



Work Guidelines

Board of Commissioners & Directors

PT Prodia Widyahusada Tbk

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LIST OF CONTENTS

	Page
CHAPTER I Introduction	
A. Background and Purpose of Preparing the Manual Board	3
B. Scope of Board Manual	3
C. Reference to Manual Board Preparation Regulations	3
D. Glossary of Terms	5
CHAPTER II Board of Commissioners	
A. Requirements and Composition of the Board of Commissioners	7
B. Term of Office of the Board of Commissioners	8
C. Resignation of the Board of Commissioners	9
D. Duties and Authorities of the Board of Commissioners	9
E. Duties and Authorities of the President Commissioner	12
F. Dual Position of Board of Commissioners	12
G. Division of Duties of the Board of Commissioners	12
H. Implementation of Board of Commissioners Meetings	12
I. Board of Commissioners Orientation Program	15
J. Board of Commissioners Training Program	16
K. Supporting Organs of the Board of Commissioners	16
1. Audit Committee	16
2. Nomination and Remuneration Committee	17
3. <i>Corporate Governance</i> Committee	18
4. Risk Management Committee	18
CHAPTER III Directors	
A. Requirements and Composition of the Board of Directors	19
B. Term of Office of Directors	20
C. Resignation of Directors	21
D. Duties and Authorities of the Board of Directors	22
E. Concurrent Positions of Directors	23
F. Division of Duties of the Board of Directors	24
G. Implementation of Board of Directors Meetings	26
H. Board of Directors Program Orientation	26
I. Directors Training Program	27
J. Supporting Organs of the Board of Directors	27
1. Company Secretary	27
2. Internal audit	27
CHAPTER IV Relations Between Company Organs	
A. General Meeting of Shareholders (GMS)	29
B. Request for Holding GMS	29
C. Chairman of the GMS and those entitled to attend	31
D. GMS Quorum	31
E. GMS Minutes	34

CHAPTER V Closing

A. Implementation of Board Manual	36
B. Board Manual Socialization	36
C. Evaluation and Review Board Manual	36

CHAPTER I INTRODUCTION

A. Background and Purpose of Preparing a Manual Board

Management of Limited Liability Companies in Indonesia refers to the highest legal framework, namely Law Number 40 of 2007 concerning Limited Liability Companies. Based on this law, Indonesia adheres to a *dual board system (two-tier board)*, namely the separation of functions between the Board of Commissioners and the Board of Directors. In this case, the Board of Commissioners carries out supervisory functions and provides advice to the Board of Directors, while the Board of Directors has the authority and responsibility for the management of the company. The Board of Commissioners and Directors carry out their obligations as mandated in the Articles of Association and applicable laws and regulations.

Board Manual is one of the Company Governance Guidelines (*Code of Corporate Governance*) which refers to the Company's Articles of Association, Limited Liability Company Law and other related regulations.

The purpose of preparing *the Board Manual* is as follows:

1. Serves as a guideline regarding the duties, authority and responsibilities of each Member of the Board of Commissioners and Directors.
2. Applying the principles of Good Corporate Governance - GCG, namely transparency , accountability, responsibility, independence and fairness .
3. Improving efficiency and effectiveness as well as the quality of working relations between the Board of Commissioners and Directors.

B. Scope of Board Manual

This Board Manual is the basic guideline for implementing working relationships between the Directors, Board of Commissioners and the General Meeting of Shareholders of PT Prodia Widyahusada Tbk, which includes duties, responsibilities, authority, meeting mechanisms, decision making as well as the principles of control and supervision carried out by the Directors and the Board. Commissioners and General Meeting of Shareholders.

C. Reference to Manual Board Preparation Regulations

1. Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies.
2. Financial Services Authority (OJK) Regulation Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies.
3. Financial Services Authority (OJK) Regulation Number 32/POJK.04/2014 concerning Planning and Organizing General Meetings of Shareholders of Public Companies.
4. OJK Regulation No.21/POJK/04/2015 concerning Implementation of Public Company Governance Guidelines.
5. OJK Circular No.32/SEOJK.04/2015 concerning Public Company Governance Guidelines.
6. Company Articles of Association.

D. Glossary of Terms

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

1. **Board Manual** is a guide for the Board of Directors and Board of Commissioners in carrying out the Company's governance in accordance with healthy corporate principles and referring to all laws and regulations relating to the Company.
2. **Conflict of Interest** is a difference between the Company's economic interests and the personal economic interests of members of the Board of Directors, members of the Board of Commissioners, or major shareholders which can harm the Company.
3. **The Board of Commissioners** is a Company Organ which includes all members of the Board of Commissioners as a single Board whose task is to carry out general and/or specific supervision and provide advice to the Board of Directors in accordance with the provisions of the Articles of Association and applicable laws and regulations.
4. **The Board of Directors** is a Company Organ which includes all members of the Board of Directors as a single Board which has full authority and responsibility for managing the Company for the interests of the Company, in accordance with the Company's aims and objectives and representing the Company, both inside and outside the court in accordance with the provisions of the Articles. Basis and applicable laws and regulations.
5. **The Audit Committee** is a committee that works professionally and independently which was formed by the Board of Commissioners to assist and strengthen the function of the Board of Commissioners in carrying out its oversight function over the financial reporting process, audit implementation, internal control implementation, GCG implementation and carrying out special assignments from Board of Commissioners.
6. **The Nomination & Remuneration Committee** is a committee formed by and responsible to the Board of Commissioners in assisting the implementation of the duties and functions of the Board of Commissioners regarding the nomination and remuneration of members of the Board of Directors and members of the Board of Commissioners of the Company, which includes compiling systems, nomination and selection procedures for Candidates for Members of the Board of Commissioners and Members of the Board of Directors, provide recommendations regarding the number of Members of the Board of Commissioners and Members of the Board of Directors and develop a system for providing remuneration for Members of the Board of Commissioners and Members of the Board of Directors.
7. **Corporate Governance Committee** is a committee formed by the Board of Commissioners in order to assist the implementation of the duties and functions of the Board of Commissioners in supervising the implementation of corporate governance.
8. **The Risk Management Committee** is a committee formed by the Board of Commissioners in order to assist the implementation of the duties and functions of the Board of Commissioners in identifying types of risks and evaluating risk mitigation faced by the company.

9. **Internal Audit** is the Internal Audit Unit, which is a structural technical unit within the Company, which is tasked with carrying out audits and ensuring that the Company's internal control system can run effectively.
10. **The Company's organs** are the General Meeting of Shareholders, Board of Commissioners and Directors
11. **The company** is PT Prodia Widyahusada Tbk.
12. **The General Meeting of Shareholders (GMS)** is a Company Organ that has authority that is not granted to the Board of Commissioners and Directors in accordance with the provisions of the Articles of Association and applicable laws and regulations.
13. **The Corporate Secretary** is a structural function unit within the Company's organization whose task is to provide support to the Board of Directors in carrying out their duties and act as a liaison between Shareholders, Board of Commissioners, Directors, Work Units and Stakeholders.

CHAPTER II BOARD OF COMMISSIONERS

A. Requirements and Composition of the Board of Commissioners

1. Requirements for the Board of Commissioners

Those who can be appointed as members of the Board of Commissioners are individuals who meet the following requirements at the time of appointment and during their tenure:¹

- a. Have good morals, morals and integrity;
- b. Capable of carrying out legal actions;
- c. Within 5 (five) years before appointment and during office:
 - 1) Never declared bankruptcy;
 - 2) Never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
 - 3) Never been convicted of committing a criminal act that is detrimental to state finances and/or related to the financial sector; And
 - 4) Never been a member of the Board of Directors and/or member of the Board of Commissioners who during his tenure:
 - a) Never held an Annual GMS;
 - b) His accountability as a member of the Board of Directors and/or member of the Board of Commissioners has never been accepted by the GMS or has never provided his accountability as a member of the Board of Directors and/or member of the Board of Commissioners to the GMS; And
 - c) Has ever caused a company that obtained a permit, approval or registration from the Financial Services Authority to fail to fulfil its obligation to submit an annual report and/or financial report to the Financial Services Authority.
- d. Have a commitment to comply with statutory regulations; And
- e. Have knowledge and/or expertise in the field required by the Company.

2. Requirements for Independent Commissioners

In addition to fulfilling the provisions referred to above, Independent Commissioners are required to fulfil the following requirements:²

- a. Not a person who works or has the authority and responsibility to plan, lead, control or supervise the Company's activities within the last 6 (six) months, except for reappointment as Independent Commissioner of the Company in the following period;
- b. Does not own shares either directly or indirectly in the Company;
- c. Has no affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors, or major shareholders of the Company; And
- d. Has no direct or indirect business relationships related to the Company's business activities.

