

# GUIDELINES AND WORK PROCEDURES FOR THE BOARD OF DIRECTORS

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The present Guidelines and Work Procedures for the Board of Directors are made by reference to:

- a. Law of the Republic of Indonesia Number 40 of 2007 on Limited Liability Company;
- b. Law Number 8 of 1995 on Capital Market;
- c. Regulation of the Financial Services Authority Number 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of the Issuer or the Public Company;
- d. Decision of the Board of Directors of PT Bursa Efek Indonesia Number KEP-00001/BEI/01-2014 dated January 20, 2014 on Amendments to Regulation No. I-A on Listing of Shares and Non-Share Equity Securities Issued by Listed Companies; and
- e. The Company's Articles of Association and any amendments thereto.

#### **ARTICLE 1 PURPOSE**

1. To be a reference to/guidelines for the duties and responsibilities and authorities of members of the Board of Directors in performing their duties in accordance with their roles and functions in order to create the management of the Company in a professional, transparent and efficient manner.
2. To protect stakeholders' interests.
3. To increase compliance with prevailing laws and regulations and applicable code of ethics.

#### **ARTICLE 2 DEFINITIONS**

1. The Company shall mean PT Trimegah Securities Tbk.
2. GMS shall mean the General Meeting of Shareholders, both Annual and Extraordinary.
3. FSA shall mean the Financial Services Authority.

#### **ARTICLE 3 MEMBERSHIP OF THE BOARD OF DIRECTORS**

1. The Company shall be managed and led by the Board of Directors.
2. The Board of Directors shall consist of at least 2 (two) members, namely:
  - a. 1 (one) President Director;
  - b. minimum of 1 (one) Director;with due observance of the applicable regulations on the Capital Market.
3. In relation to the Company's status as a Listed Company, under the regulations of PT Bursa Efek Indonesia, the Company shall have at least 1 (one) Independent Director appointed by the GMS from the members of the Board of Directors and meeting the requirements as specified in Article 4.2.

## **ARTICLE 4 REQUIREMENTS**

1. Those eligible to be appointed as a member of the Board of Directors shall be individuals who meet the following requirements upon appointment and during their tenure:
  - a. have good character, morality, and integrity;
  - b. legally competent;
  - c. within 5 (five) years before appointment and during the service:
    - 1) never been declared bankrupt;
    - 2) never being a member of the Board of Directors and/or a member of the Board of Commissioners found guilty of causing the bankruptcy at any company;
    - 3) never been convicted of a criminal offense harming the state finances and/or related to the financial sector; and
    - 4) never being a member of the Board of Directors and/or a member of the Board Commissioner who during the services:
      - i. have not organized the annual General Meeting of Shareholders ("GMS");
      - ii. his/her responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners was not accepted by the GMS or have not declared responsibility as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
      - iii. have caused a company that obtained a license, approval, or registration from the FSA to fail to fulfill the obligation to submit annual reports and/or financial statements to the FSA.
  - d. have a commitment to comply with the prevailing laws and regulations; and
  - e. have knowledge and/or expertise in the field needed by the Company.
2. Independent Director Requirements shall be as follows:
  - a. has no affiliation with the Listed Company's Controlling shareholder for at least six (6) months prior to the appointment as an Independent Director;
  - b. has no affiliation with the Commissioner or Director of the Listed Company;
  - c. not working as a member of the Board of Directors in other companies;
  - d. not be an Insider in Capital Market Supporting Institutions or Professions whose services are used by the Listed Company for 6 (six) months prior to the appointment as a Director.
3. In addition to meeting the requirements as set out in point 4.1, a member of the Board of Directors shall comply with other laws and regulations.
4. The fulfillment of the requirements to be a member of the Board of Directors shall be included in a statement letter and submitted to the Company.
5. Legal consequences of nonfulfillment of the requirements as referred to in points 4.1, 4.2 and 4.3 shall comply with applicable laws and regulations.
6. Any proposals for appointment, dismissal, and/or replacement of members of the Board of Directors to the GMS shall consider recommendations from the Board of Commissioners or the committee that performs the function of nomination.
7. Provisions on the concurrent position of members of the Board of Directors shall be as set out in the Articles of Association.

## **ARTICLE 5 TERM OF OFFICE**

1. Members of the Board of Directors shall be appointed and dismissed by the GMS.
2. Members of the Board of Directors shall be appointed for a certain term of office and may be reappointed.
3. The term of office of members of the Board of Directors shall be as stipulated in the Articles of Association.

