

Authorized Translation

PERTAMINA

**GUIDELINES ON GRATUITIES, REFUSAL, ACCEPTANCE,
GRANTING OF GIFTS/SOUVENIRS AND ENTERTAINMENT**

A-002/N00010/2012-SO

PERTAMINA

CORPORATE SECRETARY

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CHAPTER I

INTRODUCTION

In a business activity which generally involves many parties, it is important to establish harmonious, pleasant and sustainable cooperation and relationship which are in conformity with the principles of good corporate governance.

One of the things that are common and often unavoidable in a business relationship is the granting of and/or request for gratuities from one party to the other. Gratuity is one of the concerns of the Corruption Eradication Commission because of its nature that leads to the criminal act of bribery.

The provision on gratuities in laws and regulations of the Republic of Indonesia is set forth in Article 12 B Paragraph (1) of Law Number 20 of 2001 on Amendment of Law Number 31 of 1999 on Eradication of Criminal Act of Corruption which states that, "every gratuity to a civil servant or a state official shall be deemed as the granting of bribery if it is associated with his/her position and is contrary to his/her obligations or duties."

Based on the explanation of Article 2 Point 7 of Law Number 28 of 1999 on State Administration that is Clean and Free from Corruption, Collusion and Nepotism, included in the category of state officials are Directors, Commissioners, and other structural officials in State-Owned Enterprises and Local State-Owned Enterprises.

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Referring to the provision of laws and regulations mentioned above, the personnel of Pertamina, in performing their daily business activities, are likely to be charged with the crime of bribery. Therefore, it is deemed necessary to establish guidelines that regulate gratuities as a form of efforts for the prevention and protection of all personnel of Pertamina.

The Pertamina's concern that is quite high about gratuities has encouraged it to establish a good and harmonious relationship with the Corruption Eradication Commission (KPK) which is strengthened by the signing of the Memorandum of Understanding (MoU) by the President Director of Pertamina and the KPK Commissioners on the 26th August 2010. As a follow-up to said MoU signing, Pertamina has been appointed as a pilot project of Gratuities Controlling Unit by KPK as Pertamina is deemed to have owned adequate means and facilities and has implemented and can be made as a role model in the control of gratuities, particularly in the State-Owned Enterprises circle.

Considering the matters mentioned above and with due observance of the development of modes of gratuities that occur in the current business world, it is deemed necessary to renew the guidelines on gratuities that is applicable within Pertamina. Therefore, these Guidelines on Gratuities, Refusal, Acceptance, Granting of Gifts/Souvenirs and Entertainment (hereinafter referred to as the "**Guidelines**") have been formulated to replace the Guidelines on the Acceptance of Gifts/Souvenirs and Entertainment No. A-001/N00300/2009-SO, which was formerly applied.

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A. OBJECTIVES

The objectives of the formulation of the Guidelines are as follows:

1. To give a direction and reference for Pertamina's Personnel on gratuities;
2. To give a direction and reference for Pertamina's Personnel on the importance of compliance to report gratuities for the protection of themselves and their families from the likeliness of being charged with the crime of bribery;
3. To establish an environment of institution/organization that is aware and controlled in the handling of gratuity practices so that the principles of openness and accountability in performing daily operational and business activities can be more implemented.

B. SCOPE

The scope of the Guidelines is about the matters related to gratuities, refusal, acceptance, granting of gifts/souvenirs and entertainment, basic principles, governing laws and regulations, classification of gratuities and limitations on acceptance, granting, and granting upon request of third parties.

C. DEFINITION

The following terms in the Guidelines shall be defined as referred to below, unless specified otherwise:

1. **Direct Superior** shall mean the direct leader of the Pertamina's Personnel, at least at the level of Manager in the Head Office, Department Head (or

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equivalent) of level III in the Operational Unit up to the President Commissioner and/or President Director in accordance with the position of the Informant;

2. **Compliance Online System** shall mean the system that is integratedly developed and integrated with the online system existing in Pertamina's environment, which constitutes a means for a Compulsory Gratuity Informant to submit his/her report related to the compliance reporting programs, particularly, in this case, a gratuity report;
3. **Chief Compliance Officer (CCO)** shall mean an official appointed by the President Director, who is in charge of compliance program in Pertamina and makes sure that Pertamina's Personnel are in compliance with the laws and regulations and Government regulations as well as the rules that apply in Pertamina's environment.
4. **Code of Conduct (CoC)** shall mean the guidelines that regulate the business ethics and code of conduct of Pertamina's Personnel in implementing the practices of good corporate governance.
5. **Compliance Function** shall mean an organ below the Corporate Secretary of Pertamina with duties to carry out development, fostering, application and upholding of Good Corporate Governance (GCG) principles;
6. **Good Corporate Governance (GCG)** shall mean the principles that base a process and mechanism of corporate management on the basis of laws and regulations and business ethics;