¹Law No.40 of 2007 concerning Limited Liability Companies Article 110 paragraph 1, Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 21 paragraph 1.

²Law No.40 of 2007 concerning Limited Liability Companies Article 110 paragraph 1, Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 21 paragraph 2.

Fulfilment of the requirements as referred to above is proven by a statement letter signed by prospective members of the Board of Commissioners and Independent Commissioners, and the letter is submitted to the Company. The statement letter must be examined and documented by the Company.

The Company is obliged to hold a GMS to replace members of the Board of Commissioners who do not meet the requirements as referred to above.

3. Composition of the Board of Commissioners

- a* Determining the number of members of the Board of Commissioners takes into account the conditions of the Public Company.³
- b* Determining the composition of members of the Board of Commissioners takes into account the diversity, expertise, knowledge and experience required.⁴
- c* The Company's Board of Commissioners consists of 2 (two) or more members of the Board of Commissioners including Independent Commissioners whose number is adjusted to the requirements in the laws and regulations applicable to the capital market. If more than one member of the Board of Commissioners is appointed, then one of them can be appointed as President Commissioner.⁵
- d* In the event that the Board of Commissioners consists of more than 2 (two) members of the Board of Commissioners, the number of Independent Commissioners must be at least 30% (thirty percent) of the total number of members of the Board of Commissioners.⁶
- e* Proposals for appointment, dismissal and/or replacement of members of the Board of Commissioners to the GMS must take into account recommendations from the Board of Commissioners or the committee that carries out the nomination function.
- f* If for any reason the position of a member of the Board of Commissioners experiences a vacancy/vacancy, then within 60 (sixty) days after the vacancy/vacancy occurs, the Board of Directors must announce notification of a GMS to be held to appoint a replacement member of the Board of Commissioners by taking into account the provisions of the law. invitation and Articles of Association. A person appointed to replace a member of the Board of Commissioners who resigns or is removed from office or to fill a vacancy must be appointed for a period that is the remaining term of office of another member of the Board of Commissioners who is serving.

B. Term of Office of the Board of Commissioners

1. The term of office of a member of the Board of Commissioners ends if:
 - a* his term of office ends;
 - b* declared bankrupt or placed under guardianship based on a court order;
 - c* resign and have been approved by the GMS;
 - d* no longer meets applicable statutory requirements;

³Financial Services Authority (OJK) Public Company Governance Guidelines Recommendation point 3.1

⁴Financial Services Authority (OJK) Public Company Governance Guidelines Recommendation point 3.2

⁵Articles of Association of the Company Article 18 paragraph 1

⁶Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 20 paragraph 3.

- e* die;
 - f* dismissed based on the decision of the GMS.
 - g* involved in a financial crime ⁷and has been declared guilty in accordance with a court decision which has permanent legal force.
2. Members of the Board of Commissioners can hold concurrent positions in accordance with the provisions regulated by laws and/or statutory regulations in the Capital Market sector.
 3. An Independent Commissioner who has served for 2 (two) terms of office may be reappointed in the following period as long as the Independent Commissioner declares that he or she remains independent to the GMS and the Independent Commissioner's statement of independence must be disclosed in the annual report.⁸
 4. In the event that an Independent Commissioner serves on the Audit Committee, the Independent Commissioner concerned can only be reappointed on the Audit Committee for 1 (one) subsequent term of office on the Audit Committee.⁹

C. Resignation of the Board of Commissioners

1. A member of the Board of Commissioners has the right to resign from his position by notifying the Company in writing of his intention at least 90 (ninety) days before the date of his resignation.
2. The Company is obliged to hold a GMS to decide on requests for resignation of members of the Board of Commissioners, no later than 90 (ninety) days after receipt of the letter of resignation.
3. In the event that the Company does not hold a GMS within the time period as intended in paragraph 5 of Article 18 of the Company's Articles of Association, then upon expiry of that time period, the resignation of a member of the Board of Commissioners becomes valid without requiring approval from the GMS.
4. In the event that a member of the Board of Commissioners resigns resulting in the number of members of each Board of Commissioners being less than 2 (two) people, then the resignation is valid if it has been determined by the GMS and a new Board of Commissioners has been appointed so that it meets the minimum requirements for the number of members of the Board of Commissioners.
5. Before the resignation becomes effective, the relevant member of the Board of Commissioners is still obliged to carry out his duties and responsibilities in accordance with the articles of association and statutory regulations.
6. The Company is obliged to disclose information to the public and submit it to the Financial Services Authority (OJK) no later than 2 (two) working days after receiving the resignation request from the Board of Commissioners and the results of the GMS as mentioned above.

D. Duties and Authorities of the Board of Commissioners¹⁰

1. The Board of Commissioners supervises management policies, the course of management in general, both regarding the Company and provides advice to the Board of Directors.

⁷OJK Public Company Governance Guidelines

⁸Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 25 paragraphs 1&2.

⁹Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 25 paragraph 3

¹⁰Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 28 and the Company's Articles of Association.

2. Members of the Board of Commissioners, both together and individually, at any time during working hours of the Company's office have the right to enter buildings and grounds or other places used or controlled by the Company and have the right to inspect all books of accounts, letters, evidence, check and verify the condition of cash and other things and the right to know all actions that have been carried out by the Board of Directors.
3. In carrying out its duties, the Board of Commissioners has the right to obtain explanations from the Board of Directors or each member of the Board of Directors regarding all matters required by the Board of Commissioners.
4. Under certain conditions, the Board of Commissioners is obliged to hold an Annual GMS and other GMS in accordance with its authority as regulated in statutory regulations and the articles of association.
5. Members of the Board of Commissioners are required to carry out their duties and responsibilities as referred to in point 1 above in good faith, full responsibility and prudence.
6. In order to support the effective implementation of its duties and responsibilities, the Board of Commissioners is obliged to form an Audit Committee and can form other committees and is obliged to evaluate the performance of committees that help carry out its duties and responsibilities at the end of each financial year.
7. The Board of Commissioners may temporarily suspend one or more members of the Board of Directors, if the members of the Board of Directors act contrary to the Articles of Association and/or applicable laws and regulations or are detrimental to the aims and objectives of the Company or neglect their obligations by taking into account the following provisions:
 - a. The temporary dismissal in question must be notified in writing to the relevant Board of Directors accompanied by the reasons that led to the action with a copy to the Board of Directors.
 - b. The notification as intended is submitted no later than 2 (two) days after the temporary dismissal is determined.
 - c. Members of the Board of Directors who are temporarily dismissed are not authorized to carry out management of the Company for the interests of the Company and represent the Company for the interests of the Company in accordance with the aims and objectives of the Company both inside and outside the court.
 - d. Restrictions on authority apply from the temporary dismissal decision by the Board of Commissioners until:
 - 1) there is a GMS decision confirming or cancelling the temporary dismissal as intended; or
 - 2) the expiry of the period referred to.
 - e. Within a period of no later than 90 (ninety) days after the temporary dismissal, the Board of Commissioners is required to convene an Extraordinary General Meeting of Shareholders (EGMS) which will decide whether the relevant member of the Board of Directors will be permanently dismissed or returned to his original position,
Meanwhile, members of the Board of Directors who have been temporarily dismissed are given the opportunity to appear to defend themselves.

