

## DOCUMENT CONTROL

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## **THE BOARD OF COMMISSIONERS CHARTER PT Kustodian Sentral Efek Indonesia**

Jakarta, December 21<sup>st</sup> 2022

PGM-002 Rev.2

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## CHAPTER 1

### INTRODUCTION

#### **Background**

The Board of Commissioners (BOC) is the governing organ of PT Kustodian Sentral Efek Indonesia (hereinafter referred to as "KSEI" or "Company"). BOC has collegial duties and responsibilities to oversee the Company management independently and objectively.

BOC has a crucial role in overseeing the Company's business, therefore they need a work-guideline called Charter. This Charter is a guideline for BOC in carrying out its duties, responsibilities, and authority to meet the interests of service users, shareholders and other stakeholders.

This BOC Charter is a more detailed reference of the Corporate Governance Guidelines. With the existence of this Charter, BOC will act and behave based on the applicable laws and regulations, the Articles of Association, regulations within the Company, Code of Ethics, and best practices of Good Corporate Governance (GCG).


#### **Purpose and Objectives**

The Charter of BOC is prepared as a guideline to carry out the duties and responsibilities in an effective, efficient, transparent, competent, independent, and accountable manner so that it can be aligned with all related parties and in accordance with applicable laws and regulations.


#### **Legal Basis**

All matters stipulated in this Charter refers to the following legal basis:

1. Law No. 40 of 2007 concerning Limited Liability Companies

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2. Financial Services Authority Regulation Number 60/POJK.04/2016 concerning Directors and Commissioners of the Depository and Settlement Institution.
3. Regulation of the Financial Services Authority Number 4/POJK.04/2019 concerning Procedures for Granting Approval of the Articles of Association of Central Securities Depository.
4. Regulation of the Financial Services Authority Number 3/POJK.04/2021 concerning Organizing Activities in the Capital Market Sector.
5. KSEI's Articles of Association.
6. KSEI's Corporate Governance Guidelines.
7. KSEI Code of Business Ethics and Code of Conduct.
8. General Guidelines for GCG in Indonesia from the National Committee on Corporate Governance (CG) 2006.
9. ASEAN CG Scorecard & International Corporate Governance Network (ICGN) Principles.
10. Organization for Economic Co-operation and Development (OECD) Principles of Corporate Governance.

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## CHAPTER 2

### ORGANIZATION AND THE SERVING PERIOD OF THE BOARD OF COMMISSIONERS

#### **Board of Commissioners Organization**

BOC organization regulates the membership, composition, criteria, appointment (nomination), induction, capacity building, dismissal and resignation of Board members.

#### **Membership Structure of the Board**

The structure and members number of the Board are determined by the General Meeting of Shareholders (GMS) considering the vision, mission and strategic plan of the Company, hence BOC shall make the most effective, appropriate, and quickest decisions with no conflict of interest.

#### **Board of Commissioners Composition**


The composition of the BOC shall refer to the requirements below:

1. BOC consists of at least 2 (two) persons and no more than 7 (seven) members, and one of them is appointed as President Commissioner.
2. The composition of the members should be diverse and consist of various professional backgrounds and expertise.
3. The composition of BOC members refers to the Articles of Association and stipulated law.

#### **Criteria for Membership**

Members of BOC must meet the general requirements, independency criteria, and competency requirements. They also have to pass the fit and proper test requirements.


#### **1. General Requirements**

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Members must meet the following requirements:

- a. An Indonesian citizen and capable of carrying out legal actions.
- b. Have good morals.
- c. Has never been declared bankrupt or been a member of BOCor Directors of a company that went bankrupt.
- d. No criminal record.
- e. Never did any disgraceful work in the Capital Market and finance industry.
- f. Never violated the stipulated laws of the Capital Market.
- g. Have an extensive knowledge of the Capital Market and its laws and regulations.
- h. Committed to the development of the Depository and Settlement Institution (LPP) and the Indonesia Capital Market.
- i. Understand the principles of good corporate governance and the principles of risk management.
- j. Understand and comply with the Articles of Association and the laws and regulations relating to their duties.
- k. Never been a member of the Board of Directors and / or Commissioners who during his tenure:
  - i. did not hold an annual GMS;
  - ii. They have failed to present their responsibilities as the Board of Commissioners/Directors to the GMS or being rejected by the GMS; and
  - iii. has ever caused companies that received licenses, approvals, or registrations from the Financial Services Authority (OJK) to not meet the requirements of financial statements and/or financial reports for OJK.
- l. Never been dismissed disgracefully for any job/position within the last 5 (five) years before appointment.
- m. Free from the use of narcotics without rights or against the law.