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7. **Gratuities** referred to in these Guidelines shall mean the granting and/or acceptance of in wide sense, covering gifts/souvenirs and entertainment to Pertamina's Personnel, whether received within or outside the country and made using electronic means and/or without electronic means;
8. **Gifts/Souvenirs** shall mean any granting and/or acceptance of and/or request in the form of money and/or equivalent of monies, goods, discounts, commissions, loans without interest, travel tickets, accommodation facilities, travels, free medical treatments, and other facilities;
9. **Entertainment** shall mean any thing that is entertaining and pleasing in nature, including but not limited to music, movies, operas, dramas, games, sports and tours;
10. **Pertamina's Personnel** referred to in these Guidelines shall mean the Board of Commissioners, Board of Directors, workers who work for and on behalf of Pertamina as well as the personnel who work in Pertamina's environment, including the members of their Core Families;
11. **Core Family** in these Guidelines shall mean the husband or wife and children of Pertamina's Personnel;
12. **Corruption Eradication Commission** shall mean the state commission/institution which was established to perform its duties and authority independently and free from any power whatsoever as governed in Law Number 30 of 2002 on the Commission for Eradication of Criminal Act of Corruption;

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13. **State Official** shall mean a State Officer who performs executive, legislative, judicative functions, and another officer whose main functions and duties are related to state administration in accordance with Law Number 28 of 1999 on State Administration that is Clean and Free from Corruption, Collusion and Nepotism;
14. **Eradication of the Criminal Act of Corruption** shall mean a series of actions to prevent and eradicate a criminal act of corruption through the efforts of coordination, supervision, monitoring, inquiry, investigation, prosecution, and examination in court hearings, with participation of the public based on the applicable laws and regulations;
15. **Grantor** shall mean the Pertamina's Personnel and/or Third Party who grants the Gratuities;
16. **Requestor** shall mean the Pertamina's Personnel and/or Third Party who requests for the Gratuities;
17. **Recipient** shall mean the Pertamina's Personnel who receives the Gratuities;
18. **Company** with capital letter "P" shall mean Pertamina and its subsidiaries and affiliates, whereas company with lowercase letter "p" shall mean another company in general;
19. **Third Party** shall mean an individual and/or a legal entity that has or has no business relations with the Company or a competitor of Pertamina including but not limited to Third Party vendors, suppliers, dealers, agents, banks, counterparts, or work partners;

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20. **Local Chief Executive Officer** shall mean an officer of the same level as Senior Vice President (SVP), Vice President (VP)/equivalent at the Head Office, General Manager of an Operational Unit, President Director up to Commissioner, in conformity with the position of the Informant;
21. **To bribe** shall mean to grant or promise something to a civil servant or state official with the intention that the said civil servant or state official would do or not do something in his/her position contrary to his/her obligations or give something to the civil servant or state official due to or related to something contrary to his/her obligations, performed or not performed in his/her position;
22. **Criminal Act of Corruption** shall mean a criminal act as referred to in laws and regulations on the Eradication of Criminal Act of Corruption applicable in the Republic of Indonesia;
23. **Gratuities Controlling Unit of Pertamina or abbreviated as UPG Pertamina** shall mean a unit under the management of the Compliance Function - Corporate Secretary, having the duties and responsibilities in the implementation and management of Gratuities in Pertamina, its subsidiaries and affiliations;
24. **Compulsory Gratuity Informant** shall mean a Commissioner, Director or Worker who works and receives remuneration in his/her working relations with the Company, having the status as an Unspecified Time Worker and Specified Time Worker.

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D. REFERENCES

1. Law No. 40 of 2007 on Limited Liability Companies;
2. Law No. 19 of 2003 on State-Owned Enterprises;
3. Law No. 30 of 2002 on Commission for Eradication of Criminal Act of Corruption (KPK);
4. Law No. 31 of 1999 which has been amended by Law No. 20 of 2001 on Eradication of Criminal Act of Corruption;
5. Law No. 28 of 1999 on State Administration that is Clean and Free from Corruption, Collusion and Nepotism;
6. Regulation of the Minister of State-Owned Enterprises No. PER-01/MBU/2011 on the Application of Good Corporate Governance in State-Owned Enterprises;
7. Guidelines on Business Ethics and Code of Conduct of Pertamina dated 7th April 2007;
8. Memorandum of Understanding between the President Director of Pertamina and the Corruption Eradication Commission (KPK) Commissioners dated 26th August 2010.

