

CORPORATE GOVERNANCE POLICY

PT GARUDA INDONESIA (PERSERO) Tbk
Issue 4 Amendment 0

ORG. 01.01



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PREFACE

In order to implement Good Corporate Governance ("GCG") and in connection with the status of PT Garuda Indonesia ("Persero") Tbk (the "Company") as a public State-Owned Enterprise company and listed on the Indonesia Stock Exchange, as well as taking into account the amendments to the Company's Articles of Association and the prevailing laws and regulations, especially in the Capital Market sector, which regulate governance for publicly listed companies, the Company deems it necessary to update and improve the Corporate Governance Policy ("CGP") which was last issued on March 28, 2019. The amendment of the CGP also aims to adjust to the development of an increasingly dynamic and competitive business world.

CGP is the main policy and master policy that applies within the Company and is the Company's policy document which is always reviewed periodically to be adjusted to developments and issues internal and external to the Company. CGP contains general principles in carrying out company activities. Further provisions and related to the CGP are regulated and outlined in separate manuals related to their respective work units. These manuals must not conflict with this CGP and their preparation is carried out with reference to the guidelines for the preparation of quality documents applicable in the Company.

If there is a new regulation that becomes a reference in this CGP whose substance regulates the same material, then the applicable provisions are as stipulated in the new regulation based on the principle of *lex posteriori derogate legi priori*, until the issuance of amendments / revisions to the CGP.

CGP must be a reference in carrying out activities in the Company, as well as a GCG guideline for the Company.

Jakarta, December 08, 2022

PRESIDENT DIRECTOR

IRFAN SETIAPUTRA

CODE OF CONDUCT

In order to implement Good Corporate Governance in carrying out business processes in the Company, every employee is required to comply with the Company's code of conduct as stated in the Code of Business Ethics and Work Ethics that apply within the Company. In addition, employees who carry out the function of managing the Company's documents and archives must also comply with the following code of conduct:

1. Complying with all provisions and policies, implement business processes that apply in the Company, including in the Office Administration System Manual, Work Procedures, Work Instructions, Job Description, and security systems that have been established, and by continuing to refer to the Collective Labor Agreement, and related laws and regulations.
2. Maintaining the confidentiality of documents, archives, and all information related to the Company's document and archive management functions (not limited to the process of creation, storage, search, distribution & circulation, media transfer, destruction and confiscation) in the Company to unauthorized parties.
3. Maintaining the confidentiality of Personal data of Employees/Business Partners/Third Parties/Passengers/Customers, including data on name, gender, identity number (Identity Card/ID card), passport, or other identity marker in accordance with applicable laws and regulations, telephone number, place and date of birth and age, occupation, address, nationality, religion, online identifiers, such as IP address, e-mail address, frequent flyer number, biometric data, data on health or psychiatric conditions, personal financial data, cultural or social identity of a person (tribe), all employment data for Company employees, and other similar personal data managed in the Company's document and archive management function.
4. Maintaining the confidentiality of documents and information related to the management of document and archive management functions in the Company to unauthorized parties, including data on Policies/Decisions, Performance Data/Results Reports, Cooperation Agreements/Statements, Manuals/Procedures applicable in the Company, as well as Minutes of the Company's internal Meetings, including on the Company's document and archive management functions.
5. Refusing, not requesting or receiving, and providing gratuities in any form from and/or to third parties, in the process of managing documents and archives related to positions in the Company, and contrary to their duties and obligations. In the event of rejection/receipt of gratuities, must report to the Company's gratification control unit. Provisions related to gratification control refer to the Decree of the Board of Directors applicable in the Company.

6. Using work facilities and work inventory items, including telephone, faxes, e-mails, computers, and other facilities belonging to the Company, in accordance with its function for the benefit of the Company.
7. Not using the Company's attributes/assets/property/items such as uniforms, ID cards, logos, aircraft photos, inflight items, and other items for political purposes, endorsements, personal business, pornography and other activities that are contrary to the Company's objectives.
8. Not committing acts that are Ethnic, Religious, Racial, and Intergroup (SARA), discriminatory, spreading hatred, spreading false news (hoaxes) in the work environment aimed at personal interests / certain groups, including but not limited to political activities.
9. Immediately reporting to employee superiors, authorized work units, through the Company's Whistleblowing System (WBS) reporting media, or via e-mail whistleblower@garuda-indonesia.com, if they know or encounter any matters/behavior that is contrary to the Company's rules or know of any matters that may endanger/damage the Company.

Other matters that are not regulated in this code of conduct still refer to the Code of Business Ethics and Work Ethics that apply in the Company.

LIST OF TERMS

In this CGP, what are meant by :

No.	Terms	Definition
1.	EIA	Environmental Impact Analysis, which is a study of the important impacts of a planned business and/or activity on the environment that is necessary for the decision-making process regarding the implementation of the business and/or activity.
2.	Subsidiaries	A legal entity whose shares are more than 50% (fifty percent) owned by the Company.
3.	Articles of Association	Deed No. 15 dated September 8, 2022, drawn up before Notary Aulia Taufani, S.H., M.Kn., Notary in Jakarta which has received notification of amendment from the Minister of Law and Human Rights No. AHU-0066051.AH.01.02 Tahun 2022 dated September 14, 2022.
4.	AOC	An Air Operator Certificate granted to an Indonesian legal entity that operates civil aircraft for commercial air transportation.
5.	Public Entity	Executive, legislative, judicial, and other bodies whose main functions and duties are related to the implementation of the state, which part or all of its funds come from the State Budget and / or Regional Revenue and Expenditure Budget, or non-governmental organizations as long as part or all of its funds come from the State Budget and / or Regional Revenue and Expenditure Budget, public donations, and / or foreign funds. .
6.	IDX	Indonesian Stock Exchange
7.	Conflict of Interest	The difference between the economic interests of the Company and the personal economic interests of members of the board of directors, members of the board of commissioners, or major shareholders that may harm the Company.
8.	SOE	State-Owned Enterprises, which are business entities in which all or most of the capital is owned by the state through direct participation from separated state assets.
9.	CASR	Civil Aviation Safety Regulations
10.	Personal Data	Any information relating to an identified or identifiable natural person ('data subject'), where an identifiable natural person is one who can be identified either directly or indirectly, in particular by reference to an identifier such as; name, identity number (identity card/passport/family card), location data (address), online identifier or to one or more specific factors relating to the physical, psychological, mental, genetic

		identity, economic, cultural or social identity of a natural person.
11.	Company Document	Data, records, and or information made and or received by the company in the context of carrying out its activities, whether written on paper or other means or recorded in any form that can be seen, read, or heard.
12.	Issuer	Party conducting a Public Offering.
13.	GCG	Good Corporate Governance, the principles that underlie a process and mechanism for managing a company based on laws and regulations and business ethics.
14.	ICAO	International Civil Aviation Organization
15.	Material Information	Material information is important and relevant information about the business or securities of the Issuer or Public Company that may affect the decision of investors and or the price of securities traded.
16.	Public Information	Information produced, stored, managed, sent, and/or received by a Public Entity relating to the organizers and administration of the state and/or the organizers and administration of other Public Entities as well as other information relating to the public interest in accordance with applicable laws and regulations.
17.	Garuda Indonesia Personnel	The Board of Commissioners, Board of Directors, supporting organs of the Board of Commissioners, Leadership Staff and Garuda Indonesia employees with permanent or contract status.
18.	PAO	Public Accountant Office
19.	Investment Management Agency	Agencies that are given special authority (sui generis) in the context of managing Central Government Investments as referred to in Law Number 11 of 2020 concerning Job Creation.
20.	FSA / OJK	The Indonesian Financial Services Authority
21.	Independent Shareholder	A shareholder who does not have a conflict of interest in connection with a particular transaction and or is not an affiliated party of the directors, commissioners or shareholders who have a conflict of has a conflict of interest over the transaction.
22.	Public Information Applicant	All Indonesian citizens and/or legal entities who submit requests for public information as stipulated in the Public Information Disclosure Law.
23.	Public Offering	Securities offering activities carried out by the Issuer to sell securities to the public based on the procedures regulated in the prevailing laws and regulations in the field of capital markets.
24.	Company	PT Garuda Indonesia (Persero) Tbk
25.	Public Company	A company whose shares have been owned by at least 300 shareholders and has a paid-up capital of at least Rp 3,000,000,000.00 or a number of shareholders and paid-

		up capital determined based on the prevailing laws and regulations in the field of capital markets.
26.	Listed Public Company	Public Company whose securities are listed on the stock exchange.
27.	SFAS / PJAK	Statement of Financial Accounting Standards.
28.	RAPBN	State Budget Plan
29.	RKAP	Company Work Plan and Budget
30.	RJPP	Company Long-Term Plan
31.	GMS	General Meeting of Shareholders
32.	Conflict of Interest GMS	A special GMS held in order to protect the interests of shareholders, especially Independent Shareholders in relation to transactions that contain conflicts of interest.
33.	Information System	The use of information technology to assist business processes in the Company's decision-making.
34.	Information Technology	A technology that includes applications, information, infrastructure and human resources used for services within the Company itself, as well as those used to connect with external parties.
35.	TO	Tender Offer
36.	UKL-UPL	Environmental Management Efforts and Environmental Monitoring Efforts, namely the management and monitoring of businesses and/or activities that do not have an important impact on the environment which are necessary for the decision-making process regarding the implementation of businesses and/or activities.
37.	SOE Law	Law No. 19 of 2003 on State-Owned Enterprises.
38.	Company Documents Law	Law No. 8 of 1997 on Company Documents.
39.	IET Law	Law No. 11 of 2008 on Information and Electronic Transactions
40.	Public Information Disclosure Law	Law No. 14 of 2008 on Public Information Disclosure.
41.	Environmental Law	Law No. 32 of 2009 on Environmental Protection and Management.
42.	Aviation Law	Law Number 1 of 2009 on Aviation.
43.	Capital Market Law	Law No. 8 of 1995 on the Capital Market
44.	Company Law	Law Number 40 of 2007 concerning Limited Liability Companies
45.	Anti-Corruption Law	Law Number 31 of 1999 concerning Eradication of Corruption as amended by Law Number 20 of 2001
46.	VP	Vice President

TKP 1. INTRODUCTION

1.1 Company Description

The Company was first established under Deed of Establishment No. 137 dated March 31, 1950, made before Notary Kadiman, S.H., domiciled in Jakarta under the name Garuda Indonesian Airways N.V., which was later changed to Garuda Indonesian Airways State Company (P.N.) by virtue of Government Regulation No. 102 of 1961 and published in the State Gazette No. 126 of 1961.

