



**WORK GUIDELINES FOR
BOARD OF DIRECTORS AND
BOARD OF COMMISSIONERS
(BOARD MANUAL)
PT Merdeka Copper Gold Tbk (“Company”)**

Guidelines for Governance and Communication
of Board of Directors and Board of
Commissioners Based on Capital Market
Regulation and Best Practice
2020 Edition

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CHAPTER I INTRODUCTION

A. PREFACE

The Board of Directors and Board of Commissioners' Work Guidelines ("Board Manual") serve as a complement to the Good Corporate Governance infrastructure as these guidelines regulate the work mechanisms of the Board of Directors and the Board of Commissioners as the company organs that carry out management and supervision functions. Through this Board Manual, each organ and organ members can comprehend and carry out interactions in accordance with the applicable laws and regulations and carry out the best practices of corporate governance.

B. PURPOSE AND OBJECTIVE

This Board Manual is one of the Code of Good Corporate Governance which refers to the Company's Articles of Association, Law No. 40 of 2007 on Limited Liability Companies and other related regulations.

This Board Manual preparation is a manifestation of the commitment and initiative of PT Merdeka Copper Gold Tbk. ("**Company**") to be at the forefront in the implementation and enforcement of corporate governance by governing and applying the work mechanism of the Company's organs in accordance with existing laws and regulations and to apply the best practices which are expected to be able to improve the quality of coordination and relation between the organs effectively in all levels of the organization.

The Board Manual is a draft of agreement between the Board of Directors and the Board of Commissioners with the purpose:

- 1) To serve as a reference/guideline on the jobs, authorities and responsibilities of each organ;
- 2) To increase the quality and effectiveness of work relation between organs;
- 3) To apply the principles of Good Corporate Governance - GCG, namely transparency, accountability, responsibility, independence, and fairness.
- 4) To build independence in decisions making process and be able to carry out their respective tasks and responsibilities in accordance with the expectation of the shareholders and other stakeholders.

C. SCOPE

This Board Manual serves as a basic guideline for the implementation of work relationship between the Company's Board of Directors, Board of Commissioners and General Meeting of Shareholders, which includes the jobs, responsibilities, authorities, conduct of the meeting, decision making procedures and the principles of control and supervision carried out by the Board of Directors and Board of Commissioners as well as General Meeting of Shareholders.

D. REFERENCES

- 1) Law No. 40 of 2007 on Limited Companies;
- 2) Law No. 8 of 1995 on Capital Market;
- 3) The Company's Articles of Association;

- 4) Financial Services Authority Circular No. 32/SEOJK.04/2015 on Public Company Governance;
- 5) Financial Services Authority Regulation Number 15/POJK.04/2020 on the Planning and Organizing of General Meeting of Shareholders of Public Companies;
- 6) Financial Services Authority Regulation Number 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies;
- 7) Financial Services Authority Regulation Number 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies;
- 8) Financial Services Authority Regulation Number 35/POJK.04/2014 on Corporate Secretary of Issuers or Public Companies;
- 9) Financial Services Authority Regulation Number 8/POJK.04/2015 on Issuer Websites;
- 10) Financial Services Authority Regulation Number 55/POJK.04/2015 on Establishment and Guidelines for Work Implementation of Audit Committee.

E. LIST OF TERMS

The terms used in this Board Manual, unless otherwise stated, have the following definitions:

- 1) Board Manual is a guide for the Board of Directors and Board of Commissioners in carrying out the corporate governance of the Company in accordance with proper corporate principles as well as in accordance with the prevailing laws and regulations related to the Company.
- 2) Board of Commissioners is the Company's organ assigned to conduct supervision and give advice to the Board of Directors.
- 3) Board of Directors is the Company's organ responsible for the Company's management for the interests and the objectives of the Company, and represents the Company in as well as outside the court in accordance with the provisions of the articles of association.
- 4) Audit Committee is a committee established by and responsible to the Board of Commissioners in assisting to carry out the Board of Commissioners' tasks and responsibilities.
- 5) Nomination and Remuneration Committee is a committee established by and responsible to the Board of Commissioners in assisting to carry out the Board of Commissioners' tasks and responsibilities related to Nomination and Remuneration of members of the Board of Directors and f the Board of Commissioners.
- 6) Company is PT Merdeka Copper Gold Tbk.
- 7) Stakeholders are those having interest in the Company and those directly affected by the Company's strategic and operational decisions, among others consisting of Shareholders, employees, business partners and the community around the Company's place of operation.
- 8) General Meeting of Shareholders (GMS) is the highest authority in the Company and holds all competences not delegated to the Board of Directors and Board of Commissioners.
- 9) Corporate Secretary is an individual or person in charge of a work unit undertaking the functions of corporate secretary.
- 10) Website is a collection of web pages containing information or data that accessible through an internet network system.
- 11) Internal Audit Unit is a work unit undertaking the Internal Audit function.

CHAPTER II BOARD OF COMMISSIONERS

A. REQUIREMENTS AND COMPOSITION OF BOARD OF COMMISSIONERS

1. Requirements

Any person who may be appointed as members of the Board of Commissioners shall be individuals who meet the following requirements:

- 1) Have good character, morals and integrity;
- 2) legally competent;
- 3) Within 5 (five) years prior to the appointment and during the term of office:
 - a. never been declared bankrupted;
 - b. never become members of the Board of Directors and/or members of the Board of Commissioners who were convicted of causing a company being declared bankrupt;
 - c. never being convicted of criminal offenses resulting in the state's financial loss and/or related to financial sector; and
 - d. never become members of the Board of Directors and/or members of the Board of Commissioners who, during their term of office:
 - i. failed to conduct an annual of GMS;
 - ii. their accountability as members of the Board of Directors and/or members of the Board of Commissioners was rejected by the GMS or they never once provide accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
 - iii. cause a company that had a license, approval, or registration at the Financial Services Authority not fulfilling the obligation to submit the annual report and/or financial statements to the Financial Services Authority.
- 4) committed to comply with prevailing laws and regulations;
- 5) Having the knowledge and/or expertise in the fields required by the Company.

