

## **BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS WORK GUIDELINES**

### **PT AMMAN MINERAL INTERNASIONAL TBK**

#### **I. BOARD OF DIRECTORS WORK GUIDELINES**

##### **A. LEGAL BASIS**

1. Law No.40 of 2007 concerning Limited Liability Companies.
2. Law No.8 of 1995 concerning Capital Markets.
3. Law No. 21 of 2011 concerning the Financial Services Authority.
4. Financial Services Authority Regulation No.33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers and Public Companies.
5. The Company's Articles of Association and its amendments.

##### **B. DUTIES, RESPONSIBILITIES, AND AUTHORITIES OF THE BOARD OF DIRECTORS**

1. The Board of Directors is in charge of carrying out and being responsible for the management of the Company for the benefit of the Company in accordance with the aims and objectives of the Company as stipulated in the articles of association.
2. In carrying out the duties and responsibilities of managing the Company, the Board of Directors is required to hold an annual GMS and other GMS as stipulated in laws and regulations and the articles of association.
3. Each member of the Board of Directors must carry out their duties and responsibilities in good faith, full of responsibility and prudence.
4. To support the effectiveness of implementing the duties and responsibilities of managing the Company, the Board of Directors may form committees and evaluate the performance of the committees at the end of each financial year.
5. The Board of Directors has the right to represent the Company in and out of court on all matters and in all events, bind the Company to other parties and other parties to the Company, and carry out all actions, both regarding management and ownership, but with the limitation to:
  - a. Borrowing or lending money on behalf of the Company (excluding withdrawing company money from banks) in an amount that exceeds the amount determined from time to time by the Board of Commissioner;
  - b. Establishing a business or participating in other companies both inside and outside the country.

Must be with prior approval from the Board of Commissioners.

6. Legal actions to transfer, release rights or make debt guarantees which constitute more than 50% (fifty percent) of the total net worth of the Company in 1 (one) financial year, either in 1 (one) transaction or several transactions that stand-alone or related to one another must obtain approval from the GMS attended by shareholders representing at least  $\frac{3}{4}$  (three quarters) of the total number of shares with valid voting rights and approved by more than  $\frac{3}{4}$  (three quarters) of the total shares with voting rights present at the GMS.
7. Each member of the Board of Directors is fully and jointly responsible for the Company's losses caused by the mistakes or negligence of members of the board of directors in carrying out their duties.
8. Members of the Board of Directors cannot be held responsible for the losses of the Company as referred to in paragraph 6 if they can prove:
  - a. the loss is not due to their fault or negligence;
  - b. has conducted management in good faith, full of responsibility and prudence for the benefit and in accordance with the aims and objectives of the Company;
  - c. does not have a conflict of interest, either directly or indirectly, for management actions that result in losses; and
  - d. have taken action to prevent the loss from arising or continuing.
9. The President Director has the right and authority to act for and on behalf of the Board of Directors and represent the Company.
10. In the event that the President Director is absent or unavailable for any reason, which does not need to be proven to a third party, then other members of the Board of Directors have the right and authority to act for and on behalf of the Board of Directors and represent the Company.
11. 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 member of the Board of Directors concerned; and
  - b. the member of the Board of Directors concerned has interests that conflict with the interests of the Company.
12. In the event that there is a situation as referred to in point 11, those who have the right to represent the Company are:
  - 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 Board of Commissioners have a conflict of interest with the Company.
13. Without prejudice to the responsibilities of the Board of Directors, the Board of Directors may give written authorization to one or more attorneys for and on behalf

of the Company to carry out certain legal actions as described in the power of attorney.

## **C. MEMBERSHIP OF THE BOARD OF DIRECTORS**

### **1. Composition**

- 1.1 The Board of Directors of the Company consists of at least 2 (two) members of the Board of Directors.
- 1.2 1 (one) member of the Board of Directors is appointed as President Director or President Director.

