

PT INTI BANGUN SEJAHTERA TBK  
INNOVATIVE SOLUTION PROVIDER

BOARD OF COMMISSIONERS CHARTER

PT INTI BANGUN SEJAHTERA TBK  
("Company")

Effective as of October 30, 2017

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<b>CSY.004/IBST-KBJ/2017/V.02 ADMINISTRATIVE DETAILS OF THE POLICY</b>	
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Policy Custodian	<b>Corporate Secretary Function</b>
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<b>SUMMARY OF REVISION</b>			
<b>VERSION</b>	<b>DATE OF REVISION</b>	<b>NAME/DEPT.</b>	<b>REMARKS</b>
	December 23, 2014	-	The Board of Commissioners Charter was executed by the Board of Commissioners on December 23, 2014.
01	March 24, 2016	Board of Commissioners	<ul style="list-style-type: none"> <li>- Adjusting the Board of Commissioners Charter to POJK No. 33/POJK.04/2014.</li> <li>- Executed by the Board of Commissioners on March 24, 2016.</li> </ul>

02	October 30, 2017	Board of Commissioners	<ul style="list-style-type: none"> <li>- Adding sub-Chapter V.3 Term of Office, in respect of policy on resignation of members of the Board of Commissioners in case of involvement in financial crime.</li> <li>- Adding to Chapter VIII Reporting and Accountability, the obligations of members of the Board of Commissioners to report any ownership or change in any such ownership of the Company's shares, either directly or indirectly.</li> <li>- Executed by the Board of Commissioners on October 30, 2017.</li> </ul>
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## **I. INTRODUCTION**

### **I.1 Background**

In order to promote the improved implementation of good corporate governance with respect to the duties and responsibilities of the Board of Commissioners, and since it is deemed necessary to establish proper work method and procedure to enable the Board of Commissioners to discharge its duties in a more effective and informed manner, the Board of Commissioners decides to prepare a Board of Commissioners Charter.

### **I.2 Legal References**

- a. Law No. 40 of 2007 dated August 16, 2017 regarding Limited Liability Company ("**Company Law**").
- b. Regulation of the Financial Services Authority No. 33/POJK.04/2014 dated December 8, 2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies ("**POJK 33/2014**").
- c. General Guideline of Good Corporate Governance Indonesia, 2006, issued by the National Committee on Governance Policy ("**GGGCG**").
- d. Regulation of the Financial Services Authority No. 21/POJK.04/2015 dated November 16, 2015 regarding Implementation of Corporate Governance Guidelines in Public Companies ("**POJK 21/2015**").



- e. Circular Letter of the Financial Services Authority No. 32/SEOJK.04/2015 dated November 17, 2015 regarding Corporate Governance Guidelines for Public Companies ("**SEOJK 32/2015**").
- f. The Articles of Association of PT Inti Bangun Sejahtera Tbk and any amendment thereto ("**AoA**").
- g. Regulation of the Financial Services Authority No. 11/POJK.04/2017 dated March 14, 2017 regarding Reports on Share Ownership and Changes in Share Ownership of Public Companies ("**POJK 11/2017**").

## **II. PURPOSE**

The purpose and objective of the preparation of this Board of Commissioners Charter is to provide guidelines to the Board of Commissioners and to improve the effectiveness of the Board of Commissioners in performing its day-to-day activities in support of the members of the Board of Commissioners and other parties related to the performance of the Board of Commissioners' duties.

## **III. DUTIES, RESPONSIBILITIES AND AUTHORITIES**

### **III.1 Duties and Responsibilities**

The Board of Commissioners is tasked with supervising the Company and is responsible for monitoring the policy and general management of the Company, as well as giving advice to the Board of Directors.

In relation to its supervisory and advisory functions, the Board of Commissioners has main duties pertaining to:

**a. operating aspect**

1. approval for the Company's vision and mission;
2. oversight of the long-term and short-term business plan prepared by the Board of Directors to ensure alignment with the Company's mission and to achieve its vision;
3. oversight of the strategy and implementation of the business plan;
4. oversight of the implementation of a comprehensive internal control system, and risk management, and risk mitigation procedures in particular for the Company's activities with high-risk profile;
5. oversight of the integrity of the Company's financial statements; and
6. ensuring the objectivity and independence of both internal and external auditors.