With the enactment of Government Regulation No. 67 of 1971, State Gazette of 1971 No. 87, the Company was transformed into a Company (Persero) by Deed No. 8 dated March 4, 1975, made before Notary Soeleman Ardjasasmita S.H., domiciled in Jakarta and announced in the State Gazette of the Republic of Indonesia No. 68 dated August 26, 1975.

In 2010, the Company conducted an initial public offering (IPO) and listed its shares on the Indonesia Stock Exchange in February 2011. In connection with the change in the Company's status from a closed company to a public company, the Company's articles of association were amended by Deed No. 24 dated November 16, 2010, made before Notary Fathiah Helmi, S.H., domiciled in Jakarta, which was approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-5427.AH.01.02. Year 2010 dated November 22, 2010 and AHU.2-AH.01.01-9676 dated December 20, 2010. Furthermore, the articles of association of the Company has been amended from time to time.

Based on the Company's Articles of Association, the Company was established to conduct business in the field of commercial air transportation services as well as optimizing the utilization of resources owned by the Company to produce goods and/or services of high quality and strong competitiveness to obtain/pursue profits in order to increase the value of the Company by applying the principles of Limited Liability Companies.

A complete description of the Company's main business activities as stipulated in the Company's Articles of Association.

Vision and Mission

The Company's vision

"To become a sustainable aviation group by connecting indonesia and beyond while delivering indonesian hospitality"

The Company's mission

"Strengthening business fundamental through strong revenue growth, cost leadership implementation, organization effectiveness and group synergy reinforcement while focusing on high standard of safety and customer-oriented services delivered by professional & passionate employees"

Corporate Values

The basic values adopted by the Company's organization are:

- Trustworthy
- Competent
- Harmonious
- Loyal
- Adaptive
- Collaborative

These values are translated into the Company Culture "The Garuda Way", namely:

1. Because You Matter
2. I Am in Charge
3. I Am with You

which includes the principles of behavior of all Garuda Indonesia personnel in their work and activities within the Company, which are fully described in the Code of Business Ethics and Work Ethics.

1.2 Principles of Good Corporate Governance (GCG)

In carrying out its business practices, the Company must prioritize the survival of the Company and the interests of stakeholders. The Company must also prioritize compliance with applicable laws and regulations.

As an SOE and a public company, the Company applies GCG principles to grow, develop and be sustainable. The implementation of GCG in the Company aims to:

- a. Optimize the value of the Company to make the Company have strong competitiveness, both nationally and internationally, so as to maintain its existence and live sustainably to achieve the Company's goals and objectives;

- b. Encourage the management of the Company in a professional, efficient and effective manner as well as empowering the functions and increasing the independence of the organs of the Company of the Company's organs;
- c. Encourage the Company's organs in making decisions and carrying out actions based on high moral values and compliance with laws and regulations, as well as awareness of the Company's social responsibility towards stakeholders and environmental sustainability around SOE;
- d. Increase the Company's contribution to the national economy; and
- e. Improve a conducive climate for the development of national investment development.

The Company must always ensure the implementation of GCG principles in every business activity of the Company, namely:

a. Transparency

To maintain objectivity in conducting business, the Company provides material and relevant information in a manner that is easily accessible and understood by stakeholders. The Company should take the initiative to disclose not only matters required by laws and regulations, but also matters that are important for decision-making by shareholders, creditors and other stakeholders.

b. Accountability

The Company strives to be accountable for its performance in a transparent and fair manner through management that is correct, measurable and in accordance with the interests of the Company while taking into account the interests of shareholders and other stakeholders. Accountability is a necessary prerequisite to achieve sustainable performance.

c. Responsibility

The Company's organs (General Meeting of Shareholders, Board of Commissioners and Board of Directors) comply with regulations, laws, Articles of Association and Company regulations and carry out responsibilities towards society and the environment, so as to maintain long-term business continuity and be recognized as a good corporate citizen.

d. Independency

To facilitate the implementation of GCG principles, the Company must be managed independently and cannot be intervened by other parties.

e. Fairness and equality

In carrying out its activities, the Company must always pay attention to the interests of shareholders and other stakeholders based on the principles of fairness and equality.

TKP 2. COMPANY'S ORGANS

In line with the mandate of the Company Law, the Company has 3 main organs consisting of GMS, Board of Commissioners, and Board of Directors. The Company's organs have an important role in the effective implementation of GCG. In addition, the Company's organs must carry out their functions in accordance with applicable regulations on the basis of the principle that each organ has independence in carrying out its duties, functions and responsibilities solely for the benefit of the Company.

2.1 General Meeting of Shareholders

The GMS is the Company's organ that holds the highest power in the Company and holds all authority that is not delegated to the Board of Directors and the Board of Commissioners. The GMS is a means for shareholders to make important decisions required under the provisions of the Company Law and the Company's Articles of Association.

GMS and/or shareholders cannot intervene in the duties, functions and authorities of the Board of Commissioners and the Board of Directors as long as the implementation of the duties and authorities of the Board of Commissioners and the Board of Directors is in accordance with the provisions of the Company Law and the Articles of Association.

There are 2 types of GMS, namely Annual GMS and Extraordinary GMS. The Annual GMS to approve the Annual Report must be held no later than the fifth month after the close of the relevant financial year. Extraordinary GMS may be held at any time based on necessary for the interests of the Company.

The GMS is attended by the Board of Directors and the Board of Commissioners.

Voting in the GMS shall be conducted orally, unless the chairman of the GMS determines otherwise. Voting is also carried out by taking into account the votes entered in the electronic authorization in accordance with the provisions in the Capital Market related to the Implementation of the Electronic General Meeting of Shareholders of Public Companies.

a. Submission of voting rights for those physically present

Oral voting is conducted by "Show of Hands" with the following procedure:

First, those who vote against will be asked to raise their hands and hand over their voting cards.

Second, those who do not vote (Abstain) or Blank are asked to raise their hands and hand over their voting cards.

- 1) In accordance with the Company's Articles of Association, Abstain or Blank Votes shall be deemed to cast the same vote as the votes of the majority of the shareholders who cast votes.
- 2) Invalid Votes shall be deemed not to exist and shall not be counted in determining the number of votes cast in the Meeting.
- 3) Furthermore, the number of votes against will be calculated with the valid votes and the difference will be the number of votes in favor.

Third, those who do not raise their hands are deemed to have approved the proposal.

b. Submission of voting rights for those present electronically

- 1) The electronic voting process takes place in the eASY.KSEI application in the E-meeting Hall menu, Live Broadcasting sub menu.
- 2) Shareholders who are present in person or represented by proxies but have not voted on the agenda of the Meeting, then the shareholders or their proxies have the opportunity to convey their voting choices during the voting period through the E-meeting Hall screen in the eASY.KSEI application opened by the Company. When the electronic voting period per agenda item of the Meeting begins, the voting time counts down for a maximum of 30 (thirty) seconds. During the electronic voting process, the status "Voting for agenda item no [] has started" will be displayed in the 'General Meeting Flow Text' column. If shareholders or their proxies do not cast their votes for a particular Meeting agenda item until the status of the Meeting implementation shown in the 'General Meeting Flow Text' column changes to "Voting for agenda item no [] has ended", it will be considered as an Abstain vote for the relevant Meeting agenda item.

Provisions regarding the implementation of the GMS in more detail are regulated in the Company's Articles of Association and Board Manual.

2.2 Board of Commissioners

The Board of Commissioners is an organ of the Company that is collectively responsible for supervising the Company's business policies and providing

advice to the Board of Directors as well as ensuring that the Company implements GCG.

The Board of Commissioners may not participate in making operational decisions, unless otherwise specified under the provisions of the Company Law and the Articles of Association. However, the Board of Commissioners may participate in making decisions in the event of a proposal from the Board of Directors regarding an action plan or strategic plan to be carried out by the Company.

Such decision-making is carried out in its function as a supervisor, so decisions on operational activities remain the responsibility of the Board of Directors. The authority vested in the Board of Commissioners is still exercised in its function as supervisor and advisor.

For the smooth running of its duties, the Board of Commissioners may be assisted by the Secretary of the Board of Commissioners appointed by the Board of Commissioners.

The number of members of the Board of Commissioners is determined by the GMS by considering the condition of the Company and considering the effectiveness in decision making. Determination of the composition of the Board of Commissioners by taking into account the diversity of expertise, knowledge and experience in accordance with the needs of the Company. The Company is required to have Independent Commissioners with at least 30% (thirty percent) of the total number of Commissioners.

A more detailed explanation of the duties, functions, authorities and appointments of the Board of Commissioners is set out in the Company's Articles of Association and Board Manual.

2.3 Board of Directors

The Board of Directors is an organ of the Company that is fully responsible for management of the Company for the interests and purposes of the Company in order to achieve the Company's goals and objectives and to ensure that the Company carries out its social responsibility and pays attention to the interests of various stakeholders in accordance with the laws and with the laws and regulations.

