board of Commissioners directs, monitors, and evaluates the implementation of the strategic policies of the Investment Manager.

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(3) If the Board of Commissioners participates in making decision concerning matters stipulated in the articles of association or provisions of laws and regulations, such decision-making is performed in its function as the supervisor and advisor to the Board of Directors.

(4) The Board of Commissioners is responsible for supervising the Governance implementation as referred to in Article 2 clause (2).

(5) The Board of Commissioners is obligated to perform its duties independently.

Article 26

(1) Each member of the Board of Commissioners shall be personally liable for the Investment Manager losses if he/she is found at fault or negligent in carrying out his/her duties.

(2) The responsibilities as referred to in clause (1) shall apply jointly and severally to each member of the Board of Commissioners.

(3) The members of the Board of Commissioners shall not be held accountable for the losses as referred to in clause (1) if they can prove that:

a. they have conducted the supervision with good faith and prudence for the interest of the Investment Manager and in accordance with the Investment Manager purpose and objectives;

b. they do not have personal interest, either directly or indirectly, in the management actions of the Board of Directors that resulted in losses; and

c. they have provided advice to the Board of Directors to prevent the occurrence or continuation of such losses.

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Article 27

(1) In performing its duties and responsibilities as referred to in Article 25, the Board of Commissioners is obligated to perform the audit function through the Independent Commissioner.

(2) The audit function as referred to in clause (1) conducts a review of:
   a. financial information that will be released by the Investment Manager to the public and/or authorities;
   b. independence, scope of assignment, and fees as the basis for the appointment of the Public Accountant;
   c. audit plan and its implementation by the Public Accountant; and
   d. implementation of risk management, compliance, and internal audit functions of the Investment Manager.

(3) In performing the functions as referred to in clause (2), the Board of Commissioners may establish an Audit Committee chaired by an Independent Commissioner.

Article 28

(1) To support the effectiveness of the implementation of its duties and responsibilities, in addition to establishing an Audit Committee as referred to in Article 27 clause (3), the Board of Commissioners may also establish other committees.

(2) The Board of Commissioners is responsible for ensuring that the committees as referred to in clause (1) and in Article 27 clause (3) carry out their duties effectively.

(3) The Board of Commissioners is obligated to ensure that in performing its activities the sharia investment management unit may use the functions and/or committees of the Investment Manager whose

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organizational structure is under the Board of Commissioners.

Article 29

(1) The Board of Commissioners is obligated to ensure that the Board of Directors follows up on the findings and recommendations of:
   a. risk management, compliance, and internal audit functions;
   b. findings of external audit;
   c. the results of the Board of Commissioners supervision; and/or
   d. the results of the Financial Services Authority supervision.

(2) In addition to the obligation as referred to in clause (1), if the Investment Manager manages sharia investment products, the Board of Commissioners is obligated to ensure that the Board of Directors follows up on the findings and recommendations resulting from the result of the Sharia Supervisory Board supervision.

Article 30

(1) The Board of Commissioners is obligated to report to the Financial Services Authority if being aware of indication of violation of the provisions of laws and regulations in the financial services sector that may endanger the continuity of the Investment Manager's business activities performed by members of the Board of Commissioners, members of the Board of Directors, and/or employees of the Investment Manager no later than 2 (two) working days after the violation indication is known.

(2) The Board of Commissioners is obligated to convene a Board of Commissioners meeting by inviting the Board of Directors to discuss the indication of violation of the provisions of laws and regulations in

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the financial services sector as referred to in clause (1).

Article 31

(1) The Board of Commissioners is obligated to convene a meeting at least once every 3 (three) months.

(2) The meeting of the Board of Commissioners as referred to in clause (1) may be convened if attended by a majority of all members of the Board of Commissioners.

(3) Each member of the Board of Commissioners is obligated to be present in at least 75% (seventy-five percent) of the total number of the Board of Commissioners meetings as referred to in clause (1) in 1 (one) year.

(4) The decision of the Board of Commissioners meeting as referred to in clause (1) shall be made:
   a. based on a consensus; or
   b. based on a majority vote, if consensus is not reached.

(5) The results of the meeting as referred to in clause (1), including any dissenting opinions and the reasons thereof is obligated to be recorded in the minutes of the meeting, signed by the chairman of the meeting, disseminated to all members of the Board of Commissioners, and properly documented.

Article 32

Members of the Board of Commissioners must improve their knowledge and understanding to assist in the exercise of their duties through continuous education and/or training.

Third Section

Prohibitions of Board of Directors and Board of Commissioners

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Article 33

(1) Members of the Board of Directors and/or members of the Board of Commissioners are prohibited from abusing their authority for personal, familial, and/or other parties' interests.

(2) Members of the Board of Directors and/or members of the Board of Commissioners are prohibited from taking and/or receiving personal benefits from the Investment Manager's activities either directly or indirectly other than legitimate income.

CHAPTER IV

REMUNERATION OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

Article 34

(1) The structure of remuneration for members of the Board of Directors and members of the Board of Commissioners may include:
   a. salary;
   b. honorarium;
   c. incentives; and/or
   d. fixed and/or variable allowances.