## **ARTICLE 6 SUSPENSION**

1. A member of the Board of Directors may be suspended at any time by the Board of Commissioners by stating the reasons therefor.
2. The suspension as referred to in point 6.1 shall be notified in writing to the member of the Board of Directors in question.
3. In the event of suspension of a member of the Board of Directors as referred to in point 6.1, the Board of Commissioners shall convene the GMS to revoke or affirm the suspension decision.
4. The GMS as referred to in point 6.3 shall be convened at the latest within 90 (ninety) calendar days following the date of suspension.
5. By the lapse of the period for convening the GMS as referred to in point 6.4 or the failure of the GMS to adopt a resolution thereon, the suspension as referred to in point 6.1 shall be null and void.
6. At the GMS as referred to in point 6.3 the member of the Board of Directors in question shall be given chance to defend himself.
7. The suspended member of the Board of Directors as referred to in point 6.1 shall not be authorized to:
  - a. conduct the management of the Company for the benefit of the Company in accordance with the aims and objectives of the Company; and
  - b. represent the Company in and outside courts of law.
8. The limitation of authority as referred to in point 6.7 shall be effective from the date of the decision on suspension by the Board of Commissioners until:
  - a. the resolution of the GMS affirming or cancelling the suspension as referred to in point 6.3 comes into being; or
  - b. the lapse of the period as referred to in point 6.4.
9. In the event that the GMS affirm the suspension decision, the member of the Board of Directors in question shall be dismissed thereafter.
10. The suspended member of the Board of Directors failing to attend the GMS shall be deemed to refrain from exercising his/her right to defend himself at the GMS and shall therefore be considered to accept the resolution of the GMS.

## **ARTICLE 7 WORKING HOURS**

The Board of Directors shall provide sufficient time to carry out its duties and responsibilities optimally in accordance with the Company's workdays.

## **ARTICLE 8 DUTIES, RESPONSIBILITIES AND AUTHORITIES**

1. The Board of Directors shall have the duty to conduct and be responsible for the management of the Company for the benefit of the Company in accordance with the aims and objectives of the Company set forth in the Articles of Association.
2. In performing its duties and responsibilities for the management referred to in point 8.1, the Board of Directors shall hold annual GMS and other GMS as stipulated in the laws and regulations and the Articles of Association.
3. Each member of the Board of Directors shall perform the duties and responsibilities as referred to in point 8.1 in good faith, full responsibility, and prudence.
4. In the framework of supporting the effective performance of duties and responsibilities as referred to in point 8.1, the Board of Directors may form a committee.
5. In the event that the committee as referred to in point 8.4 is formed, the Board of Directors shall make an evaluation of the committee's performance at the end of each financial year.
6. Each member of the Board of Directors shall fully be jointly and severally liable for the Company's losses caused by the fault or negligence of the member of the Board of Directors in performing his/her duties.
7. The member of the Board of Directors may not be held responsible for the Company's losses as referred to in point 8.6 if he/she can prove that:
  - a. the losses are not due to his/her fault or negligence;
  - b. has conducted management in good faith, full responsibility, prudence for the benefit of and in accordance with the aims and objectives of the Company;
  - c. has no conflict of interest directly or indirectly over the managerial actions causing the losses; and
  - d. has taken action to prevent the losses arising or continuing.
8. The Board of Directors shall be entitled to represent the Company legally and directly in and outside courts of law, with regard to all matters and in all events, to bind the Company to other parties and to bind other parties to the Company, and to take all actions both as regards to management affairs as well as ownership affairs with the limitation as specified in point 8.9.
9. For any of the following actions:
  - a. Transferring or disposing immovable goods or assets of the Company in the value of 35% (thirty-five) percent to 50% (fifty) percent of the Company's net assets in a single transaction or several independent or related transactions;
  - b. Mortgaging the Company's assets in the value of 35% (thirty-five) percent to 50% (fifty) percent of the Company's net assets in a single transaction or several independent or related transactions;

- c. Borrowing or lending the Company's money on behalf of the Company to a third party having no business relationship with the Company (not including withdrawing money from established credit lines, or not including the framework of the Company carrying out its business activities) in the value of 35% (thirty-five) percent to 50% (fifty) percent of the Company's net assets in a single transaction or several independent or related transactions; or establish or participate in establishing or participate in other companies (not including the framework of the Company carrying out its business activities), in the value of 35% (thirty-five) percent to 50% (fifty) percent of the Company's net assets in a single transaction or several independent or related transactions;

The Board of Directors must obtain prior written approval from or the relevant deed cosigned by the Board of Commissioners, without prejudice to the provisions of point 8.10 mentioned below and the applicable laws and regulations, especially laws and regulations on the Capital Market.