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## 2. Independency Requirements

Each member of BOC must meet the following independence requirements:


- a. Prohibited to hold other positions that might cause a conflict of interest with another company.
- b. Disclose all current conflicts of interest and potential conflicts of interest. Disclosure must be done annually and at a time of any potential conflict of interest.
- c. Affiliations with any other member of the Board of Directors/Commissioners are prohibited.
- d. Prohibited to take any advantage from the company for any personal, family, business group and/or other parties' interests.

## 3. Competency Requirements

Members of BOC must meet the following competency requirements:

- a. Experienced as a Director of a Securities Company for at least 2 (years);
- b. Experienced as a Director at a Custodian Bank or Share Registrars for at least 2 (two) years;
- c. Ever held a managerial position in the Capital Market for at least 5 (five) years or a top position at financial services supervisors;
- d. Experienced as a Director in an organization authorized by the Capital Market Law to run its activities for at least 2 (two) years; or
- e. Experienced as a professional in the fields of law, accounting, or finance who actively worked in Capital Market for at least 5 (five) years.

## Dual Position of Board of Commissioners

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Members are prohibited from doing business or occupying a position in another company within the same industry in Indonesia if the GMS does not approve.


### **Appointment (Nomination) of the Board of Commissioners**

Procedures for nomination, submission, selection and appointment of members shall refer to the stipulated laws.

### **Orientation and Capacity Building Program for the Members of the Board of Commissioners**

Induction and capacity building program for the members shall refer to the points below:

1. Newly appointed members must participate in the introduction program organized by the Company.
2. Newly appointed members must be introduced to the Company's vision, mission, and values.
3. The Capacity building program is highly important activity hence the members can obtain information about the latest developments and knowledge in the industry relating to their duties and responsibilities.
4. Capacity Building Program is carried out in order to improve the performance of the Board members.
5. Capacity Building Program planning has to be stated on the Company's work plan and Annual Budget.
6. Each member of the Board can participate in various programs of capacity building to improve capabilities such as seminar, training, or presentation from the Directors regarding relevant information, knowledge, and experience.
7. Each member of BOC must prepare a report for each capacity building program participated. The report is submitted to the Board of Directors as the responsible party for

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increasing Board of Commissioners' capabilities.

8. The capacity building program that is followed by each member of BOC must be included in the Annual Report as part of the Board of Commissioners' Profile.

## **Dismissal and Resignation of Members of the Board of Commissioners**


### **1. Dismissal of the members of the Board of Commissioners**

a. Term of office for members will stop if:

- i. No longer fulfill the requirements of regulations;
- ii. Resign from the current position;
- iii. Dismissed based on the GMS decision with clear and acceptable reasons;
- iv. Prohibited from becoming a member of BOC due to laws and regulations;
- v. Passed away during his tenure; and/or
- vi. The term of office is over.

b. Members may be dismissed from their positions if:

- i. They lose their Indonesian citizenship;
- ii. Not capable of carrying out the law or being put under prosecution based on a court decision;
- iii. Do not have good character and morals;
- iv. States as bankrupt or becoming a member of BOC or a member of the Board of Directors (BOD) who causes a Company bankrupt;
- v. Convicted of a criminal offense;
- vi. Conduct any disgraceful activity especially in the capital market or the financial industry;
- vii. Did a significant violation of the stipulated laws and regulations in the capital market;
- viii. Have not enough commitment to develop the Company;

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- ix. Failed to carry out their duties;
  - x. Permanent obstruction; and/or
  - xi. No longer fulfilling the criteria as stated in section 2.3
- c. Members who no longer fulfill the requirements in section 2.3 must be replaced in 3 (three) months from the time they no longer fulfill the requirements.

## 2. Resignation

The resignation can be done with the following conditions:

- a. Members are entitled to resign from their positions in written no later than 30 (thirty) days before the date of their resignation.
- b. The Board of Directors reports to the FSA no later than 5 (five) working days from the announcement of the resignation letter by the Directors.

## 3. Provisions for vacant positions


Provisions for vacant positions are as follows:

- a. If there is a vacant BOC position, then BOD must report to OJK no later than 5 (five) working days from the announcement of the Commissioner.
- b. A GMS must be held to fill the vacant position within 3 (three) months, unless stated otherwise by the FSA and accompanied by the stipulated laws in the Capital Market.