2. Composition of Membership of Board of Commissioners

- 1) The structure of members of the Board of Commissioners shall at least consist of 2 (two) members of the Board of Commissioners, and one of them shall be appointed as the President Commissioner;
- 2) The composition and number of members of the Board of Commissioners shall be resolved by the GMS or capital market regulations, if the Company has an open/public status;
- 3) Members of the Board of Commissioners shall be appointed and dismissed by the GMS after going through the process of nomination in accordance with the prevailing laws and regulations. Members of the Board of Commissioners shall be appointed for a specific period and may be reappointed;
- 4) If for a reason the positions of members of the Board of Commissioners are vacant:
 - a) The Shareholders should, within not later than 90 (ninety) days after such vacancy, have fulfilled such vacancy;
 - b) In case the vacant position is caused by expired term of office of a member of the Board of Commissioners, such member of the Board of Commissioners whose term of office has expired shall remain carrying out his tasks and authorities with the same rights and obligations as members of

- the Board of Commissioners until a definitive member of the Board of Commissioners has been appointed.
- 5) If at any time for any reason whatsoever, the Company has no member of the Board of Commissioners, then:
 - a) The Shareholders may appoint one or several persons to carry out the Board of Commissioners' tasks and authorities with the same rights and obligations until the appointment of definitive members of the Board of Commissioners;
 - b) In case the position vacancy is caused by expired term of office of members of the Board of Commissioners, such members of the Board of Commissioners whose term of office has expired shall remain carrying out their jobs and authorities with the same rights and obligations as members of the Board of Commissioners until the appointment of definitive members of the Board of Commissioners.
 - 6) The nomination process of members of the Board of Commissioners shall be conducted by appointing or assigning the Nomination and Remuneration Committee and Human Resources Development chaired by a member of the Board of Commissioners to carry out the nomination process for members of the Board of Commissioners before it is decided in the Board of Commissioners' meeting to be further submitted to Shareholders for specification in the GMS.
 - 7) Candidates for members of the Board of Commissioners who have passed the fit and proper test will be proposed in the GMS to be appointed.
 - 8) At least 30% (thirty percent) of members of the Board of Commissioners are Independent Commissioners from outside the Company who are free from the influence of other members of the Board of Commissioners and Board of Directors as well as controlling Shareholders, one of them should have a background in accounting and/or finance.
 - 9) Independent Commissioners shall meet the following requirements:
 - a) not a person working or having the authority and responsibility to plan, direct, control, or supervise the Company's activities within the last 6 (six) months, except for reappointment as Independent Commissioners for the next period;
 - b) hold no shares directly as well as indirectly in the Company;
 - c) have no affiliated relation with the Company, a member of Board of Commissioners, a member of Board of Directors or the major shareholder of the Company; and
 - d) have no business relation directly as well as indirectly related to the Company's business activities.
 - 10) An Independent Commissioner who has held 2 (two) terms of office may be reappointed in the next period as long as such Independent Commissioner states that he/she remains independent to the GMS.

B. TERM OF OFFICE OF BOARD OF COMMISSIONERS

Members of the Board of Commissioners shall be appointed by the GMS for the period effective from their appointment until the closing of the fifth annual GMS without prejudice to the GMS' right to dismiss them any time.

- 1) A person appointed to replace such resigning or dismissed member of the Board of Commissioners from his position or to fill a vacancy or a person appointed to fill a new position in the Board of Commissioners shall be appointed for the remaining term of office of other members of the Board of Commissioners who are still holding their positions;
- 2) The position of a member of the Board of Commissioners shall terminate if he/she:

- a) Submits his/her resignation;
 - b) His/her term of office expires;
 - c) no longer meets the requirements of prevailing legislation laws and regulations;
 - d) is dismissed based on GMS' decision;
 - e) passes away during his term of office;
 - f) is unable to perform his/her jobs properly;
 - g) does not carry out the provisions of laws and regulations and/or Articles of Association;
 - h) is involved in an action harming the Company and/or the state;
 - i) is convicted by a final and binding court decision.
- 3) A member of the Board of Commissioners shall have the right to resign from his/her position by giving a written notice regarding his/her intention to other members of the Board of Commissioners and the Board of Directors of the Company at the latest 60 (sixty) days prior to the effective date of his/her resignation, and the aforesaid resigning member of the Board of Commissioners may still be hold accountable as a member of Board of Commissioners since his appointment until the date of his resignation;
 - 4) A member of the Board of Commissioners may be dismissed any time by the GMS if he/she is deemed unable to perform his/her jobs as specified in the Company's Articles of Association and/or for other reason acceptable by the GMS, after the member of Board of Commissioners concerned has been given the opportunity to be present in the GMS to defend him/herself;
 - 5) As long as the plan of dismissal is still in process, the member of Board of Commissioners concerned shall perform his tasks as he should be.

C. JOBS AND AUTHORITIES OF BOARD OF COMMISSIONERS

The Board of Commissioners shall be assigned to conduct supervision and be responsible for the supervision on the management policy, management operation in general, either on the Company or the Company's business, and to give advice to the Board of Directors.

