



BLUE BIRD

PT Blue Bird Tbk
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Code of Ethic

PT Blue Bird Tbk. (the "Company")

Introduction and Purpose

This Company's Code of Ethic stipulates standards of behavior expected from members of the Board of Directors, the Board of Commissioners and employees of the Company with respect to their dealings within the Company and externally. This Code of Ethic represents the Company's dedication to protecting both the Company's short and long term interests, shareholders, employees, customers and business partners.

The purpose of this Code of Ethic is to:

- Demonstrate the Company's commitment to the highest standards of ethical behavior;
- Encourage proper ethical conduct and sanction misconduct within the Company; and
- Develop an ethical culture based on such standards and conduct, adhered by all employees, directors, management, commissioners and shareholders.

This Code of Ethic is reviewed periodically and updated as necessary and published in the Company's website.

Ethical Principles and Standards

The Company is committed to act ethically in all aspects of its business. The Company's ethical standards are based on the following principles:

- Honesty;
- Integrity;
- Fairness; and
- Transparency.

Similarly, the Company expects the same in its relationships with all those with whom it does business. The Company's ethical standards focus on the following areas: employees, customers, relations with its business partners, government, society and the wider community. These ethical standards shall also apply to all Company's subsidiaries.

The Company's ethical standards are based on:

- Adherence to Indonesian's statutory regulations, and showing respect for human rights;
- Managing the Company's financial and operational performance to maximize the long-term value for its shareholders;
- Conducting business with integrity and fairness, renouncing bribery and corruption or similar unacceptable business

practices, and not giving or accepting gifts and entertainment to the extent such gifts and/or entertainment can influence decision of Government's officials as to give personal benefit. Employees and Directors are allowed to receive gifts to the extend not related to the abovementioned, with the maximum value of Rp.1,000,000 (one million Indonesian Rupiah) for each gift or in total shall not exceed Rp.12,000,000 (twelve million Indonesian Rupiah) in one year in certain matter or series of certain matter. Receiving gifts in excess of that amount must be reported to the Board of Commissioners.

- Creating mutual advantage in all the Company's relationships to build and foster trust; and
- Demonstrating respect for the community the Company operates in.

The Company's business plan will include specific, measurable targets for improving ethical behavior.

Ethical Standards for the Company's Relationship with its Stakeholders

1. Employees, Officers, Commissioners and Directors

The Company is committed to establishing a workplace where mutual trust and respect is prevalent and where all employees take responsibility for the performance and reputation of the business. The Company is committed to treating all employees with dignity, trust and respect, and

to building a long-term relationship based on Indonesia's labor law and the respect of human rights. The Company will not employ child labor. The Company is an equal opportunity employer. Its recruitment, promotion and compensation policy is based on merit and free of discrimination.

It is the Company's policy to provide for and regularly improve upon a healthy, safe and secure working environment for its employees.

Any kind of discrimination or harassment at the workplace will not be tolerated and contrary behavior properly investigated and dealt with through the Company's human resources manager and/or the Company's Board of Directors.

Employees are recognized and rewarded for their performance based on key performance indicators, and constructive and regular feedback through face-to-face meetings. The Company shall have in place a program, accessible to all employees, which encourages individuals to formulate personal development plans and provides for coaching, mentoring and formal skill-enhancement.

Under the authority of this Code, it is incumbent upon Employees to 'speak up' or report any breaches identified or witnessed per the procedures under this Code.

The company sanctions the illegal use of confidential and insider information by all employees.

These principles do not limit the right of the company to enforce discipline or to terminate workers in accordance with Indonesian prevailing statutory regulations.

The Company commissioners, directors and employees shall be of good reputation and good standing, and shall not be individuals whose name is in Wanted List (*Daftar Pencarian Orang/ DPO*). If a commissioner or director or officer ceases to meet such qualifications, that person shall resign or be dismissed.

