

## **Good Corporate Governance**

Implementation of Corporate Governance has always followed the philosophy of deploying, vision and fundamental values of the company owned by PT KAF Sekuritas Indonesia.

### **1. Working guidelines of Directors and Board of Commissioners**

#### **A. Director**

In general, the principal task of the Board of Directors includes:

1. Running and is responsible for managing the company in accordance with aims and objectives of the company.
2. Perform maintenance on the assets of the company.
3. Creating and implementing the annual plan of work.

#### **B. Board of Commissioners**

In general, the Board of Commissioners, among others:

1. To supervise the policy of the Board of Directors and provide advice to the Board of Directors.
2. Approve and supervise the implementation of the work plan.
3. Monitoring and evaluation of the performance of the Board of Directors.
4. To supervise the implementation of the Risk Management and ensure the implementation of corporate governance.
5. To monitor the Company's compliance with all applicable regulations.

### **2. Risk management**

The risk management function has been implemented by the company to mitigate the risks faced by the company both internally and externally through standard operating procedure Risk Management and Risk Management committees.

Risk Management Function:

1. Establish directives, policies and risk management strategies at the level of the Company (firm-wide) and at the level of division or section.
2. Establish the Company's risk tolerance and allocate to each division/business unit.

3. Establish policies regarding transactions limits with third parties and investments limit to fund the Company's management as well as for third party/client.
4. Establish a risk management system that will be used in the management of the Company's business risks.
5. Monitoring and assessment of the implementation of risk management at the Company level and at the level of division or section.
6. Establish a comprehensive risk control system and integrated.
7. Establish a policy concerning the establishment of the authority in conducting transactions with third parties.

Duties and responsibilities:

1. Establish and review periodically (at least 1 year) directives, policies and risk management strategies at the level of the Company (firmwide) and at the level of division or section.
2. Establish and review periodically (at least 1 year) the Company's risk tolerance and allocate to each division/business unit.
3. Establish and review periodically (at least 1 year) policy regarding the trade limit with third parties as well as limits to fund the Company's investment management as well as for third party/client.
4. Establish and review periodically (at least 1 year) risk management system, including methodology and models to be used in the Company's business risk management.
5. Monitor and review periodically (at least 1 year) standard operating procedure (SOP) of each section coordinates with related units.
6. Monitoring and assessment periodically (at least 3 months) on the implementation of risk management at the Company level and at the level of division or section.
7. Provide input, or if necessary a warning, to the division/section if encountered indications of irregularities against the directives, policies and risk management strategies are predetermined.
8. Establish and review (at least 1 year) risk-based performance appraisal system associated with each risk management each division/section.
9. Establish and review periodically (at least 1 year) a thorough risk control system and integrated.
10. Set up and reviewed periodically (at least 1 year) policy concerning the establishment of the authority in conducting transactions with third parties.
11. Changing the direction, policy or risk management strategies in certain

circumstances an ad hoc basis when needed for the benefit of the Company.

12. Conduct Committee meeting periodically (at least 3 months) primarily to monitor and assess the implementation of risk management both at the Company level and at the level of division/section.
13. Administer the decision - the decision and reports/letters properly and orderly Committee.

Technical Guidelines for the Risk Management Committee Meeting:

1. Meetings are considered to have a quorum if attended by at least 2 members of the Board of Directors and the attendance as much as [50% + 1] of the number of members of the Committee present.
2. The meeting was chaired by the Chairman, or if the Chairman was unable to attend, the meeting leader is appointed by the members present.
3. Minutes of the Meeting prepared by the secretary, or if the Secretary was unable to attend, reporter appointed by the members present.
4. If unable to attend, Chief Division/Section Leader may appoint underneath competent to represent it in meetings.
5. The Board of Directors can not show someone else to represent him in meetings.
6. The Committee decision is binding across all divisions/sections concerned.

### **3. Code of Ethics**

This code of conduct drawn up to implement the governance of securities companies to implement the principles and values as follows:

1. Openness;
2. Accountability;
3. Responsibility;
4. The independence;
5. Fairness.

The purpose of ethical guidelines and Conduct is to ensuring that the Company has complied with all rules and regulations relating, but also provides guidance and guidance procedures for ethical and behave reasonable, decent and trustworthy in doing interaction business relationship or labour relations based on moral values which are part of the corporate culture. Thus, business ethics and work ethic that is run can be used as part of the corporate culture.