1. The Board of Commissioners shall conduct supervision on the management policy, management operation in general, either concerning the Company or the Company's business, and to provide advice to the Board of Directors.
2. The Board of Commissioners shall have the right to, at any time, during the Company's office hours, enter the buildings and premises or other places used or controlled by the Company and have the right to examine all account books, documents and other instruments of proof, examine and compare the condition of cash, etc. and to find out all actions undertaken by the Board of Directors.
3. In conducting their tasks and responsibilities, the Board of Commissioners shall have the right to obtain clarification from the Board of Directors or any members of the Board of Directors on any matters required by the Board of Commissioners.
4. The Board of Commissioners' Meeting shall at any time be entitled to temporarily dismiss one or more members of the Board of Directors, if such member(s) of the Board of Directors act(s) in conflict with the articles of association and/or the prevailing laws and regulations or harm(s) the Company's purpose and objective or neglect(s) his/their duties.
5. Such temporary dismissal shall be informed to the person(s) concerned provided with the reason.
6. Within 90 (ninety) days after such temporary dismissal, the Board of Commissioners shall be required to hold an Extraordinary GMS that will decide

- whether the member(s) of the Board of Directors concerned will be permanently dismissed or will resume his/her original position(s), while such member(s) of the Board of Directors temporarily dismissed shall be given the opportunity to be present to defend him/herself/ themselves.
7. The meeting in the point 6 of this article shall be directed by the President Commissioner and if he is not present, which does not need to be proven to third parties, the GMS shall be directed by another member of the Board of Commissioners appointed by the GMS and the summons shall be conducted according to the provisions contained in Article 10 of the Articles of Association.
 8. If the GMS is not held within 90 (ninety) days after such temporary dismissal, such temporary dismissal shall be null and void, and the person(s) concerned shall be entitled to resume his/their original position(s).
 9. If all members of the Board of Directors are temporarily dismissed and the Company has no single member of the Board of Directors, the Board of Commissioners shall temporarily be required to manage the Company, in such case the Board of Commissioners' Meeting shall have the right to give temporary power to one or more persons among them on their collective account, one another by observing the provision of Article 18 paragraph (6) of the Articles of Association.
 10. Each member of the Board of Commissioners shall be jointly and severally be responsible for the Company's losses due to the fault or failure of any members of the Board of Commissioners in performing their jobs.
 11. A member of the Board of Commissioners may not be accountability for the Company's loss as referred to in point 10, if he could prove that:
 - a. the loss is not due to his/her misconduct or negligence;
 - b. has carried out the management in good faith, with full responsibility, and prudence for the interest and according to the purpose and objective of the Company;
 - c. has no conflict of interest either directly or indirectly on the management action that causes the loss; and
 - d. has taken the action of prevention.
 12. The Board of Commissioners shall be prohibited from taking part in any operational decision making. In a situation in which the Board of Commissioners makes decisions on the matters as governed in the Articles of Association or laws and regulations, such decisions shall be made under the auspices of supervisory and advisory functions, therefore the decisions on operational activities shall remain the Board of Directors' responsibility.
 13. The supervisory and advisory roles of the Board of Commissioners shall at least contain as follows:
 - a. To review and propose to the shareholders, the Company's strategy, main action plan, risk policy, annual budget and business plan; specify the implementation objective; monitor the company's operation and performance; and supervise the investment, acquisition and divestment exceeds the agreed limits.
 - b. To report to the shareholders regarding the implementation of the Board of Commissioners' supervisory and advisory functions covering recommendations and suggestions for improvement in case of any signs of decline.
 - c. To ratify the Company's business plan and budget prepared by the Board of Directors at least 30 days before the beginning of each financial year.
 - d. To monitor the effectiveness of the Company's governance practice and to give recommendations if required.
 - e. To monitor the Board of Directors' performance and supervise the succession planning.

- f. To align remunerations for the Board of Commissioners and Board of Directors with the Company's and its shareholders' long-term interests. To ensure the process of nomination and selection of members of the Board of Commissioners and Board of Directors formally and transparently.
 - g. To ensure the process of nomination and selection of members of the Board of Commissioners and Board of Directors formally and transparently.
 - h. To report to the Company regarding the shares ownership and any change to the shares ownership of each member of the Board of Commissioners and their family members.
 - i. To monitor any potential conflicts of interest of the management, members of Board of Commissioners, Board of Directors, and the shareholders, including misuse of the company's assets and misuse in transactions of affiliated parties.
 - j. To ensure the integrity of the company's accounting and financial reporting systems, including independent audit, and that there shall be appropriate control systems, in particular the system for risk management, financial and operational control, and adherence to the law and relevant standards.
 - k. To supervise the process of information disclosure and communication.
14. In circumstances where it is deemed necessary in the Company's interest, the Board of Commissioners may impose sanctions to members of the Board of Commissioners in the form of temporary dismissal, with respect to further decision by the GMS.
 15. In circumstances where a vacant position occurs in the Board of Directors or in situations as governed by the laws and regulations and articles of association, the Board of Commissioners may temporarily perform the functions of Board of Directors.
 16. To enable performing their functions, members of the Board of Commissioners shall collectively and individually be entitled to have access to, and to obtain information on the Company.
 17. The Board of Commissioners shall have the rules and guidelines specified in the Board of Commissioners' Manual to ensure that their jobs could be carried out objectively and effectively. The board manual may also be used as a toll for the purpose of performance evaluation. In performing its supervisory and mentoring functions, the Board of Commissioners shall present the report on accountability to supervise the management implementation by the Board of Directors in order to obtain acquittal and discharge (*acquitt et de charge*) from the GMS.
 18. In performing its jobs, the Board of Commissioners shall establish relevant committees. Any proposals of the committees shall be presented to the Board of Commissioners for approval.

D. BOARD OF COMMISSIONERS' MEETING

The Board of Commissioners' meetings shall be organized on the following conditions:

1. The Board of Commissioners' Meeting shall be held at least 1x (once) every 2 (two) months and may be held any time deemed necessary:
 - a. by one or more members of the Board of Commissioners;
 - b. at the written request of one or more members of the Board of Commissioners;
 - or
 - c. at the written request of 1 (one) or more shareholders who collectively represent 1/10 (one tenth) or over of the total number of shares with voting rights.
2. The Board of Commissioners shall also be required to hold a meeting together with the Board of Directors periodically at least 1x (once) in 4 (four) months.

