

**RULE NUMBER V.H.1 : PROHIBITED INVESTMENT ADVISOR
CONDUCT**

Attachment :
Decision of the Chairman of BAPEPAM
Number : Kep-33/PM/1996
Date : January 17, 1996

Investment Advisors are prohibited from:

1. charging a client an unusually high fee compared to that charged by other Investment Advisors providing similar services without disclosing to the client the availability of other services;
2. disclosing the identity of clients to any third party except as otherwise provided by current law and regulation;
3. misrepresenting to any client, or prospective advisory client, the qualifications of the Investment Advisor, or misrepresenting the nature of the services provided or fees to be charged for such service, or omitting to state any material fact required in order to assure that such statements made regarding qualifications of the Investment Advisor, in light of the services provided and fees charged, are not misleading;
4. providing a report or recommendation to any client prepared by a Person other than the Investment Advisor without disclosing the Person who has prepared the report or recommendation;
5. guaranteeing a client that a specific result will be achieved as a result of the advice given;
6. providing a recommendation to a client with respect to the purchase, sale or exchange of any Securities without reasonable grounds;
7. failing to disclose explicitly to clients, in writing, prior to rendering any advice, any conflict of interest relating to the Investment Advisor that may bias the objectivity of the advice;
8. entering into, changing, extending, shortening or renewing any Investment Advisory contract without written approval from the client;
9. managing client's funds; or
10. issuing a credit rating for an Investment Advisor.