

## **BOARD OF DIRECTORS CHARTER**

### **PT Federal International Finance**

#### **Revisi 1**

#### **1. Introduction**

As an Indonesian limited liability company, PT Federal International Finance (the “**Company**” or “**FIFGROUP**”) has 3 (three) corporate bodies, comprising:

- General Meeting of Shareholders
- Board of Commissioners
- Board of Directors

Each corporate body of the Company has its respective duties and authority with independence to carry out its duties and functions in accordance with Articles of Association and prevailing laws and regulations.

The General Meeting of Shareholders (“**GMS**”) in principle is the forum for shareholders to appoint members of the Company’s Board of Directors and Board of Commissioners as well as to approve the annual financial statements, annual reports, appropriation of net income, changes to the capital and significant changes to the structure of the Company.

The Board of Commissioners carries out an oversight function, while the Board of Directors manages the Company.

This Charter was developed to provide guidance to the Board of Directors and its members in the management and/or operation of the Company.

This Charter is part of FIFGROUP’s Good Corporate Governance.

#### **2. Legal Basis**

1. The Indonesian company law
2. The Indonesian capital market law
3. The Otoritas Jasa Keuangan (Financial Services Authority) (“**OJK**”) regulations
4. The Indonesia Stock Exchange (“**IDX**”) regulations
5. The Articles of Association of the Company (the “**Articles of Association**”)

#### **3. Philosophy – Values**

##### **Catur Dharma**

As part of Astra Group, the Company also adhered to the Catur Dharma philosophy. Catur Dharma is the core values that guide all Astra persons in their actions and behavior and unites all Astra persons in the spirit of Astra-ness. The internalization and consistent application of the Catur Dharma’s values create a winning culture, which drives Astra to reach its vision.

The elements of Catur Dharma are as follow:

1. To be an Asset to the Nation
  - a. To become a role model company in managing the business
  - b. To develop sustainable businesses
  - c. To consistently implement social responsibility and environmental management
2. To Provide the Best Service to Our Customers
  - a. Service to customers is conducted in a consistent, full of commitment manner, and based on competency
  - b. Customers are the source of inspiration for innovative products and services
  - c. To develop delighted, loyal, and 'advocacy' customers
3. To Respect Individuals and Promote Teamwork
  - a. Employee as individual is an asset of the company
  - b. Cooperation based on interdependency
  - c. Synergy generates an effective and efficient organization
4. To Continually Strive for Excellence
  - a. Excellent business strategy and concept
  - b. Excellent system and process
  - c. Excellent management and team

### **FIFGROUP's Value**

FIFGROUP has its own corporate value called TEAM, with elaboration as following:

1. Teamwork
  - a. Sinergy
  - b. Mutual respect and trust
  - c. Spirit of togetherness
2. Excellence
  - a. Quality improvement
  - b. Continuous improvement
3. Achieving
  - a. Innovative
  - b. Professional
  - c. Focus on achievement
4. Moving Forward
  - a. Broadmindend and visionary
  - b. Inventing and creating opportunity
  - c. Sustainability growth

## **4. Duties and Authorities**

### **4.1 Duties of the Board of Directors**

The Board of Directors shall lead and manage the Company in the interest of the Company in accordance with the purposes and objectives of the Company, the Articles of Association, prevailing laws and regulations, and the principles of Good Corporate Governance.

The duties of the Board of Directors include among others:

- a. To formulate the Company's vision, mission, and values as well as its strategic plan in the form of corporate plan and business plan;
- b. To establish the organizational structure of the Company (including compliance function), complete with the detailed tasks of each divisions and business units;
- c. To control and develop the Company's resources effectively and efficiently;
- d. To establish the Company's internal control and risk management systems;
- e. To implement the Company's corporate social and environmental responsibility;
- f. To maintain the Company's share register and special register;
- g. To prepare and provide the Company's periodic financial reports and annual report;
- h. To convene an annual and extraordinary GMS in accordance with the Articles of Association;
- i. To comply with all prevailing regulations, articles of association, and other internal policies of the Company in conducting their duties;
- j. To manage the Company in accordance with their authorities and responsibilities.

Each member of the Board of Directors shall conduct the management of the Company in good faith, with full responsibility and in a prudent manner in the interest of the Company and with due consideration to the interest of the stakeholders of the Company.

The Board of Directors discharges its duties in a collegial manner. Each member of the Board of Directors is able to conduct their duties and to make decisions within its specified duties and authorities in accordance with the Articles of Association.

If deemed necessary, the Board Directors may form a committee or a unit to assist the effective and efficient implementation of its tasks and authority.

