



PT. ARTHAVEST Tbk.

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

Board of Directors' Guidance and Working Procedure

This charter acts as a guidance to the Board of Directors in carrying out their duties and responsibilities. Matters that are outlined in this charter, among others; duties, responsibilities, authority of the Board of Directors, the Board of Directors standards of ethics as well as meeting and decision-making mechanisms. Furthermore, this charter is set on the basis of a common perception and work alignment, responsibilities and authority of the Board of Directors.

Board of Directors' Organization

Board of Directors 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 management function effectively to achieve Company's vision, mission and predetermined targets based on the principles of Good Corporate Governance and prudence.

Board of Directors' Membership and Composition

The amount and composition of the Board of Directors is set in such a way that allow the Board of Directors to take effective, precise, and swift decisions, and can act independently. Independent in this context that does not have a conflict of interest that may interfere with their ability to carry out their duties and responsibilities.

The amount and composition of the Board of Directors must always be tailored to the needs, business development and applicable legislations. The structure of the Board of Directors members at least is as follows:

1. 1 (one) person as President Director'
2. 1 (one) person or more as Director(s).

Board of Directors Member Appointment and Change

1. Nomination of candidates, appointment, termination or change in the composition of the Board of Commissioners are conducted in the General Meeting of Shareholders (GMS).
2. Each prospective member of the Board of Directors as set out in the AGM must first pass a fit and proper test.
3. Fit and Proper test for prospective members of the Board of Directors is carried out in several ways, including through administrative review, interviews, and/or presentation request.

Board Member Criteria

Any member or prospective member of Board of Directors must meet the following criteria:

1. Has a good character, good morals and integrity.
2. Qualified to take legal action
3. Within five (5) years of prior to appointment and during his tenure:
 1. Never declared bankruptcy;
 2. Never been a member of the board of directors and / or commissioner who pleaded guilty or was found responsible and at fault for leading a company to bankruptcy.
 3. Never been convicted of a criminal offense that harms the country's financial standings and / or 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/her tenure:
 - Has ever failed to conduct an annual GMS;
 - Has his/her accountability as members 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 OJK, to fail in fulfilling its obligation to submit an annual report and / or financial reports to the OJK.
 5. Have knowledge and / or expertise in the required field of the Company

Each prospective member or members of the Board of Directors shall meet the criteria of independence and transparency as follows:

1. Members of the Board of Directors are prohibited from serving in any position in another company.
2. Members of the Board of Directors are not allowed to have up to second degree family relationships (including marriage) with other members of the Board of Directors/or the Board of Commissioners both vertically and horizontally.
3. Members of the Board of Directors are not allowed to have an affiliation with other Directors and/or members of the Board of Commissioners.
4. Each member of the Board of Directors are required to disclose all conflict of interests that currently exists and potential conflict of interests or anything that may prevent or inhibit members of the Board of Directors to act Independently.

Tenure

1. The term of office of each member of the Board of Directors is 5 (five) years and may be re-elected.
2. In the case of members of the Board of Directors positions to be vacant in any way, then within a maximum period of 90 (ninety) days from the occurrence of such vacancy, a GMS shall be held to fill the vacancy with regards to the applicable laws and the Articles of Association.
3. The term of office of a member of the Board of Directors appointed to fill the vacant position will be the remaining term of office of the Board of Directors that he/she replaces.
4. In the event that all members of the Board of Directors positions to be vacant for any reason, the Board of Commissioners may assume management control of the Company. All provisions concerning rights, authority, and obligations of the Board of Directors of the Company and third parties will remain in effect. Concerning with such matters, the Board of Commissioners may appoint 1 (one) or more of its members.

The End of the Board of Directors' Tenure

The termination of the members of the Board of Directors tenure may be due to the end of their tenure, resignation or suspension.

- **Ends on its own**

Terms of office of members of the Company Board of Directors will be automatically terminated, in the event that such matters of the following take place:

1. Not Proficient in performing legal acts & duties.
2. Bankruptcy Declaration or serves as a commissioner or director who was declared guilty or was found responsible and at fault for causing a company to be bankrupt.
3. Received a penalty as a result of a criminal act.
4. Permanently incapacitated.
5. Death.
6. The end of the term of office.

- **Resignation**

1. A member of the Board of Directors is entitled to resign from his/her position by submitting a written notice to the Company no later than 30 (thirty) days prior the date of resignation.

