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**BOARD OF COMMISSIONERS**

**MANUAL**

**PT TOTAL BANGUN PERSADA TBK**



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## **FIRST SECTION INTRODUCTION**

### **I. BACKGROUND**

The preparation of this Board of Commissioner Manual (hereinafter referred to as “Board Manual”) is a manifestation of the commitment of PT Total Bangun Persada Tbk (hereinafter referred to as the Company) to consistently implementing Good Corporate Governance (GCG) in the management of the Company, to carry out the mission as well as to achieve the established vision.

The implementation of GCG in the Company shall not only fulfill the laws and regulations, but must be able to realize the principles of GCG, namely: transparency, accountability, responsibility, independency, and fairness, in the Company’s activities in a constant manner.

GCG implementation in the Company can increase the trust of Shareholders (Capital Owners) and other Stakeholders on the ability to manage and elevate the values of the Company.

This Board Manual contains practical guidelines for the Board of Commissioners in the implementation of GCG in the Company.

### **II. PURPOSES AND OBJECTIVES**

As part of the Company’s organs, the Board of Commissioners must become a role model for all Employees. Hence, the implementation of duties and functions of this Company’s organ must be carried out in good faith, full of responsibility, and with high dedication, so as to be able to contribute to the progress of the Company.

This Board Manual contains a compilation of the principles of corporate laws, the prevailing laws and regulations, directives from the Shareholders, and provisions of the Articles of Association, which regulate the work procedures of the Board of Commissioners. The Board Manual is the result of codification of various regulations applicable in the Company and the best practices of the Good Corporate Governance principles.

The objective of this Board Manual is to provide guidance for the Board of Commissioners in understanding the regulations related to their work procedures.

As the Board Manual is a compilation of the principles of corporate laws, its implementation shall continue to refer to the prevailing laws and regulations. Various detailed provisions contained in the Company’s Articles of Association, the directives from Shareholders, as well as various other legal provisions remain binding even though they are not specifically described in this Board Manual.

The principles of good faith, full responsibility and fiduciary duties, as well as skill and care that are attached to the position holders of Board of Commissioners and Board of Directors are the general principles that must be respected by the Company’s organs in charge of supervising and managing the Company.

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### III. LEGAL BASIS OF BOARD MANUAL PREPARATION

1. Law No. 40 of 2007 regarding Limited Liability Companies.
2. Law No. 8 of 1995 regarding Capital Market.
3. Law No. 5 of 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition.
4. 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.
5. Guidelines of Independent Commissioner by the Task Force of Corporate Governance Policy.
6. Regulation of Financial Services Authority No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies.
7. Regulation of Bapepam No. IX.E.2, Attachment of the Decision of Chairman of Bapepam and LK No. KEP-614/BL/2011 regarding Material Transaction and Change to the Main Business Activity.
8. Regulation of Bapepam No. IX.E.1, Attachment of the Decision of Chairman of Bapepam and LK No. KEP-412/BL/2009 regarding Affiliated Transaction and Conflict of Interest in Certain Transaction.
9. Regulation of Bapepam No. IX.1.5, Attachment of the Decision of Chairman of Bapepam No. KEP-29/PM/2004 regarding Establishment and Work Guidelines of Audit Committee.
10. Regulation of Financial Services Authority No. 35/POJK.04/2014 regarding Corporate Secretary of Issuers or Public Companies.
11. Regulation of Financial Services Authority No. 32/POJK.04/2014 regarding Plan and Convention of General Meeting of Shareholders of Public Companies.
12. Regulation of Financial Services Authority No. 34/POJK.04/2014 regarding Nomination and Remuneration Committee of Commissioners of Issuers or Public Companies.
13. Regulation of Bapepam No. VIII.G.7, Attachment of the Decision of Chairman of Bapepam and LK No. KEP-347/BL/2012 regarding Presentation and Disclosure of Financial Statements of Issuers or Public Companies.
14. Regulation of Bapepam No. VIII.G.11, Attachment of the Decision of Chairman of Bapepam No. KEP-40/PM/2003 regarding Responsibility of Board of Directors for Financial Statements.
15. Regulation of Bapepam No. X.K.2, Attachment of the Decision of Chairman of Bapepam and LK No. KEP-346/BL/2011 regarding Submission of Periodical Financial Statements of Issuers or Public Companies.
16. Regulation of Financial Services Authority No. 29/POJK.04/2016 regarding Annual Report of Issuers or Public Companies.

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17. Regulation of Bapepam No. X.K.7, Attachment of the Decision of Chairman of Bapepam and LK No. KEP-40/BL/2007 regarding Time Frame for Submission of Periodic Financial Statements and Annual Report for Issuers and Public Companies That Listed Their Securities Both in Indonesian Securities Exchanges and Foreign Securities Exchanges.
  18. Articles of Association of PT Total Bangun Persada Tbk No. 31 dated April 30, 2015 with the Notarial Deed of Deni Thanur, S.E., S.H., M.Kn., Notary, which has received the Notification of Amendment to the Articles of Association from the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03.0933378 dated May 20, 2015.
  19. Indonesian General Guidelines of GCG of 2006.
  20. Regulation of Financial Services Authority No. 21/POJK.04/2015 regarding Implementation of Governance Guidelines for Public Companies.
  21. Regulation of Financial Services Authority No. 31/POJK.04/2015 regarding Disclosure of Material Information and Fact by Issuers or Public Companies.

#### IV. 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. **Organs of the Company** are the General Meeting of Shareholders, Board of Commissioners and Board of Directors.
3. **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 regulations, as well as Articles of Association.
4. **Board of Commissioners** is the entire members of the Board of Commissioner as a Board.
5. **Member of Board of Commissioners** is a member of Board of Commissioners in reference to an individual (not a Board).
6. **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.
7. **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.
8. **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.