- 10. Any legal action to (a) transfer or dispose of or (b) mortgage all or any of the Company's assets in the value of more than 50% (fifty percent) of the Company's net assets in a single transaction or several independent or related transactions, and the transactions are transfer of the Company's net assets occurring in 1 (one) financial year, shall be subject to the approval of the GMS.
- 11. Any legal action to make a Certain Material Transaction, Affiliated Transaction and Conflict of Interest Transaction shall be as contemplated in the laws and regulations on Capital Market, and transactions that require the approval of the GMS of the Company shall be on the conditions as stipulated in the laws and regulations on Capital Market.
- 12. a. The President Director together with another member of the Board of Directors shall be entitled and authorized to act for and on behalf of the Board of Directors and to legally represent the Company;  
 b. In the event that the President Director is absent or indisposed for any reason whatsoever, for which case no proof needs to be given to the third party, the other two members of the Board of Directors shall be entitled and authorized to act for and on behalf of the Board of Directors and to legally represent the Company.
- 13. The division of duties and authorities among the members of the Board of Directors shall be stipulated by the GMS. In case the GMS does not stipulate, the division of duties and authorities among the members of the Board of Directors shall be stipulated by virtue of a resolution of the Meeting of the Board of Directors.
- 14. The Board of Directors may grant powers and authorities in writing to 1 (one) or more employee(s) of the Company, or to any other persons to take certain legal actions for and on behalf of the Company as set forth in the power of attorney.

## **ARTICLE 9 CONFLICT OF INTEREST**

In the event that the Company has interests in conflict with the personal interests of a member of the Board of Directors, the Company shall be represented by another member of the Board of Directors having no conflict of interest, and in the event that the Company has interests in conflict with the interests of all members of the Board of Directors, then in this case the Company shall be represented by the Board of Commissioners or a person appointed by the Board of Commissioners. In the event that no member of the Board of Commissioners is available, the GMS shall appoint one or more person(s) to represent the Company in performing the duties mentioned above.

## **ARTICLE 10 TRANSPARENCY ASPECTS**

1. A member of the Board of Directors shall disclose the shares owned by him/her and/or his/her family in the Company and other companies to the Company, to be recorded in a special register.
2. A member of the Board of Directors shall report his/her ownership and any change in ownership of the Company's shares to the FSA no later than 10 (ten) days after the transaction.

## **ARTICLE 11 MEETINGS**

1. Meeting of the Board of Directors:
  - a. A Meeting of the Board of Directors may be held at any time when considered necessary by one or more member(s) of the Board of Directors, or at the written request of the Board of Commissioners or at the written request of 1 (one) or more Shareholder(s) jointly representing 1/10 (one-tenths) or more of the total number of voting shares that have been issued by the Company.
  - b. The Board of Directors shall convene a meeting of the Board of Directors periodically at least 1 (one) time in every month.
2. The Meeting of the Board of Directors as referred to in point 11.1 shall be convenable, valid and entitled to adopt binding resolutions if attended by more than 1/2 (one-half) of the members of the Board of Directors present or represented at the Meeting.
3. The Board of Directors shall convene a meeting of the Board of Directors together with the Board of Commissioners periodically at least 1 (one) time in 4 (four) months.
4. The presence of members of the Board of Directors at the meeting as referred to in point 11.1 and point 11.3 shall be disclosed in the Company's Annual Report.
5. The Board of Directors shall schedule the meeting as referred to in point 11.1 and point 11.3 for the following year before the end of the financial year.
6. For the meeting that has been scheduled as referred to in point 11.5, the meeting materials shall be submitted to participants no later than 5 (five) days before the meeting is held.

