

**PT ANTAM (Persero) Tbk**

# **Board of Directors Charter**



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# Chapter I

## Introduction

### 1.1 Background

Limited Liability Company (Persero) PT Aneka Tambang Tbk, abbreviated as PT ANTAM (Persero) Tbk, hereinafter referred to as ANTAM or Company, is a State Owned Enterprise (SOE), which is listed in the Indonesian Stock Exchange (IDX) and the Australian Securities Exchange (ASX). As a Company listed in IDX and the ASX, ANTAM is subject to all the provisions of the legislations in force in the capital market where ANTAM's shares are listed.

As the person in charge of the Company, the Board of Directors, in performing duties, always complies with the laws and regulations and the Articles of Association. A good corporate management based on the principles of Good Corporate Governance (GCG) namely TARIF: transparency, accountability, responsibility, independency and fairness in order to meet the interests of Shareholders and other stakeholders (employees, customers, the public, regulators and so forth), as well as based on the values and ethics applicable in the Company.

In performing its duties, the Board of Directors has a very crucial and strategic role in managing the business operation of the Company resulting in the requirement of a Charter as a guideline for the Board of Directors in carrying out the duties, responsibilities and authorities to meet the interests of shareholders and other stakeholders.

With the Charter, the Board of Directors in performing duties at all times will act and behave based on the principles of GCG consistently, in accordance with the ethical standards and values that apply in ANTAM, and always obey the laws and regulations in force and the Articles of Association Company.

The Board of Directors will establish and set an example for the implementation of the principles of GCG, ethics, values, and laws and regulations that apply to all Shareholders and other Stakeholders.

## **1.2 Vision and Mission of The Board of Directors**

### **Vision**

To be an organ of the Company that has high competence and works on a professional and independent basis.

### **Mission**

To carry out world-class standard functions of management the Company in accordance with the rules of GCG and to put the best interests of the Company over the interests of others in order to realize the vision of the company as well as other tasks assigned by the Shareholders based on the legislation in force and the Articles of Association of the Company.

## **1.3 Purpose and Objectives**

The Charter of the Board of Directors is prepared to be guidelines for the Board of Directors in carrying out its duties and responsibilities in an effective, efficient, transparent, competent, independent and accountable manner so that it can be accepted by all parties concerned and in accordance with the legislation in force.

# Chapter II

## Establishment, Organization and Service Term

### 2.1 Legal Basis

Establishment, organization, working mechanism, duties and responsibilities, and authorities of the Board of Directors as set forth in this Board of Directors Charter refer to the following legal bases:

1. Law No. 40 Year 2007 regarding Limited Liability Company;
2. Law No. 19 of 2003 regarding State-Owned Enterprises (including elucidations thereto);
3. The Articles of Association of the Company has been amended several times, which was last amended by the Deed of the Resolution of the Annual General Meeting of Shareholders Number 67 dated 31 March 2015 jo. the Deed of the Resolution of the Extraordinary General Meeting of Shareholders Number 9 dated 8 December 2015, both of which were made before Notary Fathiah Helmi, S.H., Notary in South Jakarta, which amendments stated therein had been notified to the Minister of Law and Human Rights of the Republic of Indonesia, which receipts of notification are stated in the Letter of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03-0927518 dated 27 April 2015 and the Letter of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03.0986321 dated 8 December 2015, and which had also been approved by the Minister of Law and Human Rights of the Republic of Indonesia by virtue of the Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-0934135.AH.01.02.Year 2105 dated 27 April 2015.
4. Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2011 and the amendments on Regulation of the Minister of State Owned Enterprises No. PER-09/MBU/2012 about the Implementation of Good Corporate Governance (GCG) in SOEs;
5. Attachment to Resolution of PT BEJ's Board of Directors No. Kep-00100/BEJ/10-2014 dated October 20, 2014 concerning Regulation No. 1-A:

- Listing of Shares (Stocks) and Equity-Type Securities Other Than Stock Issued by Listed Companies;
6. General Guidelines of Indonesian Good Corporate Governance from the National Committee of Corporate Governance 2006 Policy;
  7. Indonesia's GCG Code issued by the National Committee on Corporate Governance Policy, 2006;
  8. Regulation of the Financial Services Authority No. 60/POJK.04/2015 concerning Disclosure Requirements for Certain Shareholders;
  9. Australian Securities Exchange (ASX) Listing Rules Chapter 3 on Continuous Disclosure;
  10. Guideline of Corporate Governance for Public Listed Company from Financial Services Authority;
  11. Corporate Governance Policy of PT ANTAM (Persero) Tbk Edition 2016 dated January 27, 2016;
  12. Regulation of the Financial Services Authority No. 33/POJK.04/2014 concerning the Board of Directors and the Board of Commissioners;
  13. Regulation of the Minister of State Owned Enterprises No. PER-03/MBU/2011 concerning requirements, procedure of appointment and dismissal of the Board of Directors.

## **2.2 Appointment and Dismissal**

The appointment and dismissal of members of the Board of Directors shall be conducted by the General Meeting of Shareholders hereinafter referred as **"GMS"**.

## **2.3 Purpose and Position in Organization**

In accordance with the applicable legal grounds, the Company's Board of Directors is an organ to carry out management of the Company for the benefit of the Company and in accordance with the purposes and objectives of the Company. The Board of Directors occupies an equivalent position to others Corporate's Organ.

## **2.4 Organization of the Board of Directors**

### **2.4.1 Membership Structure**

1. The Company is managed and led by a Board of Directors whose number is adjusted to the needs of the Company with the provisions of at least three (3) members of the Board of Directors and one of them is appointed as the President Director;

2. The composition and number of members of the Board of Commissioners is determined by the GMS with regard to the Vision, Mission and Strategic Plan of the Company, as well as the interests of the shareholders of the Company, thus allowing effective, precise and quick decision making to act independently.