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9. **Nomination and Remuneration 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 to propose the candidates for Members of Board of Commissioners and Members of Board of Directors, to be appointed by the GMS, and to review the remuneration system of Board of Commissioners, Board of Directors, and Employees of the Company.
  10. **Business Development 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 to monitor and evaluate the business plan of the Company, as well as the business development/expansion plan of the Company.
  11. **Board of Directors** is the entire members of the Board of Directors as a Board.
  12. **Member of Board of Directors** is a member of Board of Directors in reference to an individual (not a Board).
  13. **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.
  14. **Internal Auditor** is the Internal Audit Unit, which is a structural and technical unit within the Company, tasked to carry out audit activities and ensure the effective implementation of internal control system in the Company.
  15. **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 to serve as a liaison between the Shareholders, Board of Commissioners, Board of Directors, Work Units, and Stakeholders.
  16. **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.
  17. **Manusia TOTAL** or **TOTAL People** are all members of Board of Commissioners, Board of Directors and Employees of the Company.
  18. **Stakeholders** are each party who has interests with the Company, both directly and indirectly, financially and non-financially, and has either direct or indirect influence on the Company' business continuity, which includes the Shareholders, Employees, Customers, Suppliers, Creditors, and the Society.
  19. **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.<sup>1</sup>
  20. **Material Transaction** is each of the following transactions, with the value of 20% (twenty per-cent) or more of the Company's Equity, conducted in 1 (one) series of transaction for certain objective or activity, covering:<sup>2</sup>
    - a. Sale and purchase of stocks, including acquisition;

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<sup>1</sup> Indonesian General Guidelines of GCG of 2006, KNKG

<sup>2</sup> Bapepam Regulation No. IX.E.2, Attachment of Decision of Bapepam and LK Chairman No. KEP-614/BL/2011 regarding Material Transaction and Change to Main Business Activity

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- b. Investment in business entities, projects and/or certain business activities;
  - c. Purchase, sale, transfer, exchange of business segment or asset other than stocks;
  - d. Lease of assets;
  - e. Fund lending;
  - f. Guaranteeing of assets; and/or
  - g. Guaranteeing of the Company.

21. **Equity of the Company** is the net value of assets (value of assets reduced by total financial liabilities) of the Company calculated based on the last/most recent financial statements, as follows:

- a. Audited annual financial statements;
- b. Semi-annual or mid-year financial statements accompanied by accountant's report in order to perform limited review, at the minimum, for the equity item; or
- c. Audited interim financial statements other than the semi-annual or mid-year interim financial statements, in the event the Company has interim financial statements.

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## SECOND SECTION BOARD OF COMMISSIONERS

### I. FUNCTIONS OF BOARD OF COMMISSIONERS

The Board of Commissioners is one of the Organs of the Company and functions to carry out general and/or specific supervision activities in accordance with the Articles of Association, and to provide advice to the Board of Directors in managing the Company.<sup>3</sup> The Board of Commissioners also has a duty to monitor the effectiveness of GCG practices implemented by the Company. Furthermore, if deemed necessary, adjustments can be made according to the needs of the Company.

There are 2 (two) Levels of Supervisory Function of the Board of Commissioners:

1. Performance Level, namely the Board of Commissioners' function to supervise by providing directives and instructions to the Board of Directors, and providing input to the GMS.
2. Conformance Level, namely the implementation of supervision activities at a later stage to ensure that the advice has been carried out and that the provisions contained in the prevailing laws and regulations, as well as the Articles of Association have been fulfilled.

### II. GENERAL GUIDELINES OF SUPERVISION OF BOARD OF COMMISSIONERS

**General Guidelines of Supervision of Board of Commissioners:**

1. Supervision is carried out by the Board of Commissioners on the management policy and the course of management in general, both regarding the Company and its business, and by providing advice to the Board of Directors.<sup>4</sup>
2. In conducting supervision, the Board of Commissioners acts as a board or assembly in which the members cannot act independently but based on a decision of the Board of Commissioners.<sup>5</sup>
3. Supervision must not change into the implementation of executive duties, which are the authority of the Board of Directors.
4. Supervision must be carried out on the decisions that have been taken (*ex post facto*) and/or on the decisions that will be taken if there is an indication of conflict of interest (preventive basis).
5. Supervision is carried out not only by receiving information from the Board of Directors/GMS, but also by conducting other actions according to the information from other sources, where such actions must be carried out collectively.

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<sup>3</sup> Law No. 40 of 2007 regarding Limited Liability Companies, Article 1 Paragraph (6)

<sup>4</sup> Law No. 40 of 2007 regarding Limited Liability Companies, Article 108 Paragraph (1)

<sup>5</sup> Law No. 40 of 2007 regarding Limited Liability Companies, Article 108 Paragraph (4)



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6. Supervision is carried out not only to approve or disagree with the actions requiring the approval of Board of Commissioners, but also to cover all business and corporate aspects of the Company.
  7. The Board of Commissioners shall ensure that the Company's Annual Report contains information on the identity of Board of Commissioners, their main duties, position of Board of Commissioners in other companies, and meetings held in one fiscal year (Board of Commissioners Meetings and joint meetings with the Board of Directors),

### **III. REQUIREMENTS OF BOARD OF COMMISSIONERS**

There are 2 (two) requirements that must be met by a Member of Board of Commissioners. These requirements include general requirements, which are the basic requirements established due to the prevailing laws, and special requirements, which are requirements tailored to the needs and nature of the Company's business where it engages in the construction sector and other related businesses.

