



BOC CHARTER

PT Semen Indonesia (Persero) Tbk.

Go
Beyond
Next

ATTESTATION SHEET

**Jakarta, 1st May 2022
Board of Commissioners
PT Semen Indonesia (Persero) Tbk.**

TABLE OF CONTENT

TITLE PAGE	
ATTESTATION SHEET	1
TABLE OF CONTENT	2
CHAPTER 1 INTRODUCTION	3
1.1. Background	3
1.2. Purpose and Goal	3
1.3. Scope	3
1.4. Legal Foundation	4
1.5. Terms Used	5
CHAPTER 2 BOARD OF COMMISSIONERS	7
2.1. Vision and Mission of the Board of Commissioners	7
2.2. Functions of the Board of Commissioners	7
2.2.1. Supervision of the BOC	
2.2.2. Implementation of the supervisory function of the Board of Commissioners	
2.3. Board of Commissioners Requirements	8
2.3.1. General Requirements	
2.3.2. Special Requirements	
2.4. Board of Commissioners Membership	9
2.5. President Commissioner	10
2.6. Independent Commissioner	11
2.7. Board of Commissioners Position Ethics	12
2.8. Onboarding and Refresher Program	13
2.8.1. Orientation Program	
2.8.2. Refreshment Program	
2.9. Duties, Obligations, and Authorities of the Board of Commissioners	14
2.9.1. Duties and Obligations of the Board of Commissioners	
2.9.2. Authority of the Board of Commissioners	
2.10. Board of Commissioners Decision	18
2.10.1. Board of Commissioners Meeting	
2.10.2. Document Signing	
2.11. Responsibility of the Board of Commissioners	21
2.12. Performance Evaluation of the Board of Commissioner	21
2.13. Performance Evaluation of the Board of Directors	22
2.14. Performance Evaluation of Board of Commissioners Organs	22
2.15. Supporting Organs of the Board of Commissioners Komisarís	23
2.15.1. Audit Committee	
2.15.2. Strategy, Risk Management, and Investment Committee	
2.15.3. Nomination, Remuneration, and GCG Committee	
2.15.4. Secretary of the Board of Commissioners	
2.15.4.1. Main Functions of the Secretary of the Board of Commissioners	
2.15.4.2. Duties of the Secretary of the Board of Commissioners	
2.15.4.3. Authority of the Secretary of the Board of Commissioners	
CHAPTER 3 MANAGEMENT OF THE WORKING RELATIONSHIP BETWEEN THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS	29
3.1. Governance of Employment Relations	29
3.2. Conflict of Interest of the Board of Commissioners and Board of Directors	29
3.3. Meeting Mechanism	30
3.4. Authorization of Transactions or Actions within the Scope of Authority of the Board of Commissioners or GMS	31
3.5. Limitations and/or criteria for actions of the Board of Directors that require the approval of the Board of Commissioners, Board of Commissioners and Series A Dwiwarna Shareholders, and GMS	31
CHAPTER 4 MANAGEMENT OF SUBSIDIARIES	33
4.1. Management of Companies and Subsidiaries	33
4.2. Company Decision Making regarding Subsidiaries	33
CHAPTER 5 USE OF THE COMPANY'S TIME, FACILITIES AND FACILITIES	34
5.1. Use of Times	34
5.2. Provision of Salaries, Benefits and Facilities	34
5.3. Work Trip	34
CHAPTER 6 CLOSING	36

CHAPTER 1 INTRODUCTION

1.1. Background

The relationship between the Board of Commissioners and the Board of Directors in the Indonesian legal system is a relationship based on the principle of *the two tiers system*. There is a strict separation of duties and obligations that the company is led and managed by the Board of Directors, while the Board of Commissioners supervises and advises the actions taken by the Board of Directors. The Board of Commissioners and the Board of Directors are two separate and independent organs.

Both have the responsibility to maintain the sustainability of the company's business in the long term. Therefore, it is necessary to have clarity of systems and structures regarding the relationship between the Company's Organs guided by the principles of *Good Corporate Governance* ("GCG"). The functions, duties, and working relationships of each Company Organ are clearly defined and executed consistently.

The Board of Commissioners and the Board of Directors have a high commitment to make the Working Guidelines of the Board of Commissioners and Directors hereinafter referred to as the *BOC* Charter and the Board of Directors Charter as guidelines in the implementation of functions, duties, and working relationships between the Board of Commissioners and the Board of Directors so that they can run effectively.

1.2. Purpose and Objectives

This Charter is one of the documents related to the implementation of GCG in the Company, intended as a guideline for the work of the Board of Commissioners which aims to:

- 1) Make it easier for the Board of Commissioners to understand the regulations related to the work procedures of the Board of Commissioners and their implementation mechanisms;
- 2) Become a reference / guideline on the main tasks, work functions and improve the quality and effectiveness of labor relations between organs;
- 3) Applying GCG principles, namely transparency, accountability, responsibility, independence, and fairness;¹
- 4) Increase the effectiveness of the Board of Commissioners in carrying out their *fiduciary duties*, so that they are protected from violations that can be categorized as *piercing the corporate veil*.

1.3. Scope

This Charter includes an elaboration of the matters that are the duties and authorities of the Board of Commissioners as well as an agreement on the mechanism and working relationship between the Board of Commissioners and the Board of Directors within the Company by referring to the prevailing laws and regulations, the Articles of Association, and the direction of the Shareholders stipulated in the General Meeting of Shareholders ("GMS") which regulates the work procedures of the Board of Commissioners.

1.4. Legal Foundation

The regulations on which the Charter is drafted include:

- 1) Law Number 40 of 2007 concerning Limited Liability Companies;
- 2) Law Number 19 of 2003 concerning State-Owned Enterprises;
- 3) Law Number 8 of 1995 concerning the Capital Market;
- 4) Law Number 21 of 2011 concerning the Financial Services Authority;
- 5) Financial Services Authority Regulation Number 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, and all changes that occur in the future;
- 6) Financial Services Authority Regulation Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies, and all changes that occur in the future;

¹ Permen BUMN No. PER-09/MBU/2012

- 7) Financial Services Authority Regulation Number 35/POJK.04/2014 concerning Corporate Secretary of Issuers or Public Companies, and all changes that occur in the future;
- 8) Financial Services Authority Regulation Number 8/POJK.04/2015 concerning Websites of Issuers or Public Companies, and all changes that occur in the future;
- 9) Financial Services Authority Regulation Number 21/POJK.04/2015 concerning the Implementation of Public Company Governance Guidelines, and all changes that occur in the future;
- 10) Financial Services Authority Regulation Number 31/POJK.04/2015 concerning Disclosure of Material Information or Facts by Issuers or Public Companies, and all changes that occur in the future;
- 11) Financial Services Authority Regulation Number 55/POJK.04/2015 concerning the Establishment and Guidelines for the Implementation of the Audit Committee's Work, and all its changes that occur in the future;
- 12) Financial Services Authority Regulation Number 56/POJK.04/2015 concerning the Establishment and Guidelines for the Preparation of the Internal Audit Unit Charter, and all its changes that occur in the future;
- 13) Financial Services Authority Regulation Number 29/POJK.04/2016 concerning Annual Reports of Issuers or Public Companies, and all changes that occur in the future;
- 14) Financial Services Authority Regulation Number 15/POJK.04/2020 concerning the Plan and Implementation of the General Meeting of Shareholders of Public Companies, and all changes that occur in the future;
- 15) Financial Services Authority Regulation Number 16/POJK.04/2020 concerning the Implementation of the General Meeting of Shareholders of Public Companies Electronically, and all changes that occur in the future;
- 16) Financial Services Authority Regulation Number 17/POJK.04/2020 concerning Material Transactions and Changes in Business Activities, and all changes that occur in the future;
- 17) Financial Services Authority Regulation Number 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions, and all changes that occur in the future;
- 18) Decree of the Chairman of the Capital Market Supervisory Agency Number: Kep-689 / BL / 2011 concerning Accounting Guidelines for Securities Companies;
- 19) Decree of the Chairman of the Capital Market and Financial Institutions Supervisory Agency Number: Kep-346 / BL / 2011 concerning Submission of Periodic Financial Statements of Issuers or Public Companies;
- 20) Decree of the Chairman of the Capital Market and Financial Institutions Supervisory Agency Number: Kep-347 / BI / 2012 concerning the Presentation and Disclosure of Financial Statements of Issuers or Public Companies;
- 21) Circular Letter of the Financial Services Authority Number 32 / SEOJK.04 / 2015 concerning Guidelines for Public Company Governance;
- 22) The Indonesian Corporate Governance Manual, Financial Services Authority (OJK), 2018 (second edition);
- 23) Road Map Good Corporate Governance, Financial Services Authority (OJK), 2014;
- 24) Regulation of the Minister of SOEs Number PER-01 / MBU / 2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises, along with its amendments as stipulated through the Regulation of the Minister of SOEs Number PER-09 / MBU / 2012, and all its changes that occur in the future;
- 25) Regulation of the Minister of SOEs Number PER-11 / MBU / 11/2020 concerning Management Contracts and Annual Management Contracts of Directors of State-Owned Enterprises, and all changes that occur in the future;
- 26) Regulation of the Minister of State-Owned Enterprises Number PER-06 / MBU / 04/2021 dated April 13, 2021, concerning Amendments to the Regulation of the Minister of State-Owned Enterprises Number PER-12 / MBU / 2012 concerning Supporting Organs of the Board of Commissioners / Supervisory Board of State-Owned Enterprises;
- 27) Regulation of the Minister of SOEs Number PER-11 / MBU / 07/2021 concerning Requirements, Procedures for Appointment and Dismissal of Members of the Board of Directors of State-Owned Enterprises, and all changes that occur in the future;
- 28) Decree of the Minister of SOEs Number SK- 16 / S.MBU / 2012 concerning Indicators / Parameters for Assessment and Evaluation of the Implementation of Good Corporate Governance in State-Owned Enterprises;

- 29) Letter of the Minister of SOEs No. S-800 / MBU / 11/2018 dated November 30, 2018 concerning Approval of Proposed Restrictions and / or Criteria for Authority of the Board of Commissioners of PT Semen Indonesia (Persero) Tbk.;
- 30) The Company's Articles of Association as stated in Deed Number 42 dated December 21, 2021 made before Aulia Taufani, S.H., Notary in Jakarta.