#### **4.2 Authorities of the Board of Directors**

The Board of Directors is authorized to take all management actions at the Company in accordance with the Articles of Association and appropriate policies, among others as follows:

- a. To represent and bind the Company in its dealings with other parties;
- b. To appoint one or more person as its representative or proxy to perform certain actions through a power of attorney;
- c. To organize and develop the Company's human resources, including the appointment and dismissal of employees, salary determination, pension or retirement benefits and other remunerations for employees of the Company based on the applicable laws and regulations and/or resolutions of the GMS.

## **5. Rules of Conduct**

### **5.1 Non-competition and integrity**

A Director shall not:

- a. Participate in the management of or own shares in a competitor of the Company, either directly or indirectly;
- b. Give or accept (substantial) gifts from business partners of the Company;
- c. Provide unjustified advantages to any third party to the detriment of the Company; or

- d. Take advantage of business opportunities, to which the Company is entitled, for themselves or for their spouse, child or relative by blood or marriage up to the second degree.

### 5.2 Transparency

In establishing communication with the Board of Commissioners and its members and committees, the Board of Directors and its members shall act in an atmosphere of mutual trust and transparency.

### 5.3 Confidentiality

During their tenure and afterwards, a member of the Board of Directors shall not exploit or disclose (whether directly or indirectly) any confidential information belonging to FIFGROUP or any company in which FIFGROUP has interest ("**Confidential Information**"). They are also prohibited from abusing such information.

Confidential Information includes documents and/or strategic information that are formulated or acquired by the Company, which may not be disclosed or submitted to external parties, with the following considerations:

- To maintain the Company's competitive advantage; and/or
- To honor agreements or regulations, which requires the Company to maintain the confidentiality of such information.

Information included in the Company's Confidential Information categories are:

- Financial statements and/or material transactions that have not been disclosed to the public;
- Strategic corporate plan;
- Information bound by confidentiality agreement;
- Products of the Company that are still in the development stage;
- Uniqueness of technology; and
- Other information that are considered confidential.

### 5.4 Securities Dealing

Any shareholding in the Company by member of the Board of Directors shall be for long-term investment purposes. Members of the Board of Directors are bound by FIFGROUP's Securities Dealing Rules under FIFGROUP's Code of Ethics, as amended from time to time, which is posted in the Company's website and shall comply with the regulations applicable to ownership and transaction in securities.

Each member of the Board of Directors is entitled to disclose regarding these following matters to the Company and it shall be stated in the Good Corporate Governance implementation report, which are:

- a. Their ownership in the Company and/or in another company (in Indonesia territory and outside Indonesia territory) reaches 50% (fifty percent) or more; and
- b. Their financial relationship and family relationship with the other members of the Board of Directors of the Company, members of the Board of Commissioners of the Company, members of Sharia Supervisory Board (Dewan Pengawas Syariah) of the Company, and/or the shareholders of the Company.

### 5.5 Conflict of interest

A Director shall not make any transactions which has a conflict of interest with the Company's business.

A Director shall immediately report to the President Director and to the other Board of Directors members any conflict of interest or potential conflict of interest that is of material significance to the Company and/or to them, and shall provide all relevant information in the report. The Board of Directors shall decide, without the presence of the concerned Director, whether there is a conflict of interest. The President Director shall provide all relevant information to the Board of Directors regarding conflict of interest and the Board of Directors Decision of the matter.

A transaction in which a Director has a conflict of interest must be concluded on terms at least customary in the relevant sector, must be approved by the Board of Commissioners and/or Board of Directors and must comply with the applicable regulations on affiliated party and/or conflict of interest transactions and Article of Association.

In the event a member of Board of Directors owns shares of the Company, they must comply with reporting requirements provided under the prevailing laws and regulations.

On a quarterly basis, and whenever there is any changes, each Director is required to disclose in a special share register of the Company regarding their own, their spouse and/or child share ownership of shares in any business, company or organization.

## 6. Relationship with the Shareholders and Other Stakeholders

The Board of Directors in carrying out their duties shall ensure that the rights of the shareholders are protected and exercised fairly in accordance with the Articles of Association and prevailing regulations, which among others are:

- a. The right to attend, convey their views and vote at the GMS;
- b. The right to obtain the Company's material information in a timely manner.
- c. The right to receive dividends;
- d. The right to receive distribution of the remaining assets of the Company upon liquidation in proportion with their respective shareholding.

The shareholders, in exercising their rights and responsibilities, shall consider the sustainability of the Company and comply with the Articles of Association and prevailing regulations.