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CHAPTER II

PROVISIONS ON GRATUITIES

A. BASIC PRINCIPLES

1. REFUSAL TO GRATUITIES

Pertamina's Personnel **SHALL REFUSE** in the first chance if he/she is offered and/or granted a gift/souvenir and entertainment politely and courteously and report it to UPG Pertamina.

It is expected that Pertamina's Personnel can give explanation about policies and rules related to Gratuities, especially these Guidelines, which are applicable within Pertamina to the offering/granting party. Furthermore, the related Pertamina's Personnel may request to UPG Pertamina to assist in explaining these Guidelines as one form of dissemination of information to the Gratuity offering party.

2. ACCEPTANCE OF GRATUITIES

Pertamina's Personnel **ARE PROHIBITED FROM RECEIVING GRATUITIES** from Third Parties either at their own initiative or others', either directly or indirectly.

In the implementation, all Pertamina's Personnel **ARE PROHIBITED** from:

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- a. Receiving anything whatsoever from Third Parties which is deviating from the applicable provisions of laws and regulations and Company regulations;
- b. Receiving parcels in any form whatsoever in connection with the celebration of a religious holiday;
- c. Permitting Third Parties to grant something in any form whatsoever to Pertamina's Personnel, either individually or in group, either directly or indirectly;
- d. Receiving refund and/or benefit that is personal in nature, which exceeds and/or is not his/her right from any party whatsoever, including but not limited to Third Parties, hotels, and restaurants, in relation to the work and/or official duties;
- e. Taking discriminative and unfair action to make a certain goods/service supplier and/or working partner win with the intention to receive a fee from such parties to be enjoyed individually and/or together with other Pertamina's Personnel.

3. GRANTING OF GRATUITIES

All Pertamina's Personnel **ARE PROHIBITED FROM GRANTING GRATUITIES** to Third Parties, either directly or indirectly.

In the implementation, all Pertamina's Personnel **ARE PROHIBITED** from:

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- a. Promising, offering or granting Gratuities to Third Parties deviating from the provisions governed in these Guidelines;
- b. Bribing or granting something in any form whatsoever to Third Parties, including but not limited to officials in other institutions with the intention to influence decision making;
- c. Granting something in any form whatsoever to Third Parties, including to the working partners or goods and service suppliers deviating from the provisions governed in these Guidelines;
- d. Granting parcels in any form whatsoever to fellow Pertamina's Personnel in connection with the celebration of a religious holiday using the Company's assets/funds/facilities;
- e. Granting parcels in any form whatsoever to Third Parties in connection with the celebration of a religious holiday;
- f. Giving assistance to Third Parties using the Company's assets/funds/facilities for and on behalf of personal benefit;
- g. Granting something in any form whatsoever to fellow Pertamina's Personnel and/or Third Parties which is not in conformity with religious norms, moral norms, and provisions in these Guidelines;
- h. Granting something in any form whatsoever which is the Company's assets/funds/facilities to fellow Pertamina's Personnel and/or Third Parties without being documented and unaccountably.

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4. GRANTING OF GRATUITIES UPON REQUEST

All Pertamina's Personnel ARE PROHIBITED FROM GRANTING GRATUITIES to a Third Party either directly or indirectly, which is made based on a request from the said Third Party.

5. MAKING REPORT ON GRATUITIES

All Compulsory Gratuity Informants **SHALL** make a report on the refusal, acceptance, and granting of Gratuities through the Compliance Online System. In case the location where the Compulsory Gratuity Informant is assigned is not connected to the Compliance Online System, the report shall be submitted in the form of hard copy by filling in the Gratuity Form and submitting it to UPG Pertamina.

The mechanism and procedure of reporting on the refusal, acceptance, and granting of Gratuities are governed in the UPG Pertamina's Guidelines which are integral parts of these Guidelines as the policies that govern Gratuities within Pertamina.

