



MEDCOENERGI

# CODE OF CONDUCT

*“ know the **code**, know the **commitment** ”*



Professional



Ethical



Open



Innovative



## Messages from Our Leaders

“Our Values, Our Code, Our Commitment”



**Yani Y. Panigoro**  
Chairwoman

MedcoEnergi’s commitment to be a good corporate citizen by protecting the environment, carrying out our social responsibility and upholding governance in our daily operations underpins our business sustainability. This commitment is key to ensuring our Company maintains the trust of all our stakeholders.

Our good corporate governance and reputation are dependent on how we conduct our business by respecting our stakeholders and complying with the applicable laws in all countries where

MedcoEnergi operates. To achieve this purpose, we aim to do the right thing when making business decisions and also expect our stakeholders to have the same integrity in doing business with us.

I am therefore pleased to share our Code of Conduct, which is meant to help all our stakeholders to learn about our principles and standards. I also want to encourage our employees and whoever is doing business with us to speak up their concerns whenever they see something that is not aligned with our principles.



**Hilmi Panigoro**  
President Director

Our sustainability efforts and operational performance are interdependent. Strong accomplishment in both is mutually reinforcing as we pursue value creation for all our stakeholders through sustainable growth. One of the sustainability fundamental parameters is Good

Governance. Having a strong foundation on good corporate governance throughout our organisation will enable us to maintain our work integrity, gain higher trust from our stakeholders as well as keep our operations successful to fulfil the Company’s long-term goals.



**Roberto Lorato**  
Director & Chief Executive Officer (CEO)

During the past four years, our Company has grown substantially. Through new projects developments and through acquisitions, we have expanded our operations both domestically and internationally. With this expansion, our staff has increased in numbers and diversity, to include new locations and cultures. Integrating our new assets and organisations, without disruptions and while learning about different cultures and business practices has been our priority. Given the new size and complexity of our Company and

the increased expectations of our stakeholders, improving our business practices in line with the best international standards is essential.

I do therefore welcome our Code of Conduct as our tool to complete the assimilation and integration of the various cultures that constitute the larger MedcoEnergi group through a well-codified set of principles and standards to guide our daily efforts towards an ever stronger and more resilient Company.



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## MedcoEnergi

The name “MedcoEnergi” as used in this Code of Conduct refers to PT Medco Energi Internasional Tbk and all of its subsidiaries. MedcoEnergi is a business group engaged in the energy sector with focus on the business of exploration and production of oil and gas.

PT Medco Energi Internasional Tbk is a holding company regulated and incorporated under the Indonesian law and registered on the Indonesia Stock Exchange, and is a direct and/or indirect shareholder in several of its subsidiaries. A number of subsidiaries is established according to the Indonesian law, while others are set up under the laws of other countries.

**Our Commitment  
and Our Responsibilities**

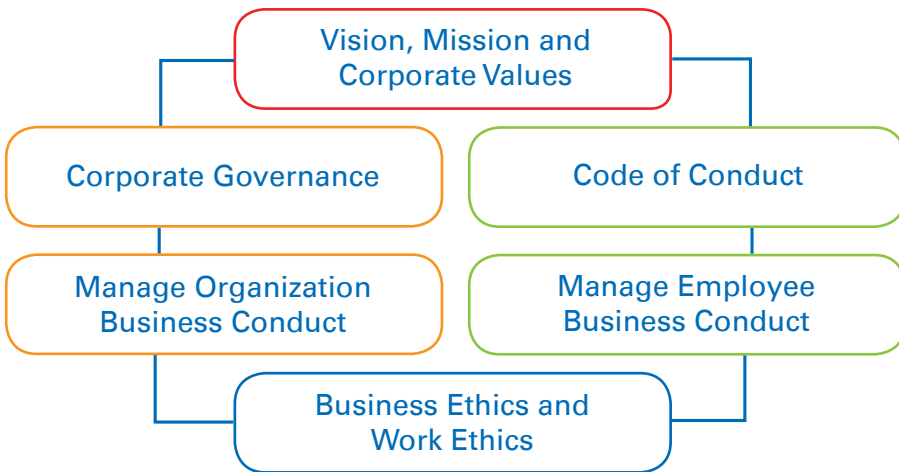
# Corporate Values and Our Code of Conduct

MedcoEnergi defines a set of standards to govern the conduct of the Board of Commissioners, Board of Directors and all employees for the good and safety of all parties and to achieve an effective and efficient business operation conducted in accordance to all applicable laws and regulations. To that end, MedcoEnergi has drawn up standard principles of conduct based on its Corporate Values, namely Professional, Ethical, Open and Innovative.

MedcoEnergi principles are in fact categorized by how the Company governs its organization and its employees. They are divided into two principles of:

- 1) **MedcoEnergi Good Corporate Governance (GCG):** is the guidance on how an organization should be governed, which must be followed by Company's Board of Commissioners and Board of Directors.
- 2) **MedcoEnergi Code of Conduct (CoC):** is the guidance on how its employees should conduct and how Company's business should be conducted, which must be followed by all of Company's stakeholders.

## Relation between GCG and CoC



## Code of Conduct and Who Must Adhere

**MedcoEnergi Code of Conduct (Our Code)** is the main principle which governs how the MedcoEnergi Board of Commissioners, Board of Directors and employees in conducting their work duties, carrying out their responsibilities and behave in accordance to ethical practice. To support the best interest of MedcoEnergi, Our Code shall be communicated to, implemented and followed by all stakeholders including Board of Commissioners Board of Directors employees, affiliates, business partners and guests of the Company without any exception and regardless of their geographical location.

**Our Code** is the main principle guidance of how the business should be conducted in the Company, yet it does not cover every situation you may face on the job. Employees are expected to use their good judgement based on Company policies, as well as seek consultation with the related organization's functions whenever you are unsure about the right thing to do.

## Purpose of GCG Implementation

- To protect the rights and interests of our shareholders and stakeholders.
- To encourage our shareholders, members of the Board of Commissioners and Board of Directors as well as employees to make decisions and to take actions on the basis of high moral values and compliance with the laws and regulations.
- To enhance MedcoEnergi Corporate Values.
- To ensure effective and efficient utilization of MedcoEnergi's assets in accordance with the interest of our shareholders and stakeholders.



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## Our Corporate Values

As mentioned above, the conducts set forth in Our Code are based on the Corporate Values of MedcoEnergi. The following are concepts of MedcoEnergi Corporate Values:



### Professional

The Board of Commissioners, Board of Directors and all MedcoEnergi employees shall conduct themselves in a professional manner by performing their function effectively and efficiently with the highest standard of quality and in accordance with the Company policies and procedures, prevailing laws and regulations and with due regard to safety, health and environment.



### Ethical

The Board of Commissioners, Board of Directors and all MedcoEnergi employees shall act in an ethical manner and preserving the highest standard of integrity by treating all Company stakeholders with respect and comply with Our Code, all relevant Company policies and procedures, the applicable local laws and regulations.



### Open

The Board of Commissioners, Board of Directors and all MedcoEnergi employees must promote in performing their respective tasks and duties, building an environment of trust in conducting their business operations.



### Innovative

The Board of Commissioners, Board of Directors and all MedcoEnergi employees must cultivate the spirit of innovation by continuously searching and improving for innovative solutions to enhance Company's productivity and business performance in a safe way and in a more effective and efficient manner.



# Expectation to Everyone



**Open and ethical behavior of fellow employees can improve the performance of individuals and companies**

We all share a commitment to integrity regardless of position, location or level of seniority. No matter where you are located, which organization or affiliate of the Company you work for, or whether you are a director or an employee, you have responsibilities to:

- 
- Self-initiate to educate yourself about the policies, procedures, and laws applicable to your work.
  - Comply with Our Code, policies and all applicable laws and regulations.
  - Maintain appropriate ethical behavior in conducting business.
  - Raise question if you are in doubt or require guidance on where to find information and/or speak up about any concern you have.
  - Report and never ignore any known or suspected violations of Our Code, policies, laws or other requirements.
  - Participate in our annual Statement of Adherence process when each of us is asked to certify our compliance with Our Code.
  - Fully cooperate with the Company for validating concern process, as required.
- 

If you are about to engage in a situation that you are uncertain to make an ethical decision, then ask yourself:

- What are the facts of the situation, and whether it is a fact or rumour?
- Is it consistent with Our Code?
- What are the Company policies and procedures, and related laws or regulations applicable to the situation?
- Is it considered as ethical, legal, and consistent with those applicable policies and laws?
- Will the Company or you be embarrassed if your decision is known by others or damaging Company's or your reputations?