(2) The remuneration for members of the Board of Directors and members of the Board of Commissioners must consider:
   a. the remuneration prevalent to the industry and the scale of the Investment Manager business;
   b. the duties, responsibilities, and authorities of the members of the Board of Directors and the members of the Board of Commissioners in relation to the risk and the achievement of the Investment Manager's objectives and performance both in the short-term and long-term;

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c. the performance targets or performance of each member of the Board of Directors and/or member of the Board of Commissioners; and/or
d. the balance between fixed and variable allowances.

CHAPTER V
SHARIA SUPERVISORY BOARD

Article 35

(1) Sharia Investment Manager or Investment Manager with a sharia investment management unit is obligated to have a Sharia Supervisory Board as stipulated in the Regulation of Financial Services Authority concerning the implementation of sharia principles in the Capital Market.
(2) The Sharia Supervisory Board as referred to in clause (1) shall consist of 1 (one) or more individuals holding a license as a sharia expert of Capital Market as stipulated in the Regulation of Financial Services Authority concerning sharia experts of Capital Market.
(3) The Sharia Supervisory Board as referred to in clause (1) is obligated to meet the criteria as stipulated in the Regulation of Financial Services Authority concerning sharia experts of Capital Market.

Article 36

(1) The Sharia Supervisory Board is obligated to carry out its duties, responsibilities, and authorities as stipulated in the Regulation of Financial Services Authority concerning sharia experts of Capital Market.
(2) In carrying out its duties as referred to in clause (1), the Sharia Supervisory Board may use the assistance of:

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a. members of committee and/or supporting units whose organizational structure is under the Board of Commissioners; and/or
b. members of committee and/or supporting units and employees whose organizational structure is under the Board of Directors.

Article 37

The members of the Sharia Supervisory Board are prohibited from:

a. abusing their authority for personal, familial, and/or other parties' interests that may harm or reduce the Investment Manager profits where the members of the Sharia Supervisory Board work; and
b. taking and/or receiving personal benefits from the supervised Investment Manager, other than the specified remuneration and other facilities.

CHAPTER VI
BUSINESS ETHICS

First Section
The Conduct of the Investment Manager in Carrying Out Business Activities

Article 38

The Investment Manager is obligated to:

a. carry out its business activities based on good business ethics as stipulated in the laws and regulations in the Capital Market sector governing the conduct of Investment Manager; and
b. implement the know-your-Customer principles as stipulated in the provisions of laws and regulations concerning anti-money laundering and prevention of terrorism financing in the financial services sector.

Second Section

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Code of Ethics for Board of Directors/Board of Commissioners/Investment Manager Employees and Guidelines for Board of Directors or Board of Commissioners

Article 39

(1) The Investment Manager is obligated to have a code of ethics that applies to all members of the Board of Directors, members of the Board of Commissioners, employees, and/or organ supporting units owned by the Investment Manager.

(2) The code of ethics as referred to in clause (1) shall be prepared by the Board of Directors and the Board of Commissioners, which at least includes:
   a. company values;
   b. the principles of implementation of duties of the Board of Directors, Board of Commissioners, employees, and/or organ supporting units owned by the Investment Manager which is obligated to be performed with good faith, full responsibility, and prudence;
   c. the handling of code of ethics violations; and
   d. accountability of sanctions imposition for violations of the code of ethics.

(3) The code of ethics as referred to in clause (1) shall be disseminated to all employees of the Investment Manager.

(4) Members of the Board of Directors, members of the Board of Commissioners, employees, and/or organ supporting units owned by the Investment Manager are obligated to report through the violation reporting system concerning any alleged violation of the code of ethics.

Article 40

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(1) The Investment Manager is obligated to have guidelines that bind each member of the Board of Directors and Board of Commissioners.

(2) The guidelines as referred to in clause (1) shall be prepared by the Board of Directors and the Board of Commissioners, which at least include:
   a. legal basis;
   b. description of duties, responsibilities, and authorities;
   c. policies regarding meeting, including policies on attendance and decision-making procedures in the meetings, and preparation of minutes of meeting; and
   d. reporting and accountability.

CHAPTER VII
POLICY ON THE HANDLING OF CONFLICT OF INTEREST

Article 41

(1) Investment Managers are obligated to establish a policy for handling conflicts of interest.

(2) The policy for handling conflicts of interest as referred to in clause (1) at least include:
   a. definition of conflict of interest;
   b. identification of matters which constitutes a conflict of interest;
   c. procedures or mechanisms in handling conflicts of interest;
   d. decision-making in the event of conflict of interest;
   e. reporting and/or disclosure in writing when experiencing or potentially facing a conflict of interest;
   f. professionalism of the Board of Directors, Board of Commissioners, employee, and/or committee/ function owned by the Investment

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Manager in case of conflict of interest with the Investment Manager; and/or

g. administration and documentation of conflict of interest.

(3) The policy for handling conflict of interest as referred to in clause (1), is obligated to comply with the provisions related to conflict of interest in the Regulation of Financial Services Authority concerning the code of conduct of the Investment Manager.

CHAPTER VIII
INTERNAL CONTROL

Article 42

Investment Manager is obligated to implement the Investment Manager internal control.

