

**BOARD OF DIRECTORS CHARTER**  
**PT CAHAYAPUTRA ASA KERAMIK Tbk**

**CHAPTER I**

**BASIC FORMATION**

- 1.1 PT Cahayaputra Asa Keramik Tbk hereinafter referred to as CAKK or the Company, as companies whose shares are listed on the Indonesian Stock Exchange (BEI) must comply with the regulations legislation in the field of capital markets and related laws and regulations with company operations.
- 1.2 In this regard, based on Article 35 Paragraph (1) of the Financial Services Authority Regulation (OJK) Number 33/POJK.04/2014 dated 8 December 2014 concerning the Board of Directors and the Board of Commissioners Issuer or Public Company, it is stated that the Board of Directors and the Board of Commissioners are obliged compile guidelines that bind every member of the Board of Directors and Board of Commissioners.
- 1.3 This Board of Directors Charter is prepared as a binding guideline for each member of the Board of Directors carry out their duties and responsibilities effectively and in accordance with the principles of good corporate governance.

**CHAPTER II**

**STRUCTURE, TERM OF SERVICE, MULTIPLE POSITIONS AND MEMBERSHIP  
REQUIREMENTS**

- 2.1 Membership structure of the Board of Directors consists of at least 3 (three) members, with a composition as follows: one President Director, and two Directors (including Independent Director).
- 2.2 Term of Office Members of the Board of Directors are appointed by the General Meeting of Shareholders (GMS), for the period until the closing of the 3rd (third) Annual GMS after the appointment.
- 2.3 Any member of the Board of Directors whose term of office has ended can be reappointed appointment and/or replacement of members of the Board of Directors to the GMS must pay attention recommendation of the Remuneration and Nomination Committee.
- 2.4 The GMS has the right to terminate a member of the Board of Directors at any time prior to his term of office ends by stating the reason after the person concerned is given the opportunity to self-defense.
- 2.5 The position of a member of the Board of Directors shall end if:
  - a) declared bankrupt or placed under waiver based on a court decision;
  - b) dismissed because of the resolution of the GMS;
  - c) no longer meets the requirements of the applicable laws and Company's code of ethics;
  - d) resign in accordance with the provisions of the Company's Articles of Association;
  - e) pass away; or

- f) his/her term of office has ended.
- 2.6 Detail procedures for appointment, replacement, dismissal, change or resignation members of the Board of Directors can be seen in the Company's Articles of Association.
- 2.7 Multiple positions:
  - a) members of the Board of Directors at no more than 1 (one) Issuer or other Public Company; and members of the Board of Commissioners at no more than 3 (three) Issuers or other Public Companies.
  - b) Members of the Board of Directors may concurrently serve as committee members for a maximum of 5 (five) committee in the company, where he also serves as a member of the Board of Directors or members of the Board of Commissioners.
  - c) In case there are other laws and regulations that regulate provisions regarding concurrent positions that are different from the provisions in the OJK Regulations, more stringent regulations apply.
- 2.8 Membership Requirements
  - a) Requirements for members of the Board of Directors at the time of appointment and during their tenure are regulated in Articles of Association of the Company.
  - b) Fulfillment of the requirements as referred to in 2.8.a) must be made in a letter statement and submitted to the Company.
  - c) Specifically, for Independent Directors the following requirements also apply
    - 1) has no affiliation with the Company Controller of at least 6 (six) months prior to the appointment as Independent Director.
    - 2) has no affiliation with the Board of Directors and Commissioners.
    - 3) does not work concurrently as a Director in another company; and
    - 4) not become an Insider in an institution or Capital Market Supporting Professionals services are used by the Company for 6 (six) months prior to the appointment as Director.

## **CHAPTER III**

### **DUTIES, RESPONSIBILITY AND AUTHORITY**

- 3.1 Duties
  - a) Carry out management of the Company for the benefit of the Company as the purposes and objectives of the Company.
  - b) Obligated to hold an Annual GMS and other GMS in accordance with the laws and regulations and the Articles of Association.
  - c) In order to support the effectiveness of the implementation of its duties and responsibilities, the Board of Directors can form a committee.
  - d) The Board of Directors is required to evaluate the committee's performance at the end of each financial year.