1.5. Terms Used

The terms used in this Charter, unless otherwise noted, contain the following meanings:

- 1) Business Activities are all forms of activities carried out by the Company as mentioned in the Company's Articles of Association.
- 2) Members of the Board of Commissioners are commissioners or members of the Board of Commissioners who refer to individuals (not as *boards*).
- 3) Members of the Board of Directors or Directors are members of the Board of Directors who refer to individuals (not as *boards*).
- 4) The Board Manual is the Board of Commissioners Charter (*BOC Charter*) and the Board of Directors Charter (*BOD Charter*).
- 5) *BOD Charter is a Charter of the Board of Directors* which contains a compilation of applicable laws and regulations, Articles of Association and Shareholders' directions stipulated in the General Meeting of Shareholders governing the work procedures of the Board of Directors, and the elaboration of good practice mechanisms for improving the effectiveness of the implementation of the duties and authorities of the Board of Directors.
- 6) *BOC Charter is a Charter of the Board of Commissioners* which contains a compilation of applicable laws and regulations, Articles of Association and Shareholders' directions stipulated in the General Meeting of Shareholders governing the work procedures of the Board of Commissioners, and the elaboration of good practice mechanisms for improving the effectiveness of the implementation of the duties and authorities of the Board of Commissioners.
- 7) The Board of Commissioners is the entire member of the Board of Commissioners which acts as a unit of the Board (*Board*).
- 8) The Board of Directors is the entire Board of Directors who act as a unitary Board (*Board*).
- 9) President Director is a Director who is entitled and authorized to lead the Board of Directors in order to carry out the management of the Company.
- 10) A Subsidiary is a limited liability company whose shares are owned by the Company directly or indirectly more than 50% of the voting rights of an entity, whose financial statements are consolidated with the Company.
- 11) *Fiduciary duties* are the principle that stipulates that the Board of Directors is fully responsible for the management of the Company and the Board of Commissioners must supervise and provide advice to the Board of Directors, for the benefit of the Company and in accordance with the purposes and objectives of the Company. The Board of Directors and the Board of Commissioners must avoid conflicts *of interest* with the Company they lead/ supervise.
- 12) *Good Corporate Governance* is the principles that underlie a company's management process and mechanism based on laws and regulations and business ethics.
- 13) The Board of Management is the Board of Directors along with officers 1 (one) level below the Board of Directors who assist in the management of the Company.
- 14) President Commissioner is a Member of the Board of Commissioners who coordinates all activities of the Board of Commissioners in carrying out the supervision of the Company.
- 15) Independent Commissioner is a member of the Board of Commissioners who comes from outside the Company and meets the requirements in accordance with the laws and regulations as an Independent Commissioner.
- 16) Employees are employees of the Company whose appointment, dismissal, position, rights and obligations are determined based on the Decree of the Company's Board of Directors.
- 17) Management Contract is a contract that contains a promise or statement of prospective members of the Board of Directors, namely if appointed / reappointed as a member of the Board of Directors, among others, it will meet all targets set by the GMS and apply the principles of good corporate governance.
- 18) The Annual Report is a report on the accountability of the Board of Directors and the Board of Commissioners in managing and supervising the Company within 1 (one) financial year to the General Meeting of Shareholders prepared based on the prevailing laws and regulations.

- 19) The Company's organs are the General Meeting of Shareholders (GMS), the Board of Commissioners and the Board of Directors.
- 20) Control is the Company's ability to appoint or replace most of the composition of members of the Board of Directors and / or the Board of Commissioners as well as the power to regulate policies that are strategic, operational, and financial.
- 21) The company with the letter P capital, is PT Semen Indonesia (Persero) Tbk. while the company with the letter P lowers to the company in general. In this Board Manual the Company is also called a Holding Company (HoldCo) in relation to an Operating Company (OpCo).
- 22) Orientation Program, is an introduction program held for Members of the Board of Commissioners and Directors who are serving for the first time in the company.
- 23) The General Meeting of Shareholders (GMS), is a corporate organ that has authority that is not granted to the Board of Directors or the Board of Commissioners within the limits specified in the applicable laws and regulations and/or the company's Articles of Association.

CHAPTER 2 BOARD OF COMMISSIONERS

2.1. Vision and Mission of the Board of Commissioners

Everyone:

To be a Company Organ that has high competence and works professionally and independently in carrying out supervisory and advisory duties.

Mission:

Carry out the supervisory function and provide advice to the Board of Directors in accordance with the principles of good corporate governance assisted by supporting organs by placing the best interest of the company above other interests in order to realize the vision of the corporation and other duties set by the Shareholders based on the prevailing laws and regulations and the Company's Articles of Association.

2.2. Functions of the Board of Commissioners

Supervising the management of the company and providing advice to the Board of Directors for the interests and objectives of the company, including:²

2.2.1. Supervision of the BOC:

- 1) The Board of Commissioners supervises the management policy, the course of management in general, both regarding the company's business and the company's business, and provides advice to the Board of Directors.
- 2) The supervision and provision of advice as referred to above is carried out for the benefit of the Company P and in accordance with the purposes and objectives of the Company.
- 3) Each member of the Board of Commissioners must be in good faith, prudent, and responsible in carrying out their supervisory duties and providing advice to the Board of Directors.³
- 4) Each member of the Board of Commissioners is personally responsible for the loss of the company if the person concerned is guilty or negligent in carrying out his duties as mentioned above.⁴

2.2.2. Implementation of the supervisory function of the Board of Commissioners:

- 1) In carrying out its supervisory and governance functions, the Board of Commissioners must always apply the principles of efficiency, openness, accountability, accountability, independence, and fairness.
- 2) The Board of Commissioners is responsible to the General Meeting of Shareholders (GMS) which is in charge of the supervision of the company as referred to and the objectives set forth in the Company's Articles of Association.
- 3) Supervision of the Board of Commissioners is carried out in general and / or specifically in accordance with the Articles of Association and provides advice to the Board of Directors.
- 4) The Board of Commissioners acts on behalf of the Board and cannot act singly.
- 5) The Board of Commissioners shall not participate in making operational decisions. The Board of Commissioners may make decisions regarding matters stipulated in the Articles of Association or laws and regulations, such decision-making is carried out in its function as a supervisor, so that decisions on operational activities remain the responsibility of the Board of Directors.
- 6) Supervision carried out is not only based on information from the Board of Directors and GMS, but can also be based on information from other sources that can be accounted for such as, but not limited to, minutes of meetings of the Board of Directors, or if necessary, at any time can be present at the meeting of the Board of Directors.
- 7) The suggestions, advice, and recommendations submitted by the Board of Commissioners to the Board of Directors are carried out proactively and by considering various related aspects comprehensively and by prioritizing the best interests of the Company.

²Law No.40 of 2007 concerning Limited Liability Companies

³ Law No. 40 of 2007 concerning Limited Liability Companies, Article 114 paragraph (2)

⁴ Law No. 40 of 2007 concerning Limited Liability Companies, Article 114 paragraph (3)

2.3. Board of Commissioners Requirements⁵

There are 2 (two) kinds of requirements that must be met by a candidate for Member of the Board of Commissioners. Such requirements are general requirements and special requirements.

2.3.1. General Requirements

General requirements are the basic requirements for the Board of Commissioners stipulated by the applicable laws and regulations, namely:

- 1) Natural persons;
- 2) Have good morals, morals, and integrity;
- 3) Speak of carrying out legal acts;
- 4) Understand the Articles of Association and laws and regulations related to their duties;
- 5) In the 5 (five) years prior to appointment and during office⁶:
 - a) It was never declared bankrupt;
 - b) Never been a member of the Board of Directors and/or a member of the Board of Commissioners who was found guilty of causing a company to be declared bankrupt;
 - c) Never been convicted of a criminal offence that is detrimental to the state's finances and/or relating to the financial sector; and
 - d) Never been a member of the Board of Directors and/or a member of the Board of Commissioners who during his tenure:
 - i. Never held an annual AGM;
 - ii. His responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners has not been accepted by the GMS or has not given responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
 - iii. Have caused companies that obtain permits, approvals, or registrations from the OJK not to fulfill the obligation to submit annual reports and/or financial statements to the OJK.
- 6) Do not have an inbreeding family relationship up to the third degree, either according to a straight line or a sideways line or a cemental relationship (son-in-law or brother-in-law) with other Members of the Board of Commissioners and/or Directors;
- 7) Able to cooperate as a Member of the Board of Commissioners.
- 8) Have a commitment to provide adequate time.
- 9) Qualified for integrity and morals, that the person concerned was never involved:
 - a) Engineering acts and deviant practices at the place where the person concerned worked or had worked before nomination;
 - b) The act of default that can be categorized as not fulfilling the commitments that have been agreed upon at the place where the person concerned worked or had worked before the nomination;
 - c) Actions that are categorized as providing benefits to the personal of prospective Members of the Board of Directors and employees where they work or have worked before nomination;
 - d) Actions that can be categorized as violations of provisions related to healthy company management.
- 1) Have the expertise and competence to consider and analyze a problem adequately and independently.
- 2) Not a political party administrator and/or candidate/member of the legislature.
- 3) Not a candidate for head/deputy regional head and/or head/deputy regional head.
- 4) Not currently occupying a position that has the potential to cause a conflict of interest with the Company or is willing to resign if elected as a Member of the Board of Commissioners.

⁵ The Indonesian Corporate Governance Manual, Financial Services Authority (OJK), 2014

⁶ OJK Regulation Number 33/POJK.04/2014, Article 21

- 5) It does not hold multiple positions as:
 - a) members of the Board of Directors in SOEs, regional-owned enterprises, privately owned enterprises, and other positions that may cause conflicts of interest; and/or
 - b) other positions in accordance with the provisions of laws and regulations.
- 1) Have knowledge and/or expertise in the field needed by the Company in accordance with the division of tasks with a focus area to be given to him (including having an educational background and/or professional experience and/or *subject matter expert* in the fields of accounting, finance, law and regulation, public policy, information technology, risk and operational management, human resource management and other matters deemed necessary).
- 2) 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 Board of Directors for at least 1 (one) year, except with certain considerations decided by the Minister in order to maintain the continuity of the Company's restructuring program, as long as there are no other laws and regulations that prohibit it.

2.3.2. Special Requirements

Special requirements are requirements that are tailored to the needs and nature of the Company's business. Members of the Board of Commissioners must have technical competence / expertise, that the person concerned has:

- 1) Adequate knowledge in the field of business of the Company;
- 2) Ability to carry out strategic supervision in the framework of the Company's development;
- 3) Understanding of the problems of enterprise management related to one of the management functions.

Special requirements are one of the substance of the nomination and selection system and procedures developed by the Board of Commissioners submitted to the GMS for ratification. The development of special requirements is intended to obtain candidates for Members of the Board of Commissioners in accordance with the needs of the Company.

2.4 Board of Commissioners Membership⁷

- 1) The Board of Commissioners consists of at least 2 (two) people of which one is appointed as President Commissioner.
- 2) In the event that the Board of Commissioners consists of 2 (two) members of the Board of Commissioners, 1 (one) of whom is an Independent Commissioner.
- 3) The division of functions and duties of members of the Board of Commissioners is decided by the Board of Commissioners.
- 4) If for some reason the position of Member of the Board of Commissioners is vacant and causes the members of the Commissioners to number less than 2 (two) of them the President Commissioner or the vacant position is the President Commissioner, then within no later than 90 (ninety) days after the vacancy occurs, a GMS must be held to fill the vacancy.
- 5) Members of the Board of Commissioners are appointed by the GMS, each for a period of 5 (five) years, without prejudice to the right of the GMS to terminate the Member of the Board of Commissioners at any time.
- 6) After the end of their term of office, members of the Board of Commissioners can be reappointed by the GMS for 1 (one) term of office.
- 7) The term of office of a Member of the Board of Commissioners ends as follows:
 - a) Resigned;
 - b) die;
 - c) his term expired;
 - d) deemed bankrupt based on the decision of the GMS;
 - e) declared bankrupt by a Commercial Court that has permanent power or is placed under pardon based on a court decision.

⁷ Articles of Association of PT Semen Indonesia (Persero) Tbk.

- f) No longer meets the requirements as a member of the Board of Commissioners based on the Company's Articles of Association and other laws and regulations.
- 8) Dismissal of members of the Board of Commissioners by the GMS based on other reasons deemed appropriate by the GMS for the benefit and purpose of the Company including:
 - a) Unable to perform his duties properly;
 - b) Violate the provisions of the Articles of Association and/or applicable laws and regulations;
 - c) Engage in actions that are detrimental to the Company and/or the State;
 - d) Commit acts that violate ethics and / or propriety that should be respected by members of the Board of Commissioners;
 - e) Has been designated as a suspect or defendant by the competent authorities in actions that harm state-owned enterprises and/or state finances;
 - f) Found guilty by a court ruling that has the force of law; or
 - g) Resigned.
- 9) A Member of the Board of Commissioners has the right to resign from his position before the end of his term of office by notifying in writing of his or her intentions to the Company.
- 10) Members of the Board of Commissioners who resign are required to submit an application to the Company.
- 11) The Company must hold a GMS to decide on the application for resignation of members of the Board of Commissioners no later than 90 (ninety) days after the receipt of the application.
- 12) Before the resignation becomes effective, the member of the Board of Commissioners concerned is still obliged to complete their duties and responsibilities in accordance with the Company's Articles of Association and applicable laws and regulations.
- 13) The Company is required to disclose information to the public and submit to the Financial Services Authority no later than 2 (two) working days after:
 - 1. Acceptance of resignation requests for members of the Board of Commissioners as referred to; and
 - 2. The results of the GMS as referred to.
- 14) Members of the Board of Commissioners who resign are still held accountable from the time of appointment until the date of determination of the resignation of members of the Board of Commissioners in the next GMS.
- 15) If a member of the Board of Commissioners quits or is dismissed before the end of his term of office, then the term of office of his successor is determined by the GMS and if it is not determined as such then the remaining term of office of the member of the Board of Commissioners is in accordance with the term of office of the member of the Board of Commissioners he replaces.
- 16) In the event of the addition of members of the Board of Commissioners, the term of office is determined by the GMS and if it is not determined as such, the term of office of the members of the Board of Commissioners is in accordance with the expiration of the term of office of other members of the Board of Commissioners.

