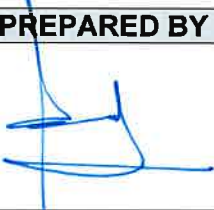








PT MERDEKA COPPER GOLD, Tbk.

STANDARD OPERATING PROCEDURE
INDUSTRIAL RELATIONS DISPUTE SETTLEMENT
SOP-IR-02-00

PREPARED BY	CHECKED BY	APPROVED BY	
			
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DOCUMENT CHANGE STATUS

No. Revision	Division/Department	Reason For Change	Revision By	Revision Date

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1. GENERAL

Procedures regarding the Industrial Relations Dispute Settlement is developed, implemented and managed for the benefit of PT Merdeka Copper Gold, Tbk. and its subsidiaries to regulate the process in the handling and settlement of industrial relations disputes.

2. PURPOSES

The purpose of this procedure is as an implementation guideline regarding procedures for handling and resolving industrial relations disputes so that all industrial relations disputes settlements that occur are carried out in accordance with the applicable laws and regulations.

3. SCOPE

This procedure applies to all employees at PT Merdeka Copper Gold, Tbk. and its subsidiaries.

4. RESPONSIBILITY

4.1 Top Management

The Top Management must approve and sign all documents including Company Policies, Procedures, Work Instructions, Forms and other documents.

4.2 Management Representative

The HR department must cooperate with other departments to prepare and revise all documents including Company Policies, Procedures, Work Instructions, Forms and other documents.

4.3 Head of Department or Department Manager


The Department Head or Department Manager must review the relevant documented information and ensure that subordinate staff are aware of any changes or updates to the document.

5. PROCEDURE

5.1 Definition


1. The Company is PT Merdeka Copper Gold, Tbk. or its subsidiaries.
2. Employees are people who work at PT Merdeka Copper Gold, Tbk. or its subsidiaries.

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3. Trade Union/Labor Union is a Trade Union/Labor Union established by the Employees at PT Merdeka Copper Gold, Tbk. or its subsidiaries in accordance with the prevailing laws and regulations.
4. A member of a Trade Union/Labour Union is a Employee who declares himself/herself in writing to be a member of a Trade Union/Labour Union.
5. The management of a trade union/labor union is a member of a trade union/labor union who is elected or appointed by a member of a trade union/labor union to run or manage the organization of a trade union/labor union.
6. Industrial Relations is a system of relations formed between actors in the process of producing goods and/or services consisting of elements of the Company, Employees, and the government based on the values of Pancasila and the 1945 Constitution of the Republic of Indonesia.
7. Industrial Relations Dispute is a difference of opinion that results in a conflict between the Company or a combination of Companies and Employees or Trade Unions/Labour Unions due to disputes regarding rights, conflicts of interest, and disputes over employment relations as well as disputes between Trade Unions/Labour Unions within one Company.
8. Types of Industrial Relations Disputes include:
 - a. Rights Disputes are disputes that arise due to non-fulfillment of rights, as a result of differences in the implementation or interpretation of the provisions of the Legislation, Employment Agreement, Company Regulation or Collective Labor Agreement.
 - b. Dispute of Interest is a dispute that arises in an employment relationship because there is no conformity of opinion regarding actions and/or changes in working conditions stipulated in the Employment Agreement or Company Regulations or Collective Bargaining Agreement.
 - c. Disputes on Termination of Employment are disputes that arise because of the inconsistency of opinion regarding the termination of employment by one of the parties.
 - d. Disputes between Trade Unions/Labour Unions in One Company are disputes between Trade Unions/Labour Unions and other Trade Unions/Labor Unions only in one Company, because there is no agreement on understanding regarding membership, implementation of the rights and obligations of a labor union.
9. Bipartite negotiations are negotiations between Employees or trade unions/labor unions and companies to settle industrial relations disputes.
10. Minutes of Bipartite Negotiations are records of the results of Bipartite Negotiations which at least contain:


