

DIGISERVE

by Telkom Indonesia 

Conflicts of Interest and Outside Activities Policy

Document Control

Document Approvals

Approved for Company:

Approver(s): Erik Meijer
Date Approved:

Author(s): Joseph De Paula / reviewed by Rey Sihotang
Date: 24 Feb 2021

Document Control

Document Name: Conflicts of Interest and Outside Activities Policy
Version: 4.0
Document Number: FHS-RSK-0003

Version	Date	Release Information	Author(s)	Reviewer(s)
0.1	03-Mar-2015	Initial Draft	Risk Manager	Joseph De Paula
0.2	04-Mar-2015	Review		Kevin Gillett
0.3	05-Mar-2015	Review		Zack Gurdon
	05-Mar-2015	Review		Lisa Beruschi
		Review & Approval		Ernest Hutagalung
1.0		Review & Endorsement		ELT
1.1	June 2018	Review and Endorsement	Rey Sihotang	Ernest Hutagalung
2.0	August 2018	Review And Endorsement	Rey Sihotang	ELT
3.0	5 Feb 2020	Review and Endorsement	Rey Sihotang	CFO/ELT
4.0	24 Feb 2021	Review and Endorsement by ELT	Rey Sihotang	ELT

Distribution

Version	Released to:
0.1	Joseph De Paula
0.2	Lisa Beruschi
0.3	Kevin Gillett
	Zack Gurdon
	Ernest Hutagalung
1.0	ELT
1.1	ELT
2.0	All Employees
3.0	All Employees
4.0	All Employees

Approved by:

Erik Meijer
President Director

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Ethical Behaviour Statement

English

- This statement aims to describe the mandatory expectations and standards required of all employees, third parties and suppliers within telkomtelstra. telkomtelstra is committed to conducting its business in a sound commercial and ethical manner having regard to the policies and procedures of telkomtelstra.
- telkomtelstra and its employees will demonstrate and practice a professional and ethical approach to all its business activities. All employees are required to conduct their activities in accordance with telkomtelstra's Ethical Behaviour commitments, observe a high standard of integrity in their business dealings and comply with all Company Policies.
- Third parties / suppliers and commercial partners of telkomtelstra are required to respect and acknowledge the way the telkomtelstra conducts its business and ensure that they maintain a similar level of ethical behaviour in their dealings.

Bahasa Indonesia

- Pernyataan ini bertujuan untuk mendeskripsikan harapan dan standar yang wajib dipatuhi bagi semua karyawan, pihak ketiga dan penyedia dalam telkomtelstra. telkomtelstra berkomitmen untuk melakukan bisnisnya dengan tata cara komersial dan etika yang tepat sesuai dengan kebijakan dan prosedur dari telkomtelstra.
- telkomtelstra dan karyawannya akan mendemonstrasikan dan mempraktikkan sebuah pendekatan yang profesional dan etis pada semua kegiatan bisnisnya. Semua karyawan diharuskan untuk melakukan kegiatannya sesuai dengan komitmen Perilaku Etis telkomtelstra, mematuhi standar integritas yang tinggi dalam hubungan bisnisnya dan memenuhi semua Kebijakan Perusahaan.
- Pihak ketiga / penyedia dan mitra komersial dari telkomtelstra diharuskan untuk menghormati dan mengakui tata cara telkomtelstra dalam melakukan bisnisnya dan memastikan bahwa mereka mempertahankan tingkat perilaku etis yang sama dalam hubungan mereka.

Approved for telkomtelstra by:

Erik Meijer
President Director
telkomtelstra

Conflict of Interest and Outside Activities Policy

Summary of document:

What you need to know:

- Telkomtelstra's Board of Directors endorse the Conflict of interest and Outside Activities Policy and the principle that telkomtelstra must have adequate arrangements to manage Conflicts of Interest.
- Telkomtelstra respect that all staff have personal interests and activities outside of their work environment. However, you must take care to avoid actual, potential or apparent conflict of interests. All staff must ensure that their personal business, financial and other outside interests, dealings and relationships do not conflict with, have the potential to conflict with or appear to conflict with, their work for telkomtelstra.
- Telkomtelstra strategic priority is:
 - To maintain a strong enterprise with a strong reputation. As such, it is essential that the right culture is driven from the top down, clearly understood and regularly reinforced.
 - The telkomtelstra Board of Commissioners and Board of Directors value ethical behaviour and expect all employees to apply high standards of personal integrity and honesty when dealing with Conflicts of Interest.
 - To support these values, telkomtelstra's risk management strategy requires that Conflicts of Interest are managed in a transparent and accountable manner.