#### **2.4.2 Membership Nomination**

1. The process of nomination of members of the Board of Directors shall be conducted by the Board of Commissioners through the Good Corporate Governance Committee, Nomination and Remuneration Committee (GCG-NR). Results of the nomination process by the Board of Commissioners is submitted to the holders of Series A Dwiwarna Shares for further selection without limiting the selection of candidates other than those specified in the proposed candidates in the GMS;
2. The Board of Directors members are selected and appointed by the GMS based on the nomination process according to the rules and regulations, including those in the field of Limited Liability Company and based on considerations of integrity, dedication, understanding of problems of management of the Company, adequate knowledge in the field of business of the Company and ability to provide enough time to perform duties;

#### **2.4.3 Membership Requirements**

##### **1. Formal and Material Requirements**

- a. Having a good character, morals, and good integrity;
- b. Competent in performing legal actions;
- c. Physically and mentally healthy (not suffering from a disease that may hinder the implementation of duties as a Director of the Company) as evidenced by a health certificate from a doctor.
- d. Within five (5) years prior to appointment and during his tenure:
  - i. Has not been declared bankrupt;
  - ii. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners declared guilty for causing a company to go bankrupt;
  - iii. Has never been convicted of a criminal offense that is detrimental to the country's financial and/or relating to the financial sector;
  - iv. Has never been a member of the Board of Directors and/or a member of the Board of Commissioners that during his tenure:

- Never holds Annual GMS;
  - His responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners is not accepted by the GMS or has never given accountability report as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
  - Has caused a company obtaining a permit, approval, or registration from the Financial Services Authority fails to fulfill the obligation to submit annual reports and/or financial reports to the Financial Services Authority.
- e. Having the commitment to comply with laws and regulations;
  - f. Having the dedication and provide full time to do its job;
  - g. Having the knowledge and/or expertise in the fields required by the Company; and
  - h. Meeting other requirements as determined by the legislations in force, as long as not contrary to the requirements mentioned in point a through point g.

Appointment of members of the Board of Directors who do not meet the requirements referred to in the formal requirements above is legally void as of the other members of the Board of Directors or Board of Commissioners find out the failure to meet these requirements.

## **2. Independency Requirements**

- a. A member of the Board of Directors is prohibited to hold another position as:
  - i. A member of the Board of Directors of another State or Regional-Owned Enterprise or Private Owned Enterprise;
  - ii. A members of the Board of Commissioners in another SOE;
  - iii. Another structural and functional position in an institution/agency of the central or local government;
  - iv. Another position in accordance with the provisions of the legislation, a political party official and/or/a legislator and or a head/deputy head of region and or;
  - v. Another position that may pose a conflict of interest.
- b. Members of the Board of Directors and between members of the Board of Directors and the Board of Commissioners should not be related by blood to the 3rd degree (third), either vertically or horizontally to the side or as a result of marriage.



- c. Any change in portfolio of private and family members' share ownership at or outside ANTAM should be reported through the submission of a special register of share ownership to the Corporate Secretary to be forwarded to the Capital Market Authority no later than three (3) days after the transaction.
- d. A member of the Board of Directors must disclose all conflicts of interest being faced and potential conflict of interest or anything that can inhibit such member of the Board of Directors from acting independently;
- e. The disclosure of conflicts of interest as referred to above is conducted periodically in the Annual Report and in the conflict of interest declaration in accordance with the format prescribed by the Company;
- f. Members of the Board of Directors are prohibited to run for Legislators, or Regional Heads and Deputy Regional Heads.

#### **2.4.4 Term of Service**

1. Members of the Board of Directors are appointed for a period commencing from the date set by the GMS appointing them and ending at the adjournment of the fifth Annual GMS at the end of one (1) period of office provided that 1 (one) period of tenure of members of the Board of Directors is 5 (five) years, with due regard to the laws and regulations in the capital market. However, without prejudice to the right of the GMS to dismiss members of the Board of Directors at any time before their terms end in accordance with the Articles of Association of the Company;
2. After the term of office expires, members of the Board of Directors may be reappointed by the GMS for another 1 (one) term;
3. The office of a member of the Boards shall terminate in the events:
  - a. his term of office expires;
  - b. no longer qualifies as a member of the Board of Directors based on the legislation in force;
  - c. dismissal by a resolution by taking into account the legislations in the field of capital market;
  - d. demise; and or
  - e. dismissal by the GMS in accordance with the Articles of Association.
4. A member of the Board of Directors is entitled to resign from office by giving a written notification to the Company of his intention.
5. The Company shall hold a GMS to decide on the resignation of such member of the Board of Directors as mentioned above no later than ninety (90) days after receipt of the resignation in question.

6. The Company shall make disclosure of information to the public and communicate to the responsible authorities in the field of capital market no later than two (2) working days after:
  - a. acceptance of the resignation of a Director referred to in this paragraph; and
  - b. the result of the implementation of the GMS as referred to in this paragraph.
7. A member of the Board of Directors may be dismissed at any time by the GMS before his term ends if the relevant member of the Board of Directors, among others:
  - a. Inability to meet his obligations as agreed in the management contract;
  - b. Inability to perform duties well;
  - c. Violation of the provisions of laws and regulations and/or the articles of association;
  - d. has been named as a suspect or defendant in actions that harm the Company and/or the state;
  - e. performing actions that violates the ethical and/or propriety that should be respected as a Director;
  - f. any other reason that is considered appropriate by the GMS in the interests and objectives of the Company, among other things because of the occurrence of disharmony between members of the Board of Directors
  - g. is found guilty by a court decision that has binding legal force; or
  - h. resignation in accordance with the Articles of Association.
8. The dismissal of a member of the Board of Directors as referred to in point 7a up to point 7f can be done after the member of the Board of Directors is given the opportunity to attend the GMS in order to defend himself. Such dismissal applies since the adjournment of the GMS resolving the dismissal, unless otherwise determined by the GMS.