#### **4. Compliance Function**

Given Securities Company is an industry that is regulated and closely monitored by the regulator (OJK), the Self Regulatory Organization (BEI, KSEI, and KPEI), PPATK and other parties related to the implementation of the legislation and the increasing complexity of business activities of securities firms that can provide considerable impact on the risk exposure faced by securities companies, one of which is a compliance risk.

To manage and mitigate compliance risk, PT KAF Sekuritas Indonesia has had a Work Unit/Division of Compliance as stipulated in charters are written binding Work Unit/Division of Compliance and designate one member of the Board of Directors as Director in charge of the Compliance Function.

Working Unit/Compliance Division is a notch below the Board of Directors and is responsible directly to the Director who oversees the Compliance Function.

Compliance Division responsible for the implementation of the compliance function, also ensure the implementation of other Function have corresponding provisions.

In order to ensure the implementation of the Compliance Function PT KAF Sekuritas Indonesia, the Board of Commissioners and/or Board of Directors has active supervision. Active surveillance is conducted in the form of, among others, monitoring, give approval of policies and procedures, periodic reporting, and meeting the demand explanations.

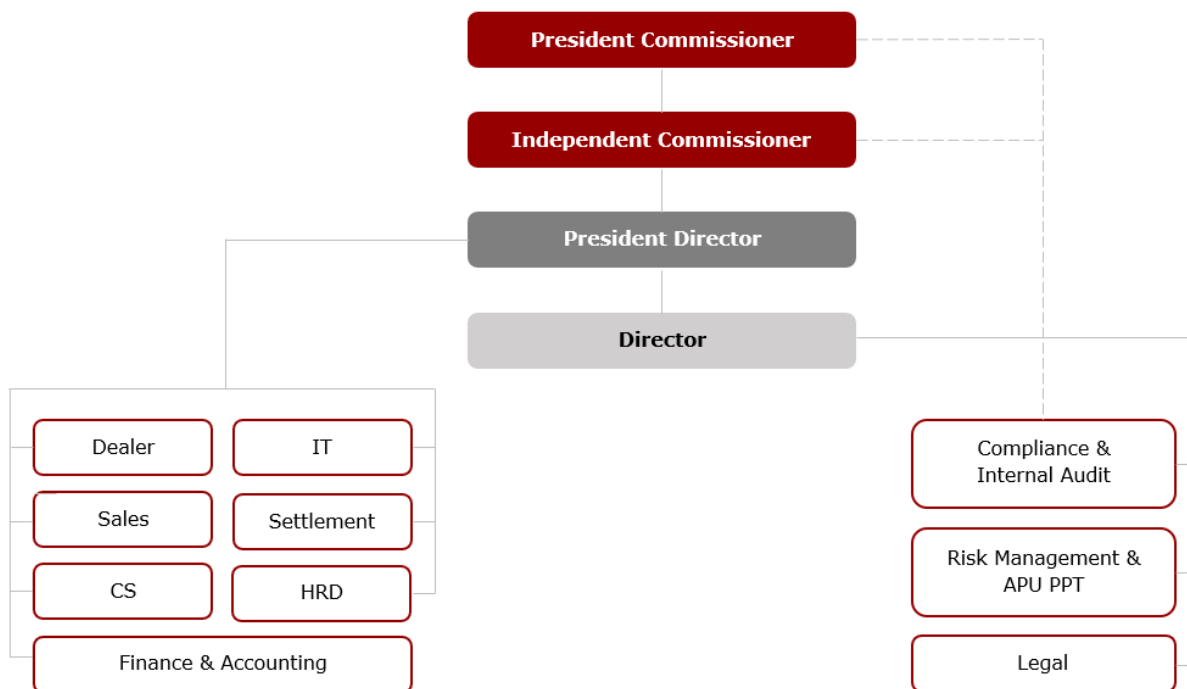
#### **5. Internal Audit Function**

In order to safeguard and secure the business activities according to the vision and mission of PT KAF Sekuritas Indonesia, Internal Audit as an independent appraisal function to examine and evaluate the activities of the Company. The purpose of internal audits is to ensure the operational activities of PT KAF Sekuritas Indonesia have been run in accordance with the provisions accompanied by consideration of possible risks. Internal Audit helps organizations achieve its objectives through activities collection of data sampling and investigative activity in order to provide an independent assessment on internal control, application risk management and process governance the Company organization.