### **2. Requirements for the Appointment of the Board of Directors**

- 2.1 Members of the Board of Directors are appointed and dismissed by the GMS.
- 2.2 Members of the Board of Directors are appointed for a certain term of office and can be reappointed.
- 2.3 Those who can be appointed as members of the Board of Directors are individuals who meet the requirements at the time of appointment and during their tenure:
  - a. Have good character, morals, and integrity;
  - b. Capable of performing legal actions;
  - c. Within 5 (five) years before the appointment and during tenure:
    - 1) Never been declared bankrupt
    - 2) Never been a member of the Board of Directors and/or member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
    - 3) Never been punished for committing a crime that is detrimental to state finances and/or related to the financial sector; And
    - 4) Never been a member of the Board of Directors and/or a member of the Board of Commissioners during their tenure:
      - a) Never held an Annual GMS.
      - b) His responsibilities as members of the Board of Directors and/or members of the Board of Commissioners have never been accepted by the GMS or have never given accountability members of the Board of Directors and/or members of the Board of Commissioners to the GMS; And
      - c) Ever caused a company that obtained a permit, approval, or registration from the Financial Services Authority to fail to fulfill the obligation to submit annual reports and/or financial reports to the Financial Services Authority.
    - 5) Commit to comply with laws and regulations; And
    - 6) Have knowledge and/or expertise in the field required by the Company.

### **3. Requirements of Resignation, and Temporary Dismissal**

#### **3.1 Terms of Resignation**

- a. Members of the Board of Directors can resign from their positions before their term ends.
- b. In the event that a member of the Board of Directors resigns as referred to in letter (a), the member of the Board of Directors concerned must submit a resignation request to the Company.
- c. The Company is required to hold a GMS to decide on the request for resignation of members of the Board of Directors as referred to in letter (b) no later than 90 (ninety) days after receipt of the said resignation request.

#### **3.2 Requirements of Temporary Dismissal**

- a. Members of the Board of Directors may be temporarily dismissed by the Board of Commissioners by stating the reasons.
- b. The temporary dismissal as referred to in letter (a) must be notified in writing to the member of the Board of Directors concerned.
- c. In the event that a member of the Board of Directors is temporarily dismissed as referred to in letter (a), the Board of Commissioners must hold a GMS to revoke or strengthen the decision on the temporary dismissal.
- d. The GMS as referred to in letter (c) must be held within a period of no later than 90 (ninety) days after the date of temporary dismissal.
- e. With the expiration of the period for holding the GMS as referred to in letter (d) or the GMS being unable to make decisions, the temporary dismissal as referred to in letter (a) becomes canceled.
- f. In the GMS as referred to in letter (c) the member of the Board of Directors concerned is allowed to defend himself.
- g. Members of the Board of Directors who are temporarily dismissed as referred to in letter (a) are not authorized to:
  - 1) carry out the management of the Company for the benefit of the Company in accordance with the purposes and objectives of the Company; And
  - 2) represent the Company inside and outside the court
- h. The limitation of the authority referred to in letter (g) applies from the decision on temporary dismissal by the Board of Commissioners until:
  - 1) There is a GMS decision that confirms or cancels the temporary dismissal as referred to in letter (c); or
  - 2) The period as referred to in point (d) has expired.

### **D. TERM OF OFFICE OF THE BOARD OF DIRECTORS**

1. 1 (one) term of office for a member of the Board of Directors is a maximum of 5 (five) years or until the closing of the annual GMS at the end of the 1 (one) term of office referred to.
2. Members of the Board of Directors are appointed and dismissed by the GMS.
3. Members of the Board of Directors are appointed for a certain term of office and can be reappointed.
4. The term of office for members of the Board of Directors is as stipulated in the Articles of Association.

#### **E. WORKING TIME**

The Board of Directors must provide sufficient time to carry out their duties and responsibilities optimally according to the Company's working days.

#### **F. MEETING OF THE BOARD OF DIRECTORS**

1. Meetings of the Board of Directors must be held periodically at least once a month or at any time if deemed necessary:
  - a. By one or more members of the Board of Directors.
  - b. Upon written request from one or more members of the Board of Commissioners or;
  - c. At the request of 1 (one) or more shareholders who collectively represent 1/10 (one-tenth) of the total number of shares with valid voting rights.
2. The results of the Board of Directors meeting must be recorded in the minutes of the meeting, signed by all members of the Board of Directors who are present, and submitted to all members of the Board of Directors.
3. The Board of Directors is required to hold regular Board of Directors and Board of Commissioners meetings at least 1 (one) time in 4 (four) months. The results of the meeting between the Board of Directors and the Board of Commissioners must be recorded in the minutes of the meeting, signed by the members of the Board of Directors and members of the Board of Commissioners who are present, and submitted to all members of the Board of Directors and members of the Board of Commissioners.
4. Invitations for the meeting of the Board of Directors are made by members of the Board of Directors who are entitled to act for and on behalf of the Board of Directors.
5. Invitations to the Board of Directors meeting are delivered by registered letter or by letter delivered directly to each member of the Board of Directors and/or Board of Commissioners by obtaining a receipt and meeting materials delivered to the meeting participants no later than 5 (five) days before the meeting is held excluding the date of the summons and meeting date.
6. The summons for the meeting must include the agenda, date, time, and place of the meeting.

