

# **BOD MANUAL**

**PT DHARMA SATYA NUSANTARA TBK**

**YEAR 2022**

## BACKGROUND

The development of this Board of Directors' Manual (hereinafter referred to as "BOD Manual") is one of the forms of PT Dharma Satya Nusantara, Tbk. ("Company") commitment to consistent implementation of Good Corporate Government (GCG) to manage the Company when carrying out missions and achieving visions that have been defined.

GCG application in the Company shall mean not only to comply with the applicable laws and regulations, but also to realise GCG principles, i.e., transparency, accountability, responsibility, independence, and fairness, in the Company activities in a consistent manner. GCG application in the Company may strengthen shareholders and other stakeholders' faith in its capacity to manage and enhance its values.

This BOD Manual serves as the Board of Directors' practical guideline to GCG application in the Company.

## PURPOSES AND OBJECTIVES

The tasks and functions of Board of Directors as the Company organ shall be implemented bona fide and up to the best responsibility and dedication for the Company development.

This BOD Manual includes the compilation of corporate legal principles, applicable laws and regulations, shareholder directives, and articles of association that regulate Board of Commissioners and Board of Directors work management.

The BOD Manual aims at providing a guide to allow the Board of Directors to understand regulations relating to its work management.

The implementation of this BOD Manual shall refer to the applicable laws and regulations. Any and all detailed provisions provided under the Company articles of association and shareholder directives, in addition to other legal provisions shall, although not particularly specified in this BOD Manual, remain binding.

## LEGAL BASIS TO THE BOC MANUAL

1. Law 40 of 2007 on Limited Liability Company.
2. Law 8 of 1995 on Capital Market.
3. Financial Services Authority (OJK) Regulation No. 21/POJK.04/2015 on Implementation of Public Company Governance Handbook.
4. OJK Regulation No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers and Public Companies
5. The Company's Articles of Association No. 07 dated 06 May 2021 by virtue of Deed of Notary Kumala Tjahjani Widodo, S.H., M.H., M.Kn., the notification of which has already been received by and registered with Legal Entity Administration System of Ministry of

Law and Human Rights of the Republic of Indonesia dated 31 May 2021 No. AHU-AH.01.03-0340964.

6. Indonesia's Code of GCG Year 2006.

## **TASKS, RESPONSIBILITIES, AND AUTHORITIES**

The Board of Commissioners holds supervisory role and is responsible for supervising the Company management's policies and execution and providing advice to the Board of Directors. The Board of Commissioners also has the task to monitor the effectiveness of GCG practices applied by the Company.

Members of the Board of Commissioners shall implement the tasks and responsibilities bona fide in a responsible and prudential manner.

In carrying out monitoring task, the Board of Commissioners shall act as a board based on its resolution and avoid acting individually.

The Board's tasks and responsibilities are as follows.

1. Supervise Board of Directors' policies in running the Company.
2. Organise General Meeting of Shareholder (GMS) and supervise its implementation by Board of Directors.
3. Establish committees to assist its supervisory tasks, such as Audit Committee and other committees.
4. Monitor the effectiveness of the Company's governance practices.
5. Evaluate, and make recommendation for, the Company's risk management system.

In running its supervisory tasks and advisory function, the Board of Commissioners may form audit committee and/or other committees in response to the updated situations under applicable laws and regulations and/or the Company necessities.

## **TERM OF OFFICE**

Each member of Board of Commissioners shall hold a five (5)-year of term of office maximum, without prejudice to the rights of GMS to dismiss her/him at any time prior to the end of her/his term, specifying the reason, upon giving the member in question the chance to justify herself/himself in the GMS.

## **INDEPENDENT COMMISSIONER**

The Company Board of Commissioners shall be composed in such a way as to allow effective, precise, and prompt adoption of resolution. Furthermore, the Board of Commissioners shall

independently perform their tasks and responsibilities, in the sense that they are able to perform such tasks objectively and free from any pressures from any parties, fellow members and the Board of Directors.

Number of Independent Commissioners shall be no less than 30% of the total number of Board of Commissioners.

