

- (i) Ensure that the Company has effective business strategy, including to monitor the schedule, budget and effectiveness of the strategy aforesaid;
- (ii) Ensure that the Company appoints the executives and the professional managers;
- (iii) Ensure that the Company has information, control system, and audit system which are working properly;
- (iv) Ensure that the Company complies with the laws and the prevailing legislations and the values stipulated by the Company in carrying out its operation;
- (v) Ensure the risks and crisis potentials are always identified and managed properly;
- (vi) Ensure the GCG principles and practices are complied with and applied properly.

#### **E. THE DISTRIBUTION OF WORKS OF THE MEMBERS OF THE BOARD OF COMMISSIONERS**

The distribution of works among the members of the Board of Commissioners will be stipulated by themselves, and for the smooth running of their duties, the Board of Commissioners will be assisted by the Secretary of the Board of Commissioners.

#### **F. THE DUTIES, RESPONSIBILITIES, AND AUTHORITIES**

1. The Board of Commissioners will be assigned to carry out the supervision towards the management policies, the running of the management in general, pertaining both to the Company and the businesses of the Company which are carried out by the Board of Directors, and to provide advices to the Board of Directors, including the supervision towards the implementation of Long Term Plan of the Company, the Annual Work and Budget Plan of the Company as well as the provisions of the Articles of Association and the Resolutions of the GMS, as well as the laws and regulations, for the interests of the Company, in accordance with the purposes and objectives of the Company.
2. The Board of Commissioners has the authorities to:
  - a. Examine the books, letters, as well as other documents, examine the cash for verification purposes, and other securities, and examine the assets of the Company;
  - b. Enter the premises, buildings, and offices used by the Company;
  - c. Demand explanation from the Board of Directors and/or other officials regarding any issues relating to the management of the Company;
  - d. Be informed of any policies and actions which have been and will be taken by the Board of Directors;
  - e. Demand the Board of Directors and/or other officials under the Board of Directors, with the acknowledgement of the Board of Directors, to attend the meeting of the Board of Commissioners, whereas for the demand or support of activities, other than the meeting to be convened, with due regards to the professionalism, ethics, interests of the Company and the organs of the Company;
  - f. Appoint and dismiss a Secretary of the Board of Commissioners;
  - g. Suspend a member of the Board of Directors in accordance with the provisions of the Articles of Association of the Company;



- h. Establish the Audit Committee, the Remuneration and Nomination Committee, the Risk Monitoring Committee, and other committees, if considered necessary with due regards to the capabilities of the Company;
  - i. Utilize the expert staff for certain matters and in certain period at the expense of the Company, if considered necessary;
  - j. Carry out the management actions of the Company in certain conditions for certain period in accordance with the provisions of the Articles of Association;
  - k. Approve the appointment and dismissal of the Corporate Secretary and/or the Head of Internal Supervisory Unit;
  - l. Analyze and carry out review over the annual report prepared by the Board of Directors as well as execute the annual report aforesaid;
  - m. Attend the meeting of the Board of Directors and provide insights towards the matters being discussed;
  - n. Exercise other supervisory authorities to the extent they are not contradictory to the laws and regulations, the Articles of Association, and/or the resolutions of the GMS;
  - o. In the framework of carrying out the supervisory function, the members of the Board of Commissioners during working hours or at other agreed time, collectively or individually, with or without prior notification to the Board of Directors, with due regards to the professionalism, the interests of the Company, the public, as well as the organs, has right of access, including but not limited to the buildings and locations of or other utilized places controlled by the Subsidiary Companies of the Company and has the right to examine the books, letters of evidence, reports, and stocks of goods, and examine the cash position (for verification purposes) and other collaterals, and to be informed of any actions which are taken by the Board of Directors of the Subsidiary Companies based on the principles of information disclosure, with due observance of the confidentiality of the Company, as well as may provide advices to the Subsidiary Companies related to the policies/actions which have been decided and which will be taken by the Board of Directors of the Subsidiary Companies, whether requested or not.
3. In relation to the duties and authorities above, the Board of Commissioners will be entitled to receive income stipulated by the GMS, with the provisions:
- a. The Type of Income
    - 1) Honorarium;
    - 2) Allowances, which are consisting of:
      - i. Religious holiday allowance;
      - ii. Transportation allowance;
      - iii. Retirement insurance.
    - 3) Facilities, which are consisting of:
      - i. Health facilities;