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- a. The full names and addresses of the parties,
 - b. The date and place of the negotiations,
 - c. The subject matter or reason for the dispute,
 - d. The opinion of the parties,
 - e. Conclusions or results of negotiations, and
 - f. Signatures of the negotiating parties.
11. Industrial Relations Mediation is the process of settling Industrial Relations Disputes through deliberation mediated by one or more mediators from the Agency responsible for manpower affairs.
 12. Industrial Relations Conciliation is the settlement of disputes over interests, disputes over termination of employment, and disputes between Trade Unions/Labour Unions within one Company only through deliberation mediated by one or more conciliators.
 13. Industrial Relations Arbitration is the settlement of disputes over interests and disputes between Trade Unions/Labour Unions in only one Company, outside the Industrial Relations Court through a written agreement from the disputing parties to submit dispute resolution to an arbitrator whose decision is binding on the parties and is final.
 14. Industrial Relations Court is a special court established within the District Court which has the authority to examine, hear, and give decisions on cases of Industrial Relations Disputes.
 15. Collective Agreement is a written agreement made and signed by the parties (the Employees' party or the Trade Union/Labour Union with the Company) as a result of the process of settling Industrial Relations Disputes.

5.2 General Terms

1. Industrial Relations Dispute Settlement adheres to the principle of deliberation, is free to choose a dispute resolution institution, is fast, precise, fair, and inexpensive.
2. To prevent Industrial Relations Disputes from occurring, the parties take the following steps:
 - a. The Company must fulfill the rights of the Employees in a timely manner and build good communication with the Employees or the Trade Unions/Labour Unions.
 - b. Employees must carry out their work responsibly and build good communication with the Company and with the Trade Unions/Labour Unions.

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5.3 Industrial Relations Disputes Settlement Bipartite Level

1. Settlement of Industrial Relations Disputes in the Company is sought to be resolved by deliberation to reach consensus.
2. Either party may propose settlement of Industrial Relations Disputes through Bipartite Negotiations.
3. In the event that one of the parties has requested for Bipartite Negotiations in writing 2 (two) times in a row and the other party refuses or does not respond to conducting Bipartite Negotiations, then one of the parties shall register the Industrial Relations Dispute with the agency responsible for manpower affairs by attaching evidence of the request for negotiation and the agency responsible for the local manpower sector facilitating the process of settling Industrial Relations Disputes at the tripartite level (Mediation/Conciliation/Arbitration).
4. During the process of settling Industrial Relations Disputes, any Employee who is a member of a Trade Union/Labour Union may request assistance from the Management of the Trade Union/Labour Union where the Employee is registered.
5. The HR Department facilitates 2 (two) Bipartite Negotiations within 30 (thirty) days after the first Bipartite Negotiations are held.
6. Bipartite negotiations, which end in agreement, shall be stated in the Collective Agreement document.
7. Bipartite negotiations that end with no agreement being reached (failed), then it is stated in the Minutes of Bipartite Negotiations document, including agreeing on the mechanism for the settlement of Industrial Relations Disputes at the tripartite level (Mediation/Conciliation/Arbitration) to be registered at the local government agency responsible for manpower affairs by attaching evidence of the Minutes of Bipartite Negotiations.

5.4 Industrial Relations Disputes Settlement Tripartite Level

1. The parties may choose the mechanism for settling Industrial Relations Disputes through Conciliation or Arbitration (according to the category of dispute) and if up to 7 (seven) days the parties do not make that choice, the agency responsible for the local manpower sector delegates the settlement of Industrial Relations Disputes to mediator to do through Mediation.
2. Settlement of Industrial Relations Disputes through Mediation by the mediator is carried out no later than 30 (thirty) working days as of the receipt of the delegation of settlement of the Industrial Relations Disputes.
3. In the event that an agreement is reached on the settlement of Industrial Relations Disputes through Mediation, no later than 3 (three) working days after

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the agreement is reached, a Collective Agreement signed by the parties and witnessed by the mediator and registered with the Industrial Relations Court at the District Court in the jurisdiction the parties enter into a Collective Agreement to obtain a registration certificate.

4. In the event that no agreement is reached on the settlement of Industrial Relations Disputes through Mediation, the mediator shall issue a Recommendation (in writing) which is accompanied by minutes of settlement through mediation with the following provisions:
 - a. Not later than 10 (ten) working days from the first mediation, the recommendations and minutes of settlement through mediation have been submitted to the parties,
 - b. Not later than 10 (ten) working days from the receipt of the Recommendation, the parties are obliged to provide a written answer containing the contents of accepting or rejecting the Recommendation,
 - c. The party who does not provide an answer to the Recommendation issued will be deemed to have rejected the Recommendation.
 - d. One of the parties or parties who reject the Recommendation may continue the settlement of Industrial Relations Disputes by filing a lawsuit to the Industrial Relations Court at the local District Court.