7. Meetings of the Board of Directors are held at the domicile of the Company or the place of business of the Company.
8. The Board of Directors meeting is chaired by the Main Board of Directors, in the event that the President Director is unable to attend or is unable to attend which does not need to be proven to the third party, the Board of Directors meeting is chaired by a member of the Board of Directors who is elected by and from among the members of the Board of Directors present at the relevant Board of Directors Meeting.
9. A member of the Board of Directors can be represented at a meeting of the Board of Directors only by another member of the Board of Directors based on a power of attorney.
10. The meeting of the Board of Directors is valid and has the right to make binding decisions if more than  $\frac{1}{2}$  (one-half) of the total members of the Board of Directors are present or represented at the meeting.
11. Decisions of the Board of Directors meeting must be taken based on deliberation to reach a consensus, if it is not reached then the decision is taken by voting based on affirmative votes of at least more than  $\frac{1}{2}$  (one-half) of the total votes cast in the meeting.
12. If the agreeing and disagreeing votes are balanced, the chairman of the board of directors meeting will decide.
13. Each member of the Board of Directors present has the right to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Directors he represents.
14. Voting regarding individuals is carried out through closed ballots without a signature while voting on other matters is carried out orally unless the chairman of the meeting determines otherwise without any objections from those present.
15. Abstain (blank) and invalid votes are considered not validly cast and are deemed not to exist and are not counted in determining the number of votes cast.
16. Board of Directors Meetings can be held via teleconference, video conference, or other electronic media facilities that allow all Directors Meeting participants to see and hear each other directly and participate in the Board of Directors Meeting.
17. Minutes of meeting the results of the Board of Directors Meeting must be made in writing by a person present at the Meeting who is appointed by the Chairman of the Meeting and signed by all members of the Board of Directors who are present and submitted to all members of the Board of Directors and members of the Board of Commissioners.
18. The Board of Directors can also make valid decisions without holding a Board of Directors meeting, provided that all members of the Board of Directors have been notified in writing and all members of the Board of Directors give their approval regarding the proposal submitted in writing by signing the agreement.

## **G. CONFLICT OF INTEREST**

If something happens where the Company has an interest that conflicts with the personal interests of a member of the Board of Directors, then the Company will be represented by other members of the Board of Directors, and in the event that the Company has interests that conflict with the interests of all members of the Board of Directors, then, in this case, the Company is represented by the Board of Commissioners. In the event that there are no members of the Board of Commissioners, the GMS shall appoint one or more persons to represent the Company in carrying out the duties mentioned above.

## **H. REPORTING AND ACCOUNTABILITY**

1. The Board of Directors is obliged to account for the performance of its duties to the shareholders through the GMS.
2. Reporting on the duties and responsibilities of the Board of Directors is submitted in the form of a Board of Directors Report and an Annual Report to the Annual GMS.
3. Approval of the Board of Directors' Report and Annual Report by the Annual GMS means giving full release and discharge of responsibility to the Board of Directors for the management that has been carried out during the previous financial year as long as these actions are reflected in the Annual Report.

## **I. SUPPORTING ORGANS OF THE BOARD OF DIRECTORS**

In carrying out its duties and responsibilities, the Board of Directors is assisted by supporting organs such as committees under the Board of Directors, Corporate Secretary, Internal Audit Unit, and other functions tailored to the needs and capabilities of the Company.