B. PROVISIONS ON THE ERADICATION OF CRIMINAL ACT OF CORRUPTION IN THE LAWS AND REGULATIONS OF THE REPUBLIC OF INDONESIA

The eradication of criminal act of corruption is governed in Law Number 31 of 1999 on Eradication of Criminal Act of Corruption in conjunction with Law Number 20 of 2001. Important articles related to Gratuities are:

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ARTICLE 12 B

Any gratuity granted to a civil servant or state official shall be deemed as bribery if it is associated with his/her position and is contrary to his/her obligations or duties, with the provisions on proving as follows:

- a. if the value is Rp 10,000,000.00 (ten million Rupiah) or more, the proving that the gratuity is not a bribe shall be made by the gratuity recipient;
- b. if the value is less than Rp 10,000,000.00 (ten million Rupiah), the proving that the gratuity is a bribe shall be made by the general prosecutor.

ARTICLE 12 C

1. The provision referred to in Article 12 B Paragraph (1) shall not be applicable if the recipient reports the gratuity that he/she has received to the Commission for Eradication of Criminal Act of Corruption;
2. The report referred to in Paragraph (1) shall be submitted by the recipient of the gratuity at the latest thirty (30) business days as of date of receipt of the gratuity;
3. The Commission for Eradication of Criminal Act of Corruption within a period of no later than thirty (30) business days as of the date of receipt of the report shall determine whether the said gratuity may become the ownership of the recipient or of the state;
4. The provision on the procedure of submission of report referred to in Paragraph (2) and the determination of gratuity status referred to in

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Paragraph (3) are governed in the Law on Commission for Eradication of Criminal Act of Corruption.

C. CLASSIFICATION OF GRATUITIES

1. GRATUITIES THAT ARE DEEMED AS BRIBES

A Gratuity that is deemed as a bribe is a gift that is granted to a Pertamina's Personnel which is made contrary to the obligations and/or duties of the related Pertamina's Personnel, particularly a Compulsory Gratuity Informant.

This gratuity which is deemed as a bribe is granted in connection with his/her position and status as Pertamina's Personnel. In order to assess whether the granting is related to his/her status and position, a question can be asked to himself/herself, "will the gift still be granted if I am not a Pertamina's Personnel?"

1) Some examples of Gratuities that are deemed as bribes, are among others including but not limited to:

- a. Money and/or money equivalent, in this case including but not limited to vouchers and checks, which are granted to a Pertamina's Personnel as an expression of gratitude to a Third Party, in this case is a vendor, working partner or another party related to the procurement process of goods and services, in connection with the fact that a work (project) and/or another activity has been chosen or has

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been completed in the framework of performance of such Pertamina's Personnel's duties and position;

- b. Unofficial granting in the form of money and/or money equivalent, goods, facilities, and/or accommodation, as a sign of gratitude, which is received by a Pertamina's Personnel from a Third Party related to the process of examination of work feasibility and/or the process of approval/monitoring on the work of the said Third Party;
- c. Unofficial granting in the form of money and/or money equivalent, goods, facilities or accommodation which is received by a Pertamina's Personnel from a Third Party who is a working partner, including but not limited to a Notary, Insurance Company, Bank, travel bureau, airline and/or other Consultants' Companies/Offices on cooperation/cooperation agreement that is going on;
- d. Granting in any form whatsoever from a Third Party in connection with the promotion and/or new position of a Pertamina's Personnel that is commonly made as a sign of acquaintanceship;
- e. A loan from a bank or another banking institution that is received due to personal relationship, position and authority of the related Pertamina's Personnel and not applicable to the public;

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- f. An opportunity or benefit including a special amount/percentage of interest or commercial discount that is received by a Pertamina's Personnel due to personal relationship or position and is not applicable to the public;
- g. Food, beverage and entertainment that are granted in special manner due to the position or authority of the related Pertamina's Personnel beyond and unrelated to official duties;
- h. Goods in any form whatsoever, food and beverage, either granted and/or received, originating from fellow Pertamina's Personnel in the performance of duties but not limited to the activities of assurance (examination), evaluation, appraisal and assessment;
- i. Benefit from lottery, program or contest that is held not in a transparent and fair manner;
- j. Granting of facilities of transportation, accommodation, money and/or money equivalent in connection with the performance of the related Pertamina's Personnel's duties and obligations in the company of a Third Party, which is made based on a direct appointment and/or invitation from such Third Party;
- k. Granting of entertainment, tourism package, or vouchers which is made in connection with the performance of the

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related Pertamina's Personnel's duties and obligations in the company of a Third Party, which is not relevant or related to the intention of the assignment of such Pertamina's Personnel;