3. Calling to the Board of Commissioners' Meeting shall be made by the President Commissioner, if the President Commissioner is unavailable, another member of the Board of Commissioners shall be entitled to make the calling by virtue of a power of attorney of the President Commissioner.
4. The calling to the Board of Commissioners' Meeting shall be delivered by registered letter or by letter hand-delivered to each member of the Board of Commissioners by obtaining a receipt not later than 3 (three) days before the meeting is held, without counting the date of summons and the date of meeting.
5. The calling of the meeting = shall specify the agenda, date, time and place of the meeting.
6. The Board of Commissioners' Meeting shall be held in the Company's domicile or place of business activities. If all members of the Board of Commissioners are present or represented, such prior summons shall not be required and the Board of Commissioners' Meeting may be held anywhere and entitled to make valid and binding decisions.
7. The Board of Commissioners' Meeting shall be directed by the President Commissioner, in case the President Commissioner is not present or absent, which does not need to be proven to third parties, the Board of Commissioners' Meeting shall be directed by a member of the Board of Commissioners selected by and from members of the Board of Commissioners who are present.
8. A member of the Board of Commissioners may be represented in the Board of Commissioners' Meeting only by another member of the Board of Commissioners by a power of attorney.
9. The Board of Commissioners' Meeting shall be valid and entitled to make binding decisions, if over 1/2 (a half) of the number of members of the Board of Commissioners are present or represented in the meeting.
10. Decisions of the Board of Commissioners' Meeting shall be made in deliberation for consensus. If no consensus is reached, the decisions shall be made by voting based on the affirmative votes of at least over 1/2 (a half) of the number of votes cast in the meeting.
11. If the number of affirmative votes is equal to that of negative votes, the chairman of meeting shall determine the decisions.
12. The voting right of members of the Board of Commissioners shall be regulated on the following conditions:
 - a. Each member of the Board of Commissioners who is present shall be entitled to cast 1 (one) vote and 1 (one) additional vote for each other member of the Board of Commissioners he represents;
 - b. Voting concerning individuals shall be conducted by a closed letter without signature, while concerning other matters shall be conducted verbally, unless the chairman of meeting specifies otherwise without objection of those present;
 - c. Blank votes and invalid votes shall be deemed not validly cast and deemed non-existent and not counted to determine the number of votes cast.
13. The Board of Commissioners' meeting may also be organized on the following conditions:
 - a. The Board of Commissioners' Meeting may also be conducted by media of teleconference, video conference or by means of other electronic media that enable all participants of the Board of Commissioners' Meeting to see and hear each other directly and participate in the Board of Commissioners' Meeting.
 - b. The minutes of meeting of the Board of Commissioners' Meeting as referred to in paragraph 13 (a) above shall be made in writing and circulated to all participating members of the Board of Commissioners for approval and signing.

14. The Board of Commissioners may also make valid decisions without organizing a Board of Commissioners' Meeting, provided that all members of the Board of Commissioners have been informed in writing and all members of the Board of Commissioners give approval on the proposals submitted in writing by signing the approval. The decisions made in such manner shall have the power equal to decisions validly made in a Board of Commissioners' Meeting.

E. BOARD OF COMMISSIONERS' SUPPORTING ORGANS

In carrying out the principle of good corporate governance and carrying out its jobs and responsibilities effectively and accountably, the Board of Commissioners establishes 2 Board of Commissioners' Supporting Organs, namely Audit Committee and Nomination and Remuneration Committee according to the regulations specified by the Financial Services Authority.

1. Audit Committee

Audit Committee is a committee established by and responsible to the Board of Commissioners in assisting the performance of the Board of Commissioners' tasks and responsibilities.

In performing the roles and functions mandated to the committee, the Audit Committee shall work on the following conditions:

- (1) Members of the Audit Committee shall be appointed and dismissed by the Board of Commissioners.
- (2) The Audit Committee shall consist of at least 3 (three) members from Independent Commissioners and Parties outside the Company.
- (3) The Audit Committee shall be chaired by an Independent Commissioner.

In carrying out its functions, the Audit Committee has the jobs and responsibilities as follows:

- (1) To conduct a review on the financial information to be issued by the Company to public and/or authorities such as financial statement, projection, and other financial reports related to the Company's financial information;
- (2) To conduct a review regarding the compliance to the prevailing laws and regulations related to the Company's activities;
- (3) To give independent opinions in case of conflict of opinion between the Management and the Accountant on the service provided;
- (4) To give recommendation to the Board of Commissioners concerning the Accountant appointment based on independency, scope of assignment, and service fee;
- (5) To conduct study on the implementation of audit by the internal auditor and supervise the implementation of further investigation by the Board of Directors on the internal auditor's findings;
- (6) To conduct study on the activity of risk management implementation conducted by the Board of Directors;
- (7) To study complaints related to the Company's accounting process and financial reporting;
- (8) To study and give suggestions to the Board of Commissioners related to any potential conflict of interest of the Company; and
- (9) To keep confidential, the Company's documents, data and information.

2. Nomination and Remuneration Committee

Nomination and Remuneration Committee is a committee established by and responsible to the Board of Commissioners in assisting the implementation of the Board of Commissioners' functions and jobs related to Nomination and Remuneration on members of the Board of Directors and Board of Commissioners.

Nomination is nominating someone to be appointed in the position as a member of the Board of Directors or Board of Commissioners.

Remuneration is a compensation specified and given to members of the Board of Directors and Board of Commissioners for the positions and roles given according to the jobs, responsibilities and authorities of members of the Board of Directors and Board of Commissioners.

The membership of the Nomination and Remuneration Committee refers to the following conditions:

- (1) The Nomination and Remuneration Committee has at least 3 (three) members on the following conditions:
 - a. 1 (one) chairman serving concurrently as member, who is an Independent Commissioner;
 - b. Other members may be of:
 - i. Members of the Board of Commissioners;
 - ii. Parties from outside the relevant Company; or
 - iii. Parties holding managerial positions under the Board of Directors in charge of human resources.
- (2) Other members of the Nomination and Remuneration Committee as referred to in point (1) letter b mostly could not come from parties holding the managerial positions under the Board of Directors in charge of human resources.
- (3) Members of the Nomination and Remuneration Committee who are from outside the Company as referred to in point (1) letter b point 2 shall meet the conditions of:
 - a. not having any Affiliate relation with the Company, a member of Board of Directors, member of Board of Commissioners, or Major Shareholder of the Company;
 - b. having experience related to Nomination and/or Remuneration; and
 - c. not serving concurrently as members of other committee of the Company.
- (4) Members of the Company's Board of Directors could not become members of the Nomination and Remuneration Committee.

