



PT. ARTHAVEST Tbk.

**Board of Commissioners' Guidance and
Working Procedure**

Board of Commissioners' Guidance and Working Procedure

The Board of Commissioners' guidance is a guide for the Board of Commissioners to assist their duties and responsibilities.

Board of Commissioners' Organization

Board of Commissioners is Collegial in characteristic, and consist of individuals who have passed the fit and proper test, have sufficient knowledge and experience to perform the duties and responsibilities in implementing the supervisory function effectively, objectively, independent as well able and willing to dedicate sufficient time to carry out their duties and responsibilities.

Board of Commissioners' Membership and Composition

The Board of Commissioners has the amount and composition which has been set in such a way that it can perform oversight functions effectively, objectively and independently, and does not have a conflict of interest that could undermine its ability to carry out its duties and responsibilities. The composition of the Board of Commissioners is at least as follows:

1. 1 (one) President Commissioner;
2. 1 (one) or more Commissioners

In terms the Board of Commissioners consists of two (2) members of the Board of Commissioners, 1 (one) of them are Independent Commissioners.

In the case of BOC consisting of more than two (2) members of the Board of Commissioners, the number of Independent Commissioners shall at least 30% (thirty percent) of the total members of the Board of Commissioners.

Each member or prospective member of commissioners must meet the following criteria:

1. Have a good character and good morals, and integrity.
2. Qualified to take legal action.
3. Within five (5) years of prior to appointment and during his/her tenure:
 1. Never declared bankruptcy;

2. Never served as a member of a Board of Commissioner or a Board of Director who pleaded guilty or was found responsible and at fault for leading a company into bankruptcy.
3. Never been convicted of a criminal offense that harm the country's financial and / or the financial sector; and
4. Never been, as a member of the Board of Directors and / or members of the Board of Commissioners that during his tenure:
 - Has ever failed in conducting a annual GMS;
 - Has his/her accountability as a member of the Board of Directors and / or members of the Board of Commissioners ever rejected by the GMS or had been absent in holding an accountability as members of the Board of Directors and / or members of the Board of Commissioners in front of the GMS; and
 - Has caused a company, which had previously obtained a permit, approval, or registration from the FSA, to fail in fulfilling the obligation to submit an annual report and / or financial reports to the FSA.
4. Has a commitment to comply with applicable laws
5. Have knowledge and / or expertise in the required field of the Company.

Appointment and Change of the Board of commissioners

1. Nomination of candidates, appointment, termination or change in the composition of the Board of Commissioners are conducted at the General Meeting of Shareholders (GMS)
2. The term of office for each member of the Board of Commissioners is 3 (three) years.
3. If the Board of Commissioners' member position is vacant in any way, then within a maximum period of 3 (three) months from the occurrence of such vacancy, the GMS will be held to fill the vacancy.
4. The term of office of a member of the Board of Commissioners appointed to fill a vacancy is the remaining term of office from the members of the Board of Commissioners that it replaces.

The termination of Board of Commissioners' term of office may be due to the end of their tenure, resignation or suspension.

Term of office of members of the Board of Commissioners may come to an end in the event that such matters as follows take place:

1. Not proficient in performing legal acts.
2. Bankruptcy declaration or serves as a commissioner or director who pleaded guilty or were responsible to lead a company into bankruptcy.
3. Received penalty as a result of a criminal act.

4. Permanent incapacitation.
5. Death.
6. End of tenure.
7. Immoral behaviour.
8. Misconduct.
9. Not committed towards the development of the company.
10. Deemed as failed and incompetent in performing the tasks.
11. Not allowed to become members of the Board of Commissioners due to the applicable legislation
12. Deemed not meeting the criteria for becoming a member of the Board of Commissioners.

Members of the Board of Commissioners retain the right to resign from their tenure by submitting a written notice to the Company no later than 30 (thirty) days prior the date of his resignation and the company shall convene the GMS to decide the members of the Board of Commissioners' resignation in a period of 90 (ninety) days after the resignation letter was received. If the company does not organizing GMS within 90 (ninety) days, then with the elapse of such period, the resignation will be valid without requiring the approval of the GMS.

