



BOARD OF COMMISSIONERS
CHARTER

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Board of Commissioners Charter

In adherence to principles of Good Corporate Governance, namely transparency, accountability, responsibility, independence, and fairness, this Charter contains matters relating to the enforcement of the functions and roles of the Board of Commissioners as a body of the Company in ensuring business continuity of the Company for the long term that considers and complies with provisions set out in the Company's Articles of Association, Financial Services Authority Regulation, Stock Exchange Regulation, as well as Law governing Limited Liability Companies and Capital Market.

The Charter serves as reference of duties and functions in order to improve the quality and effectiveness of workplace relationships among the Board of Commissioners in carrying out effective supervisory function towards the practice of Company management held by the Board of Directors.

The Charter is expected to ensure good conduct of management in determining and achieving the goals and objectives of the Company so that it can compete in efficient, effective and appropriate manners, as well as be able to achieve and maintain the leading position amidst increasingly fierce competition climate.

In performing the Charter, the Board of Commissioners will uphold the Company's cultures, which are:

a. Integrity

Uphold the honesty, ethics, and moral in working to create a conducive working environment and optimize Corporate Values to the stakeholders in accordance with the Company's vision and mission

b. Professionalism

Have competence and responsibility in delivering the best result.

c. Entrepreneurship

The terms of "Transforming dirt and trash into gold" means that all Management and Employees of the Company are expected to have competence to innovate as well as extensive knowledge and far-sighted perspective to decide the Company's strategic action.

Board of Commissioners

Board of Commissioners is in charge and responsible collegially to monitor the duties and responsibilities of Board of Directors and provide advices to the Board of Directors.

The position of each member of the Board of Commissioners including the President Commissioner is equal. The duty of the President Commissioners is to coordinate the activities of the Board of Commissioners.

- (1) Board of Commissioners consists of at least 2 (two) members of the Board of Commissioners.

- (2) In the event that the Board of Commissioners consists of 2 (two) members of the Board of Commissioners, 1 (one) of whom acts as an Independent Commissioner.
- (3) In the event that the Board of Commissioners consists of more than 2 (two) members of the Board of Commissioners, the number of Independent Commissioners shall be at least 30% (thirty percent) of the total members of the Board of Commissioners.
- (4) 1 (one) member of the Board of Commissioners shall be appointed as the President Commissioner.
- (5) Members of the Board of Commissioners are appointed and dismissed by General Meeting of Shareholders (GMS).
- (6) Members of the Board of Commissioners are appointed for a certain Term of Office and can be reappointed. 1 (one) Term of Office for members of the Board of Directors is a maximum of 5 (five) years or until the closing of the Annual General Meeting of Shareholders (GMS) at the end of 1 (one) Term of Office.

Requirements

Those who are eligible to become the members of the Board of Commissioners are individuals who meet the requirements upon appointment and during their tenure:

- a. Have good character, morale, and integrity;
- b. Capable of carrying out legal actions;
- c. Within 5 years before appointment and during his tenure:
 - (1) Never been declared bankrupt;
 - (2) Never been a member of the Board of Directors and/or member of the Board of Commissioners who were found guilty of causing a company to go bankrupt;
 - (3) Has never been convicted of a criminal offense that is detrimental to the country's finances and/or related to the financial sector
 - (4) Has never been a member of the Board of Directors and/or member of the Board of Commissioners who during its tenure:
 - a) Did not hold an annual GMS;
 - b) Its responsibilities as a member of the Board of Directors and/or member of the Board of Commissioners were not accepted by the GMS or did not provide its responsibility as a member of the Board of Directors and/or member of the Board of Commissioners to the GMS; and
 - c) Has caused a company that obtained permission, approval, or registration from OJK to not fulfill its obligation to submit an annual report and/or financial report to OJK
- d. Has a commitment to comply with laws and regulations; and
- e. Possess knowledge and/or expertise in the field required by the Company.

Fulfillment of the requirements mentioned above, must be issued in a Statement Letter and submitted to the Company.

In addition to fulfilling the aforementioned requirements, Independent Commissioners shall meet the requirements during their appointment and tenure, as following:

- a. Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the Company's activities within the last 6 (six) months, except for reappointment as an Independent Commissioner of the Company in the following period;
- b. Has no shares either directly or indirectly in the Company;
- c. Has no affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors, or the main shareholders of the Company; and
- d. Has no business relationship either directly or indirectly related to the Company's business activities.

Requirements on the 2 paragraphs above shall be met by the members of the Commissioners during their tenure.

Reappointment of Independent Commissioners:

1. An independent Commissioners who has served for 2 (two) terms of office may be reappointed in the following period as long as the Independent Commissioners concerned declares itself to remain independent to the GMS.
2. The statement of independence of the Independent Commissioners shall be disclosed in the annual report.
3. In the event that an Independent Commissioner serves on the Audit Committee, the Independent Commissioner concerned may only be reappointed as the Audit Committee for only 1 (one) following term of office of the Audit Committee.

Concurrent Positions

Members of the Board of Commissioners may hold concurrent positions as:

- a. A member of the Board of Directors of no more than 2 (two) other Issuers or Public Companies;
- b. A member of the Board of Commissioners of no more than 2 (two) other Issuers or Public Companies; and/or
- c. In the event that a member of the Board of Commissioners does not hold concurrent position as a member of Board of Directors, the members of the Board Commissioners concerned may serve concurrently as a member of the Board of Commissioners of no more than 4 (four) other Issuers or Public Companies.
- d. A member of the Board of Commissioners may serve concurrently as a member of the committee of no more than 5 (five) committees in the Issuers or Public Companies where the person concerned also serves as a member of the Board of Directors or a member of the Board of Commissioners.