Basically, the Board of Directors as an organ of the Company is tasked and responsible collegially in managing the Company. The Board of Directors always

carries out the concept of "fiduciary duty" based on the Company Law which regulates the relationship between the Board of Directors and Limited Liability Companies. As the bearer of "fiduciary duty", the Board of Directors in good faith and trustworthiness performs duties and responsibilities to carry out the day-to-day management of the Company in accordance with the purposes and objectives of the Company.

The GMS or resolution of the BOD determines the division of duties and authority of each member of the BOD. Each member of the BOD shall carry out duties and make decisions in accordance with the division of duties and authority and follow the provisions in the Company Law and Articles of Association. The implementation of duties by each member of the BOD remains a joint responsibility.

The Company's Articles of Association specify certain conditions, which require the duties of the Board of Directors to be taken over by the Board of Commissioners. The number of members of the Board of Directors is determined by the GMS by considering the condition of the Company and considering the effectiveness in decision making. Determination of the composition of the Board of Directors takes into account the diversity of expertise, knowledge and experience in accordance with the needs of the Company.

A more detailed explanation of the duties, functions, authorities and appointments of the Board of Directors is set out in the Company's Articles of Association and Board Manual.

2.4 Committees under the Board of Commissioners

The Board of Commissioners shall establish an Audit Committee and may establish other committees to facilitate the implementation of supervisory duties by the Board of Commissioners in order to implement GCG practices. These committees will provide reports and accountability directly to the Board of Commissioners.

2.5 Corporate Secretary

In the context of the development of the Capital Market in Indonesia and to improve the services of issuers or Public Companies to the investor community, the Company must have a Corporate Secretary. The Corporate Secretary must have access to material and relevant information relating to the Company and master the laws and regulations in the field of capital markets, especially those relating to disclosure issues. The role of the Corporate Secretary is very

important for publicly listed companies, because the Corporate Secretary is a liaison between the Company, OJK, and the public.

More detailed provisions regarding the duties, functions, and authorities of the Corporate Secretary are regulated in the manual related to the Corporate Secretary.

2.6 Internal Supervision

Based on the prevailing laws and regulations as well as capital market regulations, the Company is required to have an Internal Audit Unit. Internal supervision carried out by the Internal Audit Unit is an independent and objective assurance and consulting activity, with the aim of increasing value and improving company operations, through a systematic approach, by evaluating and improving the effectiveness of risk management, control, and corporate governance processes.

More detailed provisions regarding the structure, duties, and authority of the Internal Audit are further regulated in the Company's Board Manual and Internal Audit Charter as well as the prevailing laws and regulations in the Capital Market sector.

TKP 3. SHAREHOLDERS

Shareholders as owners of capital have rights and responsibilities over the company in accordance with laws and regulations and the Company's Articles of Association.

In accordance with the provisions of the Company Law, shareholders, through the GMS, are an organ of the Company that has authority that is not granted to the Board of Directors or the Board of Commissioners within the limits specified in the Company Law and/or the Company's Articles of Association.

Shareholders are not personally liable for agreements made on behalf of the Company and are not responsible for the Company's losses beyond the shares they own. Each shareholder shall by law be subject to the Company's Articles of Association and to all resolutions validly adopted in the GMS as well as to the laws and regulations applicable to the Company.

3.1 Shareholder Rights and Protection

The Board of Directors and Board of Commissioners shall protect the rights of shareholders in accordance with laws and regulations and the Company's Articles of Association. The rights of shareholders basically include:

- a. The right to attend, express opinions, and vote in the GMS based on the provision that one share entitles the holder to cast one vote;
- b. The right to obtain information about the company in a timely, correct and regular manner, except for confidential matters, so as to enable shareholders to make decisions regarding their investment in the company based on accurate information;
- c. The right to receive a share of the company's profits allocated to shareholders in the form of dividends and other profit sharing, proportional to the number of shares owned;
- d. The right to obtain a complete explanation and accurate information regarding the procedures that must be fulfilled in relation to the organization of the GMS, so shareholders can participate in decision making, including decisions on matters affecting the existence of the company and the rights of shareholders; and

In the event that there is more than one type and classification of shares in the company, then: (i) each shareholder is entitled to vote in accordance with the type, classification and number of shares held; and (ii) each shareholder is entitled to be treated equally based on the type and classification of shares held.

Shareholders of the Company are granted certain rights that can be exercised if they feel that they have been harmed by actions taken by the Company.

In general, the Capital Market Law (UUPM) protects each shareholder from the Company's actions that are deemed inappropriate or detrimental to him through the mechanism of disclosure, reporting, and fairness implemented by OJK and IDX for Public Companies.

Furthermore, the regulations issued by OJK stipulate that minority shareholders also receive protection in transactions that are considered to be detrimental to the interests of shareholders, for example in the event that a transaction involving a Conflict of Interest is carried out, then before the transaction is carried out, a Conflict of Interest GMS must be held to obtain approval from Independent Shareholders to carry out the action. In the Conflict of Interest GMS, the Independent Shareholders may reject or approve the Company's action involving the Conflict of Interest.

In addition, in the event of a change in control of the Company, the rights of public shareholders are also protected by the obligation for the new controller to conduct a Tender Offer for all remaining shares in the company.

3.2 Corporate Responsibility for Shareholder Rights

The Company must protect shareholders' rights in accordance with applicable laws and regulations and the Company's Articles of Association.

TKP 4. THE COMPANY'S RELATIONSHIP WITH SUBSIDIARIES AND AFFILIATED COMPANIES

The Company may establish subsidiaries or invest in a company based on the Company's judgment and policy.

The consolidated Subsidiaries are subject to the prevailing capital market laws and regulations. Therefore, the activities carried out by the Subsidiaries are also subject to the possibility of incurring certain obligations for the Company, such as the obligation of information disclosure, announcement in the context of material transactions, obtaining GMS approval, among others, in the event that the transaction value is more than 50% of the Company's equity or more than 25% of the Company's total assets in the event that the Company has negative equity, and the obligation to obtain the approval of the Company's Independent GMS, among others, in the event that affiliated transactions result in disruption of the Company's business continuity.

4.1 Relationship between the Company and Subsidiaries

The Company as a shareholder in a Subsidiary reserves the right to appoint representatives of the Company as directors or commissioners in the Subsidiaries with mechanisms in accordance with applicable laws and regulations and the Company's Articles of Association.

In general, all Subsidiaries are supervised by the Company's Director who is responsible for the management of the Subsidiaries.

4.2 Relationship between the Company and Affiliated Companies

Based on the provisions of laws and regulations in the capital market sector, Affiliation is:

- a. family relationship by marriage and descent to the second degree, both horizontally and vertically;
- b. relationship between a Party and an employee, director, or commissioner of such Party;
- c. relationship between 2 (two) companies in which there are one or more members of the same board of directors or board of commissioners;
- d. relationship between the company and the Party, either directly or indirectly, controlling or controlled by the company;
- e. relationship between 2 (two) companies that are controlled, either directly or indirectly, by the same Party; or
- f. relationship between a company and its major shareholder.

Affiliated companies also include other companies controlled by the Government, in this case other SOEs or government agencies. In the event that The Company conducts transactions or cooperation with affiliated companies and if the transaction is not excluded in the provisions regarding affiliated transactions, then the transaction between the Company and affiliated companies must be assessed by an independent appraiser registered with OJK and announced to the public two working days after the transaction or cooperation is carried out or if determined otherwise based on the applicable provisions in the Capital Market. The purpose of this assessment from an independent appraiser is to ensure that transactions carried out with affiliated companies are fair transactions.

TKP 5. COMPANY LONG-TERM PLAN (RJPP) AND COMPANY ANNUAL WORK PLAN AND BUDGET (RKAP)

5.1 RJPP

RJPP is a strategic plan prepared by the Board of Directors that contains the Company's goals and objectives to be achieved within a period of 5 years. The RJPP is prepared by the Board of Directors and must be approved by the Board of Commissioners. The Board of Commissioners is responsible for supervising the Board of Directors in implementing the RJPP that has been prepared by the Board of Directors. The RJPP serves as a guideline for the Board of Directors to develop the Company. However, the RJPP needs to be reviewed from time to time to ensure that the RJPP made by the Company is still in accordance with the economic and social conditions in Indonesia. The Board of Directors, at its discretion, with due regard to economic and social conditions, may amend the RJPP that has been made with the approval of the Board of Commissioners.

The draft RJPP at least contains an evaluation of the implementation of the previous RJPP, the Company's current position, assumptions that can be used in the preparation of the RJPP and the determination of the Company's mission, objectives, strategies, policies and RJPP work programs.

The RJPP approval process must refer to the provisions of the Articles of Association and Board Manual.

The Company must create or establish an instruction book or manual for preparing the RJPP.

5.2 RKAP

The RKAP is an annual elaboration of the RJPP prepared by the Board of Directors and submitted to the Board of Commissioners for approval. The RKAP contains, among others, the Company's annual budget for the coming fiscal year, which is made before the next fiscal year begins.

In preparing the RKAP, the Board of Directors and related work units must pay attention to the basic assumptions in general, the assumptions used refer to the assumptions set in the Draft State Budget and the results of the company's internal evaluation. RKAP is the basis or guideline for the Company to issue capital expenditure or working capital. The limitations of the Company to make investments must be based on the approved RKAP.

The company must make or establish an instruction book or manual for preparing the RKAP.

TKP 6. FINANCE AND ACCOUNTING POLICY

6.1. Policy on Financial Statements

The Financial Statements must be prepared in accordance with generally accepted accounting principles, namely the Statement of Financial Accounting Standards (PSAK). The Board of Directors must have an internal control system to ensure that every expenditure or receipt is recorded in the Company's balance sheet. In preparing the Financial Statements, the Board of Directors must pay attention to the principle of prudence to avoid any errors in recording that could harm shareholders. In accordance with the provisions of the Company Law, the Board of Directors must submit the financial statements to a public accountant for audit.

