

**JOINT REGULATION**  
**BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS**  
**PT SARANA MULTI INFRASTRUKTUR (PERSERO)**

Number : PER-03/SMI/DK/1221

Number : PD-025/SMI/1221

**CONCERNING**

**CODE OF CORPORATE GOVERNANCE**

**BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS**  
**PT SARANA MULTI INFRASTRUKTUR (PERSERO),**

**Considering** : a. that PT Sarana Multi Infrastruktur (Persero) ("the Company") currently has a Joint Regulation of the Board of Commissioners and Board of Directors Number: PER-01/SMI/DK/0218 and Number: PD-002/SMI/0218 concerning Code of Corporate Governance dated February 23, 2018;

b. that in order to support the implementation of the principles of Good Corporate Governance (hereinafter referred to as "GCG") with due regard to the provisions of the Articles of Association and prevailing laws and regulations, the Company needs a foundation and reference in the application of ethical business behavior so as to create and develop good corporate values;

c. that it is necessary to improve the Code of Corporate Governance of the Company in accordance with the latest laws and regulations and internal regulations of the Company;

d. that based on the considerations as referred to in letters a, b and c, it is necessary to stipulate a Joint Regulation on Code of Corporate Governance.

**Observing** : 1. Law of the Republic of Indonesia Number 5 Year 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition (State Gazette of the Republic of Indonesia Year 1999 Number 33);

2. Law of the Republic of Indonesia Number 13 of 2003 concerning Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39) as

amended by Law of the Republic of Indonesia Number 11 of 2020 concerning Job Creation (State Gazette of the Republic of Indonesia of 2020 Number 245);

3. Law of the Republic of Indonesia Number 19 of 2003 concerning State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2003 Number 70, Supplement to State Gazette Number 4297);
4. Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Companies (State Gazette of the Republic of Indonesia Year 2007 Number 106, Supplement to State Gazette of 2007 Number 4756);
5. Government Regulation of the Republic of Indonesia Number 45 of 2005 concerning the Establishment, Management, Supervision and Dissolution of State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2005 Number 117, Supplement to State Gazette Number 4556);
6. Government Regulation of the Republic of Indonesia Number 66 of 2007 concerning the Participation of Capital of the Republic of Indonesia for the Establishment of a Company (Persero) in the Field of Infrastructure Financing (State Gazette of the Republic of Indonesia of 2007 Number 150) as last amended by Government Regulation Number 53 of 2020 concerning the Second Amendment to Government Regulation Number 66 of 2007 concerning the Participation of Capital of the Republic of Indonesia for the Establishment of a Company (Persero) in the Field of Infrastructure Financing (State Gazette of the Republic of Indonesia of 2020 Number 217);
7. Regulation of the Financial Services Authority Number 46/POJK.05/2020 concerning Infrastructure Financing Companies (State Gazette of the Republic of Indonesia Year 2020 Number 249, Supplement to State Gazette of the Republic of Indonesia Number 6576);
8. Regulation of the Minister of Finance Number 88/PMK.06/2015 of 2015 on the Implementation of Good Corporate Governance in Company Companies (Persero) Under the Guidance and Supervision of the Minister of Finance (State Gazette of the Republic of Indonesia Year 2015 Number 651);

9. Regulation of the Minister of Finance of the Republic of Indonesia Number 106/PMK.06/2017 concerning Performance Management of the Board of Directors and Board of Commissioners of a Company (Persero) Under the Guidance and Supervision of the Minister of Finance (State Gazette of the Republic of Indonesia Year 2017 Number 1042);
10. Decree of the Minister of Finance of the Republic of Indonesia Number 396/KMK.010/2009 on the Granting of Business License of Infrastructure Financing Company to PT Sarana Multi Infrastruktur (Persero);
11. Decree of the Minister of Finance Number 505/KMK.06/2020 concerning Guidelines for Assessment and Evaluation of the Implementation of Good Corporate Governance in Corporate Companies (Persero) under the Guidance and Supervision of the Minister of Finance;
12. Articles of Association of PT Sarana Multi Infrastruktur (Persero) as last amended by Deed Number 19 dated October 16, 2020 made before Ashoya Ratam, S.H., M.Kn, Notary in Jakarta and has obtained the Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-0071181.AH.01.02.2020 dated October 16, 2020 Regarding Approval of Amendments to the Articles of Association of Limited Liability Company (Persero) PT Sarana Multi Infrastruktur and Letter of Acceptance of Notification of Amendments to the Articles of Association Number AHU-AH.01.03-0399024 dated October 16, 2020;
13. Board of Directors Regulation Number: PD-003/SMI/0420 concerning Division's Main Duties and Functions;
14. Board of Directors Regulation Number: PD-016/SMI/1221 regarding the Seventh Amendment to Board of Directors Regulation Number: PD-26/SMI/1217 regarding the Division of Duties and Work Guidelines of the Board of Directors;
15. The Company's policy on Business Ethics and Code of Conduct;

**In view of** : 1. Approval Memo of the Board of Directors Number: M-20/SMI/DMKD/DK-SDM/0914 and M-31/SMI/DU-DSP/0914 dated September 11, 2014 regarding Approval of 15 Company Personnel Behaviors as Translation of i-Sprint Company Values;

2. Approval Memo of the Board of Directors Number: M-48/SMI/DKD/DHC/0916 dated September 19, 2016 regarding the Addition of Corporate Culture Values from 5 (five) Values to 6 (six) Values and their behaviors;
3. Board of Directors Approval Memo Number: M-051/SMI/DMR/DMRT/1121 dated November 30, 2021 regarding Circular Approval of the Code of Corporate Governance Policy;
4. Circular Decision of the Board of Commissioners Number: KS-02/SMI/DK/1221 dated December 24, 2021 regarding the Approval of the Proposed Corporate Governance Policy (Code of Corporate Governance) of PT Sarana Multi Infrastruktur for the 2021 Period.

**HAS DECIDED:**

**To enact : JOINT REGULATION BOARD OF COMMISSIONERS AND BOARD DIRECTORS PT SARANA MULTI INFRASTRUKTUR (PERSERO) CONCERNING CODE OF CORPORATE GOVERNANCE.**

**Article 1**

Revoke the Joint Regulation of the Board of Commissioners and the Board of Directors Number: PER-01/SMI/DK/0218 and Number: PD-002/SMI/0218 on the Code of Corporate Governance dated February 23, 2018.

**Article 2**

The Board of Commissioners and the Board of Directors establish the Code of Corporate Governance as the Appendix to this Joint Regulation of the Board of Commissioners and the Board of Directors.

**Article 3**

This Joint Regulation of the Board of Commissioners and Board of Directors shall be effective as of the date of enactment.

Enacted in Jakarta,  
On 31 December 2021

**PT SARANA MULTI INFRASTRUKTUR (PERSERO)**

**Mahendra Siregar**  
President Commissioner


**Edwin Syahrudzad**  
President Director

# **CODE OF CORPORATE GOVERNANCE**

**PT Sarana Multi Infrastruktur (Persero)  
2021**


	<b>CODE OF CORPORATE GOVERNANCE</b>	Revision to: -
	<b>DRAFTING HISTORY</b>	Change to: -

No	Name of Policy and Version	Effective Date	Approval Documents		Description
			Joint Regulation	Memo / Approval Form	
1	Code of Corporate Governance	28 September 2011		M-43/SMI/DMKD/MR/0911	New policy
2	Code of Corporate Governance) Revision II	19 December 2014	PB-1/SMI/DK/1214 and PB-1/SMI/1214		Adjustment of the provisions of the Board of Directors and Board of Commissioners based on regulations
3	Code of Corporate Governance) Revision III	23 February 2018	PER-01/SMI/DK/0218 and PD-002/SMI/0218		Revision based on the latest regulations and complete the main provisions of GCG implementation in the Company
4	Code of Corporate Governance)	On process	On process		Adding DPS provisions, revisions based on applicable regulations and adjustments to the latest policy architecture


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## **CHAPTER I - INTRODUCTION**

### **1. Introduction**

PT Sarana Multi Infrastruktur (Persero), hereinafter referred to as the "Company", is a State-Owned Enterprise (BUMN) established specifically by the Government with the aim of encouraging the acceleration of the provision of infrastructure financing and other development financing based on assignments from the Government.

In order to support the implementation of the principles of Good Corporate Governance with due regard to the provisions of the Articles of Association and prevailing laws and regulations, the Company requires a foundation and reference in the application of ethical business behavior so as to create and develop good Corporate Values.


In accordance with the above purposes and objectives, the Company considers it important to improve the policy on the Code of Corporate Governance so that it can be applied consistently in all lines and aspects of the Company's business.

### **2. Purpose and Objective**

The Code of Corporate Governance is prepared as a reference for Shareholders, Board of Commissioners, Sharia Supervisory Board, Board of Directors, Board of Commissioners Organs, internal functions of the Company, External Auditors, and other Stakeholders in dealing with the Company.

The objectives of the preparation of Corporate Governance, among others, are as follows:

- a. Optimizing the Company's value for Shareholders while taking into account the interests of Stakeholders and encouraging the achievement of the Company's sustainability by applying the principles of Good Corporate Governance, namely transparency, accountability, responsibility, independence, as well as fairness and equality;
- b. Encouraging the Company's organs to make decisions and carry out their actions based on high moral values and compliance with the provisions of the Articles of Association, applicable laws and regulations, and be responsible to the Stakeholders;
- c. Encouraging the management of the Company to be more professional, transparent, efficient, empowering functions, and increasing the independence of the Company's organs;
- d. Improving the Company's image for the achievement of competitiveness nationally and internationally, thereby

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increasing market confidence that can encourage investment flows and sustainable national economic growth;

- e. Encouraging and supporting the development, management of the Company's resources and risk management by applying the principles of prudence, accountability, and responsibility in line with the principles of Good Corporate Governance;
- f. Encouraging the Company's environmental awareness and social responsibility, especially in the area around the Company;
- g. Developing attitudes and behaviors that are in accordance with the demands of the Company's development and changes in the business environment towards a better Company Culture.

### 3. Scope


Code of Corporate Governance is prepared as a reference and direction for:

- a. Shareholders, Board of Commissioners, Sharia Supervisory Board, Board of Directors, and Board of Commissioners Organs,
  - b. The Company's internal functions consist of risk management function, internal control system, internal supervision, Corporate Secretary, information technology governance function, and Committees under the Board of Directors,
  - c. External Auditors, and
  - d. Stakeholders.
- To implement Good Corporate Governance within the Company.


### 4. Legal Basis

Considering:

- a. Law of the Republic of Indonesia Number 5 Year 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition.
- b. Law of the Republic of Indonesia Number 13 of 2003 concerning Manpower as amended by Law Number 11 of 2020 concerning Job Creation.
- c. Law of the Republic of Indonesia Number 19 Year 2003 on State-Owned Enterprises.
- d. Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies.

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- e. Government Regulation of the Republic of Indonesia Number 45 of 2005 concerning Establishment, Management, Supervision and Dissolution of State-Owned Enterprises.
- f. Government Regulation of the Republic of Indonesia Number 66 of 2007 concerning the Participation of Capital of the Republic of Indonesia for the Establishment of a Company (Persero) in the Field of Infrastructure Financing as amended last time by Government Regulation Number 53 of 2020 concerning the Second Amendment to Government Regulation Number 66 of 2007 concerning the Participation of Capital of the Republic of Indonesia for the Establishment of a Company (Persero) in the Field of Infrastructure Financing.
- g. Regulation of the Minister of Finance Number 88/PMK.06/2015 on the Implementation of Good Corporate Governance in Corporate Companies (Persero) under the Guidance and Supervision of the Minister of Finance.
- h. Regulation of the Minister of Finance Number 106/PMK.06/2017 concerning Performance Management of the Board of Directors and the Board of Commissioners of a Company (Persero) Under the Guidance and Supervision of the Minister of Finance (State Gazette of the Republic of Indonesia Year 2017 Number 1042).
- i. Regulation of the Minister of Finance Number 197/PMK.06/2019 concerning Procedures for Appointment and Dismissal of Members of the Board of Commissioners of Company Companies (Persero) Under the Guidance and Supervision of the Minister of Finance.
- j. Regulation of the Minister of Finance Number 78/PMK. 06/2015 on the Procedures for Appointment and Dismissal of Members of the Board of Directors of a Company (Persero) Under the Guidance and Supervision of the Minister of Finance as amended last time by Regulation of the Minister of Finance of the Republic of Indonesia Number 135/PMK.06/2017 on the Second Amendment to Regulation of the Minister of Finance Number 78/PMK. 06/2015 on Procedures for Appointment and Dismissal of Members of the Board of Directors of a Company (Persero) Under the Guidance and Supervision of the Minister of Finance.
- k. Decree of the Minister of Finance Number 505/KMK.06/2020 concerning Guidelines for Assessment and Evaluation of the Implementation of Good Corporate Governance in Company Companies (Persero) under the Guidance and Supervision of the Minister of Finance.