Article 43

(1) In implementing the internal control as referred to Article 42, the Investment Manager is obligated to establish the functions of:

a. risk management;

b. compliance; and

c. internal audit.

(2) The functions as referred to in clause (1) may be performed in 1 (one) function or separately and adjusted according to the needs, size, complexity of the business, and capabilities of the Investment Manager.

Article 44

The implementation of risk management, compliance, and internal audit functions as referred to Article 43 clause (1) is obligated to comply with the provisions of laws and regulations in the Capital Market sector

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governing the guidelines for the implementation of Investment Manager functions.

Article 45

In addition to complying with the provisions as referred to in Article 44, the Investment Manager is obligated to establish and perform the functions of:

a. investment and research;
b. trading;
c. Securities transaction settlement;
d. marketing and handling of Customer complaints;
e. information technology;
f. accounting and finance; and
g. human resources development,

as obligated in the laws and regulations in the Capital Market sector governing the guidelines for the implementation of the Investment Manager functions.

CHAPTER IX
BUSINESS PLAN

Article 46

The Investment Manager is obligated to prepare a annual Business Plan that is realistic, measurable and sustainable.

Article 47

(1) Business Plan as referred to in Article 46 is obligated to be prepared by the Board of Directors, which at least contains:
    a. investment management services and/or investment products to be offered;
    b. Customers and/or investors targets in accordance with the products to be offered;
    c. managed funds target;
    d. distribution method of the products to be offered

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e. method of selling the product to prospective Customers and/or investors;
f. annual work plan of the compliance function; and
g. financial projections, including at least:
   1) types of income from the product to be offered;
   2) costs incurred from the company operations; and
   3) contribution percentage of revenue from each product to the company's total revenue.

(2) Business Plan as referred to in clause (1) is prepared with due regard to:
a. Investment Manager's strategic plan;
b. internal and external factors that may affect the Investment Manager's business continuity;
c. prudential principles; and
d. implementation of risk management.

(3) Business Plan as referred to in clause (1) is obligated to be approved by the Board of Commissioners or the GMS as specified in the articles of association.

Article 48

(1) The Board of Directors is responsible for the implementation of the Business Plan and its dissemination to all employees of the Investment Manager.

(2) The Board of Commissioners is responsible for supervising the implementation of the Business Plan.

Article 49

(1) The Investment Manager is obligated to submit the Business Plan as referred to in Article 47 to the Financial Services Authority once every 1 (one) year.

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(2) The Investment Manager is obligated to submit the realization of the Business Plan of the previous year to the Financial Services Authority.

(3) The Financial Services Authority may request the Investment Manager to make adjustments in the event that the submitted Business Plan is considered not fully compliant with the provisions related to the Investment Manager's activities.

(4) The Investment Manager is obligated to submit adjustments to the Business Plan as referred to in clause (3) to the Financial Services Authority no later than 15 (fifteen) working days from the receipt of the notification letter from the Financial Services Authority.

(5) The Investment Manager may only make amendments to the Business Plan once, at the latest on the last working day of June of the current year, unless otherwise determined at the request of the Financial Services Authority.

(6) The amendments to the Business Plan as referred to in clause (5) is obligated to be submitted to the Financial Services Authority no later than 30 (thirty) working days before the Business Plan implementation.

(7) If the sharia Investment Managers or Investment Managers with a sharia investment management unit has submitted the Business Plan to the Financial Services Authority, they have fulfilled the obligation of annual activity reporting as stipulated in the Regulation of Financial Services Authority on the implementation of sharia principles in the Capital Market for Investment Managers.

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CHAPTER X
STEWARDSHIP

Article 50

(1) Investment Managers must carry out periodic monitoring of the company in which their managed funds are invested (investee company).
(2) Investment Managers must periodically review the results of monitoring that has been performed as referred to in clause (1).

Article 51

(1) Investment Manager may conduct engagement activities as a follow-up to the monitoring results as referred to in Article 50 clause (1).
(2) The engagement activities as referred to in clause (1) shall be specified in the Investment Manager policy.

Article 52

(1) The Investment Manager must have a policy regarding the use of voting rights on share ownership in companies where the managed funds of the Investment Manager are invested (investee company).
(2) The policy on the use of voting rights as referred to in clause (1) at least includes procedures for the use of voting rights that take into account the principles of prudence, independence, and the interests of Customer funds management.

Article 53

The Investment Manager may disclose on its Website the policy on the use of voting rights as referred to in Article 52 along with the results of the use of voting rights for each agenda proposed by the company where the

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Investment Manager managed funds are invested (investee company).

CHAPTER IX
POLICY ON VIOLATION REPORTING SYSTEM AND CUSTOMER COMPLAINT SYSTEM

Article 54

(1) Investment Managers are obligated to have a policy regarding violation reporting system.

(2) The policy regarding violation reporting system as referred to in clause (1) at least includes:
   a. systematic violation reporting process;
   b. types of violation that may be reported;
   c. procedures for submitting violation reports;
   d. protection and confidentiality assurance for the reporter;
   e. handling of violations reports;
   f. party responsible for managing the handling of violation reports;
   g. result of handling and follow-up action of violation reports; and
   h. periodic evaluation by the Board of Directors and the Board of Commissioners on the policy regarding violations reporting system.

