

# BOARD MANUAL

PT GARUDA INDONESIA (PERSERO) Tbk  
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## CODE OF CONDUCT

In order to implement *Good Corporate Governance* in running business processes in the Company, every employee is required to comply with *the Company's code of conduct* as stated in the Business Ethics and Work Ethics Guidelines applicable within the Company. In addition, employees who carry out the Company's document and archive management functions are also required to comply with the *following code of conduct*:

1. Comply with all provisions and policies, carry out business processes that apply in the Company, including in the Office Administration System Manual, Work Procedures, Work Instructions, *Job Description*, and security systems that have been established, and while still referring to the Collective Labor Agreement, and related laws and regulations.
2. Maintain the confidentiality of documents, archives, and all information related to the Company's document and archive management functions (not limited to the process of creation, storage, search, distribution & circulation, media transfer, destruction and confiscation) in the Company to non-interested parties.
3. Maintain the confidentiality of Personal Data of Employees/Business Partners/Third Parties/Passengers/*Customers*, including name, gender, identity number (Identity Card/KTP), passport, or other identity markers in accordance with applicable laws and regulations, telephone number, place and date of birth as well as age, occupation, address, nationality, religion, online identifiers, such as *IP address*, *e-mail address*, number *frequent flyers*, biometric data, data on health or psychiatric conditions, personal financial data, cultural or social identity of an individual (tribe), all personnel data for the Company's employees, and other similar personal data managed in the Company's document and archive management function.
4. Maintain the confidentiality of documents and information related to the management of the management function of documents and archives in the Company to non-interested parties, including Policy data/Decision Letters, Performance Data/Results Report, Cooperation Agreements/Minutes of Agreements/Other Engagements, Manuals/Procedures applicable in the Company, and Minutes of the Company's internal meetings, including the Company's document and archive management functions.
5. Rejecting, not requesting or receiving, and providing gratuities in any form from and/or to third parties, in the process of managing documents and archives related to positions in the Company, and contrary to their duties and obligations. In the event of rejection/receipt of gratuities, it is mandatory to report to the Company's gratuity control unit. Provisions related to gratuity control refer to the Decree of the Board of Directors applicable in the Company.

6. Using work facilities and work inventory items, including telephones, facsimiles, *e-mails*, computers, and other facilities belonging to the Company, in accordance with their functions for the benefit of the Company.
7. Do not use the Company's attributes/assets/property/belongings such as uniforms, *ID cards*, logos, aircraft photos, *inflight* items, and other items for political purposes, *endorsements*, personal business, pornography and other activities that are contrary to the Company's objectives.
8. Not committing acts that are Ethnic, Religious, Racial, and Inter-Group (SARA), discriminatory, spreading hatred, spreading fake news (*hoax*) in the work environment that aims at personal interests/certain groups, including but not limited to political activities.
9. Report immediately to the employee's superiors, authorized work units, through [whistleblower.garuda-indonesia.com](http://whistleblower.garuda-indonesia.com) website, if they know or encounter any thing/behavior that is contrary to the Company's rules or know of anything that can endanger/harm the Company.

Other matters that are not regulated in this *code of conduct* still refer to the Business Ethics and Work Ethics Guidelines applicable in the Company.

## GLOSSARY

In this Board Manual, what is meant by:

No.	Term	Definition
1.	Articles of Association	Deed No. 83 dated June 20, 2023, made before Notary Aulia Taufani, S.H., M.Kn., Notary in Jakarta with its amendments.
2.	Commercial Air Freight	Air transportation for the public by collecting payment.
3.	APBN	State Revenue and Expenditure Budget
4.	Foreign Financial Assets	The Company's assets against foreign entities both in foreign currency and in rupiah, including in the form of cash in foreign exchange, the Company's deposits in foreign entities, trade receivables or business accounts with foreign entities, ownership of securities issued by foreign entities and capital participation in an overseas entity.
5.	Bapepam-LK	Capital Market and Financial Institutions Supervisory Agency (now replaced by Financial Services Authority/OJK)
6.	Bappenas	National Development Planning Agency
7.	BEI	Indonesia Stock Exchange
8.	SOEs	State-Owned Enterprises, which are business entities whose entire or most of their capital is owned by the state through direct participation derived from the separated state wealth.
9.	Special Listing	List containing information about the shares of members of the Board of Directors and the Board of Commissioners and their families in the Company and/or in other Companies as well as the date the shares were acquired.
10.	Board of Commissioners	The Company's organ is tasked with carrying out supervision over the Company's management policies and the Company's business activities as well as to provide advice to the Board of Directors.
11.	Independent Commissioner	Members of the Board of Commissioners who do not have financial, management, shareholding, and/or family relationships with other members of the Board of Commissioners, members of the Board of Directors, and/or controlling shareholders or relationships with the SOEs concerned, which may affect their ability to act independently.

12.	Management	An organ of a limited liability company that is tasked with carrying out its duties in accordance with the provisions of the Company's Articles of Association.
13.	DPR	House of Representatives
14.	Issuer	The party conducting the Public Offering.
15.	Pre-emptive rights	Pre-emptive Rights, which are rights attached to shares that allow existing shareholders to purchase new securities, including shares, securities that can be converted into shares and warrants, before being offered to others. These rights must be transferable.
16.	Insider Information	Material information owned by insiders that is not yet publicly available.
17.	Public Information	Information generated, managed, sent, and/or received by a public body related to the organizer and administration of the state and/or the organizer and administration of other public bodies in accordance with the Law on Public Information Disclosure and other information related to the public interest.
18.	Audit Committee	A committee formed by and responsible to the Board of Commissioners in assisting in carrying out the duties and functions of the Board of Commissioners.
19.	Business Development & Risk Monitoring Committee	The Committee is formed by and responsible to the Board of Commissioners in assisting in the implementation of the functions and duties of the Board of Commissioners related to the effectiveness of the management of business development functions and the implementation of risk management in the Company.
20.	Nomination and Remuneration Committee	A committee formed by and responsible to the Board of Commissioners in assisting in carrying out the functions and duties of the Board of Commissioners related to Nomination and Remuneration for members of the Board of Directors and members of the Board of Commissioners.
21.	Talent Committee	The committee formed to conduct the screening and evaluation of the Talents of the SOE Board of Directors consists of the Talent Committee of the SOE Board of Directors stipulated by the Decree of the Board of Directors and the Talent Committee of the Ministry of SOEs stipulated by the Decree of the Secretary of the Ministry.



22.	Formal Communication	Communication that occurs between organs related to the fulfillment of formal provisions as stipulated in the Articles of Association and/or the norm based on best practices in the Company.
23.	Informal Communication	Communication between the organs of the Board of Directors and the Board of Commissioners, between members or members of each other's organs, outside of the formal communication provisions stipulated in the Articles of Association, laws and regulations, and applicable internal provisions of the Company.
24.	Annual Management Contract	Contracts that contain the KPI achievement targets of the Board of Directors to meet all targets set by the GMS/Minister within 1 (one) year.
25.	Financial Statements	Based on the UUPT, the financial statements consist of at least the balance sheet at the end of the recent financial year in comparison with the previous financial year, the income statement from the relevant financial year, the cash flow statement, and the statement of equity changes, as well as the notes on the financial statements;
26.	Annual Report	The annual report contains: a. annual financial statements; b. reports on the state and running of the Company and realizations during the financial year, including human resources; c. details of issues arising during the financial year affecting the Company's activities; d. financial and non-financial analysis; e. KPI achievement reports; f. Risk Management report; g. implementation of social and environmental responsibility programs; h. PMN supplemental usage reports, if any; i. implementation of national strategic projects or other assignments, if any; j. IT maintenance reports; k. evaluation of the RJPP; and l. follow-up to the auditor's findings and the resolution of last year's GMS.
27.	Quarterly Reports	The quarterly report contains: a. Quarterly Financial Statements; b. reports on the state and running of the Company and realizations during the financial year, including human resources;



		<ul style="list-style-type: none"> <li>c. details of issues arising during the financial year affecting the Company's activities;</li> <li>d. financial and non-financial analysis;</li> <li>e. KPI achievement reports;</li> <li>f. Risk Management report;</li> <li>g. implementation of social and environmental responsibility programs;</li> <li>h. PMN supplemental usage reports, if any;</li> <li>i. implementation of national strategic projects or other assignments, if any; and</li> <li>j. follow-up to the auditor's findings and the resolution of last year's GMS.</li> </ul>
28.	State Administrator's Wealth Report	The State Administrator's Wealth Report, hereinafter referred to as LHKPN, is a list of all PN Assets reported in a certain period or periodically to the Corruption Eradication Commission (KPK) referring to KPK Regulation No.07 of 2016 concerning Procedures for Registration, Announcement, and Examination of State Administrators' Assets and its amendments.
29.	OJK	Financial Services Authority
30.	Insider	<p>Based on the Capital Market Law, Insiders are the following parties:</p> <ul style="list-style-type: none"> <li>i. the Board of Commissioners, Directors, or employees of the Company;</li> <li>ii. The Company's main shareholders;</li> <li>iii. An individual who, by virtue of his position or profession or because of his business relationship with the Company, allows the person to obtain insider information; or</li> <li>iv. Parties who within the last six months are no longer parties as referred to in points (a), (b), and (c) above.</li> </ul>
31.	Controlling Shareholders	A party that owns more than 50% (fifty percent) of all fully paid-up shares or a party that has the ability to determine, either directly or indirectly, by any means, the management and/or discretion of the Public Company.
32.	General Offer	Securities offering activities carried out by the issuer to sell securities to the public based on the procedures regulated in the applicable laws and regulations in the capital market.
33.		
34.	Bapepam-LK Regulation No. VIII.G.11	Bapepam-LK Regulation No.VIII.G.11 concerning the Responsibility of the Board of Directors for Financial Statements, Attachment to the Decree

		of the Chairman of Bapepam-LK Number KEP-40/PM/2003 of 2003.
35.	OJK Regulation 42/2020	OJK Regulation No. 42/POJK.04/2020 concerning Affiliate Transactions and Conflicts of Interest.
36.	Bapepam-LK Regulation No. X.K.2	Bapepam-LK Regulation No. X.K.2 concerning the Submission of Periodic Financial Statements of Issuers or Public Companies, Attachment to the Decree of the Chairman of Bapepam-LK No. KEP-346/BL/2011 of 2011.
37.	IDX Regulation No. I-E	IDX Regulation No. I-E concerning the Obligation to Provide Information, Attachment to the Decree of the Board of Directors of PT Jakarta Stock Exchange No. Kep-306/BEJ/07-2004 of 2004.
38.	OJK Regulation 3/2014	OJK Regulation No. 3/POJK.02/2014 concerning Procedures for the Implementation of Levy by OJK
39.	OJK Regulation 32/2014	OJK Regulation No. 32/POJK.04/2014 concerning the Plan and Implementation of the General Meeting of Shareholders (GMS) of Public Companies
40.	OJK Regulation 33/2014	OJK Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies
41.	OJK Regulation 34/2014	OJK Regulation No. 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies
42.	OJK Regulation 35/2014	OJK Regulation No. 35/POJK.04/2014 concerning Corporate Secretary of Issuers or Public Companies
43.	OJK Regulation 55/2015	OJK Regulation No. 55/POJK.04/2015 concerning the Establishment and Guidelines for the Implementation of the Work of the Audit Committee
44.	OJK Regulation 31/2015	OJK Regulation No. 31/POJK.04/2015 concerning Disclosure of Information or Material Facts by Issuers or Public Companies
45.	OJK Regulation 56/2015	OJK Regulation No. 56/POJK.04/2015 concerning the Establishment and Guidelines for the Preparation of the Internal Audit Unit Charter
46.	OJK Regulation 29/2016	OJK Regulation No. 29/POJK.04/2016 concerning Annual Report of Issuers or Public Companies
47.	OJK Regulation 13/2017	OJK Regulation No. 13/POJK.03/2017 concerning the Use of AP and KAP Services in Financial Services Activities

48.	OJK Regulation 7/2018	OJK Regulation No. 7/POJK.04/2018 concerning Submission of Reports through Electronic Reporting System
49.	OJK Regulation 9/2018	OJK Regulation No. 9/POJK.04/2018 concerning the Takeover of Public Companies
50.	OJK Regulation 17/2020	OJK Regulation No. 17/POJK.04/2020 concerning Material Transactions and Changes in Business Activities
51.	PER-1/2023	Regulation of the Minister of State for SOEs No. PER-1/MBU/03/2023 concerning Special Assignments and Social and Environmental Responsibility of SOEs and its amendments.
52.	PER-2/2023	Regulation of the Minister of State for SOEs No. PER-2/MBU/03/2023 concerning Guidelines for Governance and Significant Corporate Activities of SOEs and its amendments.
53.	PER-3/2023	Regulation of the Minister of State for SOEs No. PER-3/MBU/03/2023 concerning SOEs Organs and Resources and their amendments
54.	Company	PT Garuda Indonesia (Persero) Tbk
55.	Formal Meetings	Meeting of the Board of Commissioners or meeting of the Board of Directors held by each organ.
56.	Informal Meetings	Meetings of members of the Board of Commissioners and members of the Board of Directors outside the forum of formal meetings.
57.	Public Company	A company whose shares are owned by at least 300 shareholders and has a paid-up capital of at least IDR 3,000,000,000.00 (three billion Rupiah) or a number of shareholders and paid-up capital determined based on the applicable laws and regulations in the capital market.
58.	Controlled Company	A company that is controlled, either directly or indirectly, by the Company.
59.	Audit Committee Charter	The audit committee charter contains: 1) duties and responsibilities and authorities; 2) composition, structure, and membership requirements; 3) work procedures and procedures; 4) the policy of holding meetings; 5) activity reporting system; 6) provisions regarding the handling of complaints or reporting in relation to alleged violations related to financial reporting; and 7) Audit Committee Term of Reference.

60.	PP No. 11/2014	Government Regulation No. 11 of 2014 concerning Levy by OJK
61.	PP No. 45/2005	Government Regulation No. 45 of 2005 concerning the Establishment, Management, Supervision and Dissolution of SOEs
62.	PP No. 64/1999	Government Regulation No. 24 of 1998 concerning the Company's Annual Financial Information as amended by Government Regulation No. 64 of 1999.
63.	RJPP	The Company's Long-Term Plan is a strategic plan that contains the Company's goals and objectives to be achieved within a period of 5 (five) years.
64.	RKAP	The Company's Work Plan and Budget is an annual elaboration of the RJPP.
65.	GMS	General Meeting of Shareholders
66.	Dual Series A Shares	Special shares owned by the State that provide privileges that are not owned by other Shareholders as stipulated in the Company's Articles of Association.
67.	Series B Shares	Ordinary shares in names that are circulating and listed on the stock exchange, so that they can be owned by the general public and can be traded.
68.	Internal Oversight Unit	A unit headed by a head appointed and dismissed by the President Director based on the company's internal mechanism with the approval of the Board of Commissioners.
69.	SE-OJK No. 4/2014	OJK Circular Letter No. 4/SEOJK.02/2014 concerning the Payment Mechanism of OJK Levy.
70.	Information Technology	A technique for collecting, preparing, storing, processing, announcing, analyzing, and/or disseminating information.
71.	SOE Law	Law No. 19 of 2003 concerning State-Owned Enterprises.
72.	Public Information Disclosure Law	Law No. 14 of 2008 concerning Public Information Disclosure.
73.	Capital Market Law	Law No. 8 of 1995 concerning the Capital Market.
74.	Aviation Law	Law No. 1 of 2009 concerning Aviation.
75.	UUPT	Law No. 40 of 2007 concerning Limited Liability Companies.

## **BOM 1. INTRODUCTION**

### **A. Background**

The Company is a state-owned enterprise whose shares are listed on the IDX. As a state-owned enterprise engaged in aviation business activities whose shares are listed on the IDX, the Company is subject to a set of rules that are guidelines for the Company to carry out its operational activities. After becoming a listed company, the authorities that supervise the Company's activities are increasing. In addition to authority, the public also monitors the Company's performance and operational activities to ensure that the value of the investment invested in the Company increases.

The Board of Directors is an organ of a limited liability company that is tasked with carrying out its duties in accordance with the provisions of the Company's Articles of Association and applicable laws and regulations. Meanwhile, the Board of Commissioners is the organ of the Company that is tasked with carrying out supervision over the Company's management policies and the Company's business activities as well as to provide advice to the Board of Directors as requested or when necessary in order to ensure that the Company is managed in accordance with its business purposes and objectives, and is not intended for the benefit of certain parties or groups. The Board of Commissioners shall, in good faith and full responsibility, carry out its duties for the benefit of the Company.

In order to implement the principles of *Good Corporate Governance* and to meet the interests of shareholders and other interested parties, consisting of employees, consumers, the public, and regulators, the Board of Directors and the Board of Commissioners require a work guideline related to corporate governance.

### **B. Vision and Mission**

#### **Vision**

*"To become a sustainable aviation group by connecting indonesia and beyond while delivering indonesian hospitality"*

## Mission

*"Strengthening business fundamental through strong revenue growth, cost leadership implementation, organization effectiveness and group synergy reinforcement while focusing on high standard of safety and customer-oriented services delivered by professional & passionate employees"*

### C. Purpose and Purpose

This Manual related to corporate governance for the Board of Directors and Board of Commissioners ("**Board Manual**") is a derivative and elaboration of the Corporate Governance Policy (KTKP) which is prepared as a work guideline for the Board of Directors and Board of Commissioners in carrying out their duties and responsibilities for the best interests of the Company.

