

# CORPORATE GOVERNANCE POLICY (CGP)

PT ANTAM (PERSERO) TBK



**PT ANTAM (Persero) Tbk**

# **CORPORATE GOVERNANCE POLICY (CGP)**

---

A reference for corporate activity implementers and policy makers



**JOINT STATEMENT OF  
THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS**

**PT ANTAM (Persero) Tbk**

**CORPORATE GOVERNANCE POLICY/CGP**

Thanks to Allah the Most Merciful and Beneficent, on this day, Monday January 27, 2016 the *Corporate Governance Policy* (CGP) of PT ANTAM (Persero) Tbk is established as the Master Policy for all implementations of management of the Company and as reference in the operational decision-making of the Company. As a reference in the implementation of the Company activities, then all policies, regulations and decisions in any form, must refer to and make this CGP as a guideline that is obliged to be followed.

Application of CGP is conducted to ensure that any policies in the Company will contain the Good Corporate Governance (GCG) principles, namely, Transparency, Accountability, Responsibility, Independency, and Fairness. The manual of policy establishment for all implementations of the Company management is made based on the prevailing business process/value chain.

No change to the contents of CGP PT ANTAM (Persero) Tbk shall be allowed without written consent of the Board of Commissioners and the Board of Directors.

Jakarta, January 27, 2016


**Fachrul Razi**  
President Commissioner



**Zaelani**  
Commissioner



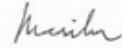
**Robert A. Simanjuntak**  
Commissioner



**Bambang Gatot Ariyono**  
Commissioner



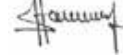
**Laode M. Kamaluddin**  
Independent Commissioner



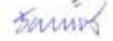
**Hikmahanto Juwana**  
Independent Commissioner



**Tedy Badrujaman**  
President Director



**Agus Zamzam Jamaluddin**  
Director



**Dimas Wikan Pramudhito**  
Director



**Johan N.B Nababan**  
Director



**Hari Widjajanto**  
Director



**I Made Surata**  
Director



# Preface of THE PRESIDENT COMMISSIONER



This Corporate Governance Policy (CGP) Manual, is the fourth revision of the Corporate Policy Manual (PKP), that was published for the first time in December 2003. Such a revision occurred as a result of external and internal factors. In 2015, improvement was made so that the CGP is not merely as a collection of Corporate Policy Manuals (PKPs) but has accommodated the GCG Guideline (GCG Code) from the National Committee of Policy Governance (JKNKG); ASX Corporate Governance Principles and Recommendation 3<sup>rd</sup> edition, 2014, and GCG Application of SOEs version PER-01/MBU/2011 about the implementation of good corporate governance for the SOEs, ASEAN Corporate Governance Scorecard and GCG Guideline for Public Listed Company from The Financial Services Authority (OJK) as a part of this CGP.

As known, in accordance with Law No. 40 year 2007 on Limited Liability Companies, manifestation of tasks of the Board of Directors is conducting management of the Company that is oriented to the interests of the Company within the corridor of purposes and objectives of the Company, will not be separated from the policies that are deemed appropriate (Business Judgment Rules) within the limits as specified in the Law and the Articles of Association of the Company. On the other hand, the Board of Commissioners serves the function of supervising the management policies, the maintenance operation in general, both concerning the Company and the Company's business and providing advises to the Board of Directors. Concept of CGP and its derivatives, such as Management Policy (MP) and SOP, is basically a part of the work mechanism between the tasks of the Board of Directors and the supervisory function of the Board of Commissioners that is realized in a well-established Company Policy, so that the business judgment rules has as much as possible be covered in the concept of CGP and its derivatives (CGP-MP-SOP/WI).

Presence of the CGP, will become a legal basis for the Company so as to accelerate decision-making, which in turn will be more efficient, flexible, safe and avoided from despicable behaviors.

We – the Board of Commissioners - welcome the publication of this CGP, and encourage the Board of Directors to complete its derivatives, in the form of its MP and SOP as operational basis for the Company. Hopefully this document may be useful and used as a guide to develop and enhance in reaching the better ANTAM future.

Jakarta, January 27, 2016

A handwritten signature in blue ink, appearing to read 'Fachrul Razi', written over a light blue circular stamp.

Fachrul Razi

President Commissioner

# Preface of THE PRESIDENT DIRECTOR

Implementation of the GCG best practices consistently and continually is a full commitment of ANTAM in running the Company. ANTAM attaches the GCG as a system that is inseparable from the existing tools in the Company in order to realize a prudential, established, controlled operational management, and considering balanced fulfillment of the interests of all stakeholders.

ANTAM's commitment in cultivating the GCG best practices is actualized, among other things, by continuously attempting to accommodate the dynamic changes and being open to new concepts. For that purpose, existence of the Corporate Governance Policies (CGP) as a master policy in ANTAM is deemed necessary to be updated periodically in order to adapt to the development and the internal and external issues of the Company so that, expectably, this CGP update can make more certainty that all of the management policies in ANTAM consider the GCG principles.

In addition as a the reference for developing policies in ANTAM, the CGP can become a guideline in conducting supervision and control of all decisions and regulations in ANTAM so that able to encourage the management to promote the *internal control, checks and balances* on each of the business processes at every level and function of management.

We hope this Updated CGP can become a basis of the Management Policy, the Standard Operating Procedure (SOP) and the Work Instruction (WI) that are more solid in the operational terms of reference of the Company as a part of the GCG tools, and to be an important corridor in maintaining the direction of Company management correctly and on an ethical basis for the achievement of the Vision and Mission of ANTAM 2030.

Hopefully anything outlined in this Updated CGP can be implemented with full sense of responsibility, spirit of mutual ownership in the Company and forming a basis for the Company operational policies.

Jakarta, January 27, 2016



Tedy Badrujaman

President Director



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# CHAPTER I INTRODUCTION

## 1.1 Background and Purposes

### 1.1.1 Background of Corporate Governance Policy (CGP)

ANTAM historical journey began from the (merger) of 7 (seven) business entities and/or mining projects of State Owned Enterprise status (PN Aneka Tambang), in which all of their shares are still owned by the Government of the Republic of Indonesia. PN Aneka TamWbang changed its status to PT Aneka Tambang (Persero) through Government Regulation Number 26 Year 1974 dated December 30, 1974.

On November 27, 1997 PT Aneka Tambang (Persero) conducted *Initial Public Offering* (IPO) by listing its shares on the Jakarta Stock Exchange and the Surabaya Stock Exchange -now the both becomes the Indonesia Stock Exchange-, and in August 1999 on the Australian Securities Exchange (ASX) in the form of *Chess Units Foreign Securities* (CUFS) until July 2002 was listed fully on the ASX. Since October 6, 1999 the name Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk was changed in its abbreviation into PT ANTAM Tbk, and later on June 15, 2010 it changed again to be abbreviated as PT ANTAM (Persero) Tbk and hereinafter in this Corporate Governance Policy (CGP) is referred to as ANTAM.

The initial implementation of Good Corporate Governance (GCG) was based on the need of ANTAM for growing, developing and survival. Dual-listing in the exchange has driven ANTAM to implement the GCG as a system, namely a good corporate governance system in line with GCG principles, TARIF: Transparency, Accountability, Responsibility, Independency and Fairness. ANTAM listing on the Indonesia Stock Exchange and the Australian Securities Exchange requires ANTAM to be able to meet more stringent GCG standards. This affected on the increased implementation of GCG in ANTAM, which in turn optimized the performance of ANTAM and provided added value to the Stakeholders.

