



**THE CODE OF CORPORATE GOVERNANCE
PT TOTAL BANGUN PERSADA Tbk
2015 EDITION**



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LEGAL GROUNDS

The preparation of this Guideline refers to the following provisions:

1. The Laws of the Republic of Indonesia, among others:
 - a. The Law of the Republic of Indonesia No. 40 of 2007 regarding Limited Liability Companies;
 - b. The Law of the Republic of Indonesia No. 8 of 1995 regarding Capital Market;
 - c. The Law of the Republic of Indonesia No. 20 of 2001 regarding Amendment to the Law of the Republic of Indonesia No. 31 of 1999 regarding Eradication of the Criminal Act of Corruption;
 - d. The Law of the Republic of Indonesia No. 15 of 2002 regarding Criminal Act of Money Laundering as amended through the Law of the Republic of Indonesia No. 25 of 2003.
2. General Guidelines of GCG in Indonesia of 2006 Edition.
3. Regulation of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK), now the Financial Services Authority (OJK), among others:
 - a. Bapepam Regulation No. IX.I.1, Attachment of the Decree of Bapepam Chairman No. Kep-60/PM/1996 dated January 17, 1996, regarding Plan and Convention of General Meeting of Shareholders;
 - b. Bapepam Regulation IX.I.4, Attachment of the Decree of Bapepam Chairman No. Kep-63/PM/1996 dated January 17, 1996, regarding Establishment of Corporate Secretary;
 - c. Bapepam Regulation No. X.K.4, Attachment of the Decree of Bapepam Chairman No. Kep-27/PM/2003 dated July 17, 2003, regarding Report on the Use of Proceeds from Public Offering;
 - d. Bapepam Regulation IX.I.5, Attachment of the Decree of Bapepam Chairman No. Kep-29/PM/2004 dated September 24, 2004, regarding Establishment and Work Guidelines of Audit Committee;
 - e. Bapepam Regulation No. X.K.6, Attachment of the Decree of Bapepam and Financial Institution Chairman No. Kep-134/BL/2006 dated December 7, 2006, regarding Obligation to Submit Annual Report for Issuers or Public Companies;
 - f. Bapepam Regulation No. IX.J.1, Attachment of the Decree of Bapepam and Financial Institution Chairman No. Kep-179/BL/2008 dated May 14, 2008, regarding Principals of Articles of Association for Companies Conducting Public Offering of Securities Equity and Public Companies;
 - g. Bapepam Regulation X.K.2, Attachment of the Decree of Bapepam and Financial Institution Chairman No. Kep-346/BL/2011 dated July 5, 2011, regarding Submission of Periodical Financial Statements of Issuers or Public Companies;
 - h. OJK Regulation No. 32/POJK.04/2014 regarding Plan and Convention of General Meeting of Shareholders of Public Companies;
 - i. OJK Regulation No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies;
 - j. OJK Regulation No. 34/POJK.04/2014 regarding Nomination and Remuneration Committee of Commissioners of Issuers or Public Companies;
 - k. OJK Regulation No. 35/POJK.04/2014 regarding Corporate Secretary of Issuers or Public Companies
4. The Company's Articles of Association No. 31 dated April 30, 2015 with the Notarial Deed of Deni Thanur, SE.,SH.,MKn., Notary, which has received the Letter of Notification Receipt from the Ministry of Law and Human Rights of the Republic of Indonesia.
5. OECD Principles of Corporate Governance, 2004.

GLOSSARY

1. **The Company**, with the letter C in uppercase, is PT TOTAL BANGUN PERSADA Tbk, meanwhile company or companies with the letter c in lowercase refers to companies in general.
2. **Subsidiary** is a company established in relation with the business activities of the Company with more than 50% (fifty percent) of its shares are owned by the Company, or more than 50% (fifty percent) of its votes in the GMS are controlled by the Company, or whose management as well as appointment and dismissal of its Board of Directors and Board of Commissioners are controlled by the Company.
3. **Organs of the Company** are the General Meeting of Shareholders, Board of Commissioners and Board of Directors.
4. **General Meeting of Shareholders (GMS)** is an Organ of the Company whose authority is not granted to the Board of Commissioners or Board of Directors pursuant to the prevailing Laws and Articles of Association.
5. **Board of Commissioners** is the entire members of the Board of Commissioner as a Board.
6. **Member of Board of Commissioners** is a member of Board of Commissioners in reference to an individual (not a Board).
7. **Independent Commissioner** is a member of Board of Commissioners who is not affiliated with the Board of Directors, other members of Board of Commissioners, and Controlling Shareholder, and free from business relationship or other relationship that can influence their capability to act independently or for the sole interest of the Company.
8. **Secretary of Board of Commissioners** is a secretary appointed by the Board of Commissioners and tasked to carry out administration and secretariat duties related to the whole activities of Board of Commissioners.
9. **Board of Directors** is the entire members of the Board of Directors as a Board.
10. **Member of Board of Directors** is a member of Board of Directors in reference to an individual (not a Board).
11. **Employee** is the workforce or people who work to receive earnings from the Company.
12. **Manusia TOTAL** or **TOTAL People** are all members of Board of Directors and Employees of the Company.
13. **The Management** consists of the Board of Directors and structural officials in accordance with the organization structure whose functions are to conduct activities in line with the predetermined authority limitations.
14. **Stakeholders** are parties who have interests with the Company, both directly and indirectly, namely the Employees, Suppliers, Customers, Work Partners, Creditors, and the government as well as other interested parties.
15. **Business Partners** are individuals or companies that establish mutually beneficial business cooperation with the Company based on their potential and worthiness.
16. **Good Corporate Governance (GCG)** is a system utilized to direct and control a company's business activities. GCG regulates the division of duties, rights, and obligations of parties having an interest in the business of the company, including the

shareholders, Management Board, managers, and all members of stakeholders having no shares of the company.

17. **Corporate Values** are the moral foundation for achieving the Company's vision and mission.
18. **Audit Committee** is a committee established by the Board of Commissioners whose function is to assist the Board of Commissioners in carrying out their duties and obligations in reviewing the effectiveness of internal control and duty implementation of external and internal auditors, and in evaluating and providing approval for all information and proposals prepared and submitted by other parties, such as the Financial Statements and Non-Financial Reports, and the Annual Report of the Company.
19. **Nomination and Remuneration Committee** is a committee that may be established by the Board of Commissioners in order to assist the implementation of duties and functions of the Board of Commissioners to prepare the systems and procedures of nomination and selection for the Members of Board of Commissioners and Board of Directors, provide recommendations on the amount of Members of Board of Commissioners and Board of Directors, and develop a remuneration system for the Members of Board of Commissioners and Board of Directors.
20. **Business Risk Policy Committee** is a committee that may be established by the Board of Commissioners in order to assist the implementation of duties and functions of the Board of Commissioners to periodically monitor and provide recommendations for the improvement of risk management carried out and developed by the Company.
21. **Good Corporate Governance Committee (GCG Committee)** is a committee that may be established by and answers directly to the Board of Commissioners in order to assist the implementation of duties and functions of the Board of Commissioners to develop and monitor the implementation of GCG principles in the Company.
22. **External Auditor** is an auditor from outside the Company who acts independently and professionally in providing either audit or non-audit service for the Company.
23. **Internal Auditor** is the Internal Audit Unit, which is a structural and technical unit with the Company tasked to carry out audit activities and ensure the effective implementation of internal control system in the Company.
24. **Corporate Secretary** is a unit of structural function in the Company's organization tasked to provide support to the Board of Directors in carrying out their duties, and serve as a liaison between the Shareholders, Board of Commissioners, Board of Directors, Work Units, and Stakeholders.
25. **Code of Corporate Governance (COCG)** is a set of values and practices of the Company that serve as a guideline for the Organs of the Company and the Management in managing the Company, which includes the principles of GCG that are in line with the laws and regulations, objectives, vision, mission, and values of the Company.
26. **Conflict of interest** is a situation where there is a conflict between the Company's economic interests and personal economic interests of the shareholders, Members of Board of Commissioners and Board of Directors, and employees of the Company.
27. **OECD (Organisation for Economic Cooperation and Development) principles** are internationally-recognized guidelines for capital markets, investors, companies, and other parties who have a role in the process of developing good corporate governance in

OECD and non-OECD countries, which cover:

- a. Rights of shareholders
- b. Equal treatment for all shareholders
- c. Roles of stakeholders
- d. Disclosure and transparency
- e. Responsibilities of the Board

CODE OF CORPORATE GOVERNANCE PT TOTAL BANGUN PERSADA Tbk

FIRST SECTION INTRODUCTION

I. Background and Objectives of the Formulation of COCG

A. Background

PT Total Bangun Persada Tbk (“the company”) is a construction services company that has been widely recognized as the constructor of high-rise, high-quality and prestigious buildings. Established in 1970 under the name of PT Tjahja Rimba Kentjana, in 1981 it became PT Total Bangun Persada. On July 25, 2006, the Company listed 2,750 million of its shares on the Jakarta Stock Exchange (now the Indonesia Stock Exchange) under the TOTL code. Since then, PT Total Bangun Persada has become a publicly-listed company named PT Total Bangun Persada Tbk.

Total’s vision is to provide added values to all stakeholders. One of the main keys that support the Company’s vision is the implementation of GCG principles in a consistent manner, and to transform it into a work culture that is applicable in the Company. Such understanding underlies the Company’s commitment to implementing good governance in each business activity in order to achieve sustainable long-term business goals.

The management of the Company based on the principles of GCG is essentially an effort to make GCG as a rule and guideline for the Company’s managers to carry out its business activities. The implementation of GCG principles is highly required in order to ensure the survival and resilience of the Company in facing the increasingly fierce competition. GCG is expected to be the means to achieve the Company’s vision, mission and goals in a more effective and efficient manner.

The Company realizes that the systematic and consistent implementation of GCG is a necessity that must be carried out. The implementation of GCG in the Company is expected to be able to spur business development and the Company’s accountability, as well as to realize added values for Shareholders in the long term without neglecting the interests of other Stakeholders.

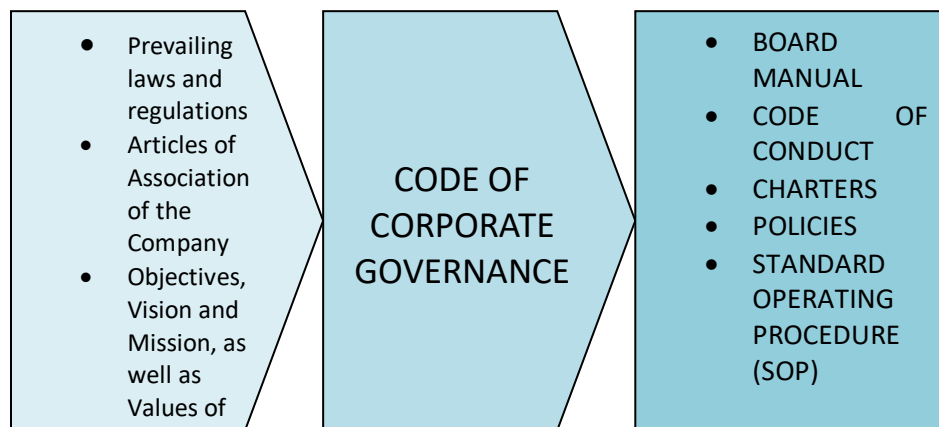
In order to improve performance and compliance with the implementation of GCG principles, the Company formulates a Code of Corporate Governance (“COCG”) that is implemented consistently so that all values held by parties with interests in the Company (Stakeholders) can be utilized optimally and produce a pattern of economic relations that are mutually beneficial. COCG is the crystallization of GCG rules, the prevailing laws and regulations, the adopted cultural values, and the vision and mission as well as the best practices of GCG. The COCG that has been compiled becomes a reference for the Shareholders, Board of Commissioners, Board of Directors, Employees and other stakeholders in dealing and communicating with the Company.