#### **General Requirements**

1. An individual who is capable of carrying out legal actions and has never been declared bankrupt, or has never been a member of Board of Directors or Board of Commissioners found guilty of causing a company to be declared bankrupt, or an individual who has never been convicted of a criminal offense that causes loss to the Company and/or that is related to the financial sector in the 5 (five) years prior to their appointment.<sup>6</sup>
2. Able to work as a Board member.
3. Have a commitment to being able to provide adequate time.
4. Have integrity and a good reputation, namely an individual who has never been directly or indirectly involved in deviant acts/practices, default practices, or other acts that cause loss to the place in which the individual concerned works or has worked.
5. Competent, namely have the ability and experience in fields relevant to the duties and obligations of the Board of Commissioners.

### **IV. MEMBERSHIP OF BOARD OF COMMISSIONERS**

#### **A. Membership**

1. The Board of Commissioners consists of at least 2 (two) Members of the Board of Commissioners, one of whom is appointed as the President Commissioner.<sup>7</sup>
2. At least 30% (thirty percent) of the total members of Board of Commissioners are Independent Commissioners who are determined in their appointment.
3. Members of the Board of Commissioners are appointed and dismissed by the GMS.

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<sup>6</sup> Law No. 40 of 2007 regarding Limited Liability Companies, Article 1 Paragraph (6)

<sup>7</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 19 paragraph (1)

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4. If for any reason the position of a member of Board of Commissioners is vacant, then, within 6 (six) months after the vacancy, a notification of General Meeting of Shareholders convened to fill the vacant position shall be issued.<sup>8</sup> As long as the position is vacant and there is no replacement to the previous Commissioner, then one of the Members of Board of Commissioners shall carry out the duties of the relevant Member of Board of Commissioners with the same power and authority.
  5. The division of duties among the Members of Board of Commissioners is regulated by themselves. To support the flow of their duties, the Board of Commissioners can be assisted by a Secretary appointed by the Board of Commissioners at the expense of the Company.
  6. The scope of duties of the Board of Commissioners includes the following fields:
    - a. Supervision on the management of the Company carried out by the Board of Directors;
    - b. Provision of advice to the Board of Directors regarding the policies established by the Board of Directors in running the Company;
    - c. Monitoring of the effectiveness of Company policies;
    - d. Monitoring of the performance and decision-making process by the Board of Directors, including the implementation of strategies to meet the expectations of Shareholders and other stakeholders.

## **B. Position**

1. The term of office of a Member of Board of Commissioners is 4 (four years) as of the date of their appointment as resolved in the GMS, without prejudice to the right of GMS to dismiss a Member of Board of Commissioners at any time prior to the end of their term of office, by stating the reasons, among others, if the member of Board of Commissioners cannot carry out their duties properly, does not carry out the laws and regulations and/or provisions of the Articles of Association, is involved in actions that can cause loss to the Company due to negligence or mistake of the member of Board of Commissioners, is found guilty by a court decision that has permanent legal force, and/or resigns.<sup>9</sup>
2. The term of office of Members of Board of Commissioners will end automatically if they:<sup>10</sup>
  - a. Resign;
  - b. Are declared bankrupt or placed under pardon based on a court decision that has had permanent legal force; or
  - c. Are prohibited from becoming a member of Board of Commissioners due to the provisions of the prevailing laws and regulations, or no longer meeting the requirements of laws and regulations;
  - d. Are dismissed based on the resolution of General Meeting of Shareholders; or
  - e. Pass away;

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<sup>8</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 19 paragraph (7)

<sup>9</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 19

<sup>10</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 19 paragraph (9)

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3. One or more Members of Board of Commissioners may be temporarily dismissed by the Board of Commissioners if the relevant Member of Board of Commissioners acts contrary to the Articles of Association, there is an indication of them causing loss to the Company, they neglect their duties, or there is an urgent reason for the Company with the following conditions:<sup>11</sup>
    - a. The temporary dismissal must be notified in writing to the relevant member accompanied with the reasons;
    - b. The temporarily dismissed Member of the Board of Commissioners is not authorized to carry out their duties;
    - c. 90 (ninety) days after the temporary dismissal, an Extraordinary GMS must be convened to decide whether the relevant Member of Board of Commissioners will be dismissed further or will be returned to their original position;
    - d. The temporarily dismissed Member is given the opportunity to present and defend themselves;
    - e. If the Extraordinary GMS is not convened within 90 (ninety) days after the temporary dismissal, then the dismissal is null and void.
  4. The GMS can appoint other individual to fill the position of a Member of Board of Commissioners who is dismissed from their position, and the GMS can appoint someone as a Member of Board of Commissioners to fill a vacancy. The term of office of the individual appointed to replace the dismissed Member of Board of Commissioners or to fill the vacancy, is the remaining term of office of the replaced Member of Board of Commissioners.
  5. In the event of an additional Member of Board of Commissioners, the term of office of the relevant Member of Board of Commissioners will end together with with the term of office of other appointed Members of Board of Commissioners.

## **V. INDEPENDENT COMMISSIONER**

The composition of Board of Commissioners of the Company must be prepared in such a way as to enable effective, accurate and fast decision-making process. In addition, the Board of Commissioners is obliged to carry out their duties and responsibilities independently; meaning that they can carry out their duties objectively without any pressure and influential interests from any party, including in regards to their relationship with each other and with the Board of Directors.

The number of Independent Commissioner shall be, at the very least, 30% of the total Members of Board of Commissioners.