7. In the event of a meeting held beyond the schedule that has been prepared as referred to in point 11.5, the meeting materials shall be submitted to the meeting participants at the latest before the meeting is held.
8. The summons for the Meeting of the Board of Directors shall be made by the member of the Board of Directors who is entitled to represent the Board of Directors.  
The summons for the Meeting of the Board of Directors shall be given by any means in writing, delivered to each member of the Board of Directors at the latest 5 (five) calendar days prior to the Meeting, without including the Summons date and the Meeting date.
9. The summons must state the agenda, date, time and place of the Meeting.
10. Meetings of the Board of Directors shall be convened at the place where the Company is domiciled or carries out its business activities or at the place where the Stock Exchange on which the Company's shares are listed, or elsewhere in the territory of the Republic of Indonesia.
11. Meetings of the Board of Directors shall be chaired by the President Director. In the event that the President Director is absent or unable to attend the Meeting of the Board of Directors for any reasons, for which case no proof needs to be given to the third party, the Meeting of the Board of Directors shall be chaired by a member of the Board of Directors elected by and from among the members of the Board of Directors present at the Meeting.
12. A member of the Board of Directors may be represented at the Meeting of the Board of Directors only by another member of the Board of Directors by virtue of a power of attorney.
13.
  - a. Each member of the Board of Directors present shall be entitled to cast 1 (one) vote and 1 (one) additional vote for every other member of the Board of Directors represented by him.
  - b. Each member of the Board of Directors personally in any way, directly or indirectly, having interests in a transaction, contract or proposed contract, to which the Company is a party, shall declare the nature of the interests at a Meeting of the Board of Directors and shall not be entitled to participate in voting regarding the matters relating to such transaction or contract, unless otherwise determined by the Meeting of the Board of Directors.
14. Resolutions of the Meeting of the Board of Directors as referred to in point 11.1 shall be amicably adopted.
15. In the event that such amicable resolution cannot be reached, the resolution shall be adopted by majority vote, namely approved by more than ½ (one-half) of the members of the Board of Directors present.
16. The results of the meeting as referred to in point 11.1 shall be set forth in the minutes of the meeting, signed by all members of the Board of Directors present, and submitted to all members of the Board of Directors.
17. The results of the meeting as referred to in point 11.3 shall be set forth in the minutes of the meeting, signed by the members of the Board of Directors and the members of the Board of Commissioners present, and submitted to all the members of the Board of Directors and the members of the Board of Commissioners.
18. If there are members of the Board of Directors and/or members of the Board of Commissioners not signing the results of the meeting as referred to in point 11.16 and point 11.17, they shall state the reasons therefor in writing in a separate letter attached to the minutes of the meeting.
19. Minutes of the meeting of the Board of Directors as referred to in point 11.16 and point 11.17 shall be documented by the Company.



20. Minutes of the Meeting of the Board of Directors shall become concrete evidence regarding resolutions adopted at the Meeting of the Board of Directors before the members of the Board of Directors and any third parties.
21. The Board of Directors may also make lawful and binding decisions without holding a Meeting of the Board of Directors, provided that all the members of the Board of Directors have been notified in writing of the relevant proposals and all the members of the Board of Directors give approval as for the proposal proposed in writing and sign such approval.  
Decisions made in such a procedure shall have the same power and effect as a resolution adopted legally at the Meeting of the Board of Directors.
22. The Meeting of the Board of Directors may also be held by teleconference, video conference or other similar communication equipment which enable all persons participating at the Meeting of the Board of Directors to directly view and hear each other, provided that the minutes of the Meeting using teleconference or other similar communication equipment shall be made in writing and circulated among all the members of the Meeting of the Board of Directors participating at the meeting, to be signed. Decisions made in such a procedure shall have the same force and effect as a resolution adopted legally at the Meeting of the Board of Directors.

#### **ARTICLE 12 REPORTING AND ACCOUNTABILITY**

1. The Board of Directors shall account for the performance of its duties to the shareholders at the GMS.
2. Reports on duties and responsibilities of the Board of Directors shall be submitted in the form of the Board of Directors' Report and the Annual Report to the Annual GMS.
3. The approval for the Board of Directors' Report and the Annual Report by the Annual GMS shall constitute the full acquittal and discharge of the members of the Board of Directors from responsibility for the managerial actions they took during the past fiscal year, to the extent that the actions are reflected in the Annual Report.

#### **ARTICLE 13 ETHICS**

1. Each member of the Board of Directors shall perform his/her duties in good faith, full responsibility, and prudence always with due observance of applicable laws and regulations related to the implementation of Good Corporate Governance and the Company's Articles of Association.

#### **ARTICLE 14 CONCLUSION**

1. The present Guidelines and Work Procedures for the Board of Directors shall come into force as from the date of enactment.
2. Any matters not provided in the present Guidelines and Work Procedures for the Board of Directors shall follow applicable regulations and/or the provisions of the Articles of Association.