Considering the dynamic business environment that continues to develop, the COCG compiled by the Company is always adjusted to the existing internal and external conditions. Continuous assessment is always carried out as an effort to achieve the best work standards for the Company.

The Code of Corporate Governance (COCG) is a set of rules and practices that serve as the basis or reference for the Organs of the Company and the Management in managing the Company. The COCG contains the principles of Company's management that are in line with the Company's vision, mission and values. In its implementation, the COCG is followed by various policies and technical regulations in accordance with the needs of the Company.

B. Objectives of COCG Formulation

Scheme of COCG Formulation:



Objectives of the Implementation of GCG in the Company are as follows:

1. To control and direct the relationship between the Shareholders, Board of Commissioners, Board of Directors, Employees, Business Partners, as well as the Community and the Environment.
2. To encourage and support development and risk management in the Company in a more prudent, accountable, and responsible manner in line with the principles of GCG.
3. To optimize the value of the Company so that it can have strong competitiveness, both nationally and internationally.
4. To empower the function and independence of each Organ of the Company.
5. To encourage a professional, effective and efficient management of the Company in order to achieve the Company's Vision and Mission.
6. To encourage the Company's managers to make decisions and carry out actions based on high moral values and compliance with the prevailing laws and regulations, and on awareness of Corporate Social Responsibility.
7. To increase the Company's contribution to the national economy.
8. To increase the accountability to the stakeholders.

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9. To prevent irregularities in the management of the Company.
 10. To improve the Company's work culture.
 11. To improve corporate image so as to be better.

II. Vision, Mission, and Main Values of the Company

A. Vision and Mission of the Company

Vision:

Total Bangun Persada - the largest building construction organization, a leader and a major force in the Indonesian construction industry.

A respected major building construction organization in the region.

We want to be a construction organization known for integrity, respect, fair dealing, quality, safety, pride, and excellence.

An organization committed to satisfy customers by producing quality work with risk-managed environment and to deliver excellence in service.

An organization where our people can be proud to be in the construction industry and where our people can grow, perform their best, and continually striving to produce excellence.

Mission:

Pride and Excellence in Construction

B. Main Values of the Company

1. Performance
 - a. Committed to quality and excellence
 - b. Committed to customer
 - c. Doing ordinary things extraordinarily
 - d. Continuously improving
2. Character
 - a. High integrity
 - b. Trustworthy and reliable
 - c. Fair towards everyone
 - d. Committed to promises
3. Spirit
 - a. Cooperative and to value each result and effort done by colleagues and partners
 - b. Adaptive to the changing world
 - c. Future-oriented
 - d. Proud of profession and results

SECOND SECTION

GOOD CORPORATE GOVERNANCE PRINCIPLES

I. Transparency

To maintain objectivity in conducting its business, the Company must provide material and relevant information in a way that is easily accessible and understood by the stakeholders. The Company must take the initiative to disclose not only the issues required by the laws and regulations, but also significant matters for decision making by the shareholders, creditors and other stakeholders.¹

Significant aspects in the implementation of this principle include disclosure of information related to the Company's performance in a clear, adequate, accurate, timely and comparable manner; publication of financial statements and material information that have significant impacts on the Company's performance; use of accounting and audit principles that are commonly used and widely accepted; and ease of access to key information on the Company's performance.

II. Independency

The Company is managed professionally without any conflict of interest and influence/pressure from any party, which is not in accordance with the applicable laws and regulations as well as healthy corporate principles.

III. Accountability

The company must be able to account for its performance transparently and fairly. Thus, the Company must be managed in a proper and measured manner, and in accordance with its interests while continuously takes into account the interests of shareholders and other stakeholders. Accountability is a requirement for achieving sustainable performance.²

IV. Responsibility

Reflecting the conformity and compliance of the Company's management with the prevailing laws and regulations, as well as healthy corporate principles. The implementation of this principle is shows that the Company is a responsible agent of economy (good corporate citizen).

V. Fairness

Fair and equal treatment in fulfilling the rights of Shareholders and Stakeholders which arise from the agreement and the prevailing laws and regulations, as well as the Company's policies. The Company will always ensure that the interested parties can execute their rights according to the prevailing laws and regulations. The Company will

¹ Indonesian General GCG Guidelines of 2006 KNKG Chapter II Part 1

² Indonesian General GCG Guidelines of 2006 KNKG Chapter II Part 2

also ensure that the Company can always execute its rights on the interested parties in accordance with the prevailing laws and regulations.

This principle primarily guarantees the protection of the shareholders' rights especially minority shareholders, and guarantees the realization of the Company's commitment with other parties.

THIRD SECTION CORPORATE GOVERNANCE STRUCTURE

I. MAIN ORGANS

A. Shareholders/General Meeting of Shareholders (GMS)

Shareholder is an Organ of the Company whose authority is not granted to the Board of Commissioners and Board of Directors pursuant to the prevailing laws and regulations, as well as the Company's Articles of Association.³ The GMS is a medium for the Shareholders to exercise their authority pursuant to the prevailing laws and regulations.

1. Rights and Authority of Shareholders/GMS

a. Rights of Shareholders/GMS

- Attending, expressing opinions and voting at the GMS based on the provisions of one share shall give the holder the right to cast one vote;⁴
- Obtaining material information on the Company in a timely and regular manner provided that the information is not confidential;
- Obtaining an explanation of the implementation of GCG;
- Receiving profit sharing in the form of dividends and other profit sharing in proportion to the number of shares owned in a timely manner;
- Participating in making decisions related to the fundamental changes in the Company, such as amendments to the Company's articles of association, authorization of additional shares, transfer of substantial assets of the Company, and other corporate actions.

b. Authority of Shareholders/GMS⁵

- Approving and validating the Annual Reports that have been reviewed by the Board of Commissioners, including the Report of Supervisory Duty of the Board of Commissioners;
- Validating the Financial Statements that have been audited by a Public Accountant;
- Determining the use of the Company's net profit;
- Determining External Auditors registered with the Financial Services Authority (OJK) based on the proposals received from the Board of Commissioners;
- Determining the remuneration and tantiem of the Board of Commissioners and Board of Directors;
- Appointing and dismissing the Board of Commissioners and Board of Directors;
- Determining division of duties and authority among the members of Board of Directors.⁶

³ Law No. 40 of 2007 regarding Limited Liability Companies, Article 1

⁴ Articles of Association of PT Total Bangun Persada Tbk, Article 14

⁵ Law No. 40 of 2007 regarding Limited Liability Companies, Article 69, Article 71

⁶ Articles of Association of PT Total Bangun Persada Tbk, Article 16 paragraph (7) letter A

2. Obligations of Shareholders/GMS

- a. To comply with the provisions of Articles of Association as well as the laws and regulations;
- b. To not conduct supervision and management activities of the Company carried out by the Board of Commissioners and Board of Directors;
- c. To not exploit the Company for their personal, family, company or business group interests in a spirit and manner that is contrary to the laws and regulations, and healthy business practices;
- d. To take into account the opinion of minority Shareholders in each appointment of prospective members of the Board of Commissioners;
- e. To evaluate the performance of Board of Commissioners and Board of Directors through the GMS mechanism;
- f. Minority shareholders are responsible for exercising their rights properly pursuant to the laws and regulations, as well as Articles of Association.

3. GMS of the Company consists of:

- a. Annual GMS
Annual GMS is convened annually within the period of 6 (six) months after the closing of the Company's fiscal year.⁷

In the Annual GMS:⁸

- The Board of Directors submits the annual report to obtain approval from the GMS;
The annual report shall contain, at the very least, the following:⁹
 - Financial statements, consisting of, at minimum, the final balance sheet of the fiscal year that has recently ended in comparison with the previous fiscal year, and income statements of the relevant fiscal year, cash flow statements, and statements on changes in equity and notes to the financial statements;
 - Combined balance sheet of companies that are joined together in one group (if any);
 - Reports on the activities of the Company;
 - Reports on social and environmental responsibility implementation;
 - Details of issues arising during the fiscal year which have an impact on the Company's business activities;
 - Reports on supervisory duties, which have been carried out by the Board of Commissioners during the recent fiscal year;
 - Name of the members of Board of Directors and Board of Commissioners; and
 - Salaries and allowances for the members of Board of Directors and salary or honorarium and allowances for the members of Board of Commissioners for the recent fiscal year.
- The Board of Directors submits the Financial Statements that have been audited by a public accountant registered with the Financial Services Authority (OJK) to obtain approval from the GMS;
- The use of Company's profit gained from the recently ended fiscal year is determined, including the profits of the previous years that have not been distributed;

⁷ Articles of Association of PT Total Bangun Persada Tbk, Article 12 paragraph (1)

⁸ Articles of Association of PT Total Bangun Persada Tbk, Article 12 paragraphs (2) and (3)

⁹ Articles of Association of PT Total Bangun Persada Tbk, Article 22 paragraph (4) letter b

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- The appointment of registered public accountant is determined;
 - If necessary, the fulfillment of vacancy in the position of Company's Board of Directors and/or Board of Commissioners is determined;
 - Other matters that have been proposed under the prevailing provisions are determined in accordance with and by taking into account the Company's Articles of Association and prevailing laws and regulations;
 - Approval for the annual report and validation of the financial statements by the annual GMS means that the members of Board of Directors and Board of Commissioners are granted full discharge of responsibility on the management and supervision duties carried out by them during the recently ended fiscal year, provided that their actions are reflected on the annual report and financial statements.

b. Extraordinary GMS (EGM)

An Extraordinary GMS can be held at any time based on the needs or interests of the Company, to discuss and resolve the agenda of the GMS, except for the agenda items: (a) Submission of Annual Report by the Board of Directors to obtain approval from the General Meeting of Shareholders, (b) Submission of financial statements by the Board of Directors which have been audited by a registered public accountant, to obtain approval from the General Meeting of Shareholders¹⁰ with due observance of the laws and regulations as well as the Company's Articles of Association.¹¹

The GMS is convened based on the principles of GCG with the following provisions:

1. The resolution of the GMS must be made in a fair and transparent manner by taking into account matters required to maintain the Company's business interests in the long term, including but not limited to the following:
 - a. The Board of Commissioners and Board of Directors appointed at the GMS must consist of people who are fit and proper for the Company. In this case, the opinion of Nomination and Remuneration Committee should be taken into account regarding their recommendations to the Board of Commissioners on candidates for the members of Board of Directors and Board of Commissioners proposed to the GMS;
 - b. In making a resolution to accept or reject reports from the Board of Commissioners and Board of Directors, it is also necessary to consider the quality of reports relating to GCG;
 - c. In determining the external auditor, the opinion of Audit Committee submitted to the Board of Commissioners must be considered, both regarding the tender process carried out, the performance of the external auditor, the amount of the fee, and the proposed recommendations.
2. The GMS shall be convened in accordance with the interests of the Company and take into account the Articles of Association as well as the laws and regulations, and with adequate preparation so as to be able to make valid and legal resolutions, among others:

¹⁰ Articles of Association of PT Total Bangun Persada Tbk, Article 12 paragraph (2) letters a and b