Taking into account the Company's current status as a public company (Tbk), the Board of Directors is required to submit the Company's financial statements periodically to OJK and IDX, where at the end of each financial year it is required to be audited by a Public Accountant Office registered with OJK.

6.2. Policy on Retained Earnings

6.2.1. Reserves

In accordance with the provisions of the Company Law and Articles of Association, the ratification of financial statements and approval of the use of net profit each year is determined with the approval of the General Meeting of Shareholders.

The Company is obliged to set aside a certain amount of net profit each financial year for reserves. The obligation to set aside net profit for reserves and dividends only applies if the Company has a positive balance of profit. Positive retained earnings is the Company's net profit in the current financial year that has covered the Company's accumulated losses from the previous financial year. The Company Law requires a company to reserve net profit for reserves up to at least 20% of the issued and paid-up capital.

The Company shall establish statutory reserves and other reserves. Mandatory reserves are used by the Company to cover possible losses of the Company in the future, while other reserves are reserves outside the mandatory reserves that can be used for various purposes of the Company, for example for business expansion.

The Board of Directors shall manage the reserve fund in a manner deemed appropriate by the Board of Directors with the approval of the Board of Commissioners.

6.2.2. Dividends

After the net profit has been reserved for statutory reserves and subject to the debt covenants governing dividend distribution, the Company may propose dividend distribution. The Company may distribute interim dividends before the end of the Company's financial year if the Company's net assets do not become smaller than the amount of issued and paid-up capital plus statutory reserves. The distribution of interim dividends is determined by resolution of the Board of Directors with the approval of the Board of Commissioners.

6.3 Funding Policy

The Company can obtain funding from internal and external sources. External funds can be obtained by the Company either through the capital market or banks or other financial institutions. Taking into account that raising funds through the capital market or banks or financial institutions is highly dependent on market conditions, one of which is interest rates, the Company must pay attention to the right opportunity to seek funding from the capital market or banks or financial institutions.

Before the Company considers obtaining funding, the Company needs to review the obligations (covenants) that must be fulfilled by the Company based on the agreement that has been made by the Company, in this case the Company needs to see, among others but not limited to whether the financial ratios required under the agreement are still within limits. In addition, the Company also needs to study the terms and conditions of the agreement so that the funding facility taken by the Company is more efficient and does not burden the Company in carrying out its operational activities.

After funding is obtained by the Company, the Company needs to make a list containing details of covenants that must be fulfilled by the Company. The list of covenants must be shared with related parties in the Company's organization, such as treasury, accounting, legal, and corporate secretary units. Each organization in the Company must ensure that the Company always pays

attention to the restrictions in each funding agreement. Before starting a corporate action, the Company must review the provisions in each funding agreement to ensure that there are no restrictions or notifications required to carry out the corporate action.

6.4 Long-term Loan Management Policy

The Company conducts long-term loans to finance the operational needs/investments/capital goods/non-current assets of the company according to the Company's plan. The amount of long-term loans is adjusted to the amount of the company's operational growth and the company's ability to comply with the financial ratio limits required by creditors (financial covenants). The loan period is adjusted to the Company's cash flow capabilities when the loan is made and financial projections. Sources of long-term loans can come from banks / bank financial institutions / non-bank financial institutions, both at home and abroad. The Company analyzes and negotiates loan offers provided by these sources and selects the best terms & conditions for the Company.

After the loan disbursement requirements are met, the Company can immediately disburse the funds according to the approved usage plan of the Company. If the funds have not been used, the loan funds are placed in the account agreed with the Lender, or transferred to the Company's operating account on the same day as the funds enter the account agreed with the Lender.

6.5 Investment Policy

The Board of Directors may make investments based on considerations taken carefully. Before deciding to make an investment, the Board of Directors must consider the Company's RJPP and RKAP. In addition, before making an investment, it must also be supported by business studies and risk analysis that may arise in the investment.

TKP 7. COMPLIANCE

In carrying out its business activities, the Company is subject to various provisions of laws and regulations, including the Company Law, capital market regulations, SOE regulations, aviation regulations, and environmental regulations. Failure to comply with the aforementioned regulations may result in legal consequences that can be detrimental to the Company, including fines that must be paid by the Company and the possibility of revocation of licenses from the Government.

In implementing the provisions of these laws and regulations, the Company applies the legal principle of "*lex specialis derogate legi generalis*" which means that special legal provisions will override general legal provisions. The application of this legal principle in essence is that if there is a discrepancy between one regulation and another, the Company will apply a more specific legal regulation.

The following will describe compliance with the above laws and regulations in general.

7.1. Compliance with General Limited Liability Company Regulatory Aspects

The activities of a limited liability company are generally regulated by the Company Law. The Company Law is the highest regulation for a limited liability company. The Company Law regulates how a limited liability company should be run, including regulating the general obligations of the Company and the duties of the Company's Board of Directors and Board of Commissioners. The Company's Articles of Association must refer to the provisions of the Company Law. The Company's Articles of Association may regulate specific matters, but must not conflict with the general matters regulated in the Company Law.

The Company's negligence in carrying out its obligations under the Company Law may lead to several legal consequences, including lawsuits from shareholders or third parties on the basis of unlawful acts.

7.2. Compliance with Capital Market Regulatory Aspects

As an Issuer and a Listed Public Company, the Company has an obligation to comply with and fulfill the provisions stipulated in the Capital Market Law and its implementing regulations, including regulations issued by OJK and IDX. The general principle of capital market legislation is the protection of public shareholders. This can be seen from the Company's obligation to disclose transactions or information to the public, either through newspapers or the IDX website, including the

obligation to disclose the Company's annual financial statements, annual reports, affiliated transactions and/or material transactions to the public through the Company's website, the stock exchange website, and/or through other media in accordance with the provisions of the applicable laws and regulations in the Capital Market sector. In addition, there is also an obligation to disclose material information to the public as soon as possible no later than 2 working days after the information or facts are available. This principle of information disclosure is limited by the provision that information issued by the Company must not be misleading.

In addition to the protection of minority shareholders, the objective of the Capital Market Law is to create a fair and orderly capital market. This can be seen from the provisions governing the prohibition of insider trading.

Failure to comply with capital market laws and regulations may result in legal consequences, from fines to criminal sanctions. Companies may also be sued on the basis of unlawful acts in the field of capital market regulations.

7.3. Compliance with SOE Regulatory Aspects

As an SOE, the Company's activities are also subject to the provisions of the SOE Law and other provisions issued by the Ministry of SOE. To the extent not otherwise stipulated in the laws and regulations in the field of capital markets, the Company's concept of good governance is subject to the provisions of the SOE Law.

7.4. Compliance with Aviation Aspects

As a company engaged in air transportation, the Company is subject to the provisions issued by the Indonesian Ministry of Transportation. The Company's aviation business activities are regulated in the Regulations issued by the Indonesian Ministry of Transportation. The Company also has reporting obligations to the Indonesian Ministry of Transportation related to its business activities. Negligence in carrying out obligations in the field of aviation or negligence in implementing or complying with licenses that have been issued to the Company can have legal consequences, ranging from reprimands, fines to suspension or revocation of licenses where this can hamper the Company's business activities and can harm the Company.

7.5. Compliance with Information Technology Aspects

In supporting its business activities, the Company operates a website that provides convenience for the public and its investors to get in touch with the Company. Based on the IET Law, the Company is categorized as an electronic system organizer. As an electronic system operator, the Company must always maintain its information technology activities in accordance with the IET Law.

The IET Law requires the Company as an electronic system organizer to carry out the following matters:

- a. Organizing the electronic system reliably and securely and be responsible for the proper operation of the electronic system.
- b. Operating an electronic system that meets the minimum requirements specified in the IET Law.

Based on the provisions in the IET Law, the Company is prohibited from using any information through electronic media that concerns a person's personal data without the consent of the owner of the personal data.

In addition, to implement the principles of Good Corporate Governance (GCG) in the management of Information Technology (IT), it is necessary to develop IT governance. This is in accordance with the Regulation of the Minister of SOEs Number Per-03/MBU/02/2018 concerning Guidelines for the Preparation of Information Technology Management of State-Owned Enterprises. In the implementation of good IT governance, IT governance standards are needed by referring to international IT governance standards that have been widely accepted and tested for implementation, including:

- a. COBIT - Control Objective for Information Technologies, which is a single integrated framework developed by the IT Governance Institute (ISACA) to assist organizations/companies in conducting governance assessments of their IT processes.
- b. PMBOK - Project Management Body of Knowledge developed by the Project Management Institute, Inc. (PMI) to assist an organization/company in managing a good IT project, program and portfolio.
- c. ITIL V3. 2011 developed by the Office of Government Commerce to assist an organization / company in providing governance over good IT operational services and meeting user expectations.
- d. TOGAF - The Open Group Architecture Framework developed by The Open Group to assist organizations / companies in conducting / developing an Enterprise Architecture to create competitive advantage through IT.

- e. ISO27001 developed by ISO to assist an organization/company in ensuring governance in terms of Information Security Management System (ISMS).

7.6. Compliance with Environmental Regulatory Aspects

Compliance with environmental regulations in Indonesia is governed by the Environmental Law. Although the Company is not subject to the mandatory EIA or UKL-UPL, the Company is still obliged to carry out obligations related to noise level standards.

One of the impacts of the Company's business and activities that can disturb the environment is due to the level of noise generated. Therefore, based on the applicable laws and regulations in the field of environment and aviation, the Company is obliged to maintain the noise threshold at the airport and its surroundings in accordance with the threshold set by the Government.