Duties, Authorities and Responsibilities

Duties:

1. The Board of Commissioners is in charge of supervision and responsible to oversee the management policies, the management functions in general, both of the Company as well as the Company's business, and to provide advices to the Board of Directors.
2. Under certain conditions, the Board of Commissioners shall hold annual GMS and other GMS in accordance to its authorities as stipulated in the Law and Articles of Association.
3. Members of the Board of Commissioners shall carry out the duties and responsibilities in good faith, full responsibility, and prudent manner.
4. In order to support the effectiveness of the implementation of duties and responsibilities, the Board of Commissioners shall form an Audit Committee and may form other committees.
5. The Board of Commissioners shall perform evaluation on the performance of the committee that helps carry out its duties and responsibilities at the end of the financial year.

Authorities:

1. The Board of Commissioners has the authority to temporarily dismiss the members of the Board of Directors by specifying the reasons.
2. The Board of Commissioners may perform the management function of the Company in certain circumstances for a certain period of time.
3. The authorities referred in Article (2) shall be determined based on the Articles of Association or GMS decision.

Responsibilities:

1. Each member of the Board of Commissioners is jointly responsible for the Company's losses caused by errors or negligence of the members of the Board of Commissioners in carrying out their duties.
2. Members of the Board of Commissioners cannot be held responsible for the Company's losses as referred in Article (1) if they can prove:
 - a. The loss is not due to an error or negligence;
 - b. Has carried out duties in good faith, full responsibility, and prudent manner for the interests and in accordance with the goals and objectives of the Company;
 - c. Does not possess a conflict of interest either directly or indirectly upon such management action that results in a loss; and
 - d. Has taken action to prevent the possibility or the continuity of such losses

Working Hours

The Board of Commissioners shall provide sufficient time to carry out its duties and responsibilities optimally.

Meetings Policy

The Board of Commissioners Meeting

1. The Board of Commissioners shall hold a meeting at least 1 (one) time in 2 (two) months.
2. The Board of Commissioners' meeting can only be held if attended by a majority of all members of the Board of Commissioners.
3. The Board of Commissioners shall hold a meeting with the Board of Directors periodically at least 1 (one) time in 4 (four) months.
4. The attendance of members of the Board of Commissioners in the Board of Commissioners' meeting and the Board of Commissioners' meeting with the Board of Directors shall be disclosed in the Company's annual report.

Meetings Schedule

1. Board of Commissioners shall schedule the Board of Commissioners' Meetings and the Board of Commissioners' Meetings with the Board of Directors for the following year before the end of the financial year.
2. In the event that the meeting is held outside the arranged schedule, meeting materials shall be circulated to the meeting participants at the latest before the meeting is held.

Decision Making

1. Decision making of the Board of Commissioners' Meetings is carried out on the basis of consensus agreement.
2. In the event that the Board of Commissioners' Meetings fail to reach consensus agreement, the decision making is carried out based on majority votes

Meeting Results

1. The results of the Board of Commissioners' Meetings shall be stated in the Minutes of Meeting, signed by the all attending members of the Board of Commissioners, and circulated to all members of the Board of Commissioners.
2. The results of the Board of Commissioners' Meetings with the Board of Directors shall be stated in the Minutes of Meeting, signed by all attending members of the Board of Directors and Board of Commissioners, and circulated to all members of the Board of Directors and Board of Commissioners.
3. In the event that there are members of the Board of Directors and/or members of the Board of Commissioners that do not sign the results of the meetings referred in Article (1) and Article (2), the concerned member must specify the reasons in writing in a separate letter attached to the Minutes of Meeting.
4. Minutes of the Board of Commissioners' Meetings shall be documented by the Company.

Reporting and Responsibility

The Board of Commissioners of the Company in its function as a supervisory body shall submit a responsibility report on its supervision of the Company's management by the Board of Directors. The responsibility report of the Board of Commissioners shall be submitted to the GMS for approval.

The responsibility of Board of Commissioners to the GMS is a realization of accountability in supervising the management of the Company in accordance with the implementation of Good Corporate Governance principle.

Resignation

1. Members of the Board of Commissioners may resign from their position before the expiration of the Term of Office, with the obligation to submit a resignation request to the Company.
2. The Company shall hold a GMS to decide on the resignation request, no later than 90 (ninety) days after the receipt of the resignation request.
3. The Company shall provide information disclosure to the public and report to OJK no later than 2 (two) working days after the receipt of the request for resignation of the Commissioners, and the results of the GMS.

Proposal on appointment, dismissal, and/or replacement of member of the Board of Commissioners to the GMS shall consider recommendations from the Committee that serves nomination function.

In witness whereof this Board of Commissioners Charter are made and stipulated and shall be binding on each member of the Board of Commissioners of the Company.

Agreed in : Jakarta

On : 5 May 2015

PT CIPUTRA DEVELOPMENT TBK

DR. IR. CIPUTRA

President Commissioner

DIAN SUMELER

Commissioner

Disclaimer

This document constitutes an English translation of Board of Commissioners Charter of PT Ciputra Development Tbk, originally drafted, published and authenticated in Indonesian. While reasonable efforts are made to provide accurate information, portions may be incorrect and PT Ciputra Development Tbk cannot take responsibility for any errors. In case of a discrepancy, the Indonesian original will prevail.