¹¹ Articles of Association of PT Total Bangun Persada Tbk, Article 13

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- a. The Board of Directors convenes the Annual GMS and other GMS to be attended by the Shareholders, Board of Commissioners and Board of Directors;
 - b. The Company must first present the GMS' agenda in a clear and detailed manner to the Financial Services Authority (OJK) in no later than 5 (five) days prior to the announcement of the GMS, by not taking into account the date of the GMS announcement;¹²
 - c. The summons for GMS is made in no later than 21 (twenty-one) days prior to the date of the GMS, by not taking into account the date of the summons and the date of the meeting, with the notification or attachment of the summons in at least 1 (one) daily newspaper in Indonesian language with national circulation, and on the Stock Exchange website, as well as the Company's website, in both Indonesian and foreign languages, with the provision that the foreign language used is, at least, English;¹³
 - d. In the summons for the GMS, the date, time, place, provisions of the shareholders who are entitled to attend, and the agenda of the meeting accompanied with the explanations shall be included. The summons shall also include notification that the materials to be discussed in the GMS are available at the Company's office from the date of the summons for the GMS until the date of the GMS;¹⁴
 - e. In the summons for the Annual General Meeting of Shareholders, there is also a notification that the Annual Report is available at the Company's Office from the date of the summons for the GMS and that a copy of the balance sheet and profit and loss calculation from the recently ended fiscal year can be obtained from the Company upon the Shareholders' written request;¹⁵
 - f. Proposals from the Shareholders must be included in the GMS if the proposal has been submitted in written form by 1 (one) Shareholder or more who have at least 1/20 (one twentieth) of the total shares with valid voting rights, provided that the proposal has been received by the Board of Directors in on later than 7 (seven) days before the date of summons for the Meeting is issued;¹⁶
 - g. The GMS is valid and has the right to make resolutions if the Shareholders representing more than ½ (a half) of the total shares with valid voting rights issued by the Company are present and/or represented;¹⁷
 - h. The GMS allow the Shareholders to be able to exercise their voting rights and to be represented by other Shareholders or other people by virtue of a power of attorney made and signed in the form as determined by the Board of Directors without prejudice to the prevailing laws and regulations regarding civil evidence. Members of the Board of Directors, Members of the Board of Commissioners and Employees of the Company may act as the proxy to the Shareholders at the GMS, but the votes they issue as the proxy at the GMS are not counted in the vote;¹⁸

¹² OJK Regulation No. 32/POJK.04/2014 regarding Plan and Convention of General Meeting of Shareholders of Public Companies

¹³ Articles of Association of PT Total Bangun Persada Tbk, Article 14 paragraph (2) letter c

¹⁴ OJK Regulation No. 32/POJK.04/2014 regarding Plan and Convention of General Meeting of Shareholders of Public Companies

¹⁵ Articles of Association of PT Total Bangun Persada Tbk, Article 14 paragraph (2) letter f

¹⁶ Articles of Association of PT Total Bangun Persada Tbk, Article 14 paragraph (2) letter g

¹⁷ Articles of Association of PT Total Bangun Persada Tbk, Article 15 paragraph (1) letter a

¹⁸ Articles of Association of PT Total Bangun Persada Tbk, Article 15 paragraphs (2, 3, 4, and 5)

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- i. Of all matters discussed and resolved in the General Meeting of Shareholders, minutes of the GMS shall be prepared by the Notary;¹⁹
 - j. The minutes of Meeting shall become a valid evidence for the shareholders and other parties regarding the resolutions made and everything that occurs in the Meeting concerned;²⁰
 - k. The Company is obliged to make a Summary of Minutes of the General Meeting of Shareholders which must be announced to the public in no later than 2 (two) business days after the General Meeting of Shareholders is convened, at least in 1 (one) daily newspaper in Indonesian language with national circulation, and on the Stock Exchange website, as well as the Company's website, in both Indonesian and foreign languages, with the provision that the foreign language used is, at least, English. The proof of announcement of the relevant Summary of Minutes of the General Meeting of Shareholders must be submitted to the Financial Services Authority in no later than 2 (two) business days after the announcement of the Summary of Minutes of the General Meeting of Shareholders.²¹
 - l. The Company must submit the Minutes of General Meeting of Shareholders to the Financial Services Authority (OJK) in no later than 30 (thirty) calendar days after the General Meeting of Shareholders is convened.²²
 - m. The resolutions of GMS must be notified to every Shareholder; and
 - n. The Board of Directors shall carry out the resolutions of GMS by always taking into account the prevailing regulations and provisions.

B. Board of Commissioners

The Board of Commissioners is one of the Organs of the Company appointed through the GMS and whose duty is to carry out general and/or specific supervision activities in accordance with the Articles of Association, and to provide advice on the policies of the Board of Directors in managing the Company.²³ The Board of Commissioners shall always comply with the provisions of the prevailing laws and regulations in carrying out their duties and obligations.

1. Rights and Authority of Board of Commissioners

The rights and authority of the Board of Commissioners are as follows:

- a. Approving or rejecting decisions that require the approval of Board of Commissioners;
- b. Members of the Board of Commissioners, either jointly or individually, have the right to enter buildings and other yards or places that are used or controlled by the Company at any time during business hours of the Company, and have the right to examine all books, letters, documents, and other evidences, to check and match cash conditions and others, and to know all actions that have been carried out by the Board of Directors;²⁴

¹⁹ Articles of Association of PT Total Bangun Persada Tbk, Article 15 paragraph 11

²⁰ Articles of Association of PT Total Bangun Persada Tbk, Article 15 paragraph 11

²¹ Articles of Association of PT Total Bangun Persada Tbk, Article 15 paragraph 12

²² Articles of Association of PT Total Bangun Persada Tbk, Article 15 paragraph 13

²³ Law No. 40 of 2007 regarding Limited Liability Companies, Article 1 jo. Article 108 paragraph (1)

²⁴ Articles of Association of PT Total Bangun Persada Tbk, Article 20 paragraph (2)

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- c. The Board of Commissioners and/or members of Board of Commissioners have the right to request and obtain an explanation from the Board of Directors and/or members of Board of Directors regarding all matters concerning and/or related to the Company. Board of Directors and each member of Board of Directors, then, must provide relevant explanation;²⁵
 - d. The Board of Commissioners has the right to temporarily dismiss one or more members of Board of Directors;²⁶
 - e. If all members of Board of Directors are temporarily dismissed or the Company does not have any member of Board of Directors, then the Company shall be temporarily managed by the Board of Commissioners. In such cases, Board of Commissioners has the right to grant temporary powers to one or more members of Board of Commissioners at the expense of Board of Commissioners;²⁷
 - f. The Board of Commissioners has the right to obtain access to the Company's information in a timely and complete manner;²⁸
 - g. A member of Board of Commissioners has the right to resign from their position by submitting a written notification regarding their intention to the Company;²⁹
 - h. Knowing all policies and actions that have been and will be carried out by the Board of Directors;
 - i. The Board of Commissioners may request Board of Directors and/or other officials under Board of Directors, with acknowledgement of Board of Directors, to attend the meetings of Board of Commissioners;
 - j. The Board of Commissioners can attend the meetings of Board of Directors and provide opinion on the matters discussed;
 - k. Appointing and dismissing the Secretary of Board of Commissioners, if deemed necessary;
 - l. Establishing an Audit Committee and can establish other committees in accordance with the needs of the Company and prevailing laws and regulations, to assist Board of Commissioners in carrying out their duties;
 - m. Taking action to manage the Company in certain circumstances for a certain period of time in accordance with the provisions of Articles of Association;
 - n. Conducting fit and proper tests on the candidates for Board of Directors and Board of Commissioners of the Subsidiary proposed by Board of Directors; and
 - o. Implementing other authority in terms of supervision duties provided that they do not violate the laws and regulations, Articles of Association of the Company, and/or GMS resolutions.

2. Duties and Obligations of Board of Commissioners

As an organ of the Company, the Board of Commissioners is collectively responsible for supervising and providing advice to the Board of Directors, and ensuring that the Company implements GCG. However, the Board of Commissioners may not participate in making operational decisions.³⁰

The Board of Commissioners is obliged to:

²⁵ Articles of Association of PT Total Bangun Persada Tbk, Article 20 paragraph (3)

²⁶ Articles of Association of PT Total Bangun Persada Tbk, Article 20 paragraph (4) letter a

²⁷ Articles of Association of PT Total Bangun Persada Tbk, Article 20 paragraph (4) letter b

²⁸ KNKG General Guidelines of 2006, Chapter IV Company's Organs letter A

²⁹ Articles of Association of PT Total Bangun Persada Tbk, Article 19 paragraph (8) letter A

³⁰ KNKG General Guidelines of 2006, Chapter IV section C

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- a. Supervise the management activity conducted by the Board of Directors in running the Company, and perform other works as determined from time to time by the GMS;³¹
 - b. Provide advice to the Board of Directors in carrying out the Company's management;
 - c. Keep abreast of the development of the Company's activities and provide Opinions and suggestions to the GMS regarding any issue deemed crucial for the management of the Company;
 - d. Report the progress of the Company in the Annual Report of the Company in every year, and, together with the Board of Directors, sign and submit the Annual Report to the GMS to obtain approval and validation;
 - e. Prepare Minutes of Meeting of the Board of Commissioners and keep their copies;³²
 - f. Conduct assessments based on the system established in the meetings of Board of Commissioners;
 - g. Report the results of the assessment on the performance of Board of Commissioners at the GMS;
 - h. Through the Nomination and Remuneration Committee, propose a remuneration formula for the members of Board of Directors; of which the amount shall be decided in the meetings of Board of Commissioners;
 - i. Provide reports on the supervisory duties that have been carried out during the recently ended fiscal year to the GMS;³³
 - j. Monitor the effectiveness of the Company's GCG practices;
 - k. Conduct division of duties based on the competencies of each member of Board of Commissioners;
 - l. Review periodically and approve the Company's vision and mission

C. Board of Directors

As an organ of the Company, the Board of Directors has a collegial duty and responsibility in managing the Company. Each member of the Board of Directors can carry out duties and make decisions in accordance with their distribution of duties and authority. However, the implementation of duties by each member of the Board of Directors remains a joint responsibility.³⁴ In good faith and full responsibility, the Board of Directors leads and manages the Company in accordance with the interests and objectives of the Company. The structure and composition of Board of Directors are tailored to the needs of the Company.

1. Rights and Authority of Board of Directors

The rights and authority of the Board of Directors are as follows:

- a. Representing the Company both inside and outside the court of all matters and in all incidents, binding the Company with other parties and other

³¹ Articles of Association of PT Total Bangun Persada Tbk, Article 20 paragraph (1)

³² Law No. 40 of 2007 regarding Limited Liability Companies, Article 116 letter (b)

³³ Law No. 40 of 2007 regarding Limited Liability Companies, Article 116 letter (b)

³⁴ KNKG General Guidelines of 2006, Chapter IV section D

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- parties with the Company, and carrying out all actions, both regarding management and ownership;³⁵
- b. Granting power to the established committees to support the implementation of their duties, or to the Company's employees to carry out certain tasks with the responsibility remains with the Board of Directors;³⁶
 - c. Conducting certain actions and appointing one or more proxies and granting the authority to them to conduct certain actions with the conditions specified by the Board of Directors in a special letter, that are carried out in accordance with the Articles of Association of the Company and the prevailing laws and regulations;³⁷
 - d. Establishing policies in leading and managing the Company;
 - e. Appointing and dismissing the Company's Employees based on the Company's employment regulations as well as the laws and regulations;
 - f. Earning salary as well as facilities and other benefits of which the amount is determined by the GMS. This authority of the GMS can be granted to the Board of Commissioners;³⁸
 - g. Carrying out other actions, both concerning management and ownership, in accordance with the provisions stipulated in the Articles of Association and by the GMS based on the laws and regulations.