2. The Company shall convene the GMS to decide the resignation of members of the Board of Directors within a period of 90 (ninety) days after receiving the letter of resignation. If the Company is organizing the GMS within a period of 90 (ninety) days, then with the elapse of this period, the resignation of members of the Board of Directors will be valid without requiring the approval of the GMS.
3. In the event that the remaining members of the Board of Directors are less than 2 (two) persons, then the Company shall convene the GMS within a period of 90 (ninety) days, to appoint a new Board of Directors member, and/or temporarily surrenders maintenance activities to the Company's Board of Commissioners. The resignation will be valid if it has been decided by the GMS and a new Board member has been appointed so that the minimum number of members of the Board of Directors requirements is met.

- **Suspension**

1. Members of the Board of Directors may suspended by the Board of Commissioners.
2. Suspension shall be notified in writing to the members of the Board of Directors concerned.
3. In a period of at least 90 (ninety) days after the date of a suspension, the Board of Commissioners is required to hold GMS to discuss whether the said members of the Board of Directors may resume his/her position, or considered to be permanently laid off.
4. The members of the Board of Directors who has been suspended as referred to in paragraph 1 are not authorized to perform his/her duties
5. In the GMS as referred to in paragraph 3, members of the Board of Directors concerned are given the opportunity to defend themselves.
6. The GMS could revoke or upheld the suspension.
7. In the case of the AGM upheld the suspension decision, the relevant members of the Board of Directors is terminated permanently.
8. If within a period of 90 (ninety) days after the termination and the GMS as referred to in paragraph 3 is not held, or GMS can not take a decision, the temporary termination becomes invalid.

- **Leave / absent**

In carrying out its duties and responsibilities in the management of the Company, there is a likelihood that members of the Board of Directors will be unable to carry out his/her duties due to leave or absent. For the smoothness of task performance and Company's operation, the provisions on leave or absent for the Board of Directors is set as follows:

1. Leave for President Director must obtain the approval of the Board of Commissioners. Furthermore, the President Director may transfer the power of attorney to appoint and give authority to one member of the Board of Directors to temporary assume the role of President Directors
2. If the President Director is absent (other than leave), which led to a certain period of unavailability to carry out their duties and responsibilities as President Director, then it must be communicated to the Board of Commissioners, and the duties and responsibilities of the President Directors may be delegated to other members of the Board of Directors which is appointed by the issuance of power of attorney by the President.
3. For members of the Board of Directors requesting a leave, the respective Director shall submit to the President Director of the leave permit, so that the duties and responsibilities of the Director concerned may be transferred to the President Director
4. If the members of the Board of Directors is absent (other than leave), which led to temporarily unavailability to perform the duties and responsibilities as Directors, then it must be communicated to the President Director and the duties and responsibilities of the Director concerned may be transferred to the President Director.
5. Notification of leave/absent from President Director and members of the Board of Directors shall be done in writing. The letter must include the number of days of leave or days in which members of the Board of Directors can not carry out their duties and responsibilities.
6. For the smoothness of Company's operation and the daily tasks of the Company, at least there should always be a member of the Board of Directors who is in position at the Company.

Board of Directors Code of Ethics

In carrying out their duties and responsibilities in managing the Company, each member of the Board of Directors must observe and uphold the following:

1. The Board of Directors must comply with the rules and applicable regulations.
2. The Board of Directors must comply with the terms, conditions and in accordance with the Company's code of conduct contained in the Charter of the Board of Directors.
3. The Board of Directors manages the Company in accordance with the authority and responsibilities given as stipulated in the Articles of Association and the applicable legislation.
4. The Board of Directors must always put the interests of the Company ahead and is restricted from abusing their position for personal benefit either directly or indirectly over their duties and responsibilities.
5. The Board of Directors duties and responsibilities are independent of the shareholders.
6. The Board of Directors should be an example for employees in the implementation of the Company's Code of Conduct.
7. The Board of Directors shall maintain the confidentiality of important information that is known for serving as Directors of the Company in accordance with applicable regulations.
8. The Board of Directors of the Company shall not misuse information obtained during his tenure as a member of the Board of Directors for personal gain or others.
9. The Board of Directors does not instruct employees of the Company to carry out illegal activities such as fraud, bribery, or corruption.
10. The Board of Directors is not allowed to give or receive something, either directly or indirectly from or to the State officials or individuals that may influence decision-making.