Duties and Responsibilities of Internal Audit :

1. Develop and implement annual internal audit plan.
2. To evaluate the implementation of the internal control and risk management system in accordance with company policy.
3. Conduct inspections and the efficiency and effectiveness of finance, accounting, operational, human resources, marketing and other activities.
4. To examine compliance with the provisions of laws and regulations that relate.
5. Suggest improvements and information on the activities examined at all levels of management.
6. Make an audit and the report to the Director of Compliance, Director and Commissioner.
7. Monitor, analyze and report the implementation of the improvement that suggested.
8. Conducting special inspection if needed.

**6. Organizational Structure**



## 7. List of Directors And Employees Who Have Licenses In The Capital Market.

Director	WPPE License Holder Name	Number of Licensees
Employees	M. Hasoloan Napitupulu	9
	Ivonne Susan	
	Wawan Kurniawan	
	Sherley Mamesah	
	Vega Rositan Nainggolan	
	Deny	
	Winanti Kusumarini	
	Fitria Rahmadina	
	Mohammad Riza Fisandi	

Director	WPPE License Holder Name	Number of Licensees
Employees	M. Hasoloan Napitupulu	2
	Wawan Kurniawan	

## 8. Whistle Blowing System Company.

In an effort to increase the effectiveness of anti-fraud strategies and good corporate governance, as well as to always maintain the trust and reputation of the company for all stakeholders (employees, customers, partners, etc.), the Company has provided a means of communication for both internal and external parties to report any violations or acts of fraud committed by the Company's internal employees through the violation reporting system.

In this regard, the Company has a procedure for reporting alleged violations, in which this procedure can detect violations early that can cause financial and non-financial losses, including things that can damage the company's image.

Through this procedure, the company can prevent violations with a comprehensive supervision pattern and involve all employees so as to provide a sense of security for all parties related to the Company.

Mechanism for reporting alleged violations:

1. Reports of violations submitted must be able to explain what happened (what), the parties involved (who), the time of the incident (when), the place of the incident (where) and how it happened (how).
2. Reports submitted are related to fraud, code of ethics, conflicts of interest and violations of law.
3. The reporter is required to provide his/her full identity, telephone number and active email address.

4. Reports of alleged violations will be followed up by the Company if the complainant can be confirmed.
5. the report submitted is not a personal complaint or bad faith/slander that can harm other parties.
6. The company will ensure the confidentiality of the identity of the whistleblower in order to feel safe and comfortable when submitting a suspected violation.

## 9. Company License

PT KAF Sekuritas Indonesia has a Business license number in the Broker-Dealer sector Number KEP-194 / PM / 1992 that issued by BAPEPAM (now OJK).

## 10. GMS Decisions

1. GMS decisions made by Liestiany Wang, S.H., M.Kn. Notary in South Jakarta with Deed No. 95 dated 27 November 2019 concerning Amendments to the Articles of Association and Change of Name from PT Varia Inti Sekuritas to PT KAF Sekuritas Indonesia and contains changes in the composition of the Board of Commissioners.
2. GMS decisions made by Liestiany Wang, S.H., M.Kn. Notary in South Jakarta with Deed No. 33 Dated 27 February 2020 concerning Changes in the Composition of the Board of Directors.
3. GMS decisions made by Liestiany Wang, S.H., M.Kn. Notary in South Jakarta with Deed No. 8 June 11, 2020 concerning Amendments to the Articles of Association which contain changes in the address of PT KAF Sekuritas Indonesia from domiciling in Central Jakarta to domiciling in South Jakarta.
4. GMS decisions made by Liestiany Wang, S.H., M.Kn. Notary in South Jakarta with Deed No. 25 January 19, 2022 concerning Amendments to the Articles of Association PT KAF Sekuritas Indonesia.

## 11. Shareholder Composition

Shareholders	Shares	%
KAF Equities Sdn. Bhd.	94.200.000	98,43 %
Didi Syafruddin Yahya	1.500.000	1,57 %

Each share has a nominal value of Rp. 1,000.

Revised Date : March 01, 2022