### **A. Criteria for Independent Commissioner Position**

The Independent Commissioner has to meet the following criteria:

1. Have good character and morals.

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<sup>11</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 19 paragraph (5)

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2. Be able to carry out legal actions.
  3. Understand the laws and regulations regarding Limited Liability Companies.
  4. Understand the laws and regulations that are related to the Company's Core Business in particular.
  5. Do not have affiliation with the Company and/or the Company's Main Shareholders.
  6. Do not have affiliation with other Directors and/or Members of Board of Commissioners.
  7. Do not have any financial or business relationship, either directly or indirectly with the business activities of the Company or with other companies that provide products or services to the Company.
  8. Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Company within the last 6 (six) months.
  9. Have never been declared bankrupt nor become a member of Board of Directors or Board of Commissioners who is found guilty of causing a company to be declared bankrupt within 5 (five) years prior to their appointment.
  10. Have never been convicted of a criminal offense in the financial field within 5 (five) years before their appointment.
  11. Be free from any business interest and activity, or from other relationships that may hinder or interfere with their ability to think and/or act independently.
  12. Do not become a significant supplier and customer nor occupy executive positions and the Board of Commissioners positions of the Company's significant supplier and customer company, or its affiliated companies.
  13. Do not hold executive positions in companies that have business relations with the Company, and in other affiliated companies within the last 2 (two) years.

**B. Nomination Procedures of Independent Commissioner**

The Board of Commissioners submits the names proposed to be candidates for Independent Commissioners to be approved at the GMS.

**VI. ETHICS OF BOARD OF COMMISSIONERS/SUPERVISORY BOARD POSITION**

**A. Ethics related to being an Exemplary Figure**

1. The Board of Commissioners is obliged to encourage the creation of ethical behavior and uphold the highest ethical standards in the Company, one of which is to make themselves a good role model for the Board of Directors and Employees of the Company.

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2. The Board of Commissioners is obliged to fulfill the ability and integrity requirements so that the implementation of supervisory function and provision of advice for the interests of the Company can be carried out properly.<sup>12</sup>
  3. To carry out duties with high integrity and dedication and uphold honesty as the highest value, namely by being honest in expressing their opinions, both verbally and in writing, and in attitudes and actions.
  4. To show tolerance in attitude and action, and demonstrate politeness in expressing opinions, both verbally and in writing.
  5. To respect the GMS resolution.
  6. To have an orientation to provide added values for the Company.
  7. To continuously improve their knowledge and understanding of issues related to supervision and provision of advice to the Board of Directors in managing the Company.
  8. To take an attitude, express an opinion, and act as a person, i.e. the Member of Board of Commissioners must clearly and firmly express that their attitude, opinion, or action is personal.
  9. The attitudes, opinions, and actions must be based on the objectivity, professional and independent elements, for the interests of the Company that are in harmony with the interests of the Stakeholders.
  10. To place the interests of Board of Commissioners as a whole above their personal interests in carrying out their duties and obligations.

**B. Ethics related to Compliance with the Laws and Regulations**

The Board of Commissioners must comply with the prevailing laws and regulations, Articles of Association, GCG Guidelines, and policies of the Company that have been established.

**C. Ethics related to Opportunities for the Company**

During their term of office, the Board of Commissioners is not allowed to:

1. Utilize the Company for the benefit of themselves, their family, business group and/or other parties.<sup>13</sup>
2. Utilize the Company's assets and information, or their position as a Member of Board of Commissioners for personal or other interests, which is contrary to the provisions of prevailing laws and regulations, and policies of the Company.

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<sup>12</sup> Indonesian General Guidelines of GCG of 2006, KNKG, CHAPTER IV, Board of Commissioners Section

<sup>13</sup> Indonesian General Guidelines of GCG of 2006, KNKG, CHAPTER IV, Board of Commissioners Section

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**D. Ethics related to Information Disclosure and Confidentiality**

The Board of Commissioners must disclose information in accordance with the provisions of prevailing laws and regulations, and always maintain the confidentiality of Company's confidential information entrusted to them in accordance with the provisions of prevailing laws and regulations, and policies of the Company.

**E. Ethics related to Conflict of Interest**

Conflict of interest is defined as a certain condition in which the interests of Members of Board of Commissioners are contrary to the Company's interests to gain profit, increase value, achieve the vision, and carry out the mission and directives of the GMS, which in turn will cause loss to the Company. Hence, the Members of Board of Commissioners should always:

1. Avoid conflicts of interest.
2. Strive to not use their positions for personal gain or for the benefit of other people or parties that are contrary to the Company's interests.
3. Avoid any activity that can affect their independence in carrying out their duties.
4. Make disclosures in the event of a conflict of interest. The relevant Member of Board of Commissioners may not involve themselves in the Company's decision making process relating to the issue.
5. Provide no response to requests from any party and for any reason, including direct requests from certain parties relating to the goods and services procurement process in the Company.
6. Comply with the prevailing laws and regulations, including not involving themselves in insider trading to obtain personal benefits.

**F. Ethics related to Personal Gain/Interest**

The Board of Commissioners is prohibited from taking personal benefits from the Company's activities, other than the salaries and facilities received as members of Board of Commissioners.

**G. Ethics related to Business and Anti-Corruption Principle**

1. The Members of Board of Commissioners shall not receive, either directly or indirectly, valuable items from other parties that can influence them or as a return for what they have done.
2. The Members of Board of Commissioners are not allowed to accept/give presents, gifts, parcels, bouquets, and other forms of giving on religious holidays or other special days/holidays to certain parties that can influence the decision-making process.

