

# GCG PRACTICES IN 2011

## CG Understanding Measurement 2011

ITM conducted CG Understanding Measurement or known as CG Survey every year since 2010. The purpose of CG Survey is to measure the level of understanding on GCG among ITM Employees.

Total participants in 2011 : 553 participants.



## CG Talk of the Town & CG Quiz

CG Talk of the Town has a purpose to share the real story about GCG Implementation in working life from many sources (website, newspaper, etc). After sharing the stories in CG Talk of The Town corner, we will publish CG Quiz related to each story that we had released.

Total stories in 2011 : 19

Total quizzes in 2011 : 10

**2011 CG TALK OF THE TOWN**  
Hot news regarding the "Corporate Governance principles"

**INNOPEC EX-CEO SETTLES BRIBERY ALLEGATIONS**

The Wall Street Journal, January 25, 2011 - The former chief executive of a British chemical company has settled allegations by the U.S. Securities and Exchange Commission that he approved illegal bribes to fact's Oil Ministry and government officials in Indonesia in the mid-2000s.

Paul W. Jennings, former CEO of Innotepec, Inc., agreed to pay \$200,000 to settle allegations he violated the U.S. Foreign Corrupt Practices Act by approving bribes to win orders for the fuel additive isomax that he sold from 2004 and 2005. Mr. Jennings was the company's chief financial officer until he became CEO in 2005. He left Innotepec in 2009 in the wake of the bribery probe.

The FCPA bars companies that trade on U.S. exchanges from paying bribes to foreign officials to gain or retain business. Innotepec is listed on the Nasdaq Stock Market.

The allegations against Mr. Jennings are part of a U.S. crackdown on overseas bribery. As a deterrent, U.S. regulators have targeted individuals with criminal and civil charges of foreign bribery, rather than merely firing corporations.

Innotepec was accused by the SEC and British authorities of paying bribes totaling about \$6.3 million and promising an additional \$2.8 million to key ministers and government officials, as well as government officials in Indonesia, in exchange for contracts valued at about \$178 million. The company pleaded guilty last year to bribing these officials, among other charges, and agreed to pay about \$40 million to settle the charges in both countries.

In this, Innotepec allegedly used its agent to funnel payments to officials in order to sell the fuel additive to Iraqi refineries, according to the SEC. In an October 2009 email copied to Mr. Jennings, Innotepec's agent wrote that Iraqi officials were demanding a 2% kickback, and that the company was sharing profits with Iraqi officials, the SEC said. "Otherwise, our business will stop and we will lose the market," the email said, according to the SEC.

The agency said Mr. Jennings later approved the kickbacks.

In Indonesia, the SEC alleged that Mr. Jennings, starting in 2004 approved illicit payments, including a one-time sum of \$300,000 awarded for an Indonesian government official. The bribes were referred to by code phrases such as "The Indonesian Way" and "The Least Defense Fund," the SEC said.

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**Let's join CG Talk Quiz #8.**

Welcome to our CG Talk Quiz #8. Let's answer our questions from "Primary Global Workers Sued by SEC in Insider Probe". You can win "Kris Bath - Hamper Spring Dragon for 3 Prizes"

Question 1. Which of the following statements that were not alleged by SEC against the six former employees and consultants at Primary Global Research LLC?

A. Because of giving insider information to the investors so that helped the investors reap \$ 6 million in illegal profit.  
B. Because of moonlighting as consultants to Primary Global Research LLC without their employers' knowledge.  
C. They were not tipping the investors.

Question 2. The lesson learned from this Primary Global Research LLC case, to avoid such of case to happen, which of ITM Code of Conduct that we have to comply with?

A. Clause 2.1 and 2.2.  
B. Clause 4.1.  
C. Clause 4.3.

Please send your answer to [CGTalk@banpindo.co.id](mailto:CGTalk@banpindo.co.id) latest Friday, 25 February 2011 (08:17:00 pm). We will select the correct answers for the two questions for lucky draw by our Management. The three winners will be announced on Monday, 28 February 2011 via CG Corner and e-mail. Good luck!