Application

This is a Company Policy of telkomtelstra and it applies to all telkomtelstra employees (Definite, Indefinite, or Seconded) and to any other person who is notified that this Company Policy applies to them. This is an enterprise wide policy. It sets out the minimum requirements for telkomtelstra. To the extent that an overseas jurisdiction imposes a higher standard, then those local standards are deemed to be incorporated into this policy and will become a supplement to this policy.

Policy

Introduction

Telkomtelstra's Board of Commissioners and Board of Directors are committed to identifying, declaring and managing Conflicts of Interest. If conflicts of interest are not managed properly there could be significant consequences for telkomtelstra, such as reputational damage, regulatory implications, customer loss and or financial loss. telkomtelstra recognises that robust Conflicts of Interest arrangements promote consumer and staff protection and assist in maintaining market integrity.

All employees must ensure our personal relationships, business, financial and other interests don't conflict with, or have the potential to conflict with, the employees work duties or telkomtelstra's best interests. Telkomtelstra employees need to excuse themselves from any decision making that may be, or perceived by others to be, a conflict of interest.

Objective

This policy describes telkomtelstra's expectations for managing Conflicts of Interest and provides guidance on the following topics, but not limited to:

- Identifying Conflicts of Interest
- Declaring Conflicts of Interest

- Managing Conflicts of Interest
- Complying with any regulator obligations
- Protecting telkomtelstra's reputation

What is a Conflict of Interest

A simple definition is that a Conflict of Interest arises when two or more different interests are involved in the same situation. Examples of Conflicts of Interest include, but are not limited to:

- Conflicts between staff and a Customer
- Conflicts between staff and telkomtelstra
- Conflicts between Customer and telkomtelstra

A Conflict of Interest is a type of moral hazard. They require you to stop and think about what is the right thing to do.

- Do you need to tell your Manager?
- Can you act in this situation?
- Do you need to disclose something?

In all situations and decision making you must always act with honesty and integrity while upholding telkomtelstra's reputation.

Types of conflict of interest

A conflict of interest may be actual, potential or apparent:

- Actual – An activity that causes a Conflict of Interest
- Potential – An activity that could give rise to an actual conflict, either at the time of the activity or at some time in the future.
- Apparent – An activity or transaction of which a third party could reasonably form the view that a conflict exists.

A conflict of interest exists where there are circumstances which do, have the potential to, or appear to:

- Compromise your independence or judgment
- Affect your ability to make impartial decisions in the best interest of telkomtelstra
- Indicate favouritism or prejudice toward any particular person or entity as part of your work for telkomtelstra
- Result in your personal interests conflicting with your work for telkomtelstra

Examples of Conflict of Interest

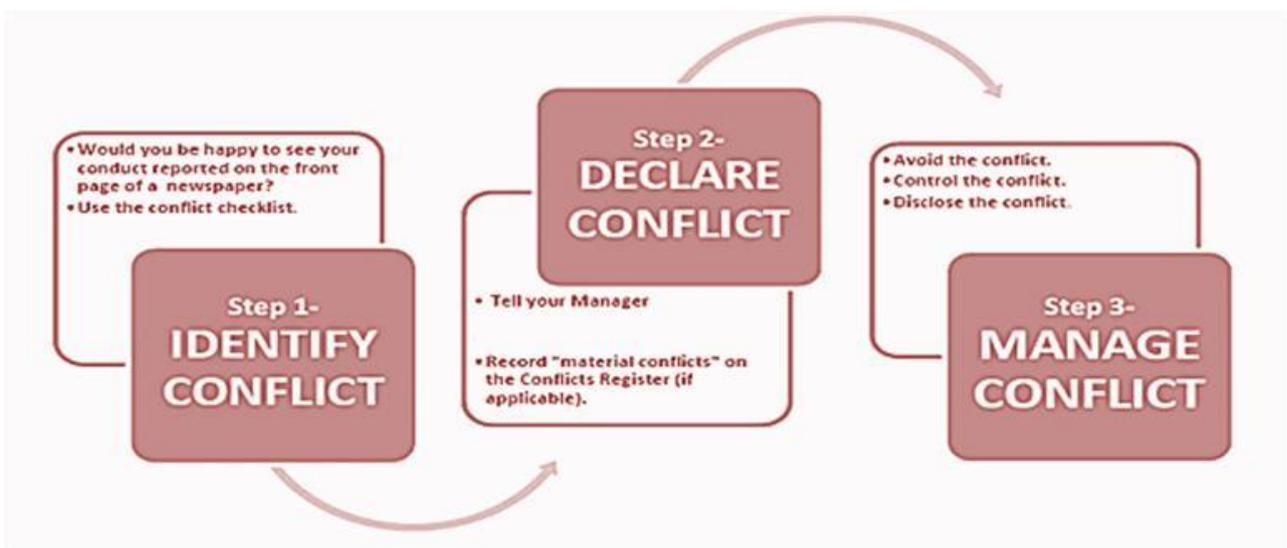
Conflicts of interest can arise in many ways and can exist even though there is no evidence of unethical or improper activity. Examples of situations where conflicts of interest may arise include, but not limited to:

- Outside employment or acting as a director or office holder of another organisation

- Personal relationships with someone associated with a competitor, customer, partner or supplier – If you have the ability to influence telkomtelstra arrangements with that competitor, customer, partner or supplier
- Using your position at telkomtelstra for personal benefit
- telkomtelstra relationships - where you hire or supervise a partner or family member
- Investing in a competitor, customer, partner or supplier- if you have the ability to influence telkomtelstra arrangements with that entity
- Receiving gifts, prizes or hospitality in a non telkomtelstra capacity – as a guest of another person

The Conflict of Interests Process

The diagram below illustrates the basic flowchart of the Conflict of Interests process for identifying, declaring and managing Conflicts of Interests.



Identifying Conflicts of Interest

The first step in managing Conflicts of Interest is to identify them. Business unit leaders need to ensure that all staff are aware and adequately trained to identify conflicts. When a conflict of interest situation is identified, all the relevant circumstances need to be considered and must be judged on its merits. A reasonably, prudent approach with a high degree of common sense must be applied.

Preliminary test for Conflict of Interest

All staff should consider these basic questions (red flags) which may indicate a conflict of interest exists.

- Would you be happy to see your conduct reported on the front page of a newspaper?
- How would telkomtelstra Board of Commissioners and or Directors react?

If there is any doubt – you should report the conflict to your Manager or Risk Management and seek the appropriate advice and actions required.

Conflict of Interest checklist

The following is a non-exhaustive list of suggested questions that staff should ask themselves to determine if a conflict of interest may exist. If you answer yes to any of these questions you must discuss the conflict of interest with your Manager and or Risk Management.

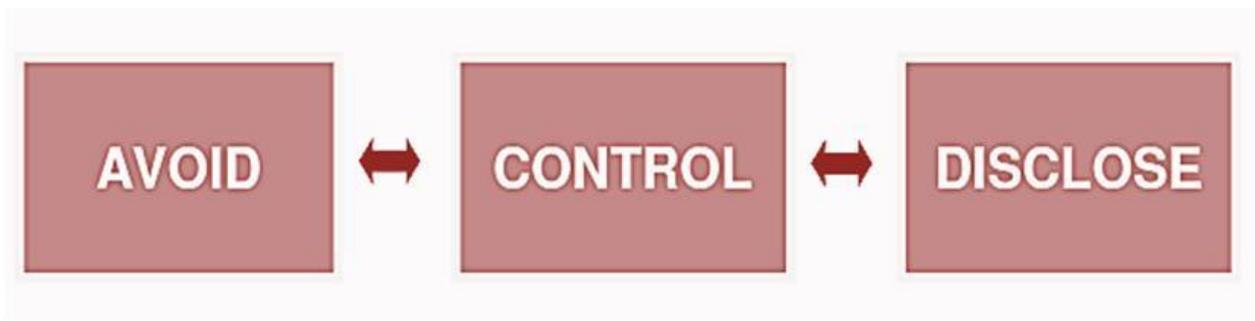
Sample of Conflict of Interest Questions
• If there a competing interest between your telkomtelstra role and your personal interests?
• Do you have an interest in the outcome of a service provided to the customer or of a transaction carried out on behalf of the customer, which is distinct from the customers interest in that outcome?
• Does the matter have the potential to affect the personal or financial situation of a relative or a friend?
• Do you have a financial or other incentive to favour the interest of a customer or entity or group of customers over the interests of another customer?
• Are you doing something for a customer and acting in the customer’s best interest rather than the best interest of telkomtelstra?
• Could your involvement cast doubt on your integrity or telkomtelstra’s integrity?