- I. Meal party, accommodation and other facilities that are granted to a Pertamina's Personnel by a Third Party when doing a spot checking and/or factory visit for the process of examination/analysis of a working result feasibility and/or examination of the business domicile of a Third Party by a team assigned by Pertamina;
- m. Accommodation, facilities, equipment and/or vouchers including but not limited to airplane tickets, hotel vouchers, golf, tennis, entertainment vouchers that are granted in connection with the performance of a Pertamina's Personnel's duties and obligations in the company of a Third Party which is not relevant/related to the intention of the assignment of such Pertamina's Personnel;
- n. Granting of facilities in the form of free medical treatment when the related Pertamina's Personnel goes for medical treatment to one hospital that is managed by the Third Party when performing his/her duties;
- o. Granting to Pertamina's Personnel in connection with a celebration, including but not limited to a celebration of

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birthday, marriage, and passing from education, from a Third Party, the value of which in Rupiah currency exceeds Rp 1,000,000.00 (one million Rupiah) from each Third Party, unless it is governed under the granting of Non-Gratuities in point 1 letter (h);

- p. Granting of facilities in the form of catering from a Third Party when the related Pertamina's Personnel holds a celebration, including but not limited to a celebration of marriage, birthday and passing from education;
- q. Granting of travel facilities from a Third Party to the Core Family of Pertamina's Personnel;
- r. Special discount when the related Pertamina's Personnel buys goods from a Third Party;
- s. Granting of parcels in any form whatsoever to the related Pertamina's Personnel from a Third Party in connection with the celebration of a religious holiday;

2) Treatment

Any Gratuity that, according to these Guidelines, is deemed as a bribe must be **REFUSED**, unless the situation at that time makes the related Pertamina's Personnel impossible to do so.

Included in the situation which makes it impossible to refuse a gratuity is as follows:

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- a. If the said Pertamina's Personnel is not aware of the granting, of the time and location of the Gratuity, and of the identity and address of the Third Party;
- b. If according to logic consideration that is proper in general, such refusal may result in disturbance to the good relationship between the company and the Third Party, where such granting is not in the form of money and/or money equivalent and/or securities, the value of which does not exceed Rp 1,000,000.00 (one million Rupiah), from each Third Party.

2. GRATUITIES IN OFFICIAL DUTIES

A Gratuity in an official duty is a gratuity (official gift/facilities) from an activity organizer that is granted to the related Pertamina's Personnel as the official representative of the Company in a certain activity.

- 1) Some examples of Gratuities in official duties among others include but not limited to:

- a. Facilities in any form whatsoever, including but not limited to meal party, transportation and accommodation in the form of money and/or money equivalent, which is granted to support the performance of the related Pertamina's Personnel in the company of a Third Party where the said Pertamina's Personnel is assigned based on official appointment and assignment from the Company;

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- b. Goods in any form whatsoever received from a committee of seminar, workshop, or training held by a Third Party where the participation of the related Pertamina's Personnel in such activity is based on official appointment and assignment by the Company, except for seminar kits, certificates, placates/souvenirs, goody bags/gimmicks (as governed in the granting of Non-Gratuities point 1 letter t);
- c. Meal party, accommodation and other facilities received by a Pertamina's Personnel from a Third Party when doing official activities including but not limited to seminars, congresses, symposiums and business meetings;
- d. Any granting in any form whatsoever received as a gift/reward in an open contest/competition performed in an official duty held by a Third Party;
- e. Discounts and/or facilities that are applicable special for the Pertamina's Personnel, which are granted by business entities such as restaurants, hotels, transportation services (such as airplane tickets) in the framework of performance of an official duty enjoyed by the related Pertamina's Personnel;

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- f. Goods in any form whatsoever, food and beverage, either granted or received, originating from fellow Pertamina's Personnel in the performance of an official duty which according to logic thinking in general is unreasonable and/or redundant;
- g. Money and/or money equivalent, in this matter including but not limited to checks or vouchers, which are granted by a Third Party to a Pertamina's Personnel because he/she has been a resource person in one of the events in the performance of an official duty;
- h. Money and/or money equivalent as a replacement of a transportation fee granted by a Third Party to a Pertamina's Personnel in the performance of an official duty.