Leave / Absent

In carrying out its duties and responsibilities in the company's supervisory duty, it is also possible for members of the Board of Commissioners to be unable to carry out duties because of vacation or absent. For the smooth implementation of the tasks and activities of the Board of Commissioners, the provisions on leave or absent is arranged as follows:

1. In the event of a member of the Board of Commissioners is absent or on leave due to the existence of matters that render the member of the Board of Commissioners unable to perform his/her duties in a certain period of time (temporary unavailable), then the respective person must submit a written notice to the President Commissioner (Chairman of the Board), with copies to all members of Board of Commissioners.
2. For the President Commissioner, a written notice has to be delivered to all members of the Board of Commissioners.
3. The notification for leave/absent mentioned above shall include the number of days off work or the day on which the member of the Board of Commissioners can not carry out their duties and responsibilities.
4. Members of the Board of Commissioners who is on leave/absent while shall give the power of attorney to the other members of the Board of Commissioners to take the decision (voting rights) in the Board of Commissioners' Meeting and in any other meetings.

In carrying out its responsibilities in the task of managing the company, each member of the Board of Commissioners must observe and uphold it the following:

1. The Board of Commissioners complies with the ethical standards of the Company and is not allowed to takes advantage or exploits the Company, directly or indirectly, for personal gain or any other person, or receive personal benefits from the Company other than remuneration and other facilities that have been set out in the GMS.
2. Board of Commissioners should be an example for employees in the application of ethical guidelines and codes of conduct of the Company and must always obey the applicable laws during the performance of their duties and responsibilities.
3. Board of Commissioners' duties and responsibilities are independent of the Shareholders and the Board of Directors.
4. The Board of Commissioners members are not allowed to spread or misuse of important information that is known during their tenure as the Board of Commissioners.
5. The Board of Commissioners did not solicit a return for recommendations or views provided to the Board of Directors.
6. The Board of Commissioners members are not allowed to give or receive something, either directly or indirectly from or to the State officials or individual who can affect the decision-making process.

Board of Commissioners Duties and responsibilities

1. Supervising the company's interests with regard to the interests of the shareholders and is responsible to the GMS.
2. Supervising the management of the Company's policy that the Board of Directors and provide advice to the Board of Directors in managing the Company, including the Company's Plan of Development, Implementation Work Plan and Budget of the Company, the provisions of the basic budget and the decisions of the GMS and the legislation in force;.
3. Researching and reviewing the annual report prepared by the Board of Directors and signed the report.
4. Conducts regular meeting of the Board of Commissioners, for at least 1 (one) time in 2 (two) months.

5. Conducts meeting with a decisions' follow-up and actions for the sake of the Company and be held responsible to the GMS.
6. Provides a report on the monitoring task which has been carried out during the financial year to the GMS.
7. Conducts evaluation and determine Board of Directors' remuneration

Authority

1. Provide assistance to the Board of Directors' approval and in certain legal actions.
2. Based on the decision of the GMS, the Board of Commissioners may take action in the management of the Company in certain circumstances for a certain period of time.
3. The Board of Commissioners during the period of office working hours of the Company is entitled to enter the building, yard or other place used or controlled by the Company and the right to inspect all books, letters and other documents, check and match the cash and others and is entitled to be informed of all actions taken by the Board of Directors.
4. The Board of Commissioners is entitled to an explanation for everything that is being asked to the Board of Directors.
5. The Board of Commissioners may request the General Meeting of Shareholders.
6. The Board of Commissioners reserves the right to dismiss members of the Board of Directors.
7. In no more than 30 (thirty) days after the date of temporary termination of members of the Board of Directors, the Board of Commissioners is obliged to hold a GMS that will decide whether the members of the Board of Directors concerned will be dismissed or returned to its original position.
8. Approves Long-Term Plan of the Company and the Company's RKAT prepared by the Board of Directors.

Limitation of Authority

In carrying out its duties and responsibilities, the Board is not involved in the decision making operational activities of the Company, except for matters that are set in the Articles of Association or within the applicable laws.