The Company is also required to prevent environmental pollution at the airport and its surroundings by meeting the applicable exhaust emission quality standards.

In relation to the provision of facilities and working conditions for its employees, the company is obliged to ensure that facilities, workplaces, equipment, supporting services, and the work environment are in accordance with applicable laws.

In relation to airlines, environmental regulations also include compliance with:

- a. applicable EIA regulations
- b. International Carbon Emission Programs, such as the EU Emission Trading System (EU ETS) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)
- c. Domestic Carbon Emission Program
- d. Other International Standards/Best Practices.

7.7. Compliance Related to Foreign Borrowing

In the event that the Company plans to obtain loans from abroad, the Company shall ensure that the acquisition of such loans is carried out in accordance with the applicable laws and regulations including and not limited to the provisions for obtaining foreign loan approval (if any). The Company is also obliged to submit reports to the Government agencies required by the prevailing

regulations related to each implementation of the required by applicable regulations related to each implementation, use and payment of the foreign loan.

7.8. Compliance with Competition Aspects

In conducting its business, the Company must always observe the provisions of the Law on the Prohibition of Monopolistic Practices and Unfair Business Competition. The Company and all Garuda Indonesia personnel shall avoid any monopolistic practices that may hinder and harm other business actors engaged in the aviation business or related to the aviation business. The Company and all Garuda Indonesia personnel shall always avoid actions that lead to monopolization and unfair business competition, including:

- a. entering into agreements with other business actors that lead to control over the production and or marketing of goods and/or services (oligopoly), price fixing, division of territories, boycotts, cartels, trusts, control over the purchase or receipt of supplies (oligopsony), vertical integration, closed agreements, and other agreements (with foreign parties) that lead to monopolistic practices;
- b. activities of monopoly, monopsony, market control, conspiracy; and
- c. using a dominant position either directly or indirectly to:
 - set terms of trade with the aim of preventing and or hindering consumers from obtaining goods and/or services that compete, both in terms of price and quality;
 - limit market and technology development; or
 - inhibit other business actors who are potential competitors from entering the relevant market.
- d. other prohibitions that give rise to unfair business competition, such as prohibitions on concurrent positions, share ownership, mergers, consolidations and takeovers under the Law on Prohibition of Monopolistic Practices and Unfair Business Competition.

TKP 8. POLICY ON SAFETY AND SECURITY OF FLIGHT OPERATIONS, FLEET MANAGEMENT, MARKETING AND SALES, SERVICES

The Company conducts its flight operations based on Law No. 1 of 2009 concerning Aviation, meeting the provisions of CASR and ICAO, as well as other internationally recognized aviation practice requirements.

8.1. Flight Operations Management Policy

As an airline holding an AOC 121 flight operator certificate, the management of flight operations is carried out in accordance with the technical and operational requirements in CASR Part 121, Part 91 and Part 19 and carries out flight operations in accordance with company manuals that have been approved by the Directorate General of Civil Aviation. In addition, for its function as a flag carrier, the company must also ensure compliance of flight operations to all regulations of the countries and other authorities to which Garuda Indonesia flies. Furthermore, it must also ensure compliance with international standards set out in the IOSA Standard Manual.

8.2. Aviation Safety and Security Policy

The company as an aviation service provider must always ensure that it uses high technology, capital intensive, reliable management and ensures optimal safety and security. Based on the Aviation Law, aviation safety is a condition of fulfilling safety requirements in the utilization of airspace, aircraft, airports, air transportation, flight navigation, as well as supporting facilities and other public facilities. Meanwhile, aviation security is a condition that provides protection to flights from illegal acts through the integrated use of human resources, facilities and procedures.

The Company has made a Safety Policy established by the President Director of the Company which is the highest commitment of the organization's management to safety. The Company's Aviation Safety Management is carried out systematically which is formed in a Safety Management System ("**SMS**"). The Security Policy, which is also set by the President Director of the Company, is the Company's commitment to implementing and updating security management on an ongoing basis, ensuring compliance with aviation security regulations and standards, providing the necessary personnel and resources, and encouraging all employees to report security issues in order to create a security culture. security issues in order to create a culture of security. As with safety management, the Company also has aviation security management in the form of a Security Management System ("**SEMS**"). The Company's SEMS includes the

Company's security policy officially stated by the Company's top management, organizational structure, security personnel training programs, risk assessment and management of security threats, and monitoring of security implementation.

The entire system is built to ensure compliance with applicable regulations such as CASR Part 121, Part 91, Part 17, and Part 19, KM 211 of 2020, and other applicable international regulations as well as compliance with other international standards governing aviation safety and security.

8.3. Aircraft Airworthiness Management Policy

The Company must have an Airworthiness management mechanism that includes Safety and Reliability in aircraft maintenance to ensure safe, reliable, comfortable and timely aircraft operations by considering effectiveness and efficiency factors and business opportunities.

The function responsible for managing aircraft airworthiness is required to carry out aircraft maintenance programs professionally, efficiently and effectively as well as safely and reliably (safety & reliability) both for scheduled and unscheduled aircraft maintenance in accordance with airworthiness standards and civil aviation requirements CASR Part 121 and Part 91.

To fulfill the provisions of laws and regulations and other obligations in relation to flight operations management policies, aviation safety and security and aircraft airworthiness management, a complete description of the implementation of these policies will be regulated in a manual or other policy documents in accordance with applicable provisions in the Company.

8.4. Marketing & Sales Policy

The company must plan, implement and evaluate and improve marketing strategies that refer to the RJPP to achieve the Company's Vision and Mission in order to achieve optimal revenue through the:

- Provision of aviation products and services that are in accordance with the needs of service users (service user-oriented).
- Management and forming a good impression (good image) on the market.
- Optimization of Market Share.
- The company must plan, implement a sales strategy that refers to the Marketing plan, and evaluate and improve.

The function responsible for managing distribution channels shall manage distribution channels to support the achievement of sales targets and optimization of company revenues by taking into account aspects of technology utilization and optimization of the distribution channel system.

The function responsible for revenue management shall establish a mechanism to optimize revenue through effective price and capacity management.

The function responsible for network management shall ensure the existence of an integrated flight network.

For each flight route, a Route Profitability analysis and a Network Profitability analysis shall be conducted to ascertain the level of profitability and risk, and to ensure that improvements are made if the results are unfavorable. The Revenue Management function is responsible for carrying out Route Profitability and Network Profitability analysis.

8.5. Service Policy

Services to service users are always oriented towards service user satisfaction throughout the passenger journey (pre-journey, pre-flight, in-flight and post-flight and post journey) which refers to civil aviation regulations with the principle of service policy "the role of service is to contribute commercial success".

Passenger safety, security and comfort during the flight must be a top priority, because it will greatly affect the overall satisfaction of service users. Mechanisms and cooperation between functions must ensure the achievement of these things.

Ensure the implementation of Good Corporate Governance in carrying out service business processes in the Company, by complying with the Company's code of conduct contained in the Code of Business Ethics and Work Ethics that apply within the Company.

Functions responsible for planning, mapping and implementing service standards covering Ground Services, Inflight Services, Customer Care, Quality Assurance in accordance with the governance and service concept of Garuda Indonesia Experience which is the company's brand image that focuses on achieving customer satisfaction while prioritizing safety aspects and compliance with applicable regulations.

The function is responsible for managing innovation, monitoring, evaluation, and continuous improvement in all service processes and has the aim of achieving customer satisfaction, **meeting internal and external audit requirements** and meeting regulatory requirements in a cost-efficient manner.

Mechanisms and cooperation between functions responsible for handling and servicing Passengers and Baggage must be carried out to ensure the effectiveness and efficiency of all procedures **that comply with applicable regulations**. This function includes ensuring the availability of service improvement procedures and policies and their implementation.

Coordination of cooperation between functions responsible for managing services to service users must be carried out, including those related to the management of reservation services and management of information provision, to minimize service user inconvenience due to service discrepancies, including flight delays and cancellations.

TKP 9. DISCLOSURE AND CONFIDENTIALITY OF INFORMATION

9.1. Disclosure and Access to Information

Public information disclosure is a means of optimizing public supervision of the administration of the state and other Public Entities and everything that has an impact on the public interest.

As a Public Entity, the Company has an obligation to provide, deliver and/or publish Public Information under its authority to Public Information Applicants, other than information exempted under the Disclosure of Information Law. Public Information provided must be accurate, correct, and easy to understand. To carry out its obligations, the Company must build and develop an information and documentation system to manage Public Information properly and efficiently so as to be easily accessible.

In addition, the Company is also obliged to create and develop a system for providing information services in a fast, easy and reasonable manner in accordance with the technical guidelines for Public Information service standards that apply nationally to realize fast, precise and simple information services.

9.2. Information Disclosure in the Field of Capital Market

The Capital Market Law stipulates several disclosure and reporting requirements, OJK further determines the provisions, types, and procedures of reporting that must be done under the Capital Market Law along with its exceptions as outlined in OJK regulations. In addition, the IDX as a self-regulatory organization (SRO) also issues regulations regarding detailed disclosure and reporting requirements in relation to securities trading on the stock exchange, which are also the implementing regulations of the Capital Market Law.

Broadly speaking, the principle of disclosure under the UUPM requires periodic disclosure as well as incidental reporting.

9.3. Company Documents

Based on the Company Documents Law, company documents are data, records, and or information made and or received by the company in the context of carrying out its activities, whether written on paper or other means or recorded in any form that can be seen, read, or heard.

Company documents include:

- records, bookkeeping evidence, and supporting data of financial administration, which are evidence of the rights and obligations and business activities of a company ("**Financial Documents**"); and
- other documents consist of data or any writing containing information that has value for the company even though it is not directly related to other financial documents ("**Other Documents**").