2) Treatment

The treatments on Gratuities in these official duties are as follows:

- a. Any granting of Gratuities in an official duty in the form of money and/or money equivalent **SHALL BE REFUSED**;
- b. The granting of Gratuities in an official duty which is not in the form of money and/or money equivalent with value

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exceeding Rp 1,000,000.00 (one million Rupiah) **SHALL BE REFUSED;**

- c. The granting of Gratuities in an official duty which is not in the form of money and/or money equivalent with value not more than Rp 1,000,000.00 (one million Rupiah) and not classified in the category of Gratuities which is deemed as a bribe **MAY BE ACCEPTED;**
- d. Any act of Gratuities in an official duty **SHALL BE REPORTED.**

3. NON-GRATUITIES

Non-Gratuity is any granting accepted by a Pertamina's Personnel based on a valid agreement or because the related Pertamina's Personnel has reached a certain achievement.

- 1) Some examples of granting which are not Gratuities are as follows:

- a. Salaries and other legal incomes received by the Pertamina's Personnel from the Company;
- b. Supporting facilities, means and infrastructures in working, including but not limited to clothes, shoes, working equipment, service vehicles and other things granted by the Company to the Pertamina's Personnel;

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- c. Discounts which are applicable to the public that are granted by business entities, in this matter including but not limited to restaurants, hotels, transportation service suppliers (airline tickets), where the owners of those business entities have no working/official relationship with the related Pertamina's Personnel;
- d. Benefit from placement of funds or purchase of shares applicable to the public which is received by the Pertamina's Personnel on the placement of his/her personal funds;
- e. Income that is received from a legal business of the Pertamina's Personnel;
- f. Obtained from family relationship of the same blood in two degrees' direct line of descent or one degree's collateral line of descent so long as there is no conflict of interest with the related Pertamina's Personnel;
- g. Obtained from affinal family relationship in one degree's direct line of descent or one degree's collateral line of descent so long as there is no conflict of interest with the related Pertamina's Personnel;
- h. Obtained from a party who has family relationship as referred to in letters f and g related to a gift for marriage, child's circumcision, birthday, religious/customary/

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traditional events and not from those parties who have a conflict of interest with the related Pertamina's Personnel;

- i. Award and/or present that is granted due to academic or non-academic achievement obtained by the Pertamina's Personnel at his/her own expense and not related to official duties;
- j. Opportunities or benefits including special interest rates or commercial discounts which are also applicable to the public;
- k. The granting to a Pertamina's Personnel based on a legal contract or agreement between the Company and a Third Party;
- l. Food and/or beverage that is served in a meal party, which is obtained in connection with the participation of the Pertamina's Personnel in an official event held by a Third Party;
- m. A loan from a bank and/or another banking institution that is also applicable to the public or obtained due to an official cooperation with the Company;
- n. Benefit from lottery, program or contest that is held openly to the public which is obtained by the Pertamina's Personnel beyond official activities or relationship in the Company;

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- o. Pension or other benefits originating from sustainable participation in a Third Party in its relation to the Pertamina's Personnel's welfare program;
- p. Granting or acceptance of food and beverage in big quantity and/or in the form of catering originating from and to fellow Pertamina's Personnel;
- q. Door-prizes that are obtained by the Pertamina's Personnel in an activity, event, or gathering held by the Company;
- r. Money and/or money equivalent , in this matter including but not limited to checks or vouchers, which are granted by the Company to the Pertamina's Personnel as honorarium because he/she has been a resource person/instructor for fellow Pertamina's Personnel in one event that is training in nature;
- s. Money and/or money equivalent , in this case including but not limited to checks or vouchers, which are granted to the Pertamina's Personnel as honorarium because he/she has been a resource person/instructor beyond working hours or on the days of his/her leave in one event that is training in nature held by a Third Party;
- t. Placates, vandals, goody bags/gimmicks from a committee of seminar, workshop, or training with the total

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value up to Rp 1,000,000.00 (one million Rupiah), where the participation of the related Pertamina's Personnel in such activity is based on official appointment and assignment by the Company.

2) Treatment

The related Pertamina's Personnel may accept and enjoy these without having to make a report on Gratuities.