#### **2.4.5 Induction Program of the Board of Directors' Members**

1. Each new member of the Board of Directors appointed for the first time must be given an introduction program of ANTAM and the responsibility for the introduction program lies on the Corporate Secretary or whoever is carrying out the function of Corporate Secretary.
2. The introduction program includes:
  - a. implementation of the principles of GCG by ANTAM.
  - b. Information of ANTAM related to the description of the purpose, nature, and scope of activities, financial and operating performance, strategies,

short-term and long-term business plans, competitive position, risks and other strategic issues.

- c. Information relating to delegated authority, internal and external audits, internal control systems and policies, including the Audit Committee.
- d. Information about duties and responsibilities of the Board of Directors as well as prohibited matters.

The corporate introduction program may include presentations, meetings, visits to the Unit/Business Unit of ANTAM and its projects and assessment documents or other programs that are considered relevant to the requirement to further know ANTAM, its subsidiary and projects.

# Chapter III

## Duties, Responsibilities and Authorities

### **3.1 Duties and Responsibilities**

In general the duties and responsibilities of the Board of Directors according to the Articles of Association and the legislation in force are as follows:

1. To lead, manage and control the Company in accordance with the objectives of the Company and continue to improve the efficiency and effectiveness of the Company;
2. To control, maintain and manage the assets of the Company refers to the prevailing regulation and article of association;
3. To review the vision and mission of the Company regularly and to give approval (in the event of change);
4. To carry out of GCG good corporate governance, in which one member of the Board of Directors is appointed by the Meeting of the Board of Directors to be responsible for the implementation and monitoring of GCG in the Company including in building a SOE that is clean and free of graft, fraud and corruption;
5. To assist the Board of Commissioners if necessary in the process of appointing assessors in the independent assessment process of the implementation of GCG in the Company and when it is more effective and efficient, the assessment can be done by hiring the services of competent government agencies in the areas of GCG, the appointment of which is made by the Board of Directors through direct appointment;
6. To conduct an effective system of internal control to safeguard the investments and assets of the Company;
7. To carry out duties with good faith for the benefit of the Company and in accordance with the aims and objectives of the Company, as well as to that the company carries out its social responsibility and by considering the

- interest of various stakeholders in accordance with the provisions of the legislations;
8. To convey information regarding the identity, main jobs, offices of the Board of Commissioners in subsidiaries/joint ventures and/or other companies, including meetings conducted in one financial year (internal meetings and joint meetings with the Board of Commissioners), and salaries, facilities, and/or other benefits received from the company and its subsidiaries/joint venture of the Company, to be published in the Annual Report of the Company;
  9. To meet the requirements of accountability, transparency, and orderly administration, members of the Board of Directors shall:
    - a. make Register of Shareholders, Special Register, Minutes of GMS and minutes of Meeting of the Board of Directors;
    - b. make Annual Report and financial documents of the Company;
    - c. maintain all lists, Minutes, and the Company's financial documents and other documents;
    - d. keep in the domicile of the Company, all registers, minutes, financial documents, and other documents;
  10. To manage the Company and shall account for the performance of its duties to the shareholders/owners of Capital;
  11. To take into account business risks in any decision/action;
  12. To establish and implement a risk management program in an integrated corporation which is part of the implementation of the GCG program. The risk management program is conducted by forming a separate working unit that is under the Board of Directors;
  13. To deal with risks by using strategies of risk control and management of the Company which includes:
    - a. Identify and Define;
    - b. Assess and Measure;
    - c. Treatment and Manage;
    - d. Monitor and Report.
  14. To deliver profile report on risk management and handling in conjunction with the periodic reports of the Company;
  15. To conduct internal control, namely by establishing the Internal Audit Charter;
  16. The Head of Internal Audit is appointed and dismissed by the President Director by the Company's internal mechanism with the approval of the Board of Commissioners;

17. To maintain and evaluate the quality of internal control functions in the Company, and to periodically submit reports on the implementation of internal control functions in the Company to the Board of Commissioners;
18. To serve the Corporate Secretary function as well as to maintain and evaluate the quality of the corporate secretary function;
19. To establish an effective information technology governance, to maintain and evaluate the quality of governance functions in the Company's information technology, as well as to periodically submit reports on the implementation of information technology governance to the Board of Commissioners;
20. If necessary or requested by the Board of Commissioners through the Audit Committee, the Board of Directors shall assist the Board of Commissioners in the process of appointing candidates for the external auditor positions in accordance with the provisions of the procurement of goods and services of the Company;
21. Together with the Board of Commissioners, to ensure that the external auditors, internal auditors, and the Audit Committee, as well as other supporting committees, to have access to accounting records, supporting data, and information regarding the Company, to the extent necessary to perform duties;
22. To ensure that assets and business location as well as other facilities of the Company meet the legislation relating to occupational health and safety and environmental protection;
23. To employ, determine the amount of salary, training, set a career path, as well as to determine other job requirements, regardless of ethnic background, religion, gender, age, disability of a person or other special circumstances protected by the legislations;
24. To provide a work environment that is free from any form of pressure (of abuse) that may arise as a result of differences in character, personal circumstances and cultural background of a person.

### **3.2 Authorities**

1. The Board of Directors represent the Company inside as well as outside the Courts of Law in respect of all matters and in all events, to bind the Company with other parties and other parties with the Company, and to undertake all actions, both regarding management and ownership, subject to, however, with the limitations determined in the Articles of association with due observance of the legislations in force in the capital market in Indonesia;