ANTAM continues to improve itself toward an organization that is committed to implementing the GCG. ANTAM GCG development accommodates the dynamic changes and opens to new concepts. ANTAM has developed the GCG by building the GCG infrastructure aspects, both hard structures and soft structures. Among the hard structures that have been built is, among other things, the establishment of organs of the Board of Commissioners consisting of the Commissioners and Independent Commissioners and three Supporting Commissioners for the Board of Commissioners, including the Audit Committee, the Good Corporate Governance-Nomination and Remuneration Committee, and the Risk Management Committee. The initial GCG soft structures that has been developed is the Corporate Policy Manual (PKP), the Management Policy (MP), the Standard Operating Procedure (SOP), in addition to the

Company Code of Conduct (CoC), the Board of Commissioners Charter, the Board of Directors Charter, the Supporting Committee for Board of Commissioners Charter, and the Internal Audit and Whistleblowing System (WBS) Charter.

PKP is a living document that is always reviewed periodically in order to adjust to the development and the internal and external issues of ANTAM. In relation to the foregoing, presently, the PKP coverage has been expanded and enhanced into a CGP, namely, by completing the PKP with the GCG Code which is prepared based on the Indonesian GCG General Guideline (the GCG Code, the Governance Policy National Committee/ Komite Nasional Kebijakan Governance (KNKG) 2006), and the ASX Corporate Governance Principles & Recommendations, and Implementation of Good Corporate Governance based on the Ministry of State-Owned Enterprises (SOEs) Number SK16/S. MBU/2012, ASEAN Corporate Governance Scorecard, and the Guideline for Public Listed Company published by the Financial Services Authority in 2015.

CGP is expected to not only contain the GCG Code but also contain a set of policies that are compiled based on the GCG principles that become reference in carrying out the activities and decision-making in ANTAM, at the same time to serve as a guideline in conducting supervision and control and become a test criterion in assessing the validity of all decisions and regulations issued by ANTAM. Expansion of coverage of the Policy Guideline is directed to complement the process policy aspects that have been regulated previously by the GCG implementation practical guideline aspects as provided for in the Indonesian GCG General Guideline and the ASX Principles and Recommendation (ASX Listing Rules Guidance Note 9 dated February 10, 2012). Furthermore, all references this CGP preparation refer to but not limited to the policy references as contained in Chapter II point 2.4 in this book.

## 1.1.2 Purposes of the CGP

This CGP has been prepared with the purpose to enhance the PKP that is to be developed into a policy system that is holistic and integrated in nature in accordance with the GCG principles.

Position of the CGP is as a master policy. Thus, all regulations, decisions or policies issued by ANTAM must refer to and mention clearly the point of CGP as a basic standard and guideline in its establishment.

Enforcement of the CGP to ensure that every policy in ANTAM is prepared with the *Objective, Risk, and Control* (ORC) approach which is directed to encourage the management to be able to promote the *checks and balances* in each business process at every level and function of management based on the GCG spirit and principles.

## 1.2 Hierarchy of Corporate Regulations and Policies

### 1.2.1 Hierarchy of Regulations

Hierarchy of the Corporate Regulations is as follows:

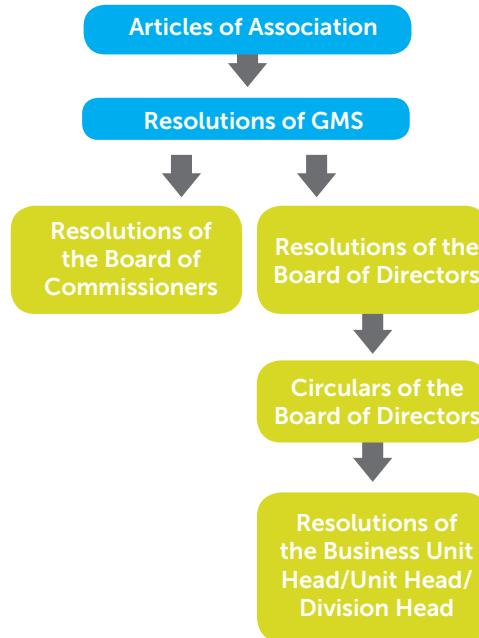


Figure 1.1

Hierarchy of Corporate Regulations

- a. Articles of Association are an internal regulation of the Company and become a formal basis for internal approval or agreement of the Company.

The articles of association contain the following matters:

- 1) the name and domicile of the Company;
- 2) the purposes and objectives as well as operating activities of the Company;
- 3) the term of the Company establishment;
- 4) the amounts of authorized, subscribed and paid-up capital;
- 5) number of shares, share classification, if any, together with number of shares for each classification;



- 6) the position name and number of members of the Board of Directors and the Board of Commissioners;
  - 7) determination of places of and procedures for GMS;
  - 8) procedures for appointment, replacement, dismissal of members of the Board of Directors and the Board of Commissioners;
  - 9) procedures for use of profits and dividend distribution; and
  - 10) other provisions that are not contrary to the law.
- b. Resolutions of General Meeting of Shareholders (GMS) contain things that need for approval of the Shareholders, as provided for in the Articles of Association of the Company;
  - c. Resolutions of the Board of Commissioners contain things which fall within authority of the Board of Commissioners in performing supervisory and advisory functions as provided for in the Articles of Association and the prevailing statutory regulations and other matters necessary to facilitate the performance of tasks of the Board of Commissioners. The fundamental thing for the necessity of a Resolution of the Board of Commissioners is to avoid independency of the Board of Commissioners from the influence of the organ of the Board of Directors in which the both should be independent each others in performing their respective functions;
  - d. Resolution of the Board of Directors contains matters concerning stipulation of general policies in the Company's operation on establishment of strategies, organizational structure, human resources, finance and accounting, procurement, and so on, that serve as legal basis for execution of the daily tasks;
  - e. CGP is a part of resolutions of the Board of Directors and resolutions of the Board of Commissioners;
  - f. Circular of the Board of Directors is an official letter that is circulated with the intention that official message or news is known to the Employee or certain parties, in accordance with the purpose of distribution of such a letter; and
  - g. Resolution of the Division Head (SVP/VP), resolution of the Business Unit Head/ Unit Head (General Manager/GM), resolution of Project Head (Project Manager) is an official letter containing decisions applicable to certain divisions/units/ business units/project with reference to the regulations or decisions of higher levels. A strategic policy and / or material to be taken by division unit/business unit/project, must be reviewed by Legal & Compliance Division, Risk Management Division, Corporate Secretary Division and other divisions related.

## 1.2.2 Company Policies

### a. Company Policy Structure

- 1) Policies in ANTAM consists of 3 levels (Figure 1.2), namely, level 1 is the CGP, level 2 includes Code of Conduct, Management Policy and Charter, and at level 3 is SOP and WI.

The scope and flow of its contents is detailed starting from the main points of the policy at the top ranking to the basic policy reference for implementation of the activities, relating to both business activities, risk management, and the necessary supporting functions.