Article 55

(1) The Investment Manager is obligated to have a policy regarding Consumer complaint handling .

(2) The policy regarding Consumer complaint handling as referred to in clause (1) at least includes:
   a. systematic complaints process;
   b. timeframe for complaint handling;
   c. complaint handling;
   d. unit or party responsible for managing complaints handling;

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e. results of complaint handling and follow-up; and

f. periodic evaluation by the Board of Directors and Board of Commissioners of the Customer complaint handling policy.

(3) The policy regarding Customer complaint handling as referred to in clause (2) is obligated to take into account the provisions of the Regulation of Financial Services Authority concerning consumer protection in the financial services sector.

CHAPTER XII
REPORTING

Article 56

(1) The Investment Manager is obligated to submit periodic reports to the Financial Services Authority as follows:

a. periodic financial reports;

b. activity reports; and

c. a Public Accountant report on annual adjusted net working capital.

(2) The provisions regarding the submission of periodic reports as referred to in clause (1) refer to the provisions of laws and regulations in the capital market sector governing the obligation to submit periodic reports by the Investment Manager.

Article 57

(1) The Investment Manager is obligated to prepare a Governance implementation report annually as of the end of December.

(2) The Governance implementation report as referred to in clause (1) at least includes:

a. transparency aspects, which covers at least:

1. disclosure of Governance implementation forms as referred to in Article 2 clause (3)

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letters a through letter i and letters k through letter n;

2. share ownership of the members of the Board of Directors and members of the Board of Commissioners as well, as financial relationships and/or familial relationships between members of the Board of Directors with members of the Board of Commissioners, other members of the Board of Directors, members of the Sharia Supervisory Board, and/or shareholders of the Investment Manager;
3. total remuneration and other facilities received by the Board of Directors and the Board of Commissioners;
4. internal violations that occur and efforts taken by the Investment Manager for their resolution;
5. types, amounts, and efforts to resolve legal issues, both civil and criminal, that have been submitted through legal processes, if any; and
6. handling of transactions containing conflict of interest;

b. self-assessment results of the Governance implementation; and/or

c. action plan of the Investment Managers with Governance implementation self-assessment result indicating a composite rating of 4 (four) or 5 (five).

(3) The Governance implementation report as referred to in clause (1) is presented comparatively with the previous year.

(4) The Investment Manager is obligated to submit a Governance implementation report as referred to in clause (2) to the Financial Services Authority once every 1 (one) year.

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(5) The Governance implementation report as referred to in clause (4) is obligated to be submitted by the Investment Manager to the Financial Services Authority no later than the 15th day of the second month of the following year.

(6) If the 15th day as referred to in clause (5) falls on a holiday, the Governance implementation report shall be submitted no later than the following working day.

(7) If the Investment Manager submits the Governance implementation report exceeding the specified deadline as referred to in clause (6), the calculation of the number of days of delay in submitting the report shall begin from the first day after the deadline for submitting the report as referred to in clause (6).

(8) The submission of the Governance implementation report for the first time shall not be presented comparatively with the previous year.

Article 58

(1) The Financial Services Authority may request the Investment Manager to revise its Governance implementation report if based on the evaluation conducted by the Financial Services Authority, the report does not demonstrate the Investment Manager's actual condition.

(2) The revision of the Governance implementation report as referred to in clause (1) is obligated to be submitted to the Financial Services Authority no later than 15 (fifteen) working days from the receipt of the notification letter from the Financial Services Authority.

Article 59

(1) The Business Plan as referred to in Article 49 clause (1) is obligated to be submitted to the Financial Services Authority no later than the last working day of November.

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(2) The Business Plan realization report as referred to in Article 49 clause (2) is obligated to be submitted to the Financial Services Authority no later than 15 February.

(3) If the date of 15 February as referred to in clause (2) falls on a holiday, the Business Plan realization report shall be submitted no later than the following working day.

(4) If the Investment Manager submits the Business Plan realization report exceeding the specified deadline as referred to in clause (3), the calculation of the number of days of delay in submitting the report shall be calculated from the first day after the deadline as referred to in clause (3).

(5) The Business Plan realization report as referred to in clause (2) shall be presented comparatively with the Business Plan that has been submitted to the Financial Services Authority.

Article 60

The Business Plan, Business Plan realization report, and Governance implementation report are obligated to be submitted to the Financial Services Authority in the form of printed and electronic documents.

Article 61

(1) If the Financial Services Authority has provided an electronic reporting system, the reporting as referred to in Article 56 and Article 60 is obligated to be submitted through the electronic reporting system.

(2) If the reports as referred to in Article 56 and Article 60 have been submitted through the electronic reporting system, the Investment Manager is not required to submit the reports in the printed documents.

(3) The provisions concerning the procedures for submitting reports through the electronic reporting

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system as referred to in clause (1) shall be regulated in the Financial Services Authority Circular Letter.