**b. good corporate governance aspect**

1. oversight of the compliance with the prevailing statutory regulations;

2. oversight of the adequacy of information with respect to reporting and information disclosure;
3. oversight of the implementation of activities related to corporate social responsibility.

In order to support the effective performance by the Board of Commissioners of its duties and responsibilities, the Board of Commissioners shall establish an Audit Committee and any other committees. In connection with the committees established by the Board of Commissioners, the Board of Commissioners shall ensure the execution of relevant committee charters and evaluate such committees' performance at the end of each fiscal year.

### **III.2 Authorities**

The authorities of the Board of Commissioners shall be as set out in the Company's Articles of Association namely, among others: (a) temporarily dismissing any member of the Board of Directors by giving the reason therefor; and (b) temporarily managing the Company in certain circumstance for a certain period.

## **IV. MEETING POLICY**

Meetings of the Board of Commissioners may be held at any time if deemed necessary, but in any event shall be subject to the following provisions:



#### **IV.1 Meeting Schedule**

A meeting of the Board of Commissioners shall be held at least once every 2 (two) months and lawful if attended by the majority of all members of the Board of Commissioners.

The Board of Commissioners shall hold a meeting together with the Board of Directors ("**Joint Meeting**") on a regular basis at least once every 4 (four) months. The Board of Commissioners shall schedule meetings and Joint Meetings for the following year prior to the end of the current fiscal year.

#### **IV.2 Meeting Procedure**

Meetings of the Board of Commissioners shall be held with the following procedures:

IV.2.1 At the scheduled meeting, the meeting materials shall be distributed to the participants no later than 5 (five) days prior to the meeting date;

IV.2.2 Notice to call for a Meeting of the Board of Commissioners shall be served by the President Commissioner and shall be sent to each member of the Board of Commissioners personally or by registered mail against proper receipt, at least 5 (five) business days prior to the

meeting date, excluding the notice date and the meeting date.

Such prior notice to call for a meeting of the Board of Commissioners shall not be required if all members of the Board of Commissioners are to be present or represented at the meeting and the Meeting of the Board of Commissioners may be held at any place and shall be entitled to adopt lawful and binding resolution;

IV.2.3 All meetings of the Board of Commissioners shall be chaired by the President Commissioner. In case the President Commissioner is absent or hindered by any reasons whatsoever, one of the Commissioners attending and appointed by the meeting shall chair the meeting of the Board of Commissioners;

IV.2.4 All resolutions of the meeting of the Board of Commissioners shall be adopted on the basis of the principle of the deliberation to reach a consensus. In case of failure to adopt a resolution on the basis of the principle of deliberation to reach a consensus, the resolution shall be adopted by a simple majority votes. In case of tie vote, the

Chairman of the Meeting shall have a second vote;

IV.2.5 The Board of Commissioners may also adopt valid and binding resolutions without convening a Meeting of the Board of Commissioners, provided that all members of the Board of Commissioners have been notified in writing of the proposals to be discussed and all such members have given and signed their written approval to the proposal. The resolution adopted in such a manner shall have the same effect as that of the resolution lawfully adopted at a Meeting of the Board of Commissioners.

#### **IV.3 Minutes of Meeting**

The proceedings of any meeting of the Board of Commissioners shall be set out in the minutes of meeting signed by all members of the Board of Commissioners present at the meeting for distribution to all members of the Board of Commissioners.

In the event there is any member of the Board of Commissioners not signing the result of the meeting, the said member shall provide his/her reason in writing in a separate letter attached to the minutes of meeting.

#### **V. MEMBERSHIP**



The Company's Board of Commissioners shall comprise at least 2 (two) persons, 1 (one) of whom shall be an Independent Commissioner. In the event that the Board of Commissioners consists of more than 2 (two) Commissioners, the number of Independent Commissioners shall be at least 30% (thirty percent) of the total number of members of the Boards of Commissioners.

One of the members of the Board of Commissioners shall be appointed as the President Commissioner in charge of coordinating the activities of the Board of Commissioners.