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- l. Financial Services Authority Regulation No. 33/POJK.4/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies.
- m. Financial Services Authority Regulation No. 34/POJK.4/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.
- n. Financial Services Authority Regulation No. 55/POJK.04/2015 on the Establishment and Implementation Guidelines for the Audit Committee.
- o. Financial Services Authority Regulation Number 44/POJK.05/2020 concerning the Implementation of Risk Management for Non-bank Financial Services Institutions.
- p. Financial Services Authority Regulation Number 46/POJK.05/2020 concerning Infrastructure Financing Companies.
- q. Financial Services Authority Regulation Number 4/POJK.05/2021 concerning the Implementation of Risk Management in the Use of Information Technology by Non-Bank Financial Services Institutions.
- r. Decree of the Minister of Finance Number 396/KMK.010/2009 on the Granting of Infrastructure Financing Company Business License to PT Sarana Multi Infrastruktur (Persero).
- s. The Articles of Association of PT Sarana Multi Infrastruktur (Persero) as last amended by Deed Number 19 dated October 16, 2020 made before Ashoya Ratam, S.H., M.Kn, Notary in Jakarta and has obtained the Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-0071181.AH.01.02.2020 dated October 16, 2020 Regarding Approval of Amendments to the Articles of Association of Limited Liability Company (Persero) PT Sarana Multi Infrastruktur and Letter of Acceptance of Notification of Amendments to the Articles of Association Number AHU-AH.01.03-0399024 dated October 16, 2020.
- t. The Company's Audit Committee Charter.
- u. Charter of the Company's Risk Monitoring Committee.
- v. Nomination and Remuneration Committee Charter
- w. Board of Directors Regulation Number: PD-003/SMI/0420 concerning Division's Main Duties and Functions.
- x. Board of Directors Regulation Number: PD-26/SMI/1217 on the


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Division of Duties and Work Guidelines of the Board of Directors as last amended by Board of Directors Regulation Number: PD-009/SMI/0620 on the Sixth Amendment to Board of Directors Regulation Number: PD-26/SMI/1217 on the Division of Duties and Work Guidelines of the Board of Directors.

- y. The Company's policy on Business Ethics and Code of Conduct.
- z. The Company's policy on Risk Management.
- aa. Company Policies related to the Formulation of Company Policies.
- bb. Company's Policy on Anti-Bribery Management System.
- cc. The Company's policy on Gratification Control.
- dd. Resolution of the Board of Directors on the Establishment of Committees under the Board of Directors.


In view of:

- a. The 2006 Indonesian Good Corporate Governance General Guidelines issued by the National Committee on Governance Policy on October 17, 2006 (Indonesian GCG General Guidelines KNKG).
- b. Financial Services Authority Regulation Number 29/POJK.05/2020 concerning Amendments to Financial Services Authority Regulation Number 30/POJK.05/2014 concerning Good Corporate Governance for Financing Companies.
- c. Regulation of the Minister of SOEs Number PER-12/MBU/2012 dated August 24, 2012 concerning Supporting Organ of the Board of Commissioners/Supervisory Board of SOEs, as last amended by Regulation of the Minister of SOEs Number PER-06/MBU/04/2021 dated April 13, 2021 concerning Amendments to Regulation of the Minister of SOEs Number PER-12/MBU/2012 dated August 24, 2012 concerning Supporting Organ of the Board of Commissioners/Supervisory Board of SOEs.
- d. Approval Memo of the Board of Directors Number M-20/SMI/DMKD/DK-SDM/0914 and M-31/SMI/DU-DSP/0914 dated September 11, 2014 regarding Approval of 15 Company Personnel Behaviors as Translation of i-Sprint Company Values, along with its amendments (if any).
- e. Approval Memo of the Board of Directors Number M-48/SMI/DKD/DHC/0916 dated September 19, 2016, regarding the Addition of the Company's Cultural Values from 5 (five) Values to 6 (six) Values and their Behavior, along with the amendments (if any).

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## 5. Definition

a	External Auditor	:	The External Auditor referred to in these Guidelines is a Public Accountant and/or Public Accounting Firm that has obtained a license to provide services as referred to in the laws and regulations regarding Public Accountants.
b	Employee	:	Workers who are accepted and employed in the Company in accordance with applicable regulations.
c	Committee under the Board of Directors	:	Committees formed by the Board of Directors to improve efficiency and accelerate the decision-making process of the Board of Directors in accordance with the object/scope of each committee, while still prioritizing prudential principles and good governance.
d	Board of Commissioner Organ	:	Persons or parties appointed by the Board of Commissioners assigned to assist in the implementation of guidance, supervision, and management of the Company including but not limited to committees under the Board of Commissioners and the Secretariat of the Board of Commissioners.
e	Company Organ	:	General Meeting of Shareholders (GMS), Board of Commissioners, Sharia Supervisory Board, and Board of Directors.
f	Stakeholders	:	Parties that are directly affected by the Company's strategic and operational decisions, which include but are not limited to Shareholders, Government, Investors, Employees, Business Partners, Customers, Communities especially around the Company's business area.
g	Affiliated Party	:	Parties who have business and/or family relationships with the controlling Shareholders, members of the Board of Directors, Sharia Supervisory Board and other Board of Commissioners, as well as with the Company itself, including but not limited to affiliated former members of the Board of Directors, Sharia Supervisory

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			Board, and Board of Commissioners and Employees of the Company, for the last 3 (three) years.
h	Good Corporate Governance	:	The process and structure used by the Company's organs to determine policies in order to improve the business success and accountability of the Company so as to increase added value for Shareholders in the long term by taking into account the interests of Stakeholders based on the provisions of the Articles of Association and applicable laws and regulations.
i	Corporate Values	:	A philosophy based on values that are believed and applied in the Company on an ongoing basis which is used as a reference and reflected in the ethics of business behavior in all lines and aspects of the Company's business management to achieve the Company's goals.



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		<b>CHAPTER - II</b>

## **CHAPTER II - VISION, MISSION, AND CORPORATE VALUES**

### **1. Company Vision & Mission**

#### a. Company Vision:

To be a catalyst in the acceleration of national infrastructure development.

#### b. Company Mission:

i. To be a strategic partner that provides added value in infrastructure development in Indonesia.

ii. To create flexible financing products.

iii. To provide quality services with good governance.

### **2. Corporate Values**

#### a. Integrity

A company with character and conducts business activities in accordance with ethics and always prioritizes good governance.

#### b. Service Excellence

Consistent service that meets customer expectations.

#### c. Partnerships

Partnership to achieve the Company's vision and mission.

#### d. Resilience

Endurance, consistency, persistence, a sense of optimism, and never give up.

#### e. Innovation

Provide solutions in infrastructure project development.

#### f. Trust

A company that can foster customer and stakeholder trust.

### **3. Corporate Culture**

Through the implementation of GCG, it is expected to improve and build a corporate culture in carrying out its business activities, among others, as follows:

a. Believe that results can be controlled.

b. Believe that things can be made better.

c. Have the will, ability, and capability.

d. Have openness and willingness to work together.

e. Have concern for the environment.

f. Able to achieve and compete with a sense of responsibility.

g. Able to develop themselves, foster creativity, and innovate.

h. Able to choose actions with calculated risks.

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i. Able to utilize feedback for continuous improvement.

#### **4. Business Ethics and Code of Conduct**

- a. The Board of Directors shall formulate a policy on Business Ethics and Code of Conduct that contains the ethical values and work behavior of the Company's personnel in running the Company's business.
- b. The values of business ethics adopted by the Company must support the Company's vision, mission, goals and strategies, and must be implemented first by the Company's leadership, and subsequently permeate all levels of the Company.
- c. Every employee of the Company shall uphold the values of the code of conduct established in the Company.
- d. The Code of Conduct is developed to maintain a professional, honest, open, caring, and responsive work environment for the Company's activities and Stakeholders.
- e. The code of conduct is developed to increase work motivation.
- f. All of the Company's personnel must apply the code of conduct and the Company's basic mental attitude consistently, and conduct periodic evaluations.
- g. The Company's internal policy on Business Ethics and Code of Conduct containing ethical values and work behavior must be obeyed by all Company personnel.

#### **5. Company Policy**

The Company has established, implemented and maintained the Company's policy which contains a commitment to comply with the provisions of the Articles of Association and prevailing laws and regulations. The Company's policies include all provisions, business process frameworks and/or operations owned by the Company, with the aim of achieving the Company's vision and mission. All of the Company's policies are made in line with the Company's Risk Appetite Statement (RAS) and reviewed periodically to ensure compliance with the Company's business needs and developments.

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### **CHAPTER III - PRINCIPLES OF GOOD CORPORATE GOVERNANCE**

The Company ensures that the principles of Good Corporate Governance are applied to every aspect of the business and at all levels of the Company. These principles include transparency, accountability, responsibility, independency, and fairness.

#### **1. Transparency**

The Company guarantees transparency and objectivity in carrying out the decision-making process to carry out its business activities. The Company shall provide material and relevant information about the Company in a manner that is easily accessible and understood by the Stakeholders. The Company shall take the initiative to disclose not only the information required by the Articles of Association and applicable laws and regulations, but also other important matters that affect the decision-making of the Stakeholders.

The implementation of the transparency principle includes:

- a. All material and relevant information regarding the Company is delivered in a timely, adequate, clear, accurate, and easily accessible manner to the Stakeholders in accordance with their rights.
- b. Information that must be disclosed by the Company includes disclosure that is not limited to the vision, mission, business objectives, strategy, financial condition, composition and compensation of the Board of Directors and Board of Commissioners, majority Shareholders, share ownership by members of the Board of Directors and Board of Commissioners and their families in the Company and other companies, risk management system, internal supervision and control system, system and implementation of Good Corporate Governance and level of compliance in its implementation, and important events that may affect the condition of the Company proportionally.
- c. The implementation/application of the principle of information disclosure is intended so that Shareholders and other Stakeholders can see how the Company is managed, the process of making a decision, and the implementation of accountability for decisions made by the Company.
- d. Information disclosure does not reduce the Company's obligation to protect confidential information regarding the Company, the Company's Management and other related parties, in accordance with the Articles of Association and applicable laws and regulations.

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- e. Transparency in providing explanations about transactions with Affiliated Parties (parties with special relationships).

## 2. Accountability

The Company works with high accountability and can account for all its actions transparently and fairly for the benefit of the Company in accordance with the provisions of the Articles of Association, applicable laws and regulations, ethical business behavior, and the Company's Culture while taking into account the interests of Stakeholders in order to achieve the Company's sustainable performance.

The implementation of the principle of accountability includes the following:

- a. The Company determines the details, duties, and responsibilities of each Company Organ clearly and in line with the Company's vision, mission, goals, and strategies so as to create a balance of power and effective management of the Company.
- b. The Company implements the principle of accountability by emphasizing on improving the function and role of each Company Organ and Management so that the management of the Company's business can run well, where each party who holds a position in the Company Organ and Management must have competence in accordance with their responsibilities and understand their role in the implementation of Good Corporate Governance.
- c. The Company ensures the existence of effective structures, systems, policies, and supervision in order to ensure the implementation of a check and balance mechanism in the implementation of the Company's internal control system for the achievement of the Company's vision, mission, and objectives.
- d. The Company formulates performance measures of all levels of the Company based on agreed measures that are consistent with the Company's corporate values, goals and strategies and has a reward and punishment system.
- e. The Company has a code of ethics which is a written guideline on ethical sensibility, ethical reasoning, and ethical conduct, in order to successfully implement Good Corporate Governance.

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### 3. Responsibility

The Company adheres to the principle of prudence and ensures compliance with the Company's Regulations, Articles of Association, and applicable laws and regulations, as well as carrying out social responsibility, including concern for the community and environmental sustainability, especially around the Company by making adequate planning and implementation so that the Company's business continuity is maintained. This principle is the main basis for the Company's organs, especially the Board of Commissioners and the Board of Directors, in carrying out the Company's operations which must be in accordance with the Company's policies that have been outlined, and are responsible for any actions taken in the implementation of the Company's operations.

### 4. Independency

The Company is managed independently and professionally by avoiding conflicts of interest and influence/pressure from any party that is not in accordance with applicable laws and regulations and sound corporate principles. Implementation of the principle of independence is carried out with due regard to the following matters:

- a. Each organ of the Company must carry out its functions and duties by prioritizing independence and objectivity to avoid domination by any party, not affected by certain interests, free from conflict of interests so that decisions can be made objectively.
- b. The Company's organs must carry out their functions and duties in accordance with the Articles of Association and applicable laws and regulations and respect each others rights, obligations, duties, authorities and responsibilities and decisions are always taken solely for the benefit of the Company.