Article 62

(1) The Investment Manager is obligated to conduct self-assessment on the Governance implementation as referred to in Article 57 clause (2) letter b.
(2) The self-assessment results of the Governance implementation as referred to in clause (1) shall form an integral part of the Governance implementation report as referred to in Article 57.

Article 63

The provisions concerning Governance implementation report shall be regulated further in the Financial Services Further Authority Circular Letter.

Article 64

In addition to fulfilling the reporting provisions as referred to in Article 56 through Article 62, the Investment Manager is obligated to fulfil other reporting provisions in the provisions of laws and regulations in the Capital Market sector.

CHAPTER XIII
WEBSITE

Article 65

(1) Investment Managers are obligated to have a Website.
(2) The Website as referred to in clause (1) must reflect the Investment Manager's Identity and adhere to the provisions of laws and regulations.
(3) The Website as referred to in clause (1) shall contain information that is actual and up-to-date.

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Article 66

Information that is obligated to be included on the Website as referred to in Article 65 clause (3) at least includes:

a. general information;
b. information for Customers; and
c. information on Governance.

Article 67

(1) General information as referred to Article 66 letter a, at least includes:
    a. name, address and contact details of the head office, address and contact details of locations other than the head office, mutual fund selling agents, and/or other parties establishing product/services distribution partnership with the Investment Manager, who can be contacted;
    b. a brief history of the Investment Manager;
    c. organizational structure of the Investment Manager;
    d. profiles of the Board of Directors and Board of Commissioners;
    e. information regarding members of the Board of Directors and employees holding a licensed as an Investment Manager representatives;
    f. business license number of the Investment Manager; and
    g. committee and/or supporting unit if the Investment Manager has a committee and/or supporting unit.
(2) Information for Customers as referred to in Article 66 letter b, at least includes:
    a. Investment Manager products; and
    b. Customer complaint and violation reporting services.
(3) Information regarding Governance as referred to in Article 66 letter c, at least includes:

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a. the key guidelines for the work of the Board of Directors and the Board of Commissioners;
b. the principles of the code of ethics; and
c. a brief description regarding risk management, compliance, and internal audit.

CHAPTER XIV
OTHER PROVISIONS

Article 68

(1) To assess the Governance implementation, the Financial Services Authority shall carry out an assessment or evaluation on the self-assessment results of the Governance implementation as referred to in Article 62 clause (1).
(2) Based on the assessment or evaluation results as referred to in clause (1), the Financial Services Authority may request the Investment Manager to submit an action plan containing corrective measures that the Investment Manager is obligated to implement within a specified timeframe.
(3) If necessary, the Financial Services Authority may request the Investment Manager to adjust the action plan as referred to in clause (2).
(4) The Financial Services Authority may evaluate the adjustments made to the action plan as referred to in clause (3) and may conduct special examination on the improvement results of the Governance implementation performed by the Investment Manager.

CHAPTER XV
SANCTIONS PROVISIONS

Article 69

(1) Without prejudice to the criminal provisions in the Capital Market sector, the Financial Services

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Authority is authorized to impose administrative sanctions on any party who violates the provisions of this Regulation of Financial Services Authority, including parties causing the violation in the form of:

a. written admonition;
b. fines, namely an obligation to pay a certain amount of money;
c. restrictions of business activity;
d. suspension of business activity;
e. revocation of business license;
f. cancellation of approval; and
g. cancellation of registration.

(2) Administrative sanctions as referred to clause (1) letter b, letter c, letter d, letter e, letter f, or letter g may be imposed with or without preceded by the imposition of administrative sanction in the form of written admonition as referred to in clause (1) letter a.

(3) Administrative sanction in the form of fines as referred to in clause (1) letter b may be imposed separately or jointly with the imposition of administrative sanctions as referred to in clause (1) letter c, letter d, letter e, letter f, or letter g.

Article 70

In addition to the administrative sanctions as referred to Article 69 clause (1), the Financial Services Authority may take certain actions against any party who violates the provisions of this Regulation of Financial Services Authority.

Article 71

The Financial Services Authority may announce the imposition of administrative sanctions as referred to Article 69 clause (1) and certain actions as referred to Article 70 to the public.

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CHAPTER XVI
TRANSITIONAL PROVISIONS

Article 72

(1) The Investment Manager is obligated to comply with the provisions of this Regulation of Financial Services Authority within 1 (one) year since this Regulation of Financial Services Authority enters into force.

(2) The imposition of sanctions against violations of this Regulation of Financial Services Authority shall begin to be enforced 2 (two) years since this Regulation of Financial Services Authority enters into force.

Article 73

The Independent Commissioners as referred to in Article 24 may be appointed from among the members of the Board of Commissioners during the transition period, provided that they have fulfilled the requirements as referred to in Article 24 letter b, letter c, and letter d.

Article 74

(1) The Investment Manager is obligated to submit the Business Plan for the first time for the 2019 activity plan.

(2) The first Business Plan as referred to in clause (1) is obligated to be submitted to the Financial Services Authority no later than the last working day of November 2018.

Article 75

(1) Investment Manager that has submitted a Business Plan as referred to in Article 59 clause (1) is exempted from the obligation to submit an annual work plan report of compliance function as referred to in Article 29 clause (1) letter a of the Regulation of

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Financial Services Authority Number 24/POJK.04/2014 concerning Guidelines for Implementation of Investment Manager Functions.