2.5. President Commissioner

The President Commissioner has an equal position with other members of the Board of Commissioners. The duties of the President Commissioner as *primus inter pares* are as coordinators in the implementation of the activities and duties of the Board of Commissioners.⁸

The duties and responsibilities of the President Commissioner include the following:

- 1) Leading and ensuring the effective performance of the Board of Commissioners.
- 2) Create, implement, and provide reviews of work guidelines / procedures related to the duties of the Board of Commissioners.
- 3) Make a calendar of the Board of Commissioners' meeting schedule and coordinate it with the Board of Commissioners Committee.
- 4) Organizing and delivering meeting agendas and ensuring that all Members of the Board of Commissioners are informed in a timely manner.
- 5) Interact periodically with the President Director and act as a liaison between the Board of Commissioners and the Board of Directors.

⁸ The Indonesian Corporate Governance Manual, Financial Services Authority (OJK), 2014

- 6) Ensure that the information submitted to all Members of the Board of Commissioners is accurate, timely, and clear.
- 7) Ensuring effective communication with shareholders.
- 8) Regulate the performance evaluation of the Board of Commissioners, including all ranks of committees and independent commissioners, on a regular basis.
- 9) Facilitate the effective contribution of Independent Commissioners and establish constructive relationships among the Commissioners.
- 10) Facilitate the efficient retrieval of the kepuan.
- 11) Carry out other duties according to the request of the GMS and the Board of Commissioners in a collegial manner, according to needs and circumstances.

2.6. Independent Commissioner⁹

Independent Commissioner means a Member of the Board of Commissioners who is not affiliated with the Board of Directors, other Members of the Board of Commissioners, and controlling Shareholders, and is free from business relationships or other relationships that may affect his ability to act independently or act solely for the benefit of the Company.

The mission of the Independent Commissioner is to encourage the creation of a more objective climate and place *fairness* among various interests, including the interests of the Company and the interests of stakeholders as the main principle in decision making by the Board of Commissioners.

Several matters relating to the Independent Commissioner:

- 1) Independent Commissioners have the main responsibility to encourage the implementation of the principles of good corporate governance within the Company through the empowerment of the Board of Commissioners in order to carry out supervisory duties and provide advice to the Board of Directors effectively and provide more added value to the Company.
- 2) Independent Commissioners amount to at least 30% (thirty-hundredths) of the ranks of Members of the Board of Commissioners.
- 3) Independent Commissioners can only concurrently hold on at most 5 (five) committees owned by the Company, Subsidiaries, or in other companies.
- 4) In an effort to carry out its responsibilities properly, the Independent Commissioner proactively strives for the Board of Commissioners to supervise and provide advice to the Board of Directors related to, but not limited to, the following matters:
 - a) ensure that the Company has an effective business strategy, including monitoring the schedule, budget and effectiveness of the strategy;
 - b) ensure that the Company appoints professional executives and managers;
 - c) ensure that the Company has an effective information, control system, and audit system;
 - d) ensure risks and potential crises are always identified and managed properly;
 - e) ensure that GCG principles and practices are adhered to and implemented properly;
 - f) ensure that the supervision and management of the Company is carried out in compliance with all applicable provisions, including in the form of:
 - guarantee the reliability and openness of the Company's financial statements;
 - fair treatment of minority shareholders and other stakeholders;
 - disclosure of transactions containing conflicts of interest in a reasonable and fair manner;
 - ensure that the Company complies with applicable laws and regulations as well as the values set by the Company in carrying out its operations;
 - ensuring accountability of the Company's organs.
 - g) The Independent Commissioner chairs the Board of Commissioners Committee.
 - h) Independent Commissioners who have served for 2 (two) consecutive terms of office may be reappointed in the next period as Independent Commissioners in the following cases:
 - The meeting of members of the Board of Commissioners considers that the Independent Commissioners can still act independently; and
 - The Independent Commissioner stated in the GMS regarding the independence of the person concerned.

⁹ The Indonesian Corporate Governance Manual, Financial Services Authority (OJK), 2014

- i) The Independent Commissioner's statement of independence must be disclosed in the annual report.
- j) In the event that the Independent Commissioner serves on the Audit Committee, the Independent Commissioner concerned may only be reappointed to the Audit Committee for the next 1 (one) term of office of the Audit Committee.
- k) The Independent Commissioner shall meet the following requirements:
 - Not a person who works or has the authority and responsibility to plan, lead, control or supervise the Company's activities in the last 6 (six) months, except for reappointment as Independent Commissioner in the next period.
 - Does not have direct or indirect ownership in the Company.
 - Has no affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors, or Major Shareholders of the Company.
 - It does not have a direct or indirect business relationship related to the Company's business.
 - Does not have family relationships with other members of the Board of Commissioners and/or the Board of Directors.
- 5) If the President Commissioner is not an Independent Commissioner, then the Board of Commissioners appoints an Independent Commissioner or a senior Independent Commissioner (if the Independent Commissioner is more than one person) to carry out the role of President Commissioner for the duties of the President Commissioner who has a potential conflict of interest with an affiliated party. The criteria for appointing a senior Independent Commissioner are:
 - a) able to convey opinions / arguments constructively to the President Commissioner;
 - b) than any other commissioner, have more knowledge of the corporation, including its performance, market, and stakeholders;
 - c) able to provide balanced views/thoughts on issues and concerns of the majority shareholders.
- 6) In carrying out the role of a member of the Board of Commissioners, independent Commissioners to:
 - a) Act in the best interests of the corporation;
 - b) Monitoring conflicts of interest between the corporation and members of the Board of Directors and the Board of Commissioners or controlling shareholders;
 - c) Pay independent attention to the views of minority shareholders and other stakeholders; and
 - d) Encourage dialogue between management, shareholders, and other stakeholders.

2.7. Board of Commissioners Position Ethics

In carrying out its duties and functions, the Board of Commissioners must always base itself on the ethics of the position. The ethics of the Board of Commissioners' position include but are not limited to the following matters:

- 1) Ethics has to do with Exemplary.
The Board of Commissioners must encourage the creation of ethical behavior and uphold ethical standards in the Company, one way is to establish itself as an example for the Board of Directors and employees of the Company.
- 2) Ethics relates to Compliance with Laws and Regulations.
The Board of Commissioners shall comply with applicable laws and regulations, Articles of Association, GCG Guidelines and Company Code of Ethics as well as established Company policies.
- 3) Ethics relates to the Company's opportunities.
During its tenure, the Board of Commissioners is not allowed to:
 - a) Taking the Company's business opportunities for itself;
 - b) Using the Company's assets, company information or his position as a Member of the Board of Commissioners for personal interests that are contrary to the provisions of laws and regulations and applicable Company policies.
- 4) Ethics relates to KKN, Gratification and Bribery.

Members of the Board of Commissioners always prevent and avoid KKN practices, gratification and bribery in any way, form and/or for any purpose that is believed to be detrimental to the company.

Some of the things that are prohibited for Members of the Board of Commissioners are as follows:

- a) It is forbidden to give or offer, or receive either directly or indirectly anything of value to a customer or a Government official in order to influence or in exchange for what he has done and other actions in accordance with applicable laws and regulations.
- b) A token of gratitude in business activities such as gifts, donations or entertainment, should not be carried out in a situation that can be considered an improper act.

5) Meeting Ethics

When attending the meeting, members of the Board of Commissioners are obliged to:

- a) Attend meetings on time, according to the predetermined time;
- b) Conduct meetings effectively in order to produce good decisions;
- c) Sign attendance lists and meeting minutes.

6) Conflict of Interest Ethics

During its tenure, the Board of Commissioners is not allowed to:

- a) Use company assets, company information or their position as a member of the Board of Directors for personal interests that are contrary to the provisions of laws and regulations and applicable Company policies.
- b) Make loans to the Company for personal interests or other parties that are not in accordance with the provisions of applicable laws and regulations and Company policies.

2.8. Onboarding and Refresher Program¹⁰

2.8.1. Orientation Program

With the background of Members of the Board of Commissioners who come from various parties representing shareholders and stakeholders and among the Members of the Board of Commissioners may not know each other and / or have never worked in a team before, the existence of an orientation program is very important to be implemented.

Things that need to be considered in the implementation of the Orientation Program include:

- 1) The Orientation Program regarding the Company must be given to Members of the Board of Commissioners who are serving in the Company for the first time;
- 2) The Orientation Program is implemented in order to improve the function and effectiveness of the work of the Board of Commissioners;
- 3) The cost of the Orientation Program is budgeted in the Work Plan and Budget of the Board of Commissioners;
- 4) The responsibility for conducting such orientation programs rests with the Corporate Secretary;
- 5) The materials provided in the Orientation Program include the following:
 - a) implementation of GCG principles, risk management system, and whistleblowing system.
 - b) an overview of the Company relating to its vision, mission, objectives, nature, scope of activities, products produced, financial and operating performance, strategy, short-term and long-term business plans, competitive position, risks, and various other strategic issues;
 - c) explanations relating to delegated authority, internal audit, external audit, internal control systems and policies as well as the duties and roles of the Audit Committee and other committees established by the Board of Commissioners;
 - d) legal responsibilities of Members of the Board of Commissioners;
 - e) an explanation of the employment relationship, duties and responsibilities of the Board of Commissioners;

¹⁰ The Indonesian Corporate Governance Manual, Financial Services Authority (OJK), 2014

- f) team building, in this activity includes all members of the Board of Commissioners, both newly appointed and those who have served before with the aim of realizing cohesion and teamwork as the Board of Commissioners.
 - g) Introduction to the organizational structure and officers of the Board of Directors and Managers of the Company.
- 6) The orientation program provided can be in the form of presentations, meetings or visits to the Company's facilities, introductions to members of the Board of Directors and employees in the Company as well as other programs based on the needs of the members of the Board of Commissioners concerned and still prioritize accountability and cost efficiency.

2.8.2. Refreshment Program

The refresher program is one of the important programs so that Members of the Board of Commissioners can always update information about the latest developments in the Company's business activities and other knowledge related to the implementation of the Board of Commissioners' duties.

