

GUIDELINES FOR THE HANDLING OF CONFLICT OF INTEREST IN PT GARUDA INDONESIA (PERSERO) Tbk.

CHAPTER I

INTRODUCTION

Article 1

Terms and Definitions

1. **Company** shall mean PT Garuda Indonesia (Persero) Tbk.
2. **Garuda Indonesia's Personnel** shall include the Board of Directors, Board of Commissioners, and employees of the Company who are permanent or a contract employee, including those assigned to subsidiaries or other agencies, which is legally bound by employment relationship with the Company.
3. **Conflict of Interest** is a situation or circumstance in which there is a discrepancy between the interests of the Company with Garuda Indonesia's Personnel either individually or collectively that have the potential of abuse of position/title and/or which may affect the quality and objectivity of the tasks performed or decisions that could harm the Company.
4. **Personal/Group Interests** are the desires/needs of any individual/groups within Garuda Indonesia's personnel.
5. **Senior Staff** are employees occupying a leadership position on a unit and have the authority in decision-making as defined by the Company.

Article 2

Types of Conflict of Interest

The types of conflict of interests shall among others, include the followings:

1. Accepting gratification of any kind associated with one's position.
2. Using the Company's assets and confidential information for personal or group interests.
3. Having concurrent positions at several companies that are prohibited under the provisions of the Company's internal regulation and legislation in force, which has a direct or indirect relationship, which similar or dissimilar, which may lead to the abuse of a position for the benefit of other positions.
4. Providing special access/treatment to personnel of Garuda Indonesia (Persero) Tbk., Or a particular person without following the prevailing procedures and conditions.
5. Conducting Supervision which is not in accordance with the procedure due to any influence and expectations of those being supervised.
6. Assessing an object or a certain matter, in which the object or such matter was the result/his owns doing/action.
7. Abusing power.
8. Using a discretion which abuses power.
9. Improperly commercializing certain services.

10. Doing works outside one's primary duties, except in accordance with the rules and regulations applicable to the Company.
11. Creating a situation which allows the disclosure of information which exceeds what has been determined by the Company, giving privileges and opportunities for potential suppliers of Goods and/or Services to be a successful bidder in the process of Goods and/Services supply process in the Company.
12. Being in a situation where there is an affiliation/kinship between Garuda Indonesia's personnel and other parties having interest in the decision and/or action of Garuda Indonesia's personnel in connection with his position in the Company.

Article 3

Cause of Conflict of Interest

1. Abuse of the power held.
2. Concurrent positions, in which personnel of Garuda Indonesia holds other position, which has a Conflict of Interest with his main duties and responsibilities in the Company, which prevents him from exercising his position in a professional, independent and accountable manner, unless such concurrent positions are allowed under the provisions of the Company's internal regulation and/or other prevailing legislations.
3. Affiliate relationship, namely the relationship of Garuda Indonesia's personnel and other persons related to the Company's business activities which may affect his decision.
4. Gratification, associated with authority/position in the Company, which may give rise to the Conflict of Interest affecting the independence, objectivity, and professionalism of the personnel of Garuda Indonesia.
5. The weakness of the organization's system, namely the state that becomes an obstacle for the achievement of the purpose of exercising the authority of personnel of Garuda Indonesia due to the existing Corporate rules, structure and culture.
6. Personal/group interests (vested interest) namely the interest/needs of Garuda Indonesia's personnel on a matter which is advantageous for certain individual/group.

CHAPTER II

PREVENTION AND MEASURES ON CONFLICT OF INTEREST

Article 4

Prevention of Conflict of Interest

1. Avoid conflicts of interest in any form and always put the Company's interests above personal/group interests;
2. Refrain from/not being involved in the decision making process if they one is in a position of conflict of interest;
3. Conclude no transaction and/or not using Company assets for personal/group interest;
4. Not accepting and/or providing gratifications of any kind relating to their position within the Company;
5. Not taking advantage of confidential information and business data of the Company for the interest of any party other than the Company;

6. Not taking advantage of and using copyright or trademark of the Company which may be detrimental to the interests of the Company or that may hinder the progress of the Company;
7. Not investing or having business relationship with other persons having directly or indirectly business interest in the Company;
8. Not holding other position in any company/other institutions that intends to or is currently doing business with the Company and which intends to or is currently competing with the Company, except in certain positions that are allowed to be concurrently held under the provisions of the Company's internal regulations and/or other prevailing regulations;
9. Not using one positions to give preferential treatment to the families, relatives, groups and or any other party at the expense of the Company;
10. Not giving preferential treatment to customers, suppliers, business partners, government or other parties which goes beyond the policy established by the Company;