### **1. Corporate Secretary**

The Corporate Secretary has a very important role in maintaining a good corporate image through the management of an effective communication program between the Company and its Stakeholders. The Corporate Secretary is directly responsible to the Board of Directors. The Corporate Secretary has the following duties and responsibilities:

- a. Adhere to the development of the capital market, especially the laws and regulations that apply in the field of capital markets.
- b. Provide input to the Board of Directors and Board of Commissioners to comply with statutory provisions in the capital market sector.
- c. Assist the Board of Directors and Board of Commissioners in implementing corporate governance which includes:
  - 1) disclosure of information to the public, including the availability of information on the Issuer's or Public Company's Website;
  - 2) timely submission of reports to the Financial Services Authority;
  - 3) implementation and documentation of the General Meeting of Shareholders;

- 4) organization and documentation of meetings of the Board of Directors and/or the Board of Commissioners; and
  - 5) implementation of the company orientation program for the Board of Directors and/or the Board of Commissioners.
- d. As a liaison between the Company and shareholders, the Financial Services Authority, and other stakeholders.

## 2. Internal Audit Unit

In order to ensure an effective internal control system, the Board of Directors is structurally assisted by the Internal Audit Unit. The Internal Audit Unit is led by a head of the internal audit unit who is responsible to the main director. The duties, responsibilities, and authorities of the Internal Audit Unit are as follows:

- a. prepare and implement the annual Internal Audit plan;
- b. review and evaluate the implementation of internal control and risk management systems in accordance with company policies;
- c. carry out inspections and assessments of efficiency and effectiveness in finance, accounting, operations, human resources, marketing, information technology, and other activities;
- d. provide suggestions for improvements and objective information about the activities examined at all levels of management;
- e. write the report on the results of the audit and submit the report to the main director and the Board of Commissioners;
- f. monitor, analyze, and report on the implementation of follow-up improvements that have been suggested;
- g. cooperate with the Audit Committee;
- h. compile a program to evaluate the quality of the internal audit activities it performs;
- i. conduct a special inspection if needed;
- j. access all relevant information about the company related to its duties and functions;
- k. communicate directly with the Board of Directors, Board of Commissioners, and/or the Audit Committee and members of the Board of Directors, Board of Commissioners, and/or the Audit Committee;
- l. hold regular and incidental meetings with the Board of Directors, Board of Commissioners, and/or the Audit Committee; and
- m. coordinate its activities with the activities of the external auditors.

## J. ETHICS



Each member of the Board of Directors must carry out their duties in good faith, full of responsibility and prudence by always observing the applicable laws and regulations, which among others are related to the implementation of Good Corporate Governance and the Company's Articles of Association.

## **K. CLOSING**

1. These Guidelines and Working Procedures for the Board of Directors are effective from the time they are stipulated.
2. Matters that have not been regulated in the Guidelines and Work Rules of the Board of Directors will follow the applicable provisions and/or provisions of the Articles of Association.

## **II. BOARD OF COMMISSIONERS' WORK GUIDELINES**

### **A. LEGAL BASIS**

1. Law No.40 of 2007 concerning Limited Liability Companies.
2. Law No.8 of 1995 concerning Capital Markets.
3. Law No. 21 of 2011 concerning Financial Services Authority.
4. Financial Services Authority Regulation No.33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers and Public Companies.
5. The Company's Articles of Association and its amendments.

### **B. DUTIES, RESPONSIBILITIES, AND AUTHORITIES OF THE BOARD OF COMMISSIONERS**

1. The Board of Commissioners supervises the policies of the Directors in running the Company and provides advice to the Directors.
2. The Board of Commissioners, both jointly and individually, at any time during working hours of the Company's office, has the right to enter buildings and courtyards or other places used or controlled by the Company and has the right to examine all books, letters, and other evidence, examine and match the condition of cash and others and have the right to know all actions that have been carried out by the Board of Commissioners.
3. In carrying out its duties, the Board of Commissioners has the right to obtain an explanation from the Board of Directors or each member of the Board of Directors regarding all matters required by the Board of Commissioners.
4. The Board of Commissioners has the right to temporarily suspend one or more members of the Board of Directors if the members of the Board of Directors act contrary to the Articles of Association and/or applicable laws and regulations or harm the aims and objectives of the Company or neglect their obligations.

5. If all members of the Board of Directors are suspended and the Company does not have a single member of the Board of Directors, the Board of Commissioners is temporarily obliged to manage the Company.