The responsibilities of shareholders are among others:

- a. The controlling shareholder shall consider the interest of the minority shareholders and other stakeholders
- b. The minority shareholders shall exercise their rights in a proper manner

The Board of Directors in carrying out their duties shall always seek to have a good relationship between the Company and other stakeholders based on the principle of fairness in accordance with prevailing regulations. The guiding principles on the relationship between the Company and its stakeholders are further elaborated in the Company's Code of Ethics.

## 7. Composition

The Board of Directors consists of at least 3 (three) members, comprising:

- a. 1 (one) President Director;
- b. 1 (one) or more Vice President Director (if required); and/or
- c. 1 (one) or more Director.

## 8. Appointment & Re-appointment

A Director is appointed by a GMS, for a term of office as from the date as resolved in the GMS appointing them until the closing of the second Annual GMS following such date.

A GMS may dismiss a Director at anytime assigning a reason therefore after the Director has been given a chance to defend themselves in said GMS.

The term of office of a Director shall terminate if the concerned party:

- Tenders their resignation;
- No longer complies with the requirements of the prevailing regulations having the force of law;
- Passed away; and/or
- Is dismissed by a resolution by GMS.

A Director, whose term of office has expired, may be reappointed by a GMS.

Before effectively served, each member of the Board of Directors of the Company shall pass the fit and proper test in accordance with OJK regulations.

## 9. Resignation

- a. A Director may resign from their position by giving a written notice to the Company at least 30 (thirty) days prior to the resignation date. A resigning Director shall only be discharged from their responsibilities during their term of office, if a GMS releases them from their responsibilities;
- b. The Company must convene a GMS to resolve such resignation at the latest 90 (ninety) days after receiving the resignation letter.

## 10. Concurrent Position

A Director is restricted from holding concurrent positions in other Issuers or Public Companies/Company, as follows:

- a. The Director can only be appointed as a Commissioner of a maximum 3 (three) other Issuers and/or Public Companies and/or Company, which engaged in financing business.
- b. Excluded form concurrent positions if the member of Board of Directors is responsible for supervision in subsidiaries which engaged in financing business, conduct functional task as member of Board of Commissioners in subsidiaries which controlled by the Company.

A member of the Board of Directors can only serve as a member of the Committee of a Board of Commissioners of a maximum 5 (five) Issuers or Public Companies (included to their position in the Company).

## 11. Meeting

### 11.1 Schedule

The Board of Directors shall hold a regular meeting once every month (“**Regular Meeting**”). In addition, the Board of Directors may hold a meeting (i) at any time when deemed necessary 1 (one) or more member of the Board of Directors or (ii) upon a request of 1 (one) or more member of the Board of Commissioner or 1 (one) shareholder or more representing at least 1/10 (one tenth) of the total number of shares with valid voting rights.

Each member of the Board of Directors shall present in Regular Meetings at least 50% (fifty percent) of the total Regular Meetings in 1 (one) year period.

The total of the Regular Meetings has been held and attendance of each member of the Board of Directors shall be stipulated in Good Corporate Governance implementation report.

The Board of Directors shall meet with the Board of Commissioners (“**Join Meeting**”) regularly at least once every four months.

The Board of Directors shall schedule the Regular Meeting for the next year before the end of fiscal year.

### 11.2 Invitation and Material

- a. Invitations of the Board of Directors meeting are issued by the President Director or a member of the Board of Directors.
- b. Invitations of the Regular Meeting must be delivered to each member of the Board of Directors at least 5 (five) calendar days before the meeting is convened (excluding the date of invitation and the date of meeting).
- c. Invitations for the Board of Directors meeting (other than Regular Meeting) is not required if all members of the Board of Directors are present;

- d. The material for the Regular Meeting must be delivered to the member of the Board of Directors at least 3 (three) calendar days before the meeting is convened. Materials for other meetings of the Board of Directors may be delivered within a shorter period.