### 5. Fairness


In implementing its activities, the Company always pays attention to the rights of the Stakeholders based on the principles of fairness and equality in accordance with the criteria and proportions that should be, so that no party is harmed. The implementation of the principles of fairness and equality is carried out by considering the following matters:

- a. The Company shall provide equal treatment to the Stakeholders in fulfilling their rights in accordance with the benefits and contributions made to the Company while taking into account

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the provisions of the Articles of Association and prevailing laws and regulations.

- b. The Company shall provide opportunities for Stakeholders to provide input and express opinions for the benefit of the Company and open access to information in accordance with the principle of transparency within the scope of their respective positions.
- c. The Company shall provide equal opportunities in recruiting employees, having a career and performing their duties professionally without discriminating against ethnicity, religion, race, class, gender, and physical condition.

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#### **CHAPTER IV - PROVISIONS FOR THE COMPANY'S ORGAN**


The Company's organs have an important role in the implementation of Good Corporate Governance. Each organ of the Company shall perform its functions in accordance with the provisions of the Articles of Association and prevailing laws and regulations on the basis of the principle that each organ has independence in carrying out its duties, functions and responsibilities for the benefit of the Company.

Based on Law Number 40 of 2007 concerning Limited Liability Companies ("Company Law"), the Company's organs are the General Meeting of Shareholders (GMS), the Board of Commissioners, the Sharia Supervisory Board, and the Board of Directors.

##### **1. General Meeting of Shareholders (GMS)**


In principle, the GMS, in which in this case the Minister of Finance of the Republic of Indonesia as the Shareholder, is the Company's Organ that holds the highest power in the Company and a forum for Shareholders to be able to participate in the process of making important decisions with due regard to the interests of the Company in the long term. In the implementation of Good Corporate Governance, the implementation of the Company's GMS must pay attention to the following provisions:

- a. The GMS must be held in accordance with the interests of the Company and take into account the provisions of the Articles of Association and prevailing laws and regulations. The GMS must be properly prepared and Shareholders must obtain their rights to obtain complete information and explanations, among others, regarding the following matters:
  - i. Shareholders are given the opportunity to propose the agenda of the GMS in accordance with the Articles of Association and prevailing laws and regulations.
  - ii. The GMS invitation must include complete and accurate information regarding the agenda, date, time, and venue of the GMS.
  - iii. Materials regarding each agenda item listed in the GMS invitation shall be available at the Company's office from the date of the GMS invitation to enable Shareholders to actively participate in the GMS and vote responsibly. If such materials are not yet available at the time of the invitation to the GMS, they must be provided before the GMS is held.
  - iv. Matters relating to the agenda of the GMS provided before and/or during the GMS.

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- v. Minutes of the GMS must be available at the Company's office, and the Company provides facilities for Shareholders to read the minutes.
- vi. Financial information and other matters concerning the Company contained in the annual report and financial statements.
- b. The types of GMS in the Company are:
- i. Annual General Meeting of Shareholders ("AGMS") held annually which includes:
    - 1) AGMS on the annual report and annual accounts; and
    - 2) AGMS on the Company's Work Plan and Budget ("RKAP").
  - ii. Extraordinary General Meeting of Shareholders ("EGMS") is a GMS held at any time based on the need if deemed necessary by the Board of Directors and/or Board of Commissioners and/or Shareholders.
- c. The AGMS regarding the approval of the annual report is held no later than 6 (six) months after the closing of the relevant financial year.
- d. The AGMS to approve the RKAP is held no later than 30 (thirty) days after the current fiscal year (the relevant RKAP fiscal year).
- e. Other GMS or EGMS can be held at any time based on the need for the interests of the Company.
- f. The Board of Directors organizes the AGMS and EGMS by preceding the invitation of the GMS.
- g. GMS decision making is carried out reasonably and transparently with due regard to matters necessary to safeguard the interests of the Company in the long term, including but not limited to:
- i. Members of the Board of Commissioners and the Board of Directors appointed in the GMS must consist of people who are fit and proper for the Company.
  - ii. In making decisions, accepting or rejecting the reports of the Board of Commissioners and the Board of Directors, it is necessary to consider the quality of reports related to the implementation of Good Corporate Governance.
  - iii. In determining the External Auditor, the opinion of the Board of Commissioners on the proposal of the Audit Committee must be considered.
  - iv. GMS decisions must be taken with due regard to the reasonable interests of Shareholders based on the provisions of the Articles of Association and applicable laws and regulations.




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- v. In making decisions on bonuses, tantieme, and dividends, the Board of Commissioners must consider the Company's financial health condition.
- h. Minutes of RUPS shall be prepared for each RUPS which at least contain the time, agenda, participants, opinions developed in the RUPS, and resolutions of the RUPS. The minutes of RUPS shall be signed by the chairman of RUPS and at least 1 (one) Shareholder appointed from and by the participants of RUPS. The signature is not required if the GMS is made by Notarial Deed. Each Shareholder is entitled to obtain a copy of the minutes of the GMS.
- The Corporate Secretary documents the minutes of the GMS and makes them available when requested by the Shareholders, the Board of Commissioners, and/or the Board of Directors.
- i. The organization of the GMS is the responsibility of the Board of Directors. For this reason, the Board of Directors must prepare and organize the GMS properly and with reference to letters a, b, c and d above in accordance with the Company's Articles of Association and prevailing laws and regulations.
- j. Shareholders may adopt resolutions outside the GMS physically, provided that all Shareholders with voting rights agree in writing by signing the resolution in question. The resolution of the Shareholders shall have the same binding legal force as the resolution of the GMS physically.
- k. The Shareholders' Resolution as referred to in letter (f) above may be made in the form of a resolution letter or an ordinary letter, both of which have binding force as a GMS Resolution. Ordinary letters are submitted in order to provide decisions on proposals submitted by the Board of Directors and/or the Board of Commissioners.

## **2. Board of Commissioners and Board of Directors**

The Board of Commissioners and Board of Directors have the authority and responsibility in accordance with their respective functions as mandated in the Articles of Association and prevailing laws and regulations. However, both have the responsibility to maintain the sustainability of the Company's business in the long term. Therefore, the Board of Commissioners and the Board of Directors must have the same perception of the Company's vision, mission and values.

The joint responsibility of the Board of Commissioners and the Board of Directors in maintaining the Company's long-term business continuity is reflected in:

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- a. Good implementation of internal control and risk management;
- b. Achieving optimal dividends for Shareholders;
- c. Reasonable protection of the interests of the Stakeholders;
- d. Implementation of reasonable leadership succession for management continuity in all lines of the Company's organization;
- e. Fulfillment of the mandate given by the Shareholders;
- f. Implementation of the Meeting;
  - i. Meetings of the Board of Commissioners and Board of Directors must be held regularly, at least once a month.
  - ii. Coordination meetings / joint meetings of the Board of Commissioners and Board of Directors are held as needed.
  - iii. Minutes of meeting must be made for each meeting, and the minutes of meeting must include dissenting opinions on what was decided in the meeting (if any).

In accordance with the vision, mission and values of the Company, the Board of Commissioners and the Board of Directors need to jointly agree on, among others, the following matters:

- a. Long-term plans, strategies, as well as the Company's annual work plan and budget.
- b. Policies in ensuring the fulfillment of the provisions of the Articles of Association and applicable laws and regulations as well as efforts to avoid all forms of conflict of interest.
- c. Policies and methods of assessing the performance of the Company, units within the Company, and its personnel.
- d. Organizational structure up to one level below the Board of Directors that can support the achievement of the Company's vision, mission, and values.

### **3. Board of Commissioners**

The Board of Commissioners as one of the Company's organs is collectively responsible for supervising and advising the Board of Directors and ensuring that the Company has implemented the principles of Good Corporate Governance. The position of each member of the Board of Commissioners including the President Commissioner is equal. The duty of the President Commissioner as *primus inter pares* is to coordinate the activities of the Board of Commissioners. In order for the implementation of the duties of the Board of Commissioners to run effectively, it is necessary to fulfill the following principles:

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- a. The composition of the Board of Commissioners must enable effective, appropriate, quick and independent decision making.
- b. Members of the Board of Commissioners must be professional, i.e. have integrity and ability so that they can carry out their functions properly including ensuring that the Board of Directors has taken into account the interests of the Stakeholders.
- c. The supervisory and advisory functions of the Board of Commissioners include preventive action, correction, up to temporary dismissal.

**Composition, Appointment, and Dismissal of Board of Commissioners Members**

- a. The number of members of the Board of Commissioners, including the composition of Independent Commissioners, is adjusted to the complexity of the Company and the prevailing laws and regulations while taking into account the effectiveness in decision making and being able to act independently.
- b. Appointment and Dismissal of members of the Board of Commissioners shall be made by the GMS based on the prevailing regulations. Prospective members of the Board of Commissioners must meet the requirements of the fit and proper assessment conducted by the authorized agency before carrying out their duties.
- c. Dismissal of members of the Board of Commissioners shall be based on reasonable grounds and afterwards the members of the Board of Commissioners shall be given the opportunity to defend themselves in accordance with the provisions of the Articles of Association and applicable laws and regulations.

**Capability and Integrity of Board of Commissioners Members**

- a. The number of members of the Board of Commissioners, including the composition of Independent Commissioners, is adjusted to the complexity of the Company and the prevailing laws and regulations while taking into account the effectiveness in decision making and being able to act independently.
- b. Appointment and Dismissal of members of the Board of Commissioners shall be made by the GMS based on the prevailing regulations. Prospective members of the Board of Commissioners must meet the requirements of the fit and proper assessment


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conducted by the authorized agency before carrying out their duties.

- c. Dismissal of members of the Board of Commissioners shall be based on reasonable grounds and afterwards the members of the Board of Commissioners shall be given the opportunity to defend themselves in accordance with the provisions of the Articles of Association and applicable laws and regulations.

**Function of Board of Commissioners**

- a. The Board of Commissioners is responsible for supervising and providing advice to the Board of Directors in the context of managing the Company. The Board of Commissioners shall not participate in making operational decisions of the Company with reference to the provisions in the laws and regulations.
- b. The Board of Commissioners is responsible for supervising and monitoring the compliance of the Board of Directors and the management team formed by the Board of Directors regarding the implementation of laws and regulations.
- c. If necessary for the interests of the Company, the Board of Commissioners may impose sanctions on members of the Board of Directors in the form of temporary dismissal, the implementation of which must be in accordance with the provisions of the Articles of Association and applicable laws and regulations.
- d. The Board of Commissioners must have a charter so that the implementation of its duties can be directed and effective and can be used as one of the tools for assessing their work.
- e. The Board of Commissioners, in carrying out its function as supervisor, shall submit a supervisory accountability report on the management of the Company carried out by the Board of Directors to the GMS in order to obtain release and discharge of responsibility (*acquit et decharge*) from the GMS. Further provisions regarding the functions of the Board of Commissioners are as stipulated in the laws and regulations, the Articles of Association, and/or the Company's Board Manual.
- f. The Board of Commissioners is responsible for reviewing and evaluating the Company's strategic plan by considering the current and future environmental conditions and considering various available alternatives.

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- g. The Board of Commissioners may request information from the Board of Directors related to corporate activities and asset management.


#### **Duties and Authorities of Board of Commissioners**

- a. The Board of Commissioners shall implement Good Corporate Governance in accordance with its authority and responsibility.
- b. The Board of Commissioners shall ensure the implementation of Good Corporate Governance in every business activity of the Company at all levels and levels of the organization.
- c. The Board of Commissioners shall perform duties and authorities, among others, supervise the Company's basic and strategic policies, changes in the business environment that are expected to have an impact on the Company in a timely and efficient manner, follow up on audit findings and recommendations from external and internal auditors, report the implementation of duties and responsibilities to the GMS, the progress of the implementation of the mandate given to the Company, the performance of the Board of Directors, and provide advice to the Board of Directors if deemed necessary for and in the interests of the Company in accordance with the provisions of the resolutions of the GMS, the Articles of Association, and the Company Law while taking into account the interests of Shareholders and Stakeholders. Further provisions regarding the duties and authorities of the Board of Commissioners are as stipulated in the laws and regulations, the Articles of Association, and/or the Company's Board Manual.
- d. The Board of Commissioners may establish supporting organs that will assist the Board of Commissioners in carrying out its duties in accordance with the needs of the Company by referring to the GMS resolution, Articles of Association and prevailing laws and regulations.

#### **Independent Commissioners**

Independent Commissioner is a member of the Board of Commissioners who is not affiliated with members of the Board of Directors, other members of the Board of Commissioners, and controlling shareholders, and is free from business or other relationships that may affect his/her ability to act independently or act solely in the interests of the Company.

The requirements for Independent Commissioners are as follows:

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- a. 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;
- b. Does not have shares either directly or indirectly in the Company;
- c. Has no affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors, or Major Shareholders of the Company;
- d. Not having any direct or indirect business relationship related to the Company's business activities;
- e. Not concurrently serving as Board of Commissioners in other infrastructure financing companies and/or in companies engaged in infrastructure projects; and
- f. Not concurrently serving as Board of Commissioners in more than 3 (three) other companies.


