

**BOARD OF DIRECTORS
CHARTER OF
PT SUMBER ALFARIA TRIJAYA Tbk.**



2019

This Board of Directors charter is prepared to provide guidance for the members of the Board of Directors in performing their duties and responsibilities. This Guideline is prepared by referring to the Articles of Association of the Company and the prevailing laws and regulations, including Law No. 40 of 2007 on Limited Liability Companies, rules of the Financial Services Authority (*Otoritas Jasa Keuangan* - "OJK") and rules of the Indonesian Stock Exchange.

The Board of Directors is an organ of the Company who is authorized and is fully responsible for the management for the interests in accordance with the purposes and objectives of the Company, as well as to represent the Company whether inside or outside the court in accordance with the provisions of the Articles of Association of the Company.

1. Legal Basis

1. Law No. 8 of 1995 on Capital Market;
2. Law No. 40 of 2007 on Limited Liability Companies;
3. Regulation of the Financial Services Authority No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies;
4. Articles of Association of the Company;
5. Other prevailing capital market laws and regulations.

2. Composition and Requirements

1. The Company shall be managed and led by a Board of Directors consisting at the minimum of 2 (two) persons.

2. The composition and position of the members of the Board of Directors shall be as follows:
 - a. a President Director;
 - b. one Director or more.
3. The appointment, dismissal and change to the composition of the members of the Board of Directors shall be resolved by the General Meeting of Shareholders ("GMS").
4. The nomination process of members of the Board of Directors is to be carried out by the Board of Directors at the GMS after receiving recommendations from the Nomination and Remuneration Committee.
5. Members of the Board of Directors must meet the following qualifications:
 1. Have good behavior, moral and integrity and capable of carrying out legal actions;
 2. In the 5 years prior to his/her appointment and during his/her term of office:
 - has never been declared bankrupt;
 - has never been a member of a Board of Directors and/or a member of a Board of Commissioners who is found guilty in causing a company being declared bankrupt;
 - has never been punished for committing crimes that cause losses to the state finances and/or that relates to the financial sector;
 - has never been a member of the Board of Directors and/or a member of the Board of Commissioners who, during his/her term of office:

- a. has ever failed to hold an Annual GMS,
 - b. his/her accountability report as a member of a Board of Directors and/or a Board of Commissioners was ever rejected by the GMS or has ever failed to submit his/her accountability report as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS,
 - c. has ever caused a company, who obtained a license, approval or registration from OJK, to fail to perform its obligation to submit annual report and/or financial statement to the OJK.
- has the commitment to comply with the laws and regulations.
 - has the knowledge and/or skill in the field required by the issuer or public company
 - is domiciled in Indonesia.

3. Term of Office

1. Members of the Board of Directors shall be appointed for a term of office that commences on the date as stipulated by the GMS in which they are appointed until the close of the third Annual GMS that is held after the date of the GMS that appointed the members of the Board of Directors without prejudice to the rights of the GMS to dismiss them at any time.
2. Members of the Board of Directors whose term of office have ended may be re-appointed.
3. Any person who is appointed to replace a member of the Board of Directors who resigns or is dismissed and to fill in the position of a

member of the Board of Directors that is vacant or any person who is appointed in addition to existing members of the Board of Directors shall be appointed for a term of office that is the remaining term of office of the other incumbent members of the Board of Directors.

4. The appointment, dismissal and/or replacement of members of the Board of Directors shall be carried out by the GMS taking into account the recommendations from the Board of Commissioners the Nomination and Remuneration Committee.
5. The Board of Commissioners may temporarily suspend members of the Board of Directors by notifying the reasons thereof in writing to the relevant members of the Board of Directors.
6. Members of the Board of Directors may resign before the end of their terms of office.
7. The term of office of a member of the Board of Directors shall automatically end if he/she:
 1. is declared bankrupt or placed under guardianship based on a court decision;
 2. is dismissed;
 3. is prohibited to become a member of the Board of Directors pursuant to the provisions of prevailing laws and regulations;
 4. has resigned by giving a written notice;
 5. passes away.

4. Orientation and Training Programs

1. Each new member of the Board of Directors who is appointed for the first time must be given an orientation program and the responsibility for the introduction program is by the Corporate Secretary.
2. The orientation program is conducted so that all members of the Board of Directors can gain insights on the business of the Company, also duties, responsibilities and authorities as Board of Directors.
3. The orientation materials contain among other things: vision, mission and strategy of the Company, medium-term and long-term plans, operational and financial performance and other matters that are relevant in accordance with the Company's business.
4. Each member of the Board of Director must to participate in training programs in the form of: seminars, workshops, visits, benchmarks, etc as long as in line with their responsibilities, that are intended to broaden his/her knowledge and to support him/her in the implementation of his/her duties.