(2) Investment Manager that has submitted a Business Plan realization report as referred to in Article 59 clause (2) is exempted from the obligation to submit a semi-annual report on the implementation of the compliance function and an annual report on the implementation of the compliance function, as stipulated in Article 29 clause (1) letter b and letter c of the Regulation of Financial Services Authority Number 24/POJK.04/2014 concerning Guidelines for Implementation of Investment Manager Functions.

Article 76

(1) The Investment Manager is obligated to submit a Governance implementation report as referred to in Article 57 clause (1) for the first time for the the 2019 period.

(2) The Governance implementation report as referred to in clause (1) shall be submitted to the Financial Services Authority no later than 15 February 2020.

CHAPTER XVII
CLOSING PROVISIONS

Article 77

(1) Other provisions of laws and regulations related to the obligations of the Investment Manager shall remain in effect to the extent that they do not conflict with the provisions of this Regulation of Financial Services Authority.

(2) In the event that there are other provisions of laws and regulations governing the Governance provisions for Investment Managers that are issuers or public companies and/or Investment Managers

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included in financial conglomerates, which are different from the provisions of this Regulation of Financial Services Authority, the stricter provisions shall apply.

Article 78

(1) For Securities companies holding licences as Securities broker-dealer, Securities underwriter, and Investment Manager, where the Investment Manager has submitted the Governance implementation report as referred to in Article 57 clause (4), the Securities companies is considered to have fulfilled the obligation to submit the Governance implementation report as referred to the Regulation of Financial Services Authority concerning the implementation of Governance of Securities companies conducting business activities as Securities underwriter and Securities broker-dealer.

(2) The Governance implementation report as referred to in clause (1) has included an assessment element of the Governance of Securities broker-dealer and Securities underwriters.

(3) Provisions concerning the assessment elements of the Investment Manager Governance are regulated in the Financial Services Authority Circular Letter.

Article 79

This Regulation of Financial Services Authority shall come into force since the date of its promulgation

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For public cognizance, it is hereby ordered that this Regulation of Financial Services Authority be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 27 July 2018

CHAIRMAN OF THE BOARD OF
COMMISSIONERS OF THE FINANCIAL
SERVICES AUTHORITY

signed

WIMBOH SANTOSO

Promulgated in Jakarta
on 1 August 2018

MINISTER OF LAW AND HUMAN RIGHTS
OF THE THE REPUBLIC OF INDONESIA

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2018 NUMBER 119

This copy is in accordance with its original
Director of Law 1
Department of Law

signed

Yuliana

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ELUCIDATION

OF

REGULATION OF FINANCIAL SERVICES AUTHORITY

OF THE REPUBLIC OF INDONESIA

NUMBER 10/POJK.04/ 2018

CONCERNING

IMPLEMENTATION OF GOVERNANCE FOR INVESTMENT MANAGER

I. GENERAL

With the development of investment climate, information technology, product innovation, and increasing competition in the fund management industry, the Investment Managers as one of the key players contributing to the advancement of the Indonesian Capital Market, are required to improve the quality of its corporate governance. Investment Managers must be able to manage their companies well to be able to provide benefits to all stakeholders.

Nowadays, the implementation of good corporate governance has become a prerequisite for Customers before investing their funds. Customers need to ensure that their investment in products managed by the Investment Manager are managed properly with the Investment Managers acting in the best interest of their Customers. This assurance can be provided by a good corporate governance system. A good corporate governance system provides effective protection to shareholders and other stakeholders. In addition, with the development of complex, dynamic, and interconnected financial services system, both in terms of products, institutions, and ownership, Investment Managers must have a standard of governance that is equivalent to other financial institutions.

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II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Self-explanatory.

Article 4

Clause (1)

The intended meaning of "intervention" is making efforts through speech and/or actions to influence the Investment Manager to do something that is not in accordance with the standard procedures or applicable provisions.

Clause (2)

Self-explanatory.

Article 5

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

Self-explanatory.

Clause (5)

In practice, electronic mail is also known as e-mail.

Clause (6)

Self-explanatory.

Article 6

Clause (1)

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Examples of material for meeting agenda include the annual financial reports at the annual GMS.

Clause (2)

The copies of electronic document may be provided using, among others, compact discs, flash disks, or others.

Clause (3)

The provision of copies of physical documents must be first requested in writing to allow the Investment Manager to prepare and provide such documents, including the costs incurred.

Article 7

Self-explanatory.

Article 8

Clause (1)

The minutes of the GMS shall be prepared and signed by the chairman of the meeting and at least 1 (one) shareholder appointed from and by the GMS participants.

The signature is not required if the minutes of the GMS are made in the form of a notarial deed of minutes of GMS by a notary.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Article 9

Clause (1)

In practice, passing resolutions outside of the GMS is also known as a circular resolution.

The intended meaning of "binding resolution" is a resolution that carries the same legal force as a GMS resolution.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Article 10

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Letter a

Self-explanatory.

Letter b

The intended meaning of “the condition of the Investment Manager” is the needs, size, and complexity of the business, as well as the capabilities of the Investment Manager.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Self-explanatory.