2. In order to perform a certain action, the Board of Directors must first obtain a written approval from the Board of Commissioners;
3. Unless otherwise provided by laws and regulations, some matters that require the approval of the Board of Directors are:
  - a. To receive medium/long term loans and to give medium/long term loans and to provide non-operational short-term loans in excess of a certain amount set by the Board of Commissioners;
  - b. To enter into a license or cooperation agreement, or similar agreement with a business entity or another party;
  - c. To remove, write off and rent fixed assets of the Company with the prevailing economic life in the industry in general, for more than five (5) years that exceed a certain amount set by the Board of Commissioners;
  - d. To release rights to Production Operation Mining Permit or other valid rights over mining license in other forms that have entered the production stage;
  - e. To take part partially or wholly or to participate in a company without or with investments in the Company or any other entity or to organize a new company;
  - f. To release parts or the entire participation of the Company in a Company or any other entity;
  - g. To bind the Company as a guarantor (borg or avalist) having financial consequences exceeding a certain amount set by the Board of Commissioners;
  - h. To cease to collect or to write off accounts receivable from the bookkeeping and inventories that exceed a certain amount set by the Board of Commissioners;
  - i. To transfer, dispose of or encumber the assets of the Company amounting to 50% or less 50% of the total value of the net assets of the Company either in one transaction or several stand-alone or interrelated transactions;

For certain actions of the Board of Directors whose material transaction value with the percentage and other requirements as established by the legislation in the field of capital market prevailing at the transaction date, the Board of Directors must obtain approval from the GMS.

4. To do a legal act to transfer, relinquish rights or as to put as collateral, all or most of the assets of the Company amounting to more than 50% (fifty percent) of the total net assets of the Company either in one transaction or several stand alone or interrelated transactions, the Board of Directors must obtain approval from the GMS attended by the shareholders and/or proxies

- of the shareholders who own at least 3/4 (three quarters) of the total shares with valid voting rights and approved by at least 3/4 (three quarters) of the total votes cast at the Meeting;
5. To perform a legal act in the form of a transaction that contains a conflict of interest between the personal economic interest of members of the Board of Directors, board of directors or shareholders, and the economic interest of the Company, the Board of Directors requires the approval of the GMS by the affirmative vote of a majority of shareholders who do not have a conflict of interest as defined in the prevailing laws and regulation and the Articles of Association of the Company.
  6. On the written request of shareholders, the Board of Directors shall allow the shareholders to inspect the Register of Shareholders, Special Register, Minutes of the GMS and Annual Report as well as to get a copy of a copy of the Minutes of the GMS and Annual Report;
  7. To name prospective candidates for the Board of Directors and the Board of Commissioners in subsidiaries and/or joint ventures of the Company, to be reported to the Board of Commissioners as set out in the GMS of the subsidiaries and/or joint ventures concerned

### **3.3 Distribution of Duties and Authorities of Each Member of the Board of Directors**

The roles and responsibilities of each member of the Board of Directors are designated by the name of office of each member of the Board of Directors as specified in the appointment of the members of the Board of Directors by the GMS. Furthermore, the Board of Directors establishes the roles and responsibilities of each member of the Board of Directors as follows:

#### **1. President Director**

- a. To plan, coordinate, direct, control, supervise and evaluate the task of corporate and business units, so that all activities run in accordance with the vision, mission, business targets, strategies, policies and work programs adopted;
- b. To align all of the Company's internal initiatives, as well as to ensure an increase in the Company's ability to compete;
- c. To coordinate the implementation of operational tasks in the field of internal audit and corporate secretarial, legal services, as well as ensuring compliance with laws and regulations and risk management process;
- d. To ensure the implementation of GCG in the Company;



- e. To perform coordination, control and evaluation of the internalization of the principles of GCG and ethical standards consistently in the Company;
- f. To ensure that the information relating to the corporation is always available when required by the Board of Commissioners;
- g. To organize and lead meetings of the Board of Directors on a periodic basis according to the determination of the Board of Directors or other meetings if deemed necessary, as proposed by the Board of Directors;
- h. To ratify the Resolution of the Board of Directors on Management Policies of the Company;
- i. If not otherwise specified in the management policy of the Company, the President Director is entitled and authorized to act for and on behalf of the Board of Directors and represent the Company inside and outside of the court;
- j. To appoint another member of the Board of Directors to act on behalf of the Board of Directors.

## **2. Operation Director**

- a. To plan, coordinate, direct, control, supervise and evaluate the implementation of operational tasks in the fields of production, safety, environmental, maintenance and engineering, post mining, non-productive asset, as well as information & communication technology;
- b. To develop efficiency and quality management programs and to make sure they are performed consistently in work units;
- c. To ensure information related to the work unit is always available to the Board of Commissioners;
- d. To lead and supervise the implementation of policies within the scope of authority of the Director of Operations;
- e. To provide a business decision of the Directorate of Operations within the scope of its authority;
- f. To lead the development of employees in line with guidelines and regulations.

## **3. Finance Director**

- a. To plan, coordinate, direct, control, supervise and evaluate the implementation of operational tasks in the fields of treasury, assurance, accounting, budget, and funding, subsidiary portfolio and risk management;

- b. To plan, search for and ensure the provision of funds for the development of the Company in accordance with the Company's strategic plan;
- c. To ensure information related to the work unit is always available to the Board of Commissioners;
- d. To manage portfolio of financial investments and financial decisions to achieve maximum added value and to achieve the objectives of the Company according to the resolutions of the Board of Directors;
- e. To lead and supervise the implementation of policies within the scope of authority of the Finance Director;
- f. To provide business decision of the Directorate of Finance within the scope of its authority;
- g. To lead the development of employees in line with guidelines and regulations.

#### **4. Development Director**

- a. To plan, coordinate, direct, monitor, supervise and evaluate the preparation and implementation of the Long Term Plan of the Company (RJPP);
- b. To coordinate, control and evaluate the implementation of operational tasks in the field of exploration, research and development, feasibility studies, as well as development of growth projects of the Company as well as management and supervision of subsidiaries;
- c. To develop good relationships with strategic partners and to search and capture new business opportunities;
- d. To ensuring information related to the work unit is always available to the Board of Commissioners;
- e. To lead and supervise the implementation of policies within the authority of the Directorate of Development;
- f. To provide business decision of the Directorate of Development within the scope of its authority;
- g. To lead the development of employees in line with guidelines and regulations.

