



CITATAH

**WORKING GUIDELINES AND RULES OF THE BOARD
OF DIRECTORS
PT CITATAH TBK (the "COMPANY")**

A. INTRODUCTION

PT Citatah Tbk, hereinafter referred to as the Company, a company duly established in Indonesia and listed as issuer in Indonesia Stock Exchange ("**IDX**"). In the event to operate its business activities thus the Company, as the public listed Company in IDX, has an obligation to fulfill all prevailing laws and regulations where the Company is listed.

To improve the application of Good Corporate Governance principles (Transparency, Accountability, Responsibility, Independency, and Fairness) in the Company related to the duties and responsibilities of the Board of Directors ("**BoD**"), thus the establishment of Working Guidelines and Rules of The BoD is urgently needed to regulate the authority, duties, obligations, and responsibilities of the BoD itself.

B. LEGAL BASIS

This Working Guidelines and Rules of The BoD has prepared according to:

1. Law No. 40 of 2007 on Limited Liability Company.
2. The Article of Association of the Company including its amendments.
3. Financial Services Authority Regulation Number 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Companies, as amended from time to time.
4. Circular Letter of Financial Services Authority Number 32/SEOJK.04/2015 on Good Governance of Public Companies, as amended from time to time.
5. Other related prevailing laws and regulations.

C. ESTABLISHMENT, ORGANISATION, AND TERM OF SERVICE

C.1. Appointment, Dismiss, Resignation, and Temporary Dismissal

1. Appointment and Dismiss

The selection of members of the BoD is conducting through selection and nomination process by the Nomination and Remuneration Committee, which appointed or assigned by the Board of Commissioners Meeting. The Nomination and Remuneration Committee shall submit the process results to the Shareholders and Shareholder shall resolve and enact the results at the General Meeting of Shareholders ("**GMS**").

The GMS may dismiss the members of the BoD which at any time.

2. Resignation

The members of the BoD may resign from their position before the tenure ends with the following procedures:

- a. The related members of the BoD shall submit their resignation to the Company at the latest 30 (thirty) days prior to their effective resign date;
- b. The Company must conduct a GMS to decide on the resignation of the members of BoD not later than 90 (ninety) days after the resignation is received;
- c. The Company must disclose information to the public and notify the Financial Services Authority within 2 (two) working days after receiving the resignation of the members of BoD and conducting GMS.

The resigned members of the BoD are still responsible since their appointment until the date when GMS is conducted.

3. Temporary Dismissal

The Board of Commissioners ("**BoC**") shall dismiss the members of the BoD for a temporary period if the related members of the BoD:

- a. Not implementing the prevailing laws and regulations and/or the Company's articles of association; or
- b. Negligent in performing its obligations; or
- c. There are other main reasons for the Company.

The temporary dismissal as mentioned above shall be conducted with the following procedure:

- a. The BoC shall provide written notification to the concerned members of the BoD;
- b. The BoC shall perform a GMS to revoke or confirm the dismissal decision within 90 (ninety) days since the date of temporary dismissal;
- c. In the GMS, the concerned members of the BoD have a chance to defend themselves and if the GMS fails to make a decision or with the elapse of the period for conducting GMS thus the temporary dismissal shall be void;
- d. The Company shall disclose information to the public and notify the Financial Services Authority at the latest 2 (two) working days after:
 - (1). The decision on temporary dismissal; and
 - (2). The result of GMS or the revocation of temporary dismissal by the BoC because GMS did not take place until the elapse of the period.

The members of the BoD who are temporarily dismissed do not have the authority to manage the Company for the interest of the Company and represent the Company inside or outside the court.

The restriction of authority is valid since the BoC made a temporary dismissal decision until there is a GMS decision, which confirms or revokes the temporary dismissal or the elapse of GMS period.

C.2. Organization Structure and Term of Service

1. Membership Structure

The number of Directors in the Company is according to the Company's necessity with the requirement at least 2 (two) members, one of them shall be appointed as President Director.

2. Membership Requirement

Those who can be appointed as members of BoD are individuals who meet the following qualifications at the time of appointment and during the tenure:

- a. Having good characters, morals and good integrity;
- b. Legally competent;
- c. Within 5 (five) years before the appointment and during the tenure:
 - (1). Never been declared bankrupt;
 - (2). Never become members of BoD and/or members of BoC that were found guilty in causing a company to become bankrupt;
 - (3). Never being convicted of any criminal offenses that is detrimental to a country's and/or related to the financial sector; and
 - (4). Never become members of BoD and/or members of BoC who during the tenure:
 - (a). Failed to conduct an annual GMS;
 - (a). Their accountability as members of BoD and/or members of BoC was rejected by GMS or failed to provide accountability as members of BoD and/or members of BoC to the GMS; and
 - (c). Caused a company that had the license and approval from or registered at the Financial Services Authority failed to meet its obligation to submit the annual report and/or financial reports to the Financial Services Authority.
- d. Committed to comply the prevailing laws and regulations; and
- e. Have a knowledge and/or expertise in the field, which is required by the Company.