2. Duties and Obligations of Board of Directors

The Board of Directors is tasked to carry out all actions related to the management of the Company for the interest of the Company, and in accordance with the purposes and objectives of the Company,³⁹ and to represent the Company both inside and outside the Court regarding all matters and all events with limitations as stipulated in the laws and regulations, Articles of Association of the Company and/or resolutions of the GMS.⁴⁰

The duties and obligations of the Board of Directors are as follows:

- a. To formulate the Company's management accountability in the form of an annual report that includes, among others, financial statements and reports on the Company's activities and GCG implementation;⁴¹
- b. To be fully responsible for the Company's management for the interest of the Company and in accordance with the purposes and objectives of the Company;⁴²
- c. To maintain and manage the Company's assets for the interest of the Company;
- d. To formulate the vision, mission, values, and long-term and short-term programs of the Company to be discussed and approved by the Board of Commissioners or the GMS in accordance with the provisions of Articles of Association;⁴³
- e. To control the resources owned by the Company effectively and efficiently;
- f. To take into account the reasonable interests of stakeholders;

³⁵ Articles of Association of PT Total Bangun Persada Tbk, Article 17 paragraph (3)

³⁶ KNKG General Guidelines of 2006, Chapter IV section D

³⁷ Articles of Association of PT Total Bangun Persada Tbk, Article 17 paragraph (8)

³⁸ Articles of Association of PT Total Bangun Persada Tbk, Article 16 paragraph (6)

³⁹ Law No. 40 of 2007 regarding Limited Liability Companies, Article 92

⁴⁰ Law No. 40 of 2007 regarding Limited Liability Companies, Article 98

⁴¹ KNKG General Guidelines of 2006, Chapter IV section D

⁴² Articles of Association of PT Total Bangun Persada Tbk, Article 17 paragraph (1)

⁴³ KNKG General Guidelines of 2006, Chapter IV section D

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- g. To grant power to the established Committee to support the implementation of their duties, or to the Company's employees to carry out certain tasks with the responsibility remains with the Board of Directors;
 - h. To establish rules and work guidelines (charter) so that the implementation of their duties can be directed and effective, and used as a performance assessment tool;
 - i. To prepare the Company's development plans as well as Annual Work Plan and Budget, including other plans related to the implementation of the Company's business and activities, and submit them to the Board of Commissioners for approval;
 - j. To develop an accounting system in accordance with Financial Accounting Standards and based on the principles of internal control, especially the functions of management, recording, documentation and supervision;
 - k. To provide accountability and all information regarding the condition and operation of the Company in the form of an Annual Report, which includes the Financial Statements or Periodic Reports, to the General Meeting of Shareholders;
 - l. To provide periodic reports in a manner and time that are in accordance with the provisions of the laws and regulations, and other reports at any time requested by the shareholders;
 - m. To organize and maintain the Company's bookkeeping and administration in accordance with the norms that are applicable to the Company;
 - n. To keep at the Company's place, among others, the Shareholders Register, Special Register, Minutes of the GMS, Minutes of Meetings of Board of Commissioners and Minutes of Meetings of Board of Directors, Annual Reports, and financial documents as well as other documents of the Company;⁴⁴
 - o. To prepare the Company's organizational structure complete with the details of duties;
 - p. To implement Annual Work Plans;
 - q. To implement good corporate governance in a consistent manner;
 - r. Members of the Board of Directors cannot be held accountable for the loss suffered by the Company, if they can prove that:⁴⁵
 - The loss is not due to their errors or negligence;
 - The management have been conducted in good faith and prudently for the interests of the Company and in accordance with the Company's purposes and objectives;
 - There has been no conflict of interest, either directly or indirectly, over the management actions that result in losses; and
 - Actions have been taken to prevent continuing losses.
 - s. To carry out other obligations based on the prevailing regulations and provisions.

⁴⁴ Law No. 40 of 2007 regarding Limited Liability Companies, Articles 100 and 101

⁴⁵ Law No. 40 of 2007 regarding Limited Liability Companies, Article 97 paragraph (5)

II. SUPPORTING ORGANS

A. Corporate Secretary

The Company is fully aware of the key role of Corporate Secretary in facilitating the relationship among the Company's Organs, the relationship between the Company and Stakeholders, and the fulfillment of the prevailing laws and regulations. To support this role, the Corporate Secretary is appointed and responsible to the President Director.

1. Authority of Corporate Secretary:

- a. Signing letters addressed to the Financial Services Authority (OJK), the Indonesia Stock Exchange (IDX), the Indonesia Central Securities Depository (KSEI), and other parties;
- b. Representing the Company at the meeting of Corporate Secretary, meeting of members of stock exchange or issuers at the IDX, and meeting of the Indonesian Public Listed Companies Association (AEI), KSEI, and the Financial Services Authority (OJK);
- c. Any information submitted by the Corporate Secretary to the public is the official information from the Issuer or Public Company;⁴⁶
- d. Obtaining relevant information regarding the Company, in relation to their duties and functions;

2. Duties and Responsibilities of Corporate Secretary

Functions of the Corporate Secretary are, among others:⁴⁷

- a. to keep abreast of the developments in Capital Market, specifically the prevailing laws and regulations in the Capital Market;
- b. to provide input to the Board of Directors and Board of Commissioners of the Issuer or Public Company to comply with the laws and regulations in the Capital Market;
- c. to assist the Board of Directors and Board of Commissioners in implementing corporate governance, which includes:
 1. disclosing information to the public, including the availability of information on the Website of Issuer or Public Company;
 2. submitting reports to the Financial Services Authority in a timely manner;
 3. organizing and documenting the General Meeting of Shareholders;
 4. organizing and documenting the meetings of Board of Directors and/or Board of Commissioners; and
 5. implementing the Company's orientation programs for the Board of Directors and/or Board of Commissioners.
- d. to serve as a liaison between the Issuer or Public Company and the shareholders of the Issuer or Public Company, the Financial Services Authority, and other stakeholders.

⁴⁶ OJK Regulation No. 35/POJK.04/2014 regarding Corporate Secretary of Issuers or Public Companies, Article 8

⁴⁷ OJK Regulation No. 35/POJK.04/2014 regarding Corporate Secretary of Issuers or Public Companies, Article 5

B. Internal Audit

Internal Audit is a Work Unit of the Company that carries out independent and objective assurance and consultative management activities, with the aim of providing added values and enhancing the Company's operations, as well as assisting the Company to achieve its objectives through a systematic and orderly approach to evaluate and improve the effectiveness of risk management, control, governance processes and implementation of business ethics.

The Internal Audit conducts audit activities and is responsible directly to the President Director; hence, the Head of Internal Audit is appointed and dismissed by the President Director with the approval of the Board of Commissioners. Internal Audit works in accordance with the Audit Charter determined and approved by the Board of Commissioners. Internal Audit coordinates with the Audit Committee.

1. Authority of Internal Audit:

- a. Accessing all relevant information on the Company, in relation to their duties and functions;
- b. Communicating directly with the Board of Directors, Board of Commissioners and/or Audit Committee;
- c. Holding regular and incidental meetings with the Board of Directors, Board of Commissioners and/or Audit Committee;
- d. Coordinating their activities with the External Auditor's activities;
- e. Allocating audit resources to determine the focus of audit scope and schedule;
- f. Obtaining advice and suggestions from professionals.

2. Duties and Responsibilities of Internal Audit:

- a. To prepare strategies, policies and plans for audit activities;
- b. To examine and evaluate the implementation of internal control and risk management systems in accordance with the Company's policies;
- c. To examine and evaluate the efficiency and effectiveness of financial, accounting, operational, human resources, information technology and other activities;
- d. To provide suggestions for improvement and objective information on the audited activities at all levels of management;
- e. To prepare an audit report and submit it to the President Director, and to provide copies to the Board of Commissioners;
- f. To monitor, analyze and report the implementation of follow-up activities for improvements that have been suggested;
- g. To cooperate with the Audit Committee;
- h. To develop programs to evaluate the quality of internal audit activities;
- i. To evaluate the compliance with the Company's regulations, GCG implementation, and the laws and regulations;
- j. To facilitate the flow of audit activities implementation by external auditors;⁴⁸
- k. To conduct special audit if required.

⁴⁸ Indonesian General GCG Guidelines of 2006 KNKG Chapter IV Section D

C. Secretary of Board of Commissioners

The Secretary of Board of Commissioners is established by and responsible to the Board of Commissioners to assist the Commissioners in secretarial activities, such as:

- a. Implementation of the role as a liaison between the Board of Commissioners and the Board of Directors;
- b. Coordination of Meetings of Board of Commissioners and Joint Meetings, including preparation of meeting invitations and meeting materials;
- c. Preparation and documentation of letters and minutes of meeting of Board of Commissioners and Joint Meeting;
- d. Collection of data or information that is relevant to the implementation of Commissioners' duties.

D. Supporting Committees of Board of Commissioners

In supporting the implementation of their duties, the Board of Commissioners may establish the following committees:⁴⁹

1. Audit Committee

The Audit Committee is established in order to assist the Board of Commissioners' duties to encourage the implementation of good corporate governance and the establishment of an adequate internal control structure, to improve the quality of financial transparency and reporting, and to review the scope, accuracy, independence and objectivity of public accountants.

The Audit Committee is responsible for assisting the Board of Commissioners in ensuring the effectiveness of internal control system and the implementation of duties of both the External Auditor and Internal Auditor.

The Audit Committee consists of at least one Independent Commissioner acting as the Head of Audit Committee. Should there be more than one Independent Commissioner serving as members of the Audit Committee, one of them shall serve as the Head of Audit Committee.⁵⁰ One of the members of Audit Committee must have an accounting or financial education background and have the ability to understand financial statements.

a. Authority of the Audit Committee

The Audit Committee is authorized to access records or information regarding employees, funds, assets, and other resources of the Company in relation to the implementation of their duties;

b. Duties and Responsibilities of the Audit Committee:⁵¹

- a. To review the financial information to be issued by the Company, such as financial statements, projections and other financial information;
- b. To review the Company's compliance with the laws and regulations in the Capital Market and other laws and regulations related to the Company's activities;

⁴⁹ Law No. 40 of 2007 regarding Limited Liability Companies, Article 121

⁵⁰ Bapepam Regulation IX.1.5 Attachment of Decree of Bapepam Chairman No. Kep-29/PM/2004 regarding Establishment and Work Guidelines of Audit Committee

⁵¹ Bapepam Regulation IX.1.5 Attachment of Decree of Bapepam Chairman No. Kep-29/PM/2004 regarding Establishment and Work Guidelines of Audit Committee

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- c. To review the implementation of audit activities by internal auditors;
 - d. To report various risks faced by the Company and the implementation of risk management by the Board of Directors to the Commissioners;
 - e. To conduct review and to report the complaints related to the Issuer or Public Company to the Board of Commissioners;
 - f. To maintain the confidentiality of the Company's documents, data and information;
 - g. To ensure that the internal control system and the implementation of duties of external auditors and internal auditors are effective;
 - h. To assess the implementation of audit activities carried out by the Internal Audit Unit and external auditors as well as the audit results;
 - i. To provide recommendations regarding the improvement of management control system and its implementation;
 - j. To ensure that there is a satisfactory review procedure for all information issued by the Company;
 - k. To identify matters that require the attention of Board of Commissioners as well as other duties of the Commissioners;
 - l. To process the candidates for external auditors including the fee of their services to be submitted to the Board of Commissioners.⁵²

2. Nomination and Remuneration Committee⁵³

The Nomination and Remuneration Committee is established by and responsible to the Board of Commissioners in assisting the implementation of functions and duties of the Board of Commissioners in relation to the Nomination and Remuneration of members of Board of Directors and members of Board of Commissioners.

Nomination is the proposal of an individual to be appointed as a member of Board of Directors or a member of Board of Commissioners.