5. Double Position

Double position of members of the Board of Directors shall refer to the regulations of the Financial Services Authority as follows:

1. A member of the Board of Directors may hold double position as
 - a. a member of a Board of Directors at the maximum in 1 (one) other Issuer or Public Company.
 - b. a member of a Board of Commissioners at the maximum in 3 (three) other Issuers or Public Companies.

- c. a Committee Member at the maximum in 5 (five) Committees in Issuers or Public Companies where the relevant person is holding the position as [a member of] the Board of Directors or the Board of Commissioners.
2. Double position by the Board of Directors can be carried out only to the extent not in contravention with other laws and regulations and received approval from the Board of Commissioners.

6. Duties, Responsibilities and Authorities

1. The Board of Directors is fully responsible for the management of the Company for the interests and purposes of the Company. The main duties of the Board of Directors are:
 - a. Lead and manage the Company in accordance with the purposes of the Company;
 - b. Possess, maintain and manage the assets of the Company for the interests of the Company.
2. Distribution of duties and authorities of the Board of Directors are to be determined in the GMS. In the event the GMS does not determine the same, the distribution of duties and authorities of the members of the Board of Directors shall be determined based on the resolutions of the Board of Directors.
3. The Board of Directors shall be entitled to represent the Company inside and outside the Court in connection with all matters and in all events, to bind the Company to other parties and other parties to the Company, and to take any actions, pertaining to both management

and ownership affairs, but subject to the limitations stipulated in the Articles of Association.

4. The Board of Directors is obliged to comply with the provisions of the Articles of Association and the prevailing laws and regulations in performing its duties, responsibilities and authorities, including to obtain the required approvals prior to taking any legal action for and on behalf of the Company.
5. The Board of Directors must obtain approval from the GMS prior to taking any legal actions in which there is a conflict of interest between the personal economic interests of the members of the Board of Directors, members of the Board of Commissioners or the shareholders, with the economic interest of the Company with the approval from the GMS.
6. A member of the Board of Directors shall not be entitled to represent the Company if;
 - a. there is a case before a court between the Company and the relevant member of the Board of Directors;
 - b. there is a conflict of interest with the interest of the Company.
7. The Board of Directors of the Company must hold the Annual GMS and the other GMS as provided in the laws and regulations and the Articles of Association.
8. In order to support effectiveness in performing its duties and responsibilities, the Board of Directors may form Committees.

9. The Board of Directors must conduct evaluation on the performance of the committees who assist it in the performance of its duties and responsibilities at the end of each financial year.
10. Each member of the Board of Directors shall be jointly and severally liable for the losses of the Company that are caused by the negligence or misconduct of the members of the Board of Directors in performing their duties.
11. The Board of Directors must ensure the implementation of Good Corporate Governance in every activity of the Company at the entire line in the organization.
12. The President Director shall be entitled and authorized to act for and on behalf of the Board of Directors and to represent the Company. If the President Director is prevented, which need not be proven, then 2 other members of the Board of Directors shall be entitled and authorized to act for and on behalf of the Board of Directors and to represent the Company.
13. The Board of Directors shall be entitled to appoint one person or more as its representative or proxy on conditions that are determined by the Board of Directors in a specific power of attorney, such authority is to be carried out in accordance with the Articles of Association.

7. Work Ethics and Values

1. Each member of the Board of Directors must carry out his/her duties and responsibilities in good faith, with full responsibility and care.

2. The Board of Directors must prepare a guidance that will bind each member of the Board of Directors that contains, among other things, legal basis, descriptions of duties, responsibilities and authorities, working hours, meeting policy, reporting and accountability.
3. Each member of the Board of Directors must obey the Company's Code of Ethics.
4. Each member of the Board of Directors must allocate sufficient time to perform his/her duties and responsibilities.
5. Each member of the Board of Directors must comply with applicable provisions regarding double position.
6. Members of the Board of Directors are prohibited, whether directly or indirectly, from making any incorrect statement regarding a material fact that can be misleading in relation to the condition of the Company.

8. Office Hours

The office hours of the Board of Directors shall be determined in accordance with the business hours of the Company. The Board of Directors must be sufficiently free from other commitments to set aside the time that is required to prepare for meetings and to participate in orientations, trainings, assessments and other related activities of the Board of Directors.