- ii. Legal assistance facilities.
- 4) Bonus Royalty/Performance Incentives, in the case of Bonus Royalty, it can be provided with addition in the form of Long Term Appreciation (Long Term Incentive/LTI)
- b. The details, amount, types, and procedures for the providing of income for the members of the Board of Commissioners, including their changes, adhering to the provisions in the laws and regulations, the Articles of Association as well as the Company regulation.
4. In relation to the duties and authorities of the Board of Commissioners as referred to in point 2 (two) above, then, the Board of Commissioners will be obliged to:
  - a. Provide advices to the Board of Directors in carrying out the management of the Company;
  - b. Give opinions and approval over Long Term Plan of the Company, the Annual Work and Budget Plan of the Company as well as other work plans prepared by the Board of Directors, in accordance with the provisions of the Articles of Association and the provisions of the prevailing laws and regulations;
  - c. Keep up with the development of the activities of the Company, provide opinions and advices to the GMS regarding every issue considered important for the management of the Company;
  - d. Report to the Dwiwarna A Series Shareholder if there is any tendency of declining performance of the Company;
  - e. Propose to the GMS, the appointment of Public Accountant who will carry out the audit over the books of the Company;
  - f. Analyze and review the periodic report and the annual report prepared by the Board of Directors as well as execute the annual report;
  - g. Provide explanation, opinion, and advices to the GMS regarding the Annual Report, if accepted;
  - h. Prepare the minutes of meeting of the Board of Commissioners and keep the official copy of which;
  - i. Report to the Company regarding his share ownership and/or his family to the Company aforesaid and other Company;
  - j. Provide report regarding the supervisory duties which have been performed during the recently elapsed financial year to the GMS;
  - k. Provide explanation regarding any matters inquired about or requested by the Dwiwarna A Series shareholder with due observance of the laws and regulations, particularly those applicable in the Capital Market sector;
  - l. Carry out other obligations in the framework of supervisory duties and the providing of advices, to the extent they are not contradictory to the laws and regulations, the articles of association, and/or the resolutions of the GMS.
5. Every member of the Board of Commissioners will be jointly and severally liable for the losses of the Company caused by the fault or negligence of the members of the Board of Commissioners in performing his duties.



6. The member of the Board of Commissioners cannot be demanded for his accountability for the losses of the Company if he can prove:
  - a. Such losses aforesaid are not due to his fault or negligence;
  - b. He has performed supervision in good faith and prudential manner for the interests and in accordance with the purposes and objectives of the Company;
  - c. He does not have any conflict of interest, either directly or indirectly, over the management actions of the Board of Directors resulting in the losses; and
  - d. Has taken actions, including provide advices to the Board of Directors which are given formally and which can be proven, either in writing or by means of other media, to prevent the arising of and the continuance of such losses.
7. In certain conditions, the Board of Commissioners will be obliged to convene the annual GMS and other GMS in accordance with his authorities as stipulated in the laws and regulations and the Articles of Association.

## G. THE MEETING OF THE BOARD OF COMMISSIONERS AND THE DECISION MAKING MECHANISM

### 1. General Principles

- a. Any resolution of the Board of Commissioners is adopted in the meeting of the Board of Commissioners or the resolution in lieu of the meeting of the Board of Commissioners.
- b. The Board of Commissioners will be obliged to convene the meeting at least 1 (one) time in a month.
- c. The Board of Commissioners will be obliged to convene the joint meeting with the Board of Directors periodically at least 1 (one) time in 3 (three) months.
- d. The materials for the meeting as referred to in letter c. above, particularly for the meeting discussing the quarterly financial statement, will be delivered by the Board of Directors at the latest 5 (five) working days prior to the convening of the meeting supplemented by the evidence of delivery of documents.
- e. The mechanism for the convening of the Meeting of the Board of Commissioners, among others, such as the summoning for the meeting, the venue of the meeting, the quorum, the mechanism for the adoption of resolution, the minutes of meeting, etc., will be entirely referring to the provisions in the Articles of Association of the Company.
- f. For good administration, for every member of the Board of Commissioners who are prevented from attending in the meeting of the Board of Commissioners, is implored to grant special power of attorney to other member of the Board of Commissioners.
- g. Every resolution of the meeting of the Board of Commissioners which has been convened in accordance with the provisions in the Articles of Association constitutes the resolution of the Board of Commissioners as a council and therefore is binding every member of the Board of Commissioners.
- h. If in the adoption of resolution which is carried out by means of voting, there is any difference of opinion or dissenting opinion, then, the dissenting opinion from the member of the Board of Commissioners or other member of the Board of Commissioners granted with power of attorney by him who is present in the adoption of resolution aforesaid, must be stated in the