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## **BOM 2. COMPANY ORGANS**

### **A. Board of Commissioners**

The Board of Commissioners is an organ of the company that is tasked with carrying out supervision of management policies, the running of management in general, both regarding the Company and the Company's business carried out by the Board of Directors and providing advice to the Board of Directors in order to ensure that the Company is managed in accordance with its business purposes and objectives, and is not intended for the benefit of certain parties or groups. The Board of Commissioners is obliged, in good faith and full responsibility, to carry out its duties for the benefit of the Company (Article 108 of the Constitution of the Constitution, Article 31 of the SOE Law, Article 15 of the Articles of Association, Article 14 of PER-2/2023).

#### **1. Duties, Duties and Authorities of the Board of Commissioners**

The basic characteristic of the Board of Commissioners is that the Board of Commissioners is an assembly, where each member of the Board of Commissioners cannot act independently but based on the decision of the Board of Commissioners. As mentioned earlier, the duties of the Board of Commissioners are in good faith and full responsibility to supervise and provide advice and opinions to the Board of Directors in order to ensure that the Company is managed in accordance with the purposes and objectives of the Company's business activities. The Board of Commissioners makes a division of duties that is regulated by the members of the Board of Commissioners themselves.

In carrying out its duties, the Board of Commissioners is obliged, among others:

##### **a. Supervision**

Supervise the development of the Company's activities and management performance including providing reports including opinions and suggestions to the GMS in connection with all supervisory tasks and actions carried out during the previous financial year.

The Board of Commissioners is responsible and authorized to supervise management policies, the course of management in general, both regarding the Company and the Company's business and provide advice to the Board of Directors. The supervision and advice provided are carried out for the benefit of the Company and in accordance with



the Company's intentions and objectives, and are not intended for the benefit of certain parties or groups.

In carrying out supervision, the Board of Commissioners is prohibited from participating in decision-making of the Company's operational activities unless stipulated in the articles of association or the provisions of laws and regulations. The decision-making of the Company's operational activities by the Board of Commissioners is part of the supervisory duties by the Board of Commissioners so as not to negate the responsibility of the Board of Directors for the implementation of the Company's management. In addition, the Board of Commissioners gives approval to strategic matters in accordance with the provisions of the Articles of Association. The Board of Commissioners is obliged to submit a report on the supervisory duties and providing advice to the Board of Directors that have been carried out during the recent financial year to the GMS/Minister.

The Board of Commissioners supervises and advises on policies and implementations related to:

- 1) Internal Control;
- 2) *Good Corporate Governance*;
- 3) Risk Management;
- 4) Information Technology;
- 5) Human Resources;
- 6) Accountancy;
- 7) Procurement;
- 8) Sustainability Policy;
- 9) Quality and Service; and
- 10) The Company's compliance with the Articles of Association and laws and regulations.

**b. Responses to Annual Reports and Periodic Reports**

Examine and respond to the GMS on the periodic report and Annual Report prepared by the Board of Directors and sign the Annual Report.

The Board of Commissioners must ensure that the Company's Annual Report contains information regarding the identity, its main activities, the position of the Board of Commissioners in other companies, the report on the supervisory duties of the Board of Commissioners in the relevant financial year, including meetings held in one financial year (internal meetings or joint meetings with the Board of Directors), as well

as honorariums, facilities, and/or other benefits received from the Company and other information related to the Board of Commissioners with reference to the Articles of Association and related laws and regulations.

**c. Shareholding Disclosure**

The Board of Commissioners is obliged to report to the Company regarding their and their family's ownership of shares in the Company or other companies no later than 3 (three) working days after the occurrence of ownership or any change in ownership of the shares.

**d. Approval of RKAP and RJPP**

Provide opinions and approvals on the RJPP and RKAP prepared by the Board of Directors. With the approval of the RJPP and RKAP by the Board of Commissioners, the Board of Directors is authorized to carry out and implement the implementation of the RJPP and RKAP during the period of the fiscal year.

The Board of Commissioners shall give approval/ratification of the RJPP no later than 60 (sixty) days after the receipt of the draft RJPP or the complete revision of the RJPP or before the year of the period of the RJPP or the revision of the RJPP is running.

The approval of the RKAP is given by the Board of Commissioners no later than 30 (thirty) days after the current fiscal year.

The Board of Commissioners is obliged to supervise the implementation of the RJPP and RKAP.

**e. Public Accounting Firm Proposal and Evaluation of the Implementation of Public Accounting Firm Work**

The Company's annual financial statements are audited by a Public Accounting Firm appointed by the GMS/Minister from the candidates submitted by the Board of Commissioners based on the process of procurement of the Company's goods and services carried out by the Audit Committee, and if necessary, can request the assistance of the Board of Directors in the procurement process. In addition, the Board of Commissioners is obliged to submit to the GMS the reasons for the nomination of a public accounting firm and the amount of honorarium/remuneration proposed for the public accounting firm. The

Board of Commissioners is also obliged to evaluate the implementation of the work of public accounting firms in accordance with applicable regulations.

**f. Annual RKA of the Board of Commissioners and Performance Appraisal**

The Board of Commissioners prepares the Annual Work Plan and Budget of the Board of Commissioners which are an integral part of the Company's Annual Work Plan and Budget.

The Board of Commissioners may provide proposals regarding KPIs which are a measure of assessment of the success of the implementation of duties and responsibilities of supervision and advice by the Board of Commissioners, to the GMS. The Board of Commissioners can assign committees that have functions related to remuneration in the form of the preparation of *Key Performance Indicators* (KPIs) of the Board of Commissioners with a *self-assessment* system or other systems to be decided at the Board of Commissioners meeting.

**g. Performance Assessment of the Board of Directors**

The Board of Commissioners provides an assessment and evaluation of the performance of the Board of Directors based on the KPIs set by the Board of Commissioners, both individually and collectively.

The Board of Commissioners is required to consult in advance with the Ministry of SOEs as a Series A Shareholder in determining the *Key Performance Indicator* ("KPI") of the Board of Directors.

**h. Report of Supervisory Duties to the GMS**

The Board of Commissioners is obliged to submit a report on the supervisory duties that have been carried out during the recent financial year to the GMS in accordance with its authority as stipulated in laws and regulations and articles of association.

**i. Evaluating the Supporting Organs of the Board of Commissioners**

The Board of Commissioners is obliged to conduct an evaluation to determine the effectiveness of the board, committee, and each individual Commissioner. The Board of Commissioners is also obliged to evaluate the performance of the Secretariat of the Board of

Commissioners using the method set by the Board of Commissioners.

**j. Other Obligations**

The Board of Commissioners is obliged to carry out its duties and make decisions in accordance with the division of duties and authorities and follow the provisions of laws and regulations, including but not limited to PER-2/2023 and the Company's Articles of Association.

In carrying out supervision actions on management actions carried out by the Board of Directors, the Board of Commissioners is authorized to:

- 1) checking books, letters, and other documents, checking cash for verification purposes and other securities and checking the Company's assets;
- 2) entering yards, buildings, and offices used by the Company;
- 3) request an explanation from the Board of Directors and/or other officials regarding all issues related to the management of the Company;
- 4) know all policies and actions that have been and will be carried out by the Board of Directors;
- 5) request the Board of Directors and/or other officers under the Board of Directors with the knowledge of the Board of Directors to attend the meeting of the Board of Commissioners;
- 6) appoint and dismiss a Secretary of the Board of Commissioners;
- 7) temporarily dismiss members of the Board of Directors in accordance with the provisions of this Articles of Association;
- 8) establish an Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee and other committees, if deemed necessary with regard to the company's capabilities;
- 9) use experts for certain matters and within a certain period of time at the Company's expense, if deemed necessary;
- 10) to perform the Company's management actions under certain circumstances for a certain period of time in accordance with the provisions of this Articles of Association;
- 11) approving the appointment and dismissal of the Company's Secretary and Head of the Internal Supervisory Unit;
- 12) attend meetings of the Board of Directors and provide views on matters discussed;
- 13) exercise other supervisory authority as long as it does not conflict with laws and regulations, articles of association, and/or resolutions of the GMS.

## **2. Board of Commissioners Official Trip**

The Board of Commissioners' Trip Plan abroad is proposed in writing to the Minister of SOEs periodically within a 3-month period for routine official trips or have been planned in the RKAP. As for other official trips, the application must be submitted no later than 14 (fourteen) working days before the official travel schedule is in question.

In the official travel plan abroad, it is explained about the purpose and interests of the official trip, the relationship with the company's goals and policies, the length of the official trip, sources of financing, cost budget plans and other relevant information.

Provisions related to the application for official travel permits are exempt for official trips abroad on the order of the Minister of SOEs.

Within a period of 14 (fourteen) days after the implementation of the official trip, the Board of Commissioners is obliged to report the implementation of the official trip to the Minister of SOEs which contains information on official travel in accordance with the attachment to the Circular Letter of the Minister of SOEs related to official trips abroad for the Board of Commissioners, as well as attach other supporting materials or documents relevant to official trips.

## **3. Prohibition**

### **a. Insider Transactions**

The provisions related to the prohibition of insider transactions that have been regulated in the relevant Chapter of the Board of Directors apply mutatis mutandis to members of the Board of Commissioners.

### **b. Conflict of interest transactions**

The Board of Commissioners is prohibited from taking actions that have a conflict of interest and taking personal benefits from the decision-making and/or implementation of the SOEs concerned, other than legitimate income (Article 20 PER-2/2023).

If all members of the Board of Directors have a conflict of interest with the Company, the Board of Commissioners may represent the Company. In the event that each member of the Board of Directors and the Board of Commissioners is involved in the legal process and/or has a conflict of interest with the Company, the General Meeting of

Shareholders will appoint another party to represent the Company (Article 99 of the Constitution, Article 12 (20), (21) of the Company's Articles of Association).

Every member of the Board of Commissioners who personally in any way, either directly or indirectly, has an interest in a transaction, contract or proposed contract to which the Company is a party, must declare the nature of his or her interest in a Meeting of the Board of Commissioners and shall not be entitled to participate in the voting on matters related to such transaction or contract. (Article 16 (21) of the Articles of Association)

In addition, the Board of Commissioners is also obliged to pay attention to the provisions regarding the guidelines for handling conflicts of interest that apply in the Company.

#### **4. Responsibility**

Each member of the Board of Commissioners shall be fully and jointly liable for the Company's losses if the person concerned is found guilty or negligent in carrying out his duties for the benefit and business of the Company, unless the relevant member of the Board of Commissioners can prove that:

- a. the loss claimed is not the result of his fault or negligence;
- b. has carried out supervision in good faith, full responsibility and prudence for the interests of the Company in accordance with the Company's intentions and objectives;
- c. do not have a direct or indirect conflict of interest over the adverse supervisory action; and
- d. have taken action to prevent the occurrence or continuation of such losses.

If the Company is declared bankrupt and this bankruptcy is considered to be the result of the error or negligence of the Board of Commissioners, then the members of the Board of Commissioners are jointly and severally responsible with the Board of Directors to pay any debts that are not covered by the Company's wealth.

## **5. Criteria and Composition of the Board of Commissioners**

### **5.1 Composition of the Board of Commissioners of the Company**

- a. The Board of Commissioners consists of at least 3 (three) members of the Board of Commissioners with 1 (one) of the members of the Board of Commissioners appointed as President Commissioners.
- b. In the event that the Board of Commissioners consists of more than 2 (two) members, the number of Independent Commissioners must be at least 30% (thirty percent) of the total number of members of the Board of Commissioners. Independent Commissioners must have competence in the fields of auditing, finance and accounting.
- c. If at any time for any reason, the Board of Commissioners is less than 2 (two) people or there is no President Commissioner, or if the position of a member of the Board of Commissioners is vacant at all, then the GMS must be held to fill the vacant position no later than 90 (ninety) days after the vacancy arises.

### **5.2 Criteria of the Board of Commissioners of the Company**

- a. Capable of performing legal acts;
- b. Have good morals, morals, and integrity;
- c. Have never been declared bankrupt within 5 (five) years prior to candidacy and during office;
- d. Have never been a member of the Board of Directors or the Board of Commissioners who have been found guilty of causing a company/company to be declared bankrupt within 5 (five) years prior to candidacy and during their tenure;
- e. Have never been convicted of committing a criminal act that caused losses to the state or financial sector within 5 (five) years prior to candidacy and during office;
- f. In 5 (five) years prior to candidacy and during his tenure, he has never been a member of the Board of Directors and/or the Board of Commissioners who:
  - 1) Never held an Annual GMS;
  - 2) His responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners has never been accepted by RPS or has never been accountable as a member of the Board of Directors and/or the Board of



Commissioners to the GMS; and

- 3) Has caused a company that has obtained a license, approval, or registration from the Financial Services Authority to not fulfill the obligation to submit annual reports and/or financial statements to the Financial Services Authority
- g. Has never been dishonorably dismissed from any of his jobs/positions;
- h. Had not been convicted of a criminal offense in the last 10 years prior to appointment.
- i. Do not have a family relationship up to the third degree, either according to a straight line or a sideways line or a semenda/familial relationship that arises due to a marital bond including son-in-law or brother-in-law with members of the Board of Directors and Board of Commissioners who are currently serving in the Company. In the event of such a situation, the GMS is authorized to dismiss one of them;
- j. Not holding dual positions prohibited by the Articles of Association and related laws and regulations;
- k. Have a commitment to comply with laws and regulations;
- l. have knowledge and/or expertise in the field required by the Company; and
- m. Comply with other requirements stipulated in the Constitution, laws and regulations in the field of capital market, and other laws and regulations applicable to the Company and related to the Company's business activities.

Former members of the Company's Board of Directors may become members of the Company's Board of Commissioners, after not serving as a member of the Company's Board of Directors for at least 1 (one) year, except with certain considerations decided by the Minister and as long as there are no other provisions of laws and regulations prohibiting it.

The Independent Commissioner in this case is also obliged to meet the following requirements: (Article 21 (2) POJK 33/2014)

- a. is not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Issuer or Public Company within the last 6 (six) months, except for reappointment as an Independent Commissioner of the Issuer or Public Company in the next period;

- b. do not have shares either directly or indirectly in the Issuer or Public Company;
- c. does not have an affiliation relationship with the Issuer or Public Company, a member of the Board of Commissioners, a member of the Board of Directors, or the main shareholder of the Issuer or Public Company; and
- d. does not have a business relationship either directly or indirectly related to the business activities of the Issuer or Public Company.

## **6. Appointments and Term of Office**

- a. Members of the Board of Commissioners shall be appointed for a period of time from the date stipulated in the GMS appointing him and ending at the close of the 5th Annual GMS after the date of his appointment, provided that it does not exceed a period of 5 (five) years, but without prejudice to the right of the GMS to dismiss him at any time before the end of his term of office or reappoint him for 1 (one) term of office.
- b. The effective dates of appointment and dismissal must be contained in the resolution of the GMS. If the date is not stated, it will become effective at the close of the GMS.

The procedure for the appointment of the Company's Board of Commissioners is as follows:

- a. Members of the Board of Commissioners are appointed by the GMS from the nominee or candidates submitted by the shareholders of Series A Dwiwarna and/or a shareholder representing at least 10% (ten percent) of the total number of shares of the Company, and/or a group of shareholders who together represent at least 10% (ten percent) of the total number of shares of the Company placed with valid voting rights are entitled to nominate 1 (one) candidate for the Commissioner for each group, with a maximum of 2 (two) candidates for the nomination rights of all shareholders where no shareholder has the right to exercise their candidacy rights more than 1 (one) time.
- b. The selection of prospective candidates is carried out by the Minister of SOEs, the Secretary of the Ministry of SOEs, the Technical Deputy in charge of the Company, and/or related Deputies.
- c. Prospective candidates who are designated as candidates for members of the Board of Commissioners are someone who has been declared to meet the formal requirements, material requirements, and other

requirements that are detailed in the Regulation of the Minister of SOEs related to the appointment of members of the Board of Commissioners of SOEs.

- d. The members of the Board of Commissioners are appointed at the General Meeting of Shareholders attended and approved by the Shareholders of Series A Dwiwarna.
- e. The curriculum vitae of prospective members of the Board of Commissioners must be available and announced at the time of the GMS before the appointment decision.
- f. The elected members of the Board of Commissioners sign a statement of ability to carry out their duties properly and are willing to be dismissed at any time based on the consideration of the Minister/GMS.

## **7. Resignation and Dismissal of the Board of Commissioners**

Members of the Board of Commissioners may resign from their positions upon prior written notice to the Company's Board of Directors. However, the member of the Board of Commissioners concerned is not exempt from any responsibility attached to him until his resignation is accepted by the GMS. The Company is required to hold a GMS 90 (ninety) days after the receipt of the resignation letter. (OJK Regulation 33/2014, Article 14 (26) of the Company's Articles of Association).

The Company is obliged to disclose information to the public and submit to the Financial Services Authority no later than 2 (two) working days after: (i) the receipt of the application for the resignation of the Board of Commissioners and (ii) the results of the GMS to approve the resignation.