Our Code sets the standards of business ethics principle, yet it may not address every situation which employee encounters. Therefore, if you are still unsure about your situation, you shall consult with:

- Your Direct Supervisor
- Your Line Management
- Organization Function(s) which act as the Policy Owner
- Corporate Audit & Integrity Compliance function
- Available organization hotlines



## Expectation to Supervisor



### Providing access to information and training needed by subordinates

Regardless of your position or your level at MedcoEnergi, you should lead by example, demonstrate integrity, and promote compliance with Our Code. Supervisors have an embedded responsibility as leader to act in a manner reflecting their position of trust and influence.

As a supervisor, you must:

- Being a role model by demonstrating a commitment to MedcoEnergi culture of integrity, compliance and business ethics.
- Ensure access to the required information and training for your subordinates so that they could perform their work in compliance with Our Code.
- Create an environment where employees are comfortable in raising questions and concerns.
- Respond promptly and appropriately to any concern raised and support those who speak up in a sincere manner.
- Promptly report through appropriate channels all information received concerning any potential violation of MedcoEnergi policies, the applied regulations and laws.
- Ensure that the people you supervise understand their responsibility in complying with Our Code, Company policies and the applies laws.
- Enforce Our Code to be applied consistently in your team.
- Fully cooperate with the Company for validating concern process, as required.
- Not engage in any retaliation conduct of reported concern.

## Responding to Questions and Concerns

After encouraging your people to speak up, handling the concern appropriately is as important as raising it. As a supervisor, you shall respect and take concerns seriously. When dealing with concerns, you shall listen carefully, ask clarification or seek additional information, yet you may not always give immediate advise if you are unsure about the proper action that shall be taken.

If you are uncertain about the proper response or the appropriate action should be taken in dealing with concerns, you must refer to Our Code, the applied Company policies and laws as well as seek help from the appropriate organization functions or channels. Consulting with your Line Management may be required in certain conditions.

### What if?

A Supervisor requests a subordinate to find way(s) and ignore proper pre-approval process as required by Company policy in order to complete a project.

### What to do?

Every project must be in compliance to Company policies and laws. When planning a project, Supervisor must have already considered these Company standards, existing policies and laws, as well as the required time to comply with the standards. Violating the standards will have consequences regardless of your position.



# Raising Concerns

We all have the obligation to uphold the highest ethical standards of MedcoEnergi and share the responsibility to speak up whenever we have question, concern, or suspected violation to Our Code and the applicable policies, laws, and regulations.

Fulfilling this responsibility maintains Company’s reputation and allows our Company to deal with and handle business ethics matters correctly, consistently, properly and improve our standards for a better mitigation plans and actions.

## Whistleblowing

Every individual has the responsibility to report and not to ignore potential violations to Our Code, Company policies and the applied laws. MedcoEnergi takes potential violation reports and possible misconduct seriously, thus every potential violation report will be treated with confidentiality and will be validated as per the applied laws and Company policies.

Our Company has established **Whistleblowing Channels** to accomodate this purpose. Our **Whistleblowing Channels** are provided for internal and external stakeholders, as follow:

### MedcoEnergi Ethics Hotlines



#### Internal Ethics Hotline:

Hotline Email: [EthicsHotline@medcoenergi.com](mailto:EthicsHotline@medcoenergi.com)  
Hotline Phone (Office Hours 7AM-4PM): (+6221) 2996 5899  
Hotline Office Visit: The Energy Building – MedcoEnergi Audit & Integrity Compliance division, SCBD Area Lot. 11A,JI, Jenderal Sudirman, Jakarta 12190

#### External Ethics Hotline (by appointed independent party):

Direct Website: <https://lapor-medcoenergi.tipoffs.info>  
Hotline Email: [lapor-medcoenergi@tipoffs.com.sg](mailto:lapor-medcoenergi@tipoffs.com.sg)

#### Indonesia

Hotline Phone: 0800-150-3020  
Text Messages (SMS) and WhatsApp Messenger: (+62)813-8870- 3300

#### Thailand

Hotline Phone: 1800-010-316  
Text Messages (SMS): (+66) 65986 1887  
WhatsApp Messenger: (+62) 813-8870-3300

#### Oman

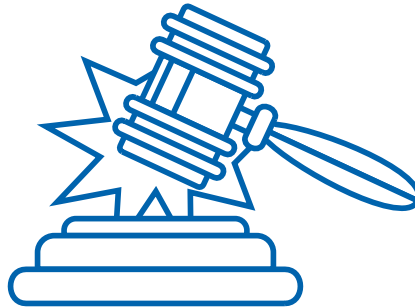
Hotline Phone: 80074565  
Text Messages (SMS) : +27 72 014 4445  
WhatsApp Messenger: +62 813-8870-3300

To ensure a report validation went through a smooth process and to raise employee willingness to report a potential violation, our Company allows anonymity in reporting through the available whistleblowing channnels. If you choose to report with anonymity, you are expected to avoid discussing the reported issues nor the validation process with other employees. If you choose to make your identity known, then the Integrity Compliance function will take reasonable precaution to keep your identity protected and be solely used by need-to- know basis when conducting a consistent and fair validation process.

## No Retaliation

Company values individual willingness to report potential violations to Company's set of ethical standards and policies but the report must be based on good faith.

MedcoEnergi does not tolerate any kind of retaliation. We take all claims of retaliation, validate them seriously, and take appropriate action to handle it. We consider acts of retaliation to be acts of misconduct which, if substantiated, could result in disciplinary action up to, and including dismissal or termination.



Retaliation after reporting a concern can take many forms but not limited to, unfairly dismissing or reassignment, to bullying or making derogatory comments in business interactions, creating a hostile work environment to even making false accusations.

If you receive any kind of retaliation act, you can report it to Company's whistleblowing channels.

## Disciplinary Actions

Every in compliance to Our Code, Company policies, the applied Collective Labor Agreement and the applied laws and regulations will have consequences.

If validation of a report is proven as substantial and violating Our Code, Company policies, as well as the applied laws and regulations, then the Company will impose disciplinary actions up to dismissal or termination.

### What if?

Tini was recently being interviewed by the Company since she was reported to have harassed someone.

Tini suspects one of her subordinate, Rina is the one who file the report. Since then, Tini has been giving Rina poor performance evaluation and proposes Rina for reassignment.

### What to do?

Every individual in MedcoEnergi has the right to report any potential violation or even a concern of retaliation. Thus, if we work with someone who has reported a concern to the Company, we must continue to treat that person with respect.

**Zero tolerance on unethical business conduct and retaliation.**



**Protecting Our Employees and Our Workplace**



# Equal Opportunities and Discrimination

MedcoEnergi respect diversity and cultural differences in the workplace by creating a discrimination-free working environment. Discrimination-free environment is defined as MedcoEnergi's commitment to have their employees treated fairly and with respect, as well as offers equal work opportunities. This shall mean that MedcoEnergi is hiring, evaluating, promoting, transferring and processing other staffing decisions based on employee's skills, competencies, performances, regardless of ethnicity, race, skin color, religion, gender, age, marital status and nationalities.

Employee recruitment process shall follow MedcoEnergi policies and procedures concerning Human Resources. Recruitment is undertaken in accordance with the services that are required to attain MedcoEnergi's business goals that is in line with the Company standards and requirements, as well as the capability that the prospective employee can offer. The Company shall support to the applied Human Right laws in its activities relating to recruitment process which includes fair treatment in local hiring, prevent discrimination and compliance to the local labor laws.