## 4. Temporary Termination

Board Members may be temporarily dismissed by the FSA for certain reasons and the FSA can appoint temporary members until a new member is appointed by the GMS in accordance with the Capital Market legislations.

## 5. Temporary Leave

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Board members have the right to request permission to leave or be temporarily unavailable due to illness, religious activity, and/or other reasons in accordance with Company policy.

- a. Any BOC member who intends to take a leave shall request to the President Commissioner in written with a copy to other member(s).
- b. If the President Commissioner gives a temporary permit, the President Commissioner shall inform other BOC member.
- c. Temporary leave letter must state the number of days and also provide the authorities to other Board Members to perform their duties and responsibilities during the leave.

### **Term of Office of the Board of Commissioners**

The term of office of BOC members refers to the following provisions:

1. The term of office of BOC is 4 (four) years and can only be reappointed for one term with the following conditions:
  - a. If a member is appointed because of replacing the vacant position and/or there is an additional member of the Board, then the term of office shall be valid for the remaining term of the current member; and
  - b. The total terms of office of the members in the Stock Exchange, the Clearing Guarantee Institution, and the Depository and Settlement Institution are 3 (three) at maximum.
  - c. The provisions to determine 1 (one) term of office refer to the applicable Financial Services Authority Regulations.
2. The term of office of the Board must be stipulated differently from the expiration of BOD term of office.

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## CHAPTER 3

### ETHICAL STANDARDS

#### **The duties of the Board of Commissioners**


The general duties of the BOC are as follows:

1. BOC must carry out independent and objective supervision towards the Directors.
2. BOC monitors the Company's compliance in accordance to the OJK regulations and the applicable laws and regulations.
3. BOC supervises the compliance of the Board of Directors in accordance to the regulations regarding service users.
4. BOC performs other supervisory duties as determined by the GMS.
5. BOC ensures the implementation of GCG in each of the Company's business activities at all levels of the organization.

In addition, BOC also has duties related to strategic policy, management, the GMS, and BOC organs.

#### **1. Duties related to the Company's Strategic Policies**

- a. BOC must review the Company's vision and mission periodically.
- b. BOC along with the Budget Committee reviews the Work Plan and Annual Budget of the Company that has been prepared by BOD for the following year.
- c. BOC approves the draft Long-Term Corporate Plan (RJPP) and Annual Work Plan and Budget (RKAT) submitted by the Directors.
- d. BOC provides advice/suggestion to the Board of Directors in the implementation of RJPP and RKAT as well as other plans related to the Company's business and activities.
- e. In carrying out supervision, BOC must monitor and evaluate the implementation of the Company's strategic policies.

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- f. BOC ensures that the Directors' decisions are in line with long-term strategic goals.

## 2. Duties Related to Company Management by the Directors

- a. The Board of reviews the composition of Directors and submits them to OJK no later than 116 (one hundred and sixteen) days prior to the GMS for Board of Directors election.
- b. The Board examines the Company development reports from the Directors periodically or at any time needed.
- c. BOC must periodically monitor Company policies, procedures, risk management and internal control proposed by the Directors.
- d. BOC assesses the information technology development and utilization adopted to provide services as a Depository and Settlement Institution (LPP).
- e. The Board must recommend improvements or suggestions from the Audit Committee and submit these recommendations to the Directors.
- f. BOC must ensure that the Directors have followed up on audit findings and recommendations from the Internal Audit, External Auditors, and the Audit from the OJK.
- g. The Board reviews and signs the Annual Report prepared by the Directors.
- h. The Board determines the performance evaluation for the Directors to obtain GMS approval.
- i. The Board annually evaluates the Directors performance.

## 3. Duties Related to GMS

- a. The Board has the right to call the GMS in accordance with the regulation.
- b. The Board can provide explanations, opinions, and suggestions to the GMS regarding the Annual Report and information relating to the Company as long as it is related to the

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agenda of the meeting and does not conflict with the interests of the Company.

- c. The Board must hold a GMS which will decide whether a member of the Board of Directors who is temporarily dismissed by BOC will be permanently terminated or returned to its original position no later than 30 (thirty) calendar days after the dismissal date. If the GMS is not held within the time frame according to the above provisions, the temporary dismissal of members of the Board of Directors shall be null and void, and the person concerned has the right to re-assume his original position.