#### **5. Human Capital & Corporate Social Responsibility Director**

- a. To plan, coordinate, direct, control, supervise and evaluate the implementation of Human Resource management process, from planning, supply, development, maintenance and utilization of human resources supported by the use of information technology;

- b. To plan, coordinate, direct, control, monitor and evaluate the implementation of operational tasks in public services, community development, partnership and environmental programs, social responsibility activities of the Company as well as representative offices in the country;
- c. To develop a relationship with the government, all outside parties and other stakeholders and to ensure the implementation of human resource activities, corporate social responsibility activities, and public services activities of the Company effectively and appropriately;
- d. To ensure information related to the work unit is always available to the Board of Commissioners;
- e. To lead and supervise the implementation of policies within the scope of authority of the Director of Human Capital & Corporate Social Responsibility ;
- f. To provide business decision of the Directorate of Human Capital & Corporate Social Responsibility within the scope of its authority;
- g. To lead the development of employees in line with guidelines and regulations.

#### **6. Marketing Director**

- a. To plan, coordinate, direct, control, supervise and evaluate the implementation of operational tasks in marketing, supply chain management, and representative offices abroad;
- b. To develop a relationship with strategic partners as well as capturing new business opportunities;
- c. To ensure information related to the work unit is always available to the Board of Commissioners;
- d. To lead and supervise the implementation of policies within the scope of authority of the Marketing Director;
- e. To provide business decision of the Marketing Directorate within the scope of its authority;
- f. To lead the development of workers in accordance the applicable guidelines;

### **3.4 Delegation of Authorities**

- 1. In carrying out the management of the Company, each member of the Board of Directors is entitled and authorized to act for and on behalf of the Board of Directors and to represent the Company in accordance with the

- policies and management of the Company authority established by resolutions of the Board of Directors.
2. Any action of a member of the Board of Directors, for and on behalf of the Board of Directors and/or to represent the Company shall be conducted in accordance with the policy of management of the Company as referred to in point 1 above or in accordance with the resolution of the Board of Directors.
  3. If not otherwise provided for in the policy management of the Company as referred to in point 2 above, the President Director is entitled and authorized to act for and on behalf of the Board of Directors and to represent the Company both in and outside the court. If the President Director is absent or absent for any reason, which does not need to be proved to a third party then a member of the Board of Directors designated in writing by the President Director is authorized to act for and on behalf of the Board of Directors and to perform the duties of the President Director.
  4. In case the President Director does not make the appointment, then the oldest member of the Board of Directors in positions is authorized to act for and on behalf of the Board of Directors and to perform the duties of President Director. If there is more than one person Board of Directors is the longest in office, the oldest member of the Board of Directors in age is authorized to act for and on behalf of the Board of Directors as well as to perform the tasks of the President Director.
  5. In the event that a member of the Board of Directors, other than the President Director, is absent for any reason, which does not need to be proved to a third party, then other members of the Board of Directors appoint one member of the Board of Directors for implementing the tasks of the absent members of the Board of Directors.
  6. Without prejudice to the responsibilities, the Board of Directors for certain acts is entitled to appoint one or more as a representative or proxy by giving him the power for certain actions set out in a letter of authority, which be exercised in accordance with the Articles of Association.

### **3.5 Main Supporting Function of the Board of Directors**

1. In conducting its operational activities of the Company, the Board of Directors is supported by the Corporate Secretary as the liaison between the Company and its stakeholders.
2. The Corporate Secretary shall meet the requirements as follows:
  - a. Is legally competent;
  - b. having knowledge and understanding in the fields of law, finance, and corporate governance;

- c. understands the business activities of the Issuer or Public Company;
  - d. able to communicate well; and
  - e. Domiciled in Indonesia.
3. The Corporate Secretary is appointed and dismissed by the President Director by the Board of Directors decision with the approval of the Board of Commissioners.
4. The Corporate Secretary function can be served by a Director and in the event of a vacancy of the Corporate Secretary, the Issuer or the Public Company must appoint a replacement within a maximum period of 60 (sixty) days from the occurrence of the vacancy of the Corporate Secretary. During a vacancy, the Corporate Secretary is held by a member of the Board of Directors or an individual who is appointed as the temporary Corporate Secretary without regard to the requirements of the Corporate Secretary as stipulated in the Regulation of Financial Services Authority.
5. The Corporate Secretary has several functions as follows:
- a. To serve as a liaison between the Issuer or the Public Company and the shareholders of the Issuer or the Public Company, the Financial Services Authority, and other stakeholders.
  - b. Following the development of the capital markets, especially the legislations in force in the capital market;
  - c. To provide recommendations to the Board of Directors and the Board of Commissioners of the Company to meet the statutory provisions in the Capital Market
  - d. To assist the Board of Directors and the Board of Commissioners in the implementation of GCG including but not limited to:
    - disclosure of information to the public, including the availability of information on the website of the Issuer or Public Company;
    - timely submission of report to the Financial Services Authority;
    - implementation and documentation of the General Meeting of Shareholders;
    - implementation and documentation of the meeting the Board of Directors and/or Board of Commissioners; and
  - e. To provide information needed by the Board of Directors and Board of Commissioners periodically and/or at any time when requested;
  - f. To serve as a liaison or a Liaison Officer (Corporate Communication);
  - g. To serve as the Investor Relations;

- h. To administer and store documents (including policies) of the Company, including but not limited to the Shareholder Register, Special Register and minutes of meetings of the Board of Directors, meetings of the Board of Commissioners and the GMS.
  - i. To implement the company's orientation program for the Board of Directors and/or the Board of Commissioners.
- 6. In addition, the Corporate Secretariat shall set up several policies related to the Policy:
  - 1. Process to Ensure Compliance with Laws and Regulations
  - 2. Communication Process of Shareholders, Board of Commissioners, Board of Directors and Committees
  - 3. Process of Meetings
  - 4. Process for the Provision of Information Commissioners, Directors, and the Committee;
  - 5. Process of Induction Members of the Board of Commissioners, members of the Board of Directors and members of the Committee
  - 6. Coordination Process of Material Transaction of the Shareholders
  - 7. Communication with Stakeholders
  - 8. Provision of Information on Conflict of Interest to the Shareholders, Board of Commissioners, Board of Directors, Committees;
  - 9. Process of policy coordination;
  - 10. Process of Administration of Archives, Documents, Shares and Securities
  - 11. Process of Communication on Corporate Actions (Action Corporation)
  - 12. Identity of ANTAM
  - 13. Process of Communications on the Identity of ANTAM
  - 14. Process of granting donations

### **3.6 Remuneration**

- 1. Remuneration of members of the Board of Directors is decided in the GMS by taking into account the advice of the Board of Commissioners;
- 2. Remuneration of members of the Board of Directors should be related to job performance evaluation of the Board of Commissioners based on the advice of the GCG-NR Committee;
- 3. The Board of Directors must report the remuneration they receive (including stock options if any) and the remuneration calculation basis in the Annual Report.