Duties and Responsibilities of Directors

1. The Board of Directors conducts their duties with good faith and full responsibility to lead and manage the Company in accordance with the vision, mission, and goals set and within the limits of authority set out in the applicable legislation in force and the Articles of Association of the Company.
2. The Board of Directors shall carry out the maintenance of good faith with responsibility and prudence to the benefit of and in accordance with the aims and objectives of the Company
3. The Board of Directors shall convene the GMS at the latest within a period of 6 (six) months after the fiscal year of the Company ends.
4. In the AGM, the Board of Directors shall submit:

- a. The annual report which has been reviewed by the Board of Commissioners for approval by the GMS; and
 - b. The financial statements which is at least composed of the Balance Sheet and Income Statement for the current fiscal year to be approved by the GMS.
5. The Board of Directors is obliged to provide explanations for all the matters being questioned by the Board of Commissioners.
6. The Board of Directors are jointly liable in respect of any loss or bankruptcy which occurs because of an error or omission of the Board of Directors.
7. The members of the Board of Directors can not be held responsible for the loss suffered by the Company if they can prove:
 - a. The loss is not due to his/her error or negligence.
 - b. Has been conducting management in good faith with responsibility and prudence for the benefit and in accordance with the aims and objectives of the Company.
 - c. There is no conflict of interest, either directly or indirectly, for the management activities which had result in losses.
 - d. Has been taking actions to prevent the continuation of such losses.
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8. Describes Work Plan and Annual Budget (RKAT) which serves as a guideline of the Company in carrying out operational activities.
9. Conducting the management of the Company to hold and implement the principles of good corporate governance of the Company.
10. To foster, develop, control and manage the Company's resources effectively and efficiently to achieve the aims and objectives of the Company.
11. Establishes the complete Company's organizational structure with the details of each division and work unit assignment.
12. Continuously increasing the competence and knowledge in order to manage the Company in a professional manner.

Board of Directors Authority

1. The Board of Directors reserve the right to represent the Company within and outside the Court of any kind and in any event,
2. President Director reserves the right and authority to represent the Company on behalf of Board of Directors.

3. In the case that the Director is absent or unavailable due to any cause that does not need to be shown or proved to a third party, then one member of the Board of Directors is entitled and authorized to act for and on behalf of the Board of Directors and the Company's behalf.
4. The Board of Directors has the authority to give written authorization to 1 (one) or more employees of the Company or to any other person for and on behalf of the Company to perform certain legal actions.

Limitation of Authority.

In carrying out its duties and responsibilities, the Board of Directors also has limitations on its authority. These limits include:

1. The Board of Directors must obtain the written approval of the Board of Commissioners to do the following:
 - a. Borrows or lends money on behalf of the Company (excluding withdrawing the company's cash in the bank)
 - b. Start a new venture or become part in another company both at home country and abroad.
2. Members of the Board of Directors loses his/her right to represent the Company if:
 - a. There is lawsuit in court between the Company and the associated members of the Board of Directors
 - b. There is a conflict of interest between the associated members of the Board of Directors with the Company.
3. In the event of conditions as referred to in item 2.b occurs, the entitled parties to represent the Company are as follows:
 - a. Other Board of Directors' members who do not have a conflict of interest with the Company.
 - b. Board of Commissioners in the event that no member of the Board of Directors who do not have a conflict of interest with the Company. This delegation of authority must be approved in advance at the meeting of the Board of Commissioners.
 - c. Other parties as designated by the GMS in the event that no member of the Board of Directors or Board of Commissioners who do not have a conflict of interest with the Company.

Board of Directors Meeting

1. The Board of Directors Meeting held at least 1 (once) each month and can be held at any time if deemed necessary based on the request from 1 (one) or more members of the Board
2. The Board of Commissioners may request to organize a Board of Directors' Meeting by attaching a written request with regard to the decision of the Board of Commissioners which approved President Commissioner's or 1 (one) or more members of the Board of Commissioners such action.
3. Meeting of the Board of Directors may also be carried out if there is a written request from 1 (one) or more shareholders who represent 1/10 (one-tenth) of the number of shares the Voting Rights unit combined.
4. Notification of meetings declared by member of the Board of Directors who is entitled to act for and on behalf of the Board of Directors.
5. Notification of meetings of the Board of Directors is done by registered mail or electronic mail (e-mail) that delivered directly to each member of the Board of Directors along with a receipt no later than 1 (one) day before the meeting is held, excluding the date of the call and the meeting date itself.
6. Notification of meetings of the Board of Directors shall include the agenda, date, time, and location.
7. The Board of Directors Meeting held at the domicile of the Company or the Company's principal place of business activity. If all members of the Board of Directors present or represented, the first call is not signaled as long as all members of the Board approved the agenda and the decision of the meeting, the meeting may be held anywhere as well and may adopt valid and binding decision.
8. The meeting of the Board of Directors is chaired by the President Director, in the case that the President Director is absent or unavailable, the meetings is chaired by a member of the Board of Directors elected by and from among members of the Board of Directors in attendance.
9. A member of the Board of Directors can be represented in the Meeting only by other members of the Board of Directors based on a power of attorney.
10. Meeting of the Board of Directors is valid and may take binding decisions if more than ½ (half) the number of members of the Board of Directors present or represented at the meeting.