#### **Accountability of Board of Commissioners**

- a. The Board of Commissioners in carrying out its function as supervisor and advisor on the management of the Company must submit an accountability for the implementation of its duties which is part of the annual report and must be submitted to the GMS for approval.
- b. With the approval of the annual report, the GMS has granted a release and discharge of the responsibility of each member of the Board of Commissioners to the extent that such matters are reflected in the annual report, without prejudice to the responsibility of each member of the Board of Commissioners in the event of a criminal offense or misconduct that causes losses to third parties that cannot be fulfilled by the Company's assets.

#### **4. Directors**

The Board of Directors as one of the Company's organs is in charge and responsible for managing the Company based on the provisions of the Articles of Association and prevailing laws and regulations. Each member of the Board of Directors may perform duties and make decisions in accordance with the division of duties and authority. To ensure that the Board of Directors' duties are carried out effectively, the following principles must be followed:

- a. The composition of the Board of Directors is formed in such a way as to enable effective, precise and quick decision making, and to be able to act independently for the benefit of the Company.

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- b. The Board of Directors must have good character and professionalism, i.e. integrity and have the necessary experience and skills to carry out their duties.
- c. The Board of Directors is responsible for the management of the Company and ensuring the sustainability of the Company.
- d. The Board of Directors shall be accountable for its management to the Shareholders in the GMS held in accordance with the provisions of the Articles of Association and prevailing laws and regulations.

#### **Composition of the Board of Directors**

- a. The composition of the Board of Directors must be adjusted to the complexity of the Company while taking into account the effectiveness in decision making by referring to the provisions in the laws and regulations and can act independently.
- b. Members of the Board of Directors are elected and dismissed by the GMS through a transparent process. The process of assessing candidates for members of the Board of Directors is carried out prior to the GMS.
- c. Dismissal of members of the Board of Directors is carried out by the GMS based on reasonable reasons and afterwards the person concerned is given the opportunity to defend him/herself.
- d. All members of the Board of Directors must be domiciled in Indonesia, in a place that allows the implementation of the Company's daily management duties.

#### **Capability and Integrity of Board of Directors**

- a. Members of the Board of Directors must meet the requirements of ability and integrity so that the implementation of the Company's management function can be carried out optimally.
- b. Members of the Board of Directors are prohibited from conducting transactions that have a conflict of interest with the interests of the Company and utilizing the Company for personal, family, business group, and/or other parties.
- c. Members of the Board of Directors must understand and comply with the Articles of Association and applicable laws and regulations, especially those relating to their duties and authorities.
- d. Members of the Board of Directors must understand and implement the policy on the Code of Corporate Governance.
- e. Members of the Board of Directors must provide a statement and commitment to the implementation of Good Corporate Governance by signing an integrity pact to comply with all provisions and laws

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and regulations relating to their authority and responsibilities.

#### **Function of Board of Directors**

The management function of the Company by the Board of Directors includes 5 (five) main tasks, namely management, risk management, internal control, communication, and social and environmental responsibility.


a. Management, which includes but is not limited to:

- i. Developing the Company's vision, mission, and values as well as short-term and long-term programs to be submitted and approved by the Board of Commissioners or GMS in accordance with the provisions of the Articles of Association and prevailing laws and regulations;
- ii. Controlling the Company's resources effectively and efficiently;
- iii. Taking into account the reasonable interests of the Stakeholders;
- iv. Authorizing a team formed to support the implementation of its duties and/or employees and/or supporting structures of the Company to carry out certain tasks, but the responsibility remains with the Board of Directors;
- v. Having rules and guidelines (Board Manual) so that the implementation of its duties can be directed and effective and can be used as one of the performance assessment tools;
- vi. Prioritizing the interests of the Company while taking into account the interests of the Employees as a whole in determining personnel policies; and
- vii. Providing fair treatment to Employees in self-development, awarding, and enforcing the provisions of Employee discipline.

b. Risk Management, which includes but is not limited to:

- i. Considering business risk in every decision/action.
- ii. Establishing and implementing an integrated risk management program that is part of the implementation of the Good Corporate Governance program.
- iii. Formulating risk management policies that include the authority and responsibility of work units with risk management functions, as well as risk management processes in identifying, measuring, and monitoring risks systematically, and supported by a framework that allows for a continuous improvement process on risk management activities.




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- iv. Ensuring the proper implementation of risk management policies by the person in charge at every level.
- v. The Board of Directors submits a report on the risk management profile and its handling together with the Company's periodic reports.
- c. Internal Control, which includes but is not limited to:
  - i. Establishing an effective internal control system to secure the Company's investments and assets which include:
    - The internal control environment within the Company is disciplined and structured.
    - Assessment of risk management.
    - Control activities at every level and unit in the Company's organizational structure.
    - Information and communication systems.
    - Monitoring in the form of an assessment process of the quality of the internal control system, including the internal audit function at every level and unit in the Company's organizational structure.
  - ii. Developing provisions governing the reporting mechanism for alleged irregularities.
  - iii. Following up on audit findings and recommendations from internal auditors, external auditors, the results of the Board of Commissioners' supervision and/or the results of certain examinations by other examining institutions.
- d. Communication, which includes but is not limited to ensuring smooth communication between the Company's Organs and Stakeholders by empowering the function of the Corporate Secretary.
- e. Social and environmental responsibility, which includes but is not limited to:
  - i. To maintain the sustainability of the Company, the Board of Directors must be able to ensure the implementation of social responsibility in accordance with the objectives set by taking into account the provisions of the Articles of Association and applicable laws and regulations;
  - ii. Have a clear and focused written plan and policy in implementing social responsibility.

**Duties and Authorities of Board of Directors**

- a. The Board of Directors shall perform its duties and authorities in accordance with the provisions of the Articles of Association and the Company Law with due regard to the interests of the Company and its Stakeholders and shall be accountable for the

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implementation of such duties to the Shareholders through the GMS.

- b. The Board of Directors shall submit information regarding their identity, main occupations, Board of Commissioners positions in subsidiaries/joint ventures and/or other companies, including meetings conducted in a fiscal year (internal meetings and joint meetings with the Board of Commissioners), as well as salaries, facilities, and/or other benefits received from the Company concerned and the Company's subsidiaries/joint ventures concerned, to be published in the Company's Annual Report.
- c. One member of the Board of Directors is appointed by the Board of Directors meeting as the person responsible for implementing and monitoring Good Corporate Governance in the Company.
- d. The Board of Directors shall implement Good Corporate Governance in every business activity of the Company at all levels of the organization.

#### **Implementation of Transparency, Accountability, and Orderly Administration**


To fulfill the requirements of accountability, transparency, and orderly administration, the Board of Directors must:

- a. Prepare the register of Shareholders, Special register, minutes of GMS and minutes of BOD meetings;
- b. Prepare the annual report and financial documents of the Company;
- c. Maintain all lists, minutes, and financial documents of the Company and other documents; and
- d. Keep at the domicile of the Company, all lists, minutes, financial documents of the Company, and other documents.

Upon written request from a Shareholder, the Board of Directors grants permission to the Shareholder to inspect the register of Shareholders, special register, minutes of GMS, and annual report as well as to obtain a copy of the minutes of GMS and a copy of the annual report.

#### **Accountability of Board of Directors**

- a. The Board of Directors shall prepare an annual report containing, among others, financial statements, performance report of the Company, report on the implementation of social and environmental responsibilities (if any), details of issues arising during the financial year affecting the Company's business activities, report on supervisory duties performed by the Board of Commissioners during the financial year just past,

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names of members of the Board of Directors and the Board of Commissioners and salaries and allowances or honorarium for members of the Board of Directors and the Board of Commissioners.

- b. The annual report must obtain approval from the GMS and the financial statements must obtain ratification from the GMS. By granting approval of the annual report and ratification of the financial statements, it means that the GMS has released and discharged the responsibility of each member of the Board of Directors to the extent that these matters are reflected in the annual report, without reducing the responsibility of each member of the Board of Directors in the event of criminal acts or mistakes that cause losses to third parties that cannot be fulfilled by the Company's assets.
- c. Financial statements must be made available before the GMS is held in accordance with the applicable provisions to enable Shareholders to make an assessment.


#### **5. Sharia Supervisory Board**

Sharia Supervisory Board is an organ of the Company that is tasked with providing advice and suggestions to the Board of Directors and overseeing the Company's Sharia business activities to comply with Sharia Principles. To ensure that the Sharia Supervisory Board's duties are carried out effectively, the following principles must be followed:

- a. The Sharia Supervisory Board must be composed in such a way that it can make effective, precise, quick, and independent decisions.
- b. Members of the Sharia Supervisory Board must be professionals, i.e., have integrity and expertise in the field of Sharia, so that the Company's sharia business activities are consistent with Sharia Principles and DSN-MUI fatwas.

#### **Composition, Appointment, and Dismissal of Sharia Supervisory Board Members**

- a. The Sharia Supervisory Board consists of 1 (one) or more members. The Sharia Supervisory Board consisting of more than 1 (one) member shall constitute a panel and each member of the Sharia Supervisory Board shall not act individually but by decision of the Sharia Supervisory Board. In the event that the Sharia Supervisory Board consists of more than 1 (one) member, one of the Sharia Supervisory Board shall be appointed as Chairman of the Sharia Supervisory Board.

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- b. Members of the Sharia Supervisory Board shall be appointed by the GMS upon the recommendation of the National Sharia Council - Indonesian Ulema Council (MUI). Members of the Sharia Supervisory Board may be dismissed at any time by resolution of the GMS.

#### **Capability and Integrity of Sharia Supervisory Board Members**


- a. Members of the Sharia Supervisory Board must fulfill other requirements stipulated by technical agencies based on laws and regulations, including fulfilling the provisions of the fit and proper assessment by the relevant technical agencies.
- b. Members of the Sharia Supervisory Board are prohibited from conducting transactions that have a conflict of interest with the interests of the Company and utilizing the Company for personal, family, business group, and/or other parties.
- c. Members of the Sharia Supervisory Board must understand and comply with the Articles of Association and prevailing laws and regulations, especially in relation to their duties and authorities.
- d. Members of the Sharia Supervisory Board must understand and implement the policy on the Code of Corporate Governance.
- e. Members of the Sharia Supervisory Board must provide a statement and commitment to the implementation of Good Corporate Governance as by signing an integrity pact to comply with all provisions and laws and regulations relating to their authority and responsibilities.

#### **Function of Sharia Supervisory Board**

- a. As a supervisor, representative, and advisor to the Board of Directors of the Company on matters related to the Company's operational activities based on Sharia Principles with due regard to the provisions of the Financial Services Authority and the fatwa of DSN-MUI.
- b. As a mediator between the Company and DSN-MUI in communicating proposals and suggestions for the development of the Company's products and services that require DSN-MUI review and fatwa.
- c. As a representative of DSN-MUI assigned to the Company.

#### **Duties and Authorities of Sharia Supervisory Board**

- a. Conduct reviews on policies and strategies related to compliance with sharia aspects/principles and ensuring that the Board of Directors of the Company takes the necessary steps in order to

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monitor and control the activities of sharia business activities.


- b. Conduct periodic review and ensure the fulfillment of sharia principles on sharia business activities and supervise that all sharia business activities of the Company are in accordance with sharia principles and fatwas of DSN-MUI.
- c. Act as an advisor and provide recommendations or views to the Board of Directors and Board of Commissioners on matters related to sharia principles.
- d. Accompany the Company or representing the Company in discussions with DSN-MUI and/or the Financial Services Authority (OJK) to discuss proposals and recommendations for sharia business products that require review and decisions from DSN-MUI and/or OJK.
- e. Provide a statement of sharia compliance with sharia principles for the Company's sharia products or services.

**Accountability of Sharia Supervisory Board**

- a. The Sharia Supervisory Board in carrying out its functions and duties shall submit the implementation of its duties as part of the annual report submitted to the GMS.
- b. Reporting the business activities and development of the Company to DSN-MUI. This is previously discussed together with the Board of Commissioners and the results have been known by the Board of Directors at least 1 (one) time in 1 (one) year.

**6. Work Relations between Shareholders, Board of Commissioners, Sharia Supervisory Board (DPS), and Board of Directors**


- a. Shareholders are responsible for determining the direction and objectives of the Company and authorizing the Company's Long Term Plan (RJPP) and the Company's Work Plan and Budget (RKAP), which among others contain the vision, mission, objectives, strategies, and targets to be achieved. However, Shareholders may not intervene in the Company's day to day operations which are the responsibility of the Board of Directors in accordance with the provisions of the Company's Articles of Association.
- b. Shareholders are entitled to obtain all information relating to the interests of the Company from the Board of Commissioners, Sharia Supervisory Board, and/or Board of Directors.
- c. The Board of Commissioners is responsible for the implementation of its duties to the GMS.