Records included in Financial Documents consist of annual balance sheets, annual profit and loss accounts, accounts, daily transaction journals or any writing containing information regarding rights and obligations and other matters relating to the Company's business activities ("**Records**").

In accordance with the provisions of the Company Documents Law, the Company is required to make Notes in accordance with the needs of the Company. The procedure for making such Records is as stipulated in the Company Documents Law. Records and evidence of bookkeeping must be kept for a minimum of 10 (ten) years starting from the end of the Company's financial year. Meanwhile, the retention period of supporting data for financial administration and other documents is adjusted to the needs of the Company concerned based on the use value of the documents compiled in the retention schedule stipulated in the decision of the Company's board of directors.

Based on the provisions of the IOSA Standards Manual, the Company must have a documentation system to ensure that the Company's operation, maintenance and security manuals are centrally managed and coordinated in the corporate document hierarchy. The Company must have a management system for managing and controlling documentation and/or data used directly for the implementation or support of the Company's operations. The system must meet the standards as set out in the IOSA Standards Manual. In addition, the Company must also have a mechanism and provisions governing the management of documents and archives including the recording and storage of Company Documents with the aim that the archives are always well maintained and safe, protected from all adverse possibilities.

Company Documents may be transferred to microfilm or other media according to the Company Documents Law. Company documents in the form of microfilm or other media are valid evidence.

Records, bookkeeping evidence, and supporting data of financial administration may be destroyed based on the decision of the head of the Company, who shall

be liable for all losses of the Company and/or third parties due to such destruction if done:

- a. before the period of 10 years expires, or
- b. it is known or should be known that the Company Document must still be kept, because it has a use value both related to the Company's assets, rights and obligations and other interests.

The Company must have a mechanism for corporate document management and archive destruction.

9.4. Confidentiality of Information

The Company in the implementation of its activities and business activities must uphold and always implement information disclosure based on the precautionary principle and implement Personal Data Protection. In principle, Company Documents are confidential documents and any information or data regarding the Company, employees, service users and parties related to the Company that have not been submitted to the public is confidential information.

The level of confidentiality of company documents is divided into 5 classifications / categories, namely:

- a. Top Secret
- b. Secret
- c. Confidential
- d. Restricted
- e. Public

Confidential information (material information) is information about the Company where:

- a. If disclosed, will affect the competitiveness of the Company.
- b. If disclosed, it has a high potential to influence the decision making of Shareholders and other related stakeholders.
- c. Information which, among others, contains analysis of work plans, business development, competitors, service users, suppliers and others.
- d. Information and/or data which, among others, contains personal data of service users/customers, employees, and partners managed by the Company.

The Company is subject to Personal Data protection regulations both in Indonesia and in other countries where the Company conducts its business activities. Accordingly, all Garuda Indonesia personnel are required to comply

with the provisions regarding the protection of Personal Data that apply to the Company.

Every Garuda Indonesia employee is obliged to keep information regarding such data confidential, unless disclosure of such information is required under the prevailing laws and regulations. In addition to information regarding the Company, every employee of the Company is also required to keep the Company's corporate action plans confidential to the extent that information regarding such corporate action plans has not been disclosed to outside parties.

Within certain limits, Garuda Indonesia personnel may disclose confidential information to the public and/or other third parties who by law and the prevailing laws and regulations have a legal obligation or authority. The limitations that need to be considered by Garuda Indonesia personnel when disclosing Company information include the fact that confidential information may be provided to the extent that the recipient of the information is required to maintain the confidentiality of the Company's information. The Company is obliged to make a disclaimer which essentially contains information that information regarding the Company is confidential information that has not been disclosed to the public, so that the recipient of the information is obliged to maintain the confidentiality of the information that has been provided by the Company and including prohibited from conducting transactions on the Company's shares based on confidential information that has been provided by the Company.

In addition to the prohibition on disclosing confidential information, Garuda Indonesia personnel who have received such confidential information are also prohibited from using such information to conduct transactions in the capital market or to provide it to other third parties for purposes and purposes that do not have a legal basis in the form of legal agreements or do not refer to the prevailing laws and regulations.

Garuda Indonesia personnel are prohibited from illegally disseminating Company information to parties outside the Company, whether through electronic media or other social media, which could result in a decline in public or capital owner confidence in the Company.

9.5. External Communication

Every outgoing relationship or communication with parties outside the Company that is conducted by the Company or its employees must be conducted with the principle of prudence, especially with regard to information that is confidential to the Company.

In conducting its business activities, the Company must always use its corporate identity and Garuda Indonesia personnel are required to maintain the Company's image.

Any information conveyed to the public regarding products or services provided by the Company through all publicity activities, including advertisements and promotions, must be accurate, realistic (in accordance with reality) and informative.

All materials of the Company's publicity activities including advertisements and promotions must refer to the Company's policies, advertising code of ethics and other applicable laws and regulations.

Before providing Company information to Shareholders and creditors, the Company must ensure that the information provided is valid and has been verified by other functions within the Company relating to the information. For financial statements, it must be ensured that the Audit Committee has reviewed and given its approval to release the financial statements to Shareholders and creditors.

Any questions, criticisms or suggestions from the public whether submitted orally or in writing through various means of communication must be responded to properly. The work unit in charge of Corporate Communications is responsible for coordinating the responses that will be submitted by the Company by taking into account the input provided by the relevant officials or functions.

In accordance with the needs of the Company, written or oral information (through the distribution of press releases, interviews and/or media appearances) and other forms of public expose can be arranged, to disseminate information about the Company's activities, performance and plans.

The work unit in charge of Corporate Communications is responsible for managing the Company's reputation in coordinating communication media, both electronic and print media, so that the integrity and credibility of the Company's information to the public can be maintained.

9.5.1. Communication with Creditors

As a form of protection of creditors' rights, the Company needs to disclose information in a transparent, accurate and timely manner, both at the time of request and use of loans.

Before providing Company information to creditors, the Company must ensure that the information provided is valid and has been verified by other functions within the Company related to the information and have been disclosed to the public in accordance with applicable regulations. Company related to the information and has been disclosed to the public in accordance with applicable regulations.

In order to maintain the trust and sense of certainty of creditors, the Company needs to regularly and continuously announce the Company's performance and plans in accordance with the obligations that must be fulfilled by the Company in the agreement with creditors. It is important to note that in order to avoid any discrepancies in the disclosure of information to creditors and shareholders, any information can only be provided to creditors after the disclosure of such information to shareholders.

9.5.2. Communication through Website

The Company provides stakeholders with access to relevant, adequate, and reliable Company information in a timely and periodic manner. The Company has a media for the provision of Public Information in the form of a website that is handled directly by the Company.

The Company's website publishes the Company's policies and important information including the following:

- a. Overview of key financial data in the annual financial statements
- b. Guidelines for the implementation of good corporate governance including the publication of CGP and GMS Implementation, Code of Conduct, and Board Manual.
- c. Performance evaluation reports on the Company's website, which can be in the form of the Company's financial performance per quarter.

The company also needs to update the company's information on the SOE website on a regular basis. More detailed provisions regarding the management and updating of the website will be regulated in a separate manual.

9.6. Internal Communication

Internal communication builds understanding, pride, and involvement in the Company, as well as internalization of the Company's vision, mission, and values. The internalization aims to create the application of values in the Company's business processes, as well as to build the Company's culture needed to build the Company's brand and achieve the Company's vision and mission.

Internal communication activities are expected to encourage two-way communication within the Company. Two-way communication will create a good relationship and trust between management and employees, so that engagement and involvement will be formed, resulting in support for management policies and transformation efforts implemented by the Company.

In general, internal communication here is divided into two, namely "Company communication to all employees" (which is carried out by the work unit in charge of Corporate Communication) and "leadership communication" from each leader or people manager.

The Company's communication to all employees is carried out with various 'packaging' which in the current normal adaptation period is maximized virtually/online, such as CEO Message, Townhall Meeting, board of directors memo, e-newsletter or email blast, interactive portal, employee blog, publication of interviews with directors, as well as management remarks in various internal Company events.

Before providing information to employees, the Company - in this case the work unit in charge of Corporate Communications - must ensure that the information to be conveyed has been traced and confirmed, and has received approval from the relevant people manager. The Company is also responsible for providing employees with an understanding of communication guidelines in accordance with the Company's Business Ethics and Work Ethics, including communication through social media.

In crisis situations, employees are only allowed to provide necessary information or explanations to external parties (through social media, chat groups, or other channels) by referring to the Official Statement or Press Release issued by the Company. In other words, employees are not allowed to speculate, engage in discussions about the crisis experienced by the Company, or provide explanations to the media.

TKP 10. COMPANY ETHICS

10.1 Company Ethics

The Company shall establish the Company's ethics in a separate guideline that regulates the Company's values and serves as a guideline for behavior, including relationships with stakeholders.

Garuda Indonesia personnel shall abide by and apply the Company's ethics in relation to the scope of their duties and responsibilities.

10.2 Violations

What is meant by "Violation" is any act that violates the prevailing laws and regulations and Company regulations. Actions that are considered as Violations are actions that are not in accordance with the Company's ethics and are considered illegal.

Actions that are considered as Violations include but are not limited to:

- a. Corruption, Collusion, Nepotism;
- b. Fraud;
- c. Bribery including but not limited to attempted, suspected and actual bribery, or any violation of the anti-bribery policy or anti-bribery management system;
- d. Unlawful acts (including theft, use of violence against employees or leaders, extortion, drug use, harassment, other criminal acts);
- e. Violation of Company ethics (including in this case the acceptance of gratuities as prohibited by the Company) or violation of norms of decency in general;
- f. Acts that jeopardize aviation security and safety, occupational safety and health, or jeopardize the security of the Company; and/or
- g. Violation of the Company's standard operating procedures (SOP), including but not limited to the procurement of goods and services.