CHAPTER III BOARD OF DIRECTORS

A. REQUIREMENTS AND COMPOSITION OF BOARD OF DIRECTORS

Board of Directors is an organ of the Company authorized and fully responsible for the Company's management in the Company's interest, according to the Company's purpose and objective and to represent the Company, in as well as outside the court according to the provisions of articles of association.

1. Requirements

Those who may be appointed as members of the Board of Directors shall be individuals who meet the following requirements:

- 1) Have a good character, morals and integrity;
- 2) legally competent;
- 3) Within 5 (five) years prior to the appointment and during the term of office:
 - a. never been declared bankrupted;
 - b. never become members of the Board of Directors and/or members of the Board of Commissioners who were convicted of causing a company being declared bankrupt;
 - c. never being convicted of criminal offenses resulting in the state's financial loss and/or related to financial sector; and
 - d. never become members of the Board of Directors and/or members of the Board of Commissioners who, during their term of office:
 - i. failed to conduct an annual of GMS;
 - ii. their accountability as members of the Board of Directors and/or members of the Board of Commissioners was rejected by the GMS or they never once provide accountability as members of the Board of Directors and/or members of the Board of Commissioners to the GMS; and
 - iii. cause a company that had a license, approval, or registration at the Financial Services Authority not fulfilling the obligation to submit the annual report and/or financial statements to the Financial Services Authority.
- 4) committed to comply with prevailing laws and regulations; and
- 5) Having the knowledge and/or expertise in the fields required by the Company.

2. Composition of Membership of Board of Directors

- (1) The number of members of the Board of Directors shall be at least 2 (two) persons, one of them shall be appointed as the President Director. The number of members of the Board of Directors shall be decided by the Shareholders;
- (2) The distribution of jobs and authorities of members of the Board of Directors shall be specified by the Shareholders and the Shareholders may delegate the authority to the Board of Commissioners;
- (3) If for any reason the position of a member of the Board of Directors is vacant, then:
 - a. The Shareholders should, within not later than 90 (ninety) days after such vacancy, have fulfilled such vacancy;
 - b. As long as the position is vacant and there has been no replacement, another member of the Board of Directors appointed by the Board of Commissioners shall carry out the work of such vacant member of the Board of Directors by the same jobs and authorities; or
 - c. If the vacant position is caused by expiration of term of office of the member of Board of Directors, such member of Board of Directors whose term of office

- has expired shall continue carrying out his jobs and authorities with the same rights and obligations as a member of the Board of Directors, until a definitive member of Board of Directors has been appointed.
- (4) If at a time for any reason whatsoever the Company does not have any members of the Board of Directors, then:
 - a. The Board of Commissioners shall temporarily be required to carry out the jobs of the Board of Directors who by itself or by appointing certain individuals to perform the jobs.
 - b. In case the Board of Directors' vacancy is caused by expiration of the term of office of all members of the Board of Directors, such members of the Board of Directors whose term of office expires shall continue carrying out the jobs and authorities with the same rights and obligations as members of the Board of Directors until definitive members of the Board of Directors have been appointed.
 - (5) The proposed individuals as prospective members of the Board of Directors shall be subject to the process of fit and proper test by the Nomination and Remuneration Committee;
 - (6) Prospective members of the Board of Directors who have passed the fit and proper test as well as members of the Board of Directors who are reappointed shall sign a management contract before being assigned as members of the Company's Board of Directors;
 - (7) Members of the Board of Directors shall be appointed and dismissed by the Shareholders or GMS nominated by the Nomination and Remuneration Committee.

B. TERM OF OFFICE OF BOARD OF DIRECTORS

1. Each member of the Board of Directors shall hold the position for the period effective from the date of appointment in the GMS and shall expire at the closing of the 5th annual GMS after his/her appointment and may be reappointed for the next term of office.
2. The term of office of a Member of the Board of Directors shall terminate, if:
 - a. passes away;
 - b. term of office expires; and
 - c. dismissed based on the Shareholders' decision, including dismissal for no longer meeting the requirements as a Member of the Board of Directors.
3. A member of the Board of Directors shall have the right to resign from his position by giving a written notice to the Shareholders with copy to the Board of Commissioners and other members of the Board of Directors.
4. A member of the Board of Directors who resigns before or after his term of office expires shall remain responsible for his actions which accountability is still not received by the Shareholders.
5. A member of the Board of Directors may any time be dismissed based on the Shareholders' Resolution without specifying the reason, including but not limited to:
 - a. unable to meet his/her obligations agreed in the management contract;
 - b. unable to perform his/her tasks and responsibility properly;
 - c. Not carrying out the provisions of articles of association;
 - d. Involved in any action harming the Company and/or state;
 - e. convicted of criminal offenses by a final and binding court's decision; and/or
 - f. Submitting his/her resignation.
6. The plan of dismissing a member of the Board of Directors shall be notified to the related concerned verbally or in writing by the Board of Commissioners or an

assigned official. The decision of dismissal shall be made after the related person has been given the opportunity to defend him/herself.

7. Unless specified otherwise in the plan of dismissing a member of the Board of Directors, in so far the plan of dismissal is still in process, the member of Board of Directors concerned shall be required to perform his jobs as should be.
8. The Board of Commissioners may temporarily dismiss one or more members of the Board of Directors, if he/they commit(s) any act contrary to the Company's Articles of Association and/or indicate(s) committing any act that may inflict a loss to the Company and/or fail(s) his/their obligations and/or there is an urgent reason for the Company.
9. The temporary dismissal shall be notified in writing to the member(s) of the Board of Directors concerned with the reason. The dismissed member(s) of the Board of Directors shall have the right to defend himself/themselves. Within 90 (ninety) days upon receipt of temporary dismissal, the Board of Commissioners should have decided whether the person(s) concerned will be permanently dismissed or will resume his/her position(s).
10. If the Shareholders do not make a decision within 90 (ninety) days, such temporary dismissal shall be cancelled. The dismissal may not be renewed or re-decided for the same reason, and the member(s) of the Board of Directors concerned shall resume his/their jobs accordingly.
11. In case of new additional number of members of the Board of Directors, the term of office of such new members of the Board of Directors shall expire at the same time as the term of office of the existing members of the Board of Directors.