Members of the Board of Commissioners can be dismissed at any time by the GMS by stating the reason. The dismissal of a member of the Board of Commissioners is carried out if based on the statement, the person concerned:

- a. Unable to perform his duties properly;
- b. Not implementing the provisions of laws and regulations or the Company's Articles of Association;
- c. Engaging in actions that are detrimental to the Company and/or the State;
- d. Committing acts that violate ethics and/or decisions that should be respected as a member of the Board of Commissioners;
- e. Has been designated as a suspect or defendant by the authorities in an act that is detrimental to SOEs and/or state finances;

- f. Found guilty by a court decision that has permanent legal force;
- g. Resigned.

The dismissal of members of the Board of Commissioners can also be carried out based on other reasons considered appropriate by the GMS. Dismissal for reasons in letters a, b, c, d, and e is taken after the person concerned is given the opportunity to defend himself or herself in the GMS. Termination in letters c and f is disrespectful dismissal.

This plan of dismissal must be notified to the members of the Board of Commissioners concerned orally or in writing by the Shareholders.

Apart from the above reasons for dismissal, the position of a member of the Board of Commissioners automatically ends if (Article 14 (24) of the Company's Articles of Association):

- a. Die;
- b. His term of office ended;
- c. Declared bankrupt by the Commercial Court which has permanent legal force or is under guardianship based on a court decision;
- d. Effective resignation; and/or
- e. They no longer meet the requirements of members of the Board of Commissioners based on the Articles of Association and other laws and regulations, including one of them because they hold concurrent positions that are prohibited.

The term limit is nine years or less or 2 terms of office, which is five years each for the Board of Commissioners. Independent Commissioners who have served for 2 (two) terms of office may be reappointed in the next period as long as the Independent Commissioner declares himself or herself to remain independent of the GMS.

## **8. Introduction Program for New Board of Commissioners**

Members of the Board of Commissioners who are appointed for the first time must be given an introductory program about the Company in order to understand the duties and responsibilities as members of the Board of Commissioners, the Company's business processes, and be able to work in harmony with other organs of the Company.

The implementation of the introduction program is the responsibility of the Corporate Secretary.

The introduction programme for newly appointed members of the Board of Commissioners includes:

- a. The implementation of GCG principles by the Company;
- b. An overview of the Company relates to the objectives, nature and scope of activities, financial and operational performance, strategy, short- and long-term business plans, competitive position, risks and various other strategic issues;
- c. Information relating to delegated authority, internal and external audits, internal control systems and policies, including the Audit Committee; and
- d. Information on the duties and responsibilities of the Board of Directors and the Board of Commissioners.

The Introduction Program can be in the form of presentations, meetings, visits to the Company and review of documents or other programs according to the Company's needs. This introduction program is carried out no later than 3 (three) months after the appointment of the Commissioner concerned.

#### **9. Trap of the Board of Commissioners**

To avoid the possibility of a conflict of interest, members of the Board of Commissioners are prohibited from holding dual positions as:

- a. Members of the Board of Commissioners/Supervisory Board of State-Owned Enterprises, except based on special assignment from the Minister;
- b. Members of the Board of Directors of State-Owned Enterprises, other business entities or occupying positions that based on laws and regulations are prohibited from concurrently holding the position of member of the Board of Commissioners/Supervisory Board of SOEs, or positions that may cause a conflict of interest with the Company, and sign a statement of willingness to resign from the position if elected as a member of the Board of Commissioners/Supervisory Board of SOEs.

In the event of a condition of dual positions as stated in letters a and b above, his term of office as a member of the Board of Commissioners ends by law from the time other members of the Board of Commissioners or Members of the Board of Directors or GMS/Minister know the trappings of the position as intended.

Within 7 (seven) days from the date of the notice of the position capture as letters a and b, other members of the Board of Commissioners or members of the Board of Directors must submit a notification to the GMS/Minister regarding the position capture for further determination of the dismissal

process. Legal acts carried out for and on behalf of the Company by members of the Board of Commissioners after termination due to law, are invalid and are the personal responsibility of the members of the Board of Commissioners concerned.

In the event that the members of the Board of Commissioners do not concurrently hold positions as members of the Board of Directors, the person concerned may concurrently hold a position as a member of the Board of Commissioners at a maximum of 4 (four) issuers or other public companies. (Article 24 (2) POJK 33/2014)

Members of the Board of Commissioners may also 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 Commissioners as long as it does not conflict with other laws and regulations. (Article 24 (2) and Article 24 (3) POJK 33/2014)

#### **10. Guidelines for Business Ethics and Work Ethics and Anti-Corruption**

The Company has established the Guidelines for Business Ethics and Work Ethics which contain the company's values. The Board of Commissioners is obliged to study in detail the Business Ethics and Work Ethics Guidelines related to their scope of work and carry out their respective responsibilities based on the Business Ethics and Work Ethics Guidelines.

In relation to business ethics and work ethics, the Company's Board of Commissioners has the following obligations:

- a. It is mandatory to sign a Statement of Compliance with the Business Ethics and Work Ethics Guidelines which are updated at the beginning of each year.
- b. Have a good understanding of the scope, work processes, and operational and financial performance in order to increase involvement and work contribution as well as the delivery of transparent and accountable reporting;
- c. Disclose the Company's information with great care, in accordance with its authority and applicable laws and regulations;
- d. Making financial information a tool to control activities;
- e. Reporting various kinds of information that has an important impact on the Company's image and reputation to direct supervisors or authorized

work units;

- f. Not to provide opinions through forums and media, other than those appointed by the Company, regarding the Company's performance and prospects;
- g. Report and avoid any actions or relationships that may cause a conflict of interest;
- h. Not abusing authority and position in various business activities of the Company for personal or group interests;
- i. Protect the Company's assets from unauthorized use;
- j. Report indications and occurrences of fraud within the Company through the *Whistle Blowing System mechanism* in accordance with applicable regulations in the Company;
- k. Protect the Company's confidential data, information, and documents from creation to destruction;
- l. Report immediately to the Board of Directors when it becomes aware of the misuse of confidential data, information, and documents of the Company in accordance with the applicable regulations of the Company.
- m. Refuse or report the receipt of gratuities that are prohibited based on the applicable provisions of the Company;
- n. Report all assets owned before, during and after assuming office to the KPK by filling out the State Administrator's Assets report ("**LHKPN**").
- o. Not committing acts of corruption, collusion, and nepotism (KKN), bribery practices and other unethical acts that are contrary to the integrity and cultural values of the Company.

## **11. Decision of the Board of Commissioners**

### **11.1 Board of Commissioners Meeting**

The Board of Commissioners is obliged to determine the rules of the Board of Commissioners meeting. The obligation of the Board of Commissioners to attend meetings is 75% throughout the current year.



### **Meeting Times and Places**

1. The Board of Commissioners is required to hold a meeting at least 1 (one) time in 1 (one) month.
2. The Board of Commissioners is also required to hold regular meetings with the Board of Directors at least 1 (one) time in 4 (four) months.
3. The Board of Commissioners prepares a schedule for internal meetings and meetings that invite the Board of Directors before the current year.
4. The Meeting of the Board of Commissioners may be held at any time at the request of 1 (one) or more members of the Board of Commissioners or the Board of Directors or or Shareholders representing at least 1/10 (one-tenth) of the number of shares with voting rights, by mentioning the matters to be discussed.
5. The meeting materials are submitted to the meeting participants no later than 5 (five) working days before the meeting is held.
6. The Meeting of the Board of Commissioners shall be held at its place of residence or other place within the territory of the Republic of Indonesia or at the place of business activities of the Company, except in the event that the Meeting of the Board of Commissioners shall be held by video conference, teleconference or other electronic media means.

Meetings of the Board of Commissioners held by videoconference, teleconference or other means of electronic media shall enable all meeting participants to be able to participate in the Meeting and in connection therewith, all persons participating shall be deemed to have been present to determine the fulfilment of quorum requirements and voting or decisions. The minutes of the Meeting held using teleconference, video conference, or other electronic media means must be made in writing and circulated to all participating members of the Board of Commissioners for signature.

7. A member of the Board of Commissioners may be represented in a meeting only by other members of the Board of Commissioners based on a written power of attorney specifically granted for that purpose.

8. The presence of the Board of Commissioners in the meeting of the Board of Commissioners must be disclosed in the Company's annual report.

### **Meeting Call**

- a. The summons of the Board of Commissioners meeting must be made by the President Commissioner.
- b. The summons of the meeting of the Board of Commissioners must be made in writing and delivered or delivered directly to each member of the Board of Commissioners with adequate receipt, or by registered post or by courier service or by telex, facsimile or electronic mail (e-mail) no later than 5 (five) days before the meeting of the Board of Commissioners is held without taking into account the date of the call and the date of the Meeting, or a shorter period of time in case of urgency.
- c. The call must mention the event, date, time, and venue of the meeting.
- d. The summons is not required for a meeting that has been scheduled based on the decision of the previously held Board of Commissioners meeting.

### **Quorum and Decision Making**

- a. The meeting of the Board of Commissioners is valid and has the right to make binding decisions if attended and/or represented by more than 1/2 (one-twoth) of the number of members of the Board of Commissioners.
- b. In the event that the proposal submitted in the meeting of the Board of Commissioners is complete, the Board of Commissioners makes a decision at the time of the Meeting.
- c. All decisions of the Board of Commissioners meeting were taken by deliberation for consensus. In the event that a consensus is not reached, the decision of the Board of Commissioners meeting will be taken with the usual majority vote (*voting*). Each member of the Board of Commissioners has the right to cast 1 vote plus 1 vote for the members of the Board of Commissioners he represents. If the number of votes in favor and disagreement is

the same, then the meeting chairman decides the outcome of the meeting while still paying attention to the provisions on the accountability of the Board of Commissioners, except regarding the person, the decision making of the meeting is carried out by a closed election. The blank vote (abstention) is considered to approve the proposal submitted in the meeting. In the event that there are more than two alternatives and the voting results have not obtained one alternative with more than 1/2 (one-third) of the votes cast, a re-election shall be held for the two proposals that received the most votes so that one of the proposals received more than 1/2 (one-twoth) of the number of votes cast. Invalid votes are considered non-existent and do not count in determining the number of votes cast in a meeting.

- d. Minutes must be prepared for each meeting of the Board of Commissioners as evidence of any decision made at the Meeting including a statement of *dissenting opinion* expressed by one of the Commissioners and the reason for the absence of a member of the Board of Commissioners at the Meeting, if any. The minutes of the meeting are signed by the Chairman of the Meeting and members of the Board of Commissioners who were present at the meeting, as well as the Secretary of the Board of Commissioners as minutes. The original Meeting Minutes are submitted to the Board of Directors for storage and maintenance, while the Board of Commissioners keeps a copy of them.
- e. Each member of the Board of Commissioners has the right to receive a copy of the minutes of the meeting of the Board of Commissioners, whether the person concerned is present or absent from the meeting of the Board of Commissioners.
- f. The decision taken in the Board of Commissioners Meeting shall be submitted to the Board of Directors or relevant committee within 2 (two) working days by the Secretary of the Board of Commissioners for follow-up.

## **11.2 Decisions of the Board of Commissioners Outside the Board of Commissioners Meeting**

The Board of Commissioners may also take a lawful decision without holding a Meeting of the Board of Commissioners provided that all members of the Board of Commissioners have been notified in writing and all members of the Board of Commissioners have given their consent to the proposal submitted in writing and signed the approval.

Decisions taken in such a manner have the same force as decisions lawfully taken in a Meeting of the Board of Commissioners.

The decision of the Board of Commissioners is effective from the last date of signature by the Board of Commissioners, and is distributed to the Board of Directors or relevant committee within 3 (three) working days.

## **12. Relationship between the Board of Commissioners and the GMS and the Ministry of SOEs**

### **12.1. Relationship between the Board of Commissioners and the GMS**

The Board of Commissioners is appointed and dismissed based on the GMS. In carrying out its duties, the Board of Commissioners is responsible to the GMS and is obliged to submit a report on supervisory accountability for the management of the company carried out by the Board of Directors at each Annual GMS held. The supervisory report of the Board of Commissioners is part of the Annual Report submitted to the GMS for approval.

With the approval of the Annual Report and the ratification of the financial statements, it means that the GMS has provided exemption and payment of responsibilities to each member of the Board of Commissioners to the extent that these matters are reflected in the Annual Report, without reducing the responsibility of each member of the Board of Commissioners in the event of a criminal act or mistake and/or negligence that causes losses to third parties.

### **12.2. Reporting to the Ministry of SOEs as a Series A Shareholder of Dwiwarna**

Based on the Company's Articles of Association, the Board of Commissioners has the obligation to:

- 1) report to the Shareholders of Series A Dwiwarna in the event of a symptom of declining performance of the Company;
- 2) provide an explanation of all matters that are asked or requested by the shareholders of series A Dwiwarna by paying attention to the applicable laws and regulations in the field of the capital market.

### **13. Relationship between the Board of Commissioners and the Board of Directors**

The main task of the Board of Commissioners is to supervise the Company's management actions carried out by the Board of Directors, which includes supervising the development of the Company's activities and management performance and providing reports including opinions/suggestions for the GMS in connection with all supervisory duties and actions carried out during the previous financial year.

One of the authorities of the Board of Commissioners in carrying out the supervisory duties is the right to enter the Company's buildings and facilities at any time during business hours to check documents and data related to the Company, as well as to check the performance of the Board of Directors. This also includes the right to be informed by the Director of all the performance of the Board of Directors so that the Board of Commissioners can carry out their functions properly.

Requests for information/data as mentioned above and invitations to meetings from the Board of Commissioners to the Board of Directors are made by submitting a written letter addressed to the President Director.

As a form of supervision, the Board of Commissioners is required to give prior approval before the Board of Directors can take the following actions:

- a. Relinquish/transfer and/or collateral of the Company's assets with a value exceeding a certain amount determined by the Board of Commissioners, except for assets recorded as inventory, taking into account the laws and regulations in the field of capital market.
- b. Collaborating with business entities or other parties, in the form of operational cooperation (KSO), asset leasing, business cooperation

(KSU), licensing cooperation, Build, Operate and Transfer (BOT), Build, Transfer and Operate (BTO), Build, -Operate and Own / BOO) and other agreements that have the same nature whose term or value exceed that determined by the Board of Commissioners;

- c. Establish and change the Company's logo;
- d. Establish an organizational structure of 1 (one) level under the Board of Directors;
- e. Forming foundations, organizations and/or associations both directly and indirectly related to the Company that may have a financial impact on the Company.
- f. Charging the Company's fixed and routine fees for the activities of foundations, organizations and or associations both directly and indirectly related to the Company.
- g. Proposing a representative of the company to be a candidate for the Board of Directors and the Board of Commissioners in a subsidiary that makes a significant contribution to the company and/or has a strategic value set by the Board of Commissioners;
- h. Conducting capital participation, releasing capital participation including changes in capital structure with a certain value determined by the Board of Commissioners in other companies, subsidiaries, and/or joint ventures that are not in the context of saving receivables by paying attention to the provisions in the Capital Market sector;
- i. Establish subsidiaries and/or joint ventures with a certain value set by the Board of Commissioners by taking into account the laws and regulations in the field of Capital Market;
- j. Carry out mergers, mergers, acquisitions, separations, and dissolution of subsidiaries and joint ventures with certain values determined by the Board of Commissioners by taking into account the laws and regulations in the field of Capital Markets. If the merger, acquisition and/or takeover requires the approval of the shareholders, the Board of Directors or the Board of Commissioners will appoint an independent party to evaluate the fairness of the transaction price;
- k. Binding the Company as a guarantor (borg or avalist) with a certain value determined by the Board of Commissioners by taking into account the laws and regulations in the field of Capital Market;

- l. Receive medium/long term loans and provide medium/long term loans with a certain value set by the Board of Commissioners by paying attention to the laws and regulations in the field of Capital Market
- m. Providing short/medium/long-term loans that are not operational in nature, unless the loan to the subsidiary is sufficiently reported to the Board of Commissioners;
- n. To remove from the books of bad receivables and inventory of inanimate goods in value exceeding the limit set by the Board of Commissioners;
- o. No longer collect bad debts that have been written off, in a value that exceeds the limit set from time to time by the Board of Commissioners;
- p. Actions that have not been stipulated in the RKAP.

The determination of limits and/or criteria by the Board of Commissioners for matters as referred to in letters (a), (b), (g), (h), (i), (j), (k), (l), (m), and (n) of this paragraph shall be carried out by the Board of Commissioners after obtaining the approval of the Shareholders of series A Dwiwarna.

The approval of the Board of Commissioners is specific with respect to letters (a), (b), (g), (h), (i), (j), (k), (l), (m), and (n) of this paragraph with a certain value and period determined by the Board of Commissioners after obtaining the approval of the Shareholders of series A Dwiwarna.

The actions of the Board of Directors as intended in letter (b) of this paragraph as long as necessary in the context of carrying out the main business activities that are commonly carried out in the relevant business field by taking into account the provisions of laws and regulations, do not require the approval of the Board of Commissioners and/or the GMS.

The actions of the Board of Directors as intended in letters (b), (g), (h), (i), (j), and (k) of this paragraph as long as they are necessary in order to participate in the tender and/or to carry out projects and/or meet the requirements and/or implementation of main business activities that are commonly carried out in the relevant business field by taking into account the provisions of laws and regulations, do not require the approval of the Board of Commissioners and/or the GMS.