Declaring Conflicts of Interest

If you identify an actual, potential or apparent Conflict of Interest, in any situation, whether you are involved or not, you must immediately report it to you Manager and or Risk Management. Your Manager and or Risk Management will determine what steps, if any, are required to manage and or record the conflict of interest.

Managing Conflicts of Interest

Once a conflict of interest has been identified, the possible impact of the Conflict of Interest must be assessed and understood. Conflicts of interest can be managed in a variety of ways. Regardless of the strategy chosen, transparent decision making and detailed record keeping are essential. The followings method may be appropriate in managing a Conflict of Interest.



i. Avoiding the Conflict of Interest

Some Conflicts of Interest have such a serious impact, or potential impact on telkomtelstra or our customers that the appropriate course of action in managing these conflicts of interest is to avoid them. For example, any Conflict of Interest that is or may reasonably be perceived to be Bribery or a Facilitation payment must be avoided.

Do everything you can to avoid actual and perceived conflicts of interest. If they occur, disclose them and ensure appropriate steps are taken to manage this, including any personal relationships that you may have.

ii. Controlling the Conflict of Interest

Depending on the circumstances of the Conflict of Interest, it may be appropriate to control the Conflict of Interest by one of or all of the following means. Note this is not an exhaustive list of management strategies. What constitutes an appropriate strategy for a given Conflict of Interest will depend on the facts and circumstances.

Strategies

- Segregation of duties
 - Remuneration practices
 - Gifts and hospitality policy
 - Information barriers and data management protocols
 - Asset management
 - Information categorisation
-

iii. Disclosing the Conflict

Disclosure is an integral part of managing Conflicts of Interest. Disclosure can be an appropriate response to managing conflicts of interest however disclosure alone may often not be enough to manage a conflict.

A significant Conflict of Interest must be escalated to the Ethics and Integrity Council and or the Audit and Risk Committee. These governance forums provide for the adjudication and oversight of significant Conflicts of Interest issues.

A Conflict of Interest is significant if any of the following circumstances applies:

- It involves enterprises issues
- There is a risk of damage to the telkomtelstra reputation if the conflict if mismanaged
- The Conflict of Interest cannot be managed via the normal process
- The matter is a serious, non-routine issue and may fall outside of the business unit management expertise

Notifications and Approval for Conflicts of Interest and Outside Activities

If you have an actual, potential or apparent conflict of interest or purpose to accept an outside position, you must:

- Notify your manager of the situation and discuss it to ensure it is appropriately reviewed and addressed
- Always obtain approval from your manager before accepting an Outside Position. If it involves acting as a director of a listed company or a company that is the manager of a listed managed investment scheme you must obtain the prior approval of the telkomtelstra's ELT.
- Complete the Notification form
- Excuse yourself from any decision making process where your conflict of interest influences, has the potential to influence, or appears to influence your ability to make an objective decision to fulfil your responsibilities to telkomtelstra
- Review the situation with your manager, at least annually or when relevant circumstances materially change. If there is a material change you must re-submit the notification form
- If you cease to hold an Outside Position that has been previously been approved, you must advise telkomtelstra by completing the notification form.

Considerations for Outside Positions

Outside positions should not be accepted if:

- If they are with an organisation that has business with telkomtelstra and you are in a position to influence arrangements with that organisation
- The relationship between telkomtelstra and the other organisation (e.g. competitor relationship) creates an actual, potential or apparent conflict of interest.

An outside position must not be approved unless you and your manager ensure that:

- Any conflict of Interest in relation to the Outside Position is appropriately addressed
- Work for the outside position is kept separate from your work for telkomtelstra
- You do not use any telkomtelstra property, information, money, facilities or time or the services of other staff or contractors in your outside position
- Your role in the outside position is not perceived as a telkomtelstra representative or nominee
- Commitments relating to the outside position do not prevent you from performing your work for telkomtelstra

Notification Form

All notifications are to be made using the relevant Conflict of Interest Notification Form, in appendix 1.

Awareness

Risk Management will maintain an ongoing Ethical Behaviour training and communication program which will include information pertaining to Conflict of Interest and Outside Activities Policy awareness to ensure staff members are aware of their responsibilities to telkomtelstra.

All new employees are required to attend the mandatory ethical behaviour training that covers this policy and all existing employees are required to take the annual ethical behaviour test. These trainings are managed by telkomtelstra’s Risk Management

Roles and Responsibilities

The telkomtelstra Board of Commissioners is responsible for reviewing and approving the overall risk management strategy. The Board’s approach is that responsibility and accountability for risk first begins with the Business Units that originate the risk.