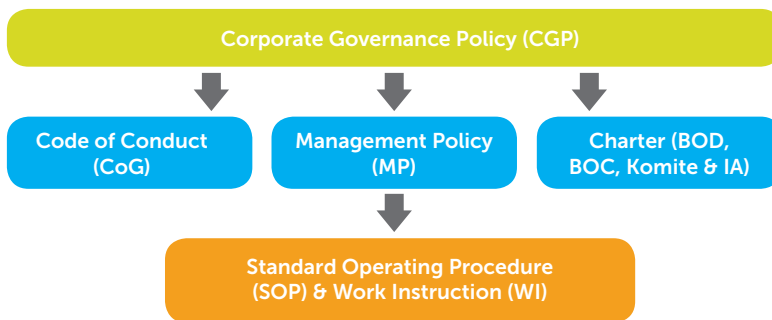


Figure 1.2

Structure of ANTAM Policies

- 2) CGP is ANTAMs master policy that contains a set of main guidelines for good corporate governance, as a reference for all activities of ANTAM. The CoC, Charters, MP, SOP and WI are as set of business policies and their supporting details that regulate the activities of ANTAM in conducting its business and are prepared with reference to the regulations in the CGP;
- 3) In order to keep the policy flow consistent, in each CoC, Charter, MP, SOP and WI must contain directly the parts related to the CGP. Thus, any inconsistencies and conflicts of policy that may occur will be easily detected and avoided straightforwardly;
- 4) The Board of Directors ensures the MP, SOP and WI are established and implemented in all management activities of the Company.

## b. Operationalization

- 1) As a reference in the operational activities, the SOP and WI is prepared in accordance with the need, and can be changed at any time in accordance with the form of business activity and products, the activity site condition, organizational structure, and condition of the existing personnel;
- 2) These implementing guidance are complements of the corporate governance that must always refer and subject to the CGP and the MP.

## c. Update and Validity

- 1) Any updates of the CGP shall only valid if obtaining a written approval of the Board of Commissioners and the Board of Directors in the form of a joint decision on its implementation. Changes shall be possible concerning other provisions that are more fundamental relating to the statutory regulations, the Articles of Association of the Company, Resolutions of General Meeting of Shareholders, Resolutions of the Board of Commissioners, and other equivalent arrangements. If there are a difference or nonconformity in CGP that is not material as a result of these changes in regulations, the articles of association, the resolution of the General Meeting of Shareholders, the resolution of the Board of Commissioners, and other provisions such as the change the structure of the organization, naming of position, or structure of policy, it does not required the amendments to CGP and the change of regulations and provisions bind the company and cannot be separated to the contents of CGP;
- 2) Legalization and update of the CoC is based the enforcement sheet that is signed by all members of the Board of Commissioners and members of the Board of Directors;
- 3) Legalization of the Board of Commissioners Charter and the Committee Charter by the Board of Commissioners, legalization of the Board of Directors Charter are signed by the Board of Directors after obtaining approval of the Board of Commissioners;
- 4) Legalization of the Internal Audit Charter is signed by all members of the Board of Directors after obtaining approval of the Board of Commissioners;
- 5) Legalization of the MP is based on decree of the Board of Directors that is signed by the President Director;
- 6) Legalization of the applicable SOP in the Head Office refers to ISO 9001:2008 guidelines and it could be the attachment of related management policy.

Legalization of the applicable SOP in units/business units is signed by Business Unit Head/Unit Head.

#### d. Person Responsible for the CGP Implementation

- 1) The related Units/Divisions are responsible for providing inputs/updates on the contents and implementation of the CGP that are relevant to their respective function and field. Coordination and responsibility for integration of the overall contents, update process its and dissemination is responsibility of the Corporate Secretary.
- 2) The CGP update is conducted regularly as the needs of the Company. The Corporate Secretary is responsible for collecting suggestions on and requests for changes, update of the existing written guidelines, and socialization of the updates to all Employees of the Company.
- 3) The SOP, WI that are elaborated as the CGP and MP operationalization are prepared by each Division/Unit/Business Unit refers to ISO 9001:2008 as stated on part 1.2.2 section c on updating and validity.
- 4) The Internal Audit function conducts compliance audit on the CGP implementation together with its elaboration.

### 1.2.3 Policy Preparation Approach

Preparation of the Company's policies and procedures is based on the three main pillars approach, namely the *Objective, Risk and Control* (CRC). That approach serves to:

- a. Translate the objective of the Shareholders by the Board of Directors and the Board of Commissioners in managing the organization through the CGP, MP and SOP;
- b. Making the risk management and control as an integral part of daily activities;
- c. Applying the Transparency, Accountability, Responsibility, Independency and Fairness behavior to all parts of the organization so as not to stop at the Board level.

The ORC approach is directed to encourage the management level function to be able to promote the governance that is based on *checks and balances* at every managerial level and function. Corporate Governance is a process in achieving the Company's objective "*agency transaction*" that is illustrated as Objective which is supported by two pillars, *Risk and Control*.

The Objective can only be achieved if the Company able to manage the risks and have control over the organization which covers the entire set of process in the Company to generate added value for the Company, both the Company's core process, and the enabler process and to control (compliance) the operation of the core process (value chain) in accordance with the business dynamics and the applicable regulations.

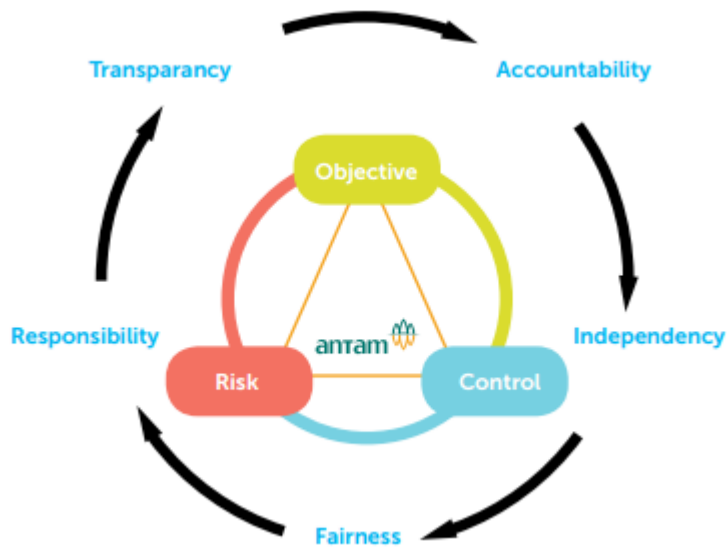


Figure 1.3

Policy Preparation Approach By Objective, Risk, and Control and the Good Corporate Governance Principles

The Policy preparation also pays attention to the strategic directions and other policies that have been set forth in the previous policies of the Board of Commissioners and the Board of Directors. The preparation process is conducted in stages, namely through Top Down and Bottom Up Approach.

The risk and opportunity is used as "two sides of a coin" to unify the governance, risk and control. Its aim is to ground the understanding of governance concept at all levels from the top management to the operator.





## **CHAPTER II GOOD CORPORATE GOVERNANCE MANUAL**

## 2.1 ANTAM GCG policy

ANTAM considers that the GCG implementation is a necessity. ANTAM believes the GCG implementation consistently and continuously will be able to improve prosperity of ANTAM, which in turn will optimize the Shareholder value in the long term without ignoring the interests of other Stakeholders.