Remuneration is the reward determined and given to the members of Board of Directors and members of Board of Commissioners due to their position and roles.

a. Duties and Responsibilities of Nomination and Remuneration Committee

- 1) Related to Nomination function:
 - i) To provide recommendations to the Board of Commissioners regarding:
 - a) Composition of members of Board of Directors and/or Board of Commissioners;
 - b) Policies and criteria required in the Nomination process; and
 - c) Performance evaluation policy for members of Board of Directors and/or Board of Commissioners;
 - ii) To assist the Board of Commissioners in evaluating the performance of members of Board of Directors and/or Board of Commissioners based on the benchmarks that have been prepared as evaluation material;
 - iii) To provide recommendations to the Board of Commissioners regarding the capacity development program for members of Board of Directors and/or Board of Commissioners; and

⁵² Indonesian General GCG Guidelines of 2006 KNKG Chapter IV Letter C

⁵³ OJK Regulation No. 34/POJK.04/2014 regarding Nomination and Remuneration Committee of Issuers or Public Companies

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- iv) To propose candidates who meet the requirements as members of Board of Directors and/or Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
 - 2) Related to the Remuneration function
 - i) To provide recommendations to the Board of Commissioners regarding:
 - a) Remuneration Structure;
 - b) Policy on Remuneration; and
 - c) Amount of Remuneration;
 - ii) To assist the Board of Commissioners in evaluating performance with the conformity of the Remuneration received by each member of Board of Directors and/or Board of Commissioners.

b. Guidelines of Nomination and Remuneration Committee

- 1) The Nomination and Remuneration Committee is required to prepare guidelines that are binding for each member of the Nomination and Remuneration Committee.
- 2) The Nomination and Remuneration Committee's guidelines mentioned above shall include, at the very least, the following:
 - i) duties and responsibilities;
 - ii) composition and membership structure;
 - iii) work procedures;
 - iv) meetings;
 - v) activity reporting system;
 - vi) procedures for replacing members; and

3. Other Committee

The Company can establish other Committees if required, such as the Business Risk Policy Committee, the Good Corporate Governance Committee.

To ensure objectivity, the committees mentioned above are chaired by the independent members of Board of Commissioners

E. Relationship among the Organs of the Company

The organs of the Company have their respective functions and authority given by the laws. Respect for each other's functions and authority is the foundation of the relationship that is developed by the Company. With mutual respect for the functions and authority of each Organ of the Company, it is expected that positive cooperation and synergy will be created for the Company which will further improve the implementation of GCG.

The Company always encourages that each Organ of the Company carries out their duties and functions based on the compliance with the prevailing laws and regulations, and aims to increase the values for shareholder in the long term. To that end, the Company establishes a number of policies related to the relationship among the Organs of the Company as follows:

1. Each Organ of the Company must act in the best interests of the Company.

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2. Each Organ of the Company must act on the basis of togetherness in order to achieve the Company's objectives.
 3. Each Organ of the Company must respect each other and honor their respective functions and roles.
 4. Each Organ of the Company must act according to their respective functions and roles in accordance with the Company's Articles of Association as well as the prevailing laws and regulations.

FOURTH SECTION MAIN POLICIES OF THE COMPANY

I. General

A. Business Integrity

The scope of the Company's business activities that are closely related to the surrounding community and environment requires the implementation of these ethical standards. Such standards are applied based on the principles of GCG and the values of the Company, namely Performance, Character, and Spirit.

In line with the development of business environment, the Company is increasingly aware of the significance of actively carrying out duties as a corporation that runs its business in a responsible manner. The Company fully realizes that positive relationship with Stakeholders and enhancement of shareholders' values in the long term can only be achieved if business integrity is always maintained and improved in every operational activity of the Company.

To that end, the Company continuously encourages all TOTAL People to comply with the prevailing laws and regulations in conducting their functions for the Company. In contrast, the Company prohibits all TOTAL People from conducting their functions and work that can violate the provisions of the prevailing laws and regulations.

B. Accounting Standards

The Company has a policy to implement an accounting system that accurately reflects every financial transaction and change in assets that occur. The Company ensures that only the real financial transactions that are recorded. Such financial transaction must have received the Management's approval and is properly recorded in the Company's accounting system. In addition, the company always ensures that all policies and regulations related to accounting refer to the Guidelines of Financial Accounting Standards that are valid and standardized by the Indonesian Institute of Accountants.

The Company's financial affairs are managed in a professional and transparent manner, based on the conservative prudent principles and with orientation to optimum results. Financial management is intended to optimize the values of the Company through the implementation of work programs based on the principle of costs and benefits.

Regarding financial statements, the Company's Financial Statements always contain financial positions, financial performance, changes in equity and cash flows, as well as notes to financial statements.

In the Company's Financial Statements, the Company properly and accurately discloses various information that are relevant to the users of financial statements in accordance with the prevailing accounting standards and provisions.

In order to properly apply the accounting standards and to meet the prevailing internal and external provisions, the Company determines a number of policies related to accounting standards as follows:

1. Formulating and implementing an accounting system that is in conformity with the financial accounting standards, including bookkeeping and administration methods that are based on a reliable internal control.
2. Managing finances prudently and transparently by applying budget discipline.
3. Utilizing idle funds through short-term investment portfolios that are profitable and have low risk.
4. Standardizing financial management system and procedure policies by taking into account the proper internal controls.
5. Integrating financial reporting and budget reporting systems between the Head Office and Subsidiaries.
6. Analyzing all possible risks and taking necessary actions to anticipate the existing risks.
7. Improving the established accounting policies in order to always comply with the applicable financial accounting standards that are standardized by the Indonesian Institute of Accountants.
8. Every member of the Management and Employees of the Company responsible for financial functions:
 - a. Must understand and carry out the Company's financial policy in a consistent manner;
 - b. Is prohibited from recording false transactions in all journals;
 - c. Must treat financial information in accordance with the Company's information classification policy as well as the prevailing laws and regulations.

C. Internal Control

Internal Control System is an integral process in all actions and activities carried out continuously by the leaders and all Employees, to provide adequate confidence in the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding Company's assets and compliance with the laws and regulations.

1. The Board of Directors develops the Company's internal control system so as to be able to function effectively in securing the Company's investments and assets. The developed internal control system includes the following matters:
 - a. Disciplined and structured environment of internal control within the Company;
 - b. Business risk assessment and management, namely the process to identify, analyze, assess and manage the relevant business risks;
 - c. Control activities, namely the actions taken in a process of controlling the Company's activities at every level and unit within the Company's organizational structure, including authority, authorization, verification, reconciliation, assessment on work performance, distribution of duties, and security of the Company's assets;

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- d. Information and communication systems, namely the process of presenting reports regarding operational and financial activities, as well as the compliance with provisions and regulations applicable to the Company;
 - e. Monitoring, namely the process of evaluating the quality of the internal control system, including the internal audits functions, at each level and unit of the organizational structure of the Company;
 - f. The development of Internal Control System which includes the five items above needs to be complemented with the Standard Operating Procedure (SOP) of each of these items. SOP shall also be intended to prepare work plans and work procedures, recording and reporting activities, personnel development, and internal reviews from the aspects of production, marketing, finance, and business development, as well as from other aspects
2. Internal Audit assists the President Director in carrying out the internal audit activities on the Company's finances and operations, as well as in assessing its control, management, and implementation, and in providing suggestions for improvement;
 3. The Board of Directors shall follow-up the report of audit results from the Internal Audit;
 4. The Audit Committee shall assess the implementation of audit activities by Internal Audit and the results, provide recommendations for improving the management control system, ensure that there is a satisfactory review procedure for all information issued by the Company, and identify matters that require the attention of Board of Commissioners.

D. External Auditor

In accordance with the prevailing provisions as well as laws and regulations, the Company must employ the service of an External Auditor to express the opinion of fairness in all material respects, financial position, results of operations, and changes in equity and cash flows, in accordance with the generally accepted accounting principles in Indonesia. The Statement of External Auditor is an independent third party's opinion regarding the fairness of the Financial Statements submitted to the Company's shareholders and other stakeholders regarding material issues listed in the financial statements.

The Financial Statements is the responsibility of the Board of Directors. The responsibility of the External Auditor is to express opinions on the Financial Statements.

In dealing with the External Auditor the Company applies the following principles:

1. The External Auditor is appointed by the GMS, from the candidates submitted by the Board of Commissioners based on the proposal from the Audit Committee.
2. The Audit Committee, through the Board of Commissioners, submits the reason for the nomination and the amount of honorarium/fee for the External Auditor to the GMS.
3. The External Auditor must be free from the influence of Board of Commissioners, Board of Directors, and parties with any interest in the Company.

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4. To conduct audit activities on the Company's financial statements and all accounting records as well as other supporting data to ensure compliance, fairness, and conformity with the Indonesian financial accounting standards, and to provide opinions on financial statements.
 5. To conduct audit activities on financial statements to provide opinions on the fairness of financial statements, and to submit their report in 3 (three) months after the closing of the fiscal year.
 6. To submit reports on the progress of audit implementation, including the information on significant irregularities, to the Internal Audit and the Audit Committee periodically and/or at any time.
 7. The Audit Committee shall assess the implementation of audit activities conducted by the External Auditor and the results.
 8. To issue the report of audit results in a timely manner in accordance with the contract/agreement.

II. Specific

A. Appointment and Dismissal of Board of Commissioners and Board of Directors

1. Appointment and dismissal of Board of Commissioners. ⁵⁴
 - a. The Board of Commissioners is appointed and dismissed by the GMS through a transparent process. The assessment process of candidates for the Board of Commissioners is carried out before the GMS is convened through the Nomination and Remuneration Committee. The selection of an Independent Commissioner must take into account the opinion of minority Shareholders, which can be submitted through the Nomination and Remuneration Committee;
 - b. Members of the Board of Commissioners are appointed by the GMS for a period of 4 (four) years unless determined otherwise by the GMS or based on the provisions of the Company's Articles of Association, without prejudice to the right of the GMS to dismiss or reappoint them at any time;
 - c. Members of the Board of Commissioners whose term of office has expired can be reappointed in accordance with or based on the resolutions of GMS;
 - d. Unless otherwise determined by the GMS, the term of office of members of Board of Directors appointed to replace the members of Board of Commissioners who are dismissed, or to fill vacant positions, or who are appointed as additions to the existing members of Board of Commissioners, is the remaining period of the term of office of the other members of Board of Commissioners who are still in office;
 - e. Dismissal of a member of Board of Commissioners prior to the end of their term of office is conducted by the GMS on the basis of reasonable reasons and after the relevant member of Board of Commissioners is given the opportunity to defend themselves.
2. Appointment and dismissal of Board of Directors. ⁵⁵
 - a. The Board of Directors is appointed and dismissed by the GMS through a transparent process. The assessment process of candidates for the Board of Directors is carried out before the GMS is convened through the Nomination and Remuneration Committee;
 - b. Members of the Board of Directors are appointed by the GMS for a period of 4 (four) years unless determined otherwise by the GMS or based on the

⁵⁴ Articles of Association of PT Total Bangun Persada Tbk, Article 19 paragraph (2)

⁵⁵ Articles of Association of PT Total Bangun Persada Tbk, Article 16 paragraph (2)

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- provisions of the Company's Articles of Association, without prejudice to the right of the GMS to dismiss or reappoint them at any time;
- c. Members of the Board of Directors whose term of office has expired can be reappointed in accordance with or based on the resolutions of GMS;
 - d. Unless otherwise determined by the GMS, the term of office of members of Board of Directors who are appointed to replace the members of Board of Directors who are dismissed, or to fill vacant positions, or who are appointed as additions to the existing members of Board of Directors, is the remaining period of the term of office of the other members of Board of Directors who are still in office;
 - e. Dismissal of a member of Board of Directors prior to the end of the term of office is conducted by the GMS on the basis of reasonable reasons and after the relevant member of Board of Directors is given the opportunity to defend themselves.

B. Delegation of authority of the GMS, Board of Commissioners and Board of Directors

Delegation of authority includes the process of delegating authority for certain tasks to other parties within the Company. The party receiving the authority has discretion in the implementation of the delegation, although the final authority remains with the party delegating the authority (sovereign-authority). The delegation includes responsibility and authority, and shall not only focus on the results but also the process.

1. The delegation of authority must be preceded by analyzing the work to be delegated and must take into account the level of competence of party receiving the delegation which shall be stipulated in job description.
2. The Board of Directors determines policy on authority delegation based on the established guidelines of operational activities.
3. The delegation of a portion of Board of Directors' authority to Head of Work Units is regulated in a Decree with the following considerations:
 - To support workflow;
 - To improve efficiency and effectiveness;
 - To clarify responsibilities, authority, and work procedures;
 - To facilitate control and development.
4. The delegation of authority is reviewed periodically to adjust to changes and developments in the Company.
5. Delegation of authority does not release the responsibility of Board of Directors.