- f. The Company is obliged to disclose information to the public and submit it to the OJK no later than 2 (two) working days after the GMS is held.
 - g. The EGMS is chaired by the President Commissioner and if the President Commissioner is not present, this does not need to be proven to other parties, then the RUPS is chaired by another member of the Board of Commissioners appointed by the RUPS and the summons must be made in accordance with the provisions stipulated in Article 11 of the Articles of Association
 - h. If the General Meeting of Shareholders is not held within 45 (forty five) days after the temporary dismissal, then the temporary dismissal becomes null and void and the person concerned has the right to return to his or her original position.
 - i. If all members of the Board of Directors are temporarily dismissed and the Company does not have a single member of the Board of Directors, then temporarily the Board of Commissioners is obliged to manage the Company, in this case the Board of Commissioners Meeting has the right to grant temporary authority to one or more of them on their joint responsibility, one or another with paying attention to the provisions of Article 19 paragraph 6 of the Company's Articles of Association.
8. In connection with the duties and authorities of the Board of Commissioners referred to above, the Board of Commissioners has the right to:
- a. Review, and regularly evaluate, the long-term (five year) plan for the company.
 - b. Review, and evaluate the company's corporate (one year) and intermediate (3 year) plans.
 - c. Review, and evaluate the Company's budget and forecasts.
 - d. Review, and evaluate key resource allocation and capital investments.
 - e. Review the Company's financial and operational results.
 - f. Review, and evaluate the company's overall organizational structure, assignment of senior management responsibilities and senior management development and succession plans.
 - g. Review, and evaluate compensation strategies related to the company's senior management.
 - h. Adopt, implement and monitor compliance with the Company's Code of Conduct.
 - i. Periodically review company goals and policies related to social responsibility.
 - j. Review and assess the effectiveness of the Company's policies and practices with respect to risk assessment and risk management.
 - k. Review and monitor the company's internal and external audit functions.
9. Each member of the Board of Commissioners is fully and jointly responsible for losses to the Company caused by errors or negligence of members of the Board of Commissioners in carrying out their duties.
10. Commissioners cannot be held responsible for the Company's losses as referred to above if they can prove:
- a. the loss was not due to his fault or negligence;
 - b. has carried out supervision in good faith, full responsibility and prudence for the benefit and in accordance with the aims and objectives of the Company;
 - c. has no conflict of interest, either directly or indirectly, over supervisory actions that result in losses; And

- d. has taken action to prevent the occurrence or continuation of such losses.

E. Duties and Authorities of the President Commissioner

1. The President Commissioner acts as coordinator of the Board of Commissioners and ensures its effectiveness.
2. Call for a Board of Commissioners Meeting in writing which is delivered to all members of the Board of Commissioners by including the agenda, date, time and place of the meeting .
3. Chairing Board of Commissioners Meetings.

F. Dual Position of Board of Commissioners¹¹

1. Members of the Board of Commissioners can hold concurrent positions as:
 - a. Members of the Board of Directors at a maximum of 2 (two) issuers or other public companies; And
 - b. Members of the Board of Commissioners can be a maximum of 2 (two) issuers or other public companies.
2. In the event that a member of the Board of Commissioners does not hold concurrent positions as a member of the Board of Directors, the relevant member of the Board of Commissioners may hold concurrent positions as a member of the Board of Commissioners in a maximum of 4 (four) issuers or other public companies.
3. Members of the Board of Commissioners can concurrently serve as committee members on a maximum of 5 (five) committees in issuers or public companies where the person concerned also serves as a member of the Board of Directors or Board of Commissioners.
4. Concurrent positions as committee members as referred to above can only be held as long as they do not conflict with other statutory regulations.
5. In the event that there are other statutory regulations that regulate provisions regarding multiple positions that are different from the provisions in OJK Regulation No.33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies, the provisions that regulate more strictly apply.

G. Division of Duties of the Board of Commissioners

The division of work among the members of the Board of Commissioners is regulated independently and to ensure the smooth running of its duties the Board of Commissioners is assisted by the Audit Committee and the Nomination and Remuneration Committee.

H. Implementation of Board of Commissioners Meetings

1. Frequency of Board of Commissioners Meetings¹²

- a. The Board of Commissioners is required to hold regular meetings at least 1 (one) time in 2 (two) months.
- b. The Board of Commissioners is obliged to hold regular meetings with the Board of Directors at least once every 4 (four) months.

¹¹ Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 24.

¹²Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 31.

- c. The presence of members of the Board of Commissioners at meetings must be disclosed in the Company's annual report.
- d. The Board of Commissioners must schedule the meeting as intended for the following year before the end of the financial year.
- e. Scheduled meeting materials are delivered to participants no later than 5 (five) days before the meeting is held.
- f. Board of Commissioners meetings can also be held at any time if deemed necessary by:
 - 1) One or more members of the Board of Commissioners;
 - 2) One or more members of the Board of Directors;
 - 3) Upon written request from 1 (one) or more shareholders who together represent 1/10 (one tenth) or more of the total number of shares with valid voting rights.
- g. In the event that a meeting is held outside the schedule that has been prepared, the meeting materials are delivered to the meeting participants no later than before the meeting is held.

2. Call and Meeting Location

- a. Calls for meetings of the Board of Commissioners are made by the President Commissioner, if the President Commissioner is absent, which does not need to be proven to a third party, then other members of the Board of Commissioners have the right to make calls based on a power of attorney from the President Commissioner.
- b. Summons for Board of Commissioners Meetings must be delivered by registered letter or by letter delivered directly to each member of the Board of Commissioners with a receipt or by facsimile or other electronic media no later than 3 (three) days before the meeting is held, without taking into account the date of the summons and the date of the meeting. .
- c. The invitation to the Board of Commissioners' meeting must include the agenda, date, time and place of the meeting.
- d. Board of Commissioners meetings are held at the Company's domicile or the Company's place of business activities.
- e. If all members of the Board of Commissioners are present or represented, prior summons is not required and the Board of Commissioners Meeting can be held anywhere and has the right to make legal and binding decisions.
- f. Board of Commissioners meetings can also be held via teleconference, video conference or other electronic media which allows all participants in the Board of Commissioners Meeting to see and hear each other directly and participate in the Board of Commissioners Meeting. The quorum requirements and decision-making requirements for these meetings are the same as those for regular meetings.

3. Chairman of the Board of Commissioners Meeting and those entitled to attend

The Board of Commissioners Meeting is chaired by the President Commissioner and in the event that the President Commissioner is unable to attend or is absent which does not need to be proven to a third party, the Board of Commissioners Meeting is

chaired by a member of the Board of Commissioners who is elected by and from the members of the Board of Commissioners who are present at the Meeting.

If deemed necessary, the Board of Commissioners may invite members of the Board of Directors, Corporate Secretary, committees or other parties to attend the Board of Commissioners Meeting.

4. Power of the Board of Commissioners at meetings

A member of the Board of Commissioners can be represented at a Board of Commissioners Meeting only by another member of the Board of Commissioners based on a power of attorney specifically given for that purpose, where the power of attorney can be delivered via facsimile, e-mail or other electronic communication means (if delivered via facsimile, e-mail). -mail or other electronic means of communication followed by the original or a copy that has been declared to be in accordance with the original sent as evidenced by receipt or by registered mail or internationally recognized courier as quickly as possible).

5. Quorum of the Board of Commissioners Meeting

- a. A meeting of the Board of Commissioners is valid and has the right to make binding decisions if more than 2/3 (two thirds) of the total members of the Board of Commissioners are present or legally represented at the meeting.
- b. Decisions at Board of Commissioners Meetings must be taken based on deliberation to reach consensus. In the event that a decision based on deliberation to reach consensus is not reached, then the decision is made based on voting based on affirmative votes of at least 2/3 (two thirds) of the total votes cast at the meeting.
- c. If the votes for and against are equal, then the Chairman of the Board of Commissioners Meeting will decide.
- d. Each member of the Board of Commissioners present has the right to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Commissioners he represents.
- e. Voting regarding individuals is carried out by means of a closed letter without a signature, while voting regarding other matters is carried out orally unless the Chairman of the Meeting determines otherwise without any objection from those present.

6. Decision Making Outside the Meeting

The Board of Commissioners can also make valid decisions without holding a Board of Commissioners Meeting, provided that all members of the Board of Commissioners have been notified in writing regarding the proposed decision and all members of the Board of Commissioners have given their approval regarding the proposal submitted in writing by signing the approval of the proposal. Decisions taken in this way have the same force as decisions legally taken at a Board of Commissioners Meeting.

7. Meeting Minutes/Minutes

- a. The minutes of the meeting resulting from the holding of the Board of Commissioners Meeting as intended must be made in writing and circulated to all participating members of the Board of Commissioners for approval or signature.
- b. The results of the Board of Commissioners meeting must be included in the minutes of the meeting, signed by the Chair of the Meeting and all members of the Board of Commissioners present, and submitted to all members of the Board of Commissioners.
- c. The results of meetings between the Board of Commissioners and the Board of Directors must be included in the minutes of the meeting, signed by members of the Board of Directors and members of the Board of Commissioners who are present, and submitted to all members of the Board of Directors and members of the Board of Commissioners.
- d. In the event that there are members of the Board of Directors and/or members of the Board of Commissioners who do not sign the meeting results as intended, the person concerned is obliged to state the reasons in writing in a separate letter attached to the minutes of the meeting. The minutes of the meeting as intended must be documented by the Company.