Actions that are considered to be violations must not be committed and must be avoided by all Garuda Indonesia personnel.

In the Collective Labor Agreement document that regulates industrial relations between the Company and its employees, the Company regulates the types of Violations that must be avoided and must not be committed by employees. For

such violations, the Company applies sanctions that will be imposed on the violator in accordance with the type of Violation committed.

10.3 Whistle Blowing System

As a company that consistently implements GCG principles, the Company supports every element of the Company to report any alleged violations of the Company's ethics, Company regulations, or applicable laws and regulations through the Whistle Blowing System ("WBS"). The WBS is a whistle-blowing system that allows anyone to report suspected fraud, violations of law and ethics, and other misconduct committed by Garuda Indonesia personnel. The Company guarantees confidentiality of identity and endeavors to provide protection to whistleblowers.

10.4 Anti-Corruption and Anti-Bribery

In accordance with the provisions of the Anti-Corruption Law, the Company must always ensure that it supports the prevention and eradication of every form of corruption that can harm the interests of the State, the Company and the public as service users. The crime of corruption as stipulated in the Anti-Corruption Law is expressly formulated as a formal crime that is very important for proof. With the formal formulation, even though the proceeds of corruption have been returned to the State, the perpetrators of corruption are still brought to court and are still punished. In addition, the Anti-Corruption Law also applies limited or balanced reverse proof, in which the defendant has the right to prove that he did not commit the crime of corruption and is obliged to provide information about all his assets and the assets of his wife or husband, children, and the assets of any person or corporation suspected of having a relationship with the case concerned and the public prosecutor is still obliged to prove his charges.

All Garuda Indonesia personnel must comply with the provisions of the Anti-Corruption Law, especially regarding bribery and gratuities, and the State Administration Law. All Garuda Indonesia personnel under the State Administration Law and the Anti-Corruption Law are State Officials or Public Servants.

10.4.1 Bribery

A gift is prohibited because it is categorized as a bribe, if it is given to a State Official or Public Servant, because of or in connection with something that is contrary to his/her obligations in his/her position, whether done or not done in the capacity of his/her position ("Bribe").

Article 13 of the Anti-Corruption Law stipulates that any person who gives a gift or promise to a public servant in view of the power or authority attached to his/her position or position, or which the giver of the gift or promise considers to be attached to such position or position, shall be punished with imprisonment of up to 3 years and or a maximum fine of Rp 150,000,000.00 (one hundred and fifty million Rupiah).

Garuda Indonesia personnel are prohibited from accepting any form of gift from any party, whether in the form of money or its equivalent, a gift, promise or grant in any form or format, where it is known or reasonably suspected that the gift was given in connection with their work or position. Garuda Indonesia personnel must refuse any gift that is deemed to be related to their position. Garuda Indonesia personnel are also prohibited from giving gifts to a State Official or Public Servant with the expectation that the recipient of the gift will do or not do something that is contrary to his or her obligations.

In line with its anti-bribery commitment, the Company has implemented an Anti-Bribery Management System since October 1, 2020.

10.4.2 Gratuities

Gratuities according to the Anti-Corruption Law are gifts in a broad sense, which can be in the form of money, goods, rebates, commissions, interest-free loans, travel tickets, lodging facilities, tourist trips, and others, received both domestically and abroad ("**Gratuities**"). Unlike bribery, gratuities are not always prohibited, and Garuda Indonesia personnel are allowed to give or receive gratuities under certain conditions as stipulated in the applicable Company regulations regarding gratuities.

Before giving or accepting Gratuities, Garuda Indonesia personnel must always pay attention to the provisions stipulated in the Anti-Corruption Law and the Company's Code of Business Ethics and Work Ethics as well as the technical provisions regarding the control of Gratuities applicable in the Company.

TKP 11. INFORMATION TECHNOLOGY AND SYSTEM MANAGEMENT

Information Systems and Information Technology policies govern the organization in order to achieve the Company's objectives by providing added value from the use of Information Technology that balances the risks and compared with the results provided by information technology and its processes.

The function that manages Information Technology is responsible for the implementation of information technology operations and as a business driver together with users using and developing IT in the development of agile products and services and market expansion in order to obtain efficient and effective results for the Company, by ensuring:

- a. The availability of IT Master Plan in accordance with the Company's strategy & business needs.
- b. Availability of annual IT Planning in line with RKAP.
- c. Availability of IT solutions that add competitive value to the company through:
 - i. Control of budget realization in accordance with IT needs and Planning
 - ii. Increasing the benefits of IT solutions so as to make a positive contribution to the company.
- d. Availability of reliable application systems to support the provision of precise, fast and integrated information through analysis of aviation and IT business needs.
- e. Implementation of IT Governance in the Company by conducting self-audits or audits conducted by external parties.
- f. Management of risks associated with IT resources, and Information Technology development and operational processes.

TKP 12. EMPLOYMENT

The Company establishes employee planning that is carried out with reference to the needs of the Company based on the Company's business plan, policy direction and strategy.

The basis of employment management is based on productivity and performance-based principles.

Employment development is regulated in such a way that basic rights and protections for employees are fulfilled and at the same time can create conditions conducive to improving the Company's performance.

The Company and employees are obliged to create a mechanism to foster and develop the abilities and skills of employees in order to increase work productivity and employee performance which in turn can improve employee welfare. The Company and employees who are members of the Company's Employees Union compile and agree on a Collective Labor Agreement in order to create harmonious, safe, secure and dynamic working relationships, work peace, employee welfare, business continuity, certainty of rights and obligations of each employee and the Company. The Collective Labor Agreement can be a legal basis for the Company and employees in carrying out industrial relations between the two.

TKP 13. PROCUREMENT OF GOODS AND SERVICES

This policy covers the procurement of non-aircraft assets which include products, goods and services, either through purchase or lease. The scope of procurement can be in the form of inventory programs, office equipment, information technology products and services, official vehicles, consulting services, maintenance services, and so on whose acquisition uses the company budget. The programs, products, goods and services covered include those intended for routine/operational purposes as well as to meet project needs within the Company, both for internal purposes and for service users.

Procurement of goods/services within the Company is carried out with the following principles and basic values:

- **Efficient**, namely the Procurement of Goods and Services must strive to get the optimal and best results in a short time by using the maximum possible funds and capabilities reasonably and not only based on the lowest price. For the procurement of strategic goods and services that have significant value, a total cost of ownership (TCO) approach can be taken;
- **Effective**, namely the Procurement of Goods and Services must be in accordance with predetermined needs and provide the maximum benefit in accordance with the specified objectives;
- **Competitive**, namely the Procurement of Goods and Services must be open to Suppliers who meet the requirements and carried out through fair competition among suppliers who are equal and meet certain requirements/criteria based on clear and transparent provisions and procedures;
- **Transparent**, namely all provisions and information regarding the Procurement of Goods and Services, including technical procurement administration requirements, evaluation procedures, evaluation results, determination of prospective Suppliers, are open to interested Supplier participants, while taking into account the principle of caution and maintaining confidentiality for the benefit of the Company;
- **Fair and Reasonable**, namely providing equal treatment for all eligible suppliers;
- **Open**, namely the Procurement of Goods and Services can be followed by all eligible suppliers;
- **Accountable**, namely it must achieve targets and be accountable so as to keep away from potential abuse and irregularities.
- **Independent**, namely the entire process of Procurement of Goods and Services is free from all forms of intervention from all interested parties;
- **Integrity**, which is a guarantee that the entire process of Goods and Services Procurement is carried out legally, cleanly and ethically;

- **Best Practice**, namely that the Procurement of Goods and Services is carried out by considering the best practice of Procurement of Goods and Services that applies based on the type / characteristics of the Goods and Services required.

Procurement of goods/services also prioritizes the principles of direct source or non-intermediary, value added and upholds the values of integrity and honesty.

The Company prioritizes the use of domestic production, national design and engineering, and expansion of employment opportunities for small businesses, as long as the quality, price and purpose can be accounted for.

The Company applies 5 (five) basic criteria to every decision in carrying out procurement, namely:

- Price, that the Procurement of Goods and Services is carried out based on reasonable price considerations;
- Volume, that the amount of Procurement of Goods and Services is correct, accurate and in accordance with the needs;
- Quality, that the Procurement of Goods and Services is to obtain the quality of Goods and Services in accordance with the needs;
- Time, that the Procurement of Goods and Services is carried out with efficient ordering time and timely delivery;
- Supplier, that the Procurement of Goods and Services is carried out as far as possible to manufacturers or direct suppliers and avoids the use of intermediary service providers that do not provide added value.

More detailed provisions regarding the procurement of goods and services are regulated in the Company's Procurement Manual.

TKP 14. RISK MANAGEMENT POLICY

In managing risk management, the Company must have a basic policy that is used as a reference for carrying out the risk management process itself. It is intended that the entire process carried out is in line with the policies prepared so as to produce a goal or target that is in accordance with what has been previously determined.

Regarding risk management policies, the Regulation of the Minister of SOEs of the Republic of Indonesia Number Per-05/MBU/09/2022 on the Implementation of Risk Management in State-Owned Enterprises ("Per-05") has been established. In Per-05, it has been stipulated that in the context of implementing risk management, SOEs are grouped based on the category of SOEs and the risk classification of SOEs based on the risk intensity of each SOE.

The categories of SOEs as referred to in Per-05 consist of:

- a. Conglomerate SOEs, which are SOEs that have the following characteristics:
 1. Total revenue from consolidated subsidiaries is greater than or equal to 20% of the revenue of the Conglomerate SOE;
 2. Having investments in subsidiaries with total investments greater than or equal to 5% of the capital of the Conglomerate SOE;
 3. Having subsidiaries with series A shares; and/or
 4. Categorized as a Conglomerate SOE by the Minister, relevant authorities and/or regulators.
- b. Individual SOEs, namely SOEs that do not meet the characteristics as referred to in point a above.