### 3.2 Responsibilities

- a) Members of the Board of Directors are jointly and severally responsible for the Company's losses caused by mistakes or negligence of members of the Board of Directors in carrying out their duties.
- b) Members of the Board of Directors cannot be held accountable as referred to in 3.2.a) if it can prove:
  - 1) the loss is not due to proven fault or negligence.
  - 2) has carried out management in good faith, full of responsibility and prudence for the interests of the Company and in accordance with the aims and objectives of the Company.
  - 3) does not have a conflict of interest, either directly or indirectly, over management actions that result in losses; and
  - 4) have taken steps to prevent the loss from arising or continuing.

### 3.3 Authorities

- a) The Board of Directors has the right to represent the Company inside and outside the court, bind the Company with other parties and other parties with the Company, and take actions, both regarding management and ownership, with restrictions:
  - 1) borrow money or lend money on behalf of the Company (excluding taking Company money at the bank)
  - 2) establishing a new business or participating in other companies, both domestically and abroad.
  - 3) buying assets in the form of immovable goods and companies, except assets that are inventory
  - 4) rent and or lease the company's assets, except for the purpose of day-to-day business activities of the Company
  - 5) sell or in other ways release the rights of fixed assets and/or companies (which are not an Inventory), or guarantee the assets of the Company whose value is less than or up to 20% from the total net assets of the Company.
  - 6) Binding the Company as a debt guarantor whose value is less or up to 20% of the total net assets of the Company must obtain written approval from the Company's Board of Commissioners.
- b) The Board of Directors is obliged to request AGM approval for:
  - 1) Transferring the Company's assets (which are not inventories)
  - 2) Pledge as collateral for the debt of the Company's assets, which is more than 50% of the total net assets of the Company, by observing the Capital Market Regulations.
- c) The Board of Directors is obliged to request the approval of the GMS as referred to in article 11 (paragraph 11) of the Articles of Association of the Company and in accordance with the laws and regulations in the Capital Market sector to file for Company Bankruptcy.
- d) The President Director has the right and authority to act for and on behalf of the Board of Directors and represent the Company.

- e) In the event that the President Director is absent or unavailable for any reason, which does not need to be proven to a third party, then 2 other members of the Board of Directors are entitled and authorized to act for and on behalf of the Board of Directors and represent the Company.
- f) Members of the Board of Directors are not authorized to represent the company if:
  - 1) there is a case in court between the Company and the relevant member of the Board of Directors; and
  - 2) The relevant member of the Board of Directors has interested that conflict with the interests of the Company.
- g) In the event of a situation as referred to in 3.3.f.1. and 2 parties entitled to represent the Company are:
  - 1) Other members of the Board of Directors who do not have a conflict of interest with the Company are appointed by the Board of Directors Meeting
  - 2) The Board of Commissioners, in the event that all members of the Board of Directors have a conflict of interest with the Company which appointed by the Board of Commissioners meeting.
  - 3) Another party 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.

## **CHAPTER IV**

### **VALUES**

- 4.1 In carrying out its duties, responsibilities and authorities, the Board of Directors is based on good faith, full of responsibility and prudence, and is always imbued with the values shared by the Company such as Accountability, Good and High Performance, Synergy, Integrity, Innovation and Safety.
- 4.2 Members of the Board of Directors Should be role models for all employees of the Company in acting in accordance with the Company's Code of Ethics.

## **CHAPTER V**

### **SHARES OWNERSHIP**

- 5.1 Each member of the Board of Directors is required to report to the Company (Corporate Secretary) the ownership and any changes in ownership of the Company's shares no later than 3 (three) working days from the transaction, which will then be reported by the Corporate Secretary to OJK and BEI.
- 5.2 At least the report includes:
  - a) The number of shares purchased;
  - b) The purchase and sale price per share;
  - c) The transaction date; and
  - d) The purpose of the transaction.

**CHAPTER VI**  
**WORKING TIME**

The Board of Directors is obliged to provide sufficient time to carry out their duties and responsibilities optimally for the Company.