Policy preparation certainly must be in line with the issuance of Law of the Republic of Indonesia No. 40 Year 2007 on Limited Liability Companies, Law of the Republic of Indonesia No. 19 year 2003 on the State Owned Enterprises, and Regulation of the State Minister for SOEs, No. PER-01/MBU/2011 on Application of the Good Corporate Governance (GCG) in State Owned Enterprises.

The aforesaid policies in managing the Company contain the Company management principles which, in their implementation, will be followed by various policies and technical regulations in accordance with the Company's needs. Existence of such policies is expected to be a reference for the entire lineup in the Company in conducting its business activities in accordance with the GCG principles.

Considering the dynamic and evolving business environment, these policies in managing the Company are always adapted to the existing internal and external conditions. Continuous analysis will always be conducted as an effort of achieving the best work standards to the Company.

## 2.2 Objective of ANTAM GCG

Application of the GCG in ANTAM is aimed to:

- a. Achieve the maximum growth and return so that improving the Company's prosperity, and to realize the shareholder value in the long term without ignoring the interests of other Stakeholders;
- b. Controlling and directing good relationship among the Shareholders, the Board of Commissioners, the Board of Directors, and all stakeholders of the Company;
- c. Supporting the internal control activities and the Company development;
- d. Managing the resources in more trustworthy manner;
- e. Improving responsibility to the Stakeholders;
- f. Improving the Company's work culture; and
- g. Making the company have added value, namely improving welfare of all ANTAM personnel together with improvement of benefits to the Company's Stakeholders.



## 2.3 Targets

- a. Realized reliable strategic management system, so that able to formulate the Vision, Mission, Objectives and Targets in line with the strategic plan of the Company both short term and long term;
- b. Availability of a good transparency and two-way communication with the regulators, capital market participants and other Stakeholders;
- c. Proper functioning of the supporting organs for internal control and development activities of the Company, such as the Audit Committee, the GCG-NR Committee, the Risk Management Committee, the Internal Audit, the Risk Management, the Corporate Secretary, the Corporate Strategic and so on;
- d. Enforced commitments and play rules of ethical business implementation practices;
- e. Availability of human resources that are reliable, superior, professional and free of conflicts of interest;
- f. Ascertained that all lines in the Company know and are able to perform the duties, obligations and responsibilities in accordance with the prevailing provisions and know its penalties and rewards; and
- g. Enforced concern to the surrounding community and to the environmental preservation.

## 2.4 Policy References

Preparation of this CGP Guideline refers to the following provisions:

- a. Laws, including:
  - 1) Law of the Republic of Indonesia No. 4 year 2009 on Mineral and Coal Mining;
  - 2) Law of the Republic of Indonesia No. 40 year 2007 on Limited Liability Companies;
  - 3) Law of the Republic of Indonesia No. 19 year 2003 on SOEs; and
  - 4) Law of the Republic of Indonesia No. 8 year 1995 on Capital Market.
- b. Regulations of the Minister of SOEs, such as:
  - 1) Regulation of the State Minister for SOEs No. PER-01/MBU/2011 on Application of Good Corporate Governance (GCG) in the SOEs and PER-09/MBU/2012 on Amendment to Regulation of the State Minister for SOEs No. PER-01/MBU/2011.

- 2) Regulation of the State Minister for SOEs No. PER-03/MBU/02/2015 on the procedures to appoint and dismiss the members of the Board of Directors of SOE and regulations of State Minister of SOE No. PER-02 /MBU/02/2015 on the procedures to appoint and dismiss the members of the Board of Commissioners of SOE and Board of Trustees of SOE.
- c. Regulations of the Financial Services Authority, such as:
- 1) Attachment to Decision of the Chairman of Bapepam and LK. Kep-643/BL/2012 dated December 7, 2012 on Establishment of and Work Implementation Guideline for the Audit Committee;
  - 2) Attachment to Decision of the Board of Indonesia Stock Exchange No. Kep-00100/BEI/10-2014 dated 20 October 2014 about regulation No. 1-A: The listing of a stock and effects in equity besides stock issued by the company recorded; regulation of Financial Services Authority Number 33/POJK.04/2014 about the Board of Directors and the Board of Commissioners.
- d. Articles of Association of Perusahaan Perseroan (Persero) PT Aneka Tambang Tbk, abbreviated as PT ANTAM (Persero) Tbk, as amended most recently by Deed of Statement No. 67 dated March 31, 2015 jo Deed of the Statement No. 9 dated December 8, 2015, both of drawn up by Notary Fathiah Helmi, S.H, Notary in South Jakarta, who changes as articulated in such deed has been informed to Ministry of Justice and Human Rights of the Republic of Indonesia, as the acceptance expressed in a letter from the Minister of Justice and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0927518 dated 27 April 2015 and a letter from the Minister of Justice and Human Rights of the Republic of Indonesia No. AHU-AH.01.03.0986321 dated 8 December 2015, and also has been approved by the Minister of Justice and Human Rights as stated in the Decision of Minister of Justice and Human Rights Number AHU-0934135. AH.01.02. year 2105 dated 27 April 2015.
- e. Indonesian GCG General Guideline, issued by the National Committee of Governance Policy (KNKG) 2006; and
- f. The ASX Corporate Governance Principles and Recommendation 3rd edition (as recommended by the ASX Corporate Governance Council).
- g. ASEAN Corporate Governance Scorecard by ASEAN Capital Market Forum.
- h. Guideline on GCG Implementation for Public Listed Company, issued by the Financial Services Authority.

## 2.5 Scope of the Policy

Scope of this policy is to provide directions to all lines of the Company in conducting the business activities of the Company.

Various things provided for in this policy include:

- a. Relationship between the Company and the Shareholders;
- b. Functions and roles of the Board of Commissioners;
- c. Functions and roles of the Board of Directors;
- d. Relationship between the Company and the Stakeholders, such as Employees, Suppliers and the Community; and
- e. The principles on important Policies of the Company such as Policies on Internal Control System, Risk Management, Corporate Strategic Management and others corporate policy principles.

## 2.6 Vision, Mission, Strategies, Values and Main Keys to Successful of the Company

### 2.6.1 Vision of ANTAM

To be a leading natural resources based global corporation through business diversification and integration.

### 2.6.2 Missions of ANTAM

- a. To provide high quality products with a view of achieving maximum added value through best industry practices and competitive operational performance.
- b. To optimize resources with emphasis on sustainability, occupational safety and environmental conservation.
- c. To maximize the shareholder and stakeholder value.
- d. To improve the employee's competency and welfare as well as the independency of the communities In the vicinity of the operational areas.

## 2.6.3 ANTAM Strategy

### a. Basic Capital

- 1) Improved competitive advantage of Insan ANTAM.
- 2) Innovation of technology and energy.
- 3) Domination of Natural Resources.

### b. Agility

- 1) Increasing the value-added of Nickel commodity.
- 2) Increasing the value-added of Bauxite commodity.
- 3) Increasing the value-added of Precious Metal commodity.
- 4) Mastery sustainability of value chain.
- 5) Increase the leverage of the community.

### c. Strength of Growth

- 1) The control of network marketing.
- 2) Increasing of financial leverage.

