



**The Board of Commissioners Charter
PT CITRA TUBINDO TBK**

**The Board of Commissioners
Batam, July 2016**

THE BOARD OF COMMISSIONERS CHARTER

1. INTRODUCTION

As an Indonesian limited liability company, PT Citra Tubindo Tbk (the “Company” or “Citra Tubindo”) has 3 (three) corporate bodies, comprising:

1. The General Meeting of Shareholders
2. The Board of Commissioners
3. The Board of Directors

Each corporate body of the Company has its respective duties and authorities with independence to carry out its respective duties and authorities in accordance with the Articles of Association of the Company and prevailing laws and regulations.

The General Meeting of Shareholders (“GMS”) in principle is the forum for shareholders to determine members of the Board of Directors and Board of Commissioners of the Company as well as to approve annual financial statements, annual reports, appropriation of net income, changes to the capital and restructuring of the Company.

The Board of Commissioners carries out an oversight function, while the Board of Directors manages the Company.

This Board of Commissioners Charter (“Charter”) is issued to provide guidance to the Board of Commissioners and its members in carrying out their oversight function.

2. LEGAL BASIS

1. Company Law
2. Capital Market Regulations
3. Financial Services Authority Regulations
4. Indonesia Stock Exchange Regulations
5. Articles of Association of the Company

3. COMPOSITION

A. The Board of Commissioners consists of at least 3 (three) members, comprising Independent Commissioner which its number shall be adjusted under the regulation of Financial Service Authority and the prevailing law in Capital Market.

1 (one) of the Board of Commissioner shall be appointed as President Commissioner.

B. Term of Office

A Commissioner is appointed by a GMS, for a term of office from the date resolved in the GMS appointing him/her until the closing of the third Annual GMS following such date.

GMS may dismiss a Commissioner at any time assigning a reason there for after the Commissioner has been given a chance to defend him/herself in said GMS.

The term of office of a Commissioner shall terminate if he/she:

- bankrupt or under custody accordance with the court ruling;
- is dismissed by virtue of a resolution of the GMS.
- no longer complies with the requirements of the prevailing regulations having the force of law;
- tenders his/her resignation; and/or
- passed away;

A Commissioner, whose term of office has expired, may be reappointed by the GMS.

C. Resignation

1. A Commissioner may resign from his/her post by giving a written notice to the Company at least 30 (thirty) days prior to the resignation date.
2. The Company must convene a GMS to resolve such resignation at the latest 90 (ninety) days after receiving the resignation letter.
3. Commissioner who resigned will only be discharged from his/her responsibilities during his/her term of office, if a GMS releases him/her from his/her responsibilities;

D. Concurrent Positions

A Commissioner is restricted from holding concurrent positions in other Issuers or Public Companies. The Commissioner can only be:

1. a Director of a maximum 2 (two) other Issuers and/or Public Companies; and
2. a Commissioner of a maximum 2 (two) other Issuers and/ or Public Companies (excluding the Company).

In the event that a Commissioner of the Company does not hold a concurrent position as a Director in another Issuer and/or Public Companies, he/she can serve as a Commissioner of a maximum 4 (four) Issuers and/or Public Companies (excluding his/her position in the Company).

A member of the Board of Commissioners can serve as a member of Committee of a maximum 5 (five) Issuers and/or Public Companies (including his/her position in the Company).

4. DUTIES, AUTHORITIES AND ACCOUNTABILITY

A. Duties of the Board of Commissioners

The Board of Commissioners shall oversee the management policy of the Board of Directors and oversee and provide advice to the Board of Directors in managing the Company in accordance with the Articles of

Association, prevailing laws and regulations and with due observance to the principles of Good Corporate Governance.

The duties of the Board of Commissioners include among others:

1. To provide feedback and recommendations on the Company's annual working plan submitted by the Board of Directors;
2. To supervise the implementation of the principles of Good Corporate Governance in the Company's business activities
3. To supervise and advise the Board of Directors on the Company's business risks as well as management's efforts at internal control;
4. To supervise and advise the Board of Directors on the preparation and disclosure of periodic financial statements;
5. To consider decisions of the Board of Directors which are subject to the approval of the Board of Commissioners pursuant to article 18 of the Articles of Association (Appendix);
6. To provide a report of its supervision and advisory activities in the annual report and to review and approve the annual report;
7. To carry out nomination and remuneration function;
8. In certain situation, to convene an annual and extraordinary GMS in accordance with the Articles of Association.