D. LIMITATIONS ON THE ACCEPTANCE, GRANTING, AND GRANTING UPON REQUEST FROM A THIRD PARTY

1. LIMITATIONS ON THE ACCEPTANCE OF GRATUITIES

A Pertamina's Personnel shall be prohibited from accepting Gratuities in any form whatsoever, except for:

1. Entertainment that is still within the limitations of reasonableness in compliance with all limitations as follows:
 - a. The said entertainment is not granted continuously by the same Granting Third Party to the Pertamina's Personnel but maximum 1 (one) time during a period of 1 (one) year;
 - b. The Pertamina's Personnel has no choice but accept the said entertainment because he/she worries that refusal to the offer would affect the business relationship that has been established well between the Company and the Third Party;

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- c. It will not disturb the working time of the related Pertamina's Personnel;
 - d. Will not have discussion about internal and/or confidential information which is potential to result in a conflict of interest;
 - e. Participated by at least 2 (two) Pertamina's Personnel.
2. Gifts/souvenirs with the logo/name of the Third Party's and/or the Grantor's company, with all restrictions that must be complied with as follows:
 - a. The gift/souvenir with the logo/name of the Granting Third Party is intended as an integral part of the Third Party's and/or the Grantor's promotional policy/program;
 - b. The value of such gift/souvenir does not exceed Rp 1,000,000.00 (one million Rupiah);
 - c. The said gift/souvenir is not an object that breaches moral and legal norms in nature.
3. Gifts/souvenirs without the logo/name of the Third Party's and/or the Grantor's company, which are granted in an official activity/event and/or in the framework of a promotion and sponsorship where the related Pertamina's Personnel is present representing the Company. The acceptance of such gifts/souvenirs shall be reported to the Direct Superior of the related Pertamina's Personnel before being reported to UPG Pertamina.

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4. If the Pertamina's Personnel, particularly the Compulsory Gratuity Informant cannot avoid to accept the granting from a Third Party and/or in a situation where such granting has been available in a location that is entrusted to or through an intermediary without the knowledge of the related Compulsory Informant. In the event such as this, the Compulsory Gratuity Informant shall promptly report it to his/her Direct Superior before being reported to UPG Pertamina.

5. The Local Chief Executive Officer and/or the Direct Superior shall keep the gift/souvenir obtained from the acceptance of the Gratuity that has been reported to the Compulsory Gratuity Informants in his/her working environment until a decision is made for the allocation of the said gift/souvenir.

6. Special for a granting in the form of money or money equivalent (in this matter including but not limited to checks, vouchers, clearing accounts, and the like) in any amount whatsoever shall be submitted to UPG Pertamina to be kept by the Company's Directorate of Finance.

2. LIMITATIONS ON GRANTING OF GRATUITIES

A Pertamina's Personnel **IS PROHIBITED** from granting gifts/souvenirs and entertainment in any form whatsoever to Third Parties, unless all of the following limitations are met:

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1. The granting of such gifts/souvenirs and entertainment has been planned, budgeted and the implementation of which has been approved by the authorized official;
2. The granting of such gifts/souvenirs and entertainment is intended to support the interest of the Company and is not intended to bribe a Third Party to make them willing to give something to the Company, to which the Company is not legally entitled;
3. The granted gifts/souvenirs and entertainment is not in the form of money and/or money equivalent (including but not limited to vouchers, checks and clearing accounts) unless for sponsorship fund granting furnished by other supporting documents);
4. The granted gifts/souvenirs are not in the form of objects that breach moral and legal norms;
5. The granted gifts/souvenirs and entertainment has the value of no more than Rp 1,000,000.00 (one million Rupiah) except for an event, promotion, sponsorship or Customer Gathering or other Stakeholder Gatherings furnished by other supporting documents;
6. Gifts/souvenirs in the form of goods shall be attached with the Company's logo which shall be an integral part of such goods, and the Company's logo in such goods shall be permanent and irremovable in nature;

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7. The said gifts/souvenirs and/or entertainment is not granted continuously to a party but maximum 1 (one) time during a period of 1 (one) year.

If a Compulsory Gratuity Informant grants a gift/souvenir and entertainment as referred to in points 1 (one) to 7 (seven) above, he/she **shall** carry out the followings:

1. Any plan for the granting of gifts/souvenirs and entertainment shall be informed to the Direct Superior by means of letter/memo of permit-in-principle at least 5 (five) days before the granting is performed;
2. The Direct Superior shall find out the value and nature of the said granting and promptly decide whether the said granting is approved/not approved by means of letter/memo of permit-in-principle and forward it to the local chief executive officer for approval;
3. The related Compulsory Gratuity Informant shall fill in the application in the Compliance Online System or fill in the gratuity form and submit it to UPG Pertamina in case the location of the said Compulsory Gratuity Informant cannot be connected to the Compliance Online System.