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- d. The Board of Directors prepares the Company's Long Term Plan ("RJPP") which is discussed and signed together with the Board of Commissioners to be submitted to the GMS for ratification.
- e. The Board of Directors prepares the Company's Work Plan and Budget ("RKAP") by taking into account the direction of the Shareholders and input from the Board of Commissioners and considering the RJPP that has been approved by the GMS.
- f. The Board of Directors provides Financial Reports and Management Reports (Monthly Reports and Quarterly Reports) as a means to disclose the Company's financial transactions and performance to Stakeholders in a transparent manner.
- g. The Board of Directors periodically reports corporate activities to the Board of Commissioners either in writing or in a meeting forum.

#### **7. Relation between the Company and its Subsidiaries**

Investments and divestment undertaken by subsidiaries in the form of equity and loans in various forms are carried out to provide optimal benefits for the Company and its subsidiaries and Stakeholders.

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## **CHAPTER VI - PROVISIONS FOR THE BOARD OF COMMISSIONERS**

### **1. Committees under the Board of Commissioners**

In order to perform its functions more effectively, the Board of Commissioners is entitled to obtain independent professional advice. If necessary, the Board of Commissioners may form committees as a supporting tool in carrying out its functions and duties as needed by taking into account the decisions of the GMS, the provisions of the Articles of Association, and the prevailing laws and regulations. Committees under the Board of Commissioners consist of the Audit Committee and other committees that may be formed as needed, such as the Risk Monitoring Committee and the Nomination & Remuneration Committee.


The duties, responsibilities, and authorities of each Committee under the Board of Commissioners are detailed in the Committee Establishment Decree made by the Board of Commissioners.

a. The Audit Committee is as follows:

i. The Company's Audit Committee has the following duties:

- 1) Assist the Board of Commissioners in ensuring the effectiveness of the internal control system and the effectiveness of the implementation of the duties of the External Auditor and internal auditors by monitoring and evaluating the planning and implementation of audits and monitoring the follow-up of audit results in order to assess the adequacy of internal control, including the adequacy of the financial reporting process;
- 2) To monitor and evaluate: (i) the implementation of the duties of the Internal Audit Division; (ii) the suitability of the audit by the public accounting firm with the applicable audit standards; (iii) the suitability of the financial statements with the applicable accounting standards; (iv) the implementation of follow-up by the Board of Directors on the findings of internal auditors and External Auditors; and (v) provide recommendations regarding the appointment of the External Auditor to the Board of Commissioners; and
- 3) Perform other duties in accordance with the Audit Charter, the Company's internal regulations, and prevailing laws and regulations.

ii. The Audit Committee is chaired by an Independent Commissioner and has at least 2 (two) other members from outside the Company, each of whom must have a background and ability in accounting and/or finance and expertise in the Company's business field.

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iii. The term of office of Audit Committee members who are members of the Board of Commissioners shall not exceed the term of office of the Board of Commissioners in the Company as stipulated in the Articles of Association and may be re-elected only for the next 1 (one) period.

iv. The Audit Committee is appointed for a period of 3 (three) years and can be extended once for 2 (two) years for the next term. The Board of Commissioners may at any time review the membership of the Audit Committee and dismiss it at any time before its term expires.

b. The Risk Monitoring Committee is as follows:

i. The Risk Monitoring Committee is tasked with assisting the Board of Commissioners, including:

- 1) To conduct periodic assessments and provide recommendations on the Company's business risks by evaluating the conformity between risk management policies and the implementation of these policies;
- 2) To assess on a periodic basis and provide recommendations on the Company's business risks by monitoring and evaluating the implementation of the duties of the Company's working unit in charge of risk management; and
- 3) To perform other duties in accordance with the Risk Monitoring Committee Charter, internal regulations of the Company, and prevailing laws and regulations.

ii. The Risk Monitoring Committee of the Company shall consist of at least 3 (three) persons, consisting of the Chairman and 2 (two) Members, appointed and dismissed by the Board of Commissioners of the Company. The Chairman of the Risk Monitoring Committee is an Independent Commissioner of the Company, while the Members are from outside the Company.


iii. The term of office of the Risk Monitoring Committee Members who are members of the Board of Commissioners shall not exceed the term of office of the Board of Commissioners in the Company as stipulated in the Articles of Association and may be re-elected only for the next 1 (one) period.

iv. One of the Company's Risk Monitoring Committee Members must have an educational background or expertise in risk management, and one must understand the Company's industry/business.

c. Nomination and Remuneration Committee

The remuneration system for the Board of Commissioners, Sharia Supervisory Board, and Board of Directors is based on the



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principles of fairness and the Company's performance. Remuneration for the Board of Commissioners is set by the GMS. Remuneration for the Sharia Supervisory Board is decided by the Board of Commissioners. Remuneration for the Board of Directors is determined by the GMS by taking into account the proposals of the Board of Commissioners. For the benefit of the Company, honorariums, tantieme, and other facilities are determined based on the GMS decision.

i. Nomination and Remuneration Committee is tasked with assisting the Board of Commissioners as follows:

- 1) Provide recommendations to the Board of Commissioners regarding employee remuneration policies to be submitted to the President Director, including the payroll system, provision of benefits, and continuity of income in old age;
- 2) Provide recommendations to the Board of Commissioners regarding employee nomination policies to be submitted to the President Director, including providing proposals for selection criteria and nomination procedures, and developing an assessment system;
- 3) Provide recommendations to the Board of Commissioners regarding the remuneration policy for the Board of Directors to be submitted to the Shareholders;
- 4) Prepare and provide recommendations to the Board of Commissioners regarding the system and procedures for the election and/or replacement of the Board of Directors to be submitted to the Shareholders;
- 5) Provide recommendations to the Board of Commissioners regarding independent parties who will become members of the Audit Committee and Risk Monitoring Committee;
- 6) Provide an evaluation of the implementation of the nomination and remuneration policy;
- 7) Ensure that the nomination and remuneration policy is at least, in accordance with financial performance and fulfillment of reserves as stipulated in the applicable laws and regulations, individual work performance, fairness and similar companies; and consideration of the Company's long-term goals and strategies; and
- 8) Perform other duties in accordance with the Nomination and Remuneration Committee Charter, internal regulations of the Company, and prevailing laws and regulations.

ii. Nomination and Remuneration Committee of the Company shall have at least 3 (three) members, consisting of 1 (one) Independent Commissioner as Chairman; 1 (one) member of the

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Board of Commissioners and/or 1 (one) party from outside the Company who is independent of the Company; or 1 (one) Company official under the Board of Directors in charge of human resources as a member, namely the Head of Human Resources Division as a non-voting member.

iii. The term of office of the Nomination and Remuneration Committee members who serve as members of the Board of Commissioners shall not exceed the term of office of the Board of Commissioners in the Company as stipulated in the Articles of Association and may be reappointed.


## **2. Secretariat of the Board of Commissioners**

The Board of Commissioners may establish a Board of Commissioners Secretariat to support the duties and operations of the Board of Commissioners. The Secretariat of the Board of Commissioners has the following duties:

- a. Preparing meetings, including briefing sheets of the Board of Commissioners;
- b. Preparing minutes of the Board of Commissioners/Supervisory Board meetings as well as coordination meetings/joint meetings between the Board of Commissioners and the Board of Directors in accordance with the provisions of the Articles of Association. The minutes of the meeting must include dissenting opinions about what was decided in the meeting (if any). The Secretariat of the Board of Commissioners shall communicate the decision of the Board of Commissioners to the Board of Directors no later than 7 (seven) days after it is passed;
- c. Administering the documents of the Board of Commissioners, both incoming and outgoing letters, minutes of meetings and other documents;
- d. Preparing the RKA of the Board of Commissioners;
- e. Drafting reports of the Board of Commissioners;
- f. Ensuring that the Board of Commissioners complies with laws and regulations and applies the principles of Good Corporate Governance;
- g. Providing information required by the Board of Commissioners periodically and/or at any time upon request;
- h. Coordinating members of Committees under the Board of Commissioners, if necessary, to expedite the duties of the Board of Commissioners;
- i. Serving as a liaison officer of the Board of Commissioners with other parties;

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- j. Ensuring the documents for organizing the activities of the Board of Commissioners; and
- k. Performing other duties of the Board of Commissioners and activities in accordance with the RKA of the Secretariat of the Board of Commissioners.

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**CHAPTER VI - PROVISIONS FOR THE COMPANY'S INTERNAL FUNCTIONS AND EXTERNAL AUDITORS**

**1. Internal Functions of the Company and Committees under the Board of Directors**

**a. Risk Management Function**


The Company must consider business risks in every decision or action. This underlies the development and implementation of an integrated risk management program, which is part of the implementation of Good Corporate Governance, and includes:

- i. Risk assessment is a series of actions carried out by the Board of Directors in order to identify, analyze, and assess the risks faced by the Company to achieve the set business objectives.
- ii. The risk analysis process includes estimation of the significance of the impact that will arise, assessment of the level of likelihood of risk occurrence, and determination of the steps needed to overcome the risk.
- iii. The Board of Directors identifies and assesses the potential risks faced by the Company.
- iv. The Board of Directors establishes strategies and policies for handling risk management and supervises their implementation.
- v. The Board of Directors discloses the policies implemented by the Company regarding risk management in the annual report.
- vi. The Board of Directors reports the risk profile analysis and its handling periodically to the Board of Commissioners in accordance with the level of the Company's needs.
- vii. The Board of Commissioners monitors the implementation of the Company's risk management and provides input for the Company's improvement.
- viii. The Company establishes a risk management function and determines its main tasks and functions so that, in an integrated manner, the process of managing the entire taxonomy of the Company's risks runs optimally.

**b. Internal Control System**

The Board of Directors must establish an effective internal control system to secure the Company's investments and assets. The internal control system includes, among others, the following matters:

- i. Internal control environment within the Company that is implemented in a disciplined and structured manner, consisting of:

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- Integrity, ethical values, and competence of Employees;
  - Management philosophy and style;
  - The manner in which management exercises its authority and responsibility;
  - Organization and development of human resources; and
  - Attention and direction given by the Board of Directors.
- ii. Assessment of business risk management, which is a process to identify, analyze, and assess relevant risk management.
  - iii. Control activities, which are actions carried out in a process of controlling the Company's activities at every level and unit in the Company's organizational structure, including authority, authorization, verification, reconciliation, assessment of work performance, division of tasks, and security of the Company's assets.
  - iv. Information and communication system, which is a process of presenting reports on operational and financial activities, as well as compliance with laws and regulations.
  - v. Monitoring, which is a process of assessing the quality of the internal control system, including the internal audit function at each level and unit in the Company's organizational structure so that it can be implemented optimally.
  - vi. Preparation of provisions governing the reporting mechanism for alleged irregularities in the Company concerned.

**c. Internal Supervision**

The Company organizes internal supervision by establishing Internal Audit as a work unit/internal supervision function of the Company to carry out the tasks of internal financial examination, operational examination, examination of the implementation of the Company's business activities, review the adequacy of the internal control system, and provide advice or opinion. The Internal Audit work unit is led by a head who is appointed and dismissed by the President Director based on the Company's internal mechanism with the approval of the Board of Commissioners.

The Company establishes an internal control policy/charter as a reference for each party in the implementation of internal control. Internal control functions include:

- i. Evaluation of the effectiveness of the implementation of internal control, risk management, and the Company's

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- governance process, in accordance with laws and regulations and Company policies; and
- ii. Examination and assessment of efficiency and effectiveness in finance, operations, human resources, information technology, and other activities.

In performing its duties, Internal Audit shall submit its accountability to the President Director. The Board of Directors shall follow up on audit reports conducted by Internal Audit and External Auditors, and report the progress of such follow-up to the Board of Commissioners.

Upon written request from the Board of Commissioners, the Board of Directors is obliged to provide information on the results of the examination or the results of the implementation of Internal Audit duties. The Board of Commissioners monitors the progress of follow-up on the Internal Audit and External Auditor reports. The Board of Commissioners provides assessment and input on the Internal Audit and External Auditor audit reports, covering the report material, audit objectives, and audit scope.

The Board of Directors must maintain and evaluate the quality of the internal control function in the Company and submit a report on the implementation of the internal control function periodically to the Board of Commissioners.


#### **d. Corporate Secretary**

The Board of Directors decides the organizer of the company secretarial function along with its duties and responsibilities in accordance with applicable internal regulations. The Corporate Secretary has the following functions:

- i. Ensure that the Company complies with regulations on disclosure requirements in line with the implementation of Good Corporate Governance principles.
- ii. Provide information required by the Board of Directors and Board of Commissioners periodically and/or at any time when requested.