9. Meeting Policy

1. The Board of Directors must hold a Meeting at the minimum 1 (once) in every month.

2. The Board of Directors must convene a joint Meeting with the Board of Commissioners once in 4 months.
3. Meetings of the Board of Directors may be convened if attended by the majority of all members of the Board of Directors.
4. Meetings of the Board of Directors shall be convened at the domicile of the Company or the place of main business activity of the Company or other place as required by the Articles of Association.
5. Provisions regarding the mechanism for the meeting of the Board of Directors are stipulated in the Articles of Association.
6. The adoption of resolutions in the Meeting of the Board of Directors shall be based on deliberation to reach consensus. If a resolution based on deliberation to reach consensus cannot be achieved, the resolutions of the Meeting shall be adopted by voting based on majority votes and the mechanism for the voting shall be stipulated the Articles of Association of the Company.
7. Meetings of the Board of Directors may be held using telephone conference, video conference or similar communication system, which arrangements are stipulated in the Articles of Association of the Company.
8. The Board of Directors may also adopt valid resolutions without convening a meeting provided that all members of the Board of Directors have been notified in writing regarding the proposal and all members of the Board of Directors have given their approvals on the proposal that was submitted in writing and have signed such approvals.

9. Resolutions of the Board of Directors are binding and shall become the responsibility of all members of the Board of Directors.
10. The results of the Meeting of the Board of Directors must be stated in Minutes of Meeting signed by all members of the Board of Directors who are present, distributed to all members of the Board of Directors. In the event the Meeting was attended by the Board of Commissioners, the Minutes of Meeting shall be signed by all members of the Board of Directors and the Board of Commissioners who are present.
11. In the event there are members of Board of Directors and/or Board of Commissioners who do not sign the minutes of meeting, they must state their reasons in writing in separate letters that are attached to the minutes of meeting.
12. Copies of Minutes of Meeting of the Board of Directors that have been signed by all members of the Board of Directors and/or Board of Commissioners present at the Meeting must be distributed to all members of Board of Directors and Board of Commissioners who are present and documented by the Company.
13. Other provisions regarding Minutes of Meeting are stipulated in the Articles of Association.

10. Reporting & Accountability

1. The Board of Directors must submit an annual business plan of the Company together with an annual budget for the next financial year to the Board of Commissioners before the end of the current financial year, to be reviewed and approved by the Board of Commissioners.

2. The Board of Directors must submit an annual report of the Company, which has been approved by the Board of Commissioners, to the Annual GMS within 4 (four) months after the end of the Company's financial year
3. The Board of Directors shall prepare the Monthly Report of the Board of Directors that discusses the performance and operational achievements of the Company and that reports the deviations, significant problems and operational plans that will be carried out by the Company.

11. Performance Evaluation & Self-Assessment

Performance evaluation of the Board of Directors shall be conducted by the Board of Commissioners through the Nomination & Remuneration Committee to be proposed in the General Meeting of Shareholders.

Performance evaluation of the Board of Directors shall be based on the criteria determined and agreed by the Board of Directors and the Nomination & Remuneration Committee at the beginning of each financial year or the beginning of a term of office.

Performance evaluation of the Board of Directors in general can be based on; but is not limited to the following matters:

- 1) Performance of the Board of Directors collectively towards the performance achievement of the Company;
- 2) Implementation of the Good Corporate Governance principles.
- 3) Active participation in meetings and decision-making process including the ability to submit and provide inputs and solutions on strategic and operational issues of the Company.

- 4) Capability of the Board of Directors in identifying, anticipating and responding to issues and trends that have the risk of influencing the performance achievement of the Company whether short term or long term.

The Board of Directors must carry out self-assessment once a year or periodically as deemed necessary. This self-assessment shall become one of the inputs for the Nomination & Remuneration Committee in evaluating the performance of the Board of Directors.

The GMS grants the authority to the Board of Commissioners to determine the remuneration for members of the Board of Directors by taking into account the opinion of the Nomination and Remuneration Committee of the Company.

11. Validity Period & Evaluation

1. This Charter of the Board of Directors is valid since 2019
2. This Charter of the Board of Directors shall be evaluated periodically for improvements.
3. All members of the Board of Directors who are appointed after the Effective Date will automatically be deemed to have accepted and approved the entire provisions of this Charter and represent to the Company that they will comply with all of its provisions.
4. In the event there is a provision in this Charter that is in contravention with the Articles of Association of the Company or the provisions of the prevailing laws and regulations, then the provisions of the Articles of Association or the prevailing laws and regulations shall apply.