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## VII. DUTIES AND OBLIGATIONS OF BOARD OF COMMISSIONERS

### A. General Policies

In regard to the implementation of supervisory function and provision of advice to the Board of Directors, the Board of Commissioners has duties and/or obligations to:

1. Subject to the provisions of prevailing laws and regulations, the Company's Articles of Association, and the resolutions of GMS.
2. Have good faith, uphold prudent principle, and be responsible carrying out duties to supervise and provide advice to the Board of Directors, for the interests and in accordance with the Company's purposes and objectives.<sup>14</sup>
3. Carry out supervisory duties for the Company's interests by taking into account the Shareholders' interests and the responsibility to the GMS.
4. Carry out supervisory duties on the policies of Board of Directors in carrying out the Company's management, including the implementation of Long-Term Plan, Annual Work Plan, and the provisions of Articles of Association as well as the resolutions of GMS, and the prevailing laws and regulations, for the Company's interest and in accordance with the Company's purposes and objectives.
5. Provide opinions and suggestions to the Board of Directors in relation to the Company's management.
6. Examine and review the Annual Report prepared by the Board of Directors and sign the Annual Report.
7. Provide opinions and suggestions to the Board of Directors in relation to the preparation of vision, mission, and other strategic plans, as stipulated in the Articles of Association.
8. Provide opinions and suggestions, and approve the Annual Work Plan and Long-Term Plan proposed by the Board of Directors.
9. Examine and review the Annual Work Plan prepared by the Board of Directors, and sign the Annual Work Plan in accordance with the provisions of Articles of Association.
10. Examine, review, sign and give approval or validation for the Annual Work Plan prepared by the Board of Directors.
11. Examine and review reports from the Board of Directors and their staffs, particularly those relating to the specific tasks that have been jointly decided.
12. Examine and review reports from committees under the Board of Commissioners.
13. Monitor the openness and effectiveness of communication process within the Company.

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<sup>14</sup> Law No. 40 of 2007 regarding Limited Liability Companies, Article 114 Paragraph (2)

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14. Keep abreast of the development of Company's activities, both from internal information provided by the Company and from external information provided by the media and other sources.
  15. Attend work/coordination meetings with the Board of Directors and all levels of Management, if necessary.
  16. Make efforts to ensure that the Board of Directors and their staff have complied with the laws and regulations, and other regulations in managing the Company.
  17. Implement Good Corporate Governance consistently.
  18. Prepare Minutes of Meeting of the Board of Commissioners, and document a copy of the minutes.<sup>15</sup>
  19. Examine and review quarterly reports on the implementation of Annual Work Plan prepared by the Board of Directors, and provide suggestions/recommendations as needed.
  20. Monitor and address conflict of interest issues at the management, Members of Board of Directors, and Members of Board of Commissioners levels, including abuse of Company's assets and manipulation of Company's transactions.

#### **B. Related to the General Meeting of Shareholders**

1. Provide a report on the supervisory duties carried out during the recently ended fiscal year to the Shareholders,<sup>16</sup> accompanied with suggestions for improvement that must be taken, if the Company shows an indication of declining performance.
2. Submit an accountability report of their supervisory duty on the Company's management by the Board of Directors, in their capacity as a supervisor, so as to attain the release and discharge of responsibilities (*acquit et de charge*) from the GMS.
3. Grant power to the Board of Directors to Determine Public Accountants (External Auditors) with consent from the GMS based on the proposals and selections conducted by the Audit Committee.
4. Sign the Annual Report.
5. Sign the share certificate and collective share certificate with the President Director or with one of the Directors in President Director's stead if the President Director is absent. If the President Commissioner is absent, they shall be replaced by a Member of the Board of Commissioners.
6. Provide opinions and suggestions to the GMS regarding other issues deemed important for the Company's management.
7. Carry out other obligations in the framework of supervisory and provision of advice duties, provided that they are not contrary to the laws and regulations, Articles of Association, and/or resolutions of the GMS.

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<sup>15</sup> Law No. 40 of 2007 regarding Limited Liability Companies, Article 116 letter a

<sup>16</sup> Law No. 40 of 2007 regarding Limited Liability Companies, Article 116 letter c



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### **C. Related to Nomination and Selection of Members of Board of Commissioners and Board of Directors**

The Board of Commissioners is obliged to propose the candidates for Members of Board of Commissioners and Members of Board of Directors of the Company, and to submit the proposal to the GMS for approval. In carrying out this obligation, the Board of Commissioners can be assisted by the Nomination and Remuneration Committee. The Nomination and Selection System for the Members of Board of Commissioners and Board of Directors must be carried out in such a way so as to ensure the implementation of transparency, accountability, responsibility, independency, and fairness principles.

### **D. Related to Remuneration and Performance Evaluation of Board of Commissioners and Board of Directors**

The Board of Commissioners is obliged to supervise the implementation of succession of the Company's Leaders. In carrying out this obligation, the Board of Commissioners can be assisted by the Nomination and Remuneration Committee.

### **E. Related to Risk Management**

The Board of Commissioners is obliged to provide recommendations on business risks and types of risks of the Company in relation to the implementation of comprehensive risk management in the Company. In carrying out this obligation, the Board of Commissioners can be assisted by Committees under the Board of Commissioners. The Board of Commissioners plays an active role in supervising the implementation of Risk Management carried out by the Board of Directors. In addition, the Board of Commissioners is also encouraged to carry out the following functions:

1. To evaluate Risk Management policies.
2. To evaluate the accountability of Board of Directors and the implementation of Risk Management policy.
3. To evaluate and determine the proposals of Board of Directors related to the transactions that require approval from the Board of Commissioners.

In carrying out their duties, the Board of Commissioners can be assisted by the Audit Committee whose scope of assignment can be expanded.