If you are the subject or aware of any discrimination act, you should report the act to your Supervisor, and/or the Human Resources function, and/or Line Management.

# Workplace Harassment

MedcoEnergi is committed to create a working environment that is free of any verbal, physical or other form of abuse or harassment.

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Harassment is defined as any inappropriate conduct including unwanted, disturbing, intimidating or threatening conduct or action towards a person. Harassment also includes any conduct or action that may cause significant emotional distress to a targeted individual in relation to race, gender, religion or protected minorities which leads the individual unable to conduct his/her duty at work. Harassment can be in many forms, such as physical, verbal and gesture.

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There is a difference between harassment and workplace conflict. Workplace conflict is not a form of harassment. Examples of workplace conflict are, but not limited to:

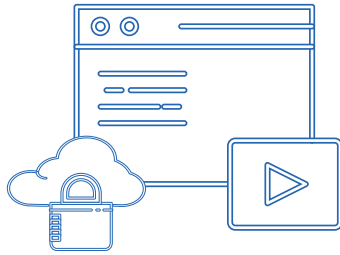
- disagreement between co-workers or between a supervisor and a subordinate
- expressing differences of opinion
- rumours between co-workers which are unrelated and/or have no impact to Company business
- disliking co-worker's attitude or behaviour

Any MedcoEnergi's employee who is convinced that he/she is the subject of a workplace conflict act, should report the incident to Supervisor, Human Resources, and/or Whistleblowing Channels.

Employee should report a harassment incident to his/her Supervisor and/or to Whistleblowing channels. Employees in field locations may also report the incident to Security function whichever suit best on the situation.



# Personal Data Privacy



MedcoEnergi is committed to protect and safeguard sensitive data and information including respecting and protecting personal data of its employees. Therefore, any individual working for MedcoEnergi has the responsibility to ensure personal data protection by collecting, accessing, using, storing, sharing, retaining and disclosing those data in ethical and legally manners. Any activity involving personal data must have legitimate business purpose and is consistent with Company policies and the applied local laws or regulations.

Generally, “personal data” defined as any data which relates to or can identify a living person, either by itself or together with other available information. Examples of personal data in the workplace include but not limited to employee and his/her relative identities, employee addresses and phone numbers, medical records and history, employment records, payroll and business email/phone information, bank account and tax details and other personal-identified related data.

You are not allowed to share the above information to anyone (including your Supervisor and co-workers), unless they have a legitimate business purpose and you have the authority to do so. If your job responsibility is closely related to and/or handling personal data and information, then you must follow and comply with Company’s related policy and the applied laws as well as take the necessary actions to protect it.

If your job requires you to share these personal data and you have legitimate business purpose to do it, you still need to ensure that you have taken all the necessary actions to protect the data when sharing or process it. For instance, obtain required and proper approval from the related function and/or the personal data owner, set anonymity as required when data is shared for certain purposes, acknowledge the third party or data receiver and set disclaimer for the consequences of personal data leaked, and restrict personal data sharing to authorized receiver by ensure limited person in data storing and share the required or limited information based on need-to-know basis and fit-for-purpose only.

## What if?

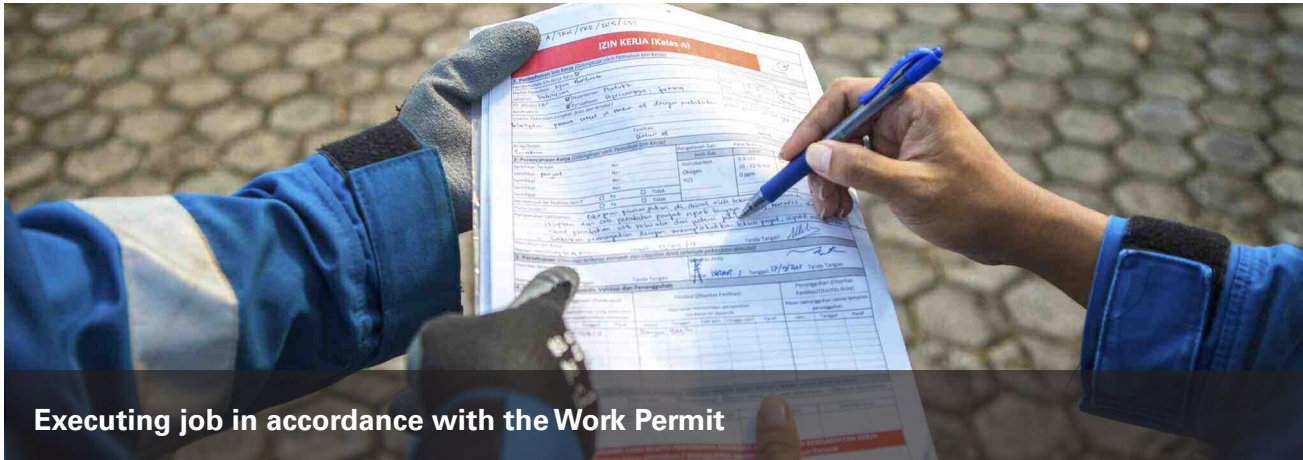
Andi’s role in Medical function allows him to have access to restricted employee medical records. He was asked by Citra, a contractor representative, whether a contractor employee, named Dilan is fit to work. Andi sent the full document of Dilan’s medical records, with revealing information of his illness history.

## What to do?

Andi must not share any other employee’s full medical record without legitimate business reason. He should have just provided the information by stating whether Dilan is fit or not fit to work, unless any specific concerns required.



# Safe Workplace



**Executing job in accordance with the Work Permit**

## Safety, Health, and Environment

MedcoEnergi is concerned with the health, safety, and environment (HSE) of its employees, those who work for and in Company's premises (suppliers and contractors) and the surrounding communities. MedcoEnergi will conduct business with respect and care for the environment and promote sustainable development and business growth.

An integrated and continuously improved HSE Management System has been implemented and is maintained through effective processes of planning, implementation, monitoring, measuring and documenting. The HSE and Process Safety risks are assessed and managed throughout the project and operations cycle using the ALARP (as low as reasonably practicable) principle to protect the health and safety of our employees and contractors, protect our operating assets and facilities from major accident events, and to minimize the impacts on the environment.

### Commitment to Protecting Safety, Health and Environment

MedcoEnergi is committed to comply with all applicable laws and regulations and align our health, safety and environmental and process safety management with the industry best practices and relevant international standards. This commitment is established in order to achieve zero injuries and illnesses, no serious process safety events and environmental incidents, the reduction of domestic waste and hazardous/toxic waste materials, and ensure energy efficiency and the reduction of air emissions. In our Company, HSE is the utmost priority above all other work aspects in performing our operations. We seek to continually strengthen operations excellence through enhancing the safety culture, stakeholder engagement, environmental stewardship, and the ongoing adoption and development of best practices.

To support this commitment and for executing safe work duties, all employees are provided with the knowledge, capabilities, tools, equipment and resources necessary to achieve HSE excellence. All employees and contractors are required to fully understand that working safely is a condition of employment and that they are each responsible for their own safety and the safety of those around them. Everyone must be a leader in HSE.



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### Emergency Situation and Condition

Every individual in MedcoEnergi must be alert to any emergency that may potentially disrupt the operations of MedcoEnergi either entirely or partially and thereby jeopardizing the continuity of the Company's business activities.

If you encounter any critical emergency situation and condition that may disrupt MedcoEnergi business activities, consult immediately with Line Management, the HSE function, and the Relations & Security function.

### Substance Abuse

MedcoEnergi is committed to provide a safe work environment that is free from illegal drugs, alcohol and other illegal and/or addictive substances. Our Company is aware that substance abuse shall diminish individual ability to work and cause harmful effects to the safety, efficiency and productivity of the individual and also other people. Therefore, any substance abuse activities including but not limited to preparing, consumption, possession, distribution and sales of illegal drugs, alcohol, including other illegal/addictive substances within MedcoEnergi's work environment, premises and facilities are strictly prohibited. Any violation towards it will be sanctioned up to dismissal or termination. MedcoEnergi has the right to conduct substance abuse test without prior notice to any individual in the Company's premises or facilities.