Other than the above requirement, a member of Board of Commissioners also shall:

1. not be an individual who works for or are authorised and responsible for planning, leading, or supervising the Company activities in the past six (6) months, save for the reassignment as member of the Company Board of Commissioners for the next period;
2. hold no shares, directly or indirectly, in the Company;
3. not share any affiliate relationship with the Company, member(s) of its Board of Commissioners, member(s) of its Board of Directors, or major shareholders in the Company; and
4. have no direct or indirect business relations with the Company's business activities.

## VALUES

The Company values serve as the fundament that guides any Company individuals in their actions and behaviours. In performing their tasks, the Board of Commissioners shall consistently hold on to the Company values to achieve its missions and vision. The said values are as follows.

1. Put **Integrity** as our core value.
2. Act with unrelenting **Passion**
3. **Strive for Excellence**.
4. **Respect** employees, society and environment.
5. **Synergy and Cohesiveness** in diversity.

## WORK DISTRIBUTION AND WORKING TIME

Works are distributed among members of Board of Commissioners by themselves to support the appropriate performance of their tasks.

While this BOC Manual is silent about their working hour, they may, where necessary, define it themselves.

## **BOARD OF COMMISSIONERS MEETING**

Board of Commissioners meeting shall include their internal meeting and joint meeting with the Board of Directors.

Joint meeting shall not necessarily become a process to adopt resolution; but rather, a form of coordination in discussing regular reports from the Board of Directors concerning business situation and prospect and as national policies that have impacts on the Company performance, as well as a forum for communicating advices that shall take form of the minutes of meeting.

Board of Commissioners shall organise meetings at least once in two (2) months and joint meetings with Board of Directors at least once in four (4) months. Board of Commissioners may organise meetings whenever one of the members deems it necessary or upon written request by Board of Directors meeting.

In the scheduled meeting as mentioned above, the meeting materials shall be provided to the participants no later than 5 (five) days before the meeting takes place.

Board of Commissioners may organise meetings through conference between its members from different locations through conference call, conference video, or other communication devices that allow them to listen to, and communicate with, each other and participate in the meeting.

Board of Commissioners meetings shall be legitimate and authorised to adopt binding resolutions if attended or represented by more than half (1/2) of its members.

Resolutions of Board of Commissioners meetings shall be adopted by consensus. Where the meetings fail to reach consensus, the resolution shall be adopted based on affirmative vote of more than half (1/2) of the total votes lawfully cast at the meetings

All resolutions of Board of Commissioners meetings shall be adopted bona fide, based on rational consideration, and have gone through profound investigation of all relevant matters, be properly informed, free from any conflicts of interest, and independently adopted by each member.

## **PERFORMANCE EVALUATION**

Performance of Board of Commissioners and its members shall be subject to evaluation by shareholders in the GMS. Performance of Board of Commissioners and its individual members shall be evaluated at least through a self-assessment and reported to shareholders in the GMS.

In general, Board of Commissioners performance shall be evaluated against their tasks and obligations under the applicable laws and regulations, the articles of association, and shareholder mandate. Formal evaluation criteria shall be openly communicated to the members of Board of Commissioners as of the date of their appointment.

Result of evaluation of Board of Commissioners performance in general and performance of the board members individually shall be an unseparated part to the scheme of compensation and incentivization for them.

## **REPORT AND ACCOUNTABILITY**

Board of Commissioners report and accountability shall be governed under the applicable laws and regulations and the Company articles of association.

## **INFORMATION DISSEMINATION AND IMPLEMENTATION**

The Company shall conduct phases that include dissemination of information on, implementation, and evaluation of the BOC Manual.

The Company shall evaluate this BOC Manual for adjustment to the applicable laws and regulations and effectiveness of the programs implemented. Based on evaluation, this BOC Manual shall be developed and the program implementation improved in a continuous manner.

This BOC Manual shall take effect as of the date of its issuance and bind any and all members of the Company Board of Commissioners.

The Company may, on a regular basis, evaluate and improve the BOC Manual in response to the Company development and necessities.