#### **4. Duties Related to Organs of the Board of Commissioners**

- a. In the event that there is only one of the Board member, all duties and authorities given to the President Commissioner or members of the Board in this articles of association also apply to him.
- b. The Board prepares a work program, Key Performance Indicators (KPI) and a mechanism for evaluating the performance of the Board, which is carried out annually and subsequently submitted for GMS approval.
- c. BOC proposes a transparent remuneration system for Directors and Board of Commissioners by considering the policies that apply to the Stock Exchange and the Central Counterparty Company.
- d. BOC must prepare minutes of the Board meetings and keep a copy.
- e. The Board reports on the supervisory duties that have been carried out during the new financial year to the GMS.

#### **5. Duties Related to the Anti-Bribery Management System**

- a. The Board of Commissioners approves the Company's Anti-Bribery Policy.
- b. The Board of Commissioners ensures that the Anti-Bribery Policy implemented is in line with the Company's strategy.




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- c. The Board of Commissioners receives and reviews information regarding the implementation of the Anti-Bribery Management System at the planned time.
- d. The Board of Commissioners ensures the availability of sufficient and appropriate resources needed regarding the implementation of the Anti-Bribery Management System.
- e. The Board of Commissioners carries out oversight of the effectiveness of the Anti-Bribery Management System implemented by the Board of Directors.


### **Board of Commissioners Responsibilities**

The Board of Commissioners' responsibilities are as follows:

1. Each member of BOC must have a good faith, be prudent and responsible in carrying out his supervisory duties and giving advice to the Directors for the interests of the Company and in accordance with the aims and objectives of the Company.
2. Members of the Board must allocate sufficient time to carry out their duties and obligations effectively.
3. Members of the Board are required to improve competency through continuous-education and training.
4. Members of BOC share joint responsibility for the information reliability of the Company's Financial Statements.
5. Members of the Board share joint responsibility for the loss/bankruptcy of the Company if a Member is guilty or negligent in carrying out his duties.
6. Members of BOC cannot be held responsible for losses/bankruptcy of the Company if they can prove:
  - a. has supervised prudently in good faith for the Company's interests and in accordance

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- with the aims and objectives of the Company;
- b. does not have any personal interest either directly nor indirectly over the management which results in loss/bankruptcy;
  - c. has given advice to the Directors to prevent such losses/bankruptcy; and
  - d. loss/bankruptcy is not due to an error or negligence.
7. If bankruptcy happens due to errors or negligence of the Board while the Company's assets are not enough to pay all the obligations:
    - a. Each member of the Board shares joint responsibility with the Directors for outstanding obligations.
    - b. The responsibility stated in point a also applies to Board members who have served within a period of 5 (five) years before the verdict of the bankruptcy statement is pronounced.
  8. In the event of a liquidation and the Company take legal actions that are not in order to resolve all matters related to liquidation, members of the Board along with Directors and the Company are jointly liable for the legal actions.
  9. Board Members must provide all information needed to examine the Company. It is determined by the court chairman in accordance with the applicable laws and regulations.
  10. Board Members announce the cancellation of the appointment of other members or Directors in accordance with applicable laws and regulations through newspapers and notify the Minister to record them in the Company register.
  11. Board Members write to the Company informing their correspondence address and its changes.
  12. The Board must prepare its Charter and periodically review and update the charter.

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### **Authority of the Board of Commissioners**

In carrying out its duties and responsibilities, BOC is authorized as follows:

1. BOC has the right to enter buildings and yards or other places used or controlled by the Company and has the right to examine all books, letters and other evidence, examine and match the cash and other situations and have the right to know all actions taken by the Directors.
2. BOC has the right to request information/explanations from the Directors/other officials regarding all matters relating to Company management and the Board of Directors must provide all information/explanations relating to the Company as required by BOC or experts who assist them.
3. BOC has the right to know all policies and actions that have been and will be taken by the Directors.
4. In the event that the President Commissioner is absent for any reason then 1 (one) or more members of the are entitled and authorized to act for and on behalf of BOC by taking into account the decisions of BOC who have approved the actions to be taken.
5. BOC is entitled to represent the Company if all members of BOD have a conflict of interest with the Company.
6. If needed, BOC has the authority to involve independent parties to help carry out their duties.
7. BOC has the authority to exercise other authorities granted by the Articles of Association and the applicable laws and regulations.
8. BOC has the authority to approve expenditures for the procurement with values specified in the Decree of BOD related to the procurement process.
9. BOC is authorized to give approval to the Directors in carrying out certain legal actions.
10. BOC approves the implementation of the GMS decision regarding the share repurchase and additional capital of the Company if such authority is delegated by the GMS to BOC.