The fulfillment of requirements shall be incorporated into a statement letter and submitted to the Company for examination and documentation.

Moreover, the Independent Director shall also meet the following requirements during his term of service:

- a. Not an individual who worked or had the authority and responsibility to plan, lead, control or supervise activities of the Company within the last 6 (six) month, unless in the context of re-appointment as the Independent Director of the Company for the following period;

- b. Does not directly or indirectly own shares at the Company;
- c. Not working as a Director in another companies;
- d. Does not have an affiliation with the Company, members of BoC, members of BoD, or the main shareholders of the Company;
- e. Does not have a business relationship, which is directly or indirectly associated with the business activities of the Company.

3. Concurrent Position

The members of the BoD can concurrently serve as:

- a. Members of the BoD only for 1 (one) another Issuer or Public Company;
- b. Members of the BoC for not more than 3 (three) other Issuers or Public Companies; and/or
- c. Members of a committee for not more than 5 (five) committees at Issuers or Public Companies where the individuals serve as members of the BoD or BoC.

The members of the BoD are allowed for having concurrent positions if it does not contradict other laws and regulations.

4. Term of Service

The maximum term of service for the members of the BoD is 3 (three) years and may be reappointed. The appointment of an Independent Director only can be done for a maximum of 2 (two) periods. Without prejudice to the right of GMS to dismiss at any time before ends of tenure according to the Company's articles of association.

The term of service of the members of the BoD shall expire if:

- a. Passed away;
- b. End of term of service;
- c. Dismissed according to the GMS resolution;
- d. Resign;
- e. Declared as bankrupt or put under guardianship according to court verdict;
- f. No longer meet the qualifications of members of the BoD in accordance with the Company's articles of association and the prevailing laws and regulations.

The member of the BoD shall immediately submit his resignation if he is sentenced in a criminal case of finance.

D. DUTIES, RESPONSIBILITIES, AND AUTHORITIES

1. Duties and Responsibilities

The GMS shall determine duties and responsibilities distribution to each member of the BoD. In the event, GMS does not decide then the

determination of duties and responsibilities of each member of the BoD shall be done through the BoD meeting resolution.

According to the Company's articles of association and the prevailing laws and regulations, the BoD has the duties and responsibilities as follows:

- a. Lead, and manage the Company following the objectives of the Company and continually strive to improve the efficiency and effectiveness of the Company;
- b. Control, maintain and manage the Company's assets;
- c. Prepare an annual work plan which is containing the annual budget of the Company, and must be submitted to the BoC for approval prior to the commencement of the forthcoming financial year;
- d. Prepare annual reports and financial reports of the Company;
- e. Implement the principles of good corporate governance in the Company;
- f. Conduct an annual GMS and extraordinary GMS as stipulated in the laws and regulations and the Company's articles of association;
- g. Establish a committee and oblige to evaluate the performance of the committee at the end of the financial year of the Company;
- h. Establish, appoint, and dismiss the Company Secretary;
- i. Responsible and jointly liable for losses of the Company caused by errors or omissions of the members of the BoD in performing their duties.

2. Authorities

The President Director has a right and authority to act for and on behalf of the BoD and to represent the Company. If the President Director is absent or unavailable for any reason whatsoever, there is no need to be proven to any third party, thus another member of the BoD, which is appointed by the President Director, shall have the authority to act for and on behalf of the BoD and perform the duties of the President Director.

According to the Company's articles of association and the applicable laws and regulations, the BoD has authority as follows:

- a. Represent the Company legally and directly either inside or outside the court on all matters and in any event binding the Company with other parties and carrying out all acts, both on management and ownership;
- b. The BoD must obtain written approval from the BoC prior to conduct following actions:
 - (1). Transfer/release immovable property which amounts up to 1/2 (one-half) of the total net worth of the Company or constituting the entire assets of the Company;

- (2). Receive or lend money in an amount exceeding the limit from time to time is determined by the BoC Meeting, as long as it does not require the GMS approval;
- (3). Have a cooperation, establish a new business or participate in another company either inside or outside the country, whose amount exceeds the limit from time to time is determined by the BoC Meeting, as long as it does not require the GMS approval.
- c. The GMS shall approve the BoD action to transfer, relinquish rights or secure either wholly or substantially more than 50% of the Company's net worth assets or all of the Company's assets in one or more transactions within a year. The shareholders and/or their attorneys who own at least 3/4 (three-fourths) of the total voting shares with valid voting rights GMS shall attend the GMS to provide approval on this matter, and the decision shall be valid if it is approved at least 3/4 (three-fourths) of the total votes legally cast in the GMS;
- d. Conduct material transactions, affiliated transactions and certain conflict of interest transactions as referred to the prevailing laws and regulations of capital markets which require the GMS approval.