Article 16

Clause (1)

"Committees and/or supporting units of the Board of Directors" means, including a risk management committee or a human resources committee.

Clause (2)

Self-explanatory.

Article 17

Self-explanatory.

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Article 18

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

The intended meaning of “the presence of embers of the Board of Directors in the meeting” is physical presence, in circular manner, or through electronic media such as teleconference or video conference.

Clause (4)

Self-explanatory.

Clause (5)

Self-explanatory.

Article 19

The intended meaning of "strategic policies and decisions" is policies and decisions of the Investment Manager that may significantly affect the financial aspects of the Investment Manager and/or have a sustained impact on budgets, human resources, organisational structure, Customers, and/or third party.

Article 20

The education and/or training may be obtained through, among others, training, socialization program, or seminars.

Article 21

Clause (1)

Self-Explanatory.

Clause (2)

Self-Explanatory.

Clause (3)

For example, if the Securities company has 4 (four) members of the Board of Commissioners, at least 2 (two) members of the Board of Commissioners shall be Independent Commissioners.

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Article 22

Clause (1)

Letter a

Self-explanatory.

Letter b

The condition of the Investment Manager as referred to in this letter is adjusted to the needs, size and complexity of the business, and the capabilities of the Investment Manager.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Clause (2)

Self-explanatory.

Article 23

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

Supervision of the Governance implementation as referred to in this clause is carried out, among others, through:

a. supervision of the implementation of duties and responsibilities of the Board of Directors on the Governance implementation;

b. provision of advice to the Board of Directors on the Governance implementation; and

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c. evaluation of the company policies related to Governance, such as evaluation of the work guidelines of the Board of Directors and Board of Commissioners.

Clause (5)

The intended meaning of "independent" is that the Board of Commissioners performs its duties and responsibilities professionally without being influenced by interests other than those of the Investment Manager.

Article 26

Clause (1)

The provisions of this clause asserts that if a member of the Board of Commissioners is at fault or negligent in carrying out his/her duties, resulting in losses to the Investment Manager due to management conducted by the Board of Directors, the said member of the Board of Commissioners is liable to the extent of his/her fault or negligence.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Article 27

Self-explanatory.

Article 28

Clause (1)

The intended meaning of "other committees", among others, is governance committees and/or nomination and remuneration committees.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory

Article 29

Self-explanatory.

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Article 30

Clause (1)

The intended meaning of "indication of violation" is an indication of violation found by the Board of Commissioners.

Clause (2)

Self-explanatory

Article 31

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

The intended meaning of the "presence of the members of the Board of Commissioners in the meeting" is physical presence, in circular manner, or through electronic media, such as teleconference or video conference.

Clause (4)

Self-explanatory.

Clause (5)

Self-explanatory.

Article 32

The education and/or training may be obtained through, among others, training, socialization program, or seminars.

Article 33

Clause (1)

Self-explanatory.

Clause (2)

The intended meaning of "legitimate income" is the remuneration as stipulated at the GMS.

Article 34

Clause (1)

Letter a

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Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

The intended meaning of "allowances" includes facilities provided to the members of the Board of Directors and members of the Board of Commissioners to support the implementation of their duties and responsibilities.

Clause (2)

Self-explanatory.

Article 35

Self-explanatory.

Article 36

Self-explanatory.

Article 37

Self-explanatory.

Article 38

Self-explanatory.

Article 39

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

The violation reporting system as referred to in this clause may be in the form of a flow and/or mechanism of reporting in the Investment Manager, in the event that members of the Board of Directors, members of the Board of Commissioners, employees,

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and/or organ supporting units owned by the Investment Manager are aware of alleged ethical violations.

Article 40

Clause (1)

In practice, the guidelines for the implementation of the duties and responsibilities of the Board of Directors and the Board of Commissioners are also known as charters.

Clause (2)

Self-explanatory.

Article 41

Clause (1)

Conflict of interest is the difference in economic interests between:

a. Investment Manager and the personal economic interests of controlling shareholders, members of the Board of Commissioners, members of the Board of Directors, employees, Customers and/or related party of the Investment Manager; and/or
b. Customers with personal economic interests of controlling shareholders, members of the Board of Commissioners, members of the Board of Directors, employees, and/or related party of the Investment Manager,

which may harm the Customer and/or Investment Manager.

Clause (2)

Letter a

Self-explanatory.

Letter b

Identification of matters constituting a conflict of interest, among others, includes the type of transaction involving conflict of interest between Investment Manager with the personal of the controlling shareholder, members of the Board of Directors, members of the Board of Commissioners, employees, Customers, and/or related party of the Investment Manager.

Letter c

Self-explanatory.

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Letter d

Self-explanatory.

Letter e

Self-explanatory

Letter f

Self-explanatory

Letter g

Administration and documentation of conflict of interest are aligned with the Regulation of Financial Services Authority concerning the code of conduct of the Investment Manager, including among others, creating, documenting, and maintaining documents and/or records of interests or ownership of Securities disclosed by the Investment Manager and members of the Board of Directors, members of the Board of Commissioners, employees, and/or investment committee and investment management team owned by the Investment Manager.