The Board of Commissioners shall give a written decision on the application of the Board of Directors and shall be sent to the Board of Directors, within no later than 30 (thirty) days from the receipt of the application or explanation and complete documents from the Board of Directors.



## **Procedures for Meetings and Communication between the Board of Directors and the Board of Commissioners**

The procedures for meetings and communication between the Board of Directors and the Board of Commissioners regulated in the Chapter on the Board of Directors apply mutatis mutandis to the Board of Commissioners.

### **14. Relationship of the Board of Commissioners with Committees Under the Board of Commissioners**

The Board of Commissioners may establish committees in order to assist in its duties and to comply with the provisions of the applicable laws. (PER-06/MBU/04/2021, OJK Regulation 55/2015, OJK Regulation 34/2014).

The Committee of the Board of Commissioners in accordance with PER-3/2023, consists of:

1. Audit Committee;
2. Nomination and Remuneration Committee or other nomenclature with the same function;
3. One other committee, if needed.

The committees under the Board of Commissioners that have been formed are:

1. Audit Committee;
2. Business Development and Risk Monitoring Committee; and
3. Nomination and Remuneration Committee.

In carrying out its duties, the Committee is accountable to the Board of Commissioners. The appointment and dismissal of the chairman and committee members are carried out by the Board of Commissioners and reported to the GMS. The Board of Commissioners ensures that the committee carries out its duties. Committee members must be from parties outside the Company and have no connection with management, ownership and business activities of the Company. The number of members of each Committee from outside the Board of Commissioners is in accordance with the applicable provisions.

The committee is obliged to prepare guidelines and work procedures of the committee and is obliged to report the results of the committee's work at least once a year to the Board of Commissioners. On the basis of the reports

of the committees it has formed, the Board of Commissioners will make recommendations for improvement or suggestions and submit them to all members of the Board of Directors.

In carrying out its duties, the committee under the Board of Commissioners may communicate directly with the Board of Commissioners or its members and hold periodic or incidental meetings with the Board of Commissioners.

### **Audit Committee**

The laws and regulations on SOEs require the Company to form an Audit Committee. This obligation is also required by laws and regulations in the field of capital markets. The Audit Committee, as a supporting organ of the Board of Commissioners in carrying out its duties, is obliged to carry out the responsibility to provide a professional and independent independent opinion to the Board of Commissioners on any matter that requires the attention of the Board of Commissioners.

The Audit Committee shall consist of not less than 3 members, consisting of the Chairman who is an Independent Commissioner of the Company and at least 2 or more members who are members of the Board of Independent Commissioners or from outside the Company. In the event that the Independent Commissioner serves on the Audit Committee, the Independent Commissioner concerned can only be reappointed to the Audit Committee for 1 (one) term of office of the next Audit Committee.

In the event that the Chairman of the Audit Committee who is a member of the Board of Commissioners ceases to be a member of the Board of Commissioners, the Chairman of the Audit Committee must be replaced by another member of the Board of Commissioners within a period of 30 days.

The term of office of members of the Audit Committee who are not members of the Company's Board of Commissioners is a maximum of 3 years and can be extended once for 2 years of term, without prejudice to the right of the Board of Commissioners to dismiss him at any time.

The membership requirements of the Audit Committee are as follows:

- a. Have high integrity, ability, knowledge and adequate experience in the field of supervision/examination, and be able to communicate well and effectively;
- b. Do not have personal interests/relationships that can cause negative impacts and conflicts of interest on the Company;
- c. Can provide sufficient time to complete its tasks;
- d. Willing to improve competence continuously through education and training;
- e. Must have at least 1 (one) member with an educational background and expertise in accounting or finance;
- f. must understand the Company's financial statements, business, especially those related to the Company's services, business activities, audit processes, risk management, and laws and regulations in the field of capital market and other related laws and regulations;
- g. Not a person in a Public Accounting Firm, Legal Consulting Office, or other party who provides insurance services, non-insurance services, appraisal services and/or other consulting services to the Company within the last 6 (six) months;
- h. Not a person who works or has the authority and responsibility to plan, lead, or control the Company's activities within the last 6 (six) months, except for the Independent Commissioner;
- i. Do not have any shares either directly or indirectly in the Company. In the event that the members of the Audit Committee acquire shares due to a legal event, within a maximum period of 6 (six) months after the acquisition of the shares, they are obliged to transfer to another party;
- j. Does not have:
  - 1) Affiliation with members of the Board of Commissioners, members of the Board of Directors, or major shareholders of the Company; and
  - 2) Business relationships, both direct and indirect, related to the Company's business activities.
- k. Other requirements set out in the Audit Committee's charter

Members of the Audit Committee shall be appointed and dismissed by the Board of Commissioners and reported to the Financial Services Authority no later than 2 (two) working days after appointment or dismissal.

The Board of Commissioners of the Company has established an Audit Committee to establish the Audit Committee *Charter*.

Based on the Company's Audit Committee Charter, the Company's Audit Committee has the following duties and responsibilities:

- a. *Oversight* of financial reporting;
- b. *Oversight* of the *auditing process*;
- c. *Oversight* of Risk Management and Internal Control
- d. *Oversight of the Implementation of Good Corporate Governance* (GCG)

The scope of duties and responsibilities of the Audit Committee is further set out in the Audit Committee Charter.

#### **Business Development and Risk Monitoring Committee**

The Chairman of the Committee is a member of the Board of Commissioners, with members from the Board of Commissioners or outside the Company.

The term of office of the Committee members is a maximum of 3 years and can be extended once for 2 years of office, without prejudice to the right of the Board of Commissioners to dismiss him at any time.

In the event that the chairman of the Committee who is a member of the Board of Commissioners ceases to be a member of the Board of Commissioners, the chairman of the Committee must be replaced by another member of the Board of Commissioners within a period of 30 days.

The Committee's membership requirements are as follows:

- a. Have good integrity and sufficient knowledge and work experience related to committee duties;
- b. Able to cooperate and communicate effectively;
- c. Do not have personal interests/relationships that may have a negative impact and conflict of interest on the Company;
- d. Have adequate knowledge in the Company's business field and can provide sufficient time to complete its duties.

Based on the Charter of the Business Development and Risk Monitoring Committee, the Committee has the following duties and responsibilities:

- a. Related to business development
- b. Related to risk monitoring
- c. Other duties assigned by the Board of Commissioners based on the provisions of the law

The scope of the Committee's duties and responsibilities are further set out in the Charter of the Business Development and Risk Monitoring Committee.

#### **Nomination and Remuneration Committee**

The number of members of the Nomination and Remuneration Committee consists of at least 3 (three) people, provided that the chairman of the Committee is a member of the Board of Independent Commissioners who also concurrently serves as a member of the Committee, while other members can come from:

1. members of the Board of Commissioners; or
2. parties from outside the Company; or

The term of office of the Committee members is a maximum of 3 years and can be extended once for 2 years of office, without prejudice to the right of the Board of Commissioners to dismiss him at any time. The term of office of the committee shall not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association.

In the event that the chairman of the Committee who is a member of the Board of Commissioners ceases to be a member of the Board of Commissioners, the chairman of the Committee must be replaced by another member of the Board of Commissioners within a period of 30 days.

The replacement of Committee members who are not from the Board of Commissioners shall be carried out no later than 60 (sixty) days after the Committee members in question are no longer able to carry out their functions.

The Committee's membership requirements are as follows:

- a. Have good integrity and sufficient knowledge and work experience related to committee duties;
- b. Able to cooperate and communicate effectively;
- c. Do not have personal interests/relationships that may have a negative impact and conflict of interest on the Company;
- d. Have adequate knowledge in the Company's business field and can provide sufficient time to complete its duties.

For Committee members who come from outside the Company, they are also required to meet the following conditions:

- a. does not have an Affiliate relationship with the Company, members of the Board of Directors, members of the Board of Commissioners, or Major Shareholders of the Company;
- b. have experience related to Nomination and/or Remuneration;
- c. does not concurrently serve as a member of other committees owned by the Company.

Based on OJK Regulation 34/2014, the Nomination and Remuneration Committee has the following duties and responsibilities:

- a. related to the Nomination function:
  - 1) make recommendations to the Board of Commissioners regarding:
    - a) the composition of the 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; and
    - 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 the benchmarks that have been prepared as evaluation materials;
  - 3) provide recommendations 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 are qualified as

members of the Board of Directors and/or Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

- b. related to the Remuneration function:
  - 1) make recommendations to the Board of Commissioners regarding:
    - a) Remuneration structure;
    - b) policy on Remuneration; and
    - c) amount of Remuneration
  - 2) assist the Board of Commissioners in conducting performance assessments with the suitability of the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners

The scope of duties and responsibilities of the Nomination and Remuneration Committee is further regulated in the Decree of the Board of Commissioners regarding the establishment of the Nomination and Remuneration Committee.

#### **Prohibition of Insider Transactions**

The provisions relating to the conduct of insider transactions that have been regulated in the relevant Chapter of the Board of Directors apply mutatis mutandis to the members of the Committee.

### **15. Relationship between the Board of Commissioners and Subsidiaries**

The relationship between the Board of Commissioners and the Subsidiary is carried out by communication and coordination through the President Director or the Director of the Subsidiary Trustees who have been appointed by the Company's Board of Directors after obtaining a power of attorney from the Company's President Director.

The Board of Commissioners is authorized to appoint the Directors and Commissioners of the Subsidiaries, except for the President Director and President Commissioners of the Subsidiary appointed by the Board of Commissioners after obtaining written approval from the Series A Shareholders.

Further provisions related to the relationship between the Company and the Subsidiary will be regulated in its own guidelines regarding the Subsidiary.

## 16. Training of members of the Board of Commissioners

The Board of Commissioners from time to time participates in training programs to improve its skills. The Company encourages all members of the Board of Commissioners to participate in self-development programs as needed through the allocation of training budgets stipulated annually in the Work Plan and Annual Budget of the Board of Commissioners in the RKAP.

The Board of Commissioners realizes the training plan and budget in accordance with the duties of the relevant Board of Commissioners members. The Board of Commissioners documents the results of the training and makes a report on the results of the training or by *sharing* the results of the training with other members of the Board of Commissioners or related committees.

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## **B. Management**

The Board of Directors is an organ of the Company that is responsible for carrying out the Company's day-to-day management for the best interests of the Company, namely in order to achieve the Company's goals and objectives and ensure that the Company carries out its social responsibility and pays attention to the interests of various stakeholders in accordance with laws and regulations.

Based on the Company's Articles of Association, *Corporate Organization Manual* and applicable laws and regulations, the Board of Directors acts as a decision-maker, where for certain matters, the Board of Directors must obtain approval from the Board of Commissioners, Series A Dwiwarna Shareholders, and/or the General Meeting of Shareholders. The Board of Directors, in addition to carrying out the management of the Company for the interests and purposes of the Company, also acts as a leader and manages and maintains the Company's wealth. The Board of Directors is obliged to account for the implementation of its duties to the GMS/Minister.

The Company's Organizational Structure refers to the Decree of the President Director of the Company regarding the Parent Organization, which will be amended and/or updated if necessary in accordance with the Company's conditions.

### **1. Duties, Obligations, and Authorities of the Board of Directors**

The Board of Directors is responsible for the duties and functions of the management and management of the Company. In the event that the division of duties and authorities of the Board of Directors is not determined by the General Meeting of Shareholders, the division of duties and authorities of the Board of Directors is determined based on the Decree of the Board of Directors. Each member of the Board of Directors is therefore responsible for the implementation of their respective duties and functions. Members of the Board of Directors are prohibited from giving general power of attorney to other parties that result in the transfer of duties and functions of the Board of Directors.

In the event that there is a situation where the Members of the Board of Directors are not authorized to represent the Company, the right to represent the Company is:

- a. other members of the Board of Directors who do not have a 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 or the Board of Commissioners have a conflict of interest with the Company.

The company's business process manual can further regulate the minimum approval of the Director required for making a decision.

The Board of Directors is tasked with carrying out all actions related to the management of the Company for the benefit of the Company and in accordance with the Company's intentions and objectives as well as representing the Company both in and out of court on all matters and all events with restrictions as specified in the Company's AD.

In addition, the Board of Directors may also request assistance, opinions and support for consideration from experts, consultants, and/or related government institutions.

In carrying out its duties, the Board of Directors has obligations, including:

**a. Approval of the Company's Articles of Association, Registration and Announcement of the State Gazette**

Submit the Company's Articles of Association and any amendments thereto to the Minister of Law and Human Rights for approval or notification statement, to be subsequently registered in the Company's Register and announced in the State Gazette by the Minister of Law and Human Rights (Article 21 (1) - (3), 29, 30 of the Constitution).

**b. List of Shareholders**

To create and maintain (or appoint a BAE to do so) a list of shareholders that records: (a) the names and addresses of all shareholders; (b) the amount, number, and date of the share takeover or collective share certificate; (c) the name and address of the Company's shareholders; (d) any other important information (Article 100 (1) (a) of the Constitution, Article 9 of the Company's Articles of Association).

To make and maintain a special list containing the share ownership of each member of the Board of Directors, members of the Board of Commissioners and the family of each member of the Board of Directors

and the Board of Commissioners in the Company and in other companies, as well as the date of acquisition of such shares (Article 100 (1) (a) of the Constitution, Article 9 of the Company's Articles of Association)

**c. Company Documents**

Maintain all lists, registration documents and documents of the company, including resolutions, minutes of the GMS, minutes of the meeting of the Board of Directors, minutes of the meeting of the Board of Commissioners and store them at the Company's place of residence, as well as provide access for shareholders to these documents (Article 100 (1) (c), (d), (2) of the Constitution of the Company, Article 12 (2.b.10 and 2.b.11) of the Company's Articles of Association).

**d. Financial Statements and Accounting Standards of the Company**

Prepare Financial Statements and maintain the Company's accounting system based on Financial Accounting Standards and based on the principles of internal control, especially the separation of management, recording, storage and supervision functions, and submit to Public Accountants for audit (Articles 68, 69 of the Constitution, Article 12 (2.b.5, 2.b.12, 2.b.13) Articles of Association of the Company). The audited Financial Statements are then submitted to the Financial Services Authority, the Ministry of Trade, the Ministry of Law and Human Rights, the Ministry of SOEs, the Ministry of Finance, and the Ministry of Transportation in accordance with the provisions of applicable laws and regulations

**e. Board of Directors Meeting**

Prepare and maintain all minutes of the Board of Directors meeting (Article 100 (1) of the Constitution, Article 12 (2.b.3, 2.b.10, 2.b.11) of the Company's Articles of Association).

**f. Annual Report**

No later than 5 months after the end of the fiscal year, prepare, submit and provide explanations of the Annual Report and financial documents as a form of accountability for the management of the Company to the GMS to obtain approval and ratification after being reviewed and approved by the Board of Commissioners (Articles 66, 67, 100

paragraphs (1)-(3) of the Constitution, Article 12 (2.b.5), (2.b.7), (2.b.8) of the Company's Articles of Association)

#### **g. RJPP and RKAP of the Company**

The Board of Directors is obliged to prepare and implement the RJPP and RKAP to achieve strategic goals and increase the Company's efficiency and productivity. The Board of Directors is obliged to prepare the RJPP by considering environmental, social, and good corporate governance factors.

Prepare the draft of the Company's RJPP and RKAP and all their changes, and submit them and provide explanations to the Board of Commissioners. The draft RJPP is submitted to the Board of Commissioners no later than October 31 before the current year's RJPP period, for approval. Meanwhile, the draft RKAP is submitted no later than 30 days before the new financial year begins for approval (Articles 63-65 of the Constitution, Article 12 (2.b.2), Article 17 (1), (3) of the Company's Articles of Association).

Further provisions related to the preparation and/or amendment of the RKAP and RJPP refer to the separate manual. In the event that the manual regulates provisions regarding the period of submission of the draft RKAP and RJPP that are different from the above provisions, it is subject to provisions that regulate more strictly.

#### **h. Balance Sheet and Income Statement**

Submit the balance sheet and income statement (as part of the Financial Statements in the Annual Report) that have been approved by the GMS to the Minister of Law and Human Rights (Article 12 (2.b.8) of the Company's Articles of Association).

#### **i. Internal Control System and Internal Control Unit**

Establish a corporate risk management program, establish an internal control system in order to secure the Company's investments and assets, ensure the accuracy of financial reporting, implement the effectiveness and efficiency of business processes and regulate the reporting mechanism for alleged deviations in work ethics and compliance with the Company's policies/regulations, conduct internal supervision through

the establishment of an Internal Supervision Unit (Articles 28 and 29 PER-2/2023, OJK Regulation 56/2015).

**j. Reporting Shareholding**

The Board of Directors is obliged to report to the Company regarding their and their family's ownership of shares in the Company or other companies no later than 3 (three) working days after the occurrence of ownership or any change in ownership of such shares.

**k. Conducting Information Disclosure**

Conducting information disclosure in accordance with the provisions of laws and regulations in the capital market sector.

**l. Risk Management**

The Board of Directors in every decision/action must consider business risks and build and implement an integrated corporate risk management program.

The Board of Directors is required to submit a report on the risk management profile and its handling along with the company's periodic report to the Board of Commissioners. (Article 73 PER-2/2023).