### **3.7 Continuous Learning**

1. Members of the Board of Directors must constantly obtain and update knowledge to carry out the maintenance tasks and the management of the Company;
2. To facilitate the update of the knowledge, members of the Board of Directors need to obtain continuing education, combined by independent study and participation in special education, training, workshop, seminar, conference, which can be beneficial in improving the effective functioning of the Board of Directors;
3. The continuing education can be done at home and abroad, and at the expense of the Company.

### **3.8 Meetings, Reporting and Budgeting**

#### **3.8.1 Board of Directors Meeting**

1. The Board of Directors must hold a Meeting of the Board of Directors regularly minimally 1 (one) time every month that can be held if attended by the majority of all members of the Board of Directors;
2. A meeting of the Board of Directors shall be convened at any time if deemed necessary by the President Director or one or more members of the Board of Directors or upon the written request of one or more members of the Board of Commissioners or upon the written request of 1 (one) or more shareholders jointly representing 1/10 (one-tenths) of all shares with valid voting rights by indicating the agenda to be discussed;
3. A Meeting of the Board of Directors shall be valid and entitled to make binding decisions if attended by more than ½ (one-half) of the total members of the Board of Directors or their legitimate proxies with due observance of the provisions on attendance of members of the Board of Directors or their legitimate proxies in the meeting must be stated in the Company's annual report;
4. Summons to the Meeting of the Board of Directors shall be made by a member of the Board of Directors entitled to represent the Board of Directors in accordance with the provisions of the Articles of Association;
5. Summons for the Meeting of the Board of Directors must be made by any means by the members of the Board of Directors entitled to represent the Company by no later than 3 (three) calendar days prior to the date of the meeting, or within a shorter period in case of emergency;
6. When the agenda to be discussed must be settled immediately, the summons deadline can be shortened to be before the date of the Meeting;

7. The aforementioned summons must indicate the agenda, date, time and venue of the meeting;
8. The meeting of the Board of Directors shall be held at the domicile of the Company or at the place of business activities of the Company. In the event that all members of the Board of Directors are present or represented, the aforementioned prior summons shall not be required and the meeting of the Board of Directors may be held anywhere as determined before;
9. A Meeting of the Board of Directors shall be chaired by the President Director, in the event that the President Director is unable to attend or absent, which must not be proved to third parties, the Meeting of the Board of Directors shall be chaired by a member of the Board of Directors specifically selected in writing by the President Director for such purpose. In case no appointment is made by the President Director, then the most senior Director with regard to the tenure shall be entitled to represent the Company, and in case there is no most senior director in terms of tenure, the oldest member of the Board of Directors shall chair the Meeting;
10. A member of the Board of Directors may only be represented in the Meeting of the Board of Directors by another member of the Board of Directors by virtue of a power of attorney specifically granted for that purpose;
11. A Meeting of the Board of Directors shall be valid and entitled to make binding decisions if more than  $\frac{1}{2}$  (one-half) of the members of the Board of Directors are present or represented in the Meeting;
12. Resolution of the Meeting of the Board of Directors must be adopted based on deliberation to reach consensus. In the event that the consensus cannot be reached, the resolution shall be adopted by voting based on a simple majority of votes of more than  $\frac{1}{2}$  (a half) of the total number of members of the Board of Directors present and/or represented at the meeting;
13. A member of the Board of Directors cannot cast vote in a Meeting discussing a contract or proposed contract or a plan where the relevant member has a personal interest either directly or indirectly;
14. A member of the Board of Directors present shall be entitled to cast 1 (one) vote and 1 (one) additional vote for every other member of the Board of Directors represented by him;
15. Voting regarding persons shall be conducted by sealed unsigned ballots, and voting regarding other matters shall be conducted orally, unless determined otherwise by the Chairperson of the Meeting without any objection by those present;
16. Each member of the Board of Directors present or represented at the meeting must cast votes. In the event that a member of the Board of



- Directors does not cast vote (abstention), the member of the Board of Directors shall follow and take responsibility for the results of the meeting;
17. From everything discussed and resolved at the meeting of the Board of Directors, shall be drawn up a Minutes of Meeting. (including dissenting opinion of members of the Board of Directors, if any).
  18. The Minutes of Meeting of the Board of Directors shall be drawn up by a notary appointed by the Chairperson of the meeting and after the Minutes of Meeting has been read out and confirmed to the Meeting participants, then it must be signed by all members of the Board of Directors present at the meeting to ensure the completeness and correctness of that Minutes of Meeting.
  19. The Minutes of the Meeting set forth in the aforementioned explanation is valid evidence for members of the Board of Directors and to third parties regarding the resolutions adopted in the meeting in question.
  20. The Results of the meeting of the Board of Directors and the Board of Commissioners shall be set forth in a Minutes of Meeting, signed by members of the Board of Directors and members of the Board of Commissioners present, and submitted to all members of the Board of Directors and the Board of Commissioners.
  21. In the event of members of the Board of Directors and/or members of the Board of Commissioners that do not sign the meeting referred to in this paragraph, the relevant person shall specify the reasons in writing in a separate letter attached to the minutes of meeting.
  22. The Minutes of as meeting as referred to above shall be documented by the Company.
  23. The minutes of meeting as referred to above constitutes valid evidence for members of the Board of Directors and / or members of the Board of Commissioners and to third parties regarding the resolutions adopted in the meeting in question.
  24. The Board of Directors may also adopt resolutions without holding a valid meeting of the Board of Directors, provided all members of the Board of Directors give written consent to the proposal by signing the resolution. The resolution adopted in this way has the same power as a legitimate resolutions adopted by a Meeting of the Board of Directors;
  25. The Meeting of the Board of Directors as mentioned above can be held or conducted through the medium of video teleconferencing, or other means of electronic media that enable all meeting participants to see and hear each other directly as well as to participate in the meeting and in connection with this conditions, all those who take part will be deemed to have been present