Administration and documentation of conflict of interest are also regulated in the Financial Services Authority regulation concerning the code of conduct of the Investment Manager.

Clause (3)

Self-explanatory.

Article 42

Self-explanatory.

Article 43

Self-explanatory.

Article 44

Self-explanatory.

Article 45

Self-explanatory.

Article 46

Self-explanatory.

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Article 47

Clause (1)

The Business Plan contains information related to sharia products of ther sharia Investment Manager or Investment Manager with a sharia investment management unit.

Clause (2)

Letter a

Self-explanatory.

Letter b

The internal factors may include the strengths and weaknesses of the Investment Manager, while external factors may include opportunities and challenges.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Clause (3)

Self-explanatory.

Article 48

Self-explanatory.

Article 49

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

Provisions related to the Investment Managers activities include regulations related to the licensing, conduct, functions, and capital of the Investment Manager.

Clause (4)

Self-explanatory.

Clause (5)

The Investment Manager may still carry out activities that have not been included in the Business Plan.

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Clause (6)

Self-explanatory.

Clause (7)

Self-explanatory.

Article 50

Clause (1)

The scope of monitoring includes, among others:

a. financial factors, such as periodic financial reports; and

b. non-financial factors, such as:

1) corporate strategy;

2) risk management; and

3) corporate Governance including corporate social and environmental responsibility.

Clause (2)

Self-explanatory.

Article 51

Clause (1)

Self-explanatory.

Clause (2)

Engagement activities may be in the form of written communication, e-mail, or direct dialogue with the company.

Article 52

Clause (1)

Self-explanatory.

Clause (2)

In practice, the use of voting rights is also known as voting.

The voting policy is made to protect the interests of the Costumer.

Article 53

Self-explanatory.

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Article 54

Clause (1)

The violation reporting system may be in the form of a flow and/or mechanism of reporting in the Investment Manager, in the event that members of the Board of Directors, members of the Board of Commissioners, employees, and/or organ support units owned by the Investment Manager are aware of alleged ethical violations.

Clause (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

The party managing the handling of violation report may be performed by the party carrying out compliance function.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Article 55

Clause (1)

The policy for handling consumer complaints is formulated by referring to the provisions on consumer complaint handling as referred to in the Regulation of Financial Services Authority concerning consumer protection in the financial services sector.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

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Article 56

Self-explanatory.

Article 57

Cause (1)

Self-explanatory.

Clause (2)

Letter a

Self-explanatory.

Letter b

In practice, the self-assessment is the commonly used term for self-evaluation.

Letter c

The intended meaning of "composite rating" is the final rating resulting from the self-assessment.

Clause (3)

Self-explanatory.

Clause (4)

Self-explanatory.

Clause (5)

Self-explanatory.

Clause (6)

Self-explanatory.

Clause (7)

Self-explanatory.

Clause (8)

Self-explanatory.

Article 58

Self-explanatory.

Article 59

Self-explanatory.

Article 60

The copies of electronic documents may be provided using, among others, compact discs, flash disks, or others.

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Article 61

Self-explanatory.

Article 62

Self-explanatory.

Article 63

Self-explanatory.

Article 64

The intended meaning of "other reporting requirements" includes among others reporting related to:

a. changes in members of the Board of Directors and/or members of the Board of Commissioners as referred to in the provisions of Capital Market laws and regulations governing the licensing of Securities companies engaged in the business as an Investment Manager;
b. opening of activities conducted at locations other than the head office as referred to in the provisions of Capital Market laws and regulations governing the Securities companies activities at various locations;
c. submission of periodic reports by Securities company as referred to in the provisions of Capital Market laws and regulations governing the obligation of Securities companies to submit periodic reports; and
d. Customer complaint and follow-up service as well as settlement of Customer complaint as stipulated in the Regulation of Financial Services Authority concerning consumer protection in the financial services sector.

Article 65

Clause (1)

Self-explanatory.

Clause (2)

The Investment Manager identity includes at least the Investment Manager name or products and/or services produced by the Investment Manager.

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Clause (3)

Self-explanatory.

Article 66

Self-explanatory.

Article 67

Clause (1)

Letter a

Self-explanatory.

Letter b

The intended meaning of "brief history of the Investment Manager" includes, among others, the establishment history, vision and mission, and business activities, according to the latest articles of association.

Letter c

The organisational structure is presented in the form of a chart, at least up to 1 (one) level below the Board of Directors and the Board of Commissioners, including committees, accompanied by names and positions.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Clause (2)

Letter a

The Investment Manager’s product information is accompanied by the prospectus and fund fact sheet of the product.

Letter b

Self-explanatory.

Clause (3)

Self-explanatory.

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Article 68

Self-explanatory.

Article 69

Self-explanatory.

Article 70

Self-explanatory.

Article 71

Self-explanatory.

Article 72

Self-explanatory.

Article 73

Self-explanatory.

Article 74

Self-explanatory.

Article 75

Self-explanatory.

Article 76

Self-explanatory.

Article 77

Self-explanatory.

Article 78

Self-explanatory.

Article 79

Self-explanatory.

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