### **F. Related to Ethics in Business and Anti-Corruption**

The members of Board of Commissioners are prohibited from receiving, either directly or indirectly, any valuable item from other parties that can influence them or as a return for what they have done.

### **G. Related to Internal Control System**

The Board of Commissioners, with assistance from the Audit Committee, has the obligation to:

1. Ensure the effectiveness of existing internal control system.
2. Ensure the effectiveness of duty implementation of the Internal Auditors and External Auditors.
3. Ensure that the Internal Auditors, External Auditors, and Audit Committee have access to information regarding the Company, which is required to carry out their duties.
4. Ensure the availability of information prepared for other parties, particularly in the Annual Financial and Non-Financial Statements, and Annual Reports.

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## **H. Related to Information Disclosure and Confidentiality**

1. The Board of Commissioners supervises that the Company discloses important information in the Annual Report (including Financial Statements) to other parties in accordance with the prevailing laws and regulations in a timely, accurate, clear and objective manner.
2. The Board of Commissioners is responsible to the Company for maintaining the confidentiality of Company data and / or information.
3. Confidential information obtained while serving as a Member of Board of Commissioners must remain confidential in accordance with the prevailing laws and regulations.
4. The Board of Commissioners ensures that the Company discloses the implementation of GCG principles in the Annual Report.

## **I. Related to Implementation of Supervision and Provision of Advice by the Board of Commissioners**

1. The basic principles of the implementation of supervisory duties and provision of advice by the Board of Commissioners include the following:<sup>17</sup>
  - a. The composition of Board of Commissioners must enable effective, appropriate, and quick decision-making, and enable them to take independent action;
  - b. Members of Board of Commissioners must be professional, namely having integrity and ability to carry out their functions in proper manner, including ensuring that the Board of Directors has taken into account the interests of all stakeholders;
  - c. The functions of supervisory and provision of advice of the Board of Commissioners shall include actions ranging from preventive in nature, to improvements, to temporary dismissals.
2. The implementation of supervision and provision of advice by the Board of Commissioners is carried out by:
  - a. Requesting information in written form to the Board of Directors regarding a problem that occurs;
  - b. Providing opinions or directives at Board of Commissioners' meetings with the Board of Directors, or other meetings attended by the Board of Commissioners;
  - c. Visiting the Department/Project/Branch Office and Learning Center Unit, in order to ensure that the Company's activities, covering Human Resources (HR), operations, finance and others, are carried out effectively.

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<sup>17</sup> Indonesian General Guidelines of GCG of 2006, KNKG, CHAPTER IV, Board of Commissioners Section

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If the Board of Commissioners conducts a work visit to the Department/Project/Branch Office and Learning Center Unit, the procedures that must be carried out are as follows:

- a. The Board of Commissioners submits a written work visit plan to the Board of Directors by stating the intent and purpose, location, and time of work visit;
- b. The Board of Directors prepares the work visit, including providing necessary facilities in accordance with the provisions regarding official travel of the Board of Commissioners;
- c. In the event that the work visit is carried out jointly with the Board of Directors, the above procedure is not required;
- d. Provide responses to the periodic reports submitted by the Board of Directors.

### **VIII. AUTHORITY OF BOARD OF COMMISSIONERS**

1. The Board of Commissioners has the authority to approve or reject plans from the Board of Directors regarding.<sup>18</sup>
  - a. Borrowing or lending money on behalf of the Company (excluding taking money from loans that have been opened and taking money to carry out the Company's business activities);
  - b. Buying/selling or obtaining/disposing rights to immovable properties belonging to the Company;
  - c. Using/guaranteeing the immovable properties of the Company in any form;
  - d. Conducting or disposing capital investments in other companies without lessening the permission of the authorized parties;
  - e. Binding the Company as a guarantor to guarantee payment obligations of other parties;
2. Temporarily dismissing one or more Members of Board of Directors from their position by stating the reasons, if the relevant Member of Board of Directors acts in contrast to the Company's Articles of Association and the prevailing laws and regulations, and/or causes loss to the purposes and objectives of the Company, and/or neglects their obligations.<sup>19</sup>
3. Temporarily managing the Company in the event that all members of Board of Directors are temporarily dismissed, or that the Company does not have any member of Board of Directors. In such case, the Board of Commissioners is entitled to temporarily grant power to one or more members of Board of Commissioners at the expense of the Board of Commissioners.
4. Being able to propose the convention of GMS to the Board of Directors if deemed necessary by stating the matters to be discussed.

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<sup>18</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 17 paragraph (3)

<sup>19</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 20 paragraph (4) letter a

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5. Providing approval for the representation of interests of a Member of Board of Directors by another Member of Board of Directors, in the event of a conflict of interest between the represented Members of Board of Directors. In the event of a conflict of interest by all Members of Board of Directors, the Company shall be represented by the Board of Commissioners or by a person appointed by the Board of Commissioners.
  6. Implementing other supervisory authority provided that such authority does not conflict with the laws and regulations, Articles of Association, and/or resolutions of the GMS.

## **IX. RIGHTS OF BOARD OF COMMISSIONERS**

1. The members of Board of Commissioners, both collectively and individually, have the right to enter buildings and other yards or places used or controlled by the Company at any time during business hours, and have the right to examine all books, letters, and evidence, to examine and match the state of cash and so forth, and to understand all actions that have been carried out by the Board of Directors.<sup>20</sup>
2. To obtain access to the Company's information in a timely and complete manner.
3. To 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. Furthermore, the Board of Directors and each member of Board of Directors must provide the relevant explanation.<sup>21</sup>
4. To temporarily dismiss members of Board of Directors in accordance with the Articles of Association.
5. To establish an Audit Committee and other committees (if deemed necessary) by taking into account the Company's needs and capabilities.
6. To employ the service of experts in carrying out their duties for a specified period of time at the expense of the Company, if deemed necessary.
7. To attend the Board of Directors' meetings and provide insight into the matters discussed.
8. To appoint and dismiss the Secretary of Board of Commissioners (if deemed necessary), to ensure the flow of duties of the Board of Commissioners.
9. To obtain facilities from the Company approved by the GMS, which are adjusted according to the Company's financial condition, and propriety and fairness principles, and which are not in contrast to the prevailing laws and regulations.

