

Morgan Stanley

PT. Morgan Stanley Sekuritas Indonesia

**PT MORGAN STANLEY SEKURITAS INDONESIA
COMPLIANCE CHARTER**

FOREWORD

Protecting Morgan Stanley's reputation is part of everyone's job. Our Company's reputation is our most precious asset, and it is the job of each and every one of us to protect it. Once damaged, a reputation is very difficult to repair.

This document describes the role and responsibilities of the Compliance function within the Company, its position and authority. The primary role of Compliance is to help the Firm manage its regulatory risk. Compliance also encourages best practices and helps protect the long-term interests of the Firm and its shareholders. Compliance is responsible for the laws, regulations and rules the Firm is subject to by virtue of it being licensed entity regulated by Indonesia's Financial Services Authority ("OJK"), and as a member of the Indonesian Stock Exchange ("IDX"). In addition, Compliance may assume responsibility for other laws that have specifically been delegated to it.

PT Morgan Stanley Sekuritas Indonesia ("PT MSSI") is a licensed securities company, which means we are subject to comprehensive, consolidated supervision and regulation by the Indonesian financial sector regulator, i.e. OJK. PT MSSI has adopted policies and practices to meet regulatory requirements related to the safety and soundness of its activities. PT MSSI also are subject to the laws and regulations of many jurisdictions in which we do business. In addition, Morgan Stanley belongs to exchanges and self-regulatory organizations. Bank Indonesia, Indonesia Stock Exchange, Financial Transaction Reports and Analysis Centre and other regulators enforce rules governing trading and business conduct, such as trading and sales practices, margin and capital, and clearance and settlement requirements. All PT MSSI employees are required to know and comply with all the laws and regulations applicable to each of them and its business. The enclosed PT MSSI Compliance Program will provide the complete and detailed explanation on the scope of authorizations, roles and responsibilities of Compliance.

The Compliance Officer of PT MSSI whose main role is to run the Compliance function, is responsible for:

1. Identifying the relevant laws and regulations applicable to the Securities Broker Dealer and setting out the policies and procedures that apply;
2. Setting out the policies and the procedures on the main task and function of the compliance unit;
3. Ensuring compliance towards the policies and the standard operating procedures; the licensing requirements; the implementation of the employee supervision requirements by the head of the respective functions; the internal control provisions as stipulated in the regulatory requirements; as well as anti-money laundering and counter-terrorist financing regulations;
4. Ensuring the compliance over the rule on the Securities trading, among others, by:
 - a. performing the prevention over the disclosure of confidential information by the employees;

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- b. performing the detection, the prevention and the handling when there is conflict of interest;
 - c. performing the surveillance over the Securities account opening for new client;
 - d. performing the surveillance of the Securities transaction including, but not limited to, the transaction for the interest of the Securities Broker Dealer itself or its affiliated Party;
 - e. performing the surveillance over the portfolio management of the Securities Broker Dealer (if applicable);
 - f. performing the surveillance over the provision of information, advice, recommendation, and or research report released to the client/public;
 - g. performing the surveillance over the recording and the documentation, including the safe-keeping and the prevention of the disclosure of the confidential information in the form of data records
5. Performing the handling and the administration of client's complaint to handle and to follow up the written complaint of the client (internal dispute resolution) in accordance with Firm Policy.
6. Performing the surveillance over the business continuity plan by working in coordination with the Business Continuity Management team.
7. Submitting the periodic report at least once in a year, and the incidental report to the Board of Commissioners and/or Directors.
8. Providing support and/or performing training to the staff of PT MSSSI in relation to regulatory requirements as well as internal policies and procedures of PT MSSSI.
9. Establishing the Compliance SOP in accordance with the prevailing laws and regulations in Capital Market
10. Establishing a framework for breach/violation identification; handling; rectification and recording.
11. Reporting to the Board of Commissioners and OJK in confidential manner for any findings of indications of breach/violations over the prevailing laws and regulations committed by the Securities Broker Dealer and/or its client.
12. Performing testing evaluation and providing recommendation on the conformity of the policy, provisions, system or procedure owned by the Securities Company against the provisions under the prevailing regulations at least on annual basis or in a more frequent frequency if there is change of factor affecting the business activity of the Securities Company significantly.
13. Performing the monitoring, identification, measurement and follow up matters related to compliance which requiring attention from the Board of Directors.
14. Liaising with OJK, SROs and various industry groups and associations to represent PT MSSSI on regulatory and operations related issues.
15. New Product Approval review.

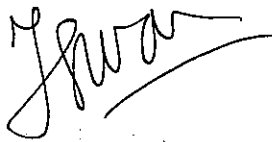
PT MSSSI maintains a cooperative, candid and proactive relationship with its regulators, including through direct communications by senior executives with key regulators. This includes appropriately communicating significant corporate developments and actions to relevant regulators. During litigation, internal investigations, or governmental, regulatory or administrative inquiries or

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examinations involving PT MSSI, all employees may be asked to provide information (including documents, statements or testimony) or to meet with Compliance, our outside counsel, auditors or other authorities. Everyone within PT MSSI must cooperate fully and provide truthful and complete information in connection with any such request.

Jakarta, November 2019
Board of Directors PT Morgan Stanley Sekuritas Indonesia



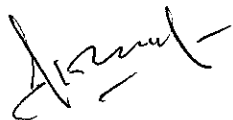
Iswan Kosasih
President Director



Hamdi Riza Rachbini
Director



Elizabeth Martadi
Director



Mulya Chandra
Director