11. Decision of the Board of Directors taken by deliberation. If not reached, the decision taken by voting of at least more than $\frac{1}{2}$ (half) of the number of votes cast at the meeting.
12. If the yea and nay votes are even, then chairman of the meeting will decide.
13. Each member of the Board of Directors in attendance is entitled to cast one (1) vote and an additional one (1) vote for each member of the Board of Directors who it represented.
14. A vote on to elect a person is done with a sealed letter without a signature, while regarding other things is done orally unless the chairman of the meeting decides otherwise without any objection from the participants.
15. The votes of blank and invalid votes are considered invalid and is not counted
16. Meeting of the Board of Directors may also be held via teleconference or other means of electronic media that enable all meeting participants to see and hear each other directly and participate in the meeting.
17. The Board of Directors may also take legal decisions without convening the Board of Directors Meeting, provided that all members of the Board of Directors gave approval of the proposal submitted in writing by signing the proposal. The decisions taken in this way has the same power with the decision taken in the meeting of the Board of Directors.

Dissenting Opinion

Basically the meeting of the Board of Directors conducted on the basis of consensus. Furthermore, if there is a difference of opinion which led to the impossibility to reach a consensus, then the decision is taken through the voting mechanism by majority vote.

However, in the event of a member of the Board of Directors dissents the decision of the Board of Directors Meeting, the Board of Directors member concerned may create a statement of disagreement by stating the reasons, then it will be attached to the Minutes of the Meeting.

The purpose of such documentation is to relieve the concerned person from any responsibility such the decision is unsafe for the Company.

Board of Directors Minutes of Meeting

1. Minutes of meeting shall be made for each of the Board of Directors meeting by one of the appointed attendee by the Chairman and signed by all participants of the Meeting.
2. Minutes of meeting shall be stored.

3. Minutes of meeting of the Board of Directors is a confidential documents which administrated by the legal department and corporate secretary
4. The minutes of meeting copies then are submitted to all members of the Board of Directors.
5. The minutes of meeting of the Board of Directors is a valid evidence for decisions taken in the meeting, both for members of the Board of Commissioners, shareholders or third parties.
6. The minutes of meeting shall contain at least the following matters:
 - a. Place and date of meeting of the Board of Directors;
 - b. Meeting agenda;
 - c. Participants who attended the meeting;
 - d. The main points of the issues discussed at the meeting;
 - e. The process of decision returns for the issues being discussed;
 - f. Dissenting opinion that occurs during the process of decision-making;
 - g. Decisions taken; and
 - h. Signature of the meeting participants.
7. Supporting documents such as the power of attorney from the absent to other present Director (if any), must be included with the minutes of meeting
8. Related meeting information, the Board of Directors decisions that require Division, Committee and related units follow-up should be immediately forwarded to the relevant Division, Committee or units to be followed up.
9. Frequency of Meetings of Directors and the presence of members of the Board of Directors are included in the Company's Annual Report

Implementation of the Joint Meeting of the Board of Directors and Board of Commissioners.

Board of Directors and Board of Commissioners may hold a joint meeting to discuss the Company's strategic issues, such as the Company's performance, operational issues, problems related to the financial statements and other important issues.

Provisions for the implementation of the Joint Meeting of the Board of Directors and Board of Directors are as follows:

1. Initiation of the Joint Meeting may be conducted by the Board of Commissioners or Board of Directors as necessary.
2. If necessary, sources from inside or outside of the Company may be presented in the Joint Meeting and such person does not have voting rights in the meeting.
3. Joint Meeting quorum is reached when a meeting attended by at least more than ½ (half) the number of members invited.
4. Joint Meeting chaired by the President Commissioner, and may be replaced by a Commissioner appointed by the Joint Meeting by power of attorney if the President Commissioner was unable to attend.
5. Minutes of the Joint Meeting shall be signed by the Chairman of the Joint Meeting and President Director or one Director appointed by and from among those who present.
6. Minutes of Meeting administered and stored by the Legal Unit and Corporate Secretary.
7. A copy of the Minutes of the Meeting shall be submitted to the Board of Commissioners and Board of Directors.

Performance Assessment of Board of Directors

Board of Directors performance assessment is conducted by the Board of Commissioners and/or the GMS periodically based on the criteria or Key Performance Indicators (KPIs) which have previously been agreed upon to be the duty and responsibility of the Board of Directors.

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

Legalized in: Jakarta
May 29, 2015