

**CODE OF CONDUCT FOR
ARBITRATORS/ MEDIATORS OF
THE INDONESIA CAPITAL MARKET ARBITRATION BOARD**

**CHAPTER I
CODE OF CONDUCT FOR
ARBITRATORS/ MEDIATORS OF BAPMI**

Article 1

Code of Conduct of Institution and Profession

BAPMI's Arbitrators/ Mediators shall at all times:

- (1) be devoted to the One and Only God Almighty and uphold the State Law of the Republic of Indonesia on the basis of Five State Ideology Principles (*Pancasila*) and the 1945 Constitution (*Undang-Undang Dasar 1945*);
- (2) be trustworthy, professional, objective, prudent, and responsible in performing their duties;
- (3) be oriented toward upholding the justice;
- (4) explore, comply with and understand the legal values in society, especially Capital Market community;
- (5) be independent and impartial;
- (6) make decisions according to the legal provisions, or based on fairness and justice (*ex aequo et bono*);
- (7) be well-mannered, firm, and wise in presiding over any proceedings, in terms of both utterance and manners;

- (8) maintain the dignity and orderliness of any proceedings;
- (9) respect the rights of the parties to be heard for their accounts;
- (10) maintain the confidentiality of data and information received, known, acquired from or in connection with any disputes or differences of opinion resolved through Arbitration/ Mediation in BAPMI;
- (11) refrain from having any Conflict of Interest while performing their duties;
- (12) use their best efforts to pass an award within a specified, agreed period of time.

Article 2

Code of Conduct of Working Relationships

BAPMI's Arbitrators/ Mediators shall at all times:

- (1) Maintain honor, dignity, goodwill and reputation of other fellow Arbitrators/ Mediators, Arbitration/ Mediation institutions, and BAPMI both inside and outside proceedings;
- (2) have awareness, loyalty and respect for Arbitrator/ Mediator professions, Arbitration/ Mediation institutions and BAPMI;
- (3) maintain and establish good working relationships and mutual respect with fellow Arbitrators/ Mediators of

BAPMI and BAPMI's Management and BAPMI's Honorary Council;

Article 3

Code of Conduct of Maintaining Self-Integrity

BAPMI's Arbitrators/ Mediators shall not:

- (1) commit any acts detrimental and contradictory to public interest and public order;
- (2) commit any acts inflicting legal defects on the award made;
- (3) abuse their power and authority in personal or group interests;
- (4) practice other professions or occupations detrimental and contradictory to the dignity and integrity of Arbitrators/ Mediators;
- (5) hold such other position or capacity detrimental to their freedom and independency in performing their duties as Arbitrators/ Mediators;
- (6) receive assistance or gifts in any form whatsoever, either directly or indirectly, intended to or presumably to or may affect the award;
- (7) seek publicity from any disputes or differences of opinion they handle.

CHAPTER II

SUPERVISION AND ENFORCEMENT OF CODE OF CONDUCT

Article 4

- (1) The Honorary Council shall receive and examine any complaints regarding any alleged violations of the Code of Conduct committed by any of BAPMI's Arbitrators/ Mediators.
- (2) Any violation of the Code of Conduct shall be subject to a sanction by BAPMI's Chairman based on a decision of the Honorary Council pursuant to the level of violation.
- (3) A sanction or penalty on an Arbitrator/ Mediator who is proved to have violated any of the Code of Conduct can be:
 - a. reprimand, both oral and written;
 - b. written warning;
 - c. suspension as BAPMI's Arbitrator/ Mediator;
 - d. termination as BAPMI's Arbitrator/ Mediator.
- (4) All costs and expenses incurred with regard to an examination on a violation of the Code of Conduct shall be on the account of BAPMI.
- (5) The procedures for submission of reports/complaints on alleged violations of the Code of Conduct, examination process, decision making and enforcement shall be set out

in the Procedural Law as contained in Annex to the Code of Conduct.

CHAPTER III

MISCELLANEOUS

Article 5

- (1) The Code of Conduct was approved at BAPMI's Annual General Meeting of Members held in Jakarta on 30th June 2004 and became effective on the date of closing of the Meeting.
- (2) Any matters that are not yet regulated in the Code of Conduct and/or its improvement shall be assigned to the Honorary Council for making and authorization with the obligation to report to the subsequent General Meeting of Members, in accordance with the following procedures:
 - a. BAPMI members, Management members, and/or Honorary Council members shall be entitled to propose any amendments and/or additions to the Code of Conduct.
 - b. BAPMI members, Management members, and/or Honorary Council members who intend to propose any amendments and/or additions to the Code of Conduct shall communicate the same in writing complete with any reasons thereof and the concept of such amendments

and/or additions to BAPMI's Chairman. The proposed amendments and/or additions to the Code of Conduct from any Management members to BAPMI's Chairman shall be later discussed and decided upon at a Management Meeting.

- c. The Chairman shall notify all members of the Honorary Council about the proposed amendments and/or additions to the Code of Conduct as mentioned above no later than five (5) working days upon receipt of such proposal.
- d. The Honorary Council, within fifteen (15) working days after upon receipt of the notice from the Chairman as mentioned above, shall already start the first meeting to discuss the proposed amendments and/or additions to the Code of Conduct.
- e. The Honorary Council shall be fully authorized to accept such amendments or reject the proposed amendments and/or additions to the Code of Conduct.
- f. The resolution as mentioned above shall be adopted by consensus or voting by a simple majority (more than one half of the total number of Honorary Council members in attendance). The resolution may also be adopted through a circular resolution as long as it is approved and signed by all members of the Honorary Council.