The authority delegation process for the GMS, Board of Commissioners, and Board of Directors is as follows:

- a. Delegation of authority of the GMS
The GMS can delegate its authority to the Proxies of GMS in accordance with the provisions stipulated in Articles of Association as well as prevailing laws and regulations. To maintain independence among Organs of the Company, the Proxies of GMS shall not be a Commissioner of the Company.
- b. Delegation of authority of Members of Board of Commissioners
A Member of Board of Commissioners can only delegate their authority to other member of Board of Commissioners through a Power of Attorney by not eliminating the nature of their accountability. The Board of Commissioners can assign matters relating to their authority to Committees and Secretary of Board of Commissioners.

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- c. Delegation of authority of the Board of Directors
 - 1) A Member of Board of Directors can delegate their authority to other member of Board of Directors through a Power of Attorney by not eliminating the nature of their accountability.
 - 2) In delegating authority to other member of Board of Directors, it is necessary to stipulate provisions concerning the forms of decrees of Board of Directors that can be taken by:
 - Members of Board of Directors individually
 - Members of Board of Directors on behalf of the Board of Directors collectively
 - 3) The Board of Directors may assign Employees or parties outside the Company to carry out matters relating to their authority by being established in a Decree, Circular Letter, and Power of Attorney of the Board of Directors.

C. Organization Structure of the Company

1. The Company's Organizational Structure is prepared in line with the Company's strategic objectives.
2. Directors determine job descriptions and job requirements.
3. The Board of Directors determines the filling of the position formation through a transparent, competitive and fair selection process based on the fulfillment of job requirements.
4. Education and training are prepared by taking into account the analysis of the needs and objectives of the Company.
5. Organizational Structure of Subsidiaries or affiliated parties must be effective and efficient.

D. Transactions with parties having a special relationship

Transactions with the Company and transactions with the parties having a special relationship must be carried out based on the principle of equality (arms-length relationship) and fairness by mentioning the nature of transactions, including the share ownership and transaction values, and must be disclosed so that the minority Shareholders and the Company will not suffer from losses.

In the relationship with the units and transactions with other parties having a special relationship, the Company prepares policy guidelines as follows:

1. In preparing the affiliated units and investing the Company shares, the Board of Directors must take into account the business interest of the Company and carry out the transactions after conducting a review on business, legal, financial, and technical aspects pursuant to the laws and regulations.
2. The Board of Directors shall place the Company's representative as a member of management of the Subsidiaries/affiliated parties.
3. The Board of Directors is obliged to request for the periodical reports on the management of the Subsidiaries/affiliated parties' businesses.
4. The Board of Directors shall implement control on and/or development of the affiliated units through a corporate mechanism, namely through the GMS or periodical meetings.
5. The sale and/or purchase of shares at the Subsidiaries shall be carried out after a thorough review, by taking into account the benefits gained for the Company, of

which the implementation shall be conducted based on the prevailing provisions and regulations.

E. Management of Human Resources (HR)

Human Resource (HR) is the most important factor in achieving competitive advantage. The Company places its employees as the strategic partner in conducting its business.

The HR management strategy implemented by the Company is to mobilize all of its resources and capabilities to respond to the challenges and adjust to the demands of a dynamic market, so that the Company becomes strong and competitive. Every employee, both individually and as a team, is given the opportunity to take on a role greater than their current duties and responsibilities, in order to be able to contribute optimally to the performance achievement of the Company.

The Company's HR management process aims to encourage TOTAL People to be the primary subject in the effort to realize the Company's vision and mission. It is the duty of all parties involved in Human Resource management to ensure that the Company recruits, develops, and maintains high-quality TOTAL people who are committed to the Company's goals.

The Company has made an effort to reform its HR management so as to be more integrated, encompassing the development of HR Information System (HRIS), performance management, recruitment systems, compensation and benefit systems, career and HR development systems, and occupational health and safety issues.

F. Relationship with the Employees

The Company respects the human rights of each TOTAL People. In terms of the relationship between PT Total Bangun Persada Tbk and the Employees, represented by the Labor Union and bound in the form of Collective Labor Agreement, the Company is committed to upholding the Collective Labor Agreement as a foundation in fostering relationships with the Employees. Human Resource management policies and procedures, such as employee formation, transfer, and development, as well as reward and punishment for Employees are carried out consistently.

The Company implements a human resource management system based on the values of openness and fairness, as well as freedom from bias due to differences in ethnicity, origin, gender, religion, and birth place, as well as matters that are not related to Employee's performance. Every employee, both individually and as a team, is given the opportunity to take on a role greater than their current duties and responsibilities, in order to be able to contribute optimally to the performance achievement of the Company.

Policies developed by the Company in terms of relationship with Employees are based on the following details:

1. Human resource management policies and procedures are developed based on the principles agreed upon in the Collective Labor Agreement and GCG principles.
2. Human resource management policies and procedures are implemented consistently.
3. Ensuring the creation of conducive work environment, including in terms of occupational health and safety, so that every Employee can work creatively and productively.
4. Employees can be represented collectively by a representative group of labor union.
5. Employees have equal opportunities to participate in education, training and further development activities in line with the Company's competencies and needs.
6. The Company and Employees are obliged to comply with the Collective Labor Agreement.
7. Employees must exert all of their power and effort in carrying out the work assigned to them.
8. Employees are obliged to maintain the Company's assets and reputation.
9. Employees who become superiors are obliged to develop and set an example for subordinates in their environment.
10. Ensuring that the Employees do not use the name and facilities of the Company, or good relations of the Company with external parties for their personal gain. Therefore, the Company must have a system which shall guarantee that every employee upholds the Company's Ethical Standards and values, and adheres to the applicable internal policies, regulations and procedures.

G. Management of Risk and Quality

Risk management is a process to manage risk, which includes the identification, evaluation and control of risks that have the potential to disrupt the Company's activities and business continuity, and to cause failure in achieving the Company's objectives.

The Company realizes that risk management is crucial, considering the fact that construction industry is an industry where the financial, operational, and strategic risks have high possibilities to occur, should they are not managed in a proper manner. The risk management system is continuously developed to anticipate possible risks and eliminate existing risks in order to achieve the Company's goals. Risks that may occur in any business activity are generally derived from the elements of uncertainty which minimize profitability and can even result in losses. To that end, an accurate and comprehensive risk identification is vital, such as by recording as many potential risks as possible through surveys, interviews, historical data, and brainstorming.

Risk control is carried out using a structured approach, starting from assessment of risk, development of strategies to manage the risk, and mitigation of risk using the Company's resources. Strategies that can be implemented include transferring risks

to other parties, avoiding risks, reducing the adverse impact of risks, and accepting part or all of the consequences of certain risks.

The company implements a comprehensive risk management policy in all organizational lines. Risk identification and evaluation is carried out by each department while the Board of Directors, together with the Internal Audit Unit and the Board of Commissioners represented by the Audit Committee, reviews and formulates the necessary management and mitigation strategies. The Board of Commissioners takes the role of monitoring the implementation of risk management activities but grants full authority to the management to manage risks as the management is the party that is most aware of the existing risks in the Company's business processes.

In addition to Risk Management, the Company ensures the quality of its products and work processes through the establishment of guidelines as well as the duties and responsibilities of the Company's Management, as follows:

1. Quality Manual, in reference to ISO 9001 & Occupational Health, Safety and Environment (K3L), in reference to OHSAS 18001, OHS Management System and ISO 14001
2. Duties and Responsibilities of the Management:
 - a. The Board of Commissioners evaluates the responsibility of Board of Directors and provides recommendations for improvement to the Board of Directors on the implementation of Risk Management Policy;
 - b. The Board of Commissioners supervises the implementation of risk management policies based on the results of evaluations conducted by the Internal Audit Unit;
 - c. The Board of Commissioners evaluates and determines the request of Board of Directors related to the transactions that require approval from the Board of Commissioners after going through a risk analysis;
 - d. The Board of Directors reviews the risks and risk management of the Company;
 - e. The Board of Directors provides information on the results of risk analysis to the Board of Commissioners in accordance with the level of needs;
 - f. The Board of Directors develops guidelines for managing the risks faced by the Company;
 - g. The Board of Directors establishes a Committee to conduct and determine the Company's risk profile;
 - h. The Board of Directors improves the risk management system and discloses the management's assessment on business risks that can be anticipated in the Annual Report, to be regarded as key information for the Stakeholders.

H. Information Technology Governance (IT Governance)

The Company realizes that the management of technology is closely related to the overall success of corporate governance. The Company ensures that there is a regular, measurable, and efficient process of improvement and utilization of technology. Furthermore, the Company always develops technology and knowledge transfer methods, and other expertise related to the Company's operations.

Technology management also includes processes in information technology governance and resources, as well as development of an integrated technology

system in accordance with the objectives and needs of the Company's business processes. The information technology governance is intended to ensure that the data/information published by the Company is more accurate and accessible, can be used as needed, facilitates reporting process, and is trusted and safe.

The information technology that is developed must have a highly strategic value in supporting the creation of superior and competitive products or services of the Company. Investment in information technology sector must consider the benefit aspect in the form of cost reduction and ease of obtaining information. To have such a safe and optimal utilization, the function of information technology must implement controls related to IT activities.

The Information Technology Governance process is part of the overall Corporate Governance. The Board of Directors is obliged to develop a more detailed guidance regarding the information technology management (information technology manual), which contains the information technology process and Standard Operating Procedure (SOP).

The IT development in the Company is focused on developing an integrated business application system to support the operations across existing business functions, both at the head office and project office.

The Board of Directors determines an information technology function that:

- a. Has the responsibility to realize the designs into detailed construction;
- b. Acts as a consultant by communicating regularly with the users;
- c. Facilitates the implementation of information technology training;

Such implementation of technology management is integrated with the Company's Management Information System so as to be able to improve the effectiveness and efficiency of the operational activities of the Company.

I. Financial Management

The policy on financial process is the basis for the preparation of all policies and decision-making of the Company related to the financial process and corporate accounting.

The Company's finance must be managed professionally and transparently, and based on conservative and prudent principles. Regulations, policies, and procedures related to financial management are prepared and evaluated regularly by taking into account the prevailing accounting standards as well as laws and regulations. The Company establishes a good internal control system to create optimum financial management.

The purpose of financial process is to manage the allocation of financial resources of the Company and to provide information and reporting of financial positions and conditions for decision-making process in order to meet the Company's Vision and

Mission. The financial and accounting processes are the responsibility of the Board of Directors to the Shareholders for the use of the financial resources.

Achievement of the Company's Vision and Mission can be delayed due to non-optimal financial and accounting management, including:

1. The financial management and reporting systems that do not meet the applicable management standards.
2. The inaccurate, inefficient and ineffective allocation of financial resources.
3. The unreliable financial and accounting information which can result in wrong business decisions.

The Board of Directors is required to ensure that the Company's financial statements are prepared according to the generally applicable accounting standards and management report standards in accordance with the prevailing regulations. The processes of accounting and financial and management reporting must produce reports that meet the following criteria:

1. Easy to understand, namely that information in the accounting, financial statements, and management reports can be easily understood by the public.
2. Relevant, namely that information in the accounting, financial statements, and management reports has an influence on economic decisions taken by its users.
3. Reliable, namely that information in the accounting, financial statements, and management reports must be free from ambiguous understanding and material errors.
4. Can be compared, namely that information in the accounting, financial statements, and management reports must be comparable between periods to identify trends in financial position and performance.

J. Performance Assessment and Remuneration System

Performance management is an effort to create a shared understanding of the work targets to be achieved, the efforts to achieve them, and the related regulations in the implementation process. The purpose of performance management is to obtain a basis for decision making in regard of promotion, rotation, demotion, and corrective actions, provisions of merit increase, and criteria for the implementation of valid development programs.