### Human Rights

One of our Company commitments in doing business ethically includes respecting others who work at and for the Company, treat every individual with respect, and doing our business operations in compliance to the relevant human right laws wherever MedcoEnergi operates. The government has protected human rights for every individual through the applicable laws and regulations. Yet as a Company, it is our responsibility to comply with all of those applicable laws and principles, including to the local labor laws. MedcoEnergi supports and protects human rights through, but not limited to, prevention of child labor, fair treatment of local hiring, prevent discrimination, and also local community development and stakeholder engagements. Our business partners, affiliates, and other related stakeholders are expected to have the same standards.

Read the applied Company policy related to human rights for further guidance.

Find out more:

- [Alcohol & Drugs Abuse Control Guideline](#)

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**Protecting Our Company Interest and Assets**



# Conflict of Interest

Each individual must act for the interest of MedcoEnergi and shall not be involved in any activity that has a potential to generate or to create a perception of any conflicts of interest. Therefore, any decision-making process must be based on professional considerations without influence from anyone or anything that may compromise independent judgment so as to generate the highest gain for MedcoEnergi.

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“Conflict of Interest” occurs when our personal interest may or is affecting or conflicting with or appeared as influencing the Company’s interest.

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Situations which require conflict of interest disclosure include the following:

## Relationship

Having relative relationship is when you have relatives works within and for Medco Group, Company’s competitors, affiliates, business partners, government official, and other organizations which may cause potential conflict of interest in influencing or may appeared as influencing your business decision for the Company. Read the [Conflict of Interest Policy & Procedure](#) for further guidance on relationships which are considered as relative definition.

## Outside Work

Your work for MedcoEnergi is your main job responsibility. Your outside work must not interfere and must be strictly separated from your work for MedcoEnergi, for instance:

- not having an active managerial position or position of trust with MedcoEnergi in making decision for the interest of your outside work,
- not using your working hours for MedcoEnergi in conducting your outside work,
- not using MedcoEnergi resources (assets, informations, equipments, funds, facilities) for your outside work,
- be very careful or even withdraw from your outside work if required, when your outside work prevent you from giving the best of your time and energy required by your work for MedcoEnergi.

You are also expected to have mitigation plan, discuss with your Supervisor, and also taking necessary action, when the implementation and/or impact of your outside work could influence your decision making in acting at Company’s best interest.

Find out more:

- [Conflict of Interest Policy & Procedure.](#)
- [Gifts & Entertainment Guideline.](#)
- [Government Hosting Guideline.](#)
- [Other related Company policies in each MedcoEnergi asset.](#)

### What if?

Dena, a distant cousin of Rani, a MedcoEnergi employee, applied for a position at the Company. Dena is now going through an interview process. Rani needs guidance on whether she needs to reveal this situation.

### What to do?

Employees are required to disclose potential conflict of interest to the Company, at the earliest opportunity. Thus Rani should have disclosed her situation to the Company at the time she knew that Dena was applying for a job in here.



## Gifts and Entertainment

“Gifts” include goods, services and facilities in which the person offering is not attended in the event or benefited. “Entertainment” are events where the offering person is attended in the event or also benefited, such as lunch invitation, music concert, or sport invitations.

However, no individual shall be permitted to accept gifts, entertainment and/or other facilities from vendors or contractors, government officials or other third parties which may potentially affect the objectivity of decision-making process and/or in an effort to have a business with MedcoEnergi. Furthermore, no individual are allowed to seek, solicit, offer, or provide gifts and entertainment that are considered as illegal or could damage our reputation. Receiving or giving gifts and entertainment without legitimate business purpose and/or not following the proper Company policies and procedures are considered as violating Company policies and may be considered as an act of bribery.

Each individual shall be obliged to maintain a high level of integrity and professionalism in his/her decision-making process.

### Guidelines related to Gifts and Entertainment

Any gift and entertainment offering; whether it is accepted or declined, must be reported to the Company and documented. All gifts and entertainment giving from third parties are referred to MedcoEnergi [Gifts & Entertainment Guidelines](#), including its disclosure mechanism. For travel and payments related to government official are referred to MedcoEnergi [Government Hosting Guideline](#) and any related guidelines which employees need to follow and consult with related Company’s functions.

## Self-Dealing

It is a condition where a person or group of people acts unfairly or making decision with the purpose of gaining personal (or the group) benefit, which contradicts with the Company policies and/or without proper approval of the management. This personal benefit may include financial and non-financial benefits.

## Other Conflict of Interest Situations

Other than the above situations that engage in any conduct, or activities which may disrupt, are inconsistent with and might prevent you to act at MedcoEnergi’s best interest. This conduct may include but not limited to your personal relationship, having investment or other financial interest, access to confidential information towards Company’s future strategies or trading activities, and others.

### Conflict of Interest Obligation: Disclosure and Mitigation

Each individual are obliged to disclose every condition and/or action that may potentially cause or create a perception of conflict of interest. The disclosure should be made at the earliest opportunity and in writing to your Supervisor, and being processed as per applied Company policies. If you are a Supervisor, you have additional responsibility to review and establish mitigation plan with the respective individual(s), Line Management and consult with related organization functions as required.

### What if?

From the previous Rani’s potential conflict of interest situation. Dido, Rani’s Supervisor, just receives Rani’s written declaration of her situation.

### What to do?

As a Supervisor, Dido has the responsibility to review and ensure that proper mitigation plan, is executed to prevent conflict of interest in the workplace.

# Accuracy of Financial Report



Reliable books and records and maintaining the integrity of Company's financial reporting are essential in managing MedcoEnergi's businesses. MedcoEnergi publishes accounting and financial reports to show to its shareholder and creditors that all business transactions executed by the management within a certain period. We all share the responsibility of ensuring that our Company presents accurate, trustworthy and timely accounting and financial report that are aligned with the Company policies, procedures and the relevant accounting principles.

## Accuracy of Transaction Recording

To present a reliable and trustworthy financial statement, we shall do our part to, at all times, ensure that all information and business transactions are recorded in an accurate and timely manner. All records of business transactions must be created based on the principle of truthfulness and prudence and uphold the highest integrity. MedcoEnergi prohibits, without exception, the recording of false, misleading and fraudulent or manipulated transaction data.

The Board of Commissioners, Board of Directors and all employees of MedcoEnergi must ensure that no fund or asset is left undisclosed or unrecorded. Each transaction record must include all relevant supporting documents and contain sufficient and timely information. Thus, all Company's records of business transaction are reliable and can be audited without any limitation or exception, by a reputable accounting firm.

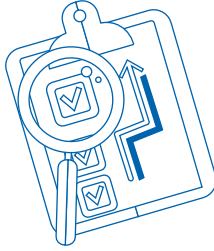


## Financial Statement

MedcoEnergi places the utmost importance on the accuracy and integrity of all transaction records. Therefore, every individual is responsible to make sure that the data, fact and information of the said subsidiary of each transaction shall be recorded, compiled, evaluated and maintained. The data may be derived from operational activities such as crude oil production or transactions such as gas sales and others.

MedcoEnergi shall prepare individual and consolidated financial statements on a regular basis. Each subsidiary must deliver accurate, complete and trustworthy financial statements to MedcoEnergi as the shareholder of the said subsidiary. Prior to issuance, all Financial Statements and Management Representation Letters must be reviewed and approved by the Board of Directors of each subsidiary.

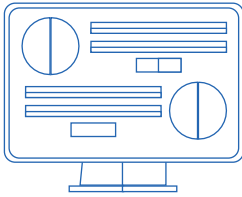
The Audit Committee must evaluate the completeness, accuracy and quality of the consolidated Financial Statement prior to releasing it to the authority. The consolidated Financial Statement must be approved in written by the Board of Directors prior to submission to the authority.