Fulfillment of reports & information to Shareholders and regulators in a timely manner and in accordance with established standards, coordinating with relevant divisions in the preparation of management reports, Annual Report, and Sustainability Report, organizing corporate activities such as GMS and other corporate activities and ensuring the implementation of Good Corporate Governance are efforts to carry out the function of fulfilling disclosure requirements.

- iii. As a liaison

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The Corporate Secretary is in charge of maintaining and developing relationships with all Stakeholders, carrying out the Company's external communication, among others, through the Company's socialization activities such as investor forums, special events, publications, advertising, sponsorship, management of the Company's website, and others

iv. Organizing meetings of the Board of Directors and other meetings, as well as managing and storing the Company's documents

The Corporate Secretary organizes the activities of the Board of Directors meetings and other meetings along with the preparation of meeting minutes and provides all documents when requested by the Shareholders, Board of Commissioners, and/or Board of Directors. Minutes of meetings must be prepared for each meeting, and the minutes of meetings must include dissenting opinions with what was decided in the meeting (if any).

The Corporate Secretary arranges and stores the Company's documents, manages the Board of Directors' correspondence and manages the Company's library, performs other activities of the Bureau of the Board of Directors, as well as the implementation of social and environmental responsibility programs.


The implementation of the Corporate Secretary function shall be maintained and evaluated by the Board of Directors.

**e. Function of Information Technology Governance**

The Board of Directors establishes effective information technology governance and maintains and evaluates the quality of information technology governance functions in the Company. The implementation of information technology governance includes:

- i. Active supervision of the Board of Directors and Board of Commissioners;
- ii. Adequacy of policies on information technology management;
- iii. Adequacy of the process of identification, measurement, control, and monitoring of risks in the use of information technology;
- iv. Internal control system in the use of information technology.

The Board of Directors submits reports on the implementation of information technology governance periodically to the Board of Commissioners in accordance with applicable internal regulations.

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#### **f. Committees under the Board of Directors**

In performing its duties, the Board of Directors establishes Committees under the Board of Directors with the following objectives:

- i. Improving the efficiency and acceleration of the decision-making process of the Board of Directors in accordance with the object/scope of each Committee, while still prioritizing the principles of prudence and good governance.
- ii. Improving the risk management governance structure.
- iii. Improving the efficiency of transactional decision-making related to the Company's quality and services, particularly in the main activity areas.

The duties, responsibilities, and authorities of each Committee under the Board of Directors are regulated in the Decree of the Board of Directors.


## **2. External Auditor**

The presence of the External Auditor is required by the Company primarily to provide an opinion on the fairness, in all material respects, of the financial position, results of operations, changes in equity, and cash flows in accordance with generally accepted accounting principles in Indonesia presented to the Stakeholders. The Company requires an External Auditor who has obtained a license from the competent authority and is registered with the Financial Services Authority. The appointment of the External Auditor is performed by the GMS on the recommendation of the Board of Commissioners and must comply with the provisions of the Articles of Association and prevailing laws and regulations.

The Company in dealing with the External Auditor applies the following principles:

- a. The External Auditor who conducts the audit of the financial statements is appointed by the GMS from the candidates proposed by the Board of Commissioners based on the proposal of the Audit Committee along with the reasons for the nomination and the amount of honorarium proposed for the External Auditor. External Auditors who perform other audits are appointed by the Board of Directors.
- b. To appoint the candidates of External Auditor, the Board of Commissioners or the Audit Committee may request assistance from the Board of Directors if necessary.



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- c. The External Auditor must be free from the influence of the Board of Commissioners, Board of Directors, and interested parties in the Company.
- d. The External Auditor shall audit the Company's financial statements to provide an opinion on the fairness of the presentation of the financial statements independently and professionally.
- e. The Company shall provide the External Auditor with all necessary accounting records and supporting data to enable the External Auditor to give its opinion on the fairness, accuracy, and conformity of the Company's financial statements with Indonesian financial accounting standards.
- f. In the event that the External Auditor conducts an audit of compliance, reliability of the internal control system, and performance evaluation, the Company will provide all necessary data in accordance with generally accepted auditing standards.
- g. The External Auditor shall submit the audit report to the Board of Directors and Board of Commissioners in a timely manner.

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## **BACHAPTER VII - PROVISIONS FOR STAKEHOLDERS**

The Company conducts value-added relationships for the Company and Stakeholders. Between the Company and its Stakeholders, relationships must be established in accordance with the principles of fairness, equality, and mutual respect based on the provisions of the Articles of Association and prevailing laws and regulations. The Company shall respect the rights of Stakeholders arising under the laws and regulations, and/or agreements.

### **1. Shareholders**

Shareholders as owners of capital, have the rights and responsibilities for the continuation of the Company on an ongoing basis, which is carried out in accordance with the provisions of the Articles of Association and prevailing laws and regulations. In exercising such rights and responsibilities, Shareholders need to pay attention to the following principles:

- a. Shareholders must realize that in exercising their rights and responsibilities, they must pay attention to the survival of the Company.
- b. The Company must ensure the fulfillment of the rights and responsibilities of Shareholders on the basis of the principles of fairness and equality in accordance with the provisions of the Articles of Association and prevailing laws and regulations.

The Company shall treat the Shareholders in accordance with the prevailing provisions and ensure that each Shareholder receives fair treatment and can exercise its rights in accordance with the Articles of Association and prevailing laws and regulations.

In conducting relationships with Shareholders, the Company always encourages its implementation based on the following provisions:

- a. Protect the rights of Shareholders in accordance with the provisions of the Articles of Association and prevailing laws and regulations.
- b. Maintain an orderly and regular register of Shareholders in accordance with the Articles of Association and prevailing laws and regulations.
- c. Provide information about the Company in a timely, accurate, and regular manner to all Shareholders.
- d. Provide a complete explanation and accurate information regarding the organization of the GMS.
- e. Treat Shareholders reasonably where information disclosure is provided to Shareholders unless the Board of Directors has a justifiable reason not to provide it.

In addition, in establishing relationships between the Company and Shareholders, Shareholders are obliged to carry out their

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responsibilities as owners of capital in accordance with the provisions of the Articles of Association and applicable laws and regulations, including but not limited to Shareholders are prohibited from utilizing the Company for personal, family, other party, or business group interests in a manner that is contrary to the Articles of Association and / or applicable laws and regulations and the principle of fairness and are not allowed to interfere in the Company's operational activities which are the direct responsibility of the Board of Directors.

## **2. National and Regional Government**

In interacting with the National and Regional Governments, the Company always establishes constructive relationships and communication on the basis of honesty and mutual respect by prioritizing the public interest.

Any relationship with Government officials must be maintained as an objective and reasonable relationship based on ethical business conduct, the provisions of the Articles of Association, and applicable laws and regulations.

## **3. Legislative and Judicial Institutions**

a. The Company is committed to developing and maintaining good relationships and effective communication with Legislative and Judicial Institutions that have authority over the Company's operations within the tolerance limits allowed by law and in accordance with the provisions of the Articles of Association, the Company's Code of Values, ethical business conduct, and applicable laws and regulations.

b. Any such relationship must be maintained as an objective and reasonable relationship and conducted in an ethical manner based on the application of the principles of Good Corporate Governance to avoid the practice of Corruption, Collusion, and Nepotism ("KKN").

## **4. Mass Media**

The Company establishes open and responsible two-way communication to improve a climate of mutual trust and respect with the Mass Media in accordance with applicable laws and regulations.

In order to support the implementation of intensive communication, the Company will provide relevant and balanced information to the Mass Media.

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## 5. Creditors/Investors

The Company will play a role as a facilitator and catalyst in financing infrastructure projects in Indonesia by acting as an intermediary between the creditor/investor as the provider of funds and the interests of the project owner on the other side.

In implementing relationships with creditors/investors, the Company prioritizes the following principles:

- a. Partnership with Trust, in which cooperation is conducted based on the principles of mutual trust and mutual benefit.
- b. Transparency, in which the Company will provide actual and prospective information for prospective creditors/investors and provide open information on the use of funds to increase creditors/investors' trust.
- c. Integrity, in which the Company will establish cooperation with creditors/investors based on aspects of credibility and reliability that can be accounted for.

## 6. Debtors, Clients, and Other Customers/Service Users of the Company

The Company is committed to continuously developing a professional and quality service culture by always trying to prioritize the quality of satisfaction of debtors, clients, and other customers/service users of the Company without neglecting the interests of the Company, and building long-term relationships that are mutually beneficial for both parties.

In carrying out relationships with debtors, clients, and other customers/service users of the Company, the Company always strives to prioritize the following principles:

- a. Prioritizing quality in every financing product and consulting service.
- b. Prioritizing the satisfaction of debtors, clients, and other customers/service users of the Company.
- c. Provide relevant information to debtors, clients, and other customers/service users of the Company in a transparent, accurate, and timely manner regarding all terms, conditions, rights, and obligations.
- d. Comply with any business agreements prepared in written documents based on good faith and mutual benefit but still within the limits of applicable regulations.
- e. Protect the rights of debtors, clients, and other customers/service users of the Company in order to provide optimal results based on high integrity, honesty, and professionalism.

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## 7. Employees

The Company determines remuneration, provides training, determines career paths, salary amounts, participation in training, and other employment requirements objectively, without distinguishing ethnicity, origin, gender, religion, birth origin, or other special circumstances protected by laws and regulations or other matters that are not related to performance. The Board of Directors must first obtain approval from the GMS to enter into agreements with Employees relating to Employee income that is not required by laws and regulations or whose amount exceeds the standards set by laws and regulations.

The Company builds relationships with Employees through a free, open, and responsible two-way communication system, including conducting Employee satisfaction surveys. Every Employee may submit suggestions, opinions, or proposals regarding his/her work for the Company's progress or other matters concerning work relations to the Head of Division or immediate superior or to the authorized work unit as outlined in written regulations that clearly regulate recruitment patterns and Employee rights and obligations.

The Company shall strive for a conducive working environment, including occupational health and safety, so that each Employee can work creatively and productively, free from all forms of pressure and harassment that may arise as a result of differences in character, personal circumstances, and cultural background.

The Company shall ensure the availability of information that needs to be known by Employees through a well-run and timely communication system. The Company shall ensure that Employees do not use the Company's name, facilities, or good relations with external parties for their personal interests. For this reason, the Company must have a system that can ensure that each Employee upholds the Company's ethical standards and values and complies with applicable internal policies, regulations, and procedures.

Facing the challenges of the infrastructure financing industry, the Company will always focus on developing the quality of its human resources to improve their competence and capability as professionals. To achieve the best performance and win the competition, the Company will always strive to improve the quality of its human resources, in addition to improving the quality of its services and work practices.

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## 8. Goods and Services Providers

In interacting with Goods/Services Providers, among others, suppliers and other parties who conduct business transactions with the Company, the Company always establishes good relationships based on professionalism, trust, honesty, and mutual respect, as well as provide equal opportunities for obtaining relevant information in accordance with business relations with the Company so that each party can make decisions on the basis of fair and reasonable considerations, unless otherwise required by the Articles of Association and applicable laws and regulations. In establishing relationships between the Company and Goods/Services Providers, all parties are obliged to keep information confidential and protect the interests of each other.

In implementing relationships with Goods/Services Providers, the Company always prioritizes the following principles:

- a. Competitiveness, which means that the procurement of goods/services must be carried out through selection and fair competition by providing equal treatment to all prospective business partners in meeting certain requirements/criteria of the Company.
- b. Transparency, which means that all provisions and information regarding the procurement of goods/services, including administrative technical requirements, evaluation procedures, and evaluation results, are submitted to prospective business partners who will do business with the Company.
- c. Fair or non-discriminatory, which means providing equal treatment for all prospective business partners proportionally and does not lead to giving advantages to certain parties in any way.

## 9. Community and Environment

In conducting its activities, the Company always pays attention to improving the welfare of the community at large through infrastructure development while maintaining environmental sustainability.

The Company supports all efforts to improve the quality of the environment by encouraging the development of environmentally sound infrastructure such as renewable energy, green funds, reducing carbon emissions, and protecting indigenous people.


The Company is committed to playing a role in the development of the surrounding community through the Company's Social and Environmental Responsibility program.

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#### 10. Working Partners

The Company strives to improve the climate of mutual trust, respect, and foster togetherness with partners by prioritizing the following principles:

- a. Creating open, balanced, and mutually beneficial cooperation (win-win solution) by not violating internal policies and applicable laws and regulations.
- b. Respect each other and build intensive communication with partners to obtain a better understanding in order to obtain the best solution in order to achieve optimal results.
- c. Avoiding corrupt practices in order to maintain cooperation and good relations based on the implementation of Good Corporate Governance principles.

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## **CHAPTER VIII - IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE**

In undertaking all of its business activities, the Company strives to implement the principles of Good Corporate Governance in line with the Company's vision, mission, and values. The principles of Good Corporate Governance guide the attitude and behavior of all levels of the Company and its Stakeholders.