### **11.3 Conduct and Resolutions**

- a. The Board of Directors meeting shall be valid and entitled to adopt legally binding resolutions if attended by at least more than 1/2 (half) of the total number of the Board of Directors.
- b. The meeting shall be led by the President Director, and in case the President Director is absent, the meeting shall be presided by a Vice President Director. If the Vice President Director is also absent, the meeting shall be led by director which will be appointed by the members of the Board of Directors that present at the meeting.
- c. Resolutions of the meeting shall be taken based on deliberation to reach a consensus. If a consensus is not achieved, the resolutions shall be taken by affirmative votes of more than ½ (half) of the total number of the member of Board of Directors present at the Meeting.
- d. In the event of a tied vote, the proposal shall be deemed to be rejected.
- e. Each Director present shall be entitled to cast 1 (one) vote and 1 (one) additional vote for each other member of the Board of Directors who they legally represents.
- f. Voting concerning an individual shall be made in an unsigned, folded ballot paper, while voting concerning other matters shall be conducted orally, unless the chairman of meeting decides otherwise without any objection of other majority attendance.
- g. The Board of Directors can take valid resolutions without convening a meeting if all members of the Board of Directors give their written approval to the proposal submitted evidenced by their signatures.
- h. Resolutions of the meeting shall be stated and well documented as minutes of meeting, which must be signed by all members of the Board of Directors present at the meeting. If there is a member that does not wish to sign the minutes of meeting, said member must state the reason in a written letter that will be attached to the minutes of meeting.
- i. Any dissenting opinions risen during the Board of Directors meeting shall be stated clearly in the minutes of Board Directors meeting followed by the reason of such dissenting opinions.
- j. The amount of the held Board of Directors meeting and the attendance of each member of Board of Directos shall be stated in the Good Corporate Governance Implementation Report.

Meetings of the Board of Directors shall be organized by the Corporate Secretary in a proper manner.

### **12. Working Hours**

The working hours is based on the needs of the Company, in line with the applicable laws and regulations.

### **13. Accountability**

The Board of Directors shall submit an annual work plan of the Company together with the annual budget for the following financial year to the Board of Commissioners before the end of the current financial year, for review and approval of the Board of Commissioners.

The Board of Directors shall present an annual report of the Company, which have been approved by the Board of Commissioners, to the annual GMS at the latest within a period of 6 (six) months after the end of the financial year.

### **14. Performance Assessments and Remuneration**

Assessment on the performance of the Board of Directors shall be carried out periodically by the nomination & remuneration function which undertaken by Board of Commissioners.

The GMS shall determine the remunerations for the members of the Board of Directors based on the recommendation of the nomination & remuneration function. The GMS may also authorize the Board of Commissioners to determine the remuneration for the members of the Board of Directors with due observation to the opinions of Nomination & Remuneration function of the Company.

### **15. Matters to be approved by the Board of the Commissioners**

The Board of Directors shall submit for approval to the Board of Commissioners on matters set out in Annex 1.

### **16. Induction Program for new Director**

Newly elected Director shall participate in an induction program of the Company, covering among others the Company's Philosophy, Astra Management System the business of the Company and its group, FIGROUP Good Corporate Governance and the roles and responsibilities of the Board of Directors and the Board of Commissioners.

### **17. Closing**

This Board of Directors Charter is stipulated in conformnity with Regulations of Financial Services Agency Number 30/POJK.04/2014 regarding Good Corporate Governance for Financing Company and Regulations of Financial Services Agency Number 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Company.

This Board of Directors Charter shall be applicable since the validation date. When this Board of Directors Charter is applicable, therefore "Board of Directors Charter PT Federal International Finance" which valid previously in 27<sup>th</sup> November 2015 will be deemed null and void.

## ANNEX 1

### Matters to be approved by the Board of the Commissioners

- a. To purchase or otherwise acquire or to sell or otherwise transfer fixed assets, including title on land, if the value of such purchase, sale or transfer exceeds the threshold determined by the meeting of the Board of Commissioners;
- b. To receive a loan, if the amount and term of such loan exceeds the threshold determined by the meeting of the Board of Commissioners;
- c. To extend a loan or transfer receivables of the Company, if the amount and term of such loan or receivables exceeds the threshold determined by the meeting of the Board of Commissioners;
- d. To guarantee or indemnify for the benefit of a third party, if the amount and the period of such guarantee or indemnity exceeds the threshold determined by the meeting of the Board of Commissioners;
- e. To pledge or otherwise encumber assets of the Company, if the amount and the period of such pledge or encumbrance exceeds the threshold determined by the meeting of the Board of Commissioners;
- f. To establish a new company or to undertake an equity participation in other company or to increase or divest its equity participation, including but not transfer or waiver of pre-emptive right, if such equity participation, increase or divestment exceeds the threshold determined by the meeting of the Board of Commissioners;
- g. To enter into leasing agreement of moveable and immovable goods (including operating and financial lease agreement), if the amount and the period of such leasing agreement exceeds the threshold determined by the meeting of the Board of Commissioners;
- h. To enter into or terminate or cancel management agreement and/or intellectual property right agreement, including but not limited to technical assistance agreement, license agreement and agency agreement;
- i. To file a legal proceeding and appoint and/or replace the attorney to represent Company in court and arbitration;
- j. To determine Company's annual work plan and budget.