### **Audited Financial Statement**

The Annual Financial Statement (or any other periodical financial statement, if deemed necessary) of MedcoEnergi must be audited and obtain an opinion from a public accountant. The public accountant shall be selected and nominated by the Board of Commissioners based on the recommendation of the Audit Committee and approved by the shareholders in the Annual General Meeting of Shareholders.

The appointed public accountant must notify the Audit Committee of any findings related to violations of the prevailing laws and regulations by the Company.



### **Internal Control System**

MedcoEnergi is committed to implement adequate internal control system to facilitate its daily operational activities and support the achievement of Company goals. Our Company establishes internal control system in the form of policy, business process guideline and standard procedure to be followed by all employees and its related stakeholders.

By implementing internal control system, the Company aims to achieve the following objectives: (i) adequate business risk management, (ii) protection of asset and company revenues against damage, loss, fraud and operational hazards, (iii) effective and efficient operation facilities through the appropriate allocation of resources, (iv) support for employee compliance and business integrity, (v) support for accurate and trustworthy financial statement and (vi) protection of shareholders' investment.



# Protection of Company Assets

We are trusted by MedcoEnergi with its assets and information thus it allows us to effectively do our job for the Company. Therefore, we all have same the responsibility to protect and secure Company's assets and revenues, intellectual property, proprietary information, patent, property and equipment against any potential harm, loss, natural disasters, damage, terrorism, theft and any misuse.

Securing Company's assets and revenues shall refer to the Company policies, procedures and other necessary actions required to protect and secure MedcoEnergi's assets, revenues, proprietary information, property and equipment in a safe manner, which may include insurance, maintenance and preventive measures.

Company's assets that need to be protected include but not limited to buildings, tools, equipment, supplies, facilities, funds, corporate card, accounts, computer programs, information, technology, documents, data (seismic, study, survey, drilling, contract and others), patents, trademarks, copyrights and any other resource or property owned by MedcoEnergi.

## Securing of Assets and Revenues

The Board of Commissioners, Board of Directors and employees shall, at all times, be equipped with MedcoEnergi's proprietary asset, enabling them to work efficiently and effectively. Each individual shall be responsible for protecting and using MedcoEnergi's assets as needed.

The protection of MedcoEnergi's assets against any potential harm, loss, damage, misuse, theft, misappropriation or infringement shall be the responsibility of each individual as the owner of the said assets.

To protect our Company's assets and revenues, the Board of Commissioners, Board of Directors and employees of MedcoEnergi must be able to buy or sell asset, property and equipment with terms and conditions that are beneficial to MedcoEnergi. This said assets must be insured, looked after and maintained properly. Potential damage must be reported immediately to the appropriate party at MedcoEnergi.

## Maintenance of Records of Assets and Revenues

MedcoEnergi shall record its assets and revenues in an accurate, trustworthy and timely manner. Each individual in MedcoEnergi who is considered as the owner of the said assets has the responsibility to protect them including maintaining the updated records and review the asset records regularly. These records are important for MedcoEnergi to maintain and secure its assets and revenues. Failure to record assets and revenues in an accurate, trustworthy and timely manner, or provision of incorrect fact, may lead to fraud and could give rise to criminal charges or civil claims against MedcoEnergi.

## Taking and Misusing Company's Assets

All Company assets are acquired solely for conducting MedcoEnergi business and purposes; and not for anyone's personal benefits. Using and/or taking Company's assets from its facilities without proper approval and permission is regarded as theft and/or misuse, and will have consequences up to dismissal and termination.

### What if?

Kamar is a field-based employee and just found out that one of the drilling pipes is missing. He reports the situation to his Supervisor and now the Company is taking the necessary actions.

### What to do?

Every team that has certain Company's assets in its possession must take good care of their assets including the responsibility to secure them. The team must keep a record of the Company's assets including all equipment and tools used in each field location and store them in the right place and be safe from theft, misuse and damage.

#### Find out more:

- [Corporate Card Guideline](#)

- [Other related Company policies in each MedcoEnergi asset](#)



## Protecting Company Information

All data and information related to our work, to Company's business and operations are owned by MedcoEnergi. Releasing and sharing Company's data and information to third parties without Company's consent is considered as violation to Company policies.

Company's data and information should be recorded and managed properly with following information classification into Confidential, Internal Use Only and Public.

All data and information which is considered as confidential must be maintained classified and protected by the authorized person. Each Company's function is responsible for classifying its organization division's data and information.

Examples of confidential and proprietary information, but not limited to:

- Business and product researches
- Business strategies and formulas
- Certain know-how process and technologies
- Unpublished financial information
- Employees, customers, business partners list
- Employee's personal information
- Employee's medical records

Confidential or proprietary information may not necessarily be known only to the owner of the information or refer to only one data or document. It may be a compilation of information that has been collected by the Company through the expenditure of time and resources, and therefore it has value without being inherently as a "Confidential". The examples which apply to this situation are certain know-how business process and strategy.

How you keep, protect and share your data will depend on the data classification, value and the risk if the data is misused by an unauthorized party. For instance, how you keep and protect a Confidential Information is more extensive than you keep and protect an Internal Use Only Information.

Whether you have your own function's data or you are in possession of other organization function's data, you have the same responsibility in keeping, protecting and sharing it. In accordance to your employment contract, your obligation of protecting and responsible disclosure of Company's confidential data and information continues even after you leave the Company.

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The responsibility of how a data or information is classified is in the hand of the data owner itself which belongs to each organization function. If you are unsure about classification of a Company's data or information, you are required to consult with the organization function which owns it and consult with your respective Line Management.

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For further guidance on how an information should be secured, classified, handled, and labelled will refer to [the Information System Security Policy and Procedure](#) and other Company's applied policies.

Find out more:

- [Information System Security Policy & Procedure](#)

### What if?

Reviewing sets of operation planning or project is one of Tara's responsibilities in daily work activity. Due to her high work load, she often has some confidential project documents scattered in her desk unattended. Her Supervisor, Banu, is aware of this condition.

### What to do?

Employees should protect confidential information sharing and storing. Tara should have stored the confidential documents in a proper place, such as locked cabinet and never leave them unattended. While Banu as her Supervisor, has the responsibility to ensure that Tara is carrying out these actions.

## Document Retention

Proper maintenance of documents will help MedcoEnergi to store historical data along with its supporting documents so that comprehensive information will be readily available whenever needed to address various issues that might occur in the future.

The length of the data and document retention, in both physical and electronic form, must comply with applied Company policies, as well as aligned with the prevailing laws and regulations to fulfill the need for comprehensive information or data.

Documents that must be retained include all recordings containing data, information, and report about transactions relating to MedcoEnergi business or activity both in the form of physical and electronic files. Access to information contained in a certain document is limited to individuals with a certain status and level of authority, which depends on the information purpose, classification and sensitivity.

### Documents that need to be retained

MedcoEnergi shall retain documents in the form of physical and electronic records. Physical records shall mean paper-based records or video recordings and shall be properly stored in the archives of MedcoEnergi. Electronic records shall mean any information that is recorded in a form that computer can process or produced by an electronic application such as in the form of electronic mail messages, databases, electronic spreadsheets, website pages and digital images.

Documents that need to be stored can be classified into the following categories:

## Operational Data

Operational Data comprises of report on MedcoEnergi's operational activity. The data include oil and gas reserves and maps, oil and gas production of each well, report on the drilling process for each oil and gas well from start to finish, report on blow-outs (if any), analysis of result for oil and gas well and seismic survey result.

## Commercial Data

Commercial Data consists of records and reports of financial transaction with third party, such as sales of oil and gas and MedcoEnergi's product, tax payment, cash call payment and request to and from business partner, financial transaction in various currencies (foreign currencies), placement of funds, payment of loan interest and others.

In addition, reports on MedcoEnergi's strategic plan and projection must be retained as a reference and learning material for future development of policy and procedures.

## Legal Data

Legal Data includes various types of documents, such as contracts between MedcoEnergi and a third party such as business partner, creditor, supplier, as well as local and foreign government. Also belonging to this category is correspondence with relevant parties in relations to lawsuits.