## 2.6.4 ANTAM Values

ANTAM has the behavior values and norms that must be adhered to and applied in day-to-day work execution by all lines in the Company. ANTAM basic values that are followed by the lines throughout the Company and realized in the daily business practices are **PIONEER** (Professionalism, Integrity, glObal mentality, harmoNy, ExcEllence and Reputation):

### a. Professionalism

- 1) Having high commitment in working and synergizing the best practices with business acumen and Corporate Culture to provide maximum contribution;
- 2) Striving hardly to achieve higher standards and be open to new ideas;
- 3) Dare to make decisions and take actions by taking into account its risks and benefits to the Company; and
- 4) Self-developing optimally and continually for improved performance and career development.

## **b. Integrity**

- 1) Complying with the Ethical Standards, GCG, and the statutory regulations;
- 2) Accentuating the honesty and the Company's best interests; and
- 3) Working transparently, accountably, and fairly.

## **c. Global mentality**

- 1) Building global mental (way of thinking, competence, self-confidence and how to act) in accordance with world class business acumen;
- 2) Keeping abreast of business development extensively at global level to conduct transformation in order to improve the Company performance; and
- 3) Developing ability to adapt to cultural differences and changes (both locally and internationally).

## **d. Harmony**

- 1) Respecting human rights, difference of opinion, values, norms, and principles adopted by others;
- 2) Building synergistic cooperation and relationship with all stakeholders both internal and external parties based on the win-win principle and the justice; and
- 3) Caring to all stakeholders, particularly employees, strategic partners, and the communities surrounding the operation area.

## **e. Excellence; and**

- 1) Instilling high commitment, winning mentality, strong confidence and positive attitude to do the best in order to achieve the best performance;
- 2) Building the highest standards and the most effective and efficient manners to achieve the best organizational performance/the best employee work performance;
- 3) Enforcing discipline to develop and implement the work plan effectively and consistently; and
- 4) Making continuous improvement to the occupational health, safety and the environment system and procedures by implementing the world class practices and the operational excellence principles.

## f. Reputation

- 1) Instilling pride as ANTAM person who has good individual reputation for the Company image improvement;
- 2) Building, improving, and maintaining the positive Company's image at national and global levels; and
- 3) Improving the Company's position in the national and global business arena.

### 2.6.5 Key to Success in Implementing the GCG

- a. Full commitment from the Board of Commissioners and the Board of Directors to implement the GCG;
- b. Understanding and application of the GCG principles in every line of management;
- c. Existence of an ongoing evaluation mechanism on the GCG implementation; and
- d. The Ethic Code is understood and implemented by ANTAM personnel.

## 2.7 GCG Principles

In applying the GCG principles as an operational basis for the Company, ANTAM refers to some guidelines for the GCG principles as follows:

### 2.7.1 Indonesian GCG General Guideline

ANTAM is committed to always applying the best corporate governance standards in accordance with the applicable standards in Indonesia. Therefore, ANTAM has adopted the GCG based on the Indonesian GCG General Guideline issued by The National Committee of Governance Policy (KNKG).

The principles and recommendations that become reference from ANTAM in accordance with the Indonesian GCG General Guideline are as follows:

#### a. GCG Principles

ANTAM ensures that the GCG principles are applied to every aspect of business processes and at all lines in the Company. These GCG principles include Transparency, Accountability, Responsibility, Independency and Fairness that are required to achieve sustainability of the Company by considering the Stakeholders.

As to these GCG principles can be described as follows:

## 1) Transparency

### Basic Principles

To maintain objectivity in doing business, ANTAM provides information that are material and relevant, easily accessible and understandable to the Stakeholders. ANTAM takes the initiative to reveal not only matters that are required by the statutory regulations, but also any important things for decision-making by the Shareholders, the Creditors and the Stakeholders.

### Implementation Main Guidelines

ANTAM provides information timely, adequately, clearly, accurately and comparably and easily accessible by the Stakeholder in accordance with their rights.

- a) Information that must be disclosed include, but not limited to, the Vision, Missions, business targets and the Company strategies, financial condition, composition and compensation of the management, controlling Shareholders, share ownership by members of the Board of Commissioners and members of the Board of Directors together with their family members in the Company and other Companies, the risk management system, the internal control and supervision systems, and GCG implementation as well as its compliance level, and significant events that may affect the Company's condition;
- b) The transparency principle that is adopted by the Company does not reduce the obligation to meet the Corporate confidentiality provisions in accordance with the statutory regulations, the secret of office, and the personal rights; and
- c) The Company's policy must be in writing and communicated proportionally to the Stakeholders.

## 2) Accountability

### Basic Principles

ANTAM is held responsible for its performance transparently and reliably. For that purpose, ANTAM attempts to manage the Company properly, measurably and in accordance with the best interests of the Company by still taking into account the interests of the Shareholders and other Stakeholders.

Accountability is a necessary prerequisite for achieving continual performance.

### Implementation Main Guidelines

- a) The Company establishes description of jobs and responsibilities of each organ of the Company, including GMS, the Board of Commissioners, and the Board of Directors, and all employees clearly and in line with the Vision, Missions, Corporate Values and Corporate strategies;

- b) The Company believes that all Corporate organs and all Employees have the ability in accordance with their duties, responsibilities, and roles in the GCG implementation;
- c) The company ensures existence of an effective internal control system in the Company management;
- d) The Company has performance measurement for all lines in the Company consistent with the Company's business targets, and has reward and punishment system; and
- e) In performing its duties and responsibilities, every Corporate organ and all Employees must uphold the business ethics and the code of conduct that have been agreed upon.

### 3) Responsibility

Basic Principle of ANTAM is to always strive to comply with the statutory regulations and to perform its responsibilities to the community and the environment so as to maintain business continuity in the long term and to be recognized as a good corporate citizen.

#### **Implementation Main Guidelines**

The Corporate Organs strive to uphold the prudence principle and ensure compliance with the statutory regulations, the Articles of Association of the Company and the by-laws; and

The Company perform the social responsibilities by means of, among other things, caring to the community and the environment preservation, particularly surrounding the Company by making adequate plans and implementation.

### 4) Independency

#### **Basic Principles**

To implement the GCG principles, ANTAM conducts the Corporate management independently so that each of the Corporate organs does not dominate each others and cannot be intervened by other parties.

#### **Implementation Main Guidelines**

- a) Each organ of the Company must prevent domination by any party, not influenced by certain interests, free from conflict of interest and from any



influences or pressures, so that decision making can be conducted objectively;  
and

- b) Each organ of the Company must perform its functions and tasks in accordance with the Articles of Association and the statutory regulations, not to dominate each others and or shift responsibility to each others.

## 5) Fairness

### Basic Principles

In conducting its activities, ANTAM always considers the interests of the Shareholders and the Stakeholders based on the fairness principle.

### Implementation Main Guidelines

- a) The Company gives the Stakeholders an opportunity to provide inputs and express opinion for the best interests of the Company and opens access to information in accordance with the transparency principle within their respective scope of position;
- b) The company provides equal and equitable treatment to the Stakeholders in accordance with the benefits and contributions they made to the Company;  
and
- c) The Company provides equal opportunities in Employee recruitment, career path and performing their duties professionally regardless of ethnic, religion, race, group, gender, and physical condition.

### b. Business Ethics and Code of Conduct

In order achieve a long term success, the GCG implementation needs to be underlined with high integrity. The Company needs to develop the Company's values that demonstrate the Company moral stance in conducting its business that is described further in a code of conduct.