5.5 Industrial Relations Disputes Settlement at the Industrial Relations Court Level

1. A lawsuit on Industrial Relations Disputes is filed with the Industrial Relations Court at the District Court whose jurisdiction covers the Employee's place of work, by attaching the minutes of settlement through mediation or conciliation and other related documents issued for the Industrial Relations Dispute settlement process at the previous level.
2. The judge will examine the contents of the lawsuit and if there is a lack of other complementary documents, the judge asks the plaintiff to complete his claim.
3. The Plaintiff may withdraw his claim at any time before the Defendant gives an answer. If the Plaintiff wishes to withdraw his claim after the Defendant has provided an answer, then the revocation of the lawsuit will be granted by the Industrial Relations Court only if it is approved by the Defendant.
4. Within 7 (seven) working days after the determination of the Panel of Judges, the Chairman of the Panel of Judges must have held the first session.
5. The Panel of Judges examines and decides on cases of Industrial Relations Disputes through examinations with the usual procedure or examinations with quick procedures.

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6. The Panel of Judges shall legally summon the parties to attend the session and then issue a decision on the settlement of Industrial Relations Disputes within a period of no later than 50 (fifty) working days as of the first trial.
7. The parties or one of the parties who do not accept the decision to settle the Industrial Relations Dispute may file a cassation. Except for decisions regarding Disputes of Interest and Disputes between Trade Unions/Labour Unions only in one Company.

5.6 Industrial Relations Dispute Settlement Level of Cassation

1. The parties or one of the parties who will file an appeal at the level of cassation on the decision of the Dispute on Rights or Dispute for Termination of Employment shall be submitted no later than 14 (fourteen) working days after the decision is read out in the trial of the decision of the panel of judges at the Industrial Relations Court level for parties present or 14 (fourteen) working days from the date of receiving notification of decision for those who are not present.
2. A decision at the Industrial Relations Court level, which is not pursued at the cassation level until the specified time limit, then the decision has permanent legal force and the contents of the decision must be implemented by the parties.
3. The panel of judges at the cassation level examines and then issues the cassation decision on the Industrial Relations Dispute no later than 30 (thirty) working days from the date of receipt of the cassation application, thereafter the decision will be implemented by the parties.