Documents under the above categories must be stored systematically to allow easy access when needed. Duplicate entries should be avoided in the data storage process to ensure efficiency by retaining one set of comprehensive, high-integrity data in providing relevant information.



## External Communication and Knowledge Sharing

Having good integrity and sustainable reputation is a critical factors for MedcoEnergi. One of the means to achieve that is by maintaining our internal and external communication to be consistent and aligned with the Company's value standards in running its business operations. Having consistency in our external communication is a part of the efforts. To achieve this consistency, employees who are not the appointed and authorized Company's speaker are obliged to refrain from giving formal and informal opinion, statement, information, data and other publications on behalf of MedcoEnergi to external parties without legitimate Company's approval.

Representing MedcoEnergi in delivering knowledge sharing is allowed by Company as long as it has legitimate business reason and not considered or perceived as an act of endorsement, and has no potential conflict of interest situation. However, prior to engaging in such activity employee must obtain Company's approval of using data, document and information relating to MedcoEnergi. If an employee acts as a representative of MedcoEnergi, he/she is not allowed to receive any form of compensation of such activity. Both declining and unable to decline such compensation, employee must report it to the Company for further deliberation.

Examples of knowledge sharing activities, include but not limited to: lecturing, presentation, moderator, guest speaker, training, radio and television broadcasts, publishing articles or books.

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To know whether a knowledge sharing activity requires approval or not, prior to publishing, providing and/or speaking on behalf of MedcoEnergi and/or using MedcoEnergi's information, data, and assets to third parties, you must consult with Relations & Security function, and other respective organization function(s), as well as follow the related Company policies.

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Read Company's related policies for further guidance about pre-approval processes, if required.

Find out more:

- [Communication Policy](#)
- [Other related Company policies in each MedcoEnergi asset](#)

### What if?

Bondan is representing MedcoEnergi in delivering presentation in a business seminar. He has his Supervisor reviewed the presentation material and plan to go to the seminar this week.

### What to do?

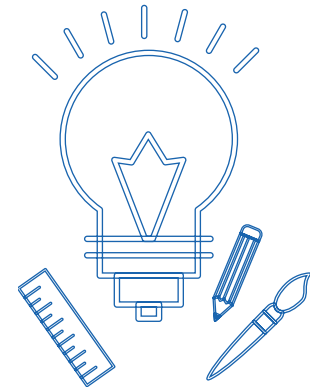
Bondan also needs to read 's relevant Company's policies, follows the required pre-approval procedure, and considers proper planning in getting the required approval on time.

# Intellectual Property Rights

Intellectual property shall mean work, invention or creation of the human mind. Examples include creation of the mind that produce invention as well as symbols, names, drawings, formulas and designs used in business, technical study and commercial transaction

Intellectual property rights are exclusive rights granted by law to individuals or groups of people on their creations in the form of copyrights, trademarks, patents and other related rights.

MedcoEnergi is committed to honor the owner of intellectual property rights that is protected by the intellectual property law.



## Utilization of Intellectual Property Products

Each individual at MedcoEnergi must use products with official intellectual property rights and must comply with their terms of usage.

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## Ownership of MedcoEnergi Intellectual Property Rights

MedcoEnergi's intellectual property includes inventions, discoveries, improvements, ideas, computer programs and related documentation, trademarks, patents, copyrights and proprietary information. Employee or group of employees who make inventions or innovations must report to his/her supervisor. If such invention or innovation, either in its entirety or partially, make use of MedcoEnergi facilities or is related to activities planned or undertaken by MedcoEnergi, the intellectual property rights of the said invention shall be fully attributable to MedcoEnergi.

Claiming the ownership of MedcoEnergi Intellectual Property Rights without Company's consent shall be imposed to disciplinary action.

## Usage of the MedcoEnergi Brand

Each individual at MedcoEnergi may use the MedcoEnergi's brand in the Company's interest, with the proper review and approval from Relations & Security function. Employees are not permitted to exploit the MedcoEnergi's brand for his/her personal gain.

For more information related to the usage of Company's brand, please read [MedcoEnergi Brand Book](#), other related Company policies, and/or consult with Relations & Security function.

Find out more:

- [MedcoEnergi Brand Book](#)



# Information Technology and Communication System

For business purposes, each individual must use the integrated information technology and communication system provided by MedcoEnergi. The system must be used properly and in accordance with the Company policies related to Information Technology and Communications, in achieving the highest operational performance.

## Provision of Information Technology and Communications System

Information Technology and Communication System shall mean the design, development, implementation, support or management of computer-based information systems, especially software application and hardware. Information technology shall refer to the ability to input, process, store, output, transfer and receive data and information electronically, including text, images, audio and video, in addition to the ability to control all types of machine electronically.

The use of information technology and communication systems such as, but not limited to voice mail, e-mail, internet, video and others shall be regulated separately under MedcoEnergi policies on Information Technology and Communications. Authorized use of MedcoEnergi's information technology and communication systems is limited for the purpose of conducting Company business only. However, proper and limited personal use of those facilities is permitted by the Company provided that it does not cause additional cost to MedcoEnergi and must not interrupt our productivity and responsibilities.

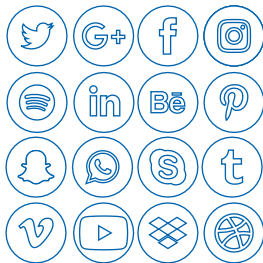
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The use of Company's Information Technology and Communication System must be prevented from illegal and unethical activities, such as but not limited to:

- Revealing Company's confidential information to unauthorized parties and/or without proper approval.
- Involved in illegal activities, fraud, and other behaviors that can influence Company's integrity.
- Avoiding any misconduct or action that may damage personal integrity and harm the reputation of MedcoEnergi, such as gambling, pornography and other unrelated business activities

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For more information on usage of Company's Information Technology and Communication System, please read related Company policies, or consult with Information Services function.



## Usage of Social Media

MedcoEnergi prohibits the misuse or disclosure of any information on MedcoEnergi or the use of the MedcoEnergi's name with the aim to discredit or potentially harm the reputation of MedcoEnergi, either directly or indirectly, through social media such as Facebook, Twitter, YouTube, LinkedIn, Instagram, WhatsApp and other social media defined by Relations & Security function.

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You must always remember that Internet is a public place. Our communication is recorded permanently and can be transferred to or edited by unauthorized parties which may influence or even damage Company's reputation.

If you are aware of any misuse of Company's electronic communication system or any improper social media usage, then report the issue to your Supervisor, External Communications & Media Relation and Information Services function as referred in Company policies.

Find out more:

- [Social Media Policy](#)

# Insider Trading

In accordance with the Capital Market law and regulation, MedcoEnergi prohibits its Board of Commissioners, Board of Directors, employees as well as its affiliated party from trading shares or securities based on the Company's information that has not been published publicly.

Insider Trading shall mean the usage of information that has not been made public for buying and selling securities issued by MedcoEnergi. Such information includes data or information linked directly or indirectly to MedcoEnergi or other securities that is not yet available to the public and may affect the decision of shareholders or investors to buy or sell securities issued by MedcoEnergi.

Affiliated party shall include any person with family ties or any individual or party with a close relationship with the Board of Commissioners, Board of Directors and/or employees respectively and may be influenced to buy or sell securities issued by MedcoEnergi.

## Restrictions on Security Trading

The Board of Commissioners, Board of Directors and employees may purchase or sell shares or other securities issued by MedcoEnergi as long as they are not using the inside information that they possessed to conduct those trading activities.

MedcoEnergi prohibits its Board of Commissioners, Board of Directors or employees who are responsible for preparing or holding such information from purchasing or selling securities during blackout or restriction period that is imposed by MedcoEnergi or when such information is about to be disclosed to the public.

## Reports on Ownership of MedcoEnergi Securities

Members of the Board of Commissioners and Board of Directors as well as employees who own MedcoEnergi's securities must report their shareholdings at the beginning of each year. Shareholdings pertaining to members of the Board of Commissioners and Board of Directors must be disclosed in the Annual Report of the Company.