In the framework of GCG principles implementation, the Company implements a performance assessment system that is developed based on the principles of transparency, accountability, independency and fairness. The Company strives to ensure that the performance appraisal system is:

1. Transparent, in the sense that all Employees can understand what measures are being assessed so that they can independently estimate the results of their performance assessments which can then be compared with the results of performance assessments conducted by the Company.
2. Accountable, in the sense that the performance management is carried out by work units capable of conducting them in an appropriate manner and is based on clear/measurable standards.

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3. Independent, in the sense that the assessment on performance management is carried out objectively based on the predetermined measures, without influence or pressure from any party which may affect the assessment results of performance management.
 4. Fair, in the sense that the performance management is developed based on performance targets that can be achieved.

The results of performance assessment are part of the achievement of the work unit's objectives, which ultimately shall be used as an assessment for the career and compensation systems.

The forms of assessment on performance and remuneration of the Board of Commissioners, Board of Directors and Employees are, among others, as follows:

- a. Performance Assessment and Remuneration System of the Board of Commissioners
 - Shareholders assess the overall performance of the Board of Commissioners and of each member of the Board of Commissioners through the GMS mechanism;
 - Shareholders are entitled to obtain a comprehensive description and accurate information from the Remuneration and Nomination Committee regarding the system to determine the salary, benefits and facilities for each member of Board of Commissioners.
- b. Performance Assessment and Remuneration System of the Board of Directors
 - Shareholders assess the overall performance of the Board of Directors and of each member of the Board of Directors through the GMS mechanism;
 - Remuneration for the Board of Directors must motivate the Board of Directors to achieve long-term growth and success of the Company in a controlled framework.
- c. Performance Assessment and Remuneration System of the Employees
 - The company must formulate an objective and documented performance assessment system that can be used as a basis for giving awards, providing development, and calculating remuneration for Employees;
 - The primary factor assessed in the Employee's performance assessment is the achievement of work based on the Employee's competencies;
 - The essences of competencies used for performance assessment are as follows:
 - Knowledge of work;
 - Honesty and integrity;
 - Motivation and achievement willingness;
 - Ability to communicate;
 - Responsibility and accuracy;
 - Ability to cooperate;
 - Ability to analyze and decide;
 - Ability to lead;
 - Orientation to customers;
 - Orientation to business;
 - Performance indicators which are sought to meet the aspects of comprehensiveness, coherency, balance and measurability.

- Performance targets are prepared for a period of one calendar year in line with the Company's work plan and budget, and are elaborated by the Board of Directors to be the performance targets of work units, which will eventually become individual performance targets. Such performance target can only be re-evaluated if there are issues arising beyond the control of the related work units/officials;
- The Company shall use the Key Performance Index (KPI) as outlined in the Performance Contract to evaluate the performance of the Company's operational functions/fields/units;
- The Company uses a Performance Management System (PMS) to evaluate individual performance. The PMS is a process to create a joint understanding between the Employees and their superiors regarding targets to be achieved and the methods to achieve them;
- UKT and SMK must be correlated and evaluated periodically;
- Performance assessment must be followed by a firm and consistent implementation of rewards and punishments;
- The Company provides remuneration to the employees based on their performance achievement, in the form of wages, allowances, and other receipts required by the prevailing Company's regulations as well as the laws and regulations;
- The Company must develop and evaluate the performance assessment system and remuneration system so as to always be updated with the developments.

K. Reporting

The reporting system must be supported by a reliable information system in order to produce quality reports that are easily understood, relevant, accurate, timely, auditable, and accountable. Reports must be published on time and present relevant, accurate, and reliable information as a basis for decision making and feedback.

1. Annual Report⁵⁶
 - a. The Company's fiscal year starts from the January 1 (the first) and ends on December 31 (the thirty-first) of the same year. At the end of December of each year, the Company's book is closed;
 - b. Within a period of no later than 6 (six) months after the closing of the Company's fiscal year, the Board of Directors must prepare an annual report to be submitted to the GMS;
 - c. The annual report shall contain, at least, the following:
 - Financial statements, which consist of, at least, the final balance sheet of the fiscal year in comparison with the previous fiscal year as well as income statements of the relevant fiscal year, cash flow statements, changes in equity statements, and notes to the financial statements;
 - Combined balance sheet of companies that are joined together in one group (if any);

⁵⁶ Articles of Association of PT Total Bangun Persada Tbk, Article 22 paragraphs (3) and (4)

- Reports on the Company's activities;
- Report on the implementation of social and environmental responsibilities;
- Details of issues arising during the fiscal year which affect the Company's business activities;
- Reports on supervisory duties carried out by the Board of Commissioners during the recently ended fiscal year;
- Name of members of Board of Directors and members of Board of Commissioners; and

2. Report to the Financial Services Authority (OJK):

a. Annual Report of the Company;⁵⁷

- Every Issuer or Public Company whose registration statement has become effective must submit an annual report to the Capital Market and Financial Institution Supervisory Agency in no later than 4 (four) months after the end of the fiscal year, amounting to 4 (four) copies of the report and at least 1 (one) original report;
- In the event that the annual report is available for the shareholders before the period of 4 (four) months from the end of the fiscal year, the said annual report must be submitted to the Capital Market and Financial Institution Supervisory Agency at the same time as the availability of the said annual reports for the shareholders;
- The annual report must contain an overview of significant financial data, Board of Commissioners' report, Board of Directors' report, Company's profile, management's analysis and discussion, corporate governance, Board of Directors' responsibilities for the financial statements, and audited financial statements.

b. Periodic Financial Statements;⁵⁸

- An Issuer or Public Company whose registration statement has become effective must submit Periodic Financial Statements to the Financial Services Authority (OJK), amounting to at least 2 (two) copies, one of which is the original, and accompanied by the statements in electronic copy (soft copy).
- The Periodic Financial Statements are complete financial statements consisting of:
 - statements of financial position (balance sheet);
 - comprehensive statements of income;
 - statements of changes in equity;
 - statements of cash flow;
 - comparative statements of financial position at the beginning of the period; if the Issuer or Public Company applies an accounting policy retrospectively, the Issuer or Public Company shall restate the posts/items in the financial statements or reclassify the posts/items in financial statements; and

⁵⁷ Bapepam Regulation X.K.6 Attachment of Decree of Bapepam and Financial Institutions Chairman No. Kep-134/BL/2006 dated December 7, 2006 regarding Obligation to Submit Annual Report for Issuers or Public Companies

⁵⁸ Bapepam Regulation X.K.2 Attachment of Decree of Bapepam and Financial Institutions Chairman No. Kep-346/BL/2011 dated July 5, 2011 regarding Submission of Periodic Financial Statements for Issuers or Public Companies

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- notes on financial statements.
- c. Annual Financial Statements;⁵⁹
- The annual financial statements must be presented in comparison with the same period of the previous year;
 - The annual financial statements must be accompanied by an Accountant's report in the context of auditing of financial statements;
 - The annual financial statements must be submitted to the Financial Services Authority (OJK) and announced to the public in no later than the end of the third month after the date of the annual financial statements.
- d. Semi-Annual or Mid-Term Financial Statements;⁶⁰
- The semi-annual or mid-term financial statements must be presented in comparison with the same period of the previous year, except for the statements of financial position (balance sheet) at the end of the mid-term period which are compared to the statements of financial position (balance sheet) at the end of the previous fiscal year.
 - The semi-annual or mid-term financial statements must be submitted to the Financial Services Authority (OJK) and announced to the public within the following period:
 - By no later than the end of the first month after the date of the semi-annual financial statements, if not accompanied by an accountant's report;
 - By no later than the end of the second month after the date of the semi-annual financial statements, if accompanied by an accountant's report in the context of a limited review; and
 - By no later than the end of the third month after the date of the semi-annual financial statements, if accompanied by an accountant's report in the context of auditing of financial statements.
- e. Other reports pursuant to the prevailing laws and regulations.

L. Disclosure and Confidentiality of Information, as well as Insider Information

In carrying out the disclosure and confidentiality of information, the Company always takes into account the prevailing regulations and provisions, including for the information as intended by the principles of good corporate governance according to the OECD. Non-confidential information can be published and accessed by the public through the available facilities. The company provides and updates information that must be conveyed to the Shareholders and other Stakeholders in order to accelerate the decision-making process. One of the media to carry out information disclosure is through the Company's official website of www.totalbp.com.

The Board of Commissioners, Board of Directors, External Auditors, Committees under the Board of Commissioners, and all employees shall maintain the confidentiality of information in accordance with the Company's regulations, the

⁵⁹ Bapepam Regulation X.K.2 Attachment of Decree of Bapepam and Financial Institutions Chairman No. Kep-346/BL/2011 dated July 5, 2011 regarding Submission of Periodic Financial Statements for Issuers or Public Companies

⁶⁰ Bapepam Regulation X.K.2 Attachment of Decree of Bapepam and Financial Institutions Chairman No. Kep-346/BL/2011 dated July 5, 2011 regarding Submission of Periodic Financial Statements for Issuers or Public Companies

prevailing laws and regulations, and Code of Conduct. Furthermore, they can be subject to sanctions for violations committed.

The Company does not publish information that is confidential in nature, or information that is not yet permitted to be accessible by the public. All TOTAL People shall not take actions or conduct that can cause loss to the Company as a result of partial or complete leakage of information to unauthorized parties.

Submission of confidential information can only be conducted through the special authority by parties appointed by the Company.

Insider Information

TOTAL People shall not disclose all forms of sensitive and confidential information that are related to business activities and not yet disclosed in accordance with the internal regulations as well as the prevailing laws and regulations.

M. Corporate Social Responsibility

The implementation of Corporate Social Responsibility (CSR) aims to create a harmonious relationship with the surrounding environment, as well as the values, norms, and culture of the local community.

The implementation of CSR programs is a form of contribution of the Company to the development of local communities, including the employees and their families, in the fields of education, health, basic infrastructure and environmental management.

The Corporate Social Responsibilities (CSR) of the Company are, among others:

1. The realization of social care and contribution to the development and empowerment of community, particularly around the center of its operations and the surrounding.
2. A part of the Company's vision to provide added values to the stakeholders in order to create positive synergy, and to advance and grow together.
3. The legal, social, moral and ethical obligations and responsibilities of the Company to respect the interests of the surrounding community, considering that the Company's success is inseparable from the harmonious, dynamic and mutually beneficial relationships with the surrounding community.
4. The determination of the Company's programs relating to Corporate Social Responsibility (CSR) by the Board of Directors, among others through partnership and community development program.
5. The reports of the Board of Directors on results of the evaluation, effectiveness and benefits of the implementation of programs related to the corporate social responsibility to the Board of Commissioners and Shareholders.

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6. The implementation of such programs is included in the Company's Annual Report.

N. Occupational Health and Safety, and Environment (OHSE)

Management of occupational health and safety is crucial for the success of the Company's business activities. The Company places the occupational health and safety, and environmental aspects (OHSE) as the main concern since the project planning stage until the end of work implementation. Implementation and encouragement of behaviors that can manifest occupational health and safety is a requirement.

Occupational Safety

To create occupational safety, the Company shall:

1. Comply with all laws and regulations, and/or standards regarding occupational safety.
2. Provide and guarantee the use of all safety equipment that is in accordance with the Company's occupational safety standards in the construction field.
3. Make adjustments and continuous improvements to the development of occupational safety technology.
4. Prioritize actions that are promotional and preventive to anticipate emergency situations (emergency response plan).
5. Prepare countermeasures for accidents, explosions, and fires that occur in accordance with the applicable standards and procedures.
6. Conduct investigations into incidents including near miss and accidents that occur, in order to find facts and identify the cause of accident so as to be able to prevent the same accident from occurring.
7. Prepare a report on any work incident and accident that occur to the respective head of units and the relevant authorities within the prescribed time limit.
8. Conduct regular examinations, inspections, and evaluations of all facilities, including resources, equipment, and detection systems, to achieve optimum readiness.
9. Conduct regular emergency response training.
10. Conduct studies and evaluations of the implementation of OHSE management system and improve the competencies needed by the employees as well as partners.