I. Board of Commissioners Orientation Program

The Company has an orientation program for newly appointed members of the Board of Commissioners, including *specific coaching* and an *Executive Board Discussion Program*. In the *specific coaching session*, each new member of the Board of Commissioners will receive special training guided by experienced members of the Board of Commissioners and the Company's senior management. This session is designed to introduce and explore important aspects of the company, ensuring a comprehensive understanding of the vision, mission, core values, work culture and business ethics upheld by the Company.

Executive Board Discussion Programme includes executive discussions with other members of the Board of Commissioners and senior management, which focus on company strategy, industry challenges, and internal policies and procedures. The discussion aims to provide an in-depth understanding of the company's organizational structure, the roles and responsibilities of each department, as well as introduce members of senior management and other key employees.

The orientation material for the Board of Commissioners also includes an understanding of the corporate governance system, including applicable policies and procedures, as well as an explanation of the committees under the Board of Commissioners and their respective roles. In addition, new members will receive in-depth information regarding the Company's business activities, including explanations of the main business lines, long-term strategies, as well as information about the markets and industries in which the company operates. This orientation program is designed to ensure that new members of the Board of Commissioners can adapt quickly and make significant contributions to achieving the Company's goals.

J. Board of Commissioners Training Program

supports all members of the Board of Commissioners to continue to develop their competencies and broaden their horizons in order to increase the effectiveness of the Board of Commissioners' functions.

K. Supporting Organs of the Board of Commissioners

The Board of Commissioners can or is required to form committees that assist in carrying out work and are responsible to the Board of Commissioners.

Members of the Board of Commissioners can concurrently serve as committee members on a maximum of 5 (five) committees in issuers or public companies where the person concerned also serves as a member of the Board of Directors or Board of Commissioners. The dual position as member of the said committee does not conflict with other laws and regulations.¹³

1. Audit Committee

The Audit Committee is a committee formed by and responsible to the Board of Commissioners to assist in carrying out the duties and functions of the Board of Commissioners. Explanations regarding the duties, responsibilities, authority, membership and meetings of the Audit Committee are described in more detail in the Company's Audit Committee Charter.

a. Duties and Responsibilities of the Audit Committee

In carrying out its duties, the Audit Committee is independent, and is directly responsible to the Board of Commissioners. In general, the duties and responsibilities of the Audit Committee based on OJK Regulations include:

- 1) Reviewing financial information that will be released by the Company to the public and/or authorities, including financial reports, projections and other reports related to the Company's financial information;
- 2) Reviewing compliance with laws and regulations in the capital market sector and other laws and regulations relating to the Company's activities;
- 3) Providing an independent opinion in the event of a difference of opinion between management and the Accountant regarding the services provided;
- 4) Provide recommendations to the Board of Commissioners regarding the appointment of an Accountant based on independence, scope of assignment and compensation for services;
- 5) Reviewing the implementation of audits by internal auditors and supervising the implementation of follow-up actions by the Board of Directors regarding the internal auditor's findings;
- 6) Review the risk management implementation activities carried out by the Board of Directors, if the Company does not have a risk monitoring function under the Board of Commissioners.

¹³Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 24.

- 7) Reviewing complaints related to the Company's accounting and financial reporting processes;
- 8) Review and provide advice to the Board of Commissioners regarding potential conflicts of interest of the Company; and maintain the confidentiality of Company documents, data and information.

b. Authority of the Audit Committee

- 1) Access Company documents, data and information regarding employees, funds, assets and required company resources;
- 2) Communicate directly with employees, including the Board of Directors and parties carrying out internal audit, risk management and Accountant functions regarding the duties and responsibilities of the Audit Committee;
- 3) Involving independent parties outside the Audit Committee members who are necessary to assist in carrying out their duties (if necessary); And
- 4) Carry out other authorities granted by the Board of Commissioners.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a committee formed by and responsible to the Board of Commissioners to assist in carrying out the functions and duties of the Board of Commissioners regarding Nomination and Remuneration for members of the Board of Directors and members of the Board of Commissioners. Explanations regarding the duties, responsibilities, membership, meetings of the Nomination and Remuneration Committee are described in more detail in the Company's Nomination and Remuneration Committee Charter.

In general, the duties and responsibilities of the Nomination and Remuneration Committee are based on OJK regulations as follows:

Regarding the Nomination function ¹⁴:

1. Provide recommendations to the Board of Commissioners regarding:
 - a. Composition of positions of members of the Board of Directors and/or members of the Board of Commissioners;
 - b. Policies and Criteria required in the nomination process;
 - c. Performance evaluation policy for members of the Board of Directors and/or members of the Board of Commissioners;
2. Assist the Board of Commissioners in assessing the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material;
3. Provide recommendations/suggestions to the Board of Commissioners regarding capacity development programs for members of the Board of Directors and/or members of the Board of Commissioners; And
4. Provide proposals for candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners so that they can be submitted to the GMS.

¹⁴POJK No.34/POJK.04/2014 concerning Nomination and Remuneration Committees for Issuers or Public Companies Article 8a.

Related to the Remuneration function ¹⁵:

1. Provide recommendations to the Board of Commissioners regarding:
 - a. Remuneration structure;
 - b. Remuneration policy; And
 - c. Amount of Remuneration.
2. Assist the Board of Commissioners in conducting performance assessments in accordance with the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.

3. Corporate Governance Committee

The Corporate Governance Committee was formed to assist the Board of Commissioners with the following tasks:

- a. Monitor the implementation of Corporate Governance in accordance with the provisions of applicable laws and regulations and ASEAN CG Scorecard standards.
- b. Provide recommendations to the Board of Commissioners regarding the improvement and completeness of the implementation of good corporate *governance* .
- c. Conduct studies regarding best practices for implementing GCG (best practices) to be implemented in the Company.

4. Risk Management Committee

The Risk Management Committee was formed to assist the Board of Commissioners with the following tasks:

- a. Conducting studies on requests for approval from the Board of Directors to the Board of Commissioners for planned corporate actions such as: Investment, Formation of Subsidiaries, Long Term Company Plans, Operational Cooperation Contracts, Asset Management, Asset Guarantee.
- b. Evaluate risk management policies and strategies for both operational risk and business development risk of the Company.
- c. Monitor and evaluate the implementation of the Company's risk management and mitigate the risks faced by the Company, especially risks related to the Company's business and investment plans.
- d. Reporting the results of monitoring and evaluating the implementation of risk management; as well as
- e. Provide recommendations on matters that need the attention of the Board of Commissioners.

¹⁵POJK No.34/POJK.04/2014 concerning Article 8b

CHAPTER III BOARD OF DIRECTORS

A. Requirements and Composition of the Board of Directors

1. Directors' Requirements

Those who can be appointed as members of the Board of Directors are individuals who fulfil the requirements upon appointment and during tenure:

- a. have good morals, morals and integrity;
- b. competent to carry out legal actions;
- c. within 5 (five) years before appointment and during office:
 - 1) never declared bankruptcy;
 - 2) never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
 - 3) never been convicted of committing a criminal act that is detrimental to state finances and/or related to the financial sector; And
 - 4) has never been a member of the Board of Directors and/or a member of the Board of Commissioners who during his tenure:
 - a) never held an annual GMS;
 - b) his accountability as a member of the Board of Directors and/or member of the Board of Commissioners has never been accepted by the GMS or has never provided his accountability as a member of the Board of Directors and/or member of the Board of Commissioners to the GMS; And
 - c) has ever caused a company that obtained a permit, approval or registration from the Financial Services Authority to fail to fulfill its obligation to submit an annual report and/or financial report to the Financial Services Authority.
- d. have a commitment to comply with statutory regulations; And
- e. have knowledge and/or expertise in the field required by the Company.¹⁶

Apart from fulfilling the requirements as referred to above, the appointment of members of the Board of Directors is carried out by taking into account experience and other requirements based on statutory regulations.

Fulfillment of the above requirements must be proven or included in a statement letter signed by the prospective member of the Board of Directors before the appointment is made and the letter is submitted to the Company. The statement letter must be examined and documented by the Company.

The Company is obliged to hold a GMS to replace members of the Board of Directors who do not meet the requirements as referred to above.

¹⁶Article 93 UUPT No.40 of 2007 and Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014.