### **1. The Company's Long Term Plan (RJPP) and the Company's Work Plan and Budget (RKAP)**

- a. The Board of Directors shall prepare RJPP and RKAP, which must be approved by the Board of Commissioners, and ratified by the GMS.
- b. The RJPP at least contains an evaluation of the implementation of the previous RJPP, the current position of the Company, the assumptions used in the preparation of the RJPP, and the determination of the mission, goals, strategies, policies, and long-term work programs. The RKAP shall at least contain the mission, business objectives, business strategies, corporate policies and work programs/activities, detailed corporate budgets for each work program/activity budget, financial projections of the company and its subsidiaries, and other matters requiring GMS decisions.
- c. RKAP proposal prepared with reference to RJPP to the Shareholders for approval no later than 60 (sixty) days before entering the new fiscal year.
- d. The Board of Directors shall send the RJPP proposal to the Shareholders for approval no later than 90 (ninety) days before entering the new RJPP period.
- e. The Board of Commissioners provides input during the preparation of the RJPP and RKAP and conducts discussions together with the Board of Directors before giving approval.
- f. In situations and conditions that will significantly affect the performance and achievement of the Company's goals, the RJPP can be adjusted to anticipate changes that will occur.
- g. The Annual GMS shall ratify the RKAP for the following fiscal year, which shall be held no later than 30 (thirty) days after the end of the fiscal year.
- h. The GMS shall approve the draft RJPP no later than 30 (thirty) calendar days after the RJPP period ends.
- i. The Board of Directors is responsible for the implementation of the RJPP and RKAP as well as conducting evaluation and control.
- j. Any amendment to the RKAP must be approved by the GMS, unless otherwise specified in the GMS decision.



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- k. The Board of Commissioners shall monitor the implementation of the RKAP and its compliance with the RJPP and provide input in an effort to achieve it.
- l. Further provisions regarding the preparation of RJPP and RKAP are regulated in the Company's internal policies.

## **2. Procurement of Goods/Services**


- a. Procurement of goods/services within the Company shall apply the principles of efficiency, effectiveness, transparency, fairness/non-discrimination, competitiveness, and accountability.
- b. The Company establishes a policy on the procurement of goods/services to provide a reference in the implementation of procurement in accordance with applicable provisions/regulations. The procurement policy must be reviewed periodically.
- c. The procurement function division, as the executor of goods/services procurement, shall report on the implementation of goods/services procurement periodically to the Board of Directors.
- d. The Internal Audit Division shall monitor the procurement of goods/services and report the results of its examination to the Board of Directors.

## **3. Information**

- a. Access to Information
  - i. The Board of Commissioners, and other Stakeholders are entitled to obtain complete, accurate and timely information about the Company proportionally.
  - ii. The Board of Directors is responsible for ensuring that information about the Company is provided to the Board of Commissioners and Shareholders in a complete, accurate, and timely manner.
  - iii. The Board of Directors communicates effectively with work units, fellow Directors, the Board of Commissioners, and Shareholders through appropriate and efficient communication media.
  - iv. The Board of Directors establishes policies regarding information management, including the classification of information confidentiality.
  - v. The Corporate Secretary ensures that the information managed is valid, complete, accurate, punctual, and relevant in assisting decision making.

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- i. The Corporate Secretary ensures that the information managed is valid, complete, accurate, punctual, and relevant in assisting decision making.
  - ii. The Board of Commissioners and the Board of Directors ensure that the External Auditor, internal auditor, and Audit Committee, as well as other committees, have access to accounting records, supporting data, and information about the Company, to the extent necessary to carry out their duties.
- b. Information Confidentiality
- In implementing the principle of information disclosure, the Company adheres to the confidentiality provisions as stipulated in the applicable laws and regulations, including but not limited to:
- i. Unless required in the provisions of laws and regulations, the Articles of Association, and/or the Company's regulations, Internal Audit, External Auditors, members of the Board of Commissioners Organ, and Employees shall keep confidential the information obtained while performing their duties in accordance with the provisions of the Articles of Association and applicable laws and regulations
  - ii. The Board of Directors, Sharia Supervisory Board, and Board of Commissioners are responsible for maintaining the confidentiality of the Company's information.
  - iii. Information, which based on the provisions of laws and regulations and/or the provisions of the Company, constitutes confidential information relating to the Company, shall be kept confidential in accordance with the laws and regulations and/or the Company's policies.
- c. Information Disclosure
- The implementation of information disclosure refers to the Company's policy on public information disclosure prepared based on the provisions of the Articles of Association and prevailing laws and regulations.
- The Company shall disclose important information in the Company's annual report and financial statements in accordance with the laws and regulations in a timely, accurate, clear, and objective manner.
- d. Ownership of Information and Intangible Assets
- Information and all intangible assets, including research results, technology, and intellectual property rights obtained on assignment and/or at the expense of the Company become the property of the Company which must be set forth in an agreement.

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#### **4. Occupational Safety, Environmental Preservation, and Employment Opportunities**

##### **a. Occupational Safety and Environmental Preservation**


- i. The Board of Directors shall ensure that the Company's assets, business locations, and other facilities comply with the laws and regulations relating to occupational health and safety and environmental preservation.
- ii. The Company establishes aspects of Safety, Occupational, Health, and Environmental Protection (K3LL) in every activity consistently to minimize the potential negative impact of the neglect of HSE aspects through consistent and continuous implementation in accordance with the prevailing laws and regulations on safety, occupational, health, and environmental protection.
- iii. The Company is committed to the continuous improvement of various infrastructure related to K3LL and includes Employee participation as part of efforts to improve the implementation of occupational health and safety.

##### **b. Equal Employment Opportunity**

The Board of Directors shall hire, determine the amount of salary, provide training, determine career paths, and determine other employment requirements without regard to ethnic background, religion, gender, age, disability, or other special circumstances protected by laws and regulations. The Board of Directors shall provide a work environment that is free from any form of pressure (harassment) that may arise as a result of differences in character, personal circumstances, and cultural background.

##### **i. Formation of Employees**

- Procurement, recruitment, appointment, placement, position, rank, and title of Employees are carried out through a needs analysis process without distinguishing religion, race/ethnicity, class, descent, or gender.
- Every Employee has the right to the same opportunity to develop a career in accordance with his/her abilities on the basis of a work performance assessment in accordance with the work performance standards used, without distinguishing religion, race/tribe, class, descent, or gender.
- Placement of Employees in positions is carried out based on professionalism according to competence, work

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performance, and other objective conditions, in accordance with the law in the field of labor.


- The Board of Directors has the authority to accept, appoint, place, and dismiss Employees, as well as impose disciplinary sanctions in accordance with applicable regulations.
- The Board of Directors sets the standard of work performance for each position/job that is used as the basis for assessing work performance.
- The appointment of prospective Employees is determined by a Decree of the Board of Directors.

ii. Management Succession

- The Board of Directors determines the position requirements and selection process for Division Heads and other positions under them in accordance with the needs of the Company in carrying out its strategy.
- Establishment for positions one level below the Board of Directors must be reported to the Board of Commissioners.
- The Board of Directors determines the Company's Employee capability development program, both functional and structural, in a transparent manner.
- The Board of Commissioners monitors the filling of positions one level below the Board of Directors in an effort to attract and propose candidates for the Board of Directors to the GMS.
- Placement in positions is carried out based on the principle of professionalism in accordance with competence, work performance, and meeting objective requirements set by the Board of Directors.

iii. Performance Assessment

- Shareholders assess the performance of the Company, the Board of Commissioners, and the Board of Directors through the GMS.
- The Board of Commissioners sets indicators, conducts performance assessment for each of the Directors, and informs the relevant Directors and Shareholders.
- The Board of Commissioners prepares a work plan and work targets at the beginning of each year, and conducts a self-assessment of its achievements.
- The Board of Commissioners reports to the Shareholders if there are any signs of decline in the Company's performance.

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- The Board of Directors sets performance benchmarks for each work unit and conducts an annual assessment in a transparent manner to support the Company's performance.
- The Board of Commissioners assesses the Board of Directors' accountability for the implementation of risk management.

## **5. Code of Ethics, Anti-Corruption, Donations, and Pact of Integrity**

### a. Code of Ethics


The company establishes a code of ethics that contains the values of business ethics and behavior.

#### i. Business Integrity


A good relationship between the Company and its Stakeholders and an increase in Shareholder value in the long term can only be achieved through the Company's business integrity in every business activity, as described in detail in the policy on the Company's Business Ethics and Code of Conduct.

#### ii. Quality Management

- 1) The Company will gradually implement a consistent and integrated quality management system in all functions and levels by taking into account the effectiveness of business processes and the Company's overall performance in order to improve productivity and competitiveness.
- 2) The scope of quality management implementation shall include:
  - Design of products and services based on internal and external requirements and taking into account the current and future environment.
  - Management and control of processes and indicators with reference to customer and stakeholder satisfaction.
  - Improvement of service and product delivery through continuous quality improvement in all areas.
  - Implementation of quality as a work culture in every activity.
  - Increasing the reliability of field operations by taking into account aspects of safety, occupational health, and environmental protection.
  - Improving the quality of human resources through training, on-the-job training (OJT), and benchmarking to fulfill competencies in accordance with their positions.

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- The Board of Commissioners, Board of Directors, and all Employees are committed and fully involved in implementing the quality management system.
- 3) The implementation of quality management is supported by infrastructure that can ensure the continuity and quality of the quality management system.
  - 4) To achieve optimal results, the Company implements policies for the implementation of activities in each division and unit by referring to quality management standards based on applicable best practices. If deemed necessary, the Company will conduct an assessment of quality management conducted by a quality assessor determined by the Board of Directors.
  - 5) The implementation of this quality management system is carried out by all Employees at all levels, which includes:
    - Application of principles that prioritize the interests of the Company, focus on customer satisfaction in particular and Stakeholders in general, as well as the role and total involvement of all levels of management with due regard to environmental management.
    - Application of appropriate and relevant quality measurement methods and tools.
    - Implementation of continuous and sustainable quality improvement.
  - 6) The implementation of good quality management is reflected in the creation of effective and efficient business processes that can improve process performance, unit performance, and corporate performance.
  - 7) 7) In an effort to establish a quality culture, quality implementation can be included in job appraisals.
- iii. Conflict of Interest
- 1) A conflict of interest is a situation where a person or Company, because of its position or authority, has the ability, either professionally or by virtue of its capacity, in any way to exploit that position and authority for the benefit of that person or Company. At the level of individuals, conflicts of interest cause discrepancies between personal or family economic interests and the Company's economic interests. At the level of the Company, conflicts of interest affect the objective implementation of the Company's duties mandated by the commissioner. A conflict of interest results in one party working for two different and conflicting interests. In short, it is a


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conflict between individual interests and public or professional obligations.

- 2) Shareholders are not allowed to interfere with the Company's operational activities, which are the responsibility of the Board of Directors in accordance with the provisions of the Company's Articles of Association and prevailing laws and regulations.
- 3) The Board of Commissioners and the Board of Directors are prohibited from taking actions that have a conflict of interest and taking personal benefits, from the decision-making and/or implementation of the activities of the Company concerned, other than the legitimate income.
- 4) Members of the Board of Commissioners are prohibited from holding concurrent positions as members of the Board of Directors at BUMN, BUMD, private-owned enterprises, and other positions that may lead to conflicts of interest and are prohibited from concurrently holding the position of Member of the Board of Commissioners of the Company in accordance with the provisions of laws and regulations.
- 5) Members of the Board of Commissioners must disclose:
  - His/her and/or his/her family's share ownership in other companies, both domiciled in and outside the country; and
  - Financial and family relationships with other members of the Board of Commissioners;

In the Good Corporate Governance implementation report contained in the Annual Report as stipulated in the regulations.
- 6) The Board of Directors must disclose:
  - His/her and/or his/her family's share ownership in other companies, both domiciled at home and abroad; and
  - Financial and family relationships with other members of the Board of Directors;

In the report on the implementation of Good Corporate Governance as stated in the Annual Report as stipulated in the regulations.
- 7) The Board of Commissioners and the Board of Directors are not allowed to have interests that may interfere with their ability to carry out their duties independently and critically in relation to each other.
- 8) The Board of Commissioners and the Board of Directors are prohibited from conducting transactions that have a conflict of interest and taking personal advantage of the

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activities of the Company concerned, in addition to the salaries and facilities they receive as the Board of Commissioners and the Board of Directors, which are determined by the General Meeting of Shareholders (GMS).