## **C. MEMBERSHIP OF THE BOARD OF COMMISSIONERS**

### **1. Composition**

- 1.1 The Company's Board of Commissioners consists of at least 2 (two) members of the Board of Commissioners.
- 1.2 In the event that the Board of Commissioners consists of 2 (two) members of the Board of Commissioners, 1 (one) of them is an Independent Commissioner.
- 1.3 In the event that the Board of Commissioners consists of more than 2 (two) members of the Board of Commissioners, the number of Independent Commissioners must be at least 30% (thirty percent) of the total number of members of the Board of Commissioners.
- 1.4 1 (one) of the Board of Commissioners is appointed as the Chief Commissioner or president commissioner.

### **2. Requirements for the Appointment of the Board of Commissioners**

- 2.1 Members of the Board of Commissioners are appointed and dismissed by the GMS.
- 2.2 Members of the Board of Commissioners are appointed for a certain term of office and can be reappointed.
- 2.3 1 (one) term of office for a member of the Board of Commissioners is a maximum of 5 (five) years or until the closing of the annual GMS at the end of the 1 (one) term of office referred to.
- 2.4 Those who can be appointed as members of the Board of Commissioners are individuals who meet the requirements at the time of appointment and during their tenure:
  - a. Have good character, morals, and integrity;
  - b. Capable of performing legal actions;
  - c. Within 5 (five) years before the appointment and during tenure:
    - 1) Never been declared bankrupt
    - 2) Never been a member of the Board of Commissioners and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
    - 3) Never been punished for committing a crime that is detrimental to state finances and/or related to the financial sector; and
    - 4) ever been a member of the Board of Commissioners and/or a member of the Board of Commissioners who during his tenure:

- a) Never held an Annual GMS.
  - b) His responsibilities as a member of the Board of Commissioners and/or a member of the Board of Commissioners have never been accepted by the GMS or have never been given accountability as a member of the Board of Commissioners and/or a member of the Board of Commissioners to the GMS; and
  - c) Ever caused a company that obtained a permit, approval, or registration from the Financial Services Authority to fail to fulfill the obligation to submit annual reports and/or financial reports to the Financial Services Authority.
- 5) Commit to comply with laws and regulations; and
- 6) Have knowledge and/or expertise in the field required by the Company.

### **3. Requirements of Resignation and Temporary Dismissal**

#### **3.1 Requirements of Resignation**

- a. Members of the Board of Commissioners may resign from their positions before their tenure ends.
- b. In the event that a member of the Board of Commissioners resigns as referred to in letter (a), the member of the Board of Commissioners concerned must submit a resignation request to the Company.
- c. The Company is required to hold a GMS to decide on the request for resignation of a member of the Board of Commissioners as referred to in letter (b) no later than 90 (ninety) days after receipt of the said resignation request.

#### **3.2 Requirements of Temporary Dismissal**

- a. Members of the Board of Commissioners may be temporarily dismissed by the Board of Commissioners by stating the reasons.
- b. The temporary dismissal as referred to in letter (a) must be notified in writing to the member of the Board of Commissioners concerned.
- c. In the event that a member of the Board of Commissioners is temporarily dismissed as referred to in letter (a), the Board of Commissioners must hold a GMS to revoke or strengthen the decision on the temporary dismissal.
- d. The GMS as referred to in letter (c) must be held within a period of no later than 90 (ninety) days after the date of temporary dismissal.
- e. With the expiration of the period for holding the GMS as referred to in letter (d) or the GMS being unable to make decisions, the temporary dismissal as referred to in letter (a) becomes canceled.
- f. In the GMS as referred to in letter (c) the member of the Board of Commissioners concerned is allowed to defend himself.
- g. Members of the Board of Commissioners who are temporarily dismissed as referred to in letter (a) are not authorized to:

- 1) carry out the management of the Company for the benefit of the Company in accordance with the purposes and objectives of the Company; and
  - 2) represent the Company inside and outside the court
- h. The limitation of the authority referred to in letter (g) applies from the decision on temporary dismissal by the Board of Commissioners until:
- 1) There is a GMS decision that confirms or cancels the temporary dismissal as referred to in letter (c); or
  - 2) The period as referred to in point (d) has expired.

#### **D. TERM OF OFFICE**

1. Members of the Board of Commissioners are appointed and dismissed by the GMS.
2. Members of the Board of Commissioners are appointed for a certain term of office and can be reappointed.
3. The term of office for members of the Board of Commissioners is as stipulated in the Articles of Association.