## **X. MEETINGS OF BOARD OF COMMISSIONERS**

1. Meeting of Board of Commissioners is a meeting held by the Board of Commissioners.
2. Internal Meeting of Board of Commissioners is a meeting that is only attended by the Members of Board of Commissioners.
3. The Board of Commissioners holds meetings, at the very least, 6 times a year including joint meetings with the Board of Directors.

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<sup>20</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 20 paragraph (2)

<sup>21</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 20 paragraph (3)

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4. Meeting of Board of Commissioners consists of an Internal Meeting of Board of Commissioners, Joint Meeting of Board of Commissioners with the Board of Directors, and Meeting of Board of Commissioners with Committee under the Board of Commissioners.
  5. The Board of Commissioners may hold meetings outside the determined schedule due to:
    - a. The request from 1 (one) or more members of Board of Commissioners;
    - b. The written request from Board of Directors based on the decision of Meeting of Board of Directors;  
or
  6. Invitation to a Board of Commissioners' meeting is prepared by the President Commissioner or by 2 (two) other Members of Board of Commissioners if the President Commissioner is not available for any reason.<sup>22</sup>
  7. The invitation to the meeting must include the event, date, time, and place of the meeting.
  8. Each Member of Board of Commissioners is entitled to propose the agenda for the meeting to be held.
  9. Meeting of Board of Commissioners is considered valid and has the right to make binding decisions when attended or represented by more than ½ (one half) of the total members of Board of Commissioners.
  10. If consensus cannot be reached through deliberation, then the decision of Board of Commissioners' Meeting shall be taken by voting with affirmative votes amounting to more than ½ (one half) of the number of valid votes issued at the Meeting.
  11. Deed of Minutes of Meeting of Board of Commissioners is submitted to the Secretary of Board of Commissioners, or the party appointed, to be documented and preserved.

## **XI. PERFORMANCE EVALUATION OF BOARD OF COMMISSIONERS**

### **General Policy**

The performance of Board of Commissioners and Members of Board of Commissioners shall be evaluated by the Shareholders at the GMS. Evaluation of the performance of Board of Commissioners and Individual members of Board of Commissioners is carried out, at the very least, through self-assessment.

In general, the performance of Board of Commissioners is determined based on the duties and obligations contained in the prevailing laws and regulations, the Company's Articles of Association, and mandate of the Shareholders. Formal evaluation criteria are submitted openly to the Members of Board of Commissioners from the date of their appointment.

The results of evaluation on the overall performance of Board of Commissioners and the performance of individual Member of Board of Commissioners is an integral part of the compensation and incentive schemes for the Members of Board of Commissioners.

The result of evaluation on the performance of individual Member of Board of Commissioners is one of the basic considerations for the Shareholders to dismiss and/or reappoint the relevant Members of Board of Commissioners. Such performance evaluation results serve as a means of assessing and improving the effectiveness of Board of Commissioners.

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<sup>22</sup> Articles of Association of PT Total Bangun Persada Tbk, Article 21 paragraph (2)

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## **XII. SUPPORTING ORGANS OF BOARD OF COMMISSIONERS**

### **A. Committees of Board of Commissioners**

In carrying out the supervisory duty and provision of advice, the Board of Commissioners can establish an Audit Committee and other committees in accordance with the development of prevailing laws and regulations, and/or the Company's needs. The established Committees have duties related to the supervisory function of the Board of Commissioners, including but not limited to the aspects of internal control system, the functions of nomination and remuneration for the Board of Directors and Board of Commissioners, and the implementation of risk management and principles of good corporate governance in accordance with the prevailing regulations. Further explanations of the duties, responsibilities and scopes of the committees established by the Board of Commissioners are regulated in the respective Charter of each committee which is an integral part of this Board Manual.

The establishment of Committees at the level of Board of Commissioners is approved by virtue of the Decree of Board of Commissioners. The establishment of additional committees can be carried out in accordance with the needs and number of Members of Board of Commissioners, and approved by the Decree of the Board of Commissioners.

If in the future the Committees are not relevant to the Company's condition or are no longer required, the Committees can be dissolved. The Committees that can be established by the Board of Commissioners are:

#### **1. Audit Committee**

The Audit Committee consists of, at the very least, 3 (three) Committee members, one of whom is an Independent Commissioner who concurrently serves as the Head of Audit Committee. The duties of the Audit Committee include:

- a. Examine and evaluate the implementation of internal control and risk management systems in accordance with the Company's policies;
- b. Conduct audit activities and assessments on the efficiency and effectiveness in finance, accounting, operational, human resources, marketing, information technology, and other activities, whether they are contained in the annual plan or those that required the attention of Board of Commissioners;
- c. Provide suggestions for improvement and objective information on the activities audited at all levels of management;
- d. Prepare an Audit Result Report and submit it to the Board of Commissioners;
- e. Monitor, analyze, and report the implementation of the suggested improvements.

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## 2. Nomination and Remuneration Committee

To maintain independency in the context of selecting candidates for the members of Board of Commissioners and Board of Directors, as well as in the formulation of remuneration, the Nomination and Remuneration Committee must have an Independent Commissioner.