3. The BoD Meeting

- a. The BoD shall conduct a BoD Meeting at least once in a month. The BoD Meeting may be held at any time where deemed necessary by one or more the members of the BoC or at the written request of the BoC or at the request of 1 (one) shareholder or more jointly representing 1/10 (one-tenth) shares which have been placed by the Company with valid voting rights;
- b. The members of the BoD who entitled to represent the BoD shall summon the BoD Meeting to all members of the BoD by any forms in writing at least 7 (seven) calendar days before conducting the Meeting without taking into account the date of the call and the date of the meeting;
- c. Summoning the BoD Meeting shall include the Meeting agenda, date, time and place;
- d. The Meetings shall be held at the location of domicile of the Company or the location of the principal business of the Company within the territory of the Republic of Indonesia;
- e. The President Director shall lead the Meeting. If the President Director is absent or unable to attend, an appointed Director in writing by the President Director shall preside the Meeting;
- f. The Meetings are valid and entitled to take a valid and binding decision if at least more than 1/2 (one-half) of the total members of the BoD who present at the Meeting;
- g. The decision of the BoD Meeting shall be taken by deliberation to reach consensus. If a decision based on deliberations for consensus is not reached then a decision is made by vote agreeing more than 1/2 (one-half) of the total members of the BoD who present in the Meeting;

- h. Each member of the BoD who presents at the Meeting shall give or cast a vote. If the members of the BoD does not vote (abstain), they shall follow and take responsibility for the Meeting's decision;
- i. A Minutes of Meeting shall consist of discussions and decisions at the Meeting. The appointed party by the chair of the Meeting shall prepare Minutes of Meeting, and all members of the BoD shall sign the Minutes of Meeting unless Notary makes it;
- j. The BoD may also take a valid decision without BoD Meeting if all members of the BoD have been notified in writing of the proposed decision and all members of the BoD sign the proposal as the form of approval.

4. Joint Meeting of BoD and BoC

- a. The BoD shall conduct Joint Meeting at least 3 (three) times in a year.
- b. A quorum of the Joint Meeting reached when at least more than 1/2 (one-half) of the invited members of the BoD or BoC attend the Meeting.
- c. A Minutes of Meeting shall consist all discussions and decisions at the Joint Meeting, and it shall be signed by and circulated to all members of the BoD and BoC who present the Meeting.

5. Reporting and Responsibility

- a. The BoD shall prepare an annual report according to the prevailing laws and regulations and appointed Public Accounting Firm shall audit the annual report;
- b. The BoD and BoC shall submit annual report to the GMS for obtaining approval and ratification;
- c. The Company shall announce the Company's balance sheet and income statement in a national-scale and Indonesia language daily newspaper according to the prevailing capital market regulations;
- d. The members of the BoD are not liable for the loss of the Company if they can prove that:
 - (1). The loss is not due to errors or omissions;
 - (2). They managed the Company with good faith, full responsibility, and prudent care for the Company's interest;
 - (3). They have no direct or indirect conflict of interest which is resulting a loss; and
 - (4). They have taken action to prevent the occurrence or continuation of such losses.

6. Code of Conduct

- a. In performing its obligations, duties, responsibilities, and authorities, each member of the BoD shall observe the Company's articles of association and applicable laws and regulations;
- b. The members of the BoD are obliged to maintain the confidentiality of the Company's information;

- c. The members of the BoD who own the Company's shares (if any) are not allowed to misuse valuable information relating to the Company for their gains, notably but not limited to the insider trading;
- d. The members of the BoD are not allowed to engage in actions that have a conflict of interest, and take personal advantage, either directly or indirectly, from the Company's decision-making and activities;
- e. The members of the BoD are prohibited either directly or indirectly to give, offer, or receive, any of valuable items to or from a customer or a Government officer to influence or in return for what he has done and other actions, according to the prevailing laws and regulations;
- f. The members of the BoD in performing their duties and responsibilities shall comply with the Company's Code of Conducts.

E. CLOSING

This Working Guidelines and Rules of The BoD may be updated if deemed necessary by taking into account the prevailing laws and regulations in Indonesia.

In the event, the provisions of this Working Guidelines and Rules are contrary to the Company's articles of association or the applicable laws and regulations, the provisions of the articles of association or laws and regulations shall prevail.

This Working Guidelines and Rules of The BoD shall come into force on 1 February 2017.

Under the Article 4 paragraph (3) of the Financial Services Authority Regulation No. 8/POJK.04.2015 on Web Site of Issuers or Public Companies, in the event there is any difference of interpretation between Indonesia language and foreign language in the disclosed information thus Indonesia language shall prevail.