C. JOBS, AUTHORITIES AND RESPONSIBILITIES OF BOARD OF DIRECTORS

1. To undertake all actions related to the Company's management in the Company's interest and according to the Company's purpose and objective and to represent the Company in as well as outside the court.
2. The Board of Directors shall be authorized:
 - a. To establish the Company's management policy;
 - b. To govern the transfer of power of the Board of Directors to one or several members of the Board of Directors for decision making on behalf of the Board of Directors or to represent the Company in as well as outside the court;
 - c. To govern employment policy;
 - d. To appoint and dismiss employees;
 - e. To appoint and dismiss the Corporate Secretary;
 - f. To take all actions and other acts on the Company's assets management and ownership which binds the Company with other parties;
 - g. In good faith and with full responsibility, each member of the Board of Directors shall carry out his/her tasks and responsibilities for the interest and business of the Company by complying to the prevailing laws and regulations.
3. Each member of the Board of Directors shall be jointly and severally responsible for any loss of the Company caused by the misconduct or negligence of any member of the Board of Directors in performing his/her tasks and responsibilities.
4. A member of the Board of Directors could not be held accountable for the Company's loss as referred to in point 3 if they can prove that:
 - a. the loss is not due to his misconduct or negligence;
 - b. has carried out the management in good faith, with full responsibility and prudence for the interest and according to the purpose and objective of the Company;

- c. has no conflict of interest either directly or indirectly on the management action that causes such loss; and
 - d. has taken an action to prevent the loss from incurring or continuing.
5. In order to support creating the Company's management process that is effective, efficient, precise and fast and sustainable, the Board of Directors also has the function to manage the following matters:
- a. Management
 - The Board of Directors shall prepare the Company's vision, mission, values and long and short-term programs to be presented and approved by the Board of Commissioners or GMS according to the Company's Articles of Association.
 - The Board of Directors is able to monitor the fair interest of the stakeholders.
 - The Board of Directors is capable of controlling the resources possessed by the Company effectively and efficiently.
 - The Board of Directors has the guidelines and code of ethics in order that its tasks and responsibilities are aligned and effective as well as able to be utilized as a tool for performance assessment.
 - The Board of Directors shall report to the Company regarding their shares ownership and any change of shares ownership of each member of the Board of Directors and their family members.
 - b. Risk Management
 - The Board of Directors shall prepare and perform the Company's risk management system containing the Company's activity aspect.
 - Any strategic decision making, including creating new products or services, should consider its risk impact.
 - To ensure a proper implementation of risk management, the Company shall have a work unit or unit in charge of risk control.
 - c. Internal Control
 - The Board of Directors shall prepare and perform a reliable internal control system of the Company in order to maintain the Company's assets and performance and to fulfill the requirement in the prevailing laws and regulations.
 - The Internal Audit shall carry out the assessment and review on the Company's internal control system.
 - The Internal Audit shall report its job performance to the President Director.
 - The Internal Audit shall structurally be responsible to the President Director and shall coordinate with the Audit Committee.
 - d. Communication
 - The Board of Directors shall ensure a good communication between the Company and the stakeholders by empowering the Corporate Secretary's functions.
 - The Company shall have a Corporate Secretary function in which is able to carry out investor relations function as well.
 - The function of ensuring compliance with the capital market legislation shall be conducted by the Corporate Secretary.
 - The Corporate Secretary shall be responsible to the Board of Directors; the report of Corporate Secretary's job performance shall be presented to the Board of Commissioners.
 - e. Corporate Social Responsibility
 - In order to maintain the Company's continuation, the Board of Directors shall be able to ensure fulfillment of the Company's social responsibility.

- The Board of Directors shall have a clear written planning and shall focus on carrying out the corporate social responsibility.

D. BOARD OF DIRECTORS' MEETING

The Board of Directors' meeting shall be conducted on the following conditions:

1. The Board of Directors' Meeting shall be held periodically, at least 1x (once) each month and may be held any time deemed necessary:
 - a. by one or more members of the Board of Directors;
 - b. at the written request of one or more members of the Board of Commissioners; or
 - c. at the written request of 1 (one) or more shareholders who collectively represent 1/10 (one tenth) or over of the total number of shares with voting rights.
2. The Board of Directors shall also be required to hold a Board of Directors' Meeting together with the Board of Commissioners periodically at least 1x (once) in 4 (four) months.
3. The Board of Directors shall schedule the time of the Board of Directors' Meeting for the following year before the end of financial year.
4. In the scheduled Board of Directors' Meeting, the meeting materials shall be presented to the participants not later than 5 (five) days before the meeting.
5. In case of a Board of Directors' Meeting held outside the specified schedule, the meeting materials shall be presented to the meeting participants at the latest before the meeting is held.
6. Summons to the Board of Directors' Meeting shall be made by a member of the Board of Directors entitled to act for and on behalf of the Board of Directors according to the provisions of Article 15 of the articles of association.
7. The summons to the Board of Directors' Meeting shall be delivered by registered letter or by letter hand-delivered to each member of the Board of Directors by obtaining a receipt no later than 5 (five) days before the meeting is held, without counting the date of calling and the date of meeting.
8. The calling of the meeting shall specify the agenda, date, time and place of the meeting.
9. The Board of Directors' Meeting shall be held in the Company's domicile or place of business activities. If all members of the Board of Directors are present or represented, such prior calling shall not be required and the Board of Directors' Meeting may be held anywhere and entitled to make valid and binding decisions.
10. The Board of Directors' Meeting shall be directed by the President Director, in case the President Director is not present or absent, which does not need to be proven to third parties, the Board of Directors' Meeting shall be chaired by a member of the Board of Directors selected by and from members of the Board of Directors who are present.
11. A member of the Board of Directors may be represented in the Board of Directors' Meeting only by another member of the Board of Directors by a power of attorney.
12. The Board of Directors' Meeting shall be valid and entitled to make binding decisions, if over 1/2 (a half) of the number of members of the Board of Directors are present or represented in the meeting.
13. Decisions of the Board of Directors' Meeting shall be made in deliberation for consensus. If no consensus is reached, the decisions shall be made by voting based on the affirmative votes of at least over 1/2 (a half) of the number of votes cast in the meeting.
14. The voting rights of members of the Board of Directors shall be regulated on the following conditions:

- a. Each member of the Board of Directors who is present shall be entitled to cast 1 (one) vote and 1 (one) additional vote for each other member of the Board of Directors he represents;
 - b. Voting concerning individuals shall be conducted by a closed letter without signature, while concerning other matters shall be conducted verbally, unless the chairman of the meeting specifies otherwise without objection of those present;
 - c. Blank votes and invalid votes shall be deemed not validly cast and deemed non-existent and not counted to determine the number of votes cast;
15. Other than the Board of Directors' Meeting referring to the abovementioned point 9, it may also be conducted on the following conditions:
- a. The Board of Directors' meeting may also be organized by media of teleconference, video conference or by means of other electronic media that enable all participants of the Board of Directors' Meeting to see and hear each other directly and participate in the Board of Directors' Meeting;
 - b. The minutes of the Board of Directors' Meeting as referred to in letter a above shall be made in writing and circulated to all participating members of the Board of Directors for approval and signing;
16. The Board of Directors may also make valid decisions without holding a Board of Directors' Meeting, provided that all members of the Board of Directors have been informed in writing and all members of the Board of Directors give approval on the proposals submitted in writing by signing the approval. The decisions made in such manner shall have the power equal to decisions validly made in a Board of Directors' Meeting.

E. BOARD OF DIRECTORS' SUPPORTING ORGANS

In carrying its jobs, the Board of Directors shall be assisted by the supporting organs, among others the committee under the Board of Directors, Corporate Secretary, Internal Audit Unit, or other functions adjusted to the Company's requirement and capacity.

1. Corporate Secretary

The Corporate Secretary has a very significant role in maintaining the Company's good image through an effective communication management program between the Company and the Stakeholders. the Corporate Secretary shall be directly responsible to the President Director.

The jobs and responsibilities undertaken by the Corporate Secretary are namely:

- a. to follow the development of Capital Market, especially the laws and regulations governing the Capital Market;
- b. to provide inputs to the Company's Board of Directors and Board of Commissioners to comply with the provisions of laws and regulations in Capital Market;
- c. to assist the Board of Directors and Board of Commissioners in the implementation of corporate governance, covering:
 - (1) Information disclosure to public, including information availability at the Company's Website;
 - (2) submission of reports to Financial Services Authority in timely manner;
 - (3) Managing the conduct and documentation of General Meetings of Shareholders;
 - (4) Managing the conduct and documentation of Board of Directors and/or Board of Commissioners meetings;

- (5) Implementing the orientation program for the newly appointed Board of Directors and/or Board of Commissioners.
- d. As a liaison between the Company and the Company's shareholders, Financial Services Authority and other stakeholders.

2. Internal Audit Unit

Changes to business environment, expectation of Stakeholders and business dynamism demand the Company to conduct a comprehensive and integrated internal control. The function of internal control system shall be performed by the Board of Directors through the Internal Audit Unit.

In order to ensure an effective internal control system, the Board of Directors shall be structurally assisted by the Internal Audit Unit, structural officials and all components in the Company. The Internal Audit shall be directed by a chief responsible to the Board of Directors. The work program and report of audit results shall be presented to the Board of Directors with copy to the Board of Commissioners for serve as the material for study of the Audit Committee further review. In carrying out its jobs, the Internal Audit Unit shall work independently in accordance with the Internal Audit Unit Charter and shall be directly responsible to the President Director.

The vision of the Internal Audit Unit and the function of independent members are to serve as the partner useful for the Company's business management, provisions analysis, information analysis and objective.

The presence of Internal Audit Unit function is to conduct a comprehensive and high quality audit strategy and periodically being transparent each year in order to achieve the target and reach the objective of the Company to become an efficient company highly committed to work safety campaign, initiating sustainable development and conservation of environment. The Internal Audit Unit applies the standards of professionalism and reference for development in the annual audit plan.

CHAPTER IV RELATION BETWEEN COMPANY'S ORGANS

A. GENERAL MEETING OF SHAREHOLDERS (GMS)

General Meeting of Shareholders, hereinafter referred to as GMS, is a Company's organ having the authorities not granted to the Board of Directors or Board of Commissioners within the limits specified in the laws and/or articles of association.

The conditions for conducting the Company's GMS are as follows:

1. General Meeting of Shareholders, hereinafter referred to as "GMS" shall consist of:
 - a. Annual GMS;
 - b. Other GMS, which in the articles of association shall also be referred to as extraordinary GMS.
2. The term GMS in the articles of association shall mean both, namely annual GMS and extraordinary GMS, unless expressly defined otherwise.
3. An annual GMS shall be held within not later than 6 (six) months after the financial year ends.
4. In the annual GMS:
 - a. the Board of Directors shall present:
 - the annual report studied by the Board of Commissioners to obtain the GMS' approval;
 - the financial statement to obtain the meeting's ratification;
 - b. the Report of supervisory job of the Board of Commissioners.
 - c. determining profit utilization, if the Company has a positive profit balance.
 - d. determining other GMS' agenda points proposed appropriately heeding the provisions of articles of association.
5. The approval of annual report and the ratification of financial statement by an annual GMS shall mean giving acquittal and discharge of responsibilities fully to members of the Board of Directors and Board of Commissioners for the management and supervision undertaken during the past fiscal year, as long as such actions are reflected in the Annual Report and Financial Statement.
6. An extraordinary GMS may be held any time based on requirement to discuss and decide the meeting agenda points, except for the meeting agenda points referred to in point 4 letter a and letter b, in accordance with the prevailing laws and regulations and articles of association.
7. One or more shareholders collectively representing at least 1/10 (one tenth) or equal to 10% (ten percent) of the total number of shares with voting rights issued by the Company may submit a request of conducting a GMS to the Board of Directors by submitting a registered letter containing its the reason.