Occupational Health

To realize proper awareness of the importance of health within work environment, the Company improves 2 (two) aspects that interact with each other in synergy, namely the employee's health aspect and the conditions of work environment aspect.

Environment

The Company takes into account the environmental preservation aspects in each of the Company's business location and surrounding environment by:

1. Maintaining environmental sustainability.
2. Complying with the laws and regulations as well as the environmental management standards.

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3. Providing facilities and equipment that support environmental management.
 4. Adjusting and improving the environment with the aim of minimizing negative environmental impacts, developing positive impacts, and utilizing natural resources wisely.
 5. Conducting promotional and preventive actions to anticipate emergencies.
 6. Conducting an investigation into the occurring environmental pollution.
 7. Preparing a report on any environmental pollution that occurs.
 8. Conducting regular examinations, inspections and evaluations of all facilities.
 9. Conducting training regarding the prevention of environmental pollution.

O. Procurement of Goods/Services

In carrying out its business activities, the Company continues to maintain the creation of fair competition in accordance with the prevailing laws and regulations, by upholding the principles of effectiveness and efficiency, openness and competitiveness, transparency, fair/non-discriminatory, and accountability.

The Company's Procurement System of goods and services is based on the fulfillment of goods and services required through a correct, independent (do not contain the elements of conflict of interest), and transparent mechanisms. Procurement system of goods and services is the basis for the preparation of all policies and decision making of the Company in relation to the procurement of goods and services.

The development of goods and services procurement system is founded upon the aforesaid GCG principles. The development of goods and services procurement system mentioned above is supported by adequate technological resource, information, organization and human resources.

Goods and services procurement system developed by the Company is carried out by taking into account the following matters:

1. It is implemented consistently.
2. The adequacy of the existing procurement system is reviewed periodically so as to fulfill the principles of effectiveness and efficiency, openness and competitiveness, transparency, fairness/non-discriminatory, and accountability.
3. The obligation to avoid transactions containing conflict of interest and affiliated transactions by all TOTAL People in the goods and services procurement system.

P. Asset Management

All assets of the Company require proper management to maintain their values and benefits, and create asset productivity. The Company manages its assets based on the principle of the highest and best uses (optimizations) of each assets owned by the Company in a prudent manner, by taking into account the prevailing laws and regulations. With such asset management, all information related to assets can be

obtained quickly and easily so that it will affect the decision-making process, particularly in regard of asset utilization and optimization.

Asset maintenance is carried out on a scheduled basis in which the Company has prepared an asset maintenance work plan and mechanism to maintain security, reliability and orderly administration of assets. High-risk assets will be given insurance protection. The Company also strives to ensure that every asset owned has a legal document that shows the legal ownership of the asset. Other assets management objectives of the Company are as follows:

1. Asset management must aim to provide optimum benefits for the Company and the Stakeholders, namely to:
 - a. Maintain, foster and increase values;
 - b. Receive benefits;
 - c. Increase Return On Assets (ROA).
2. Data or information system management of asset aim to:
 - a. Present accurate and orderly information regarding asset conditions, in terms of physical, value, legal, tax, and insurance aspects, and other asset attributes as the basis for the optimum preparation of asset utilization strategies;
 - b. Provide convenience for decision-making processes, particularly in terms of asset utilization and optimization;
 - c. Plan asset optimization patterns to support business activities and their operational use.

The Board of Directors must ensure that the Company has established an asset management strategy that is in line with the corporate strategy in both the long term and short term:

1. The Company must have an asset identification mechanism as well as physical and value verification of asset on a regular basis;
2. Every asset owned must have a legal document that shows the legal ownership of the asset by the Company.

Q. Management of Documents/Archives of the Company

The management of the Company's Documents/Archives carried out by the Company is founded upon the principle of the most effective documenting and maintenance method on the basis of the use value and the duration of the shelf life of a document, with the following objectives:

1. To present the correct information/data in a fast, precise, and accurate manner through an orderly and planned administration, and can be accounted for.
2. To facilitate the decision-making process for the Company's management.
3. To administrate the Company's documents/archives in a proper, neat, and orderly manner.

Every function/work unit of the Company has a document/archive maintenance plan and mechanism covering all documents/archives of the Company, particularly the security of documents/archives that are general, ordinary, important and confidential. The Company has established a policy regarding its documents/archives that can be depreciated or destroyed based on the applicable provisions, and periodically reassesses the documents/archives to analyze the use value and shelf life.

FIFTH SECTION MANAGEMENT OF SUBSIDIARIES

I. General Policies

1. The establishment of Subsidiaries for business development in relation to business diversification is carried out in order to provide added values and to support the Company's main business.
2. The performance of Subsidiaries is measured using Performance Indicators consisting of financial, operational, and administrative aspects.
3. The Performance Indicators are also based on the types of industry, certain market share (captive market), economic value added and/or strategic values for the Company.
4. Each subsidiary is required to be more advanced and independent so as not to rely solely on the captive markets from the Company.
5. Every transaction between the Company and the Subsidiaries is carried out based on healthy business principles. The sales of part or all of the Company's shares in a Subsidiary to other parties is carried out in order to: (1) improve the performance of the Company and its Subsidiaries, (2) obtain added values for the Company, and (3) reduce losses/greater risks.
6. Subsidiaries that carry out their business activities in the field of and/or related to natural resources must conduct Social and Environmental Responsibility activities. The costs of these Social and Environmental Responsibility activities are budgeted and calculated as the expenses of Subsidiaries; in addition, such activities are carried out with due regard to propriety and fairness principles.
7. Every Subsidiary must focus on certain business fields that become its competence and optimize the utilization of resources under its control.
8. The sales of part or all of the Company's shares in a Subsidiary to other party can be carried out in order to improve the performance of the Company and its Subsidiaries, obtain added values for the Company, and reduce losses/greater risks accountably.

II. Appointment and Dismissal of Board of Directors and Board of Commissioners of Subsidiaries

1. The appointment and dismissal of Board of Directors and Board of Commissioners of Subsidiaries are based on the Subsidiary's articles of association.
2. Prospective members of Board of Directors and Board of Commissioners of Subsidiaries must be free from all conflicts of interest, including:
 - a. Conflict of interest with Shareholders of the Subsidiary or their proxies
 - b. Conflict of Interest due to acting as the proxy to the Shareholders of the Subsidiary at the same time

III. Equal Treatment to Shareholders

1. In principle, there is equal treatment for every Shareholder of the Subsidiaries; for example, in submitting complete and accurate information on the Subsidiaries, unless there is a valid reason for not giving it
2. Every Shareholder of the Subsidiaries that has shares with the same classification must be treated equitably without exception.
3. Every Shareholder of the Subsidiaries has the right to vote according to the classification and number of shares owned.

SIXTH SECTION

MANAGEMENT OF RELATIONSHIP WITH STAKEHOLDERS

I. General Policies

The management of Stakeholders is directed to the Company's business interests by taking into account the Company's social responsibility, occupational health, safety, and environment, as well as the priority scale and mutual respect principle in order to achieve balance and harmony between:

1. Business dimension that is oriented towards value creation and customer satisfaction.
2. Social dimension that involves the aspects of business ethics and corporate social responsibility, health and safety conditions, as well as the welfare of employees and social community aspects.
3. Environmental dimension that directs the Company to take into account the aspects of environmental sustainability and balance around the operational/business field unit.
4. Customer dimension that includes product security and satisfaction, and customer loyalty.
5. Supplier dimension that includes the guarantee of supply availability, quality, and supplier relationships.
6. Creditor dimension that includes obligations and guarantees to the creditors.
7. The management of stakeholders is based on the GCG principles, namely transparency, accountability, responsibility, independency and fairness. Therefore, companies must have policies regarding the management of stakeholders, and must report activities related to these policies.

II. Rights and Participations of Stakeholders

1. The rights of Stakeholders can arise legally due to the enactment of laws and regulations, agreements/contracts, or ethical/moral values and corporate social responsibility that do not conflict with Company's policies and the prevailing laws and regulations.
2. The rights of Stakeholders are respected, protected and fulfilled by the Company, among others, through the provision of relevant and significant information in a transparent, accurate and timely manner, and through a healthy and ethical communication mechanism.
3. The Company creates conditions that allow the Stakeholders to participate in complying with the laws and regulations.
4. The Company has established a mechanism to accommodate and follow-up suggestions and complaints from the Stakeholders.

III. Company's Liaison with Stakeholders

Liaison between the Company and the Stakeholders is the Corporate Secretary, investor relations, or Marketing Department for Units/Regions, or other Officials appointed based on the applicable provisions.

SEVENTH SECTION IMPLEMENTATION OF GUIDELINES

I. Dissemination, Implementation, and Evaluation

The Company will carry out the stages of dissemination, implementation, and evaluation of the Code of Corporate Governance (COCG) on an ongoing basis.

Dissemination activities will be carried out on both the internal and external parties of the Company. On internal parties, dissemination activity will focus on the understanding of GCG and the emergence of awareness and the needs to implement GCG consistently. Meanwhile, dissemination to external parties is intended to provide an understanding of how the Company works in accordance with GCG principles.

COCG implementation will be carried out consistently supported with the regular reports from each work unit on the implementation of the guidelines, and in relation with the reward and punishment systems developed by the Company for work units and individual Employees. The Company requires the Board of Commissioners, Board of Directors and all Employees to comply with the COCG.

The Company will evaluate the COCG to understand and measure the conformity of COCG with the Company's needs as well as the effectiveness of the implementation programs conducted. Based on the evaluation results, the development of COCG and improvement of its implementation programs will be carried out in a continuous manner.

II. Whistle Blowing System

The Company provides opportunities for all TOTAL People to be able to personally submit reports regarding alleged violations of COCG to the Company through letters, complaint boxes or other media provided by the Company for reporting violations. The provision of such facilities is intended to convey the alleged violation of COCG and not to convey personal complaint of the whistle blower.

The identity of each whistle blower must be clearly stated. The Company will provide rewards for the whistle blower if the reported violations actually occur. The Company will maintain the confidentiality of the whistle blower's identity, unless if:

1. It is required in relation with the reports or investigations carried out by the authorities.
2. It is in line with the changing interests as well as the objectives of this COCG.
3. It is required by the Company to maintain its position before the law.

Regulations regarding the whistle blowing system are further regulated in a separate Policy which is an integral part of this COCG.

EIGHTH SECTION CLOSING

I. Validity Period

The COCG is effective from the date of stipulation. This means, from that day forward, all TOTAL People must obey and use this COCG.

II. Evaluation and Improvement

1. The Company needs to implement a quality assurance program to be able to evaluate its performance and to obtain adequate assurance that all TOTAL People have carried out their duties and responsibilities in accordance with the Company's COCG and objectives.
2. The Company is obliged to evaluate and improve the COCG periodically in accordance with the Company's developments and needs.

Stipulated in Jakarta
On September 22, 2015
PT Total Bangun Persada Tbk

BOARD OF COMMISSIONERS

(signed)

Ir. Reyno Stephanus Adhiputranto
President Commissioner and
Independent Commissioner

(signed)

Pinarto Sutanto
Commissioner

(signed)

Drs. Wibowo
Commissioner

(signed)

Liliana Komajaya, MBA
Commissioner

(signed)

Rudi Suryajaya Komajaya, MBA
Commissioner

(signed)

Drs. H. Mustofa, CA
Independent Commissioner

BOARD OF DIRECTORS

(signed)

Janti Komadjaja, MSc
President Director

(signed)

Ir. Handoyo Rusli, MT
Director

(signed)

Dipl. Ing Akam Wiranjaya
Independent Director

(signed)

Ir. Moeljati Soetrisno
Director

(signed)

Ir. Dedet Syafinal Sy, MM
Director

(signed)

Ir. Lio Sudarto, MM
Director

(signed)

Ir. Saleh, MM
Director

(signed)

Ir. Teddy Budjamin
Director

PT TOTAL BANGUN PERSADA Tbk

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