#### **E. WORKING TIME**

The Board of Commissioners must provide sufficient time to carry out their duties and responsibilities optimally according to the Company's working days.

#### **F. MEETINGS OF THE BOARD OF COMMISSIONERS**

1. Meetings of the Board of Commissioners must be held periodically at least 1 (one) time in every 2 (two) months or at any time if deemed necessary:
  1. By one or more members of the Board of Commissioners;
  2. Upon a written request from one or more members of the Board of Commissioners; or
  3. At the written request of 1 (one) or more shareholders who jointly represent 1/10 (one tenth) or more of the total number of shares with voting rights.
2. Invitations to the Board of Commissioners' meeting are made by the Main Commissioner, if the Main Commissioner is absent, other members of the Board of Commissioners have the right to make summons based on the power of attorney from the Main Commissioner.
3. Invitations for the Board of Commissioners' meeting are submitted by registered letter or by letter delivered directly to each member of the Board of Commissioners

with a receipt no later than 5 (five) days before the meeting is held, excluding the date of the summons and the date of the meeting.

4. The invitation for the meeting must state the agenda, date, time, and place of the meeting.
5. Meetings of the Board of Commissioners are held at the domicile of the Company or the place of business of the Company.
6. The meeting of the Board of Commissioners is chaired by the President Commissioner, in the event that the President Commissioner is unable to attend or is unable to attend which does not need to be proven to a third party, the Board of Commissioners' meeting is chaired by a member of the Board of Commissioners who is elected by and from among the members of the Board of Commissioners present.
7. A member of the Board of Commissioners may be represented at the meeting of the Board of Commissioners only by another member of the Board of Commissioners based on a power of attorney.
8. The meeting of the Board of Commissioners is valid and has the right to make binding decisions if more than  $\frac{1}{2}$  (one-half) of the total members of the Board of Commissioners are present or represented at the meeting.
9. Decisions of the Board of Commissioners Meeting must be taken based on deliberation to reach a consensus. If it is not reached, the decision is taken by voting based on the affirmative votes of at least more than  $\frac{1}{2}$  (one-half) of the total votes cast at the meeting.
10. If the agreeing and disagreeing votes are balanced, the Chairman of the Meeting will decide.
11. Each member of the Board of Commissioners present has the right to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Commissioners he represents.
12. Voting regarding individuals is carried out through closed ballots without a signature while voting on other matters is carried out orally unless the chairman of the meeting determines otherwise without any objections from those present.
13. Blank votes and invalid votes are deemed not validly cast and are deemed not to exist and are not counted in determining the number of votes cast.
14. Commissioners' Meetings can be held via teleconference media, video conferences, or other electronic media facilities that allow all participants of the Board of Commissioners Meeting to see and hear each other directly and participate in the Board of Commissioners' Meeting.

15. Minutes of the meeting of the results of the Board of Commissioners' meeting must be made in writing and circulated to all participating members of the Board of Commissioners for approval and signature.
16. Minutes of the meeting of the results of the Board of Commissioners' meeting must be made in writing and circulated to all participating members of the Board of Commissioners for approval and signature.
17. The Board of Commissioners may also make valid decisions without convening a Board of Commissioners Meeting, provided that all members of the Board of Commissioners have been notified in writing and all members of the Board of Commissioners give their approval regarding the proposal submitted in writing by signing the agreement.

#### **G. REPORTING AND ACCOUNTABILITY**

1. The Board of Commissioners is obliged to account for the performance of its duties to shareholders through the GMS.
2. Reporting on the duties and responsibilities of the Board of Commissioners is submitted in the form of a Board of Commissioners Supervisory Report to the Annual GMS.
3. Approval of the Board of Commissioners' Supervision Report by the Annual GMS means giving full release and discharge of responsibility to the Board of Commissioners for the supervision carried out during the previous financial year as long as these actions are reflected in the Board of Commissioners' Supervisory Report.

#### **H. SUPPORTING ORGANS OF THE BOARD OF COMMISSIONERS**

In carrying out the principles of Good Corporate Governance and carrying out its duties and responsibilities effectively and accountably, the Board of Commissioners forms 2 supporting organs for the board of commissioners, namely the Audit Committee and the Nomination and Remuneration Committee in accordance with the regulations set by the Financial Services Authority.