- to determine the fulfillment of the requirements of a quorum and voting or resolution. The Minutes of Meeting of the Meeting held using video teleconferencing media relations, electronic media or other means must be made in writing and circulated to all members of the Board of Directors who participate for review and approval. If the Minutes of the Meeting is drawn up by a Notary, the signing shall not be required;
26. The Board of Directors shall establish the order of the Board of Directors Meeting and include them clearly in the minutes of meeting of the Board of Directors where the order is set;
  27. Each member of the Board of Directors is entitled to receive a copy of the minutes of meeting of the Board of Directors, both those present or not present in the meeting of the Board of Directors;
  28. The original Minutes of Meeting of the Board of Directors shall be kept by the Company and should be made available when requested by any member of the Board of Commissioners and Board of Directors;
  29. The annual report must contain the number of meeting of the Board of Directors as well as the attendance of each member of the Board of Directors.
  30. In terms of decision-making on the actions of the Company is based on the level of urgency and internal policy of the Company;
  31. The communicating of the resolution adopted by the Board of Directors to organizational level below the Board of Directors shall be submitted no later than within 7 (seven) days since the resolution is adopted.

### **3.8.2 Reporting**

1. On a regular basis in accordance with applicable regulations, the Board of Directors shall make monthly, quarterly, semi-annual and annual reports to the Board of Commissioners, capital market authorities, agencies or to the GMS.
2. The Board of Directors together with the Board of Commissioners shall submit an annual report to the GMS at the latest within a period of 6 (six) months after the fiscal year end of the Company which shall contain at least:
  - a. The financial statements consisting of at least the balance sheet of the past financial year in comparison with the previous fiscal year, income statement of the relevant financial year, cash flow statement and statement of changes in equity, and notes to the financial statements;
  - b. Report on the activities of the Company;
  - c. Report on the implementation of Social and Environmental Responsibility;

- d. Details of the problems during the financial year affecting the business activities of the Company;
- e. Report on the supervisory duties that have been implemented by the Board of Commissioners during the past financial year;
- f. Identities of members of the Board of Directors and their main jobs, positions as commissioners in subsidiaries/joint ventures and/or other companies, and number of meetings attended in any one financial year (internal meetings and joint meetings with the Board of Commissioners); as well as identity of members of the Board of Commissioners and their main jobs, positions as commissioners in other companies and the number of meetings attended in any one financial year (internal meetings and joint meetings with the Board of Directors);
- g. Salary and benefits for members of the Board of Directors and the salary or honorarium and allowances for members of the Board of Commissioners for the immediately preceding year;
- h. Other matters as set forth in the regulations in the capital market.

### **3.8.3 Company's Long-Term Plan, Work Plan and Budget Plan**

#### **1. Company's Long-Term Plan (RJPP)**

- a. The Board of Directors shall prepare the Company Long Term Plan (RJPP) in time which constitutes a strategic plan that includes the goals and objectives to be achieved within a period of 5 (five) years. The RJPP shall at least include the following:
  - i. Evaluation of the implementation of the previous RJP;
  - ii. The current position of the SOE;
  - iii. Assumptions used in the preparation of the RJP;
  - iv. Determination of the mission, goals, strategies, policies, and long-term work program.
- b. The RJPP is submitted to the Board of Commissioners for review before being jointly signed;

#### **2. Work Plan and Budget of the Company (RKAP)**

- a. The Board of Directors shall prepare in time the development plan of the Company, Annual Budget and Work Plan of the Company (RKAP), and any other plans that relate to the implementation of the Company's business and activities and submit to the Board for approval;
- b. The Work Plan and Budget of the Company (CBP), which is the translation of the Company's Long-Term Plan (RJPP) at least including the following:

- Mission of the business objectives, business strategy of the Company policies and its work programs/activities;
  - Articles of the Company detailed on each budget work program/activity;
  - Financial projections of the Company and its subsidiaries;
  - Other matters that require the resolution of the Board of Commissioners.
- c. No later than sixty (60) days prior to the newly starting fiscal year, the Board of Directors shall submit the Work Plan and Budget of the Company (RKAP) to the Board of Commissioners for ratification to the Board no later than 14 (fourteen) days before the new books of the Company is started;

### **3.9 Code of Conduct**

1. Members of the Board of Directors are responsible for the Company to maintain the confidentiality of information of the Company;
2. Confidential information obtained while serving as members of the Board of Directors shall remain confidential in accordance with the legislation in force and/or the provisions of the Company;
3. Members of the Board of Directors who hold shares of the Company (if any) shall not abuse the important information relating to the Company for private gain, especially with regard to insider trading;
4. Members of the Board of Directors are prohibited from having a conflict of interest, and taking personal advantage, either directly or indirectly from the decisions and activities of the Company other than legitimate incomes;
5. Members of the Board of Directors in carrying out duties and responsibilities shall comply with the Standards of the Company and are prohibited from taking personal advantage directly or indirectly from the Company's activities including facilities other than salary and other benefits, including post-service insurance received by members of the Board of Directors in accordance with the applicable laws regulations applicable;
6. Members of the Board of Directors are prohibited from giving or offering, or receiving, either directly or indirectly, anything of value to or from the customer or a government official to influence or as a reward for what they have done and other measures, in accordance with the laws and regulations;
7. Signing the Integrity Pact for transactional measures that require the approval of the Board of Commissioners, and/or the GMS;
8. Members of the Board of Directors shall submit their assets reports in accordance with the provisions of the laws and regulations.