Matters that need to be considered in the implementation of the refresher program for Members of the Board of Commissioners are as follows:

- 1) The refresher program is implemented in order to improve the function and effectiveness of the work of the Board of Commissioners;
- 2) The cost of the refresher program is included in the Work Plan and Budget of the Board of Commissioners;
- 3) Every Member of the Board of Commissioners who takes part in the Refresher Program such as seminars, trainings, workshops is expected to be able to share information and knowledge with other Members of the Board of Commissioners who do not participate in the refresher program;
- 4) Materials received from the refresher program must be neatly documented in a separate section and the responsibility for documentation rests with the Secretary of the BOC and must be available if at any time it is needed;
- 5) The training attended by the Board of Commissioners is disclosed in the Annual Report.¹¹

2.9. Duties, Obligations, and Authorities of the Board of Commissioners

- 1) The division of functions and duties of members of the Board of Commissioners is decided by the Meeting of the Board of Commissioners and then each member of the Board of Commissioners is obliged to carry out certain duties in such a way that the Board of Commissioners can adequately supervise all aspects of the Company's activities managed by the Board of Directors.
- 2) The fielding/distribution of duties of members of the Board of Commissioners is based on membership in the Committee of the Board of Commissioners or with other distribution schemes agreed upon by the Board of Commissioners, taking into account the areas of expertise possessed by each member of the Board of Commissioners.
- 3) In carrying out its duties, the Board of Commissioners is responsible for:
 - a) prepare and submit a Report on the Assets of State Officials (LHKPN) in a timely manner in accordance with applicable laws and regulations and supervise the compliance and delivery of LHKPN for company officials;
 - b) supervise and advise on the effectiveness of system implementation in the Company, including: internal control, risk management, corporate governance, whistleblowing system, information technology system policy, procurement policy, quality & service policy, career development implementation policy, and company compliance with agreements with third parties.
 - c) Provide recommendations on accounting policies and the preparation of financial statements in accordance with accounting standards that are generally practiced in Indonesia (SAK).
 - d) supervise the implementation of the Gratification Control Program (PPG) within the Company.

¹¹ Copy of Circular Letter of the Financial Services Authority No. 16/SEOJK.04/2021 concerning the form and content of the Annual Report of the Issuer or Public Company.

2.9.1. Duties and Obligations of the Board of Commissioners

The Board of Commissioners supervises the management of the Company and provides advice to the Board of Directors for the interests and objectives of the Company by taking into account the interests of the shareholders and is responsible to the General Meeting of Shareholders, which is carried out by:¹²

- 1) Supervise management policies, the course of management in general, both regarding the Company and the Company carried out by the Board of Directors.
- 2) Provide advice to the Board of Directors in carrying out the management of the Company.
- 3) Provide opinions and approvals on the Company's Work Plan and Annual Budget as well as other work plans prepared by the Board of Directors. The Draft Work Plan and Annual Budget of the Company are approved by the Board of Commissioners no later than 30 (thirty) days after the current fiscal year (the fiscal year of the Work Plan and Annual Budget of the Company concerned) or within the time stipulated in the laws and regulations. In the event that the draft Work Plan and Budget of the Company have not been approved within that period, the Work Plan and Budget of the previous year will be in effect.
- 4) Following the development of the Company, providing opinions and suggestions to the GMS regarding any issues that are considered important for the Company's management.
- 5) Report to Dwiwarna Series A shareholders if there are symptoms of declining Company performance.
- 6) Submit quarterly reports on the Company's performance including the realization of Key Performance Indicators to Dwiwarna Series A Shareholders.
- 7) Prepare a Board of Commissioners charter / Board Manual / Board Charter.
- 8) Propose to the GMS regarding the appointment of a Public Accounting Firm that will conduct an examination of the Company's books.
- 9) Researching and reviewing periodic reports and annual reports prepared by the Board of Directors and signing annual reports.
- 10) Provide explanations, opinions and suggestions to the GMS regarding the Annual Report, if requested.
- 11) Make minutes of meetings of the Board of Commissioners and keep copies thereof;
- 12) Report to the Company regarding its and/or family's shareholding in the Company and in other companies;
- 13) Report to the Company no later than 3 (three) working days to be subsequently submitted to the OJK against:
 - Ownership either directly or indirectly is at least 5% (five percent) of the paid-up shares in the Company.
 - Report of changes in ownership of the Company's shares for any change of at least 0.5% (zero point five percent) of the paid-up shares in the Company either in 1 (one) or several transactions.
- 14) Provide a report on the supervisory duties that have been carried out to the GMS.
- 15) Provide an explanation of all matters asked or requested by Dwiwarna Series A shareholders by taking into account the laws and regulations, especially those applicable in the capital market sector.
- 16) Carry out other obligations in the context of supervisory duties and providing advice, as long as they do not conflict with laws and regulations, articles of association and/or decisions of the GMS.
- 17) Under certain conditions, holding annual GMS and other GMS in accordance with their authority as stipulated in the laws and regulations and the Company's Articles of Association.
- 18) Establish approval for the following proposed actions of the Board of Directors:
 - a) Releasing/transferring and/or collateralizing the Company's assets with a value exceeding a certain amount determined by the Board of Commissioners, except

¹² Articles of Association

- assets recorded as inventory, taking into account the provisions in the Capital Market sector.
- b) Entering into cooperation with business entities or other parties, in the form of operating cooperation (KSO), business cooperation (KSU), license cooperation, Bangun Guna Serah (Build, Operate and Transfer / BOT), Bangun Serah Guna (Build, Transfer and Operate / BTO), Bangun Guna Milik (Build, Operate and Own / BOO) and other agreements that have the same nature whose term or value exceeds that stipulated by the Board of Commissioners.
 - c) Establish and change the Company's logo.
 - d) Establish an organizational structure 1 (one) level below the Board of Directors.
 - e) Make capital investments with a certain value determined by the Board of Commissioners in other companies, Subsidiaries and joint ventures that are not in the context of saving receivables by taking into account the provisions in the Capital Market sector.
 - f) Establish a Subsidiary and/or joint venture company with a certain value determined by the Board of Commissioners by taking into account the provisions in the Capital Market field.
 - g) Propose the Company's representative to be a candidate for Member of the Board of Directors and Board of Commissioners in a Subsidiary that contributes significantly to the Company and/or is of strategic value.
 - h) Release capital restrictions, including changes in the capital structure with a certain value determined by the Board of Commissioners in other companies, subsidiaries, and joint ventures with due regard to the provisions in the Capital Market sector.
 - i) Merging, merging, expropriating, separating and dissolution of Subsidiaries and joint ventures with a certain value determined by the Board of Commissioners with due regard to the provisions in the Capital Market sector.
 - j) Bind the Company as a guarantor (borg or avalist) with a certain value determined by the Board of Commissioners by taking into account the provisions in the Capital Market field.
 - k) Receive medium/long-term loans and provide medium/long-term loans with a certain value determined by the Board of Commissioners by taking into account the provisions in the Capital Market sector.
 - l) 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.
 - m) Write off from the books against bad receivables and inventory of dead goods in a value that exceeds the limit set by the Board of Commissioners.
 - n) Carry out actions included in material transactions as stipulated by the regulation of legislation in the capital market with a certain value determined by the Board of Commissioners, unless such actions are included in material transactions that are excluded by laws and regulations in the Capital Market sector.
 - o) Actions that have not been stipulated in the RKAP that result in the rkap exceeding the limit set by the Board of Commissioners.
 - p) Waiver the right of mining business license for production operations or the right to a mining business license in another legal form that has entered the production stage.
 - q) Actions taken by the Board of Directors, which are included in material transactions as stipulated by laws and regulations in the Capital Market field with a value above 50% (fifty percent) of the Company's equity, unless such actions are included in material transactions that are excluded by applicable laws and regulations in the Capital Market field.
 - r) Transactions carried out by the Board of Directors that contain conflicts of interest as specified in the prevailing laws and regulations in the Capital Market.
 - s) Other transactions to comply with the prevailing laws and regulations in the Capital Market.
 - t) The determination of the limitations and/or criteria of the Board of Commissioners for all actions or proposals submitted by the Board of Directors above is carried out after obtaining the approval of Dwiwarna Series A shareholders.
- 19) Supervise and advise:
- a) Information technology system policy of the company and its implementation.

- b) Procurement policy and its implementation.
 - c) Quality and service policies and their implementation.
 - d) Company compliance with agreements with third parties.
 - e) Risk Management Policy
 - f) Company's internal control policy
 - g) Career development implementation policy
 - h) Accounting policies and preparation of financial statements in accordance with generally accepted accounting standards in Indonesia (SAK)
- 20) In carrying out his duties, the Commissioner must provide sufficient time.
- 21) The Board of Commissioners shall resign if it is involved in a financial crime. Namely, the status of a convict against the Board of Commissioners from the competent authority. The financial crimes in question include such as manipulation and various forms of embezzlement in financial services activities as well as criminal acts of money laundering.

2.9.2. Authority of the Board of Commissioners

- 1) Checking books, letters, as well as other documents, checking cash for verification purposes and miscellaneous securities and checking the Company's wealth.
- 2) Entering the yards, buildings, and offices used by the Company.
- 3) Request an explanation from the Board of Directors and/or other officers regarding all issues related to the management of the Company.
- 4) Request and/or obtain reporting from the Board of Directors regarding the Material Information of the Subsidiary. Material Information of a Subsidiary is any information on material transactions carried out by a Subsidiary that meets value constraints and does not constitute an excluded material transaction as stipulated in the Financial Services Authority Regulations, or that meets any of the following conditions:
 - a) Releasing/transferring and/or collateralizing the assets of the Subsidiaries with a value of Rp 100 billion or more, except assets recorded as inventory;
 - b) The Subsidiaries enter into cooperation with business entities or other parties, in the form of KSO, KSU, license cooperation, BOT, BTO, BOD, and other agreements that have the same nature with a value of Rp 100 billion or more and a period of more than 5 years;
- 5) The Subsidiary makes new participations, additional participations, releases participations and changes in the capital structure in other companies, including establishing subsidiaries and/or joint ventures, with a value of 50% or more of the value of the Subsidiary's assets;
- 6) Merging, amalgamating, expropriating, separating, dissolution of other companies through Subsidiaries, with a value of Rp 75 billion or more;
- 7) The Subsidiary receives medium/long-term loans and provides medium/long-term loans of an operational nature, with a value of 50% or more of the value of the Subsidiary's assets;
- 8) The Subsidiary provides short/medium/long-term loans that are not operational in nature, with a value of 50% or more of the value of the Subsidiary's assets;
- 9) Establishment of a new plant or purchase of a plant by a Subsidiary;
- 10) Court disputes involving the Subsidiaries that have a material impact on the operations of the Subsidiaries and the reputation of the Company; and
- 11) Court disputes involving Subsidiaries with other SOEs or subsidiaries of other SOEs.

Reporting from the Board of Directors to the Board of Commissioners is carried out as follows:

- At the latest in time with reporting to the OJK; or
 - If there is no reporting obligation to the OJK, the report is submitted no later than 5 (five) working days after the report is received from the Subsidiary
- 12) In connection with the Report on Material Information of the Subsidiary received from the Board of Directors of the Company as referred to in number 4), the Board of Commissioners may communicate (face-to-face or virtually) with the relevant Subsidiary while still paying attention to the limits of authority in accordance with applicable regulations and prioritizing the principle of *independency*.

- 13) Knowing all policies and actions that have been and will be carried out by the Board of Directors.
- 14) Request the Board of Directors and/or other officers under the Board of Directors with the knowledge of the Board of Directors to attend meetings of the Board of Commissioners.
- 15) Appoint and dismiss a Secretary of the Board of Commissioners.
- 16) Temporarily dismiss members of the Board of Directors in accordance with the provisions of these Articles of Association.
- 17) Establish an Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee and other committees, if deemed necessary with due regard to the Company's capabilities.
- 18) Use experts for certain matters and within a certain period of time at the expense of the Company, if deemed necessary.
- 19) Carry out management actions of the Company in certain circumstances for a certain period of time in accordance with the provisions of the Company's Articles of Association.
- 20) Approve the appointment and dismissal of the Corporate Secretary and/or Head of the Internal Supervisory Unit.
- 21) Attend meetings of the Board of Directors and provide views on matters discussed.
- 22) Carry out other supervisory authorities as long as they do not conflict with laws and regulations, these Articles of Association, and/or decisions of the GMS.