## Preventive Measures

MedcoEnergi shall limit access to information to persons who has a legitimate need to know or is tasked for announcing blackout or restriction period on purchasing or selling MedcoEnergi's securities.

If your job requires you to have access to or handling non-public information, then you are required to take the necessary action to protect it, as well as understand and comply with the Company's related policies.

Find out more:

- [Insider Trading Policy](#)
- [Blackout Period Policy](#)

**Respecting Our Stakeholders**



# Our Business Partners

MedcoEnergi conducts its business with honesty and integrity and in accordance with high ethical and legal standards, and we expect the same from our suppliers of services, equipment, materials and other goods, agents, consultants, contractors, subcontractors and companies with whom we partner on a joint venture, consortium or other basis (together, "Business Partners"). In expanding its business, MedcoEnergi may have wider business or operations

## Expectation to Business Partners

We recognize that our business partners play an important role in our overall success. Therefore, we must exercise good judgement in selecting our Business Partners. We will not use Business Partners who operate unethically, or who violate applicable laws.

Our contracts also require that suppliers be guided by the principles and standards set forth in Our Code and their own business ethics and conduct policies.

Employees who are responsible for selecting or interacting with Business Partners must be aware that MedcoEnergi expects those third parties to adhere to the same high ethical standards as we do.

You have a responsibility to report any misconduct by a Business Partner to Company's whistleblowing channels.

## Confidentiality & Proprietary Information with Business Partners

We protect and maintain all confidential and proprietary information of MedcoEnergi (and the Confidentiality information of third parties to whom MedcoEnergi has an obligation of confidentiality) in accordance with the applicable legal and contractual restrictions.

We are responsible for protecting and securing all confidential and proprietary information relating to MedcoEnergi and this obligation continues even after we leave our employment with the Company in accordance with our employment contract.

We should not disclose confidential information to anyone outside the Company without written permission.

From the Company or without execution of a confidentiality or non-disclosure agreement prior to the disclosure. Even in cases where permission is granted or a confidentiality or non-disclosure agreement is executed, the amount of confidential information shared should be limited to that which is required for a legitimate business purpose.

We must also take care to only discuss this confidential and proprietary information with colleagues who have business need to know it and not to lose, misplace or leave confidential information (or electronic devices containing such information) unattended.

### What if?

I am flying together with a Medcoenergi employee to Matak and discusses confidential information on strategy for the next big contract with her. Is this okay?

### What to do?

Always be alert to the competitive intelligence activities of third parties. You must be extremely careful how you handle confidential information in public places and transportation such as restaurants, coffee shops, airports, airplanes and trains.



## Fair Competition and Dealings

In expanding its business, MedcoEnergi may have wider business or operations coverage to different countries. Different countries lead to different local laws, governments and regulations. Thus, it is critical for our Company to comply with applicable laws and regulations, including local competition laws.

Engaging in the following activities, but not limited to, may be considered as violation to those laws:

- Involve in tender monopoly activities, such as making informal agreement with competitors in attempt of winning more business agreements,
- Involve in antitrust and unfair competition in business strategies or dealings, such as by sharing confidential or proprietary information (for example: price strategy) to competitors,
- Involve in anticompetitive agreements, such as abuse dominancy and mergers,
- Involve in abusive market power, such as unfair pricing.

Not only refraining, but you must ensure that you have proper action and are not staying in a situation that have these red flag activities. For instance, in an informal discussion with fellow competitors, the discussion reveals and exchanges unpublished information that may lead to illegal dealings. Then, you are not only required not to be involved in exchanging the confidential information, but you are also expected to end the improper discussion. Even to leave the room if required.

Having involved in improper and illegal activities that violates these laws, you and our Company may be subjected to criminal and civil sanctions, imprisonment, as well as financial penalties depending on the implicated laws that MedcoEnergi operates in. If you are uncertain about the legality of an activity, you are required to consult with your Supervisor, Legal function, and/or other organization function(s) related to your specific situation.

### Gathering Competitive Intelligence

Competitive information is a valuable tool that allows us to understand and manage our business. Therefore, we need to ensure that any information on any kind, written or verbal (including, without limitation, any proprietary or Confidential Information) are collected, shared and used in a legal and ethical manner.

Gathering competitive intelligence fairly means that we:

- Rely on publicly available information such as published articles and online posts,
- Conduct market research, either directly or through external agencies,
- Never seek or accept information obtained illegally or unethically, such as through bribery or theft,
- Never accept confidential information without the owner's consent,
- Avoid competitor information if we know we are not meant to obtain it,
- Never seek competitor information from job applicants or current employees who worked for a competitor,
- Respect the terms of confidentiality agreements that competitors make with members of the MedcoEnergi and its affiliates.

#### What if?

Doni received an email from one of Company's competitors which contains information about their tender information and business strategy.

#### What to do?

Even if we are in possession of other's confidential and proprietary information that may be considered valuable for us, we must respect other organization's copyright, trademark, and their proprietary rights, including our competitor's. Then, Doni is not allowed to use and share those sensitive information. Also to ensure that he discusses the situation with his Supervisor.

## Our Communities



**Complying with company policies and procedures in making education contribution to the students at Adiwiyata State Primary School, Anambas.**

MedcoEnergi respects the laws, the regulations, the stakeholders including the government and the community in wherever the Company operates. Our respect is extended through striving to conduct our business operations in a safe, ethical, and responsible manners to preserve the environment and to support the development of the local communities. We strive to uphold our Company's reputation, growth, and value our stakeholders including local communities by building and maintaining a sustainable relationship with them, as well as ensuring the continuity of our business operations are not only beneficial for us but also contribute positively to theirs. This expectation also goes beyond to third party providers including our suppliers.

### Upholding Our Corporate Social Responsibility

To achieve our Company's purposes, our social responsibilities, as well as understanding our stakeholders, we continually assess our key stakeholder needs and their expectations through establishing and implementing sets of stakeholder engagement program. The program helps us to identify the local community's necessities to enable us to contribute a positive improvement and/or development, better dealing with local government and avoiding negative impacts to our environment. Our engagement program activities include but not limited to create new livelihood opportunities, boosting local economy, managing waste, infrastructure development through contributions, donations, community development and community empowerment efforts. This engagement program coverage must be implemented to all our key stakeholders which are local community, local government, government organizations, non-government organizations, and involve mass media.

Contribution and donation made on behalf of the Company must adhere to the applied Company policies, procedures and the corresponding laws or regulations. For more information, read Contribution & Donation Guidelines, other related Company policies and consult with Relations & Security function.

Find out more:

- [Contribution & Donation Guidelines](#)



MEDCOENERGI

# Our Government

MedcoEnergi conducts its business with honesty and integrity, including adherence to various local laws and regulations in different countries wherever our Company operates.

## Contracting with Government

Having accepted government contracts or subcontracts, we are expected to be familiar with the applied laws and regulations, not to mention our obligation to the stakeholders that we comply to those applicable laws, local regulations and maintaining our Company's high ethical standards and reputation in conducting our business operations, as well as delivering our products or services.

In pursuing this compliance standard, we are also required to maintain our transparency in conducting business. For example, maintaining written records related to the process of this government contracts or subcontracts and ensure all relevant information is being kept, shared and protected appropriately in accordance to the information classification and/or as per Company's applied policy requirements.

If your work is relevant to or involves government contracts, you have a responsibility to know, follow, and comply with the applied Company policies, the particular laws and regulations applicable to the government contracts and to conduct business in compliance with those standards. If you are in doubt of any circumstances, you are required to consult with Legal function and other organization's respective functions.

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**Our Commitment to Obey the Law**



# Corruption and Bribery

Wherever MedcoEnergi operates, the organization is committed to abide with the applicable local laws and regulations, including but not limited to local anti-bribery and anti-corruption laws. This commitment must be followed by our stakeholders and business partners.

## MedcoEnergi's Commitment to Eradicate Corruption

As a company that abides by national and/or international laws and regulations, MedcoEnergi requires its business partners, including joint venture partners, agents, distributors, representatives, contractors and suppliers to comply with the prevailing regulation and policy on corruption.