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11. BOC gives approval to the Directors regarding the branch offices opening or representative offices of the Company, both inside and outside the territory of Republic of Indonesia.
12. BOC gives approval regarding the Company's merger plan that has been prepared by BOD
13. BOC gives written approval to BOD for their actions in terms of:
  - a. Obtain or release immovable property
  - b. Securing/guaranteeing Company assets.
  - c. Give and get loans on behalf of the company;
  - d. Make, change, cancel and terminate agreements with values and types determined from time to time by BOC
14. BOC gives its approval regarding plans to manage profit reserves that have not been used to cover losses and the amount of reserves that exceed 20% (twenty percent) of the issued and paid-up capital whose use has not been determined by the GMS.
15. BOC gives approval to BOD in making or changing the regulations regarding Company services before it is submitted to the OJK for approval.
16. BOC approves the transfer of duties of any Director deemed unable to carry out his duties.
17. BOC approves the appointment of the President Director and other BOD if there are vacant positions until his successor is appointed by the GMS.
18. BOC may request BOD and/or other officials under BOD with the knowledge of BOD to attend BOC meeting.
19. BOC may attend BOD meeting with an invitation from BOD.
20. The BOC may at any time suspend one or more BOD member if they act in contrary to the Company's Articles of Association/applicable laws/regulations/obligations or there are urgent reasons for the Company, and further says that the temporary dismissal must be notified to those who are at odds.
21. BOC may form committees that assist their duties and responsibilities as BOC. BOC also has the authority to determine the remuneration for members of the committees it has

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established.

22. BOC may ask BOD to hold a GMS.
23. BOC may request in writing that BOD hold a meeting of the BOD.
24. BOC may conduct the management of the Company under certain conditions for a certain period of time in the case of the position of all members of BOD being vacant for any reason or in cases determined by a GMS decision. In the event that BOC performs such actions, the provisions concerning the rights, authorities, and obligations of BOD to the Company and third parties apply.
25. Members of BOC may act as power of attorney in the GMS in accordance with applicable provisions, but the votes they cast as power of attorney in the GMS are not counted in the vote.
26. Delegation of authority by a member of BOC to another member of BOC can only be done through a special power of attorney for the purpose referred to and the delegation of such authority does not relinquish the responsibility of BOC collectively.
27. Each member of BOC cannot act individually but based on the decision of BOC.


### **Distribution of Duties of the Board of Commissioners**

The BOC segregation of duties is as follows:

1. BOC divides the duties among BOC member to be able to carry them out effectively and efficiently.
2. BOC can appoint a Secretary to assist them.
3. In order to regulate supervisory duties, BOC must at least form an Audit Committee and other committees as needed. BOC can obtain expert assistance for certain matters and certain periods at the Company's expense.
4. BOC must ensure that the established committees have carried out their duties effectively.
5. Regulations related to the committee will be discussed further in each committee's charter.

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6. The duties and responsibilities of the President Commissioner include:
- a. Along with other BOC members, they carry out the surveillance function of the management of the Company by BOD.
  - b. Together with other BOC members, they are responsible to establish a policy framework and support the strategy formulated by the Company and monitor its implementation.
  - c. Ensure that the Code of Conduct is implemented and demonstrating the highest standards of corporate governance practices and ensure that these practices are regularly communicated to stakeholders.
  - d. Lead the GMS.
  - e. Lead BOC meetings as well as BOC and BOD meetings.
  - f. Can call/hold a BOC meeting or BOC and BOD meeting at any time whenever deemed necessary by the President Commissioner and have the right to determine other terms related to the method of holding such meetings.
  - g. Signing Shareholders Register, the Notes on Shareholders list, and the Shares certificates.
7. The Board of Directors of the Company must seek approval from the Board of Commissioners for the publication of documents as stipulated in the applicable laws and/or capital market regulations.

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## CHAPTER 4

### THE WORKING MECHANISM OF BOARD OF COMMISSIONERS

#### **Board of Commissioners Meeting**


General provisions regarding BOC meeting are as follows:

1. BOC Meeting is a meeting held by BOC to discuss Company performance, BOD performance, policies, proposals, and/or issues that require BOC decision.
2. The meetings consist of internal BOC meetings attended only by BOC members and external meetings with BOD or other parties.
3. BOC meetings are held in a scheduled manner with certain rules and regulations. The results of this meeting are documented and distributed to meeting participants and other parties as needed.
4. Each BOC member must fulfill 75% (seventy-five percent) meeting attendance in a year. The attendance is reported in the Company's Annual Report.
5. BOC must establish guidelines/procedures for the meetings, regulating meeting ethics, minutes preparation, and follow-up monitoring.
6. BOC evaluates the decisions of the previous meeting.