2. Composition of the Board of Directors¹⁷

- a. The Board of Directors consists of at least 2 (two) or more members of the Board of Directors. If more than one member of the Board of Directors is appointed, then one of them is appointed as President Director.
- b. Those who may be appointed as members of the Board of Directors are Indonesian citizens and/or foreign citizens who have met the requirements to be appointed as Directors of the Company based on the provisions of the applicable laws of the Republic of Indonesia.
- c. Members of the Board of Directors whose terms of office have expired may be reappointed.
- d. If for any reason the position of one or more members of the Board of Directors experiences a vacancy/vacancy, then within a period of no later than 60 (sixty) days after the vacancy occurs a GMS must be held to fill the vacancy/vacancy taking into account statutory provisions and the Budget. Base,
- e. If for any reason all the positions of members of the Board of Directors are vacant, the Company will temporarily be managed by members of the Board of Commissioners appointed by the Board of Commissioners Meeting.
- f. In the event that a member of the Board of Directors resigns resulting in the number of members of the Board of Directors being less than 2 (two) people, then the resignation is valid if it has been determined by the GMS and a new member of the Board of Directors has been appointed so that it meets the minimum requirements for the number of members of the Board of Directors.
- g. In the event that a member of the Board of Directors is temporarily dismissed by the Board of Commissioners, the Company is obliged to hold a GMS no later than 45 (forty five) days after the date of temporary dismissal. In the event that the GMS as intended in Article 15 paragraph 9 of the Company's Articles of Association is unable to make a decision or after the time period has elapsed the GMS is not held, then the temporary dismissal of members of the Board of Directors will be cancelled.

B. Term of Office of Directors

1. The term of office of a member of the Board of Directors ends if:
 - a. his term of office ends;
 - b. declared bankrupt or placed under guardianship based on a court order;
 - c. resign and have been approved by the General Meeting of Shareholders;
 - d. no longer meets applicable statutory requirements;
 - e. die;
 - f. dismissed based on the decision of the GMS.
 - g. involved in a financial crime ¹⁸and has been declared guilty in accordance with a court decision which has permanent legal force .
2. Members of the Board of Directors can hold concurrent positions in accordance with the provisions regulated by laws and/or statutory regulations in the capital markets sector.

¹⁷OJK Regulation No.33/POJK.04/2014 dated 8 December 2014 Article 2.

¹⁸OJK Public Company Governance Guidelines.

3. Members of the Board of Directors whose terms of office have expired may be reappointed.
4. Members of the Board of Directors are appointed by the GMS, each for a period of 5 (five) years, without prejudice to the GMS right to dismiss them at any time.
5. Proposals for the appointment, dismissal and/or replacement of members of the Board of Directors to the GMS must take into account recommendations from the Board of Commissioners or the committee that carries out the nomination function.

C. Resignation of Directors

1. Members of the Board of Directors have the right to resign from their positions by notifying the Company in writing at least 30 (thirty) days before the date of their resignation. Members of the Board of Directors who resign as mentioned above can still be held accountable from the date of appointment in question until the date of the GMS which approves his resignation.
2. The Company is obliged to hold a GMS to decide on the request for resignation of members of the Board of Directors within a period of no later than 90 (ninety) days and decide to accept the resignation of the member of the Board of Directors in question, then the GMS can decide to accept the resignation with effect sooner than 90 (ninety) days after submitting the resignation request.
3. In the event that the Company does not hold a GMS within the time period as intended, then upon the expiration of that time period, the resignation of a member of the Board of Directors will become valid without requiring approval from the GMS.
4. The GMS can appoint other people to replace members of the Board of Directors who resign or are dismissed before their term of office ends or as additional members of the existing Board of Directors without prejudice to the provisions in the Company's articles of association.
 - a. A person appointed as a member of the Board of Directors to replace a member of the Board of Directors who resigns or is dismissed before the end of their term of office will serve for a period of time which is the remaining term of office of the member of the Board of Directors being replaced.
 - b. A person appointed as a member of the Board of Directors in order to add members to the Board of Directors will serve for a period which is the remaining term of office of the other members of the Board of Directors who are still serving.
5. Before the resignation becomes effective, the relevant member of the Board of Directors is still obliged to carry out his duties and responsibilities in accordance with the articles of association and statutory regulations.
6. The Company is obliged to disclose information to the public and submit it to the Financial Services Authority no later than 2 (two) working days after receiving the resignation request from the Board of Directors and the results of the GMS as mentioned above.

D. Duties and Authorities of the Board of Directors

1. The Board of Directors is tasked with carrying out and being responsible for the management of the Company for the interests of the Company in accordance with the aims and objectives of the Company as stipulated in the articles of association.
2. The Board of Directors is obliged to hold an annual GMS and other GMS as regulated in the statutory regulations and articles of association
3. Each member of the Board of Directors is obliged to carry out the duties and responsibilities as intended in good faith, with full responsibility and prudence.
4. The Board of Directors has the right to represent the Company inside and outside the court regarding all matters and in all events, bind the Company with other parties and other parties with the Company, and carry out all actions, both regarding management and ownership, but with the limitation that to carry out actions - for the following actions, the Board of Directors must first obtain approval from the Board of Commissioners, including:
 - a. borrowing or lending money in the name of the Company (in this case does not include withdrawing the Company's money from banks, depositing the Company's money in banks/financial institutions) whose amount exceeds the amount from time to time;
 - b. binding the Company as guarantor /guarantor;
 - c. Establishing a business or participating in other companies both at home and abroad.
 - d. transfer or make debt collateral for part of or less than 50% (fifty percent) of the total net assets of the Company in 1 (one) or more transactions, whether related to each other or not.
5. To transfer, release rights, or make collateral for debts which constitute more than 50% (fifty percent) of the total net assets of the Company in 1 (one) financial year, either in 1 (one) transaction or several stand-alone or related transactions from each other, the Board of Directors must obtain approval from the GMS which is attended or represented by shareholders who own at least 3/4 (three-quarters) of the total number of shares with valid voting rights and approved by more than 3/4 (three-quarters)) part of all shares with voting rights present at the GMS taking into account the applicable laws and regulations in the capital market sector.
6. The President Director or Deputy President Director has the right and authority to act for and on behalf of the Board of Directors and represent the Company.
7. In the event that the President Director or Deputy President Director is absent or is unable to attend for any reason, which does not need to be proven to a third party, then one of the Directors has the right and authority to act for and on behalf of the Board of Directors and represent the Company.
8. Members of the Company's Board of Directors cannot represent the Company either inside or outside the court, if:
 - a. A case occurred in court between the Company and the member of the Board of Directors concerned; And
 - b. The member of the Board of Directors concerned has a conflict of interest with the Company.
9. In the event that there are circumstances as referred to in point 7, the person entitled to represent the Company is:

- a. One other member of the Board of Directors who has no conflict of interest with the Company.
 - b. The Board of Commissioners in the event that all members of the Board of Directors have a conflict of interest with the Company; or
 - c. Other parties appointed by the GMS in the event that all members of the Board of Directors and Board of Commissioners have a conflict of interest with the Company.
10. Without reducing the responsibilities of the Board of Directors, the Board of Directors may give written authority to someone or more power of attorney for and on behalf of the Company to carry out certain legal actions as described in the power of attorney. .
 11. In order to support the effective implementation of the duties and responsibilities of the Board of Directors as intended , the Board of Directors may form a Committee. In the event that a committee is formed as intended, the Board of Directors is obliged to evaluate the performance of the committee at the end of each financial year.
 12. Each member of the Board of Directors is fully and jointly responsible for losses to the Company caused by errors or negligence of members of the Board of Directors in carrying out their duties.
 13. Members of the Board of Directors cannot be held responsible for the Company's losses as referred to above, if they can prove:
 - a. The loss was not due to his fault or negligence;
 - b. Has carried out management in good faith, full responsibility and prudence for the benefit and in accordance with the aims and objectives of the Company
 - c. Have no direct or indirect conflict of interest regarding supervision that results in losses; And
 - d. Have taken action to prevent the occurrence or continuation of such losses
 14. The Board of Directors and Board of Commissioners are required to prepare guidelines that are binding on each member of the Board of Directors and members of the Board of Commissioners, in accordance with the provisions of applicable laws and regulations.
 15. The Board of Directors and Board of Commissioners are required to prepare a code of ethics that applies to all members of the Board of Directors and members of the Board of Commissioners, employees/employees, as well as supporting persons belonging to the Company, in accordance with the provisions of applicable laws and regulations.

E. Concurrent Board of Directors Position¹⁹

1. Members of the Board of Directors can hold concurrent positions as:
 - a. Member of the Board of Directors at most 1 (one) issuer or other public company; and/or
 - b. Members of the Board of Commissioners at most 3 (three) issuers or other public companies; and/or
 - c. Committee members are a maximum of 5 (five) committees in issuers or public companies where the person concerned also serves as a member of the Board of Directors or member of the Board of Commissioners.