2.10. Board of Commissioners Decision

- 1) The Board of Commissioners' decision-making mechanism formally consists of:
 - a) decision making through meetings of the Board of Commissioners;
 - b) decision making outside the meeting (through circular and others).
- 2) Decision making related to the approval of the Board of Directors' proposal must be carried out within no later than 15 (fifteen) working days from the time the final proposal is submitted or becomes on the agenda of the Board of Commissioners Meeting and/or the Board of Commissioners-Board of Directors Meeting or in writing for circular resolutions; and communicated to the Board of Directors no later than 3 (three) working days from the time it is ratified/signed.
- 3) Decisions that are binding but not implemented through the mechanism of a physical Meeting of the Board of Commissioners must be approved in writing by all members of the Board of Commissioners. The decision of the Board of Commissioners has binding force with the same legal force as the decision of the Board of Commissioners produced by the Board of Commissioners Meeting physically.
- 4) Decision-making by the Board of Commissioners on the Board of Directors' proposals related to the management of the Company and Subsidiaries must be based on GCG principles and carried out independently without any intervention from any party.
- 5) If there is a member of the Board of Commissioners who has a conflict of interest, the person concerned must disclose and must not involve himself in the Company's decision-making process related to this matter.

2.10.1. Board of Commissioners Meeting¹³

- 1) The Board of Commissioners must hold regular Board of Commissioners Meetings at least 1 (one) time in 2 (two) months.
- 2) The Board of Commissioners must hold regular meetings with the Board of Directors at least 1 (one) time in 4 (four) months.
- 3) The Board of Commissioners shall schedule a Meeting of the Board of Commissioners as referred to in number 1) for the following year prior to the end of the financial year.
- 4) At the scheduled meeting as referred to in number 3), the meeting materials are submitted to the meeting participants no later than 5 (five) days before the meeting is held.

¹³ Articles of Association of PT Semen Indonesia (Persero) Tbk.

- 5) In the event that there is a meeting held outside the schedule that has been prepared as referred to in number 4), the meeting materials are submitted to the meeting participants no later than before the meeting is held.
- 6) The Secretary of the Board of Commissioners is responsible for preparing the agenda and schedule of the meeting taking into account requests and input from the Board of Commissioners.
- 7) The Secretary of the Board of Commissioners is in charge of assisting and organizing the holding of meetings, including preparing meeting materials for all members of the Board of Commissioners.
- 8) The Secretary of the Board of Commissioners coordinates with the Corporate Secretary in preparation for the Meeting of the Board of Commissioners and the Board of Directors.
- 9) The agenda of the Board of Commissioners Meeting for the period of 1 (one) year is to be prepared based on the consideration of the members of the Board of Commissioners. Preparation of the Meeting Agenda as part of the Board of Commissioners' work program to consider Risk Based Supervision.
- 10) The Board of Commissioners may hold a meeting at any time at the request of 1 (one) or several members of the Board of Commissioners or Board of Directors, stating the matters to be discussed.
- 11) The summons for the Meeting of the Board of Commissioners shall be made by the President Commissioner and in the event that the President Commissioner is unable to do so, the summons for the meeting shall be made by the Deputy President Commissioner. In the event that the Deputy Chief Commissioner is unable to do so for any reason, the meeting call is made by a member of the Board of Commissioners.
- 12) All Meetings of the Board of Commissioners are chaired by the President Commissioner. In the event that the President Commissioner is absent or unavailable, the Deputy President Commissioner who chairs the meeting of the Board of Commissioners, or the Member of the Board of Commissioners appointed by the President Commissioner who chairs the meeting of the Board of Commissioners if at the same time the Deputy President Commissioner is absent or unavailable, or the Member of the Board of Commissioners appointed by the Deputy President Commissioner who chairs the meeting of the Board of Commissioners if at the same time the President Commissioner is absent or unable to and does not make appointments. If the GMS does not appoint a Deputy President Commissioner, then in the event that the President Commissioner is absent or unavailable, then the meeting of the Board of Commissioners is chaired by another member of the Board of Commissioners appointed by the President Commissioner.
- 13) The summons for the Meeting of the Board of Commissioners must be made in writing and submitted or submitted directly to each member of the Board of Commissioners no later than 5 (five) days before the meeting is held, taking into account the date of the call and the date of the meeting, or in a shorter time if in urgent circumstances.
- 14) The Meeting of the Board of Commissioners is valid and has the right to take binding decisions if attended and/or represented by more than 1/2 (one-half) of the number of members of the Board of Commissioners.
- 15) In a meeting of the Board of Commissioners, each member of the Board of Commissioners has the right to issue 1 (one) vote and an additional 1 (one) vote for each other member of the Dewa Commissioner that he or she represents legally in the meeting.
- 16) A member of the Board of Commissioners may be represented at a meeting by other members of the Board of Commissioners based on a power of attorney.
- 17) A member of the Board of Commissioners may only represent one other member of the Board of Commissioners.
- 18) Each member of the Board of Commissioners must attend a meeting of at least 75% (seventy-five percent) in one year.

- 19) The Board of Commissioners may invite meetings of the Board of Directors, Officers and Employees of the Company or invitations from outside the Company.
- 20) Meeting invited guest participants have no say in decision-making.
- 21) The decision of the Board of Commissioners meeting must be taken based on deliberation for consensus and the results must be stated in the Minutes of the Meeting.
- 22) The results of the Meeting of the Board of Commissioners must be stated in the Minutes of the Meeting. The minutes of the Meeting must be made by a person present at the meeting appointed by the Chairman of the Meeting and then signed by all members of the Board of Commissioners present and submitted to all members of the Board of Commissioners.
- 23) The results of the Board of Commissioners Meeting with the Board of Directors must be stated in the Minutes of Meeting. The minutes of the Meeting must be made by a person present at the meeting appointed by the Chairman of the Meeting and then signed by all members of the Board of Commissioners and members of the Board of Directors present and conveyed to all members of the Board of Commissioners and members of the Board of Directors.
- 24) In the event that there are members of the Board of Commissioners and/or members of the Board of Directors who do not sign the Results of the Meeting, the person concerned must state the reasons in writing in a separate letter attached to the minutes of the meeting.
- 25) The Board of Commissioners may take valid decisions without convening 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 give approval to the proposal submitted in writing and sign the approval. The decisions that arise have the same force as the decisions taken validly in the Meeting of the Board of Commissioners.
- 26) Any member of the Board of Commissioners who personally in any way, either directly or indirectly, has an interest in a transaction, contract or contract proposed in which the Company is a party, must be declared the nature of his interest in a Meeting of the Board of Commissioners and is not entitled to participate in voting on matters related to such transaction or contract.
- 27) Meetings of the Board of Commissioners shall be held at the place of domicile of the Company, or any other place within the territory of the Republic of Indonesia or at the place of the Company's business activities.
- 28) In the event that some or all members of the Board of Commissioners cannot physically attend the Meeting, the Member of the Board of Commissioners may attend the Meeting via teleconference, video conference or other electronic media in accordance with applicable regulations.

2.10.2. Document Signing

- 1) Documents on the results of the meeting can be signed by the President Commissioner or Deputy President Commissioner and a Commissioner.
- 2) Each document in the form of an exit letter on behalf of the Board of Commissioners can be signed by the President Commissioner or Deputy President Commissioner and a Commissioner.
- 3) If the President Commissioner and Deputy President Commissioner are unable or unable to sign an exit letter, the exit letter is signed by two Commissioners as long as the contents of the exit letter have been approved by the Board of Commissioners.
- 4) A document that for some reason must be signed before it is discussed in a meeting, must be signed by:
 - a) President Commissioner and Deputy President Commissioner; or
 - b) President Commissioner and an Independent Commissioner.
- 5) Documents that have been signed as referred to in number 4, must be reported in the next Meeting of the Board of Commissioners.

- 6) The signing of documents or minutes can be done by wet signature or for electronic documents can be carried out certified electronic signatures in accordance with applicable laws.

2.11. Responsibility of the Board of Commissioners

- 1) The responsibility of the Board of Commissioners is carried out through the GMS held no later than 6 (six) months after the Company's financial year closes.
- 2) The Board of Commissioners shall submit the responsibility of supervision and provision of advice on the management of the Company by the Board of Directors. The report on the supervisory duties of the Board of Commissioners is submitted in the annual report to obtain the approval of the GMS.
- 3) Full repayment and release of responsibility (acquit et discharge) is given for the task of implementing the supervision of Members of the Board of Commissioners that has been carried out during the new financial year as long as the supervisory action is reflected in the annual report and financial statements, and has obtained the approval and ratification of the GMS.
- 4) The repayment and release of responsibility does not apply if each Member of the Board of Commissioners commits mistakes and/or omissions which include embezzlement, fraud, and other criminal acts.

2.12. Performance Evaluation of the Board of Commissioner

- 1) Basically, the performance of the Board of Commissioners and Members of the Board of Commissioners will be evaluated by the Shareholders in the GMS. In general, the performance of the Board of Commissioners is determined based on the duties of obligations stated in the applicable laws and regulations and the Company's Articles of Association and the mandate of the Shareholders. Evaluation of the performance of the Board of Commissioners is carried out periodically at least once a year.
- 2) The performance assessment of the Board of Commissioners is carried out both collegially and individually. The performance evaluation criteria for Members of the Board of Commissioners are as follows:
 - a) The effectiveness of the Board of Commissioners' supervision/supervision of the Board of Directors in achieving the Board of Directors' Key Performance Indicators (KPIs), with assessment criteria including:
 - i) Compliance with applicable regulations.
 - ii) Assessment of financial aspects.
 - b) The effectiveness of the Board of Commissioners' supervision/supervision of the implementation of good governance by the Board of Directors and the Company's organizational structure under it, with assessment criteria including:
 - i) Structure and Composition of the Board of Commissioners, including the division of supervisory duties.
 - ii) Implementation of Good Corporate Governance.
 - c) Implementation of the targets/work programs of the Board of Commissioners Committee, with assessment criteria including:
 - i) Development of competence of the Board of Commissioners.
 - ii) Implementation of duties and responsibilities of the Board of Commissioners.
 - iii) Participation of the Board of Commissioners in the implementation of the Board of Commissioners Meeting.
 - iv) Activities of the Board of Commissioners in certain assignments.
- 3) The Board of Commissioners may conduct *a self-assessment* of the performance of the Board of Commissioners which is carried out independently as an effort to conduct an internal evaluation of the Board of Commissioners regarding the extent of the effectiveness of the implementation of the GSI fun and the duties of the Board of Commissioners.
- 4) The Board of Commissioners may request input from the Board of Directors on the effectiveness and implementation of the duties and responsibilities of the Board of Commissioners.

- 5) In order to evaluate the performance of the Board of Commissioners, the Board of Commissioners' Key Performance Indicators (KPIs) will be determined which are prepared on an annual basis.
- 6) The Remuneration, Nomination and GCG Committee is responsible for assisting the implementation of the assessment with the assistance of the Secretariat of the Board of Commissioners in preparing the data and information needed in its implementation.
- 7) The results of the assessment are submitted to the Board of Commissioners for discussion at the Board of Commissioners level.

2.13. Performance Evaluation of the Board of Directors

- 1) Evaluation and assessment of the Board of Commissioners on the performance of the Board of Directors is carried out at least 1 (one) time a year.
- 2) The criteria for evaluating and assessing the performance of the Board of Directors include but are not limited to the effectiveness of the Company's management and the efforts of the Board of Directors in achieving all targets set in the Company's Work Plan and Budget (RKAP) and Key Performance Indicators (KPI) both Collegial and Individual, with assessment criteria including:
 - a) Implementation of duties and responsibilities of the Board of Directors in accordance with the division of task areas set by the GMS.
 - b) Assessment of all parameters contained in KPIs, both Collegial and Individual.
 - c) Compliance with applicable regulations and the implementation of Good Corporate Governance.
- 3) The Board of Commissioners in assessing the performance of the Board of Directors may request input and/or assistance from independent parties and/or organs of the Board of Commissioners.
- 4) The Remuneration, Nomination and GCG Committee is responsible for assisting the implementation of the assessment with the assistance of the Secretariat of the Board of Commissioners in preparing the data and information needed in its implementation.
- 5) The results of the assessment are submitted to the Board of Commissioners for discussion at the Board of Commissioners level.
- 6) Report the results of the performance appraisal of the Board of Directors in a collegial and in-person manner to the GMS / Shareholders.