### c. The Corporate Organs

The Corporate Organs consisting of GMS, the Board of Commissioners and the Board of Directors, have an important role in implementation of GCG effectively. The Corporate Organs must perform their functions in accordance with the applicable provisions on the principle that each organ has independency in performing their duties, functions and responsibilities solely for the best benefit of the Company.

## d. Rights and Responsibilities of the Shareholders

The Shareholders as the owners of capital have the rights and responsibilities on the Company in accordance with the Articles of Association of the Company and the statutory regulations.

## e. Rights and Responsibilities of the Stakeholders

The Stakeholders, including employees, business partners, and the community as users of products and services, are affected directly by the Company's strategic and operational decisions. Thus, between the Company and the Stakeholders, a relationship must be established in accordance with the fairness principle based on the provisions applicable to each of the parties.

### **Basic Principles**

The Stakeholders -other than the Shareholders- are those who have interests in the Company and those who are directly affected by the Company's strategic and operational decisions, that comprise of, among others, Employees, business partners, and the community particularly surrounding the Company's business place. Between the Company and the Stakeholders, a relationship must be established in accordance with the fairness principle based on the provisions applicable to each of the parties. To allow the relationship between the Company and the Stakeholders runs properly, the following principles need to be kept in mind:

- 1) The company shall guarantee non-discrimination by ethnicity, religion, race, group, gender, and physical condition and shall guarantee the creation of equitable and fair treatment in encouraging the Employee development in accordance with their respective potential, ability, experience and skills;
- 2) The Company and the business partners shall cooperate for the best interest of both parties on a mutual benefit principle basis; and
- 3) The company shall consider the public interests, particularly the community in the vicinity of the Company, and the users of the Company's products and services.

## **f. Statement of GCG Guideline Implementation**

The Company shall make a statement on compliance of GCG implementation with the GCG Guideline in the Annual Reports. In the event not all aspects of GCG guideline can be implemented, the Company must disclose any aspects not yet implemented and its reasons. Such a statement shall be accompanied by a report on structure and work mechanism of the Board of Commissioners and the Board of Directors and other material information relating to the GCG implementation.

## **g. Internalization of GCG Implementation**

GCG Internalization needs to be conducted systematically and continually. Therefore, a practical guideline is required that can be made a reference by the Company in implementing the GCG.

## **2.7.2 ASX Corporate Governance Principles and Recommendations**

Considering the ANTAM listed on the Australian Securities Exchange, the Company implements international standards in GCG implementation by adopting the eight (8) principles in the ASX Corporate Governance Principles and Recommendations as follows:

### **a. Laying strong foundation for supervision and management of the Company:**

- 1) The Company shall disclose the roles and responsibility of each Board of Commissioners and Board of Directors;
- 2) The Company shall a sufficient inspection before appoint a person, or lodge candidates to be elected to Shareholders, as Director; and provide sufficient information for the related Shareholders with the whole material;
- 3) The Company shall have a written agreement with each the Board of Directors and Senior Executive containing the terms of appointment relating to their position;
- 4) The Corporate Secretary shall be directly responsible to the Board of Commissioner/the Board of Directors related to the position she/he has;
- 5) The Company shall have a policy which includes the requirements and the relevant assessment of the Board of Commissioners/Board of Directors or Supporting Committees to the Board of Commissioners and disclose the report at the end of the period in measured and objective of the results of achievement for gender equality which was set.

- 6) The Company shall have and express the process of evaluation, and reveal whether evaluation relating to the Board of Commissioners/Board of Directors, Supporting Committee to the Board of Commissioners or of Directors of the Company has been undertaken in accordance with the provisions of the reports;
- 7) The Company should have and express performance evaluation of the senior executives of the Company, and the conformity of the process in the reports.

**b. Creating structure of the Board of Commissioners and the Board of Directors having added value:**

- 1) The Company shall establish a Nomination Committee which is led by Independent Commissioners and consist of minimum 3 (three) members and have the committee charter;
- 2) The Company shall have and disclose the skill of the Board of Commissioners and the Board of Directors and the Diversity that had been owned and/or to be accomplished;
- 3) The Company shall disclose the information related to the Independent Commissioners;
- 4) Majority of the Board of Commissioners must be independent;
- 5) The President Commissioner must be independent;
- 6) Position of the President Commissioner and the President Director shall not be occupied by the same person;
- 7) The Company shall have the induction program for the Board of Commissioners and the Board of Directors and to provide opportunity of to develop the knowledge.

**c. Encouraging ethical and responsible decision-making**

The Company shall develop a code of conduct and shall disclose the guideline or summary of the guideline and the application practices necessary to maintain confidence in the integrity of the Company's ethics and to pay attention to any legal obligations of the Company and reasonable expectations of the Stakeholders; as well as the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

## **d. Maintain integrity in the financial reporting**

- 1) The Board of Commissioners shall have an audit committees, with has at least 3 members, with the majority are independent, chaired by an Independent Commissioner who is not the chair of the Board of Commissioner, and has the charter of the committee;
- 2) The Board of Commissioners shall, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. In GMOS, the Company shall ensure that its external auditor attends its GMOS and is available to answer questions from security holders relevant to the audit.
- 3) The Company shall writes policy for complying with its continuous disclosure obligations under the Listing Rule and disclose that policy or a summary of it.

## **e. Respecting the rights of Shareholders**

- 1) The Company shall provide information about itself and its governance to investors via its website.
- 2) The Company shall design and implement an investor relations program to facilitate effective two-way communication with investors
- 3) The Company shall disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.
- 4) The Company shall give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

## **f. Knowing and controlling the risks**

- 1) The Board of Commissioners shall have a risk committees, with has at least 3 members, chaired by an Independent Commissioner and has the charter of the committee;
- 2) The Board of Commissioners/The Board of Directors/Supporting Committee of The Board of Commisisoners shall review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

disclosed, in relation to each reporting period, whether such a review has taken place.

- 3) The Company shall disclose if it has an internal audit function, and how the function is structured and what role it performs; or
- 4) The Company shall disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

#### **g. Paying remuneration in reasonable and responsible manners**

- 1) The Board of Commissioner shall have a Remuneration Committee which majority of whom are Independent Commissioners, chaired by an independent director;
- 2) The Company shall separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.
- 3) The Company which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.

### **2.7.3 GCG Implementation Based on the Ministry of SOEs**

#### **a. Indicators/Parameters of Assessment and Evaluation of the GCG Implementation**

Considering ANTAM as one of state-owned enterprises, the Company applies the standards in the GCG implementation based on 6 (six) testing aspects as follows:

##### **1) Commitment to Sustainable GCG Implementation, measured from the following:**

- a) The Company has a Good Corporate Governance Code (GCG Code) and CoC;
- b) The Company implements the GCG Code and the CoC;
- c) Company shall measure the GCG implementation;
- d) The Company shall coordinate the management and administration of the State Officials Wealth Report (LHKPN);
- e) The Company shall implement the gratuity control program in accordance with the statutory regulations; and
- f) The Company shall implement the policies on alleged irregularity reporting system in the related Company (whistleblowing system).

## 2) The GMS/the Capital Owner

- a) Conducting appointment and removal of the Board of Directors;
- b) Establishing the guidelines for appointment and dismissal of the Board of Commissioners/the Supervisory Board;
- c) Awarding necessary decisions to maintain the best interests of the Company's business in long term and short term in accordance with the statutory regulations and/or the articles of association;
- d) Giving approval on annual reports including legalization of the financial statements and the supervisory tasks of the Board of Commissioners/ the Supervisory Board in accordance with the Articles of Association of the Company and/or the statutory regulations;
- e) Making decision through an open and fair and accountable process; and
- f) Implementing the GCG in accordance with their authorities and responsibilities.