¹⁹Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 6.

2. Concurrent positions as referred to above can only be carried out as long as they do not conflict with other statutory regulations
3. In the event that there are other statutory regulations that regulate provisions regarding multiple positions that are different from the provisions in OJK regulation Number 33/POJK.04/2014 dated 8 December 2014, the provisions that regulate more strictly apply.

F. Division of Directors' Duties

The division of duties and authority of each member of the Board of Directors is determined by the GMS. In the event that the GMS does not determine, the distribution of duties and authority of members of the Board of Directors is determined based on the decision of the Board of Directors.

G. Implementation of Board of Directors Meetings

1. Frequency of Board of Directors Meetings²⁰

- a. Board of Directors meetings must be held periodically at least 1 (one) time every month.
- b. Apart from the periodic Board of Directors Meetings, Board of Directors Meetings can be held at any time:
 - 1) if deemed necessary by one or more members of the Board of Directors;
 - 2) upon written request from one or more members of the Board of Commissioners; or
 - 3) at the written request of 1 (one) or more shareholders who together represent 1/10 (one tenth) or more of the total number of shares with voting rights.
- c. The Board of Directors is obliged to hold regular meetings between the Board of Directors and the Board of Commissioners at least once every 4 (four) months.
- d. The attendance of members of the Board of Directors at meetings must be disclosed in the Company's annual report.
- e. The Board of Directors must schedule the meeting as referred to above for the following year before the end of the financial year.
- f. Materials for Board of Directors meetings and Board of Directors and Commissioners meetings that have been scheduled are delivered to participants no later than 5 (five) days before the meeting is held.
- g. In the event that a meeting is held outside the schedule that has been prepared, the meeting materials are delivered to the meeting participants no later than before the meeting is held.

2. Call and Meeting Location

- a. Calls for Directors' Meetings are made by members of the Board of Directors who have the right to act for and on behalf of the Board of Directors according to the provisions of article 16 of the Company's articles of association.

²⁰Financial Services Authority Regulation Number 33/POJK.04/2014 dated 8 December 2014 Article 16.

- b. Summons for Board of Directors Meetings must be delivered by registered letter or by letter delivered directly to each member of the Board of Directors with a receipt or by facsimile or other electronic media at least 5 (five) days before the meeting is held, without taking into account the date of the summons and the date of the meeting. .
- c. The invitation to the Directors' Meeting must include the agenda, date, time and place of the Directors' Meeting.
- d. Board of Directors meetings are held at the Company's location or business activities. If all members of the Board of Directors are present or represented, prior summons is not required and the Board of Directors Meeting can be held anywhere and has the right to make legal and binding decisions.
- e. Board of Directors meetings can be held via teleconference, video conference or other electronic media if this method allows all participants to hear each other or see and listen directly and participate in the meeting. The quorum requirements and decision-making requirements for remote Directors' meetings are the same as the requirements for regular Directors' Meetings.

3. Chairman of the Board of Directors Meeting and those entitled to attend

The Board of Directors Meeting is chaired by the President Director and in the event that the President Director is unable to attend or is absent which does not need to be proven to a third party, the Board of Directors Meeting will be chaired by a member of the Board of Directors who is elected by and from the members of the Board of Directors who are present at the Board of Directors Meeting.

The Board of Directors can invite members of the Board of Commissioners to provide input or conduct discussions on a problem as material for the Board of Directors to carry out their functions. If deemed necessary, the Board of Directors may invite related work units to attend the Board of Directors Meeting.

4. Power of Directors at Meetings

A member of the Board of Directors may be represented at a Board of Directors Meeting only by another member of the Board of Directors based on a power of attorney.

5. Quorum of Directors Meeting

- a. A Board of Directors meeting is valid and has the right to make legal and binding decisions if more than 2/3 (two thirds) of the total number of members of the Board of Directors are present or legally represented at the Board of Directors Meeting.
- b. Decisions at Board of Directors Meetings must be taken based on deliberation to reach consensus. In the event that a decision based on deliberation to reach consensus is not reached, then the decision is made based on affirmative votes of at least 2/3 (two thirds) of the total number of votes legally cast at the Board of Directors Meeting.
- c. If the votes for and against are equal, then the chairman of the Board of Directors Meeting will decide.

- d. Each member of the Board of Directors present has the right to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Directors he represents.
- e. Voting regarding individuals is carried out by means of a closed ballot without a signature, while voting regarding other matters is carried out orally unless the Chairman of the Board of Directors Meeting determines otherwise without any objection based on the majority vote of those present.
- f. Blank votes and invalid votes are considered not validly cast and are considered non-existent and are not counted in determining the number of votes cast.

6. Decision Making Outside the Meeting (Circular)

The Board of Directors may make valid decisions without holding a Board of Directors Meeting, provided that all members of the Board of Directors have been notified in writing regarding the proposed decision and all members of the Board of Directors have given their approval by signing the proposal. Decisions taken in this way have the same force as decisions legally taken at a Board of Directors Meeting.

7. Meeting Minutes/Minutes

- a. The results of the Board of Directors meeting must be stated in the minutes of the meeting, signed by the Chair of the Meeting and all members of the Board of Directors present, and submitted to all members of the Board of Directors.
- b. The minutes of the meeting resulting from the holding of the Directors' Meeting as referred to above must be drawn up by someone present at the Meeting appointed by the Chair of the Meeting and signed by all members of the Board of Directors present and submitted to all members of the Board of Directors and members of the Board of Commissioners.
- c. The results of meetings between the Board of Directors and the Board of Commissioners must be included in the minutes of the meeting, signed by members of the Board of Directors and members of the Board of Commissioners who are present, and submitted to all members of the Board of Directors and members of the Board of Commissioners.
- d. In the event that there are members of the Board of Directors and/or members of the Board of Commissioners who do not sign the meeting results as intended, the person concerned is obliged to state the reasons in writing in a separate letter attached to the minutes of the meeting. The minutes of the meeting as intended must be documented by the Company.
- e. The minutes of the Board of Directors' Meeting which are drawn up and signed are valid as valid evidence regarding the Board of Directors' decisions taken at the Board of Directors' Meeting.

H. Board of Directors Program Orientation

The Company has a Directors' orientation program which aims to introduce values, corporate culture, organizational structure and corporate governance system. This

orientation program includes an introductory session regarding the company's vision, mission and core values, an understanding of the work culture and business ethics upheld by the Company, as well as an explanation of the organizational structure and roles and responsibilities of each department. Each new member of the Board of Directors will receive in-depth information regarding the Company's business activities, including an explanation of the main business lines, long-term strategy, and information about the market and industry in which the company operates.

As part of ongoing efforts to improve corporate governance, the Company also has *Refreshment Program of GCG Policies* which is intended for all Directors and Board of Commissioners. This program is implemented at least once every year and is delivered by the Corporate Secretary at the request of the *Corporate Governance Committee*. *The Refreshment of GCG Policies Program* covers various important topics such as legal basics related to corporate governance, the Limited Liability Company Law and its relation to the duties and responsibilities of the Company's organs, the Company's Articles of Association, the responsibilities of each Company organ, the function and role of the Company's committees, the Secretary Company, internal audit function, as well as corporate governance policies and principles that apply at Prodia.

I. Board of Directors Training Program

All members of the Board of Directors to continue to develop their competencies and broaden their horizons in order to increase the effectiveness of the Board of Directors' functions.

J. Supporting Organs of the Board of Directors

In carrying out their duties, the Board of Directors may be assisted by supporting organs such as the Corporate Secretary and committees under the Board of Directors.

1. company secretary

Company Secretary is an individual or person in charge of a work unit who carries out the functions of Company secretary. The Corporate Secretary is tasked with preparing the Annual Report, holding the GMS, coordinating the distribution of dividends, coordinating with the Stock Exchange and the Financial Services Authority (OJK), especially in implementing the Company's compliance aspects including providing explanations and conveying information disclosure, as well as carrying out various other efforts to improve good corporate governance. .

2. Internal audit

Internal Audit is a work unit within an Issuer or Public Company that carries out the Internal Audit function. Internal Audit is an activity that provides confidence and consultation that is independent and objective, with the aim of increasing value and improving company operations, through a systematic approach, by evaluating and improving the effectiveness of risk management, control and the Company's governance processes.

To ensure an effective internal control system, the Board of Directors is assisted by Internal Audit. The Company's Internal Audit is led by a head who is responsible to the Board of Directors. The work program and audit report are submitted to the Board of Directors and copied to the Board of Commissioners, which then become material for review by the Audit Committee.