2.14. Performance Evaluation of Board of Commissioners Organs

- 1) Evaluation and assessment of the Board of Commissioners on the performance of the Board of Commissioners' Organs is carried out at least 1 (one) time a year using the method of self-assessment or assessment by independent parties.
- 2) The criteria for evaluating and assessing the performance of the Organs of the Board of Commissioners include but are not limited to the effectiveness of the implementation of duties in accordance with the applicable provisions and / or charter (Charter) and the efforts of the Organs of the Board of Commissioners in achieving all targets set in the Work Plan and Budget of the Board of Commissioners and Key Performance Indicators (KPI), with assessment criteria including:
 - a) Implementation of duties and responsibilities of the Board of Commissioners Organs in accordance with the division of task areas determined by the Board of Commissioners.
 - b) Assessment of all parameters contained in the KPI of the Board of Commissioners' Organs.
 - c) Compliance with applicable regulations and the implementation of Good Corporate Governance.
- 3) The Board of Commissioners in assessing the performance of the Board of Commissioners organs may request input and/or assistance from independent parties.
- 4) The Remuneration, Nomination and GCG Committee is responsible for assisting the implementation of the assessment with the assistance of the Secretariat of the Board of Commissioners in preparing the data and information needed in its implementation.
- 5) The results of the assessment are submitted to the Board of Commissioners for discussion at the Board of Commissioners level.

2.15. Supporting Organs of the Board of Commissioners

The Board of Commissioners has the right to establish, amend and regulate the membership of the Supporting Organs of the Board of Commissioners as needed and remain based on the provisions of laws and regulations. The Supporting Organ of the Board of Commissioners is responsible for assisting the Board of Commissioners in carrying out its main duties and proposing policies of the Board of Commissioners in certain areas.

The Supporting Organ of the Board of Commissioners consists of the Committee of the Board of Commissioners and the Secretary of the Board of Commissioners. The Board of Commissioners Committee consists of but is not limited to the Audit Committee, Strategy Committee, Risk and Investment Management, as well as the Nominees, Remuneration & GCG Committee. The establishment of a Supporting Organ of the Board of Commissioners is ratified by a decree of the Board of Commissioners.

2.15.1. Audit Committee

- 1) The Audit Committee functions to assist the Board of Commissioners in ensuring that:
 - a) reviewing financial information that will be issued by the Company to the public and/or authorities, including financial statements, projections, and other reports related to the Company's financial information;
 - b) reviewing the observance of 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 it provides;
 - d) provide recommendations to the Board of Commissioners regarding the appointment of an Accountant based on independence, scope of assignment, and fees;
 - e) reviewing the implementation of examinations by internal auditors and supervising the implementation of follow-up by the Board of Directors on the findings of internal auditors;
 - f) reviewing the implementation of risk management activities carried out by the Board of Directors, if the Company does not have a risk monitoring function under the Board of Commissioners;
 - g) reviewing complaints relating to the Company's accounting and financial reporting processes;
 - h) review and provide advice to the Board of Commissioners regarding potential conflicts of interest of the Company; and
 - i) maintain the confidentiality of the Company's documents, data and information.
- 2) The number of members of the Audit Committee consists of at least 3 (three) members from Independent Commissioners and parties from outside the Company, provided that:
 - a) must have high integrity, ability, knowledge, experience in accordance with their field of work, and be able to communicate well;
 - b) must understand the company's financial statements, business, especially those related to the Company's services or business activities, audit processes, risk management, and laws and regulations in the Capital Market sector as well as other related laws and regulations;
 - c) must comply with the Audit Committee's code of ethics established by the Company;
 - d) willing to improve competence continuously through education and training;
 - e) must have at least one member who has an educational background and expertise in accounting and/or finance;
 - f) is not a person in a Public Accounting Firm, Legal Consulting Office, Public Appraisal Services Office or other party who provides assurance services, non-assurance services, appraisal services and/or other consulting services to the Company concerned within the last 6 (six) months;

- g) is not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Company within the last 6 (six) months except for the Independent Commissioner;
 - h) does not have direct or indirect ownership in the Company;
 - i) in the event that a member of the Audit Committee acquires the Company's shares either directly or indirectly as a result of a legal event, the shares must be transferred to another party within a period of no more than 6 (six) months after the acquisition of the shares.
 - j) has no affiliation with members of the Board of Commissioners, members of the Board of Directors, or the Company's Major Shareholders;
 - k) does not have a business relationship, either directly or indirectly, related to the Company's business activities.
- 3) The audit committee acts independently in carrying out its duties and responsibilities;
- 4) The organization, duties and responsibilities as well as the work management of the Audit Committee are further regulated in the Audit Committee Charter's work guidelines.

2.15.2. Strategy, Risk Management, and Investment Committee

- 1) The Strategy, Risk Management, and Investment Committee is tasked with assisting the Board of Commissioners in:
- a) review the implementation of strategies, risk management and investments.
Tasks in the field of strategy include:
 - review the policies and procedures of RKAP, RJPP and or business strategy policies;
 - review the proposed RKAP, RJPP and Business Strategy;
 - review the implementation of RKAP, RJPP and Business Strategy.
- Tasks in the field of risk management include:
- gain an understanding of the Company's risk management which includes various risks faced by the Company, internal control of the Company, including methodological and infrastructure policies;
 - evaluate various risk measurement models used by the Company and provide recommendations for further improvements;
 - monitoring the conformity of various policies and the implementation of risk management including monitoring the implementation of the duties of the division responsible for risk management and monitoring the implementation of risk management;
 - monitor the various potential risks faced by the Company;
 - evaluate various risk management policies upon request from the Board of Commissioners;
 - monitoring and providing recommendations in relation to continuing education plans for personnel in the field of risk management;
 - coordinating the implementation and supervision of the existence and level of effectiveness of each component of Enterprise Risk Management (ERM) within the Company;
 - measure the effectiveness of each component of the ERM that the Company has set.
- Investment Duties include:
- review the Company's investment policies and procedures;
 - review investment proposals and / or Capex submitted by the Board of Directors in accordance with the rules of authority of the Board of Commissioners;
 - monitoring the implementation of investment / CAPEX that has been approved by the Board of Commissioners by Sampling.
- a) carry out the specific duties assigned by the commissioner to conduct studies on certain issues;

- b) make a plan of activities and budget of the committee to be submitted to the Board of Commissioners.
- 2) The composition of the members of the Strategy, Risk Management, and Investment Committee consists of one or more members of the Board of Commissioners and / or outside parties who are independent and have expertise and experience in the fields of strategy, risk management, and investment and understand related laws and regulations;
- 3) The Strategy, Risk Management and Investment Committee must perform its duties objectively and independently.

The organization, duties and responsibilities and work procedures of the Nomination and Remuneration Committee are further regulated in the working guidelines of the Strategy, Risk Management, and Investment Committee Charter.

2.15.3. Nomination, Remuneration, and GCG Committee

- 1) The Nomination, Remuneration, and GCG Committee is a committee established 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 to members of the Board of Directors and members of the Board of Commissioners.
- 2) Members of the Nomination, Remuneration, and GCG Committee are appointed and dismissed based on the resolution of the Board of Commissioners meeting for a certain term of office and may be reappointed. The Company is obliged to document such appointment and dismissal decisions.
- 3) The term of office of the members of the Nomination, Remuneration, and GCG Committee is not longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association.
- 4) Membership of the Nomination, Remuneration, and GCG Committee:
 - (1) The Nomination, Remuneration, and GCG Committee consists of at least 3 (three) members, provided that:
 - 1) 1 (one) chairman concurrently a member, who is an Independent Commissioner; and
 - 2) other members who can come from:
 - member of the Board of Commissioners;
 - parties originating from outside the Issuer or Public Company concerned; or
 - parties occupying managerial positions under the Board of Directors yang in charge of human resources.
 - (2) Members of the Nomination, Remuneration, and GCG Committee who come from outside the Issuer or Public Company must meet the following requirements:
 - a) does not have any affiliation with the Issuer or Public Company, member Direksi, member of the Board of Commissioners or Major Shareholders of the Issuer or Public Company;
 - b) have experience related to Nomination and/or Remuneration; and
 - c) does not concurrently serve as a member of any other committee owned by the Issuer or the Public Company.
 - (3) Members of the Board of Directors of Issuers or Public Companies cannot be members of the Nomination, Remuneration, and GCG Committees.
 - (4) Replacement of members of the Nomination, Remuneration, and GCG Committee who are not from the Board of Commissioners is carried out no later than 60 (sixty) days after the members of the Nomination, Remuneration, and GCG Committee can no longer carry out their functions.
 - (5) The Nomination, Remuneration, and GCG Committee has at least the following duties and responsibilities:

Related to the Nomination function:

 - a) Provide recommendations to the Board of Commissioners regarding:

- The composition of the positions of members of the Board of Directors and / or members of the Board of Commissioners;
 - policies and criteria required in the Nomination process; and
 - performance evaluation policy for members of the Board of Directors and / or members of the Board of Commissioners;
- b) Help the Board of Commissioners to assess the performance of members of the Board of Directors and / or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material;
 - c) Provide recommendations to the Board of Commissioners regarding the capability development program for members of the Board of Directors and / or members of the Board of Commissioners; and
 - d) provide proposals for qualified candidates as members of the Board of Directors and / or members of the Board of Commissioners to Dewan Commissioners to be submitted to the GMS.

Related to the Remuneration function:

- a) Provide recommendations to the Board of Commissioners regarding:
 - Remuneration structure
 - Policy on remuneration
 - Amount on remuneration
- b) Assist the Board of Commissioners in assessing performance with the suitability of the Remuneration received by each member of the Board of Directors and / or members of the Board of Commissioners.

Related to the GCG function:

Provide supervisory input and provide advice in the field of implementation of the principles of Good Corporate Governance (GCG) in the Company.

2.15.4. Secretary of the Board of Commissioners

To assist in the smooth implementation of its duties, the Board of Commissioners may establish a Secretary to the Board of Commissioners at the Company's expense. The Secretary of the Board of Commissioners carries out administrative and secretarial duties related to all activities of the Board of Commissioners.

2.15.4.1. Main Functions of the Secretary of the Board of Commissioners

Providing administrative and technical support to the Board of Commissioners in carrying out supervisory and advisory functions.

2.15.4.2. Duties of the Secretary of the Board of Commissioners

- 1) Coordinating the provision of protocol services of the Board of Commissioners and supporting organs of the Board of Commissioners with the Company's protocol;
- 2) Preparing the administration of the appointment, dismissal and determination of remuneration of supporting organs of the Board of Commissioners together with Committee Nominasi, Remuneration & GCG;
- 3) Coordinating the implementation of good corporate governance (GCG) within the Board of Commissioners;
- 4) Providing information for the needs of the Board of Commissioners in the context of decision making;
- 5) Prepare the necessary materials related to the routine reports of the Board of Directors in managing the Company such as: RKAP, Annual Report, Quarterly Report, Internal Audit Result Report, and other reports needed;
- 6) Prepare the necessary materials related to matters that must obtain a decision from the Board of Commissioners regarding the management activities of the Company carried out by the Board of Directors and all its staff;
- 7) Prepare and coordinate the meeting agenda with the parties present at the meeting;

- 8) Set up and send meeting invitations to the parties attending the meeting;
- 9) Confirm the time, place, attendance, and other things deemed necessary for the smooth running of the meeting;
- 10) Prepare the implementation of meetings / meetings of the Board of Commissioners, both internally and with the Board of Directors and its staff and other parties;
- 11) Prepare the Minutes of Meeting for routine / Internal and non-routine / internal meetings of the Board of Commissioners and submit the Minutes of Meeting to interested parties;
- 12) Prepare considerations, opinions, suggestions and other decisions from the Board of Commissioners for the Shareholders, Board of Directors and parties related to the management of the Company;
- 13) Follow up on each decision of the Board of Commissioners in the following ways:
 - a) Record every decision produced in decision-making forums and their responsible persons;
 - b) Monitor and check the progress of the implementation of the results of meeting decisions / consideration of opinions, suggestions and other decisions of the Board of Commissioners;
 - c) Make efforts to encourage the implementation of follow-up meeting decisions, considerations, opinions, suggestions and other decisions of the Board of Commissioners to the relevant responsible persons.
- 14) Carrying out financial, staffing, and general administrative activities concerning Members of the Board of Commissioners and personnel supporting organs of the Board of Commissioners;
- 15) Organizing activities in the secretarial field (finance, staffing and general) within the Board of Commissioners, both for the purposes of the Board of Commissioners and the Supporting Organs of the Board of Commissioners;
- 16) Carry out and coordinate administrative and archival activities;
- 17) Implement and coordinate the security of data and documents within the control / scope of work of the Board of Commissioners, in the following ways:
 - a) Conduct and coordinate the administration of the results of meetings within the Board of Commissioners, both with the Board of Directors and other staff and parties;
 - b) Conduct and coordinate the administration of the Minutes of Meeting of the Board of Commissioners, both internally and meetings with the Board of Directors;
 - c) Conducting and coordinating the preparation of the schedule of activities of the Board of Commissioners in carrying out the functions and completeness necessary to carry out these activities;
 - d) Conduct and coordinate the administration of materials/documents/reports provided by the Board of Directors to the Board of Commissioners.