The Board of Commissioners shall carry out its duties in good faith, with full responsibility and in a prudent manner in the interest of the Company and with due consideration to the interest of the stakeholders of the Company.

B. Authorities of the Board of Commissioners

In discharging its supervision and advisory duties, the Board of Commissioners is authorized to perform, among other things the following:

1. To inspect records and other documents, and to verify financial condition as well as assets of the Company;
2. To request written information to the Board of Directors relating to the Company and accept such information by latest 7 (seven) days since the request.
3. To suspend the members of the Board of Directors if they act contrary to the Articles of Association and/or the prevailing laws and regulations.

C. Accountability

The Board of Commissioners shall review for its approval the annual report prepared by the Board of Directors prior to the issuance of the annual report.

5. **MEETING**

A. Schedule

1. The Board of Commissioners shall hold regular a meeting at least once every 2 (two) months ("Regular Meeting").

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2. In addition the Board of Commissioner may hold a meeting (i) at any time whenever deemed necessary by the President Commissioner or 2 (two) or more members of the Board of Commissioners or (ii) upon a request of 1 (one) shareholder or more representing at least 1/10 (one tenth) of the total number of shares with valid voting rights.
3. The Board of Commissioners shall oblige to convene a joint meeting with the Board of Directors ("Joint Meeting") regularly at least once every four months.

B. Invitation and Material

1. Invitations for the Board of Commissioners meeting are issued by the President Commissioner or 2 (two) member of the Board of Commissioners;
2. Invitations for the Board of Commissioners meeting must be delivered to each member of the Board of Commissioners at least 7 (seven) calendar days before the meeting is convened (excluding the date of the invitation and the date of meeting). For urgent matters required to be discussed at a Board of Commissioners meeting, the period can be shortened to 2 (two) calendar days;
3. Invitations for the Board of Commissioners meeting (other than Regular and Joint Meeting) is not required if all members of the Board of Commissioners are present;
4. The material for the Regular Meeting and the Joint Meeting must be delivered to the member of the Board of Commissioners at least 5 (five) calendar days before the meeting is convened.
5. Materials for other meetings of the Board of Commissioners may be delivered within a shorter period.

C. Conduct and Resolutions

1. The Board of Commissioners meeting is valid and entitled to adopt legally binding resolutions if attended by more than 1/2 (half) of the total number of the Board of Commissioners;
2. The meeting shall be presided by the President Commissioner, and if the President Commissioner is absent, the meeting shall be presided by a Commissioner designated by the members of the Board of Commissioners is present at the meeting;
3. Resolutions of the meeting shall be taken based on deliberation to reach a consensus. If a consensus is not achieved, the resolutions shall be taken by affirmative votes of more than 1/2 (half) of the total number of the Board of Commissioners present at the meeting;
4. In the event of a tie vote, the proposal shall be deemed to be rejected;
5. Each Commissioner present shall be entitled to cast 1 (one) vote and 1 (one) additional vote for each other member of the Board of Commissioners who he/she legally represents;
6. Voting concerning an individual shall be made in an unsigned, folded ballot paper, while voting concerning other matters shall be conducted orally, unless the chairman of the meeting decides otherwise without any objection of other majority attendance;
7. The Board of Commissioners may also make legal decisions without holding any Meeting of the Board of Commissioners, on condition that

all members of the Board of Commissioners have been notified in writing concerning the proposal concerned and more than 1/2 (half) of number of members of the Board of Commissioners give approval concerning the proposal concerned in writing and signing the said approval.

The decision made in such way, has the same power as the decisions made legally in the Meeting of the Board of Commissioners.