**m. Substantial Procurement Reporting**

The Board of Directors submits a report to the Board of Commissioners regarding the process and results of the procurement of certain goods and services that are substantial carried out by the Company, the procurement of non-routine goods/services that are not related to the company's business operations with a minimum value of IDR 50,000,000,000 (fifty billion Rupiah) in one transaction.

**n. Submission of Promotion and Mutation Plan from Officials 1 (one) level under the Board of Directors**

The Board of Directors needs to submit to the Board of Commissioners regarding the promotion and mutation plan of 1 (one) level officials under the Board of Directors.

**o. Sustainability-Related Policy Setting**

The Board of Directors establishes sustainability policies and ensures that the strategy, plans, risk management policies, annual budgets, and business plans and organizational performance objectives are in accordance with those policies.

**p. Appointment of the Board of Directors in charge of the implementation and monitoring of Good Corporate Governance**

One of the members of the Board of Directors is appointed by the Board of Directors meeting as the person in charge of the implementation and monitoring of Good Corporate Governance in the Company.

**q. Report Submission**

The Board of Directors is obliged to prepare and submit the required reports based on the provisions of the applicable laws and regulations in accordance with the specified time limit.

**r. Other Obligations**

The Board of Directors is obliged to carry out its duties and make decisions in accordance with the division of duties and authorities and follow the provisions of laws and regulations, including but not limited to PER-2/2023 and the Company's Articles of Association.

In carrying out its duties, in accordance with the provisions of the Articles of Association, the Board of Directors is authorized to:

- a. to establish policies that are considered appropriate in the management of the Company;
- b. to arrange for the transfer of the power of the Board of Directors to represent the Company in and out of court to one or more persons specially appointed for it, including employees of the Company either individually or jointly and/or other parties;
- c. regulating the provisions regarding the Company's employees including the determination of wages, pensions or old-age guarantees and other income for the Company's employees based on the applicable laws and regulations;
- d. appointing and dismissing the Company's employees based on the Company's labor regulations and applicable laws and regulations;
- e. appoint and dismiss the Corporate Secretary and/or Head of the Internal Supervisory Unit with the approval of the Board of Commissioners;

- f. write off bad debts with the provisions as stipulated in the Articles of Association and which are subsequently reported to the Board of Commissioners and subsequently reported and accounted for in the Annual Report;
- g. no longer collect interest receivables, fines, costs and other receivables other than principal carried out in the context of restructuring and/or settlement of receivables and other acts in the context of settling the Company's receivables with the obligation to report to the Board of Commissioners whose reporting provisions and procedures are determined by the Board of Commissioners.
- h. perform all other actions and deeds regarding the management and ownership of the Company's assets, bind the Company with other parties and/or other parties with the Company, and represent the Company in and out of court on all matters and all events, with restrictions as stipulated in laws and regulations, Articles of Association and/or Resolutions of the General Meeting of Shareholders.
- i. to form a Committee in order to support the effectiveness of the implementation of duties and responsibilities.

## **2. Leave and Official Travel of the Board of Directors**

Members of the Board of Directors are entitled to annual leave of 12 (twelve) working days in each year, without being given annual leave allowance. Annual leave can be granted if the members of the Board of Directors have worked for 12 (twelve) consecutive months. The permit for the implementation of annual leave for members of the Board of Directors is granted by the President Commissioner.

The Itinerary of the Board of Directors abroad is proposed in writing to the Minister of SOEs in effect within a period of 3 months for official trips that are routine or have been planned in the RKAP. As for other official trips, the application must be submitted no later than 14 (fourteen) working days before the official travel schedule is in question.

In the official travel plan abroad, it is explained about the purpose and interests of the official trip, the relationship with the company's goals and policies, the length of the official trip, sources of financing, cost budget plans and other relevant information.

Provisions related to the application for official travel permits are exempt for official trips abroad on the order of the Minister of SOEs.

Within a period of 14 (fourteen) days after the implementation of the official trip, the Board of Directors is obliged to report the implementation of the official trip to the Minister of SOEs which contains information on official travel in accordance with the attachment to the Circular Letter of the Minister of SOEs related to official trips abroad for the Board of Directors, as well as attach other materials or supporting documents relevant to official trips.

In the event that the members of the Board of Directors are unable to carry out their duties due to temporary obstacles (such as leave, illness, official trips, education or other duties determined by the company) they are obliged to appoint another Director as the Daily Executor with reference to the provisions in the Articles of Association and the Decree of the President Director which regulates the provisions of the daily executor.

### 3. Prohibition

#### 3.1 Insider Transactions

Under the Capital Markets Act, insiders of public companies are prohibited from:

- i. conduct transactions on shares of the Company or shares of other companies that conduct transactions with the Company;
- ii. influencing other parties to purchase shares of the Company or shares of other companies that transact with the Company; and
- iii. provide Insider Information to other parties.

Members of the Board of Directors are included in the definition of Insider based on the Capital Market Law, apart from members of the Board of Commissioners and employees of the Company. Therefore, every member of the Board of Directors is prohibited from conducting *insider trading* transactions within a certain prohibited period, namely:

- i. For 30 (thirty) days prior to the issuance of the Annual Financial Statement or the Annual Mid-Year Financial Report or other interim reports of the Company;
- ii. Certain periods prohibited by the provisions of the applicable laws and regulations that will be determined and announced by the Company's Board of Directors to parties that include the definition of an Insider, including the Company's Board of Commissioners; or



- iii. Certain periods to be determined by the Company's Board of Directors are related to the plan and implementation of corporate actions to be carried out by the Company.

Thus, in the time from the time the Insider Information is obtained until the Insider Information has become Public Information, the Insider concerned is prohibited from conducting insider trading transactions as referred to above. Further explanation of this prohibition is explained in the Decree of the Board of Directors of the Company on the Prohibition of the Company's Share Transactions in Certain Periods.

Based on the Decree of the Board of Directors of the Company on the Prohibition of Stock Transactions in Certain Periods, Insiders of the Company are prohibited from conducting stock transactions during the Prohibited Period, namely the following periods:

- a. 30 (thirty) days prior to the announcement of the Annual Financial Statement or the Annual Mid-Year Financial Statement or other Interim Report.
- b. Certain periods prohibited by the provisions of the applicable laws and regulations that will be determined and announced by the Company's Board of Directors to the Insider.
- c. The Specific Period to be determined by the Company's Board of Directors is related to the plan and implementation of corporate actions to be carried out by the Company.

The above provisions do not apply to Insiders who have Insider Information. In the time from the time the Insider Information is obtained until the Insider Information becomes Public Information, the Insider is prohibited from conducting stock transactions.

Insiders of the Company are also prohibited from influencing other parties to purchase and/or sell shares or provide Insider Information to any party who is reasonably suspected of making transactions on such shares.

The Prohibited Period will end when all Insider Information has become Public Information and/or the period set by the Company's Board of Directors has expired in accordance with the announcement made.

### 3.2 Conflict of interest transactions

The Board of Directors is prohibited from taking actions that have elements of conflict of interest and taking personal benefits, either directly or indirectly from the Company's decision-making and management activities carried out, other than legitimate income.

Members of the Board of Directors cannot represent the Company in legal proceedings between the Company and the members of the Board of Directors concerned, or if the relevant members of the Board of Directors have a conflict of interest with the Company. If all members of the Board of Directors have a conflict of interest with the Company, the Board of Commissioners may represent the Company. In the event that each member of the Board of Directors and the Board of Commissioners is involved in the legal process and/or has a conflict of interest with the Company, the General Meeting of Shareholders will appoint another party to represent the Company (Article 99 of the Constitution, Article 12 (20), (21) of the Company's Articles of Association).

Every member of the Board of Directors who personally in any way, either directly or indirectly, has an interest in a transaction, contract or proposed contract in which the Company is a party must declare the nature of his or her interest in a Meeting of the Board of Directors and therefore is not entitled to participate in voting on matters related to such transaction or contract. (Article 13 (22) of the Company's Articles of Association).

Members of the Board of Directors are not authorized to represent the Company if:

- a. there is a case in court between the Company and the members of the Board of Directors concerned; and
- b. the relevant members of the Board of Directors have interests that conflict with the interests of the Company.

In addition, the Board of Directors is also obliged to pay attention to the provisions regarding the guidelines for handling conflicts of interest that apply in the Company.

#### **4. Responsibility**

The responsibilities of the Board of Directors include managing the Company. This management must be carried out in good faith, full of responsibility and prudence for the interests and business of the Company by heeding the applicable laws. (Article 12 (5) of the Company's Articles of Association)

##### **Personal Responsibility**

A director can be personally liable if:

- (i) The Director has been negligent and caused the Company to lose as a result of his negligence.
- (ii) The Director commits actions that contain a conflict of interest and are detrimental to the Company;
- (iii) Members of the Board of Directors act outside their authority as stipulated in the Constitution and the Company's Articles of Association.

##### **Joint responsibility with other Directors**

Each member of the Board of Directors is jointly and severally responsible if there are the following conditions, including:

- a. Bankruptcy where bankruptcy occurs due to the error or negligence of the Board of Directors and the assets of the bankruptcy are insufficient to pay all of the Company's obligations in the bankruptcy;
- b. Buyback of shares that exceed the limits of the provisions of the UUPT, namely buybacks that cause the Company's net worth to be less than the amount of issued capital plus mandatory reserves;
- c. Any false statements or misleading information in the Company's financial statements (Bapepam-LK Regulation No. VIII.G.11);
- d. Any statement that is not true about material facts or does not disclose material facts so that the statements made are not misleading regarding the Company's circumstances that occurred at the time the statement was made (OJK Regulation 31/2015);
- e. Failure of shareholders to return interim dividends if the Company suffers losses after the distribution of interim dividends.

Members of the Board of Directors cannot be held liable for losses if they can prove:

- (i) The loss is not due to his fault or negligence;
- (ii) Have conducted management in good faith and prudence for the benefit and in accordance with the Company's intentions and objectives;
- (iii) There is no conflict of interest, either direct or indirect, over management actions that result in losses; and
- (iv) Have taken action to prevent the occurrence or continuation of such losses.

Shareholders representing at least 10% (ten percent) of all shares with voting rights may file a claim in the District Court against the relevant members of the Board of Directors who caused the loss (Article 97 (6) of the Constitution).

## **5. Criteria and Composition of the Board of Directors**

### **5.1 Composition of the Company's Board of Directors**

- a. The Company is required to have at least 2 (two) directors, one of whom is appointed as the President Director, and if necessary, one of them can be appointed as the Deputy President Director. (Article 11 paragraph 1 of the Articles of Association)
- b. If, for any reason, the Company is managed by less than 2 (two) directors or there is no President Director or if the position of a member of the Board of Directors is vacant at all, the GMS shall be held to appoint a director not more than 90 (ninety) days after the vacancy occurs. As long as the position of director is vacant at all and the GMS has not been able to fill the vacancy, for the time being the Company is managed by the Board of Commissioners with the same power and authority as the Company's directors. (Article 11 paragraph 20 of the Articles of Association)

### **5.2 Criteria for the Company's Board of Directors**

The requirements for prospective members of the Company's Board of Directors are as follows:

- a. Capable of performing legal acts;

- b. Have good morals, morals, and integrity;
- c. Have never been declared bankrupt within 5 (five) years prior to candidacy and during office;
- d. Have never been a member of the Board of Directors or the Board of Commissioners who have been found guilty of causing a company/company to be declared bankrupt within 5 (five) years prior to candidacy and during their tenure;
- e. Have never been convicted of committing a criminal act that caused losses to the state or financial sector within 5 (five) years prior to candidacy and during office;
- f. In 5 (five) years prior to candidacy and during his tenure, he has never been a member of the Board of Directors and/or the Board of Commissioners who:
  - 1) Never held an Annual GMS;
  - 2) His responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners has never been accepted by RPS or has never been accountable as a member of the Board of Directors and/or the Board of Commissioners to the GMS; and
  - 3) Has caused a company that has obtained a license, approval, or registration from the Financial Services Authority to not fulfill the obligation to submit annual reports and/or financial statements to the Financial Services Authority.
- g. Have never been convicted of a criminal offense for the last 10 (ten) years;
- h. Have never been dismissed (disrespectfully) from their job/position;
- i. Do not have a blood family relationship up to the third degree, either according to a straight line or a sideways line or a semenda/familial relationship arising from a marital bond including son-in-law or brother-in-law with members of the Board of Directors and Board of Commissioners who are currently serving in the Company;
- j. Not holding dual positions prohibited by the Articles of Association and related laws and regulations.
- k. Have a commitment to comply with laws and regulations;
- l. not serving as a Board of Directors of the SOE concerned for 2 (two) consecutive periods;
- m. have dedication and devote full time to performing their duties;

- n. physically and mentally healthy (not suffering from an illness that can hinder the implementation of duties as a Director of SOEs), as evidenced by a health certificate from a doctor;
- o. have a Taxpayer Identification Number (NPWP) and have carried out the obligation to pay taxes for the last two years; and
- p. Comply with other requirements stipulated in the Constitution, laws and regulations in the field of capital market, and other laws and regulations applicable to the Company and related to the Company's business activities.

In addition to the above requirements, prospective members of the Board of Directors must also meet the following requirements:

- a. integrity and morals, that the person concerned has never been involved:
  - i. engineering acts and deviant practices in the management of SOEs/Companies/Institutions where the person concerned works (dishonesty);
  - ii. acts of breach of promise that can be categorized as not fulfilling the commitments that have been agreed with SOEs/Companies/Institutions where the person concerned works and/or Shareholders (misbehaved);
  - iii. acts that are categorized as being able to provide benefits to the person of prospective members of the Board of Directors, employees of SOEs/Companies/Institutions where they work (misbehave);
  - iv. acts that can be categorized as a violation of the provisions of the Aviation Law, do not apply to the President Director; and
  - v. Acts that can be categorized as violations of provisions related to the principles of sound company management (bad behavior).
- b. technical competence/expertise, that the person concerned has adequate knowledge and expertise in the Company's business field.
- c. psychological, that the prospective members of the Board of Directors have an adequate level of intelligence and emotional level to carry out their duties as members of the Company's Board of Directors.

## **6. Appointments and Term of Office**

Appointment as a member of the Board of Directors of a public company requires the prospective director to meet strict requirements. The UUPT specifies the basic requirements for directors of limited liability companies in general, but does not include additional requirements determined by the competent authorities in the field of capital markets and the competent authority for SOEs.

Prospective members of the Board of Directors from within the Company are proposed by the Company's Board of Commissioners to the Minister through the Secretary of the Ministry of SOEs.

The procedure for the appointment of the Company's Board of Directors is as stipulated in PER-3/2023. In relation to talent selection and selection, the Board of Directors, based on input from the Talent Committee, may submit a list of selected talents with the categories and percentages set out in PER-3/2023 to the Board of Commissioners.

Furthermore, the Board of Commissioners through the Nomination and Remuneration Committee evaluates the list of selected talents based on the performance and capacity regulated in PER-3/2023, as well as evaluates the current Board of Directors. The results of the Board of Commissioners' evaluation were then proposed to the Minister of SOEs as nominated talents.

Members of the Board of Directors shall be appointed for a period of time from the date stipulated in the GMS appointing him and ending at the close of the 5th Annual GMS after the date of his appointment, provided that it shall not exceed a period of 5 (five) years, but without prejudice to the right of the GMS to dismiss him at any time before the end of his term of office or reappoint him for 1 (one) term of office. Members of the Board of Directors can only be appointed for a maximum of 2 consecutive terms.

## **7. Resignation and Dismissal of the Board of Directors**

Members of the Board of Directors may resign from their positions with prior written notice. However, the director concerned is not exempt from any duties and responsibilities attached to him until his resignation is effectively accepted by the GMS. The Company is required to hold a GMS within 90 (ninety) days after the receipt of the resignation letter.

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: (i) the receipt of the application for the resignation of the Board of Directors and (ii) the results of the GMS to approve the resignation.

If the resignation results in the number of members of the Board of Directors to be less than 2 people, then the resignation is only valid if it has been determined by the GMS and a new member of the Board of Directors has been appointed so that the minimum requirement for the number of members of the Board of Directors is met, (Article 11 (23) (g) of the Company's Articles of Association).

Members of the Board of Directors may be dismissed at any time by the GMS where the reasons for the dismissal must be stated. However, every dismissal cannot be done arbitrarily and unilaterally, where members of the Board of Directors who are dismissed for reasons other than being found guilty by a court decision that has permanent legal force and resign, are given the right to defend themselves against the charges brought against them submitted to the GMS. (Article 17 of the SOE Law, Article 11 (15), Article 11 (27) (g) of the Company's Articles of Association).

The dismissal of a member of the Board of Directors can be carried out if the person concerned does the following (Article 11 (14) of the Company's Articles of Association):

- a. Unable to fulfill its obligations that have been agreed in the management contract;
- b. Unable to perform his duties properly;
- c. Violating the provisions of laws and regulations or the Company's Articles of Association;
- d. Engaging in actions that are detrimental to the Company and/or the State;
- e. Found guilty by a court decision that has permanent legal force;
- f. Committing acts that violate ethics and/or propriety that should be respected as a member of the Board of Directors of SOEs;
- g. Resigned; or
- h. Other reasons that are considered appropriate by the GMS are in the interests and objectives of the Company.