CHAPTER IV RELATIONSHIP BETWEEN COMPANY ORGANS

A. General Meeting of Shareholders (GMS)

The General Meeting of Shareholders, hereinafter referred to as the GMS, is a Company Organ that has authority that is not granted to the Directors or Board of Commissioners within the limits specified in the law and/or the articles of association. The procedures for implementing the Company's GMS are carried out based on the Financial Services Authority regulations and the Company's Articles of Association. The GMS consists of:

1. Annual GMS

Annual GMS is a General Meeting of Shareholders which must be held every year no later than 6 (six) months after the Company's financial year closes. In the Annual GMS:

- a. The Board of Directors submits an Annual Report which has been reviewed by the Board of Commissioners to obtain approval from the GMS
- b. The Board of Directors submits Financial Reports to obtain approval from the GMS.
- c. Board of Commissioners Supervisory Duties Report
- d. The use of profits is determined if the Company has a positive profit balance.
- e. Appointment of a Public Accountant registered with the OJK or granting authority to appoint a registered Public Accountant.
- f. If necessary, appoint and/or change the composition of members of the Board of Directors and members of the Board of Commissioners of the Company.
- g. It was decided that other GMS agenda items had been proposed appropriately taking into account the provisions of the Company's Articles of Association.
- h. Approval of the Annual Report and ratification of the Financial Report by the Annual GMS means giving full release and release of responsibility to members of the Board of Directors and Board of Commissioners for the management and supervision that has been carried out during the previous financial year, as long as these actions are reflected in the Annual Report and Financial Report.

2. Extraordinary GMS

An Extraordinary GMS is a General Meeting of Shareholders that can be held at any time based on the needs or interests of the Company to discuss and decide on the meeting agenda other than the agenda at the AGMS by taking into account the laws and regulations in the capital market sector.

B. Request to Hold a GMS

- 1) The GMS as intended can be held at the request of:
 - 1 (one) or more shareholders who together own at least 1/10 (one tenth) or more of the total number of shares with voting rights issued by the Company may submit a request to convene a General Meeting of Shareholders by submitting it in writing via registered letter to the Company's Directors accompanied by stating the matters to be discussed along with the reasons. The request to hold the GMS must:

- a. carried out in good faith;
 - b. consider the interests of the Company;
 - c. is a request that requires a GMS decision;
 - d. accompanied by reasons and materials related to matters that must be decided at the GMS; And
 - e. does not conflict with statutory regulations and the Company's articles of association.
- 2) After receiving a request to hold an Annual GMS or other GMS, the Board of Directors or Board of Commissioners is obliged to carry out the following things:
- a. The General Meeting of Shareholders as referred to above, is carried out by the Board of Directors by announcing the General Meeting of Shareholders to the shareholders within a period of no later than 15 (fifteen) days from the date of receipt of the application for holding the General Meeting of Shareholders from the Company's shareholders.
 - b. In the event that the Board of Directors does not announce the General Meeting of Shareholders, the Shareholders can resubmit a written request for holding a General Meeting of Shareholders to the Board of Commissioners.
 - c. In the event that the Board of Directors does not announce the General Meeting of Shareholders, then within the 15 (fifteen) day period the Board of Directors is obliged to announce that there is a request for holding a General Meeting of Shareholders from the shareholders and the reasons for not holding the General Meeting of Shareholders.
 - d. Announcements by the Board of Directors or Board of Commissioners regarding explanations for the non-holding of the General Meeting of Shareholders shall be made at least through:
 - 1) 1 (one) Indonesian language daily newspaper with national circulation
 - 2) Stock exchange website
 - 3) The Company's website, in Indonesian and the foreign language used is at least English

Proof of the announcement must be submitted to the Financial Services Authority accompanied by a copy of the letter requesting the holding of a General Meeting of Shareholders no later than 2 (two) working days after the announcement.
 - e. The General Meeting of Shareholders is held at the Company's domicile or at the Stock Exchange in Indonesia where the Company's shares are listed or at the place where the Company carries out its main business activities or in the provincial capital where the Company's domicile or main business activities are located.
 - f. The GMS must be held in the territory of the Republic of Indonesia.²¹

²¹Article 76 paragraph 3 UUPT No.40 of 2007

C. Chairman of the GMS and Shareholders who are entitled to attend

Chairman of the GMS

- a. The GMS is chaired by a member of the Board of Commissioners appointed by the Board of Commissioners. In the event that all members of the Board of Commissioners are absent or unable to attend for any reason, which does not need to be proven to a third party, the GMS is chaired by a member of the Board of Directors appointed by the Board of Directors. In the event that all members of the Board of Commissioners and members of the Board of Directors are absent or are unable to attend for any reason, which does not need to be proven to a third party, the GMS is chaired by a person elected by and from the shareholders present at the GMS who are appointed from and by the GMS participants.
- b. In the event that a member of the Board of Commissioners appointed by the Board of Commissioners has a conflict of interest regarding matters decided at the GMS, the GMS is chaired by another member of the Board of Commissioners who does not have a conflict of interest appointed by the Board of Commissioners.
- c. If all members of the Board of Commissioners have a conflict of interest, the GMS is chaired by one of the Directors appointed by the Board of Directors.
- d. In the event that one of the Directors appointed by the Board of Directors has a conflict of interest regarding matters to be decided at the GMS, the GMS will be chaired by a Director who does not have a conflict of interest.
- e. If all members of the Board of Directors have a conflict of interest, the GMS will be chaired by an independent shareholder appointed by the other shareholders present at the GMS.

Shareholders who are entitled to attend:

- 1) Shareholders can be represented by other shareholders or other people based on a valid power of attorney. The Power of Attorney in question must be made in the form determined by the Board of Directors without prejudice to the provisions of applicable laws and regulations and must be submitted to the Board of Directors at least 3 (three) working days before the date of the GMS.
- 2) If the shareholder is present in person at the GMS, the power of attorney that has been made is not valid for the GMS.
- 3) Shareholders who are entitled to attend the GMS are shareholders whose names are recorded in the Company's shareholder register 1 (one) working day before the summons for the GMS or 1 (one) working day before the revision of the summons for the GMS if there is a revision of the summons for the GMS.

D. Quorum

A GMS can be held with the following conditions:

- a. Shareholders who represent more than $\frac{1}{2}$ (one half) of the total number of shares with valid voting rights that have been issued by the Company unless otherwise specified in the Company's Articles of Association;

- b. In the event that the quorum as intended in letter a of this paragraph is not reached, a second GMS will be called in accordance with the provisions of the applicable laws and regulations and the second GMS is valid and can make decisions provided that the shareholders represent at least 1/3 (one third).) part of the total number of shares with valid voting rights;
- c. In the event that the quorum as intended in letter b above is not reached, then the third GMS can be held at the request of the Company, the quorum, number of votes to make decisions, the invitation and time for holding the GMS are determined by the Chairman of the Financial Services Authority (OJK) .
- d. GMS decisions are taken based on deliberation to reach consensus. In the event that a decision based on deliberation to reach consensus is not reached, then the GMS decision is valid if it is approved by more than 1/2 (one half) of the total number of shares with voting rights legally issued at the GMS , unless otherwise specified in the Articles of Association This .

1) Quorum GMS agenda: Amendment to the Articles of Association

The GMS agenda for changes to the Company's articles of association which requires approval from the Minister of Law and Human Rights is carried out with the following provisions:

- a. A GMS can be held if the GMS is attended by shareholders representing at least 2/3 (two thirds) of the total number of shares that have been issued who have valid voting rights.
- b. The GMS decision as referred to in letter a is valid if it is approved by more than 2/3 (two thirds) of all shares with voting rights present at the GMS.
- c. In the event that the quorum as intended in letter a is not reached, a second GMS can be held provided that the second GMS is valid and has the right to make decisions if the second GMS is attended by shareholders representing at least 3/5 (three fifths) of the total number of shares. with voting rights legally cast at the meeting.
- d. The resolution of the second GMS is valid if it is approved by more than 1/2 (one half) of all shares with voting rights present at the GMS.
- e. In the event that the attendance quorum at the second GMS as referred to in letter c is not reached, the third GMS can be held provided that the third GMS is valid and has the right to make decisions if attended by shareholders of shares with valid voting rights in the attendance quorum and decision quorum determined by the Chairman of the Authority Financial Services (OJK) at the Company's request.
- f. Amendments to the Articles of Association must be made by notarial deed and in Indonesian.
- g. Changes to the provisions of the Articles of Association regarding changes in the name and/or place of domicile of the Company, the period of existence of the Company, the amount of authorized capital, reduction in issued and paid-up capital, and changes in the status of a closed company to a public company or vice versa, must obtain approval from the Minister of Law and Human Rights. People of the Republic of Indonesia
- h. Changes to the Articles of Association other than those concerning matters mentioned in Article 13 paragraph 2 of these Articles of Association are

sufficient to be notified to the Minister of Law and Human Rights of the Republic of Indonesia no later than 30 (thirty) days from the GMS decision regarding such changes.

