



BOARD OF DIRECTORS  
CHARTER

## Table of Contents

Table of Contents	1
Board of Directors Charter	2
Board of Directors	2
Requirements	3
Concurrent Positions	4
Duties, Authorities and Responsibilities	4
Working Hours	5
Meetings Policy	6
Reporting and Responsibility	7
Resignation & Temporary Dismissal	7
Disclaimer	9

## **Board of Directors 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 Directors as a body of the Company in carrying out daily business activities and 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 Directors in managing the Company in professional, transparent, and responsible manners as well as considering the interests of the Company, shareholders, and other stakeholders.

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 Directors 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 Directors**

Board of Directors acts as the Company's body that in charge and responsible collegially to manage the Company. Thus, 2 (two) members of the Board of Directors who act together can carry out their duties and make decisions in accordance with the division of tasks and authority, yet the implementation of the tasks by the aforementioned 2 (two) members of the Board of Directors acting jointly remains the joint responsibility of all Directors.

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

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

- (2) 1 (one) member of the Board of Directors shall be appointed as the President Director.
- (3) Members of the Board of Directors are appointed and dismissed by General Meeting of Shareholders (GMS).
- (4) Members of the Board of Directors 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.

Member of the Board of Directors of the Company whose Term of Office has expired may be reappointed through the resolution of the GMS.

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

### **Requirements**

Those who are eligible to become the members of the Board of Directors 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.

## **Concurrent Positions**

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

- a. A member of the Board of Directors of no more than 1 (one) other Issuer or Public Company;
- b. A member of the Board of Commissioners of no more than 3 (three) other Issuers or Public Companies; and/or
- c. A committee member of no more than 5 (five) Issuer or Public Companies where they also serve as members of the Board of Directors or the Board of Commissioners.

Particularly for Independent Directors, as stipulated in the regulation of PT Bursa Efek Indonesia Number IA governing Listing of Shares and Equity-Type Securities other than Shares Issued by Listed Companies, for Companies that are Listed Companies shall have Independent Directors of at least 1 (one) person from the members of the Board of Directors who can be elected in advance through a GMS, prior to listing and effectively act as an Independent Director after the Company is listed;

Requirements for Independent Directors are as follow:

- a. Have no affiliation with the Company's controlling shareholders for at least 6 (six) months prior to the appointment;
- b. Have no affiliation with other members of Board of Commissioners or Board of Directors of the Company;
- c. Do not work concurrently as Directors in another company;
- d. Do not become an insider at capital market supporting institutions or professionals whose services are used by the Company for 6 (six) months prior to the appointment.

## **Duties, Authorities and Responsibilities**

Duties:

1. The Board of Directors has the duty to carry out and be responsible for managing the Company for the interests of the Company in accordance with the goals and objectives of the Company stipulated in the Articles of Association.
2. In carrying out the duties and responsibilities of managing the Company referred in Article (1), the Board of Directors shall hold annual GMS and other GMS as stipulated in the Law and Articles of Association.
3. Each member of the Board of Directors shall carry out the duties and responsibilities referred in Article (1) in good faith, full responsibility, and prudent manner.
4. In order to support the effectiveness of the implementation of duties and responsibilities as referred in Article (1), the Board of Directors may form a committee.
5. In the event that a committee as referred in Article (4) is established, the Board of Directors shall perform evaluation on the performance of the committee at the end of the financial year.

#### Authorities:

1. The Board of Directors may carry out the management function as referred above, in accordance with policies deemed appropriate, in accordance with the goals and objectives of the Company stipulated in the Articles of Association.
2. The Board of Directors may represent the Company on and off the court.
3. Members of the Board of Directors are not authorized to represent the Company if:
  - a. There is a case in court between the Company and the member of the Board of Directors concerned; and
  - b. Members of the Board of Directors concerned have a conflict of interest with the interests of the Company.
4. In the event that there is a condition as referred in Article (3), those entitled to represent the Company are:
  - a. Other members of the Board of Directors who do not have a conflict of interest with the Company;
  - b. The Board of Commissioners in the event that all members of the Board of Directors have a conflict of interest with the Company; or
  - c. Other parties appointed by the GMS if all members of the Board of Directors or the Board of Commissioners have a conflict of interest with the Company.

#### Responsibilities:

1. Each member of the Board of Directors is jointly responsible for the Company's losses caused by errors or negligence of the members of the Board of Directors in carrying out their duties.
2. Members of the Board of Directors 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

- a. Each member of the Board of Directors shall provide sufficient time to carry out their duties and responsibilities optimally.
- b. Members of the Board of Directors shall present at the Company's workplace for 5 (five) working days in 1 (one) week or in accordance with the Company's working hours. Members of the Board of Directors may be outside of the Company's workplace within official service arrangement. Yet, it is also possible that the Directors shall present outside the Company's working hours in the event of matters that are deemed important and urgent.

- c. Members of the Board of Directors shall present at the Company's workplace, including during the Board of Directors' Meetings and Committee Meetings or other meetings.

## **Meetings Policy**

### **Board of Directors' Meetings**

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

### **Meetings Schedule**

1. Board of Directors shall schedule the Board of Directors' Meetings and the Board of Directors' Meetings with the Board of Commissioners 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 Directors' Meetings is carried out on the basis of consensus agreement.
2. In the event that the Board of Directors' 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 Directors' Meetings shall be stated in the Minutes of Meeting, signed by the all attending members of the Board of Directors, and circulated to all members of the Board of Directors.
2. The results of the Board of Directors' Meetings with the Board of Commissioners 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 Directors' Meetings shall be documented by the Company.

### **Reporting and Responsibility**

Board of Directors shall deliver the reporting and responsibility of managing the Company in the form of annual report that covers, among others: financial statements, report of business activities of the Company and report of the implementation of Good Corporate Governance.

Annual report shall obtain the approval of the GMS, while the financial statements shall obtain the legitimation from the GMS.

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

### **Resignation & Temporary Dismissal**

#### **Resignation**

1. Members of the Board of Directors 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 Directors, and the results of the GMS.

#### **Temporary Dismissal**

1. Members of the Board of Directors may be temporarily dismissed by the Board of Commissioners with the reasons that shall be informed in writing to the concerning member of the Board of Directors.
2. Board of Commissioners shall hold GMS to revoke or affirm the decision on such temporary dismissal, no later than 90 (ninety) days after the effective date of the temporary dismissal. In the event of the deadline for conducting GMS is passed or GMS could not make decision, thus the temporary dismissal is annulled.
3. The Company shall provide information disclosure to the public and report to OJK regarding the decision on temporary dismissal and the result of GMS or information concerning the annulation of the temporary dismissal by the Board of Commissioners due to the failure of conducting GMS until the predetermined deadline. Such information disclosure shall be provided by the Company in no later than 2 (two) working days after the occurrence of the event.
4. The temporarily dismissed member of the Board of Directors is not authorized to perform its duties in managing the Company and representing the Company on and off the court.





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

Agreed in : Jakarta

On : 5 May 2015

**PT CIPUTRA DEVELOPMENT TBK**

**CANDRA CIPUTRA**

**President Director**

**BUDIARSA SASTRAWINATA**

**Director**

### **Disclaimer**

This document constitutes an English translation of Board of Directors 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.