#### **Board of Commissioners Meetings**


The procedure for conducting the meeting is as follows:

1. BOC must schedule BOC meeting or a meeting with BOD or other parties for the following year before the end of the current financial year or at the beginning of the period of the next financial year.
2. BOC meetings must be held at least once a month or at any time if deemed necessary by one or more BOC members.

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3. Each BOC member has the right to propose agendas for the meeting to be held.
4. BOC Members who cannot attend the meeting must send a written notification to the President Commissioner or other BOC member who have the role to lead the meeting.
5. A member may be represented at a meeting only by other members of the BOC based on a power of attorney. A member can only represent one other member of BOC.
6. Meetings are held at the domicile of the Company, the place of the Company's main activities, or at a mutually agreed place.
7. BOC meeting is led by the President Commissioner. In the event that the President Commissioner is absent for any reason, the Board meeting shall be led by the member who has the longest term.
8. BOC meeting invitation shall be carried out by the President Commissioner or other members of BOC if the President Commissioner is unable to attend.
9. Provisions regarding the meeting invitation refer to the Articles of Association and applicable laws and regulations.
10. If all BOC members are present or represented, a prior invitation is not required and a meeting of BOC can be held anywhere and has the right to make legal and binding decisions.
11. The agenda for the meeting must be conveyed to meeting participants no later than 5 (five) business days before the meeting is held.
12. In the event that a meeting is held outside the schedule, the meeting material is conveyed to the meeting participants no later than before the meeting is held.
13. Materials and summons for the meeting are prepared by the Secretary of BOC. BOC meeting can be held or carried out through videoconferencing, teleconferences or other electronic media that allows all meeting participants to see and hear each other directly and participate in meetings. All participating persons are deemed present to determine the fulfillment of quorum and voting requirements or decisions.




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14. BOC meetings that invite BOD can be held periodically with a minimum number of meetings determined by BOC itself.

### **Decision Making of the Board of Commissioners**

The procedures of BOC decisions making are as follows:

1. BOC meeting is valid and has the right to make binding decisions if more than 2/3 (two-thirds) of the total members of BOC member are present or represented at the meeting.
2. Quorum provisions refer to the Articles of Association and applicable laws and regulations.
3. Decisions of BOC meeting must be based on consensus. In the event that it is not reached, then the decision refer at least more than 1/2 of the total votes cast at the meeting.
4. If the votes of those who agree and those who do not agree are equal, then the President Commissioner has a decisive vote.
5. Each member of BOC present is entitled to cast 1 (one) vote and an additional 1 (one) vote for each other member of BOC he represents. In the event that a member of BOC does not vote, the party concerned follows and participates responsibly for the results of meeting decisions.
6. Voting regarding a person is carried out with a closed ballot without a signature, whereas voting on other matters is carried out verbally unless the Chairperson of the Meeting determines otherwise without objections from those present.
7. Blank and invalid votes are deemed not legally issued and considered non-existent nor counted in making decisions.
8. BOC may also make a valid decision without holding a meeting, provided that all members give their approval regarding the proposal submitted in writing and signing the agreement. Decisions made in this way have the same power as decisions taken in BOC meeting.
9. Every member of BOC who personally has an interest in a proposed transaction or contract in which the Company is a party, the relevant BOC member must declare the nature of


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interest in the meeting and the members are not entitled to participate in voting on matters relating to the transaction or contract unless BOC meeting determines otherwise.

### **Minutes of Board of Commissioners' Meetings**

Provisions regarding minutes of the Boards meetings are as follows:

1. Each BOC meeting must have minutes of meetings containing opinions that develop in the meeting, opinions that support, opinions that disagree, decisions/conclusions of the meeting, and absence reasons of Board members.
2. Minutes of meetings must be made by the Secretary of the Board or someone present appointed by the meeting Chair. The minutes has to be approved by BOC members present. If the minutes of the meeting is made by a Notary, the signature is not required.
3. Minutes of meetings are legal evidence, both for BOC members and for Shareholders and decisions made on meetings.
4. Minutes of meetings held using media video conferences, teleconferences, or other electronic media facilities must be made in writing and submitted to all BOC members to be discussed and translated.
5. Minutes of meetings consist at least:
  - a. Place and date of BOC meeting;
  - b. Meeting agenda;
  - c. Meeting attendees present;
  - d. The main issues discussed at the meeting;
  - e. Decision Making Process on Questions that are resolved;
  - f. Dissenting opinions that occur during the decision-making process;
  - g. Decisions are taken; and
  - h. Signature of meeting participants.
6. Minutes of meetings can be approved with supporting documents such as:

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- a. Power of attorney from members of the Board who are not present to other members (if any)
  - b. Statement letter from members of the BOC who did not approve the results of the meeting.
7. Minutes of the meeting are confidential documents of the Company. This document is maintained and kept by the Company through BOD. These minutes must be available when requested by each member of BOC and BOD. Other parties can obtain minutes of BOD meeting only if they receive approval from BOD.
  8. Each BOC member is entitled to receive minutes of the Board meeting, even though those requested do not attend the Board's meeting.
  9. Minutes of Board's meetings must be submitted to all members of the Board of before the next Board meeting to obtain approval or rejections or submit revisions. Should there be no refusal nor changes until a determined date, it shall be concluded that there is no rejection towards the minutes.


## **Supporting Organs of the Board of Commissioners**

### **Board of Commissioners' Committees**

The Board can form committees in order to support the effectiveness of the implementation of their duties and to comply with applicable laws and regulations. The Committee under the Board that the Company has formed is the Audit Committee. BOC may also form a Remuneration Committee (if needed). Further provisions regarding the committees of BOC are regulated in a separate charter ratified by BOC.

### **Secretary of the Board of Commissioners**

The Secretary of the Board carries out administrative and secretarial tasks related to all the

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Board activities in carrying out their duties and authority. The election and appointment of the Secretary are determined by BOD based on BOC proposal.

The responsibilities of the Secretary are as follows:

1. The Secretary is responsible for recording and distributing minutes of the meeting of the Board to related parties.
2. The Secretary is responsible for representing the Board in delivering summons, discussion agenda, and meeting materials to meeting participants.
3. BOC evaluates the Secretary performance every year by using the method determined by the Board of Commissioners.

### **Work Relationship of the Board of Commissioners with Related Parties**


Relationship of the Board with BOD and Audit Committee in carrying out their duties coordinating with one another.

### **Work Relationship between the Board of Commissioners with the Board of Directors**

The main task of the Board is to supervise the actions taken by the Directors, which includes monitoring the activities and performance progress of the Company's management.

As a supervision, the Board has the following authority:

1. Review, approve and sign Company's Long Term Plan, Annual Work Plan and Budget, Annual Report, other plans related to the implementation of the Company's business and activities, as well as the duties segregation and authority among Directors that are not regulated by OJK.
2. Analyzing and providing responses to BOD periodic reports and at any time needed regarding the development of the Company.
3. Ensuring that BOD have followed up on audit findings and recommendations from the

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Internal Audit, External Auditors, and audit results from OJK.

4. Determine a performance evaluation system for BOD to be subsequently submitted to obtain GMS approval.
5. Together with BOD conducts a review of the Company's vision and mission.
6. Inviting BOD and/or other officials with the knowledge of BOD to attend the Board meeting as a guest speaker.
7. BOC and BOD conduct a joint meeting to discuss strategic issues of the company, such as Company performance, operational issues, problems related to financial statements and other company issues that are considered important.

### **Working Relationship of the Board of Commissioners with the Audit Committee**

The working relationship of BOC with the Audit Committee is as follows:

1. The Audit Committee is formed and appointed by the Board and its chairman comes from a member of the Board itself. Thus the Audit Committee has a direct relationship with the Board, both in carrying out their functions, rights, authorities and responsibilities.
2. The Board requests the Audit Committee's opinion in the context of appointing a Public Accountant to audit the Company's Financial Statements.
3. The Board requests an independent professional opinion from the Audit Committee regarding reports or matters submitted by the Directors to the Board itself as matters that require the Board's attention.
4. The Board meets with the Audit Committee to discuss the implementation of its duties and responsibilities.
5. The Board can hold meetings and communicate with the Audit Committee outside the regular schedule, if necessary, to discuss important matters that require the attention of the Board.

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## **Performance Assessment of the Board of Commissioners**

### **Performance Assessment**

The performance assessment of BOC refers to the following provisions:

1. The performance assessment of the Board is a self-assessment.
2. The performance of the Board is assessed both collectively and individually.
3. The assessment of the Board is carried out annually or at least before the term of service ends. The results of the performance assessment become one of the basic inputs in the members selection of the Board in the next period.


### **Assessment Criteria**

The Board develops performance assessment criteria, both collectively and individually, with reference to the duties and responsibilities of BOC set out in this charter.