- i. The decision regarding reducing capital must be notified in writing to all the Company's creditors and announced by the Board of Directors in 1 (one) or more daily newspapers circulating nationally within a period of no later than 7 (seven) days from the date of the decision regarding reducing capital.

2) Quorum for GMS Agenda: Transfer of Company Assets, Merger, Consolidation, Takeover, Separation and Dissolution

The quorum for the GMS agenda is as follows:

1. Transferring the Company's assets which constitute more than 50% (fifty percent) of the Company's total net assets in 1 (one) or more transactions, whether related to each other or not, makes debt collateral for the Company's assets which constitute more than 50% (fifty per hundred) the total net assets of the Company in 1 (one) or more transactions, whether related to each other or not.
2. Mergers, consolidations, takeovers, separations, filing applications for the Company to be declared bankrupt, extension of the term of existence of the Company, and dissolution of the Company.

carried out with the following conditions:

- a. A GMS can be held if the GMS is attended by shareholders representing at least 3/4 (three quarters) of the total number of shares with valid voting rights.
- b. The GMS decision as referred to in point a above is valid if it is approved by more than 3/4 (three quarters) of all shares with voting rights present at the GMS.
- c. In the event that the quorum as intended in point a is not reached, a second GMS can be held provided that the second GMS is valid and has the right to take legal and binding decisions if the GMS is attended by shareholders or their legal proxies who own/represent at least 2/3 (two per three) part of the total number of shares with valid voting rights.
- d. The resolution of the second GMS is valid if it is approved by more than 3/4 (three quarters) of all shares with voting rights present at the GMS.
- e. In the event that the attendance quorum at the second GMS as referred to in point c is not reached, the third GMS can be held provided that the third GMS is valid and has the right to make decisions if attended by shareholders of shares with valid voting rights in the attendance quorum and decision quorum determined by the Chairman of the Authority Financial Services (OJK) at the Company's request.
- f. The Board of Directors is obliged to announce in 1 (one) daily newspaper published or circulated in the Company's domicile or place of business activities regarding the proposed merger, consolidation, takeover or separation of the Company no later than 30 (thirty) days before the summons for the GMS.

- g. The dissolution of the Company can be carried out based on the decision of the GMS with the provisions as stated in Article 14 of the Company's Articles of Association.
- h. Further provisions regarding dissolution, liquidation and termination of legal entity status are as intended in the applicable laws and regulations, especially laws and regulations in the Capital Market sector.

3) Quorum for GMS Agenda: Transactions that Have a Conflict of Interest

The GMS for transaction agendas that have a conflict of interest is carried out with the following provisions:

- a. Shareholders who have a conflict of interest are deemed to have made the same decision as the decision approved by independent shareholders who do not have a conflict of interest;
- b. The GMS quorum that will decide on matters that have a conflict of interest must meet the requirement that the GMS be attended by independent shareholders representing more than 1/2 (one-half) of the total number of shares with valid voting rights owned by independent shareholders and the decision is taken based on the affirmative vote of independent shareholders representing more than 1/2 (one-half) of the total number of shares with valid voting rights owned by independent shareholders;
- c. In the event that the quorum as intended in point b is not reached, the second GMS can make a decision provided that it is attended by independent shareholders representing more than 1/2 (one half) of the total number of shares with valid voting rights owned by independent shareholders and decisions are taken based on the affirmative vote of independent shareholders representing more than 1/2 (one half) of the total shares owned by independent shareholders present at the second GMS;
- d. In the event that the quorum as referred to in letter c above is not reached, a third GMS can be held at the Company's request to the Financial Services Authority.
- e. R UPS is valid and has the right to make decisions if attended by independent Shareholders with valid voting rights in the presence quorum determined by the Financial Services Authority. The resolution of the third GMS is valid if it is approved by the Independent Shareholders representing more than 50% (fifty percent) of the shares owned by the Independent Shareholders present.

E. GMS Minutes²²

- a. From all matters discussed and decided at the GMS, minutes of the meeting are prepared by the Notary and a summary of the minutes of the GMS by the Company.
- b. The minutes of the GMS are valid evidence for shareholders and third parties regarding the decisions and everything that happens at the GMS.

²²POJK No.32/POJK.04/2014 concerning Planning and Organizing General Meetings of Shareholders of Public Companies Articles 32-35

- c. The minutes of the GMS must be drawn up and signed by the chairman of the meeting and at least 1 (one) shareholder appointed by and from the GMS participants. The signature as intended is not required if the minutes of the GMS are made in the form of a deed of minutes of the GMS made by a notary.
- d. The minutes of the GMS must be submitted to the OJK no later than 30 (thirty) days after the GMS is held. In the event that the time for submitting the minutes of the meeting falls on a holiday, the minutes of the GMS must be submitted on the following working day.
- e. The summary of the GMS minutes must contain information at least as regulated in the OJK Regulations, namely:
 - 1) date, place, time and agenda of the GMS;
 - 2) members of the board of directors and members of the board of commissioners at the GMS;
 - 3) the number of shares with valid voting rights present at the GMS and the percentage of the total number of shares with valid voting rights;
 - 4) whether or not there is an opportunity for shareholders to ask questions and/or provide opinions regarding the agenda of the GMS;
 - 5) the number of shareholders who ask questions and/or provide opinions regarding the GMS agenda, if shareholders are given the opportunity;
 - 6) GMS decision making mechanism;
 - 7) voting results which include the number of votes agreeing, disagreeing and abstaining (not voting) for each GMS agenda item, if the decision is made by voting;
 - 8) GMS decision; And
 - 9) implementation of cash dividend payments to entitled shareholders. If there is a GMS decision regarding the distribution of cash dividends.
- f. A summary of the minutes of the GMS must be announced to the public no later than 2 (two) working days after the GMS is held, at least through:
 - 1) 1 (one) Indonesian language daily newspaper with national circulation;
 - 2) Exchange website ; And
 - 3) Company website, in Indonesian and foreign languages provided that the foreign language used is at least English. The summary of the minutes of the GMS that uses a foreign language must contain the same information as the information in the summary of the minutes of the GMS that uses Indonesian.

In the event that there is a difference in the interpretation of the information in the summary of the minutes of the GMS in a foreign language and the information in the summary of the minutes of the GMS in Indonesian, the information used as a reference is Indonesian.
- g. Proof of the announcement of the summary of the GMS minutes must be submitted to the Financial Services Authority no later than 2 (two) working days after it is announced.
- h. Provisions regarding the submission to the OJK of the minutes of the GMS and a summary of the minutes of the GMS that were announced; and the announcement of the summary of the minutes of the GMS as mentioned above, *mutatis mutandis* applies to the holding of the GMS by shareholders who have obtained a court order to hold the GMS.

CHAPTER V

CLOSING

A. Implementation of *Board Manual*

The Board Manual has been prepared as a guideline so that the Board of Commissioners and Directors can carry out their duties and responsibilities efficiently, effectively, transparently, competently, independently and accountably so that they can be accepted by all interested parties and refer to the applicable laws and regulations. The Board of Commissioners and Directors are responsible for establishing a *Board Manual* .

B. *Board Manual* Socialization

The Company will carry out the stages of socialization of *the Board Manual* on an ongoing basis. Continuous outreach activities will be carried out to new and existing members of the Board of Directors and Board of Commissioners. Socialization is focused on understanding, raising awareness and the need to implement *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. Evaluation and Review *Board Manual*

The Board Manual is a *living document* so its development must always be carried out in accordance with the Company's needs and applicable laws and regulations. Changes to *the Board Manual* must be based on agreement between the Board of Commissioners and the Board of Directors.

In this regard, the Company will carry out evaluations periodically or as needed to determine and measure the suitability of *the Board Manual* with applicable laws and regulations and the prevailing business dynamics. Evaluation of the Company's *Board Manual* is carried out by the Board of Commissioners and Directors and assisted by the Corporate Secretary.