B. JOINT MEETINGS OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

The organs of Board of Directors and Board of Commissioners in carrying out the management and supervisory functions on the Company shall organize joint/coordination meetings regularly ("**Joint Meeting**"). The procedure and conditions of Joint or Coordination Meeting shall be as follows:

(1) Those entitled to organize Joint Meeting

A Joint Meeting may be organized any time deemed necessary by one or more members of the Board of Commissioners or Board of Directors. Periodical Joint Meetings shall be organized 3-monthly/quarterly.

(2) Calling and location of Meeting

- a. Calling to a Joint Meeting shall be made by members of the Board of Commissioners or Board of Directors.
 - b. Calling to a Joint Meeting shall be delivered not later than 7 (seven) calendar days prior to the date of meeting without counting the date of meeting calling.
 - c. Calling to a Joint Meeting shall specify the agenda, date, time and place of the Meeting.
 - d. A Joint Meeting shall be organized in the Company's domicile or place of business activity.
 - e. A Joint Meeting may be conducted by media of conference video or by means of other electronic media that enable all Joint Meeting's participants to see and hear each other directly and to participate in the Joint Meeting.
- (3) Chairman of Joint Meeting and those entitled to attend
- a. A Joint Meeting shall be directed by the President Commissioner or a member of the Board of Commissioners appointed by the President Commissioner at the meeting. Members of the Company's Board of Commissioners and Board of Directors shall attend the Joint Meeting.
 - b. A Joint Meeting shall be attended by members of Board of Commissioners, members of Board of Directors, Corporate Secretary and invitees. after the meeting, the Corporate Secretary shall be prepare a minutes of meeting or any other party appointed by the Board of Directors.
- (4) Minutes of Meeting
- a. Shall be prepared by the Corporate Secretary or a party assigned by the Board of Directors.
 - b. The meeting minutes shall be distributed to all members of the Board of Commissioners and Board of Directors not later than 14 (fourteen) calendar days since the date of meeting.
 - c. Members of the Board of Commissioners and Board of Directors shall, not later than 14 (fourteen) calendar days since the date of minutes of meeting distribution, submit their approval or objection and/or proposal of correction on those specified in the minutes of Joint Meeting.
 - d. Members of the Board of Commissioners and Board of Directors shall be deemed approving the contents of Joint Meeting minutes, if they do not submit any approval, objection and/or proposal of correction on the minutes of meeting within 14 (fourteen) calendar days since the date of distribution.
 - e. The minutes of Joint Meeting may be signed by the chairman of the meeting and at least one member of the Board of Directors appointed by and from those present.
 - f. The original minutes of Joint Meeting shall be kept by the Board of Directors.

C. FORMAL COMMUNICATION

Formal Communication is written correspondences in the form of report, official note, and correspondences, including handling of formal memoranda between organs, concerning the implementation and smoothness of main jobs and functions of each organ. A letter/memorandum may be by nature giving information, request, opinion or advice, and request of response.

Its implementation may be conducted in written script (hardcopy), electronic recording (computer media or utilization of electronic mail). The Corporate Secretary shall conduct monitoring and give direction/remind in case of handling correspondences/memoranda of formal communication.

To increase document security and confidentiality, efforts of prevention and deterrence, detection and corrective measures are conducted by the related function units, by making efforts to eliminate the existence of written scripts.

The efforts could be made by immediately converting written scripts into electronic records (e.g. by using scanner), physical safeguard, manuscript storage, safeguard of infrastructures (server, working terminal, network) and specification of access right distribution.

D. INFORMAL COMMUNICATION

Informal communication is communication between organs and among organ members one another, outside the formal communication conditions regulated in the Articles of Association, the prevailing legislation and this Board Manual.

Besides using written personal letters/notes (hardcopy), informal communication is supported by e-office implementation, among others are: personal e-mail, group-chatting, personal blog, personal portal, other media of the sort that are personal.

The use of media specified above shall not bind the organs or members of the Company's organs.

By application of this Board Manual in the work relation among three Company's organs, it is expected that the Company's business activities can be carried out harmoniously based on GCG principles in the effort of achieving the Company's specified Vision and Mission.

CHAPTER V CLOSING

A. BOARD MANUAL APPLICATION

The Board Manual is prepared as a guideline to enable the Board of Commissioners and Board of Directors to perform their jobs and responsibilities efficiently, effectively, transparently, competently, independently, and accountably to enable acceptance by all parties having interest and by referring to the prevailing legislation. The Board of Commissioners and Board of Directors shall be responsible to specify the Board Manual.

B. BOARD MANUAL SOCIALIZATION

The Company will carry out the Board Manual socialization continuously. Continuous socialization activity will be conducted to new as well as currently serving members of the Board of Directors and Board of Commissioners. Socialization is focused on the understanding, arising of awareness and urgency to apply Good Corporate Governance consistently through induction/introduction programs for new members of the Board of Directors and Board of Commissioners, meetings and other relevant forums.

C. BOARD MANUAL DISCLOSURE AT WEBSITE

The Company is committed to carry out Board Manual disclosure to all Stakeholders through the Company's Website. This implementation of disclosure is a part of the Company's adherence according to the regulation of best application of Good Corporate Governance.

D. BOARD MANUAL EVALUATION

The Company shall conduct evaluation periodically or according to the requirement to find out and assess the Board Manual compliance with the prevailing laws and regulations as well as the occurring business dynamism.

DISCLAIMER

1. This Board Manual is signed and ratified in Bahasa Indonesia version.
2. The translation in English is unofficial and only used for reference.
3. In case of inconsistency between the Bahasa Indonesia version and the English version, the Bahasa Indonesia version shall apply.
4. This Board Manual may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.