### **Reporting and Responsibility of the Board of Commissioners**

Provisions for the reporting and accountability of the Board are as follows:

1. The Board as a supervisor submits a report on oversight of the Company's management by the Directors. The Board oversight report is part of the Annual Report submitted to the GMS for approval.
2. The Board reviews the Annual Report submitted by BOD along with the Board of Directors submitting the Annual Report to the GMS at the latest within 6 (six) months after the Company's financial year ends.
3. Annual Reports are signed by all members of the Board who have served in the fiscal year concerned. Members of the Board who have not signed the Annual Report must state the reasons in writing in a separate letter attached to the Annual Report or deemed to have approved the contents of the Annual Report.


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4. With the approval of the Annual Report and ratification of the Financial Statements, it means that the GMS has exempted and paid off responsibility for each member of the Board as far as these are reflected in the Annual Report, without ignoring the responsibilities of each member of the Board in the event of a criminal offense, mistake, or negligence which causes a loss to a third party that cannot be fulfilled with Company assets.
5. The responsibility of the Board to the GMS is a manifestation of its supervision accountability over the Company's management in the context of implementing the principles of GCG.

#### **Salary/Honorarium and Facilities of the Board of Commissioners**

Several matters relating to the salary/honorarium and facilities of the Board are regulated as follows:

1. Members of the Board receive a salary/honorarium and facilities in which the amounts are proposed or recommended by shareholders, taking the proposal of the Remuneration Committee (if any) into account.
2. The salary/honorarium and facilities for the Board are approved by the FSA/OJK and determined by the GMS through Annual Budget and Work Plans.
3. The salary/honorarium and facilities for the Board are determined based on the generally accepted eligibility for each position of the Board members in accordance with their duties and responsibilities based on the expertise and experience of each member.
- ~~4. BOC Members must report the amount of remuneration received and the basis for calculating the remuneration in the Company's Annual Report.~~
5. The amount of allowances and facilities type obtained by the Board of Commissioners is determined in the Decree of the Board of Directors.

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## CHAPTER 5


### WORK ETHICS OF BOARD OF COMMISSIONERS

Work ethics is the basic principles of personal and professional behavior that are expected to be carried out by the Board. In monitoring the Directors, the Board is guided by the Company's Articles of Association, Code of Business Ethics and Code of Conduct, the Company's internal policies and applicable laws and regulations.


Broadly speaking, the work ethics of the Board include the following:

1. Members of BOC must carry out their duties, responsibilities, and authority by upholding ethical values and good moral intentions as regulated in the Code of Business Ethics and Conduct.
2. Members of BOC encourage the application of good corporate governance.
3. BOC Members must consider all things objectively, professionally and independently in the interests of the Company by considering the interests of stakeholders.
4. In carrying out supervision, BOC is prohibited from being involved in making decisions on the Company's operational activities, unless stipulated or otherwise regulated by the Company's Articles of Association, Business Ethics and Code of Conduct, Company internal policies, and applicable laws and regulations.
5. All BOC members must disclose their share ownership and/or family ownership, both in the Company and in other companies, including any changes.
6. BOC members must always prioritize the interests of the Company while carrying out their duties and responsibilities and are prohibited from misusing their position for personal interests, directly or indirectly, which may harm the Company.
7. All BOC members must disclose financial and family relationships with other BOC members, BOD members and/or shareholders.



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8. In the event of a conflict of interest, BOC members must disclose and may not involve themselves in the decision-making process of BOC relating to this matter.
9. Members of BOC are prohibited from giving or offering or accepting, directly or indirectly, anything of value to other parties to influence or in return for what they have done and other actions, in accordance with the provisions of the Code of Business Ethics and Code of Conduct.
10. Each member of BOC must maintain the confidentiality of all Company documents, data and information in accordance with the Code of Business Ethics and Code of Conduct.

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## CHAPTER 6

### CLOSING

#### **Validity Period**

This BOC Charter is established in Jakarta and effective from the date of its signature.

#### **Evaluation and Improvement**

The Charter of BOC will be evaluated periodically and revised if needed to optimize the Board function and to always reflect good corporate governance practices in accordance with applicable laws and regulations.

#### **Transitional Provisions**

In the event that there is a difference between the provisions in this charter and the provisions in the applicable laws and regulations, KSEI Regulations, or OJK approval/instruction, then the latter ones prevail.

**Jakarta, December 21<sup>st</sup> 2022**

**PT Kustodian Sentral Efek Indonesia**

**Board of Commissioners**

**A. Fuad Rahmany**  
President Commissioner

**Dian Fithri Fadila F.**  
Commissioner

**Indra Christanto**  
Commissioner

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