Dismissal for reasons as mentioned in points d and e above is dishonorable dismissal (Article 11 (16) of the Company's Articles of Association).

Apart from the above reasons for dismissal, the term of office of a director automatically ends if the person concerned (Article 11 (24) of the Company's Articles of Association):

- a. Die;
- b. His term of office ended;
- c. Declared bankrupt or under guardianship based on a court decision;
- d. Effective resignation;
- e. No longer meet the requirements of members of the Board of Directors, including one of them because they hold concurrent positions that are prohibited.

Members of the Board of Directors may be temporarily dismissed at any time by the Board of Commissioners by stating the reason if the person concerned acts contrary to the Articles of Association or there are indications of committing actions that are detrimental to the Company or neglecting his obligations or there are urgent reasons for the Company, taking into account the following provisions: (Article 11 (27) of the Company's Articles of Association)

- a. The temporary dismissal must be notified in writing to the relevant members of the Board of Directors along with the reason that caused the action with a copy of the Board of Directors;
- b. The notification as referred to in letter a shall be submitted no later than 2 (two) working days after the determination of the temporary suspension.
- c. The members of the Board of Directors who are temporarily dismissed are not authorized to carry out the management of the Company for the benefit of the Company in accordance with the Company's intentions and objectives and represent the Company both in and out of court.
- d. Within a period of no later than 90 (ninety) days after the temporary dismissal, the Board of Commissioners must hold a General Meeting of Shareholders to revoke or strengthen the decision of temporary dismissal.
- e. With the passage of the period of holding the GMS as referred to in letter d or the GMS cannot make a decision, the temporary dismissal becomes null and void.

- f. The limitation of authority in letter c applies from the decision of temporary dismissal by the Board of Commissioners to:
  - 1) there is a resolution of the GMS that strengthens or cancels the temporary dismissal in letter d; or
  - 2) past the period in letter d.
- g. In the General Meeting of Shareholders as referred to in letter d, the members of the Board of Directors concerned are given the opportunity to defend themselves.
- h. Temporary suspension cannot be extended or re-established for the same reason, if the temporary suspension is declared null and void as referred to in letter e.
- i. If the General Meeting of Shareholders cancels the temporary dismissal or there is a situation as referred to in letter e, the members of the Board of Directors concerned are obliged to carry out their duties as they should.
- j. In the event that the GMS strengthens the decision to temporarily dismiss, the members of the Board of Directors concerned shall be dismissed indefinitely.
- k. If the members of the Board of Directors who are temporarily dismissed are not present at the GMS after being summoned in writing, then the members of the Board of Directors who are temporarily dismissed are considered not to have exercised their right to defend themselves in the GMS and have accepted the decision of the GMS.
- l. The Company is obliged to disclose information to the public to the Financial Services Authority about:
  - 1) decision of temporary dismissal; and
  - 2) the results of the GMS to revoke or strengthen the decision of temporary dismissal as mentioned in letter d, or information regarding the cancellation of the temporary dismissal by the Board of Commissioners due to the non-holding of the GMS until the expiration of the period as referred to in letter e, no later than 2 (two) working days after the occurrence of the event.

## **8. Performance Assessment of the Board of Directors**

The KPIs of the Board of Directors consist of:

- a. KPI of the Board of Directors collegially; and
- b. KPIs of the Board of Directors individually.

The Board of Directors submits the proposed KPI of the Board of Directors collegially to the Board of Commissioners to be determined at the same

time as the determination of the RKAP. The Board of Directors is obliged to describe the KPIs of the Board of Directors collegially into individual KPIs of the Board of Directors and submit them to the Board of Commissioners for approval.

The KPI of the Board of Directors individually is a collegial elaboration of the KPI of the Board of Directors in accordance with the duties, functions, and responsibilities of each member of the Board of Directors. The achievement of the KPIs of the Board of Directors is collegially reported in the quarterly report and annual report.

The Board of Directors is required to sign an Annual Management Contract that contains the target KPIs of the Board of Directors collegially and individually.

## **9. New Board of Directors Introduction Program**

Members of the Board of Directors who are appointed for the first time must be given an introductory program about the Company in order to understand their duties and responsibilities as members of the Board of Directors, the Company's business processes, and be able to work in harmony with other organs of the Company.

The implementation of the introduction program is the responsibility of the Corporate Secretary.

The introduction program for newly appointed members of the Board of Directors includes, at least:

- a. The implementation of GCG principles by the Company;
- b. An overview of the Company relates to the objectives, nature and scope of activities, financial and operational performance, strategy, short- and long-term business plans, competitive position, risks and various other strategic issues;
- c. Information relating to delegated authority, internal and external audits, internal control systems and policies, including the Audit Committee; and
- d. Information on the duties and responsibilities of the Board of Directors and the Board of Commissioners.

The Introduction Program can be in the form of presentations, meetings, visits to the company and review of documents or other programs according to the Company's needs. This introduction program is carried out

no later than 3 (three) months after the appointment of the Director concerned.

## 10. Trap of the Board of Directors

To avoid the possibility of a conflict of interest, members of the Board of Directors are prohibited from holding dual positions as follows:

- a. Members of the Board of Directors of SOEs, Regional-Owned Enterprises, Privately Owned Enterprises;
- b. Members of the Board of Commissioners in other SOEs;
- c. Other structural and functional positions in central and/or regional government agencies/institutions;
- d. Political party administrators and/or candidates/legislative members and/or candidates for regional heads/deputy regional heads and/or regional heads/deputy regional heads; or
- e. Other positions that can cause conflicts of interest.

Traps other than those mentioned above require approval from the Board of Commissioners meeting. (Article 11 (29) of the Company's Articles of Association).

Members of the Company's Board of Directors are also prohibited from holding concurrent positions as Members of the Board of Commissioners in more than 3 issuers or public companies

Members of the Company's Board of Directors who hold dual positions prohibited above, shall terminate their position as members of the Company's Board of Directors as of the date of the seizure of the position. Actions taken by the director concerned after the expiration of the term of office of the Board of Directors are not automatically binding on the Company and are the personal responsibility of the director concerned.

In the event that a person who is currently serving as one of the above positions is then appointed as a member of the Company's Board of Directors, the person concerned must resign from the other position no later than 30 (thirty) days from his appointment as a member of the Company's Board of Directors. (Article 21 (2) – (4) Government Regulation No. 45/2005). Thus, any action taken before the expiration of the deadline for resignation remains binding and the responsibility of the Company's Board of Directors.

Members of the Board of Directors are prohibited from holding concurrent positions as:

1. Members of the Board of Directors of SOEs and other business entities;
2. Members of the Board of Commissioners/Supervisory Board of other SOEs;
3. Other structural and functional positions in central and/or regional government agencies/institutions;
4. Other positions in accordance with the provisions of laws and regulations;
5. Political party administrators, legislative members and/or regional heads/deputy regional heads;
6. Other positions that may cause a conflict of interest; and/or
7. Legislative candidates or candidates for regional heads/deputy regional heads.

In the event of dual positions as mentioned 1 to 7 above, his term of office as a member of the Board of Directors ends from the time of the arrest of the position. The end of the term of office of the members of the Board of Directors as referred to in numbers 1, 2, and 4 is confirmed by their dismissal in the GMS.

In addition to dual positions as mentioned above, Members of the Board of Directors are prohibited from holding concurrent positions as members of the Board of Commissioners in other business entities, except:

1. Board of Commissioners in subsidiaries/affiliated companies, other than as President Commissioners; and
2. The Board of Commissioners in other business entities to represent/fight for the interests of SOEs as long as they obtain permission from the Minister.

A member of the Board of Directors who serves as a member of the Board of Commissioners in a Subsidiary/joint venture/affiliated company may not receive all income as a member of the Board of Commissioners concurrently in a Subsidiary/joint venture/affiliated company. The income of members of the Board of Directors who serve as members of the Board of Commissioners in the Subsidiaries/joint ventures/affiliated companies becomes the Company's miscellaneous income paid by the Subsidiaries/joint ventures/affiliated companies.

Within a period of no later than 7 (seven) days from the date of the notice of the position capture by the members of the Board of Directors, other members of the Board of Directors or members of the Board of

Commissioners must submit a notification to the Minister regarding the position capture, for further determination of the process of dismissal.

## **11. Guidelines for Business Ethics and Work Ethics and Anti-Corruption**

The Company has established the Guidelines for Business Ethics and Work Ethics which contain the company's values. The Board of Directors is required to study in detail the Guidelines for Business Ethics and Work Ethics related to the scope of their work and carry out their respective responsibilities based on the Guidelines for Business Ethics and Work Ethics.

In connection with business ethics and work ethics, the Company's Board of Directors has the following obligations:

- a. Must sign a Statement of Compliance with the Business Ethics and Work Ethics Guidelines which is updated every year.
- b. Have a good understanding of the scope, work processes, and operational and financial performance in order to increase involvement and work contribution as well as the delivery of transparent and accountable reporting;
- c. Disclose the Company's information with great care, in accordance with its authority and applicable laws and regulations;
- d. Making financial information a tool to control activities;
- e. Reporting various kinds of information that has an important impact on the Company's image and reputation to direct supervisors or authorized work units;
- f. Not to provide opinions through forums and media, other than those appointed by the Company, regarding the Company's performance and prospects;
- g. Report and avoid any actions or relationships that may cause a conflict of interest;
- h. Not abusing authority and position in various business activities of the Company for personal or group interests;
- i. Protect the Company's assets from unauthorized use;
- j. Report indications and occurrences of fraud within the Company through the *Whistle Blowing System mechanism* in accordance with applicable regulations in the Company;

- k. Protect the Company's confidential data, information, and documents from creation to destruction;
- l. Taking action in accordance with the applicable provisions of the Company, against the misuse of confidential data, information, and documents of the Company;
- m. Refuse or report the receipt of gratuities that are prohibited based on the applicable provisions of the Company;
- n. Report all assets owned before, during and after assuming office to the KPK by filling out the State Administrator's Assets report ("**LHKPN**").
- o. Not committing acts of corruption, collusion, and nepotism (KKN), bribery practices and other unethical acts that are contrary to the integrity and cultural values of the Company.

## **12. Decision of the Board of Directors**

### **12.1. Board of Directors Meeting**

The Board of Directors Meeting is held by requiring the presence of the Board of Directors or by granting a power of attorney. The presence of the Board of Directors in the Board of Directors Meeting is disclosed in the Company's Annual Report. The Board of Directors is obliged to set the rules of the Board of Directors meeting. Throughout the current year, the Board of Directors is obliged to attend 75% of all Board of Directors Meetings held.

The Board of Directors may request the relevant units to review and discuss the latest issues regarding changes in the business environment and problems that have a major impact on the Company's business and the Company's performance in the Board of Directors' Meeting. The Board of Directors can respond to any proposed business opportunities from the management under the Board of Directors/members of the Board of Directors/Board of Commissioners.

The guidelines/rules of the Board of Directors Meeting, among others, regulate:

- a. Ethics Meeting;
- b. Procedure for preparing meeting minutes;
- c. Implementation of follow-up evaluation of the results of previous meetings;

- d. Discussion/review of directions/proposals and/or follow-up on the implementation of the decision of the Board of Commissioners related to the proposal of the Board of Directors.

#### **Meeting Times and Places**

- a. The Board of Directors meeting is held periodically at least once a month.
- b. The Board of Directors is also required to hold regular meetings of the Board of Directors with the Board of Commissioners at least 1 (one) time in 4 (four) months. In this meeting,
- c. The Board of Directors must schedule a meeting as referred to in letter a. And letter b. for the following year before the end of the financial year. At the scheduled meeting, the meeting materials are submitted to the participants no later than 5 (five) days before the meeting is held. In the event that there is a meeting held outside the schedule that has been prepared, the meeting materials are submitted to the meeting participants no later than before the meeting is held. The schedule of the meeting is outlined in the Company's RKAP document for the current year.
- d. A Meeting of the Board of Directors may also be held if and when deemed necessary by one or more members of the Board of Directors, or requested in writing by one or more members of the Board of Commissioners.
- e. The Meeting of the Board of Directors shall be held at the place of residence or place of business activities of the Company or at any other place within the territory of the Republic of Indonesia, except in the event that the Meeting of the Board of Directors is held by video conference, teleconference or other electronic media means.

A meeting of the Board of Directors held by videoconference, teleconference or other means of electronic media shall enable all meeting participants to participate in the Meeting and in connection therewith, all persons participating shall be deemed to have been present to determine the fulfilment of quorum requirements and voting or decision. The minutes of the Meeting held using teleconference, video conference, or other electronic media means must be made in writing and circulated to all participating members



of the Board of Directors for signature.

### **Meeting Call**

- a. Members of the Board of Directors who are entitled to represent the Company have the right to summon the Board of Directors' Meeting. The summons of this meeting of the Board of Directors must be made in writing and conveyed or submitted directly to each member of the Board of Directors with adequate receipt, or by registered post or by courier service or by telex, facsimile or electronic mail (e-mail) no later than 5 (five) days before the meeting of the Board of Directors is held without taking into account the date of the Call and the date of the Meeting, or a shorter period of time in case of urgency.
- b. The summons is not required for a meeting that has been called based on the decision of the previous meeting of the Board of Directors or if all members of the Board of Directors are present at the meeting.
- c. The summons of the Board of Directors meeting must contain the agenda, date, time and place of the meeting.
- d. The Board of Directors Meeting is valid and has the right to make binding decisions if attended and or represented by more than 1/2 (one-half) of the number of members of the Board of Directors.

### **Quorum and Decision Making**

- a. In the event that the proposal submitted is complete, the Board of Directors will make a decision at the time of the Meeting.
- b. The Board of Directors Meeting may make a valid decision if more than 1/2 (one-half) of the number of Directors is present or represented in the Board of Directors Meeting.
- c. The quorum provision for the decision of the Board of Directors is more than 1/2 (one-half) of the Board of Directors present.
- d. All decisions in the Board of Directors meeting are taken by deliberation for consensus. In the event that the decision cannot be taken by consensus deliberation, the decision is taken by the usual majority vote (*voting*). If the number of votes in favor and those who disagree is the same, the decision of the meeting is in

accordance with the opinion of the chairman of the meeting while still paying attention to the provisions on the accountability of the board of directors. In the event that there are more than two alternatives and the voting results have not obtained one alternative with more than 1/2 (one-third) of the votes cast, a re-election shall be held for the two proposals that received the most votes so that one of the proposals received more than 1/2 (one-twoth) of the number of votes cast. The blank vote (abstention) is considered to approve the proposal submitted in the meeting. Invalid votes are considered non-existent and do not count in determining the number of votes cast in a meeting.

- e. The minutes of the meeting must be prepared in each meeting of the Board of Directors which must be signed by the Chairman of the Board of Directors Meeting and all members of the Board of Directors present so that the accuracy of the substance can be ensured, and signed by the Corporate Secretary as minutes. In the minutes of the meeting of the Board of Directors, *a statement of dissenting opinion* from the members of the Board of Directors, if any, and the matters decided and the reasons for the absence of the members of the Board of Directors at the Meeting. Directors who have a *dissenting opinion* must still respect the decision taken as a corporate decision.
- f. If there is a Board of Directors who does not sign the Minutes of the Board of Directors Meeting, the person concerned is obliged to state the reason in writing in a separate letter attached to the relevant Minutes of the Board of Directors' Meeting.
- g. Each member of the Board of Directors has the right to receive a copy of the minutes of the Board of Directors meeting, whether the person concerned is present or absent from the meeting of the Board of Directors. The original minutes of each meeting of the Board of Directors must be kept by the Company.
- h. The decision taken in the Board of Directors Meeting is submitted to the relevant unit within 2 (two) working days by the Corporate Secretary, for follow-up.
- i. In each meeting of the Board of Directors, progress is monitored on the implementation of the decisions of the previous meeting.

## **12.2. Board of Directors Decisions Outside the Board of Directors Meeting**

The Board of Directors may also take a lawful decision without holding a Meeting of Directors provided that all members of the Board of Directors have been notified in writing and all members of the Board of Directors have given their consent to the proposal submitted in writing and signed the agreement.

Decisions taken in such a manner have the same force as decisions legally taken in the Board of Directors' Meeting.

The Resolution of the Board of Directors is effective from the last date of signature by the Director, and is distributed to the relevant units within 3 (three) working days.

## **13. Relationship between the Board of Directors and the GMS and the Ministry of SOEs**

### **13.1. Relationship of the Board of Directors with the GMS**

The Board of Directors holds a GMS consisting of an annual GMS and other GMS. The annual GMS must be held within a period of no later than 5 (five) months after the end of the financial year. Other GMS may be held at any time based on the need for the benefit of the Public Company.

Members of the Board of Directors are appointed by the shareholders in the GMS, so that in each annual GMS, the Board of Directors is obliged to provide accountability by submitting its management report to the GMS and including the management report in the Company's Annual Report.

With the approval of the Annual Report and the ratification of the financial statements, the GMS provides an exemption and payment of responsibilities to each member of the Board of Directors of the Company, as long as these matters are reflected in the Annual Report, but without reducing the responsibility of each member of the Board of Directors in the event of an error or criminal act or negligence that causes losses to third parties.

The accountability of the Company's Board of Directors to the GMS is a manifestation of corporate management accountability in the context of implementing the principles of good corporate governance.