2.15.4.3. Authority of the Secretary of the Board of Commissioners

Based on the approval and assignment of the Board of Commissioners, the authority of the Secretary of the Board of Commissioners is as follows:

- 1) Establish correspondence and archival systems and procedures within the Board of Commissioners;
- 2) View the records, minutes of meetings of the Board of Directors, company documents and reports in the context of providing information required by the Board of Commissioners;
- 3) Request data/information/explanations needed by the Board of Commissioners to relevant parties inside and outside the Company for the purposes of carrying out the duties of the Board of Commissioners;

- 4) Reminding and requesting explanations from work units / related parties for delays in providing materials / reports / documents needed by the Board of Commissioners;
- 5) Relating to parties outside the Company and or within the Company in accordance with the assignments given and policies that have been determined by the Board of Commissioners;
- 6) Propose plans/work programs of the Board of Commissioners in relation to the secretarial functions of the Board of Commissioners in the Company;
- 7) Propose the agenda of meetings of the Board of Commissioners with parties inside / outside the Company;
- 8) In accordance with the direction of the Board of Commissioners, invite the Board of Directors / other officers of the Company (with the knowledge of the Board of Directors), the Supporting Committee of the Board of Commissioners / parties outside the Company to attend meetings organized by the Board of Commissioners;
- 9) Attend meetings with parties inside / outside the Company in accordance with the policies previously established by the Board of Commissioners;
- 10) Use the secretarial facilities of the Board of Commissioners to carry out their duties.

CHAPTER 3

MANAGEMENT OF THE WORKING RELATIONSHIP BETWEEN THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

3.1. Governance of Employment Relations

The Board of Commissioners and Board of Directors are the organs of the company that are equally domiciled before the law. A good working relationship between the Board of Commissioners and the Board of Directors is one of the most important things so that each of these organs can work according to their respective functions effectively and efficiently. The principles in maintaining a good working relationship between the Board of Commissioners and the Board of Directors are as follows:

- 1) The Board of Commissioners respects the function and role of the Board of Directors in managing the Company as stipulated in the laws and regulations and the Company's Articles of Association.
- 2) The Board of Directors respects the function and role of the Board of Commissioners in supervising and providing advice on the Company's management policies.
- 3) Every working relationship between the Board of Commissioners and the Board of Directors is a formal relationship, which is always based on a standard mechanism or correspondence that can be accounted for.
- 4) Any informal working relationship may be carried out by each Member of the Board of Commissioners and Board of Directors, but cannot be used as a formal policy before going through a mechanism or correspondence that can be accounted for.
- 5) The Board of Commissioners either jointly or individually at any time during office hours of the Company has the right to enter buildings and courtyards or other places used or controlled by the Company and has the right to check all books, letters and other evidence, check and match the state of cash and others and has the right to know all actions that have been carried out by the Board of Directors.
- 6) Regarding the supervision of the Board of Commissioners over the Subsidiaries, the Board of Commissioners must notify the President Director in advance as the shareholders of the Subsidiaries.
- 7) The Board of Commissioners must obtain access to the Company's information in a timely and complete manner.
- 8) The Board of Directors and each Director must provide an explanation of all matters asked by the Board of Commissioners.
- 9) The Board of Directors is responsible for ensuring that information about the Company is provided to the Board of Commissioners in a timely and complete manner and is responsible for submitting reports required by the Board of Commissioners periodically in accordance with applicable regulations.
- 10) The Board of Commissioners has the authority to 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 Board of Commissioners Meeting.
- 11) The Board of Commissioners has the authority to attend Meetings of the Board of Directors and provide views on the matters discussed.
- 12) Various matters concerning the working relationship between the Board of Commissioners and the Board of Directors that have not been regulated in the Articles of Association and the BOC Charter will be regulated through the Board of Commissioners meeting on the agreement between the Board of Commissioners and the Board of Directors which is carried out in accordance with GCG principles. The results of the meeting resolutions are stated in the Minutes of Meeting of the Board of Commissioners.

3.2. Conflict of Interest of the Board of Commissioners and Board of Directors

- 1) A conflict of interest is a certain condition where the interests of the Board of Commissioners conflict with the interests of the company to make a profit, increase value, achieve the vision and carry out the mission and direction of the General Meeting of Shareholders, which will ultimately harm the company.
- 2) The Board of Commissioners and members of the Board of Commissioners are prohibited from conducting transactions that have a conflict of interest and take personal advantage of the Company's activities.

- 3) The Board of Commissioners is prohibited from using its position for personal interests or for the interests of other related persons or parties that are contrary to the interests of the company and avoids any activities that may affect independence in carrying out their duties.
- 4) The Board of Commissioners and the Board of Directors establish policies on mechanisms for Commissioners, Directors and structural officers to prevent taking personal and other parties' profits due to conflicts of interest. The mechanism for preventing the personal profit-taking of the Commissioners, Directors and structural officers of the company includes but is not limited to the signing of a statement by the Commissioners, Directors and structural officers that they have no conflict of interest between personal/family interests, other positions, or classes with the interests of the company at the beginning of the appointment renewed at the beginning of each year or an integral part of the signed Management Contract.
- 5) The Board of Commissioners shall submit a report on Share ownership in the company and other companies to the Company (Corporate Secretary) for recording in the Special Register. The Board of Directors signs the Integrity Pact attached to the Proposed Actions of the Board of Directors which must obtain approval from the Board of Commissioners. The Commissioners signed the Integrity Pact attached to the Recommendation of the Board of Commissioners for the Proposed Actions of the Board of Directors submitted for the approval of the GMS. If it turns out that the Commissioners or Directors have a potential conflict of interest and do not sign the Integrity Pact, then the members of the Commissioners or Board of Directors submit in writing to the Board of Commissioners or GMS accompanied by steps taken to avoid transactions that contain conflicts of interest.

3.3. Meeting Mechanism

- 1) The implementation of the meeting must begin with a follow-up evaluation of the results of the previous meeting including discussion or review of the Board of Directors' proposal and the directions/decisions of the Commissioners and GMS related to the Board of Directors' proposal and other matters from the results of the previous meeting.
- 2) There is a power of attorney made by members of the Board of Directors or the Board of Commissioners who are unable to attend the meeting as well as an explanation of the absence at the meeting, which is stated in the Minutes of the Meeting.
- 3) Quorum requirements, meeting call times, matters that must be included in the meeting appointment, meeting location, determination of meeting mechanisms (physical, electronic, or circular) and dissenting mechanisms, must be implemented in accordance with the Ad and applicable laws and regulations.
- 4) Meeting materials must be submitted to meeting participants 5 (days) days before the meeting is held for the agenda of meetings that have been scheduled since the previous year or at the latest before the meeting is held in the event that the meeting is held outside the meeting schedule that has been prepared.
- 5) Each meeting must be made minutes of the meeting, which include the agenda of the meeting, the date and place of implementation, the mechanisms used, the resulting decisions, the dynamics during the meeting, the signatures of the meeting participants and notarized attestation (if required).
- 6) The minutes of the meeting must be circulated to all participants, whether present or not no later than 7 (seven) days after the meeting is over. The original minutes of the meeting are kept by the Company (Corporate Secretary) and can be accessed whenever needed.
- 7) For Meetings of the Board of Commissioners that inviting other parties:
 - a. If deemed necessary, the Board of Commissioners may invite the Board of Directors. This joint meeting of the Board of Directors must be held periodically at least 1 (one) time in 4 (four) months.
 - b. The Board of Commissioners Meeting may invite the Board of Directors or other parties. Specifically to invite the Board of Commissioners and Directors of the Subsidiary, they must notify the Shareholders of the Subsidiary in advance.
 - c. The Board of Commissioners Committee may invite the ranks of work units under the Board of Directors with the knowledge of the Board of Directors.
 - d. The presence of the ranks of work units under the Board of Directors in the Meeting of the Supporting Committee of the Board of Commissioners is possible at the request of

the Board of Directors or the Board of Commissioners after notifying / with prior knowledge to the Chairman of the Committee concerned.

3.4. Authorization of Transactions or Actions within the Scope of Authority of the Board of Commissioners or GMS

- 1) The Board of Commissioners develops policies related to the approval of transactions or actions of the Board of Directors within the scope of the authority of the Board of Commissioners.
- 2) The Board of Commissioners reviews the transactions or actions of the Board of Directors through the internal discussion process of the Board of Commissioners and with the Board of Directors, both of which are stated in the minutes of internal meetings of the Board of Commissioners and the minutes of meetings of the Board of Commissioners and the Board of Directors. In the authorization process, the Board of Commissioners ensures that strategic actions that require approval or recommendations of the Board of Commissioners have been supported by adequate risk analysis submitted by the Board of Directors as well as complete and reliable data and information. The review process carried out by the Board of Commissioners uses supporting organs of the Board of Commissioners and external experts if needed.
- 3) The Board of Commissioners and the Board of Directors shall carry out the matters required to obtain authorization from the Commissioners as stipulated in the Articles of Association and in order to carry them out in an effective and efficient manner. Similarly, the Board of Commissioners and Board of Directors are required to carry out matters that are required to obtain approval from the General Meeting of Shareholders (GMS) as stipulated in the Articles of Association.
- 4) Granting authorization or recommendation no later than 7 (seven) working days after the joint understanding meeting between the Board of Commissioners and the Board of Directors.

3.5. Limitations and/or criteria for actions of the Board of Directors that require the approval of the Board of Commissioners, Board of Commissioners and Series A Dwiwarna Shareholders, and GMS¹⁴

No	Actions	GMS	BOC & Series A	BOC	Directors
1	Remove/move and/or collateralize the Company's assets, except those recorded as inventory	>50% of the company's total net	≥ 200 Billion*	≥ 100 Billion*	< 100 Billion
2	Entering into cooperation with business entities or other parties, in the form of KSO, KSU, license cooperation, BOT, BTO, BOO, and other agreements that have the same properties		≥ 200 Billion and a period of > 10 years to 20 years	≥ 100 Billion and term > 5 years to 10 years	< 100 Miliar and term < 5 years
3	Doing inclusion, releasing inclusion as well as structural changes capital on other companies		≥ 100 Billion	≥ 75 Billion	< 75 Billion
4	Establishing a Subsidiary and/or joint ventures		≥ 100 Billion	≥ 75 Billion	< 75 Billion
5	Performs merging, smelting, expropriation, separation, dissolution of the Subsidiary and joint venture, including inclusion capital on other companies through Subsidiaries.		≥ 100 Billion	≥ 75 Billion	< 75 Billion
6	Binding the Company as guarantor (borg/avalist)		≥ 500 Billion	≥ 300 Billion	< 300 Billion
7	Receiving a term loan medium/long and gives medium/long term loans operational		≥ 5 Trillion	≥ 1 Trillion	< 1 Trillion

¹⁴ Letter of the Minister of SOEs No. S-800 / MBU / 11/2018 dated November 30, 2018 concerning Approval of Proposed Restrictions and / or Criteria for Authority of the Board of Commissioners of PT Semen Indonesia (Persero) Tbk.