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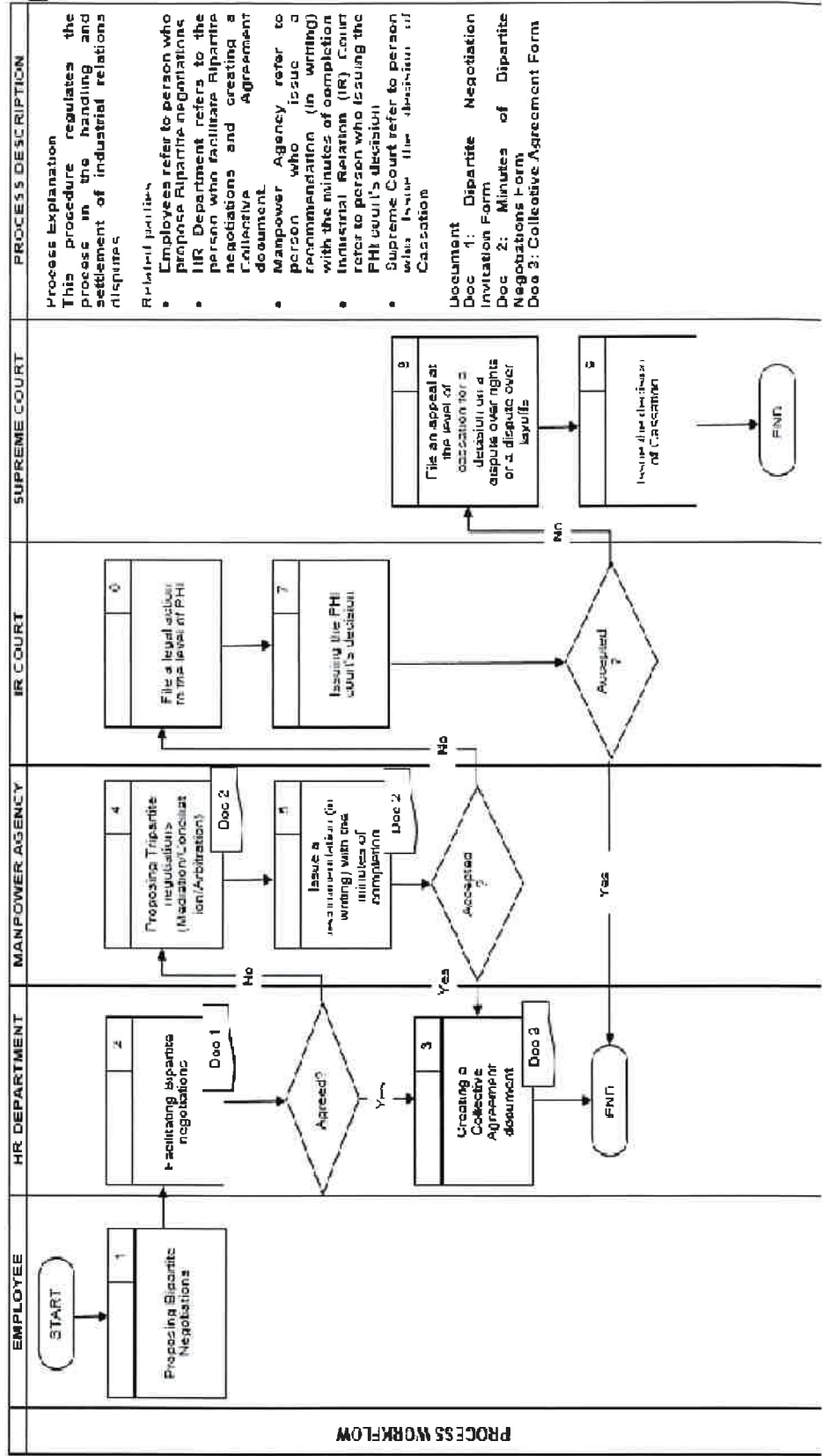
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6. ANNEXES

1. Bipartite Negotiation Invitation Form
2. Minutes of Bipartite Negotiations Form
3. Collective Agreement Form

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Annex 1: Bipartite Negotiation Invitation Form

	BIPARTITE NEGOTIATION INVITATION	Document number	FRM-IR-02-00
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Regarding : Bipartite Negotiation Invitation
Attachment :

Attention
Mr/Mrs/Ms.
At

Dear,

In connection with the problems faced between and related then we intend to invite for deliberation through Bipartite negotiations on:

Day/Date :
Time :
Place :

Thus we convey this invitation. We thank you for your attention and attending.

Best regards,

(.....)

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Annex 2: Minutes of Bipartite Negotiations Form

	MINUTES OF BIPARTITE NEGOTIATIONS	Document number	FRM-IR-03-00
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1. Name :
 Position/Grade :
 Address :

In this case it represents PT Merdeka Copper Gold, Tbk. (*Company*)

Name :
 Position/Grade :
 Address :

Dalam hal ini mewakili (*Pekerja*)

2. Place/Negotiation date :

3. Reason for dispute :

4. Opinion of the parties

a. Company :

 b. Employee :

5. Conclusion :

Company,


Employee,

(.....)

(.....)

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Annex 3: Collective Agreement Form

	COLLECTIVE AGREEMENT	Document number	FRM-IR-04-00
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Name :
 Position/Grade :
 Address :

In this Collective Agreement represents PT Merdeka Copper Gold, Tbk. hereinafter referred to as the **First Party**.

Name :
 Position/Grade :
 Address :

In this Collective Agreement represents hereinafter referred to as the **Second Party**.

On this day, dated, month, year of, located at, in connection with the disputes therefore **First Party** and **Second Party** have reach an agreement to do the following]

1.
2.
3. Ect.

Thus this Collective Agreement is made between the **First Party** and the **Second Party** in a conscious state without coercion from any party. Furthermore, the parties are obliged to carry out this Collective Agreement in good faith.

First Party,

Second Party,

(.....)

(.....)

Witnesses :

1.
 (.....)

2.
 (.....)

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