In determining the number and composition of members of the Board of Commissioners, the Company shall consider the Company's condition and take into account the diversity of expertise, knowledge and experience required by the Company.

#### **V.1 Qualifications**

Those who may be appointed to be the members of the Board of Commissioners shall fulfill the following qualifications:

- a. have good behavior, moral and integrity;
- b. are capable of taking legal actions;
- c. within a period of 5 (five) years before the appointment and during the term of office they have not:



1. been declared bankrupt;
2. become the members of the Board of Directors and/or the members of the Board of Commissioners who are declared guilty of causing a company to be declared bankrupt;
3. been sentenced for committing a crime that causes loss to the state finances and/or loss to the financial sector; and
4. become the members of the Board of Directors and/or the members of the Board of Commissioners:
  - (i) who have not ever held the Annual GMS;
  - (ii) whose statement of accountability as the members of the Board of Directors and/or the members of the Board of Commissioners has not been approved by the GMS or who have not ever submitted to the GMS any statement of accountability as the members of the Board of Directors and/or the members of the Board of Commissioners; and
  - (iii) who have caused a company that has obtained permit, approval from, or been registered with the Financial

Services Authority not to meet its obligation to submit annual report and/or financial statement to the Financial Services Authority,

during their term of office.

- d. have commitment to comply with the laws and regulations; and
- e. have knowledge and/or expertise in the fields as required by the Company.

The fulfilment of the aforesaid qualifications shall be set out in a statement letter submitted to the Company.

In addition to the aforesaid qualifications, pursuant to article 21 paragraph (2) of POJK 33/2014, the Company's Independent Commissioner shall meet the following requirements:

- a. He/she is not employed or authorized or empowered to plan, lead, control, or supervise the activities of the Company within the last 6 (six) months, except for reappointment to be the Company's Independent Commissioner for the next period;
- b. He/she does not hold directly or indirectly any share in the Company;
- c. He/she is not affiliated with the Company, any members of the Board of Commissioners, any members

of the Board of Directors or any principal shareholders of the Company; and

- d. He/she has no business relation, directly or indirectly, with respect to the business activities of the Company.

In the event that the Company has more than 2 (two) Independent Commissioners, one of whom shall have accounting and financial background.

## **V.2 Independence**

A member of the Company's Board of Directors may have double function as:

1. a member of the Board of Directors of not more than 2 other issuers or public companies; and
2. a member of the Board of Commissioners of not more than 2 other issuers or public companies.

In the event a member of the Company's Board of Commissioners does not have any double function as member of the Board of Directors, the relevant member of the Board of Commissioners may have double function as member of the Board of Commissioners of not more than 4 other issuers or public companies.

## **V.3 Term of Office**

1. Members of the Company's Board of Commissioners shall be appointed by a GMS for a term of office of 5 (five) years commencing on the closing of the

- GMS appointing them and ending at the closing of the fifth Annual GMS after their appointment, without prejudice to the right of the GMS to dismiss them at any time with due observance to the provision of article 119 of the Company Law.
2. Any member of the Board of Directors whose term of office has expired may be reappointed upon resolution of a GMS.
  3. An Independent Commissioner that has held his/her office for 2 (two) terms of office may be reappointed for the next term of office to the extent such Independent Commissioner declares that he/she remains independent at the GMS.
  4. In the event the Independent Commissioner holds an office in the Audit Committee, the said Independent Commissioner may only be reappointed in the Audit Committee for the next 1 (one) term of office.
  5. The proposed appointment, dismissal, and/or replacement of any members of the Board of Commissioners to the GMS shall consider the recommendations from the Board of Commissioners or committee in charge of nomination.
  6. Any member of the Board of Commissioners indicated to be involved in any issue related to financial



crime as contemplated in the prevailing statutory regulations shall be temporarily dismissed from his/her position as a member of the Board of Commissioners until resolution of and/or adoption of judgment with respect to any such issue.

7. Any member of the Board of Commissioners proven guilty of involvement in any financial crime as evidenced by a court judgment having permanent legal force shall resign from his/her position as a member of the Company's Board of Commissioners.