2. Customers

Customer satisfaction is tantamount to the Company. Safe and quality products and services, fair pricing shall define the Company's relations with its customers.

The Company always seeks to deliver services what it promises to its customers.

3. Relations with its Business Partners

The Company will put forth its best effort to only cooperate with those business partners that share the same ethical standards as the Company.

The Company will respect the sanctity of contracts and business relations. The Company is committed to establishing mutually beneficial partnerships with its customers, suppliers and business partners.

The Company is committed to complying fully with the Indonesian law on anti-money laundering and only conducts business with reputable suppliers, business customers and other partners who are involved in legitimate business activities and whose funds are derived from legitimate sources.

4. Government

The Company seeks to build and manage a sound relationship with governmental authorities on an arm's length basis. No attempts to improperly influence governmental decisions shall be made, and the Company will not offer, pay, solicit or accept bribes in any form or shape, either directly or indirectly, in its dealings with the government, administration or courts.

The Company will never make political contributions whether in cash or in kind. The Company will cooperate with governments and other public entities both directly and through trade associations in the development of proposed regulation which may legitimately affect business interests.

5. Society, environment and the wider community

The Company views itself as an integral part of the community in which it operates and is committed to a sound relationship built on respect, trust, honesty and fairness. The Company aims to be a socially responsible corporate

citizen specifically in the communities in which it operates.

The preservation of the environment is of the utmost importance to the Company. The Company thus strives to minimize any disruption to the environment arising from its activities by reducing waste, emissions and discharges, and by using energy efficiently.

Non-governmental organizations (NGOs) are a key element to any society and the company seeks to build constructive relationships with such organizations in building a better society and environment in an economically sustainable matter.

6. Competition

The Company endorses fair trade and competition and supports the creation of competition laws. Employees and subsidiaries will conduct operations in adherence to the principles of fair competition and all prevailing regulations.

Implementation

1. Means to obtain advice

Many business decisions involve ethical dilemmas and require complex judgments to make the right choice. In cases of uncertainty, the Company commissioners, directors, and employees are expected to act responsibly and raise the ethical dilemma with their managers. All employees have the

right to make confidential reports directly to the Internal Audit Department (copied to the Board of Directors) who in turn shall decide whether to report the matter to the Audit Committee who in turn will recommend appropriate action against any commissioner, director or employee who acts in a manner inconsistent with this Code of Ethic.

2. Processes and responsibility

Each individual is responsible for his or her ethical behavior. The Company shall implement a procedure for all officers and employees to regularly state that they understand and apply the provisions of this Code of Ethic. Adherence to this Code is further made obligatory as it is referenced in all employee contracts and linked to disciplinary procedures. A copy of this Code of Ethic is given to every employee on his or her first working day.

Department heads are accountable to the President Director and/or the Board of Directors for implementing this Code of Ethic within their departments, ensuring that all officers and employees understand it, and for providing assurance on compliance. The President Director and/or the Board of Directors are accountable to the General Meeting of Shareholders, receive guidance and oversight from the Board of Commissioners.

The Audit Committee periodically reviews principles in this Code of Ethic and revises them as necessary, for submission to the Board of Commissioners, to be approved by the Board of Commissioners and Directors.

4. Socialization

The Company shall provide socialization in regard to this Code of Ethic periodically to all of its officers and employees.

5. Anonymous Reporting of Conduct Concerns

The Board of Directors shall establish the following procedures to enable anyone who has a concern about the Company's conduct, or complaint about the Company's accounting, auditing matters, to communicate that concern directly to the Internal Audit Department (copied to the Board of Directors) who in turn shall decide whether to report the matter to the Audit Committee. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing or reported by phone. The Audit Committee may direct that certain matters be presented to the Board of Directors and the Board of Commissioners and may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. The Company further prohibits



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any commissioner or director or employee from retaliating against anyone reporting such concern.

This Code of Ethic was approved and signed by all members of the Board of Commissioners and the Board of Directors in Jakarta, on 30th November 2015.