The following table illustrates key aspects of the roles and responsibilities across telkomtelstra.

Type of Concern	Function	Description
telkomtelstra Board of Commissioners	3rd line of Defence	To review policies and procedures that exist for the receipt, retention and treatment of information submitted confidentially, by staff and third parties about accounting, internal controls, compliance audit or other matters which staff have concerns
Audit and Risk Committee	3rd Line of Defence	Overseeing management’s design and implementation of the Company’s internal control system, which includes the process for identification of significant fraud risk and the adequacy of prevention, detection and reporting mechanism in place.
Risk Management	2nd line of Defence	<ul style="list-style-type: none"> • Approve all non-material variations

		<ul style="list-style-type: none"> • Contact point for policy enquires • Provide management guidance on significant Conflicts • Act in accordance with the ethical and integrity charter • Maintain and update policy and assist Business units do the right thing • Review and maintain the register as required • Provide policy training
Ethics and Integrity Council	2nd line of Defence	<ul style="list-style-type: none"> • Review reports and treatment of complaints received by telkomtelstra • Refer to the Audit and Risk Committee any matters that have come to the attention of the Council that are relevant to the Audit and Risk Committee
telkomtelstra Board of Directors	2nd line of Defence	To lead by example to create an organisational culture where Ethical Behaviour Standards are identified, declared and managed
Business units Leaders and Managers	1st line of Defence	<ul style="list-style-type: none"> • To identify actual, potential or apparent Conflicts of Interest • Declare actual, potential or apparent Conflicts of Interest • Be aware of actual, potential or apparent Conflicts of Interest • Manage and advise staff of Conflict of Interest requirements • Ensure all staff are appropriately trained • Advise and seek support from the Risk Management as required
Staff and Contractors	1st line of Defence	<ul style="list-style-type: none"> • Reporting actual, potential or apparent Conflicts of Interest • Declare actual, potential or apparent Conflicts of Interests • Declare declarations of interest • Comply with the policy for Conflicts of Interest • Report any instances of Policy non-compliance

Policy Review and Governance

Policies, procedures, capabilities, governance systems and supporting documentation require regular reviews to ensure that they continue to be effective in an ever changing environment. In addition this ensures that telkomtelstra Policies continue to be fit for telkomtelstra purposes and provide assurance and comfort to the Board of Directors.

The policy is reviewed regularly and updated when there are significant changes or adjustments.

More Information

If you are uncertain about whether or how this policy applies to you and or your business unit, if you are unsure whether you have an actual, potential or apparent conflict of interest, please speak to your immediate Manager or the Risk Management.

Breach of Policy

If you do not comply with this Company Policy, you may face disciplinary action. This disciplinary action may involve a verbal or written warning or, in serious cases, termination of your employment or engagement with telkomtelstra.

If you break the law you may also be personally liable.

APPENDIX

- APPENDIX 1: Conflict of interest form

References

- Ethical Behaviour Handbook (Code of Conduct)
- Anti-Bribery and Anti-Corruption policy
- Fraud and criminal Conduct Policy
- Gifts, prizes and Hospitality Policy
- Privacy Policy
- Ethic and Integrity Council Charter
- Risk Management Framework
- Conflict of Interest Form

Approval

Company Policy Owner	Risk
Business Unit Approval	CEO
Policy Contact	Rey Sihotang

Document Details

Issue No: 4.0	Last Issued:
	Next Review:

Scan and email the completed notification form to rey.sihotang@telkomtelstra.co.id

Employee Name:

Employee ID:

Position Title:

Business Unit:

Type of Notification:

<input type="checkbox"/>	Financial Interest
<input type="checkbox"/>	Personal / Family Relationship
<input type="checkbox"/>	Professional Relationship

Commencement Date:

<input type="text"/>	dd/mm/yyyy							
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Source of Conflict of Interest:

Please provide name of organisation or individual causing potential conflict of interest

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Describe of Conflict of Interest:

Please provide a detailed description of the conflict event

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.....

Arrangements to address the above situation:

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.....

Employee Declaration:

I declare to telkomtelstra that the above information is true to the best of my knowledge and I confirm that:

- I have discussed the situation with my manager and have advised my manager in writing;
- I will abstain from decision making as required by the **Conflicts of Interest Policy**

I am aware of the requirements to keep my manager informed of any material changes to the above circumstances and reconfirm my position annually.

Signed

Date:

1-Up Manager Approval:

Name
Position Title.....

Employee ID
Business Unit

Signed

Date/...../.....