Board of Commissioners' Meeting

1. The Board of Commissioners meeting held at least 1 (one) time in 2 (two) months and may be held at any time if deemed necessary or at the request of 1 (one) or more members of the Board of Commissioners. Furthermore, the Board of Commissioners' meeting may also be held at the written request of 1 (one) or more shareholders who together represent 1/10 (one tenth) of the total number of shares of the company.

2. Notification of meeting of the Board of Commissioners conducted by members of the Board of Commissioners who is entitled to act for and on behalf of the Board of Commissioners in accordance with the provisions of the Articles of Association.
3. Notification of meeting of the Board of Commissioners is done by registered mail or electronic mail (e-mail) which delivered directly to each member of the Board of Commissioners with a receipt no later than 1 (one) day prior to the meeting, excluding notification and meeting date
4. Notification of meeting of the Board of Commissioners shall include the agenda, date, time, and location.
5. The Board of Commissioners' meeting held at the domicile of the Company or the Company's principal place of business activity.
6. If all members of the Board of Commissioners are present or represented, the first call is not signaled as long as all members of the Board of Commissioners approved the agenda and decisions of the Board of Commissioners and Board of Commissioners's meeting may be held elsewhere and may produce a valid and binding decision.
7. Meetings of the Board of Commissioners chaired by the President Commissioner, in the event the Board of Commissioner is absent or unavailable without the need of such prove, the Board of Commissioners shall be chaired by a member of the Board of Commissioners elected by and from among the attending members of the Board of Commissioners.
8. A member of the Board of Commissioners may be represented in the Board of Commissioners' meeting only by members of the Board of Commissioners by a power of attorney.
9. The Board of Commissioners' meeting is valid and may take legal binding decisions with support of more than $\frac{1}{2}$ (one half) of the number of members of the Board of Commissioners.

Dissenting Opinion

Principally, the Board of Commissioners decision taken on the basis of consensus. Furthermore, if there is a difference of opinion which rendered impossible to reach consensus, decisions are then taken by a voting mechanism. However, in the case of members of the Board of Commissioners who do not approve the meeting of the Board of Commissioners, members of the Board of Commissioners concerned may make statements do not agree with stating the reasons for further attached to the Minutes of the Meeting. The purpose of such measure is to relieve the person from any future responsibility such the decision is problematical.

Board of Commisioner Minutes of Meeting

1. Minutes of Meeting shall be made for each meeting of the Board of Commissioners by one of those who attended the meeting appointed by the Chairman of the meeting and signed by the members present.
2. Copy of Minutes of Meeting of the Board of Commissioners shall be kept.
3. Minutes of Meeting of the Board of Commissioners is a confidential document of the Company and administered to the Legal Department and Corporate Secretary.
4. Minutes of Meeting of the Board of Commissioners shall be submitted to members of the Board of Commissioners.
5. Minutes of Meeting's document of the Board of Commissioners is a valid evidence for decisions taken in the meeting, both for members of the Board of Commissioners, Shareholders or third parties.
6. Minutes of Meeting of the Board of Commissioners shall contain at least the following matters:
 - Place and date of meeting
 - Meeting Agenda;
 - Participants who attended the meeting;
 - The principal issues discussed at the meeting;
 - The process of decision making on issues discussed;
 - Dissenting opinions that occurred during the decision-making process (if any);
 - Decisions taken; and
 - Signature of the meeting participants.
7. Supporting documents such as the power of attorney submitted by the absent member to the other member of Board of Commissioners (if any), should be accompanied with Minutes of Meeting.
8. Related information to the Board of Commissioners' meeting decisions that require committees and associated units' follow-up should be immediately forwarded to the committee/unit concerned for immediate action.
9. The Board of Commissioners frequency of meetings and the presence of members of the Board of Commissioners participated are being reported in the Company's Annual Report.

Performance Assessment Board of Commissioners

BOC performance assessment conducted Self-Assessment at-least once a year by the members of the Board of Commissioners. Criteria Self-Assessment of the Board of Commissioners are as follows:

1. Achievement of work program of the Board of Commissioners;
2. Attendance rate in the meeting of the Board of Commissioners; and
3. The significance of the recommendations submitted to the Board of Directors and management.

Guidelines and Work Procedure is effective from the date specified and will be reviewed periodically to conform with applicable regulations

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