Conglomerate SOEs and Individual SOEs as referred to above, must apply the three lines model of risk governance in carrying out risk management.

The risk classification of SOEs is determined by the Minister of SOEs based on the level of risk intensity, taking into account the size and complexity of the SOE. This is also applied by the Board of Directors in determining the risk classification of Subsidiaries. The risk classification of SOEs and Subsidiaries is outlined in the form of quadrants, consisting of:

- a. Systemic A for SOEs and Subsidiaries that have large size and high complexity;
- b. Systemic B for SOEs and Subsidiaries not large in size and high in complexity;
- c. Significant for SOEs and Subsidiaries that are large in size and not highly complex; and
- d. Neutral for SOEs and subsidiaries that are not large in size and not high in complexity.

Per-05 also stipulates that SOEs must have a taxonomy of SOE and Subsidiary risks in accordance with the needs of overseeing the performance targets of SOEs and Subsidiaries.

In implementing risk management, a risk management organ is required which consists of:

- a. Board of Commissioners or Board;
- b. Board of Directors;
- c. Audit Committee;
- d. Risk Monitoring Committee;
- e. Integrated Governance Committee;
- f. Director in charge of risk management;
- g. Director in charge of financial management; and
- h. SPI

The obligation to have a risk management organ as mentioned above is carried out after the Minister determines the risk classification of SOEs. To implement Per-05, the Board of Directors and / or the Board of Commissioners of SOEs must compile and / or adjust internal guidelines, which at least include:

- a. Charter of the Board of Commissioners;
- b. Charter of the Board of Directors;
- c. Risk Management Charter;
- d. Internal Audit Charter;
- e. Relationship between the Board of Commissioners of the Parent SOE and the Board of Commissioners of the Subsidiary;
- f. Other company implementation regulations.

In relation to risk management reporting, the Board of Directors must prepare and submit a risk management report, consisting of:

- a. Report on the implementation of risk management;
- b. Internal audit report;
- c. Integrated governance report.

14.1 Basic Enterprise Risk Management (ERM) Policy

The guidelines for the implementation of risk management contained in the Enterprise Risk Management Manual of PT Garuda Indonesia (Persero) Tbk are intended as a reference for all units in the Company, especially the unit in charge

of the Enterprise Risk Management function, to implement risk management policies.

Policies related to risk management include:

1. Risk Capacity
2. Risk Appetite
3. Risk Tolerance
4. Risk Limit

14.2 Enterprise Risk Management (ERM) Organization

The unit in charge of the ERM function is currently placed under the Director of Finance and Risk Management (JKTDF).

The ERM organization consists of, among others:

- a. Business Development and Risk Monitoring Committee (KPUPR),
- b. President Director
- c. Board of Directors
- d. Director of Finance and Risk Management
- e. VP Work Unit
- f. VP Enterprise Risk Management
- g. VP Internal Audit

14.3 Enterprise Risk Management (ERM) Integration

ERM practices have integration with several parts of the Company, including the implementation of Business Continuity Management (BCM), Functional Risk Management (such as risk management in terms of safety, security, finance/treasury, etc.), subsidiary risk management, business processes and procedures, Anti-Bribery Management System (SMAP), as well as integration with Good Corporate Governance (GCG). The integration of ERM with these matters needs to be the concern of all Company personnel, as this can support the success of ERM practices in a company.

For implementation and more detailed information, refer to the Enterprise Risk Management (ERM) Manual.

In addition, as an airline, it is bound by aviation regulations from the International Civil Aviation Organization (ICAO), Indonesian Law Number 1 of 2009 concerning Aviation and Civil Aviation Safety Regulations (CASR) which require the implementation of safety risk management.

TKP 15. SUPERVISION AND CONTROL POLICY

The supervision and control policy covers the Company's overall supervision and control function at the level of all Garuda Indonesia personnel. Supervision and control covers financial, non-financial, qualitative and quantitative aspects with the aim of achieving the optimum balance of quality, delivery and cost in an effort to achieve the Company's objectives and maintain and improve service user satisfaction. In carrying out its duties, the supervision or control function must always pay attention to the interests of the Company, Shareholders and related stakeholders (service users, employees, society, and the state) in accordance with the framework outlined in the vision, mission and objectives of the Company.

Responsibility for the coordination and implementation of the supervision and control function lies with the Commissioner. In carrying out this coordination, the Commissioner is assisted by the Audit Committee which has the main tasks to:

1. Assist the Commissioner to ensure the effectiveness of the internal control system and the effectiveness of the implementation of the duties of the external auditor and internal auditor;
2. Assess the implementation of activities and the results of audits conducted by the internal control unit and external auditors; 3.
3. Provide recommendations on improving the management control system and its implementation;
4. Ensure that there is a satisfactory review procedure for all information issued by the Company; and
5. Identify matters that require the attention of the Commissioners and the duties of the Commissioners.

Currently, the Company has an Audit Committee Charter in place as a mechanism governing the performance of the Audit Committee in the Company.

Internal Control Policy

The internal control is a process designed to provide reasonable assurance that the company can achieve its objectives by involving all personnel in the organization ranging from the Board of Commissioners, Board of Directors, management, to lower-level employees, including embedded internal control units, Internal Audit and Risk Management, while at the Board of Commissioners level the implementation of internal control management is assisted by the Audit Committee. In addition, internal control is not an activity that is added to the management process, but is an integral part of the process.

Internal Control is designed to provide reasonable assurance in order to achieve company goals, which are grouped into 3 categories as follows:

- effectiveness and efficiency of operations,
- reliability of financial reporting, and
- compliance with applicable laws, regulations and provisions.

Internal Control in its implementation, must always pay attention to the interests of the Company, Shareholders and all stakeholders and be aligned with the framework outlined in the vision, mission and objectives of the Company.

Internal controls that are implemented effectively should be able to play an important role in detecting and preventing fraud and protecting organizational assets, both tangible (inventory, fixed assets, and cash etc.) and intangible (reputation, intellectual property rights, and trademarks).

For internal control to be effective, all components (5 components) must be supported by 17 key principles that must exist and function and operate together & integrated. The five components that support the effectiveness of internal control include:

- a. **Internal Control Environment;** is the overall actions, standards, policies and procedures that reflect the overall attitude of top management, the board of commissioners and entity owners.

With the main principles as follows;

1. The organization shows commitment to integrity and ethical values,
2. The Board of Commissioners carries out its supervisory responsibilities,
3. Management establishes structure, authority and responsibility,
4. Commitment to competence,
5. Encourage accountability for the internal control system

- b. **Risk Assessment;** is identifying organizational risks and analyzing them against relevant General and Built-in Risks that impact the achievement of its objectives.

With the main principles as follows;

1. Identification of all risks that exist in the Company (Risk Identification)
2. Assess and prioritize significant risks that may hinder the Company's strategic objectives (Risk Assessment)

3. Addressing significant risks in an effective and efficient manner (Risk Treatment)
 4. Monitor relevant risks and risk management activities on an ongoing basis (Risk Monitoring & Reporting)
- c. **Control Activities;** are actions established through policies and procedures to assist management in guaranteeing and ensuring that management directives are implemented in order to minimize risk.

With the main principles as follows;

1. Developing control activities
 2. Developing general controls over technology
 3. Detailing into policies and procedures
- d. **Information and Communication;** a continuous process of obtaining, sharing, providing relevant and quality information, both from internal and external sources while internal communication should be a means of disseminating information within the organization, both from top to bottom, from bottom to top, and cross-functional.

With the main principles as follows;

1. Using relevant information
 2. Effective internal communication
 3. Effective external communication
- e. **Monitoring;** Monitoring is a process that determines the quality of internal control performance over time, including continuous evaluation, separate evaluation, or a combination of the two, aimed at ensuring each component of internal control is in place and functioning properly.

The Audit Committee, Internal Audit and concern units can use the above components, principles of internal control with their respective explanations as indicators to assess the effectiveness of the organization's internal control.

TKP 16. COOPERATION IMPLEMENTATION POLICY

This policy covers cooperation carried out by the Company both in the company's position as a partner and the company as a party seeking partners to cooperate.

Cooperation within the Company is carried out with the following principles:

- a. Cooperation is carried out by taking into account the principles of transparency, independence, accountability, responsibility, expediency, and fairness, and in accordance with applicable laws and regulations;
- b. Cooperation is carried out for a certain period of time stated in the agreement and is not allowed to cooperate indefinitely except for cooperation in the form of establishing a joint venture company.
- c. Cooperation prioritizes synergies among SOEs and/or among subsidiaries of SOEs and/or among affiliated companies of SOEs and/or with Investment Management Institutions and increases the participation of national businesses through
 1. Direct appointment to SOEs, subsidiaries of SOEs, affiliated companies of SOEs or Investment Management Institutions established under Law Number 11 of 2020 on Job Creation; or
 2. Direct cooperation by comparing at least two (2) SOEs, subsidiaries of SOEs, and/or affiliated companies of SOEs, while still considering that the quality, price, and capabilities of SOEs/SOE subsidiaries and/or affiliated companies of SOEs can be accounted for.
- d. Any party other than those who have the authority based on the applicable provisions in the Company is prohibited from interfering in the process and decision making regarding cooperation in accordance with the provisions of laws and regulations.
- e. Cooperation is carried out for the benefit of the Company and free from pressure, coercion, and interference from any party.
- f. Evaluation of cooperation agreements is carried out for cooperation that is detrimental to the Company or has not provided optimal benefits while taking into account the provisions of the prevailing laws and regulations.

More detailed provisions regarding the implementation of cooperation within the Company are regulated in the applicable cooperation guidelines in the Company.