#### **VI. VALUES AND WORK ETHICS**

The values and work ethics of the Board of Commissioners are necessary, given the importance of the duties and responsibilities of the Board of Commissioners for the proper supervision of the Company.

The values and work ethics of the Board of Commissioners shall principally be as follows:

1. members of the Board of Commissioners shall at all times prioritize the Company's core values.
2. members of the Board of Commissioners shall be oriented towards compliance with the prevailing statutory regulations.
3. in carrying out their respective duties and responsibilities, members of the Board of

Commissioners shall at all times prioritize the Company's economic interests over their personal economic interests or those of their family, or any other persons.

4. members of the Board of Commissioners shall avoid any potential conflict of interest or use their best efforts not to involve in any potential conflict of interest. In case of conflict of interest, members of the Board of Commissioners shall not take any act which may be detrimental or prejudicial to any interest of the Company and shall disclose any such potential conflict of interest in each decision.
5. members of the Board of Commissioners shall maintain the Company's image and reputation in all their words and deeds.
6. members of the Board of Commissioners are prohibited from abusing their office for their personal interest or benefit, or for the interest or benefit of their family and any other party.
7. members of the Board of Commissioners shall keep confidential all the Company's information in accordance with the statutory regulations and the company's regulations in the ordinary course of the business.

8. members of the Board of Commissioners are prohibited from using any information related to the Company to make decisions for their personal interests or benefits or for the interest or benefits of their family and any affiliated party.
9. unless expressly specified in the prevailing statutory regulations and the Articles of Association, members of the Board of Commissioners are not authorized to represent the Company though they receive such authority from the Board of Directors, provided that in case of the absence of the Board of Directors, the Board of Commissioners may assume the role of the Board of Directors.
10. members of the Board of Commissioners are prohibited from giving/offering or receiving anything, either directly or indirectly, to/from any state official and/or representative of a business partner, which may affect the decision of any such official and/or representative.
11. members of the Board of Commissioners shall improve the quality of information disclosure by, among others, providing information to the Company regarding any ownership or change in any such ownership by the members of the Board of Commissioners of any of the Company's shares



directly or indirectly no later than 3 business days upon the acquisition or change in ownership of any such shares.

**VII. WORK PLAN AND TIMELINE**

1. The Board of Commissioners shall prepare its work plan for the following year by, among others, considering matters to be discussed at the meeting of the Board of Commissioners.
2. The Board of Commissioners shall allocate adequate time for optimal performance of all its duties and responsibilities in line with the Company's working days.

**VIII. REPORTING AND ACCOUNTABILITY**

The Board of Commissioners shall submit reports to the GMS regarding the performance of its supervisory duty during the past fiscal year.

Members of the Board of Commissioners shall provide information to the Company regarding any ownership or change in any such ownership by the members of the Board of Commissioners of any of the Company's shares directly or indirectly no later than 3 business days upon the acquisition or change in ownership of any such shares.



**IX. CLOSING**

This Charter is effective as of October 30, 2017 and may be subject to review if certain updates to this Charter are necessary.

If there is any discrepancy between the provisions contained in this Board of Commissioners Charter and the prevailing statutory regulations, the provisions of the prevailing statutory regulations shall prevail.

Executed in Jakarta, on October 30, 2017

**PT INTI BANGUN SEJAHTERA TBK**

**BOARD OF COMMISSIONERS**

[signed]

**FARIDA BAU**

President Commissioner

[signed]

[signed]

**SOEBIANTORO**

**KANAKA PURADIREDA**

Commissioner

Independent Commissioner

I, **Anang Fahkcrudin**, residing at Jl. Kalibata Timur Raya No. 12, Kel. Kalibata. Kec. Pancoran, South Jakarta, ([anangf@gmail.com](mailto:anangf@gmail.com)), a sworn and authorized translator, by virtue of Jakarta Capital Territory Governor's Decree No. 2228/2001~~2~~ practicing in Jakarta, do solemnly and sincerely declare that the foregoing document is a true and faithful translation from Indonesian into English of the original version.

Jakarta, April 10, 2019

**ANANG FAHKCRUDIN**  
**SWORN & AUTHORIZED**  
**TRANSLATOR**

SK. GUB KDKI JEL. NO. 2228/2001