9. Members of the Board of Directors are prohibited from making personal loans in the name of the Company.

### **3.10 Accountability**

1. In performing duties, the Board of Directors is responsible to the GMS;
2. In the event that the Company shows a striking deterioration symptoms, the Board Directors shall immediately report to the GMS, along with the recommended corrective measures to be taken;
3. To advise the General Meeting regarding any matter of importance to the management of the Company;
4. Each member of the Board of Directors is fully responsible jointly and severally for the losses of the Company caused by errors or omissions of members of the board of directors in carrying out duties. Members of the Board of Directors are not accountable for the losses of the Company referred to in this point, if it can be proved that:
  - a. the loss is not caused by his fault or negligence;
  - b. he has made arrangements well with full responsibility, and prudence for the benefit and in accordance with the purposes and objectives of the Company;
  - c. he has no conflict of interest directly or indirectly, for the management of the resulting losses; and
  - d. it has taken the action to prevent losses from arising or continuing.

# Chapter IV

## Relationship of the Board of Commissioners and the Board of Directors

Unless otherwise regulated by the provisions and regulations in force, the relationship between the Board of Directors and the Board of Commissioner as set forth above may include but are not limited to the following:

1. The Board of Directors shall submit to the Board for approval:
  - a. The RJPP;
  - b. The RKAP;
  - c. Appointment and dismissal of the Head of Internal Supervisory Audit;
  - d. Appointment and dismissal of the Corporate Secretary;
  - e. Unless otherwise provided by the laws and regulations, some matters require prior written approval of the Board of Commissioners as stated in the Articles of Association.

Approval or recommendation of the Board of Commissioners on matters that require the approval of the Board of Commissioners as stated in the Articles of Association of the Company, or if needed advice or advisory on the Company by the Board of Commissioners, approval or recommendation of the Board of Commissioners submitted no later than fourteen (14) working days since the proposal /request the Board of Directors with complete document received by the BOC. But if there are things that are strategic and require further investigation / further consideration, the Board of Commissioners may request an extension of the Board of Directors.

2. Together with the Board of Commissioners, to review the Company's vision and mission;
3. If necessary, the Board of Directors to assist the Board of Commissioners in:
  - a. The process of appointment of candidates for external auditors in accordance with the provisions of the procurement of goods and services of the Company;

- b. The appointment of independent assessors in the implementation of GCG assessment process in the Company.
4. The Board of Directors is responsible for ensuring that:
    - a. The Board of Commissioners receive information regarding the Company on a timely and complete manner;
    - b. The Board of Commissioners obtain periodic reports on the implementation of the internal control function and implementation of information technology governance;
    - c. The Board of Commissioners receives reports of members of the Board of Directors and the Board of Commissioners in subsidiaries and/or joint venture of the Company, as set out in the GMS of the subsidiaries and/or joint ventures concerned;
    - d. The Board of Commissioners or Committees at the Level of the Board of Commissioners receives explanations for everything asked;
  5. Members of the Board of Commissioners collectively and individually every time in the office hours are entitled to enter the building and yard or other place used or controlled by the Company and are entitled to inspect all books, letters and other evidence, inventory, to check and match cash condition for verification purposes and other securities as well as to know all the actions taken by the Board of Directors, in which case the Board of Directors is obliged to provide an explanation about everything asked by members of the Board of Commissioners or experts providing help for them.
  6. The Board of Directors can be suspended by the Board of Commissioners by stating the reasons, as determined in the Articles of Association and other applicable provisions;
  7. In the case of the application for annual leave, the Board of Directors shall file the application to the President Commissioners. The President Commissioners may postpone the annual leave filed by members of the Board of Directors based on the reason of the Company's interests. Members of the Board of Directors who are performing pilgrimage requiring more time to be absent from the task from the annual leave entitlements must obtain approval from the Board of Commissioners.

# Chapter V

## Performance Evaluation

1. The Board of Commissioners shall set the Key Performance Indicators of the Board of Directors;
2. The Board of Commissioners shall evaluate the achievement of the Board of Directors to be submitted to the GMS;
3. Assessment of the performance of the Board of Directors based on the general criteria set forth in the KPI (Key Performance Indicator):
  - a. Collective performance of the Board of Directors towards the achievement of the Company in accordance with the RJPP/RKAP and or other criteria set by the Board of Commissioners, after discussion with the Board of Directors;
  - b. Individual performance of Directors in achieving the Company's performance as listed in the RJPP/RKAP/Management Contract and or other criteria set out in board meetings after discussion with the Board of Directors;
  - c. Individual achievement of the Director's referring to the RJPP/RKAP or other criteria determined by the Board of Commissioners after discussion with the Board of Directors concerned;
  - d. The implementation of the principles of GCG, both individually and collectively.



# Chapter VI

## Closing

### Validity and Evaluation

1. This Charter of the Board of Directors shall be effective from the date approved;
2. This Charter of the Board of Directors will periodically be evaluated for improvement;
3. Evaluation of the performance of members of the Board of Directors, either individually or collectively, shall be carried out every year and the results are communicated to the GMS.

Ratified : in Jakarta  
Date : April 1<sup>st</sup>, 2016

#### Board of Directors PT ANTAM (Persero) Tbk

[Signed]

**Tedy Badrujaman**  
President Director

[Signed]

**Johan NB Nababan**  
Director of Development

[Signed]

**Dimas Wikan Pramudhito**  
Director of Finance

[Signed]

**Agus Zamzam Jamaluddin**  
Director of Operations

[Signed]

**I Made Surata**  
Director of Human Capital  
& CSR

[Signed]

**Hari Widjajanto**  
Director of Marketing