3. LIMITATIONS ON THE GRANTING BASED ON A REQUEST OF A THIRD PARTY

1. Every Pertamina's Personnel, if requested to grant a gift/souvenir and entertainment, should REFUSE politely and courteously by giving an explanation on the policies and rules related to Gratuities applicable in the

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Company to the Requestor. This explanation can be given with assistance from UPG Pertamina which at the same time constitutes one form of dissemination of information regarding such Gratuity policies.

2. If such request tends to be a blackmailing and/or forcing that may affect the smoothness of the Company's operational process and business, the Pertamina's Personnel, especially the related Compulsory Gratuity Informant, shall promptly report it to the Direct Superior and fill in the application in the Compliance Online System or fill in the gratuity form and submit it to UPG Pertamina if the location where the Compulsory Gratuity Informant cannot be connected to the Compliance Online System;
3. The Direct Superior of the related Pertamina's Personnel should promptly settle the issue in coordination with the Local Chief Executive Officer in order to obtain a decision regarding the action that should be taken to follow up the said request. In the event of doubt in decision making, the Local Chief Executive Officer should report the matter to a higher level leader above him/her with a copy to the Chief Compliance Officer. Furthermore, if necessary, the Direct Superior may consult with the corporate legal function if the related Pertamina's Personnel is assigned in the head office or the legal function in the local operational unit or the legal function of the related directorate.

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4. LIMITATIONS ON THE GRANTING AND ACCEPTANCE OF OTHER GRATUITIES

If in his/her daily activities a Pertamina's Personnel finds or faces an event that in his/her opinion is classified as an action that is potential for bribery and/or is classified in the category of Gratuities either granting (either on one's own initiative or upon request) and/or acceptance, but has not been regulated in these Guidelines and in the Guidelines of UPG Pertamina, the related Pertamina's Personnel shall report it to the Direct Superior and UPG Pertamina in writing by means of memo and/or electronic letter.

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CHAPTER III

IMPLEMENTATION OF POLICIES ON GRATUITIES

A. IMPLEMENTATION

In order to ensure that these Guidelines are known by all Pertamina's Personnel and Third Parties, Pertamina's Personnel are assigned to carry out the followings:

1. To include prohibition against the granting/acceptance of gifts/souvenirs and entertainment in every announcement in the procurement process of goods/services within Pertamina, with reference to these Guidelines.
2. The Compliance Function, the Corporate Communication Function and the Public Relations Function of Pertamina are assigned to continuously give information to all Pertamina's Personnel, Third Parties and other parties regarding the applicability of these Guidelines within Pertamina.
3. The Procurement Function, the Strategic Sourcing Function, and the Sales Function of each Directorate within Pertamina are assigned to submit these Guidelines to all related parties in the supply chain within Pertamina, in this case including but not limited to goods/service suppliers, agents, distributors and customers as well as other stakeholders.
4. To give clear information to any parties whatsoever who want to know the contents of these Guidelines.
5. To assign the Compliance Function to develop the implementation system of these Guidelines up to the Operational Unit of Pertamina.

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6. The Chief Compliance Officer is assigned to monitor the application of these Guidelines and provide reports periodically once in every 6 (six) months to the President Director regarding the implementation including the reports that have been received related to Gratuities.

B. SANCTIONS ON BREACH

These Guidelines are applicable and binding to all Pertamina's Personnel with binding reporting obligation to the Compulsory Gratuity Informants. The provisions on the reporting procedures are governed in the Guidelines of the Gratuity Controlling Unit.

Any breach to the provisions of these Guidelines shall be imposed with the sanctions applicable in the Company and shall potentially be charged with the criminal act of bribery in accordance with the applicable laws and regulations.

Making report on Gratuities shall mean to have protected oneself and their family members from the possibility of being charged with the accusation of criminal act of bribery.

Prepared by:	Approved by:
Compliance Manager, (signature) Mindaryoko	Corporate Secretary, (signature) Nursatyo Argo
Dated: 25 th March 2013	Dated: 25 th March 2013

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I, **DRA. NELCE MANOPPO, MBA**, a Certified and Sworn Translator by virtue of Jakarta Governor's Decree No. 2238/2004, dated 29 September 2004, do hereby certify that the foregoing is a true and complete translation to the best of my knowledge and belief from Indonesian into English.

I, **H. Arfan Achyar, B.Eng**, a Certified Translator by virtue of Himpunan Penerjemah Indonesia's Decree No. TSN/2013/1/02U/001, dated 23 February 2014, acting as the editor for this document, do hereby certify that the foregoing is a true and complete translation to the best of my knowledge and belief from Indonesian into English.