**CHAPTER VII**  
**MEETING**

7.1 Meeting Decision Making and Mechanism:

- a) The Board of Directors Meeting Must be held regularly at least 1 (one) time every month.
- b) The Board of Directors is obliged to hold regular joint meetings with the Board of Commissioners for a minimum of 1 (one) time in 4 (four) months.
- c) The Board of Directors meeting can be held if attended by a majority of all members of the Board of Directors.
- d) The presence of members of the Board of Directors at the meeting must be disclosed in the annual report of the Issuer or Public Company.
- e) Meetings for the following year must be scheduled before the end of the financial year.
- f) At the meeting that has been scheduled, as stated in point number 7.1. e, Meeting materials are submitted to participants no later than 5 (five) days before the meeting is held.
- g) In the event that there is a meeting held outside the compiled schedule as referred to in paragraph 7.1 e, the meeting materials are submitted to the meeting participants no later than before the meeting is held.
- h) The meeting is led by the President Director or a member of the Board of Directors appointed by and from among the members of the Board of Directors who are present.
- i) A member of the Board of Directors may only be represented in the Board of Directors Meeting by another member of the Board of Directors based on a power of attorney.
- j) Decisions in meetings are made based on deliberation to reach consensus. In the event that deliberation to reach a consensus is not reached, the decision will be made based on majority votes. If the votes are in agreement and disagree, then the President Director will determine the decision of the meeting.
- k) The Board of Directors can make decisions without holding a meeting of the Board of Directors, provided that all members of the Board of Directors have been notified in writing of the proposal concerned and all members of the Board of Directors have approved the proposal.
- l) All decisions made by the Board of Directors are binding and become the responsibility of all members of the Board of Directors.

- m) More detailed procedures regarding the meeting mechanism are regulated in the Company's Articles of Association.

## 7.2 Minutes of Meeting

- a) The results of the Meeting as referred to in Chapter VIII must be recorded in the minutes of the meeting and signed by all members of the Board of Directors who are present and submitted to all members of the Board of Directors.
- b) Results of the Meeting as referred to in Chapter VII point 7.1.b must be recorded in the minutes of the meeting and signed by all members of the Board of Directors and members of the Board of Commissioners who are present and submitted to all members of the Board of Directors and members of the Board of Commissioners.
- c) In the event that there are members of the Board of Directors and/or members of the Board of Commissioners who do not approve the resolution of the Meeting, then the member of the Board of Directors and/or members of the Board of Commissioners concerned must make a statement of disagreement by stating the reasons for it to be attached to the minutes of the meeting.
- d) Minutes of meeting must be documented by the Company.

## **CHAPTER VIII**

### **REPORTING**

The Board of Directors states all management activities carried out during the current year in the Company's Annual Report, which will be reported and requested for shareholder approval at the Company's Annual GMS.

## **CHAPTER IX**

### **TRAINING PROGRAM**

The Board of Directors Training Program is important because by participating in the Training Program, the Board of Directors gets the latest knowledge and developments regarding the economy and finance, the Company's line of business and so on. This Board of Directors Training Program is important so that the Board of Directors can anticipate and improve their abilities for the progress of the Company.

## **CHAPTER X**

### **VALIDITY PERIOD**

10.1 This Board of Directors Charter is valid from the date of stipulation and has an unlimited validity period, however, adjustments and/or changes can be made at any time according to the needs of the Company.

10.2 Adjustments and/or amendments to the Charter of the Board of Directors can be made only with the approval of the Board of Directors of the Company.

## **CHAPTER XI CONFORMITY**

- 11.1 This Board of Directors Charter must be signed by all members of the Board of Directors and must be complied, obeyed and implemented by all members of the Board of Directors.
- 11.2 In the event that there are differences in the provisions between the Charter of the Board of Directors and the Articles of Association of the Company and the prevailing laws and regulations in Indonesia, the provisions as stipulated in the Articles of Association of the Company and the prevailing laws and regulations in the Capital Market sector in Indonesia will apply.

## **CHAPTER XII CLOSING**

This charter is posted on the Company's official website, namely [www.kaisar-ceramic.com](http://www.kaisar-ceramic.com)

Thus, the Charter of the Board of Directors is drawn up and signed by all members of the Board of Directors of the Company.

Jakarta, October 25, 2018

**PT Cahayaputra Asa Keramik Tbk**  
Board of Directors

[signature affixed]

**Johan Silitonga**  
President Director

[signature affixed]

**Juli Berliana Posman**  
Director