Corruption shall constitutes an act that usually involves the provision of money or gifts to affect the recipient's behavior in ways that are inconsistent with his/her duty and may violate the law. Acts of corruption also include the provision of bribes, non-mandatory or unofficial facilitating payment to government officials to accelerate process that is part of the duty of the said official. In this context, corruption also includes bribery which is the offering or acceptance of money, gifts, entertainment, favor or anything of value in return for acts that give improper benefit to certain party.

Bribe is an offer, attempt to offer, a promise of giving anything of value, directly or indirectly, that may enrich or gain improper advantages (for them and other parties) and is intended to improperly influence actions or decision making for the purpose of obtaining or retaining business. Company should avoid and not to be involved in improper payments and any bribery conducts. If such payment is inevitable in certain conditions or in certain countries in which MedcoEnergi operates, then Company should always seek guidance and have written approval from Board of Directors, our Legal counsels and respective organization functions, as well as must follow with the applied Company policies and law regulations.

Read the [Government Hosting Guideline](#), as well as other Company's related policies to know further about pre-approval processes if any and definition of government official.

### Find out more:

- [Government Hosting Guidelines](#)



### What if?

An employee is processing a permit for drilling project with strict deadline. To expedite the permit approval, he invited a key government official from the issuing institution to act as a speaker at company event and pay such official for his services significantly beyond the rates as stipulated under the applicable regulation and even does not obtain prior approval from the relevant function regarding the payment. Right after, the permit is issued. Should the payment to the government official be considered as a bribe?

### What to do?

Considering the background, yes it may be deemed as a bribery since the company is in need of securing business compliance and the payment is not in line with the applicable law. Any expense for Government Officials must be: (i) permitted under all applicable laws; (b) modest and reasonable in value so as not to be construed as illegal or improper; and (iii) provided in good faith and without the intent to corruptly influence the recipient in order to obtain or retain business, secure some improper business advantage, or have the recipient improperly perform a particular function or activity. The employee must always seeking guidance from Legal function and/or Audit & Integrity Compliance function. Payment to government official for legitimate business purpose is permitted under the applicable laws and Company policy. The employee is encouraged to read the internal policy.

Important note: in addition to payment to government officials, offering or providing gifts or hospitality to Government Officials must be consistent with all applicable guidelines and laws in which MedcoEnergi conduct its business.

## Facilitating Payments

Facilitating payments are unofficial fees or payments on behalf of Company which are made to government official with the intention to obtain and/or expedite process, approval, business transactions or activities and secure performance of routine or non-routine government actions. In this context, hiring third party to make those unofficial fees and payments is also considered as conducting facilitating payments.

To know further about facilitating payments, read Company's related policies and/or consult with Legal function.



# Preventing Money Laundering

MedcoEnergi is committed not to allow, facilitate nor support money laundering in conducting its business operations. Money laundering is when an individual or organization create, transform, conceal or disguise illegally-obtained funds into seemingly legitimate funds, or utilizing legal-sourced funds to conduct illegal activities.

Our commitment in fighting money laundering means that we:

- Avoid receiving business transactions which support or involved in money laundering activities,
- Comply with the relevant anti-money laundering laws and regulations to its business.

It may only be few of us who will be in a situation that directly involves a money laundering activities, but to support our Company in preventing money laundering, it is important that we should be aware and cautious of what kind of conditions that may indicate money laundering in daily business activities or transactions, such as:

- Having business partners or suppliers who frequently change their bank account.
- Having business partners or suppliers who request to divide a business transaction into several payments or smaller amounts (with or without legitimate reason).
- Having business partners or suppliers whose bank account name or details are not match with the partner's/supplier's identity.

If you see any of the above conditions or suspect any act connected to money laundering, you must report the matter immediately to the Company. To know further about money laundering, consult with Legal function and other related organization's functions referring to your situation.



MEDCOENERGI

## Involvement in Politics

MedcoEnergi allows its employee to participate in the political activities such as provide support for a party or candidate of his/her choice without any influence whatsoever. Employees who are actively involved in politics such as becoming an active member of a party or in political campaign for elections must refer to and comply with the applied Company policies and Collective Labor Agreement.

In accordance with the spirit of democracy, each individual at MedcoEnergi is permitted to engage in political activities/campaigns for election provided that this will not affect his/her work performance.

However, engaging in political activities and campaign must be strictly separated from his or her duty in MedcoEnergi. Utilizing Company's assets, data, information, working hours, occupation, facilities and premises is prohibited.

### Prohibition on Political Donations

MedcoEnergi does not support any political party and does not provide contribution and/or donations or other asset to any political party or organization or affiliated representative at any location where MedcoEnergi operates. In conducting personal political contribution and donation, employees are prohibited to use MedcoEnergi name and/or contribute or donate on behalf of MedcoEnergi.

For more information related to the usage of Company's brand or making any contribution and/or donation on behalf of the Company, please read related Company policies, and/or consult with Relations & Security function.

Find out more:

- [Contribution & Donation Guidelines](#)





## MEDCOENERGI

The Energy Building  
SCBD Lot 11A  
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MEDCOENERGI

No.: EXT-001/AIC/INA/MEDC/XII/2022

Jakarta, 26<sup>th</sup> December 2022

### MedcoEnergi Code of Supplier

MedcoEnergi commitment to one of its Corporate Values of "**Ethical**" reflects how we do business with including commitment to follow **MedcoEnergi Code of Conduct** ("**Our Code**"), our Company's policies, as well as to abide with the applicable local laws and regulations. All of our stakeholders, including suppliers, shall follow this commitment.

Growing our business with expanding assets domestically and internationally, we recognize that our suppliers play an important role in building Company's Good Governance and our overall success. Thus, as a part of **Our Code** (pg.31), we set *expectations to our suppliers* to support our commitment, to maintain business sustainability with our stakeholders. We expect this standard to be followed by all of our suppliers, including suppliers of services, equipment, materials and other goods, agents, consultants, contractors, subcontractors and consortium or other basis.

#### Key elements of Expectations to Our Suppliers:

- ✓ **Follow the same ethical standards, including [Our Code](#) and the applied Company's policies/ procedures.** Including but not limited to Health, Safety & Environment (HSE) standard and procedures, respecting Human Right, preventing Workplace Harassment and Discrimination, protect our Company's assets, protect Confidentiality & Proprietary Information including Intellectual Property Right of others, conduct Fair Competitions & Dealings, gathering fair Competitive Intelligence information, mitigate Conflict of Interest and not engage in any form of Bribery & Corruption.
- ✓ **Comply with the relevant laws and regulations related to your work or services with us and wherever we operates in.** Including but not limited to Anti-Corruption, Sanction Compliance, Human Right, Intellectual Property, Personal Data Privacy, Trade / Competitions, Anti-Money Laundering and not engage in any illegal conduct in relevant to the applied laws.
- ✓ **Reporting suspected or potential violations in good faith to [Our Whistleblowing Channels \(MedcoEnergi Ethics Hotline\)](#),** and not involve in any retaliation conduct.
- ✓ **Obligation to fully cooperate in the required Audit Processes and/or Assurance Assessment,** including *Vendor Audit and Contractor Anti-Bribery Corruption (ABC) Audit*, Government Audit, and other audit, validation process, and/or program / process /assessment required by the work, contract agreement and/or the applied relevant laws and regulations.
- ✓ **Respect MedcoEnergi's confidential data/information shared during the process of seeking business and even after your work with us is ended. Understand to conduct the required protection and/or proper approval** if our business with you includes disclosing Company's data and information that are classified as confidential (including but not limited to our business asset's information, our employee's personal data privacy, business strategies, business and product researches) and other sensitive data/information that you have access to.

Together with our suppliers, we believe that conducting business with integrity is not only support our Company's commitment, but also provides valuable benefits to our business partners and stakeholders.

  
**Roberto Lorato**  
Director & Chief Executive Officer

  
**Amri Siahaan**  
Director & Chief Administrative Officer

MedcoEnergi Code of Conduct



Initials: IRW / BS / KG / IS