## 3) The Board of Commissioners

- a) Conducting training/learning programs on an ongoing basis;
- b) Dividing the duties, authorities and responsibilities clearly and establishing the factors required to support performance of duties of the Board of Commissioners/the Supervisory Board;
- c) Giving approval of the draft RJPP and RKAP that are submitted by the Board of Directors;
- d) Giving directions to the Board of Directors on implementation of the Company's plans and policies;
- e) Supervising and monitoring compliance of the Board of Directors in performing the prevailing statutory regulations and the agreements with third parties;
- f) Supervising the implementation of management policies of the subsidiaries/ joint ventures;
- g) Playing roles in the nomination of members of the Board of Directors, assessing the performance of the Board of Directors (individual and collegial) and proposing the performance bonuses/incentives in accordance with the prevailing provisions and considering the performance of the Board of Directors;

- h) Taking actions against the potential conflicts of interest pertaining to it;
- i) Monitoring and ensuring that the Good Corporate Governance practices are implemented effectively and continually;
- j) Convening effective meetings of the Board of Commissioners/the Supervisory Board and attending the Board of Commissioners/the Supervisory Board in accordance with the law provisions;
- k) Having a Secretary of the Board of Commissioners/the Supervisory Board to support the secretarial duties of the Board of Commissioners/the Supervisory Board; and
- l) Having a Supporting Committee for Board of Commissioners/the Supervisory Board that are effective.

#### **4) The Board of Directors**

- a) Implementing the training/learning programs on an ongoing basis;
- b) Dividing the duties/functions, authorities and responsibilities clearly;
- c) Developing the Company plans;
- d) Playing roles in fulfillment of the Company's performance targets;
- e) Conducting operational and financial control on the implementation of the Company plans and policies;
- f) Managing the Company in accordance with the Company's Articles of Association and the prevailing statutory regulations;
- g) Conducting liaison with added values to the Company and the Stakeholders;
- h) Monitoring and managing any potential conflicts of interest of members of the Board of Directors and the management below the Board of Directors;
- i) Ensuring that the Company implements disclosure of information and communication in accordance with the prevailing statutory regulations and the delivery of information to the Board of Commissioners/the Supervisory Board and the Shareholders on timely basis;
- j) Convening the meetings of the Board of Directors and attending the Meetings of the Board of Commissioners/the Supervisory Board in accordance with the law provisions;
- k) Conducting a quality and effective internal control;
- l) Conducting quality and effective functions of the Corporate Secretary; and
- m) Convening of Annual GMS and other GMS's in accordance with the statutory regulations.



## 5) Disclosure Information and Transparency

- a) The Company provides information of the Company to the Stakeholders;
- b) The Company provides the Stakeholders with access to the Company information that are relevant, adequate, and reliable on a timely periodic basis;
- c) The Company shall disclose important information in the Annual Report and the Financial Statements in accordance with the statutory regulations;
- d) The Company receives awards in the field of GCG and other fields;

## 6) Other Aspects

- a) The Corporate Governance Practices shall become example or benchmark for other companies throughout Indonesia; and
- b) The Corporate Governance Practices deviate from the GCG principles in accordance with the GCG Guideline in the State-Owned Enterprises, the Indonesian GCG General Guideline and practice standards and other provisions.

### 2.7.4 GCG Implementation Based on ASEAN Corporate Governance Scorecard

- 1) Rights of Shareholders.
  - a) Basic Rights of Shareholders.
  - b) Right to participate in decision making concerning fundamental Corporate changes.
  - c) Right to participate effectively and vote in General Meetings of Shareholder and to be informed of the rules, including voting procedures that govern general shareholder meetings.
  - d) Market for corporate control should be allowed to function in an efficient and transparent manner.
  - e) The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.
- 2) Equitable Treatment of Shareholders
  - a) Right Shares and Voting Rights.
  - b) Notice of GMOS/Circulars.

- c) Insider trading and abusive self-dealing should be prohibited.
- d) Related-party transactions (RPTs) by the Board of Commissioners and the Board of Directors.
- e) Protecting minority shareholders from abusive actions.

### 3) Role of Stakeholders

- a) The rights of stakeholders that are established by law or through mutual agreements are to be respected.
- b) The opportunity to obtain effective redress for violation of their rights according the laws.
- c) Mechanisms for employee participation should be permitted to develop.
- d) Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.

### 4) Disclosure and Transparency

- a) Transparent ownership structure
- b) Quality of Annual Report
- c) Disclosure of related-party transactions (RPT)
- d) The Board dealings in shares of the company
- e) External auditor and audit report
- f) Methods of communication of the Company
- g) Timely filing/release of annual/financial Reports
- h) Corporate website
- i) Investors Relations

### 5) Responsibilities of the Board

- a) Responsibilities of the Board
  - Clearly defined board responsibilities and corporate governance policy.
  - Corporate Vision/Mission
- b) Structure of the Board of Commissioners
  - Code of conduct

- Structure and Composition of the Board of Commissioners
  - Nomination Committee
  - Remuneration Committee
  - Audit Committee
- c) The Board of Commissioners Process
- Meeting and attendance of the Board of Commissioners
  - Access of information
  - Appointment and re-appointment of the Board of Commissioners
  - Remuneration
  - Internal Audit
  - Risk Monitoring
- d) The member of The Board of Commissioners
- President Commissioner
  - Skill and competency of The Board of Commissioners
- e) Performance of the Board of Commissioners
- Training and development of the Board of Commissioners
  - Appointment dan performance review for President Commissioners
  - Performance review for the Board of Commissioners
  - Performance review for the member of the Board of Commissioners
  - Performance review for the committee of the Board of Commissioners

## **2.7.5 GCG Implementation Based on Regulation of the Financial Services Authority regarding the Implementation of GCG in Public Company**

Corporate Governance Guidelines for Public Listed Company issued by the FSA to encourage the adoption of corporate governance practices in accordance with international practice and is expected to be one of the Good Corporate Governance framework in the capital market industry. This guidance consists of 5 (five) aspects, 8(eight) the principles of good corporate governance, as well as 25 (twenty-five) on the implementation aspects and principles of good governance, namely:

### **1) Relationship of Public Company with the Shareholder in Ensuring the Shareholders' Rights**

- a) Improving the value of General Meeting of Shareholders (GMOS).

- The Company has technical procedures for opened or closed voting that promote independency and Shareholders interest.
  - All members of the Directors and Board of Commissioners are present at Annual GMOS.
  - Summary of GMOS Minutes is available on the Company's website by no less than 1 (one) year.
- b) Improving Communication Quality of the Company with Shareholders or Investors Principle.
- The Company has a communication policy with Shareholders or Investors.
  - The Company discloses its communication policy with Shareholders or Investor in website.