1 (one) or more shareholders who together represent 1/10 (one-tenth) or more of the total number of shares with voting rights, unless the Company's Articles of Association stipulate a smaller amount, may request that a GMS be held. The request for the holding of the GMS as referred to above is submitted to the Board of Directors with a registered letter accompanied by the reason.

The GMS as the highest power holding organ in the Company must be involved in decision-making regarding certain actions of the Company as specified in the Company's Articles of Association and applicable laws and regulations.

#### **Limitation of the Authority of the Board of Directors**

The Board of Directors has certain authorities that are limited by the obligation to seek approval from the previous GMS, which are as follows:

- i. Conduct material transactions as specified in the laws and regulations in the field of capital market;
- ii. Conducting conflicts of interest transactions as determined by laws and regulations in the field of capital market;
- iii. Conducting other transactions to comply with the provisions of laws and regulations in the capital market;
- iv. Transferring the Company's assets within a financial year with a value of more than 50% (fifty percent) of the Company's net assets in one or more transactions, whether related or not;
- v. To guarantee the Company's wealth debt with a value of more than 50% (fifty percent) of the Company's net assets in one or more transactions, whether related or not; and
- vi. Filing for bankruptcy for the Company.

#### **13.2. Reporting of the Board of Directors to the Ministry of SOEs as a Regulator**

As a State-Owned Enterprise, the Company is subject to the provisions of the laws and regulations issued by the Minister of SOEs. Therefore, the Company has an obligation to submit reports to the Ministry of SOEs as a regulator, including annual reports and periodic reports.

Periodic reports that must be submitted to the Ministry of SOEs include:

1. The Annual Report (Management) consisting of the Annual Report is not audited and the annual report has been audited. The report was signed by all members of the Board of Directors and members of the Board of Commissioners;
2. Quarterly Management Report consisting of quarterly financial statements, Company progress reports, financial and non-financial analysis, KPI achievement reports, Risk Management Reports, Implementation of TJSL, Reports on the use of additional PMN, Implementation of national strategic projects or other assignments, Follow-up to audits and GMS Resolutions. This report has been signed by the Board of Directors together with the Board of Commissioners to be submitted to the GMS;

The submission of reports to the Ministry of SOEs follows the provisions of the form of data, submission period, submission media, and reporting period deadline in accordance with applicable regulations and pays attention to the provisions of laws and regulations in the field of capital market, unless otherwise stated based on the letter of an authorized official at the Ministry of SOEs.

Compliance with the submission of reports to the Ministry of SOEs is part of the performance assessment of the Company's Board of Directors and Board of Commissioners.

#### **14. Relationship of the Board of Directors with the Board of Commissioners**

The Board of Directors in carrying out their duties to manage the Company is supervised by the Board of Commissioners. As a supervisor, the Board of Commissioners has the authority to conduct audits, for example requesting information and/or documents related to the Company's actions. The Board of Directors is responsible for ensuring that information about the Company is provided to the Board of Commissioners completely and on time.

The Supervisory Report on the management actions of the Board of Directors for one year is submitted by the Board of Commissioners in the Annual General Meeting of Shareholders and is included as part of the Company's Annual Report.

Before submitting an application for approval to the GMS, the Board of Directors must seek the opinion and/or approval of the Board of Commissioners. Documents related to the application for approval must be provided by the Board of Directors to the Board of Commissioners in accordance with the procedures and provisions that have been set forth in the Company's Articles of Association.

In the event of need, the Board of Commissioners and the Board of Directors may formulate general policies to support the achievement of the fulfillment of the RKAP.

### **Limitation of the Authority of the Company's Board of Directors**

The Board of Directors is required to seek the approval of the Board of Commissioners before carrying out the following matters:

- a. Relinquish/transfer and/or collateral of the Company's assets with a value exceeding a certain amount determined by the Board of Commissioners, except for assets recorded as inventory, taking into account the laws and regulations in the field of capital market.
- b. Collaborating with business entities or other parties, in the form of operational cooperation (KSO), asset leasing, business cooperation (KSU), licensing cooperation, Build, Operate and Transfer (BOT), Build, Transfer and Operate (BTO), Build, -Operate and Own / BOO) and other agreements that have the same nature whose term or value exceed that determined by the Board of Commissioners;
- c. Establish and change the Company's logo;
- d. Establish an organizational structure of 1 (one) level under the Board of Directors;
- e. Forming foundations, organizations and/or associations both directly and indirectly related to the Company that may have a financial impact on the Company.
- f. Charging the Company's fixed and routine fees for the activities of foundations, organizations and or associations both directly and indirectly related to the Company.
- g. Proposing a representative of the company to be a candidate for the Board of Directors and the Board of Commissioners in a subsidiary that makes a significant contribution to the company and/or has a strategic value set by the Board of Commissioners;
- h. Conducting capital participation, releasing capital participation including changes in capital structure with a certain value determined

- by the Board of Commissioners in other companies, subsidiaries, and/or joint ventures that are not in the context of saving receivables by paying attention to the provisions in the Capital Market sector;
- i. Establish subsidiaries and/or joint ventures with a certain value set by the Board of Commissioners by taking into account the laws and regulations in the field of Capital Market;
  - j. Carry out mergers, mergers, acquisitions, separations, and dissolution of subsidiaries and joint ventures with certain values determined by the Board of Commissioners by taking into account the laws and regulations in the field of Capital Markets. In the event of a merger, acquisition and/or takeover that requires shareholder approval, the Board of Directors or the Board of Commissioners will appoint an independent party to evaluate the fairness of the transaction price;
  - k. Binding the Company as a guarantor (borg or avalist) with a certain value determined by the Board of Commissioners by taking into account the laws and regulations in the field of Capital Market;
  - l. Receiving medium/long term loans and providing medium/long term loans with a certain value set by the Board of Commissioners by paying attention to the laws and regulations in the field of Capital Market and carried out on an "*arm's length*" basis;
  - m. Providing short/medium/long-term loans that are not operational in nature, unless the loan to the subsidiary is sufficiently reported to the Board of Commissioners;
  - n. To remove from the books of bad receivables and inventory of inanimate goods in value exceeding the limit set by the Board of Commissioners;
  - o. No longer collect bad receivables that have been written off, in a value that exceeds the limit set from time to time by the Board of Commissioners;
  - p. Actions that have not been stipulated in the RKAP.

The determination of limits and/or criteria by the Board of Commissioners for matters as referred to in letters (a), (b), (g), (h), (i), (j), (k), (l), (m), and (n) of this paragraph shall be carried out by the Board of Commissioners after obtaining the approval of the Shareholders of series A Dwiwarna.

The approval of the Board of Commissioners is specific with respect to letters (a), (b), (g), (h), (i), (j), (k), (l), (m), and (n) of this paragraph with a certain value and period determined by the Board of Commissioners after obtaining the approval of the Shareholders of series A Dwiwarna.

The actions of the Board of Directors as intended in letter (b) of this paragraph as long as necessary in the context of carrying out the main business activities that are commonly carried out in the relevant business field by taking into account the provisions of laws and regulations, do not require the approval of the Board of Commissioners and/or the GMS.

The actions of the Board of Directors as intended in letters (b), (g), (h), (i), (j), and (k) of this paragraph as long as they are necessary in order to participate in the tender and/or to carry out projects and/or meet the requirements and/or implementation of main business activities that are commonly carried out in the relevant business field by taking into account the provisions of laws and regulations, do not require the approval of the Board of Commissioners and/or the GMS.

**Procedure for application for approval by the Board of Commissioners of the Company:**

The Board of Directors prepares materials for actions that require written approval from the Board of Commissioners.

The materials submitted by the Board of Directors to the Board of Commissioners are at least in the form of:

- a. A description of the action/transaction to be carried out, including the object, value, and related parties (if any).
- b. explanation, consideration, and reasons for the action/transaction and its effect on the Company's financial condition (including risks, proforma, benefits, potential, financial and marketing projections, and added value to be obtained by the Company).
- c. the manner and implementation of these actions.
- d. Integrity pact signed by the Board of Directors.
- e. Other data/documents refer to the relevant provisions that apply.

The Board of Directors submits an application to the Board of Commissioners regarding matters that require approval in accordance with the limits and authority of the Board of Directors, through the following mechanism:

- a. The Board of Directors submits a request for approval to the Board of Commissioners by including material to the Board of Commissioners. If the approval will be discussed at the meeting of the Board of Commissioners and the Board of Directors, the meeting material shall



be submitted through the secretary of the Board of Commissioners no later than 3 (three) days before the meeting is held.

- b. The Board of Directors is required to complete any additional materials required by the Board of Commissioners (if any).
- c. The Board of Commissioners shall give a written decision on the application of the Board of Directors and shall be sent to the Board of Directors, within no later than 30 (thirty) days from the receipt of the application or explanation and complete documents from the Board of Directors. In addition, the Board of Commissioners

### **Procedures for Meetings and Communication between the Board of Directors and the Board of Commissioners**

#### **A. Formal Meetings**

A formal meeting is a meeting of the Board of Commissioners or a meeting of the Board of Directors held by each organ. The formal meeting was held at the invitation of the Board of Commissioners or the Board of Directors.

The Formal Meeting is held at the place of residence or place of the Company's main business activities. Otherwise, then the Formal Meeting is only considered valid if it is held within the territory of the Republic of Indonesia and is attended by every member of the Board of Directors or Board of Commissioners, or their legal representatives.

In the event that members of the Board of Commissioners and/or the Board of Directors are unable to physically attend the meeting, members of the Board of Commissioners and/or the Board of Directors may attend the meeting through teleconference, video conference, or other electronic media facilities in accordance with applicable regulations.

#### **1. Board of Commissioners Meeting Invites Board of Directors**

The presence of the Board of Directors in the meeting of the Board of Commissioners is based on an invitation from the Board of Commissioners, with the aim of providing explanations, inputs, or conducting discussions.

The presence of the Board of Directors in the meeting of the Board of Commissioners is carried out in accordance with the following procedures:

1. The Board of Commissioners is required to hold regular meetings with the Board of Directors at least 1 (one) time in 4 (four) months ("Periodic Meeting"). Outside of the Periodic Meeting, the Board of Commissioners may invite members of the Board of Directors to other meetings of the Board of Commissioners.
2. At each meeting, the meeting agenda begins with a report from the Board of Directors on the progress of the implementation of the follow-up to the recommendations of the Board of Commissioners submitted at previous meetings along with the status of their completion.
3. The Board of Commissioners sends an invitation to the meeting of the Board of Commissioners to the Board of Directors, either in the form of an adequate receipt, or by registered post or by courier service or by telex, facsimile or electronic mail (e-mail), by attaching the meeting materials, at least 5 days before the meeting is held.
4. Outside of the Periodic Meeting, the implementation schedule and the agenda of the Meeting will be agreed upon by the Board of Directors and the Board of Commissioners. The Board of Directors may also designate members of the Board of Directors who will attend the meeting of the Board of Commissioners in accordance with the agenda of the meeting and provide confirmation to the Board of Commissioners at least 2 days before the meeting begins.
5. The Secretary of the Board of Commissioners makes minutes of the meeting and distributes them to the meeting participants.

## **2. Board of Directors Meeting Invites Board of Commissioners**

1. Attendance of the Board of Commissioners at the meeting of the Board of Directors at the invitation of the Board of Directors

The presence of the Board of Commissioners in the meeting of the Board of Directors is based on an invitation from the Board

of Directors, with the aim of providing input or discussing a problem as material for the Board of Directors to carry out its functions.

The presence of the Board of Commissioners in the meeting of the Board of Directors is carried out in accordance with the following procedures:

- a) The Board of Directors is required to hold regular meetings with the Board of Commissioners at least 1 (one) time in 4 (four) months ("Periodic Meeting").
  - b) The Board of Directors sends an invitation to the meeting of the Board of Directors to the Board of Commissioners, either in the form of an adequate receipt, or by registered post or by courier service or by telex, facsimile or electronic mail (e-mail), by attaching the meeting material, at least 5 working days before the meeting is held.
  - c) The Company Secretary makes meeting minutes and distributes them to the meeting participants.
2. Attendance of the Board of Commissioners in the Board of Directors meeting outside the Periodic Meeting

Members of the Board of Commissioners may attend meetings of the Board of Directors at any time and provide views on matters discussed.

The presence of the Board of Commissioners in meetings of the Board of Directors outside the Periodic Meeting is carried out in accordance with the following procedures:

- a) The Board of Commissioners submitted a request to the Board of Directors to attend the Board of Directors' meeting.
- b) The Corporate Secretary makes meeting minutes and distributes them to meeting participants.

## **B. Formal Communication**

### **1. Periodic Reporting of the Board of Directors**

Periodic reporting is the submission of reports from the Board of Directors to the Board of Commissioners in meetings of the Board of Commissioners and the Board of Directors.

Periodic reports which are monthly performance reports and other periodic reports regulated in the Articles of Association.

### **Report Submission Procedure**

- a. The Board of Directors submits the periodic report material to the Board of Commissioners no later than 5 (five) days before the meeting of the Board of Commissioners and the Board of Directors. This provision applies if the frequency of meetings is in accordance with the Articles of Association. In the event that the frequency of meetings is different from the provisions of the Articles of Association, the time frame for submitting reports can be adjusted.
- b. Regarding periodic reports which are monthly performance reports and other periodic reports regulated in the Articles of Association and the Minister of SOEs are submitted in accordance with the provisions.
- c. The Board of Commissioners may request additional clarifications from the Board of Directors regarding such reports as it deems necessary, and the Board of Directors may update the report.

## **2. Incident reporting**

The Board of Directors may submit an incident report to the Board of Commissioners regarding the Company's strategic actions to obtain advice from the Board of Commissioners.

In the event that the Board of Directors submits an incidental report, the Board of Directors is obliged to prepare material on the incident report for study by the Board of Commissioners.

The incident report material shall at least contain:

- a. A description of the action/transaction to be carried out, including the object, value, and related parties.
- b. explanation, consideration, and reasons for the action/transaction and its effect on the Company's financial condition (including risks, proforma, benefits, potential, financial and marketing projections, and added value to be obtained by the Company).

#### **Procedure for Submitting Incident Reporting**

- a. The Board of Directors submits an incident report to the Board of Commissioners.
- b. The Board of Commissioners conducts a review of the incidental report submitted by the Board of Directors and, if deemed necessary, can request the Board of Directors to complete the incidental report.
- c. The Board of Directors is required to complete the incidental report material, which is required by the Board of Commissioners.
- d. The Board of Commissioners may provide written advice on incident reports submitted by the Board of Directors.

#### **3. Correspondence**

Correspondence is a formal correspondence between organs, with respect to the implementation and smooth running of the main tasks and functions of each organ. Letters can be in the form of submission of information, requests and opinions and advice, requests for specific written responses, and requests for approval from the Board of Directors to the Board of Commissioners.

Similarly, the opposite from the Board of Commissioners, is the submission of information, responses to opinions and advice, special written responses, and statements of approval to the request of the Board of Directors.

Correspondence is carried out with reference to the manual related to the office administration system applicable in the Company.

#### **15. Relationship of the Board of Directors with the Committee Under the Board of Commissioners**

Referring to the charter of each committee, each committee based on a letter of assignment from the Board of Commissioners or through the Board of Commissioners, has the following authorities:

- a. request, obtain and access documents, data, and information of the Issuer or Public Company about the Company's employees, funds, assets, and necessary resources;
- b. request direct communication with employees, including the Board of Directors and those who carry out internal audit, risk management, and Accountant functions regarding the duties and responsibilities of the Audit Committee;
- c. involve independent parties outside the members of the Committee necessary to assist in the execution of its duties (if required), with the approval of the Board of Commissioners; and
- d. exercise other authority granted by the Board of Commissioners.

The request as mentioned above is made by submitting a written letter or electronic mail (email) to the relevant Unit by penetrating it to the relevant Director and the Corporate Secretary.

#### **16. Relationship between the Board of Directors and Suppliers**

In order to realize a relationship of mutual trust, the Board of Directors must act fairly in providing equal opportunities and information to all suppliers who will cooperate with the Company. The information submitted to prospective suppliers includes the terms and criteria set for each procurement in the Request for Proposal (RFP). The evaluation of supplier determination is carried out based on considerations of quality, cost, delivery, and the most optimal service in accordance with the Company's needs. The Board of Directors is prohibited from holding informal meetings/communications with prospective suppliers during the procurement process.

Evaluation of Suppliers is carried out annually by considering the optimization of the quality and price range of suppliers with the Company's needs and based on the applicable laws and regulations.

## **17. Relationship between the Board of Directors and Creditors**

The Company is committed to carrying out its obligations in making interest or profit sharing payments and principal debts. Every loan agreement between the Company and creditors must contain terms and conditions as well as clauses that bind the Company with creditors which include the repayment schedule and elaboration of the fulfillment of obligations to creditors as well as covenants that apply during the term of the agreement.

In the event that the Board of Directors negotiates with creditors, the Board of Directors seeks to prioritize the interests of the Company in order to obtain the best option.

## **18. Relationship between the Board of Directors and Subsidiaries**

The Board of Directors acts as a shareholder for the subsidiary by referring to the provisions in the Articles of Association of each subsidiary. Matters that require shareholder approval must first obtain the approval of the subsidiary's Board of Commissioners.