Article 5 Measures Against Conflict of Interest

1. Withdrawing from the decision making process in which personnel of Garuda Indonesia has an interest therein;
2. Restrict access of Garuda Indonesia's personnel on specific information if the person concerned has an interest therein;
3. Transferring Garuda Indonesia's personnel to other positions that do not have a conflict of interest based on the request of the person in question or his superior;
4. Assigning the duties and responsibilities of Garuda Indonesia's personnel concerned;
5. Intensifying supervision on such Garuda Indonesia's personnel by its superiors who shall coordinate with the unit in charge of Human Capital Management functions;
6. Giving strict sanctions to the person in breach of policy on conflict of interest.

CHAPTER III REPORTING OF CONFLICT OF INTEREST

Article 6 Reporting

In the event of Conflict of Interest situation, the Garuda Indonesia's personnel is required to report the same to:

1. Senior Staff, reporting through Senior Staff is done when Garuda Indonesia's personnel is involved or have the potential to become directly involved in Conflict of Interest situations. The reporting shall be carried out by submitting Potential Conflict of Interest Statement to Senior Staff, by using the form as attached to this Guidelines.
2. Reporting as referred to in paragraph 1 of this Article, is submitted by the Senior Staff to the unit in charge of Human Capital Management and the Corporate Secretary.
3. The reporting of the Board of Directors and Board of Commissioners shall be done as follows:
 - a. Reporting to the Board of Directors if the relevant Director has potential conflict of interest;

- b. Reporting to the Board of Commissioners if Commissioner or all members of the Board of Director have potential conflict of interest;
 - c. Reporting to General Meeting of Shareholders if all members of Board of Commissioners and the Board of Directors have potential conflict of interest;
4. Whistle Blowing System (WBS). Reporting through WBS is done if the Garuda Indonesia's personnel or other persons is aware of potential or actual of Conflict of Interest in the Company. Reporting through the WBS is done in accordance with the mechanism that has been regulated separately by the Company. Reporting on the Conflict of Interest through WBS must be done in good faith and not a private complaint on a specific company policy or which is based on ill faith/slander.

CHAPTER IV FAMILIARIZATION AND SANCTIONS

Article 7

Familiarization

For the purpose of ensuring that these Guidelines are accessible to all of Garuda Indonesia's Personnel and all stakeholders associated with the Company, it is necessary to perform the followings:

1. Assign all Senior Staff of the Company to act as a role model in enforcing the Guidelines for the Handling of Conflict of Interest and in familiarizing socializing and guidance and supervision of the implementation of these Guidelines for Handling Conflict of Interest;
2. Assigning the units in the premises of the Company which has a working relationship with a third party to notify or deliver Guidelines for the Handling of Conflict of Interest to all stakeholders in the chain of supply in the premises of the Company (Goods/Services Suppliers, Agent, Distributor, Consultant, Auditor/Assessor and Customers and other stakeholders);
3. The Corporate Secretary Unit shall monitor the implementation of the contents of this Guidelines and provide a report to the Director in charge of GCG as to such implementation including reports made after the enactment of these Guidelines.

Article 8

Sanction

Any violation to the provisions of the Guidelines for the Handling of Conflict of Interest will be subject to sanctions applicable as stated in the Collective Employment Agreement (PKB) and/or the prevailing regulations.

**GUIDELINES FOR THE HANDLING OF CONFLICT OF INTEREST
PT GARUDA INDONESIA (PERSERO) Tbk.**



Statement of Potential Conflict of Interest

I, the undersigned:

Name/Employee No. :

Position :

Work Unit :

Hereby duly declares that I have potential conflict of interest related to the performance of the following duties:

Type of transaction/Activity :

Value of transaction/Activity :

Type of Conflict of Interest :

Therefore, hereby I shall act such as follows (choose one):

1. withdraw from the decision making process on the transactions as referred to above.
2. Apply for transfer to a position with no conflict of interest;
3. Assign my duties and responsibilities as referred to above;

Hereby this statement is duly made to be used according to the standard operating procedures in the premises of Garuda Indonesia and the prevailing regulations.

Jakarta, _____

Regards,

[Clear Name]