##### **1. Audit Committee**

The audit committee is a committee formed by and is responsible to the Board of Commissioners in assisting in carrying out the duties and functions of the Board of Commissioners. In carrying out its duties and functions the Audit Committee works with the following conditions:

1. Members of the audit committee are appointed and dismissed by the Board of Commissioners.
2. The Audit Committee consists of at least 3 (three) members from Independent Commissioners and parties from outside the Company.

3. The audit committee is chaired by an Independent Commissioner.
4. The term of office of members of the Audit Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and may be re-elected only for the next 1 (one) period.

The Audit Committee has the following duties, responsibilities, and authorities:

- a. conduct a review of the financial information that will be issued by the Company to the public and/or authorities, including financial reports, projections, and other reports related to Company information;
- b. conduct a review of compliance with laws and regulations related to the Company's activities;
- c. provide an independent opinion in the event of a difference of opinion between management and the accountant for the services provided;
- d. provide recommendations to the Board of Commissioners regarding the appointment of an Accountant based on independence, the scope of the assignment, and compensation for services;
- e. review the implementation of inspections by the internal auditors and supervise the implementation of follow-up actions by the Board of Directors on the findings of the internal auditors;
- f. review the risk management implementation activities carried out by the Board of Directors if the Issuer or Public Company does not have a risk monitoring function under the Board of Commissioners;
- g. examine complaints related to the Company's accounting and financial reporting processes;
- h. review and provide advice to the Board of Commissioners regarding the potential conflict of interest of the Company;
- i. maintain the confidentiality of the Company's documents, data, and information.
- j. access documents, data, and information from Issuers or Public Companies regarding employees, funds, assets, and company resources needed;
- k. communicate directly with employees, including the Board of Directors and parties carrying out the internal audit function, risk management, and accountants regarding the duties and responsibilities of the Audit Committee;
- l. involve independent parties outside the members of the Audit Committee who are needed to assist in carrying out their duties (if necessary); and
- m. carry out other authorities granted by the Board of Commissioners.

## 2. **Nomination and Remuneration Committee**

The nomination and remuneration committee is a committee formed by and is responsible to the Board of Commissioners in assisting in carrying out the functions and duties of the Board of Commissioners regarding the Nomination and Remuneration of members of the Board of Directors and members of the Board of Commissioners. Nomination is the proposal for someone to be appointed to a position as a member of the Board of Directors or a member of the Board of Commissioners. The remuneration is the compensation determined and given to members of the Board of Directors and members of the Board of Commissioners because the position and role assigned are in accordance with the duties, responsibilities, and authorities of members of the Board of Directors and members of the Board of Commissioners. Furthermore, in carrying out its duties and functions, the Nomination and Remuneration Committee works under the following conditions:

- a. The Nomination and Remuneration Committee consists of at least 3 (three) members, provided that:
  - 1) 1 (one) chairman who is also a member, who is an Independent Commissioner; and
  - 2) Other members who can come from:
    - a) Members of the Board of Commissioners;
    - b) Parties originating from the area of the Company concerned; or
    - c) Parties occupying managerial positions under the Board of Directors in charge of human resources.
- b. Most of the members of the nomination and remuneration committee cannot come from those who hold managerial positions under the Board of Directors in charge of human resources.
- c. Members of the nomination and remuneration committee from outside the Company must meet the following requirements:
  - 1) Has no affiliation with the Company, members of the Board of Directors, members of the Board of Commissioners, or Major Shareholders of the Company;
  - 2) Have experience related to the nomination and/or remuneration; and
  - 3) Does not hold concurrent positions as a member of other committees owned by the Company.
- d. Members of the Company's Board of Directors cannot become members of the Nomination and Remuneration Committee.



## **I. ETHICS**

Each Member of the Board of Commissioners must carry out their duties in good faith, full of responsibility and prudence by always observing the applicable laws and regulations, which among others are related to the implementation of Good Corporate Governance and the Company's Articles of Association.

## **J. CLOSING**

1. These Guidelines and Work Rules of the Board of Commissioners are valid since they are stipulated.
2. Matters that have not been regulated in the Guidelines and Work Rules of the Board of Commissioners will follow the applicable provisions and/or provisions of the Articles of Association.