The Company's Board of Directors may appoint one of the members of the Board of Directors to act as the Managing Director of the subsidiary, who is tasked with coordinating transaction/activity plans, proposals related to the subsidiary's business activities, and also monitoring related to performance achievements in carrying out the subsidiary's business activities. In the event that it is agreed by the Company's Board of Directors and stated in the decision of the Board of Directors, the Director of the Trustees of the subsidiary may act as a shareholder for and on behalf of the Company.

Further provisions related to the relationship between the Company and the Subsidiary will be regulated in its own guidelines regarding the Subsidiary.

## **19. Relationship between the Board of Directors and the Mass Media**

Mass media plays an important role as a partner of the company, including in assisting in the publication of the Company's service programs, improving brand image and building public trust.

On this basis, the Board of Directors is obliged to foster good and professional relations with the mass media and know the characteristics of the mass media that are appropriate for the Company. The Board of

Directors conveys quality information to the mass media, by ensuring that the information is correct, accurate and complete.

Information that is still confidential and/or cannot be ascertained is not allowed to be conveyed to the mass media.

## **20. Relationship between the Board of Directors and the Union**

The Company's relationship with the Employee Union is a partnership relationship in carrying out industrial relations to support the Company's operational activities in accordance with the applicable Law and the Collective Labor Agreement to realize the progress of the company and the welfare of employees. The Company recognizes that the Employee Union is the Company's partner in the field of employment and a partner in maintaining the Company's business continuity.

The Company shall provide opportunities to the management and/or members of the Trade Union appointed by the Trade Union Management for the implementation of the Union's organizational activities, as long as the activity is intended for the progress of its members and the development of the Company, and as long as it does not interfere with the implementation of their work as an employee.

The Company is prohibited from obstructing or forcing Employees to form or not form, become administrators or not administrators, become members or not become members and/or carry out or not carry out SP activities by:

- a. Terminating employment, temporarily dismissing, demoting, or mutating;
- b. Not paying or reducing workers' wages;
- c. Bullying in any form;
- d. Conducting an anti-union formation campaign.

The Employee Union respects the Company's right to manage the Company's operations in accordance with the Articles of Association, Collective Labor Agreement and applicable laws and regulations.

As a partner in advancing the Company, the Company can provide information about the Company's state to the Employee Union. The Company guarantees the implementation of deliberations with the Employee Union in resolving every employment problem.



## **21. Training of Board members**

The Board of Directors from time to time participates in training programs to improve their skills. The Company encourages all members of the Board of Directors to participate in self-development programs as needed through the allocation of training budgets stipulated annually in the RKAP that has been approved by the Board of Commissioners.

The Board of Directors realizes the training plan and budget in accordance with the fields of duties of the relevant members of the Board of Directors. The Board of Directors documents the results of the training and makes a report on the results of the training or by sharing the results of the training with other members of the Board of Directors or related units under it.

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### BOM 3. Attachment

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
A.	<b>Periodic Reporting</b>		
A.1.	Financial performance report		
A.1.1.	Financial performance report under the authority of OJK and IDX		
	<p>A. Annual and Mid-Year Financial Statements</p> <p>The submission of annual financial statements, including annual financial statements and mid-year financial statements, must be carried out through the Financial Services Authority's electronic reporting system.</p> <p>The annual and mid-annual financial statements must consist of:</p> <ol style="list-style-type: none"> <li>financial position report;</li> <li>other comprehensive income and income statements;</li> <li>equity change reports;</li> <li>cash flow statements; and</li> <li>notes on financial statements.</li> </ol> <p>B. Interim Financial Statements</p>	<p>A. Annual Financial Report</p> <p>Each year at the latest by the end of the third month after the date of the annual financial statement.</p> <p>B. Mid-Annual Financial Report</p> <ul style="list-style-type: none"> <li>At the end of the third month after the date of the report, if audited by a public accountant;</li> <li>At the end of the second month after the date of the report, if in the context of a review by a public accountant;</li> <li>At the end of the first month after the report date, if not audited by a public accountant.</li> </ul> <p>C. Interim Financial Statements</p> <ul style="list-style-type: none"> <li>At the latest 3 months after the date of the</li> </ul>	<p>A. Annual and Mid-Year Financial Statements</p> <p>Administrative sanctions by the OJK are in the form of:</p> <ul style="list-style-type: none"> <li>written warnings;</li> <li>fine;</li> <li>restrictions on business activities;</li> <li>freezing of business activities;</li> <li>revocation of business licenses;</li> <li>revocation of consent;</li> <li>cancellation of registration;</li> <li>effective revocation of the registration statement; and/or</li> <li>revocation of individual licenses.</li> </ul> <p>Sanctions by IDX are in the form of:</p> <ul style="list-style-type: none"> <li>Written Warning I;</li> <li>Written Warning II;</li> <li>Written Warning III;</li> </ul>

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	<p>Submit interim financial statements to the IDX interim financial statements in the form of financial statements for the first quarter, mid-year financial statements, and financial statements for the third quarter in the form of electronic copies through the OJK and IDX electronic reporting systems.</p> <p>The interim financial statement must contain:            Financial position report (balance sheet)            Comprehensive income statement            Cash flow statement            Statement of financial position at the beginning of the comparative period, if the Issuer or Public Company implements an accounting policy retrospectively, makes a re-presentation of financial statement headings, or reclassifies headings in its financial statements; and</p>	<p>report, if audited by a public accountant;</p> <ul style="list-style-type: none"> <li>• No later than 2 months after the date of the report, if reviewed on a limited basis by a public accountant;</li> <li>• No later than 1B. Interim Financial Statements</li> </ul> <p>Sanctions by IDX are in the form of:</p> <ul style="list-style-type: none"> <li>• Written Warning I;</li> <li>• Written Warning II;</li> <li>• Written Warning III;</li> <li>• Fines of up to IDR 500 million;</li> <li>• Temporary Suspension of Trading of Listed Companies (<i>Suspense</i>) on the IDX.</li> </ul>	<ul style="list-style-type: none"> <li>• Fines of up to IDR 500,000,000 (five hundred million Rupiah);</li> <li>• Temporary Suspension of Trading of Listed Companies (<i>Suspense</i>) on the IDX.</li> </ul>

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	Notes on financial statements.  (OJK Regulation Number 14/POJK.04/2022) (OJK Regulation 7/2018) (I-E Kep-00066/BEI/09-2022) (I-H Kep-307/BEJ/07-2004)		
A.1.2.	Financial performance report under the authority of the Ministry of SOEs		
	<p>Submit quarterly and annual financial statements to the Ministry of SOEs electronically through an electronic/information technology system managed by the Ministry of SOEs.</p> <p>Quarterly and annual reports can be submitted in print (paper-based) in the event of a disruption to the managed electronic/information technology system. The Ministry of SOEs is notified in advance through a letter or portal of the Ministry of SOEs by the work unit at the Ministry of SOEs.</p> <p>(Government Regulation No. 45/2005 as amended in Government Regulation No. 23/2022)</p>	<p>A. Quarterly Reports</p> <ul style="list-style-type: none"> <li>Quarterly reports for quarters 1, 2 and 3 shall be submitted to the GMS/Minister no later than 1 (one) month after the end of the relevant quarter.</li> <li>The quarterly report for quarter 4 is consolidated and submitted in conjunction with the annual report.</li> </ul> <p>B. Annual Report</p> <ul style="list-style-type: none"> <li>The unaudited annual report shall be submitted to the GMS/Minister no later than 2 (two) months after the end of</li> </ul>	

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	(Minister of SOEs 18/2014-2/2023)	the financial year. <ul style="list-style-type: none"> <li>The audited annual report is submitted to the GMS/Minister no later than 5 (five) months after the end of the financial year.</li> </ul>	
A.1.3	Financial performance report under the authority of the Ministry of Transportation		
	Submit financial performance reports (at least including balance sheets, profit and loss statements, cash flow and expense details) that have been audited by a registered public accounting firm to the Director General of Civil Aviation and the Minister of Transportation.  (Permenhub No. 25/2008: Article 35 (1) (g) jo Permenhub No. 41/2015 Article I number 6)	Every year no later than the end of April of the following year	<ul style="list-style-type: none"> <li>3 written warnings with a deadline of 1 month</li> <li>Freeze of commercial air transport business licenses</li> <li>Revocation of commercial air transport business licenses</li> </ul>
A.2.	Environmental Social Responsibility Program (TJSL) Report		
	Submit financial statements and reports on the implementation of the TJSL program contained in separate chapters to the Minister in: a. Quarterly reports; and	—	—

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	<p>b. Annual report</p> <p>The annual financial statements of the MSE (Micro and Small Enterprise) funding program must be audited by an accounting firm the public separately from the audit of the company's financial statements prepared in accordance with financial accounting standards for approval by the GMS/Minister.</p> <p>(Minister of SOEs 1/2023: Article 33 (1), (2) and (3))</p>		
A.3.	Balance Sheet and Income Statement		
	<p>Submit the balance sheet and profit and loss statement from the relevant financial year that has been audited to the Minister of Law and Human Rights.</p> <p>(UUPT: Article 66 (4)) Article 12 paragraph 2 letter b number 8 of the Articles of Association)</p>	Every year after being ratified by the GMS	—
A.4.	Noise level report		
	Submit reports on the results of noise level monitoring to the Governor, Ministers, agencies responsible for environmental impact control and other	At least once every 3 months	—

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	agencies in charge of the activities concerned and other agencies deemed necessary (see permit).  (Ministry of Environment No. 48/1996: Article 6)		
A.5.	On-time performance <i>report</i>		
	Submit reports on air transport activities, including flight delays and cancellations to the Director General of Civil Aviation and the Minister of Transportation  (Permenhub No. 25/2008: Article 35 (1) (f) jo Permenhub No. 41/2015 Article I number 6)	Every month, no later than the 10th of the following month	3 written warnings with a deadline of 1 month Freeze of commercial air transport business licenses Revocation Commercial Air Transport Business License
A.6.	Aviation Safety Internal Oversight Report		
	Submit an internal aviation safety supervision report to the Minister of Transportation.  This Internal Audit Report is not further explained in the Aviation Law or its implementing regulations. However, the obligations regarding this Internal Oversight Report are regulated under the chapter of provisions regarding aviation	—	—

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	<p>safety supervision by the Minister of Transportation, which includes the following aspects: (a) audit; (b) inspection; (c) survey, and (d) test.</p> <p>(Aviation Law: Article 332)</p>		
A.7.	Foreign Loan Report		
	<p>Submit periodic reports to the Minister of Finance regarding the implementation, use and repayment of principal and interest on foreign loans.</p> <p>This periodic reporting obligation to the Minister of Finance is only valid if the Company obtains a permit to receive foreign loans from the Minister of Finance.</p> <p>(Presidential Decree No. 59/1972: Article 4 (2))</p> <p>(Article 3 paragraphs (1) and (2) of the Ministry of Finance No. 279/1991)</p>	<p>From the effective date of the credit agreement every 3 (three) months until the repayment of related foreign loans</p>	—
	<p>Submit periodic reports to the PKLN Team on the implementation of foreign commercial loans</p>	—	—



NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	<p>Periodic reports to the PKLN Team regarding the implementation of foreign loans are only carried out if the Company has obtained the approval of the PKLN Team for foreign loans obtained by the Company.</p> <p>(12th Dictum of Presidential Decree No. 39 of 1991)</p>		
	<p>Submit Foreign Exchange Traffic Reports which include (i) trade transactions of goods, services and other transactions; (ii) the principal data of Foreign Debt and/or Risk Participation Transactions; (iii) Plans for withdrawal and/or payment of External Debt and/or Risk Participation Transactions; (iv) Realization of withdrawal and/or payment of Foreign Debt and/or Risk Participation Transactions; (v) Position and change of Foreign Financial Assets, Foreign Financial Obligations and/or Risk Participation Transactions; and/or (vi) the New Foreign Debt</p>	<p>Monthly by the 15th of the following month</p>	<p>Administrative sanctions are in the form of written reprimands if:</p> <p>data and information in the Foreign Exchange Traffic Report are incorrect and are not followed up with the submission of corrections</p> <p>Late submission of Foreign Exchange Traffic report; and/or</p> <p>Not submitting Foreign Exchange Traffic reports</p>

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	plan and/or its amendments.  (Articles 3 and 5 of PBI No. 14/2012)  (SEBI No. 15/2013)		
A.8	OJK Annual Levy		
	<p>Pay an Annual Levy to the OJK of 0.03% (zero point zero three percent) of the value of the Company's securities issuance, a minimum of IDR 15,000,000.00 (fifteen million Rupiah) and a maximum of IDR 150,000,000.00 (one hundred and fifty million Rupiah).</p> <p>(PP No. 11/2014)</p> <p>(OJK Regulation No. 3/2014 as amended by OJK Regulation No. 22/2018)</p>	<p>Payment of the first phase of the Annual Levy is no later than April 15.</p> <p>Payment of the Annual Levy phase II is no later than July 15.</p> <p>Payment of the Annual Levy phase III no later than October 15.</p> <p>Payment of the Annual Levy phase IV no later than December 31.</p> <p>In the event that the amount of the Annual Levy is determined based on a certain nominal amount that does not refer to the financial statements, the OJK Levy must be paid no later than every June 15 of the current year.</p>	<p>Letter of Reprimand I contains:</p> <ul style="list-style-type: none"> <li>• obligation to pay the Annual Levy no later than 30 (thirty) days from the date of the first reprimand; and</li> <li>• the imposition of administrative sanctions in the form of a fine of 2% (two percent) per month of the obligation to pay the Annual Levy and a maximum of 48% (forty-eight percent) of the amount of the Annual Levy that must be paid provided that part of the month is calculated as one month.</li> </ul> <p>The Letter of Reprimand II contains:</p> <ul style="list-style-type: none"> <li>• obligation to pay the Annual Levy no later than 30 (thirty) days stipulated in the Letter of Warning I; and</li> <li>• the imposition of administrative sanctions in the form of a fine of 2% (two percent) per month of</li> </ul>

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
			<p>the obligation to pay the Annual Levy and a maximum of 48% (forty-eight percent) of the amount of the Annual Levy that must be paid provided that part of the month is calculated as one month</p> <ul style="list-style-type: none"> <li>• OJK may also assign additional administrative sanctions or certain actions to the Company for late or non-payment in accordance with certain types of sanctions or actions as stipulated in laws and regulations in the financial services sector.</li> <li>• OJK can also adjust the imposition of administrative sanctions in the form of fines in the event that: <ul style="list-style-type: none"> <li>a. Errors in the OJK collection collection system;</li> <li>b. Fault in the bank system where the payment is made; and/or</li> <li>c. Other matters that are not the Company's default and have been verified by the OJK.</li> </ul> </li> </ul>
<b>B.</b>	<b>Incidental Reporting Obligations</b>		

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
B.1	Report of change of person in charge or owner of commercial air transport business entity		
	Submit a report to the Minister of Transportation whenever there is a change in the person in charge or the owner of the Company.	—	—
B.2	Report on change of domicile of transportation business entities commercial air transportation business entities		
	Submit a report to the Minister of Transportation whenever there is a change in the Company's domicile.  (Aviation Law: Article 118 (1) (h))	—	—
B.3	Aircraft ownership change report		
	Submit a report to the Minister of Transportation whenever there is a change in ownership of the Company's aircraft.  (Aviation Law: Article 118 (1) (h))	—	—
B.4	OJK Levy for Corporate Actions		
	Pay 0.05% (zero point zero five percent) of the value of the issue, a maximum of IDR 750,000,000.00 (seven hundred and fifty million Rupiah) as a registration fee in the context of the Public Offering of Equity		

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	<p>Securities, Debt Securities, in the context of capital increase with Pre-emptive Rights (<i>Right Issue</i>), for Capital Increase without Pre-emptive Rights, Securities that can be converted into shares, and by the Shareholders.</p> <p>(PP No. 11/2014)</p> <p>(Article 5 of OJK Regulation No. 3/2014)</p>		
	<p>Pay 0.05% (zero point zero five percent) of the emission value, a maximum of IDR 150,000,000.00 (one hundred and fifty million Rupiah) as a registration fee in the framework of the Sukuk Public Offering.</p> <p>(PP No. 11/2014)</p> <p>(Article 5 of OJK Regulation No. 3/2014)</p>		
	<p>Pay an amount of IDR 25,000,000.00 (twenty-five million Rupiah) per Registration Statement for the Voluntary Tender Offer</p>		
	<p>Paying 0.025% (zero point zero two five</p>		

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	percent) of the emission value, a maximum of IDR 500,000,000.00 (five hundred million Rupiah) as the cost of reviewing the corporate action plan for Capital Increase without Preemptive Rights without going through a Public Offering is not to improve the financial position.		
	Pay 0.05% (zero point zero five percent) of the value of assets based on the proforma financial statements of the merger or merger of a public company, a maximum of IDR 250,000,000.00 (two hundred and fifty million Rupiah), as the cost of reviewing the corporate action plan for the merger or merger of a public company.  (PP No. 11/2014)  (Article 6 of OJK Regulation No. 3/2014)		
	Pay an amount of IDR 1,000,000,000.00 (one billion Rupiah) per change of public company to voluntary <i>going private</i> company		

NO.	REPORTING OBLIGATIONS	DEADLINE/ TERM	PENALTY
	Pay an amount of IDR 25,000,000.00 (twenty-five million Rupiah) per takeover of a public company.		

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