6. VALUES

In conducting its functions and duties Company's Commissioner adhered to the following values :

1. Each Commissioner shall oblige with good faith and full responsibility in performing its duty for the interest of the company;
2. Commissioner shall oblige to observe the prevailing law, the Article of association of the Company, guidance of Good corporate of governance, code of conduct of the Company and the policies which has been determined by the Company;
3. Commissioner is prohibited to give or offering, or receive either directly or indirectly something which is worthed to other party to influence or as reward of something which has been conducted and another action which is contrary with the prevailing law;
4. Commissioner is prohibited to take personal advantage from the Company activity other than salary and other allowance which received as a Commissioner member based on the GMS Resolution;
5. Each member of Commissioner shall be obliged to respect right, duty and authority of another Commissioner;
6. The Board of Commissioners shall oblige to stay away from such action which can hamper work relationship between the Board of Commissioners and work relation with Board of Directors;
7. Commissioner shall be able to make himself as good pattern for the company worker, both integrity side moral and ability;
8. Commissioner shall be liable to keep the confidentiality of company information;
9. Confidential information which obtained in the duty of member of Commissioner shall be remained be kept accordance with the prevailing law;

7. RULES OF CONDUCT

- A. Transparency

In all communication with the Board of Directors and its members, the Board of Commissioners and its members shall act in an atmosphere of mutual trust and transparency.

B. Confidentiality

During his/her tenure and afterwards, a member of the Board of Commissioners shall not use or disclose (whether directly or indirectly) any confidential information belonging to the Company and/or its subsidiaries or any company in which the Company and/or its subsidiaries has an interest ("Confidential Information"). He/she is also prohibited from abusing such information.

C. Conflict of interest

A Commissioner should avoid putting him/herself into a position where his/her personal interests could conflict with his/her duty to the Company.

A Commissioner shall immediately report to the President Commissioner and to the other Board of Commissioners members any conflict of interest or potential conflict of interest with the Company and shall provide all relevant information in the report. The President Commissioner shall provide the Board of Directors with such information relating to the conflict of interest.

A transaction in which a Commissioner has a conflict of interest must obtain the approval of the Board of Commissioners, be concluded on terms and conditions which must comply with the applicable regulations on affiliated party and/or conflict of interest transactions.

A Commissioner who has a conflict of interest should not be involved in the process of decision making related to the matter in which he/she has a conflict.

8. RELATIONSHIP WITH THE SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board of Commissioners in carrying out its duties shall ensure that the rights of the shareholders are protected and exercised fairly in accordance with the Articles of Association and prevailing regulations, which among others are:

- a. The right to attend, convey their views and vote at the GMS;
- b. The right to obtain the Company's material information on a timely basis;
- c. The right to receive dividends;
- d. The right to receive distribution of the remaining assets of the Company upon liquidation in proportion to their respective shareholding.

The shareholders, in exercising their rights and responsibilities, shall consider the sustainability of the Company and comply with the Articles of Association and prevailing regulations. The responsibilities of shareholders include the following:

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- The controlling shareholder shall consider the interest of the minority shareholders and other stakeholders;
- The minority shareholders shall exercise their rights in a proper manner.

The Board of Commissioners in carrying out its duties shall always seek to have a good relationship between the Company and other stakeholders based on the principle of fairness in accordance with prevailing regulations. The guiding principles on the relationship between the Company and its stakeholder's are further elaborated in the Company's Code of Conduct.

9. CLOSING

1. This Charter of the Board of Commissioners is effective from the date of signing.
2. This Charter of the Board of Commissioners will periodically evaluated for improvement.

APPENDIX OF THE BOARD OF COMMISSIONERS CHARTER

Action of the Board of Directors which require approval of the Board of Commissioners in accordance with Article 18 of Article of Association of the Company.

- a. to release or pledge immovable goods including rights on land or Companies of the Company.
- b. to acquire immovable goods including the rights on land or companies of the Company;
- c. to receive loan from any other party if the amount of loan for 1 (one) transaction exceeding the amount and period as stipulated by the Meeting of The Board of Commissioners;
- d. to lend money to any other party if the amount of loan for 1 (one) transaction exceeding the amount and period as stipulated by the Meeting of the Board of Commissioners;
- e. to give guarantee on the debt or liabilities for a person, a legal entity or a company, if the amount of guarantee for 1 (once) transaction exceeding the amount and period as stipulated by the Board of Commissioners Meeting;
- f. to mortgage or by other method to make as debt collateral the assets of the company;

requires a written approval from 2 (two) members of Board of Commissioners appointed by the Meeting of the Board of Commissioners or the relevant documents must be jointly signed by 2 (two) members of The Board of Commissioners appointed by the Meeting of the Board of Commissioners.