### **Nomination Aspect**

The key function of the Nomination Committee is to provide recommendations to the Board of Commissioners regarding the following matters:

1. Proposal of prospective Members of Board of Commissioners and Members of Board of Directors who meet the requirements to be appointed by the GMS.
2. Programs for developing the capacity of members of Board of Directors and/or members of Board of Commissioners.
3. Assessment on the performance of members of Board of Directors and/or members of Board of Commissioners.
4. Candidates for the members of Board of Directors who will be selected by the Board of Commissioners to fill the vacancy.
5. The members of Board of Commissioners who will be selected for the membership of various Committees.
6. Composition of positions, policies, and criteria as well as performance evaluation policies that must be taken into account in selecting the Candidates for Members of Board of Commissioners and Board of Directors, which at least include: Strength of character, critical (inquiring) and independent thinking, practical wisdom, thorough assessment, technical expertise, and special background.

### **Remuneration Field**

The Remuneration Committee carries out the following duties:

1. Reviewing and recommending changes in the remuneration system of Board of Commissioners, Board of Directors, and Employees, so as to reflect the relationship between the achievement of the Company's performance targets and the level of reward or punishment received.
2. Reviewing and recommending changes in the provision and use of facilities for the Board of Commissioners and Board of Directors, to prevent abuse which may ultimately result in waste.
3. Reporting the results of review and recommendation to the Board of Commissioners to be forwarded to the GMS for approval.
4. Carrying out performance evaluations and recommending development and change of managers.
5. Reviewing the facilities/"fringe benefit" provided by the Company.

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### **3. Business Development Committee**

The Business Development Committee carries out the following duties:

- a. Assisting the Board of Commissioners in monitoring and evaluating the realization of the Company's business plan.
- b. Assisting the Board of Commissioners in evaluating the Company's business development/expansion plans.

### **B. SECRETARY OF BOARD OF COMMISSIONERS (if required)**

To assist the flow of their duty implementation, the Board of Commissioners is entitled to obtain assistance from the Secretary of Board of Commissioners at the expense of the Company.

## **XIII. WORK RELATIONSHIP BETWEEN BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS**

The creation of a positive work relationship between the Board of Commissioners and Board of Directors is one of the crucial issues to be addressed so that each organ of the Company can work according to its function effectively and efficiently. Therefore, the Company implements the following principles in maintaining a positive work relationship between the Board of Commissioners and Board of Directors:

1. The Board of Commissioners respects the functions and roles of Board of Directors in managing the Company as stipulated in the laws and regulations, as well as the Company's Articles of Association.
2. The Board of Directors respects the functions and roles of Board of Commissioners in conducting supervision and providing advice on the management policies of the Company.
3. Each work relationship between the Board of Commissioners and Board of Directors is a formal relationship where it must always be based on a standard mechanism or correspondence that can be accounted for.
4. Any informal work relationship can be conducted by each Member of Board of Commissioners and Board of Directors; however, such relationship cannot be used as a formal policy before going through a mechanism or correspondence that can be accounted for.
5. The Board of Commissioners is entitled to obtain access to Company's information in a timely, accurate and complete manner.
6. In order to obtain further information on certain issue, the Board of Commissioners may request such information from officials under the Board of Directors by first coordinating with the Board of Directors so as to create a balance of work relationship between the Board of Commissioners and Board of Directors, with the aim of achieving corporate communication through one-door information (one gate policy).
7. The Board of Directors is responsible for ensuring that information regarding the Company is given to the Board of Commissioners in a timely, accurate, consistent and complete manner.
8. Each work relationship between the Board of Commissioners and Board of Directors is an institutional relationship in which the Board of Commissioners and Board of Directors are regarded as collective positions that represent all members; hence, each work relationship between Members of Board of Commissioners and Members of Board of Directors must be known by other Members of Board of Commissioners and Board of Directors.



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## **THIRD SECTION**

### **ACTIVITIES BETWEEN ORGANS OF THE COMPANY**

#### **I. MEETINGS OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS (JOINT MEETINGS)**

##### **General Policies**

1. Joint Meetings are the Meetings of Board of Commissioners with Board of Directors. Joint meetings do not have to be a decision making process but can be a form of coordination in order to discuss the periodic reports of the Board of Directors, business conditions and prospects of the Company, and national policies that have an impact on the Company's performance. Both the Board of Commissioners and Board of Directors provide responses, notes, and advice as outlined in the Minutes of Meeting.
2. Joint Meetings are attended by the Members of Board of Commissioners, Members of Board of Directors, Secretary of Board of Commissioners (if any), and Corporate Secretary. The meeting can invite other officials assigned by the President Commissioner/President Director and can invite keynote speakers from within and outside the Company, except for special meetings which may only be attended by the Members of Board of Commissioners and Board of Directors.
3. Joint Meetings can be proposed and organized by both the Board of Commissioners and Board of Directors.
4. Joint Meetings are held at least once every 4 (four) months.

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Stipulated in : Jakarta  
Date : June 02, 2022

BOARD OF COMMISSIONERS  
PT Total Bangun Persada Tbk

*(Signed and stamped)*

Ir. Reyno Stephanus Adhiputranto  
President Commissioner and Independent Commissioner  
*(signed)*

Liliana Komajaya, MBA  
Commissioner

*(signed)*

Rudi Suryajaya Komajaya, MSc., MBA.  
Commissioner

*(signed)*

Pinarto Sutanto  
Commissioner  
*(signed)*

Drs. Wibowo  
Commissioner

*(signed)*

Drs. Rusdy Daryono  
Independent Commissioner

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