- 9) Between members of the Board of Directors and members of the Board of Commissioners, there must be no family relationship by blood up to the third degree, either in a straight line, sideways line, or consanguineous relationship (son-in-law or in-law).
- 10) Directors are prohibited from holding concurrent positions as members of the Board of Directors in BUMN, BUMD, private-owned enterprises, members of the Board of Commissioners and Supervisory Board in BUMN, other structural and functional positions in central and regional government agencies and institutions, as well as other positions that may lead to conflicts of interest and are prohibited from being concurrently held by the Company's Board of Directors in accordance with the provisions of laws and regulations.
- 11) The Board of Directors monitors and manages potential conflicts of interest between members of the Board of Directors and the Company's management under the Board of Directors.
- 12) All Employees must not hold concurrent positions in other companies or have businesses that may cause conflicts of interest directly or indirectly with the interests of the Company, unless they have received assignments or written permission from the Company.
- 13) The Board of Commissioners, Board of Directors, and Employees shall, in good faith, disclose any material transaction or relationship that may potentially cause a conflict of interest to the Ethics Officer.

**b. Anti-Corruption**

Members of the Board of Commissioners/Supervisory Board, Board of Directors, and Employees are prohibited from giving or offering, or accepting, either directly or indirectly, anything of value to or from a client/debtor or a government official to influence or in return for what he/she has done and other actions, in accordance with the provisions of laws and regulations. The provision of incentives to Employees or other parties that have been determined by the Company in the context of the Company's interests is exempted from these provisions.



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Members of the Board of Directors, Members of the Board of Commissioners, and certain officials of the Company appointed by the Board of Directors, must submit a wealth report in accordance with the provisions of laws and regulations.

c. Donation

The Company, within its limits of propriety, may make donations for charity and social purposes in accordance with laws and regulation.

d. Integrity Pact

The Board of Directors must sign a Pact of Integrity for transactional actions that require the approval of the Board of Commissioners and/or GMS.


## 6. Introduction Program and Company Development Program

An introduction program shall be implemented for the Board of Commissioners, Sharia Supervisory Board, or Board of Directors who are appointed for the first time in order to know their main duties, roles, and other matters concerning the Company.

The development program is a training and capacity building activity for the Board of Commissioners, Sharia Supervisory Board, and Board of Directors to improve their ability to carry out their main duties and functions.

In performing the above introduction and development program, the Company applies the following principles:

- a. The Corporate Secretary is responsible for conducting an introduction program for the new Board of Commissioners, Sharia Supervisory Board, and Board of Directors.
- b. The introduction program includes:
  - i. Implementation of Good Corporate Governance principles by the Company.
  - ii. An overview of the Company with regard to its objectives, nature and scope of activities, financial and operating performance, strategy, short-term and long-term business plans, competitive position, risks, and other strategic issues.
  - iii. Information relating to delegated authority, internal and external audit, internal control system, and Audit Committee.
  - iv. Information regarding the duties and responsibilities of the Board of Commissioners, Sharia Supervisory Board, and Board of Directors, as well as matters that are not allowed.
- c. The introduction program can be carried out in the form of presentations/seminars/workshops, meetings, site visits,


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document reviews, or other programs deemed appropriate to the Company where the program is implemented.

- d. The Company prepares a development program for the Board of Commissioners, Sharia Supervisory Board, and Board of Directors.
  - i. Development programs are implemented to improve the skills and knowledge of the Board of Commissioners, Sharia Supervisory Board, and Board of Directors.
  - ii. The development program may take the form of training, seminars, workshops, communication forums, or other programs aimed at developing skills and knowledge.
  - iii. The inclusion of development programs in the RKAP is adjusted to the Company's financial capacity.
  - iv. The Corporate Secretary is responsible for organizing development programs for the Board of Commissioners, Sharia Supervisory Board, and Board of Directors.

## **7. Financial Management**

- a. The Company's finances must be managed professionally, efficiently, effectively, responsibly, and accountably by considering risks and using the precautionary principle.
- b. The Board of Directors is responsible for:
  - i. Preparing financial statements in accordance with the Financial Accounting Standards (SAK) issued by the Indonesian Institute of Accountants (IAI).
  - ii. Increasing the Company's net income by improving the efficiency and effectiveness of the use of the Company's sources of funds.
- c. Budget preparation is coordinated among Divisions to synergize the budget proposals of each Division.
- d. Budget setting must consider the needs, resources, and limitations of the Company, as well as market opportunity analysis on the possibility of achievement (realistic).
- e. Evaluation of budget implementation and analysis of variances shall be conducted periodically in each division and/or the Company as a whole.
- f. The Company establishes a clear policy in terms of delegation of authority to authorize the expenditure of money.
- g. The Company's activities are carried out with reference to the predetermined budget.
- h. The Company's activities outside the predetermined budget must be reported to the Board of Commissioners.
- i. Each Division Head must be accountable for the financial management of their respective divisions.

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j. Monitoring of financial management by the Board of Directors is conducted by the Board of Commissioners.

k. Accounting Standard

The Company's accounting policies must reflect every financial transaction and change in assets and ensure that all financial transactions are accurately recorded in accordance with Indonesian Financial Accounting Standards. Therefore:

- The Company will always improve and adjust its accounting policies to comply with Indonesian Financial Accounting Standards.
- Every officer of the Company who is responsible for financial functions must understand and implement the Company's financial policies consistently.
- Each line of the Company responsible for financial functions must treat financial information in accordance with their authority.

l. Transaction with Related Parties

The Company has transactions with related parties, namely companies under the Company's group and other companies that have the same management with and/or from the Company. Transactions with related parties are conducted in a transparent and fair manner so that the interests of Shareholders and the Company are not harmed.

## **8. Decision Making and Delegation of Authority**

a. Decision Making

- All decisions in the meeting are made based on deliberation for consensus. If no consensus is reached, the decision is made based on a majority vote.
- If there is a dissenting opinion in the meeting, it must be documented in the minutes of the meeting.
- Every decision taken must take into account the Company's Stakeholders, the inherent risks, and the authority and responsibility of each decision-maker.
- The right to express opinions must be upheld in an effort to provide input for the purposes of improving the Company's performance.
- Binding decisions can also be made without a Board of Commissioners/Board of Directors meeting, provided that the decision is approved in writing by all members of the Board of Commissioners/Board of Directors.

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- The Board of Commissioners and Board of Directors must be consistent in implementing the decisions that have been made.
- b. Delegation of Authority


- The Board of Directors may delegate some of the Company's management authority to the lower ranks in accordance with applicable regulations, with consideration to support the smooth running of tasks and improve efficiency and effectiveness.
- The Head of Division must implement the delegated authority with full responsibility, and provide periodic reports on its implementation to the Board of Directors.
- Delegation of authority is reviewed periodically to be adjusted to the demands of the Company's development.
- Delegation of authority does not relinquish the responsibility of the Board of Directors.

#### **9. Social and Environmental Responsibility (SER)**

- a. The Company's TJSL activities include but are not limited to community empowerment efforts, environmental protection, fair and responsible labor practices, and protection of the interests of the Stakeholders.
- b. The Board of Directors shall establish and implement the Company's TJSL program periodically and report it to the Board of Commissioners and Shareholders.
- c. The Board of Directors shall ensure that the Company implements TJSL in accordance with the prevailing laws and regulations.
- d. The Board of Commissioners shall monitor and provide input on the implementation of the TJSL program.
- e. The implementation of the Company's TJSL program is published in the Company's annual report.


#### **10. Reports**

- a. Within 6 (six) months after the closing of the Company's financial year, the Board of Directors shall submit the annual report, which has been signed by all members of the Board of Directors and the Board of Commissioners to the GMS for ratification.
- b. The Board of Directors shall disclose important information in the annual report and financial statements of the Company in accordance with the prevailing laws and regulations in a timely, accurate, clear, and objective manner.
- c. The annual report, in addition to containing matters specified by laws and regulations, also contains information regarding the

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Company's development and efforts in implementing Good Corporate Governance.

- d. The Board of Commissioners shall discuss the annual report together with the Board of Directors before approving and submitting it to the Shareholders/GMS.
- e. All members of the Board of Directors and the Board of Commissioners are responsible for the contents of the annual report signed jointly.
- f. The Board of Commissioners submits a report on the implementation of the Board of Commissioners' work that has been carried out and the Board of Commissioners' work program for the next period to the Shareholders.
- g. The Board of Commissioners submits a performance assessment report of each member of the Board of Directors to the Shareholders.
- h. The Board of Directors submits a special report to the Board of Commissioners and Shareholders whenever there is an important event and/or at the request of the Board of Commissioners/Shareholders.
- i. The Board of Directors submits a management report every quarter to the Board of Commissioners, no later than 30 (thirty) days after the quarter ends.
- j. The Board of Directors submits a management report every quarter (quarters I to III) to the Shareholders no later than 30 (thirty) days after the quarter ends and the annual Management Report (quarter IV) no later than 60 (sixty) days after the quarter IV ends.
- k. The Board of Directors determines the mechanism for submitting accountability reports for each Work Unit in an adequate internal control system.
- l. The Board of Directors submits an information technology performance report to the Board of Commissioners.
- m. The Board of Directors submits reports and other relevant information to Stakeholders in an adequate and timely manner in accordance with the provisions of the relevant applicable laws and regulations.

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## **CHAPTER IX – SOCIALIZATION, MONITORING, AND PROTECTION**

### **1. Socialization and Implementation of Good Corporate Governance**

Socialization and implementation of policies on Corporate Governance will be implemented by the Corporate Secretary in collaboration with other related work units. Meanwhile, the audit of the implementation of policies on Corporate Governance is conducted and coordinated by the Internal Audit Division.

### **2. Compliance Monitoring and Evaluation of Good Corporate Governance**

- a. The Company must actively disclose the extent of implementation of Good Corporate Governance principles and problems encountered.
- b. Shareholders participate in the implementation of Good Corporate Governance in accordance with their authority and responsibility.
- c. The Board of Directors in carrying out its duties, shall apply the principles of professionalism, efficiency, and the principles of Good Corporate Governance, namely transparency, accountability, responsibility, independency, and reasonability.
- d. The Board of Directors monitors the practice of Good Corporate Governance in the Company.
- e. The assessment of Good Corporate Governance in the Company is conducted by an independent appraiser appointed by the Board of Commissioners, either a private appraiser or a competent Government Agency in the field of Good Corporate Governance periodically every 1 (one) year.
- f. Based on the assessment, the Company conducts an evaluation to describe the follow-up on the implementation and governance of the Company conducted in the following year (after the assessment), which includes an evaluation of the assessment results and follow-up on improvement recommendations.  
In the event that the evaluation is conducted with the assistance of an independent appraiser or using the services of a Government Agency, the independent appraiser or Government Agency conducting the evaluation cannot be the appraiser in the following year.
- g. The Corporate Secretary ensures compliance with the rules of corporate governance, and periodically reports to the Board of Directors.
- h. Internal Audit assesses the implementation of Good Corporate Governance periodically, and reports the results to the Board of Directors.

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This policy on Corporate Governance will be evaluated periodically and revised if necessary.

### 3. Reports

- a. The Corporate Secretary shall prepare a report on the implementation of Good Corporate Governance principles at the end of each fiscal year and report to the GMS together with the submission of the annual report. The report consists of:
  - Results of the implementation of assessment and evaluation; and
  - Disclosure of conformity and explanation if there is any non-conformity with the policy on Corporate Governance.
- b. Any Employee may submit a report regarding alleged violations of the policies on Corporate Governance personally by telephone, letter, or email by including supporting documents to the supervisor in charge, the Corporate Secretary, or through the whistleblowing system mechanism. The Company will follow up on all reports of violations.
- c. Based on the reports of the Corporate Secretary and Internal Audit (if any), the Board of Directors reports the implementation of Good Corporate Governance to the Board of Commissioners and Shareholders.
- d. The Board of Commissioners monitors the effectiveness of the implementation of Good Corporate Governance practices in the Company, and reports to the Shareholders.

### 4. Company Protection

The Company provides protection to the Board of Commissioners, Sharia Supervisory Board, Board of Directors, Employees, former Board of Commissioners, former Sharia Supervisory Board, former Board of Directors, and former Employees who carry out the Company's activities that have consequences of lawsuits from external parties or internal parties as long as they have been carried out solely for the benefit of the Company and the decision regarding the matter is made objectively, has no conflict of interest, and does not conflict with the provisions of the Articles of Association and applicable laws and regulations.

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## **BACHAPTER X - CLOSING**

Good Corporate Governance is a system that ensures good management in determining and achieving the Company's objectives so it must be implemented consistently.

In connection with the implementation of Good Corporate Governance, it is necessary to pay attention to the following matters:

1. Building commitment, involvement, and leadership from the Board of Commissioners and Board of Directors;
2. Developing good Corporate Values and Corporate Culture as the basis for directing and developing mindset and behavior;
3. Creating a healthy organizational environment; and
4. Implementing policies on Business Ethics and Code of Conduct.

By implementing Good Corporate Governance, the Company is expected to be able to carry out the Company's activities efficiently and effectively so as to carry out the mandate of the Shareholders.

This policy is effective from the date of stipulation in its legal regulations. When this policy is in effect, provisions that conflict with the provisions in this policy are declared no longer valid.