8	Providing term loans short/medium/long that is not is operational, except loans to the Subsidiary simply reported to the Board of Commissioners	worth audited last	≥ 500 Billion	≥ 300 Billion	< 300 Billion
9	Removing from the books against bad receivables and inventory of dead goods in value that exceeds the set limit by the Board of Commissioners		≥ 150 Billion	≥ 100 Billion	< 100 Billion
10	Propose a representative of the Company to become a candidate for Member of the Board of Directors and Board of Commissioners in a Subsidiary that contributes significantly to the Company and/or strategic value determined by the Board of Commissioners		President Director and President Commissioners for all Subsidiaries	All Directors and Commissionees of Subsidiaries (exp. PD & PC), whose total assets are <50% of the total assets of the parent and/or the revenue of the child <50% of the parent's	
			All Directors and Commissioners of Subsidiaries whose total assets ≥ 50% of the total assets of the parent parent revenue (Based on last audited)		

**the stated value is only applicable if the value <50% of the company's net worth (Article 102 paragraph (1) of Law 40/200*

CHAPTER 4

MANAGEMENT OF SUBSIDIARIES

4.1. Management of Companies and Subsidiaries¹⁵

The role and function of the Board of Commissioners of PT Semen Indonesia (Persero) Tbk. is as a holding company related to strategic aspects and policy making. Meanwhile, the role and function of the Board of Commissioners of Subsidiaries within Semen Indonesia Group is related to operational aspects (operational excellence) and the effectiveness of the Company.

4.2. Company Decision Making regarding Subsidiaries

- 1) Decision making is carried out through the mechanism of the Shareholders' GMS and the Company's operational meetings for making operational decisions regarding the management of the Subsidiaries. Operational decisions that are binding on the Subsidiary must be carried out by taking into account:
 - a. The principle of prudence (potential piercing the corporate veil) and business judgement rule (efficiency, strategic response or strategic response to changes in the business environment that require immediate decisions).
 - b. Strategic decision making or operational decision making that has a strategic impact on the Subsidiary whose aspects have been stipulated in the articles of association and has the potential to cause a situation of piercing the corporate veil must be ratified in the AGMS of the Subsidiary.
 - c. Decision-making on strategic aspects that have not been determined or new policies can be decided by the Board of Directors of PT Semen Indonesia (Persero) Tbk as the majority shareholder as stated in the Articles of Association of the Subsidiaries and submitted to the Subsidiaries through Instructions or Shareholders' Circulars.
- 2) The decision-making mechanism related to the aspects discussed in point a above, is endorsed by the Shareholders with a circular mechanism (non-GMS).
- 3) The duties and authorities of the Company's Board of Commissioners related to the Subsidiaries are:
 - a. Appointment and Dismissal of the Board of Commissioners and Directors of Subsidiaries
 1. The Board of Commissioners must and is authorized to assess the appointment process and candidates of the Board of Directors and Board of Commissioners of the Subsidiaries related to the business of the Subsidiaries concerned and provide written approval (agree or disagree) to the appointment process of the Board of Directors and Board of Commissioners of the Subsidiaries.
 2. Written approval by the Board of Commissioners of the appointment process and candidates of the Board of Directors and Board of Commissioners of the Subsidiaries no later than 15 working days from the date of receipt of the candidates for the Board of Directors and Board of Commissioners of the Subsidiaries.
 - b. Supervision of Subsidiary Management
 1. The Board of Commissioners shall have annual policies and work programs regarding the supervision of the implementation of the policies of the management of Subsidiaries by the Board of Directors.
 2. The Board of Commissioners may request the RKAP and the Financial Statements of Subsidiaries, as part of supervision by the Board of Commissioners.

The Subsidiary shall prepare the Board Manual of the Subsidiary in accordance with this BOC Charter. However, taking into account the provisions of the Company's Articles of Association, the duties, authorities, rights and obligations attached to the position of the Board of Commissioners of PT Semen Indonesia (Persero) Tbk as a holding company, cannot be enforced as duties, authorities, rights and obligations of the Board of Commissioners of the Subsidiaries.

¹⁵Based on the decision of the GMS of PT Semen Indonesia (Persero) Tbk dated December 20, 2012 regarding the Blueprint of PT Semen Indonesia (Persero) Tbk which in its governing Blueprint; GMS of PT Semen Padang dated December 10, 2013; GMS of PT Semen Tonasa dated December 4, 2013 which in it regulated the ratification of Blueprint.

CHAPTER 5 USE OF THE COMPANY'S TIME, FACILITIES AND FACILITIES

5.1. Use of Time

The use of the Board of Commissioners' time is regulated based on the principles of:

- 1) The Board of Commissioners shall use its working hours, facilities and facilities of the Company solely for activities related to the interests of the Company.
- 2) Activities of the Board of Commissioners outside the company that are not directly related to the interests of the Company such as teaching activities, being a management of business associations and the like are allowed to use reasonable time and with the knowledge of other Members of the Board of Commissioners.

5.2. Provision of Salaries, Benefits and Facilities¹⁶

In providing salaries, benefits and facilities of the Company to the Board of Commissioners based on the principles:

- 1) The income of the Company's Board of Commissioners is determined by the GMS where details can be submitted to the Board of Commissioners. In the event that the GMS/Minister does not determine the amount of salary of the Board of Commissioners of SOEs for a certain year, then the amount of salary using the amount that is most recently determined and enforced by the GMS/Minister.
- 2) The honorarium of members of the Board of Commissioners/Supervisory Board is determined by the composition of the following Position Factors: President Commissioner/Chairman of the Supervisory Board 45% (forty-five percent) of the President Director; Vice President Commissioner/Vice Chairman of the Supervisory Board 42.5% (forty-two point five percent) of the President Director; and Members of the Board of Commissioners/Members of the Supervisory Board: 90% (ninety percent) of the President Commissioner/Chairman of the Supervisory Board.
- 3) The determination of income in the form of salary or honorarium, benefits and facilities that are fixed is carried out by considering factors of business scale, factors of business complexity, inflation rate, financial condition and ability of the company, and other relevant factors such as generally accepted income levels in similar industries, and must not conflict with laws and regulations.
- 4) The determination of Income in the form of Tantiem / Performance Incentives which is variable (merit rating) is carried out by considering the company's performance factors and financial capabilities, as well as other relevant factors, including the generally accepted level of income in similar industries.
- 5) Members of the Board of Commissioners / Supervisory Board can be provided with facilities in the form of: health facilities and legal aid facilities. Facilities provided to the Board of Commissioners/Supervisory Board must refer to the applicable regulations.

5.3. Work Trip

The Company provides accommodation facilities, transportation, and work trip allowances both domestically and abroad to the Board of Commissioners. The provision of facilities and facilities in this regard is based on the principles of:

- 1) Work Trip is solely intended for the activities and interests of the Company.
- 2) In establishing transportation and accommodation facilities related to work trip, it is adjusted to the company's financial capabilities while still paying attention to aspects of propriety, support for the implementation of work, and maintaining the company's image.
- 3) Approval for the implementation of domestic and foreign work trip for Members of the Board of Commissioners is given by the President Commissioners.
- 4) The type of means of transportation, the provision of accommodation, and the amount of work trip allowances for the Board of Commissioners are further regulated by a Decree of the Board of Commissioners.

¹⁶ Regulation of the Minister of SOEs Number PER- 04 / MBU / 2014 concerning Guidelines for Determining the Income of Directors, Board of Commissioners, and Supervisory Board of State-Owned Enterprises.

Regulation of the Minister of SOEs Number PER- 06 / MBU / 6/2018 concerning the Third Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER- 04 / MBU / 2014 concerning Guidelines for Determining the Income of Directors, Board of Commissioners, and Supervisory Board of State-Owned Enterprises.

- 5) The work trip arrangements of the Board of Commissioners are regulated in the Decision of the Board of Commissioners by taking into account the applicable provisions.

For work trips abroad, the Board of Commissioners must pay attention to the following matters:¹⁷

- 1) Foreign service travel of the Board of Commissioners:
 - a) Work trip activities are part of the implementation of the company's duties and are not benefits or facilities provided/provided by the company.
 - b) Work trip activities must be carried out by taking into account aspects of effectiveness, efficiency, selectiveness, appropriateness and prioritizing the interests of the company's progress.
 - c) Work trip activities are carried out in order to achieve the company's goals in accordance with the company's long-term and annual planning or in the context of supporting Government policies and are adequately planned.
 - d) The number of personnel of the Board of Commissioners of SOEs who travel officially is limited in number according to the purpose of work trip and considers aspects of risk management.
 - e) Work trip for seminars, workshops, socialization and similar activities abroad, so that they are carried out selectively and really according to the needs of the company.
 - f) The results of the implementation of work trip must be reported and evaluated periodically and adequately accompanied by a follow-up plan for the results in a clear corporate action program and for planning purposes in the next period.
- 2) In the planning and implementation of work trip abroad, the following provisions are mandatory:
 - a) The plan for overseas official travel for the Board of Commissioners is proposed in writing to the Minister of SOEs.
 - b) Work trip that are routine or have been planned in the RKAP, the permit application is submitted periodically in a quarterly period. Meanwhile, for non-routine work trip, the application is submitted no later than fourteen working days before the scheduled Work trip.
 - c) In the overseas official itinerary as letter a, to be explained about the purpose and interests of official travel, the relationship with the company's goals and policies, the length of official travel, financing cumber, cost budget plan and other relevant information.
 - d) Excluded from the provisions as referred to in letters b and c for work trip abroad by order of the Minister of SOEs.
 - e) After making an work trip abroad, within a period of no later than 14 (fourteen) days after the implementation of the Board of Commissioners work trip, the Board of Commissioners of SOEs must report the implementation of work trip to the Minister of SOEs by attaching the contents as attached to this circular and other relevant supporting materials or documents as an integral part of the official travel report.
- 3) The Minister of SOEs or an official appointed on the power of the Minister of SOEs will issue a letter of din on the application submitted by the SOE. If within fourteen working days after the application has been filed there has not been a written answer from the Ministry of SOEs, the work trip is deemed to have been approved.

¹⁷Surat Circular of the Ministry of SOEs No. SE-08/MBU/12/2015 concerning Official Travel Abroad for the Board of Directors and Board of Commissioners/Supervisory Board of SOEs

CHAPTER 6 CLOSING

The BOC Charter is intended to ensure professional and responsible management in determining and achieving the Company's objectives so that it must be applied consistently and responsibly.

In order for this Charter to be effectively implemented in accordance with its objectives, the Board of Commissioners needs to always:

- 1) build commitment, engagement and trustworthy leadership in its implementation;
- 2) develop the right Corporate Culture as a foundation for directing and developing mindsets and behaviors;
- 3) creating a healthy organizational climate;
- 4) implement the Good Corporate Governance Guidelines;
- 5) implement the Company's Code of Ethics; and
- 6) enforce the Company's internal control system policies, whistle-blowing, employee discipline enforcement policies, and anti-fraud policies.

Periodically this Charter will be evaluated for refinement. If there are changes in laws and regulations or the Company's Articles of Association that are used as a reference in the preparation of this Charter, then what is used as a reference is a change in the laws and regulations or the Articles of Association of the Company, until the issuance of an update to the Board of Commissioners Charter (BOC Charter).