ANEX TO
CODE OF CONDUCT FOR ARBITRATORS/ MEDIATORS OF
THE INDONESIA CAPITAL MARKET ARBITRATION BOARD

PROCEDURAL LAW

ENFORCEMENT OF CODE OF CONDUCT

Article 1

Complaint

- (1) The Honorary Council shall receive complaints in writing from either the Management or other parties through the Management regarding any alleged violations of the Code of Conduct by any BAPMI's Arbitrators/ Mediators.
- (2) When the Management receives a complaint as referred to in paragraph (1) above from another party, the Management shall promptly forward the complaint to the Honorary Council no later than five (5) working days from the receipt of such complaint.
- (3) The complaint as referred to in paragraph (1) above shall be submitted to the Honorary Council by mentioning and explaining name and interest of the complainant, name of an Arbitrator/ Mediator who allegedly committed a violation, type of violation, time of violation, and evidence that supports such allegation.

- (4) No later than ten (10) working days upon receipt by the Honorary Council of such complaint, the Honorary Council shall already determine the date of the first hearing and deliver summons by registered mail or courier to the complainant and the complainees with a copy to BAPMI's Chairman. Summons shall have been submitted no later than five (5) working days prior to the date of such first hearing, excluding the delivery date and the hearing date.
- (5) Summons shall specify (a) any reasons for the summons to hearing, (b) the day, date, time and place of implementation of such hearing, with a copy of the complaint letter and any attachments thereto and a copy of this Procedural Law for the parties to know the proceeding and (c) the complainees having the obligation to submit a reply to the first hearing.

Article 2

Examination

- (1) When the complainant, without any valid reason, does not appear at the first hearing, the complaint shall be disqualified.
- (2) When the complainees, without any valid reason, does not appear at the first hearing, the Honorary Council will

re-summon the complainee within a period as specified by the Honorary Council, subject to the provisions of paragraph (5) below. When the complainee remains absent without any valid reason at the second hearing, the complaint shall be heard and decided without the presence of the complainee.

- (3) At the first hearing, the complainee shall provide a reply in writing, complete with evidence as deemed necessary, in three (3) copies.
- (4) If the complainee does not provide a written reply at the first hearing, the Honorary Council may provide an opportunity to deliver a reply at the second hearing within a period as specified by the Honorary Council, subject to the provisions of paragraph (5) below. If the complainee remains providing no reply, he/she is deemed to have waived his/her right to reply and the complaint shall be heard and decided without an reply from the complainee.
- (5) Summons to hearing after the first hearing shall be received by the complainant and the complainee no later than three (3) working days before the specified hearing date, excluding the delivery date and the hearing date, with a copy to BAPMI's Chairman.

- (6) The complainant and the complaine shall appear personally at the hearing or authorize another person.
- (7) Before the hearing, both parties may give and/or may be requested by the Honorary Council to give any reasons of complaint and defense, present evidence and witnesses, provided that any costs for presenting such evidence and witnesses shall be at the expense of the party presenting such evidence and witnesses.

Article 3

Form of Hearing

- (1) Hearings for complaints of alleged violations by BAPMI's Arbitrators/ Mediators of the Code of Conduct shall be held by the Honorary Council as an assembly attended/ represented legally by more than one half of the Honorary Council members, and presided over by one member of the Honorary Council elected by and among the Honorary Council members present to preside over the hearings.
- (2) A Honorary Council member who is unable to attend may only be represented by another Honorary Council member by virtue of a power of attorney, but an Honorary Council member may only represent at most another Honorary Council member.

- (3) The hearing shall be held privately, attended by the Honorary Council members, the complainant and/or his/her attorney, the complaine and/or his/her attorney, witnesses, and BAPMI's Management.

Article 4

Decision

- (1) A hearing may pass a decision validly if at the first hearing more than one half of the Honorary Council members are present or legally represented.
- (2) A decision shall be passed by the Honorary Council by consensus or voting by a simple majority (more than one half of the total number of Honorary Council members in attendance) and signed by all members of the Honorary Council in attendance. When voting is made, the decision does not need to state any dissenting opinion that may exist in passing the decision.
- (3) A decision shall already be passed by the Honorary Council no later than 30 working days from the date of the first hearing.
- (4) The Honorary Council shall receive and examine and decide complaints of alleged violations of the Code of Conduct

by any Arbitrators/ Mediators the first and final instances.

- (5) A decision shall state any reasons under which it is passed, and refer to any articles of the Code of Conduct violated.
- (6) A decision shall be pronounced by the Honorary Council at an open hearing and at the latest within ten (10) working days after the decision is pronounced, a copy of which shall be submitted to the complaine, the complainant, and BAPMI's Management.
- (7) Immediately after receiving a copy of the Honorary Council's decision, the Management shall enforce such decision and submit a report to all Members of BAPMI and Chairman of Bapepam regarding the decision and any actions having been taken.