## 2) Board of Commissioners' Function and Role

- a) Strengthening the Membership and Composition of Board of Commissioners.
- Determination of number of Board of Commissioners' member shall consider the condition of the Company.
  - Determination of Composition of Board of Commissioners' member considers the variety of expertise, knowledge, and experiences required.
- b) Improving the Quality of Job and Responsibility Performance of the Board of Commissioner.
- Board of Commissioners has self assessment policy to assess the performance of Board of Commissioners.
  - Self-assessment policy to assess the performance of Board of Commissioners is disclosed in Annual Report of Public Company.
  - The Board of Commissioners has a policy with respect to the resignation of the member of the Board of Commissioners if such member involved in financial Crime.
  - Board of Commissioners or Committee that conduct Nomination and Remuneration function arrange succession policy in Nomination process of Directors member.

## 3) Board of Commissioners' Function and Role

- a) Strengthening the Membership and Composition of the Board of Director.
- Determination of Number of Board of Directors' member considers the condition of Public company and the effectiveness of decision-making.
  - Determination of composition of Board of Directors' member considers the

variety of expertise, knowledge, and experience required.

- Member of Board of Directors who is liable for accounting or finance has accounting expertise and/or knowledge.
- b) Improving the Quality of Job and Responsibility Performance of Board of Directors.
- Board of Directors has self-assessment policy to assess performance of Directors.
  - Criteria Superior Performance Assessment for the State-Owned Enterprises.
  - Directors have a policy related to resignation of Board of Directors member if involved in financial crimes.

#### 4) Participation of Stakeholders'

Improving corporate governance aspect through participation of Stakeholders'.

- The Company has a policy to prevent insider trading.
- The Company has anti corruption and anti fraud policy.
- The Company has policies concerning selection and capability improvement of suppliers and vendors.
- The Company has a policy concerning the fulfillment of creditor's rights.
- The Company has a policy of whistleblowing system.
- The Company has long-term incentive policy for Directors and employees.

#### 5) Disclosure Information

Improving the Implementation of Information Disclosure Principle.

- The Company takes benefit from the application of a broader information technology other than website as information disclosure media.
- Annual Report of public company discloses beneficial owner in share ownership of public company of at least 5% (five percent), other than disclosure of beneficial owner in share ownership of public company through major and controlling shareholders.

## 2.8 Corporate Organs

The Corporate Organs consist of the GMS, the Board of Commissioners and the Board of Board of Directors, have significant roles in the implementation of the GCG effectively. The Corporate Organs should run each function based on the regulation and the principle that each organ has independency in implementing the tasks, function and responsibilities solely for the benefit of company.

## 2.8.1 RUPS

GMS is an organ of the Company that holds authority which not delegated to the BOC and BOD on the limits refers to the prevailing laws and regulation and/or Articles of Association. GMS is a locus for the Shareholders to make important decisions related to the capital invested in the Company, with due observance to the provisions of the Articles of Association and the statutory regulations. Any resolutions adopted at the GMS must be based on the business interests of the Company in the long run. The GMS and or the Shareholders are not allowed to intervene the duties, functions and authorities of the Board of Commissioners and the Board of Directors, without prejudice to the authority of the GMS to exercise its rights in accordance with the Articles of Association of the Company and the statutory regulations.

### Implementation Main Guidelines

- a) Decision-making in a GMS must be conducted fairly and transparently with due observance to things necessary to maintain the business interests of the Company in the long term, including but not limited to:
  - 1) The Board of Commissioners and the Board of Directors who are appointed at a GMS shall consist of persons who are fit and proper to the Company and has complied with the prevailing laws and regulations.
  - 2) In making decision on whether to accept or reject any reports of the Board of Commissioners and the Board of Directors, it is necessary to also consider the quality of report relating to the GCG;
  - 3) In determining the external auditor, must consider the opinions of the Audit Committee that are submitted to the Board of Commissioners, both regarding the tender process, the external auditor performance, the amount of fee, until its proposed recommendations;
  - 4) In the event the Articles of Association of the Company and or the statutory regulations require the GMS decision on matters relating to the Company's business, the decision made must consider the interests of the Stakeholders; and
  - 5) In making decision on grating of bonuses, tantiems and dividends, must pay attention to the financial health condition of the Company.
- b) GMS is held in accordance with the best interests of the Company and with due observance to the Company's Articles of Association and the statutory regulations, and with adequate preparation, so as to be able to make legitimate decisions, then:

1. The Shareholders are given with the opportunity to submit proposals on the GMS materials and schedule in accordance with the Article Association;
  2. Summons for GMS shall include information on the agenda, date, time and place of the GMS, the provisions of the shareholders are entitled to attend the GMS, the agenda of the meeting, including the explanation for each agenda as well as information stating that the material related to the agenda of the meeting are available to shareholders since GMS until the date of the GMS is held;
  3. Materials on each agenda as specified in the summons for GMS shall be made available at the Company's office since the GMS summon date until the date of the AGM, to allow the shareholders to actively participate in the GMS and in the voting responsibly.
  4. The Company shall writes the summary of the GMS with refers to the Articles of Association and the statutory regulations.
- c) Implementation of the GMS is responsibility of the Board of Directors. The Board of Directors shall prepare and convene GMS properly in accordance with the statutory regulations and the Articles of Association of the Company.

## **Rights and Responsibilities of Shareholders**

Shareholders as the capital owners, have the rights and responsibilities in the Company in accordance with the Articles of Association of the Company and the statutory regulations. In exercising their rights and responsibilities, the following principles need to be considered:

- 1) Shareholders must be aware that in exercising their rights and responsibilities shall also pay attention to viability of the Company; and
- 2) The Company guarantees the fulfillment of rights and responsibilities of the Shareholders on the basis of fairness principle in accordance with the Articles of Association of the Company and the statutory regulations.

## **Implementation Main Guidelines**

- a) Rights and Responsibilities of the Shareholders
  - 1) The Shareholders' rights are protected and implemented in accordance with the Articles of Association of the Company and the statutory regulations. The Rights of Shareholders essentially include:
    - Right to attend, express opinions, and vote in GMS on provision that one share gives its holder the right to cast one vote;
    - Right to receive information on the Company timely, correctly and

regularly, except for matters that are confidential in nature, so that enabling the Shareholders to make decision on their investment in the Company based on accurate information;

- Right to receive a share from the Company profits that are allocated to the Shareholders in the form of dividends and other profit sharing, in proportional to number of their shares;
  - Right to obtain full explanation and accurate information regarding procedures to be followed regarding convention of GMS to all of the Shareholders participating in decision-makings, including decision on matters that affect existence of the Company and the rights of Shareholders; and
  - In the event there are more than one type and classification of shares in the Company, then: (i) each Shareholder ha the right to vote in accordance with the type, classification and number of his/her shares; and (ii) each Shareholder has the right to be treated equally based on type and classification of their shares.
  - In the event to transfer, relinquish rights or as to put as collateral, all or most of the assets of the Company amounting to more than 50% (fifty percent) of the total net assets of the Company either in one transaction or several stand alone or interrelated transactions, the Board of Directors must obtain approval from the GMS.
- 2) The Shareholders realize their responsibilities as owners of capital with due observance to the statutory regulations and the Articles of Association of the Company. The Shareholders shall be able to: (i) segregate the Company's properties from their personal properties; and (ii) separate their functions as Shareholders from their functions as members of the Board of Commissioners or the Board of Directors in case the Shareholders are in office in one of the two organs; The Controlling Shareholders shall be able to: (i) pay attention to the interests of the minority Shareholders and the Stakeholders in accordance with the statutory regulations; and (ii) disclose to the law enforcement agencies on the actual controlling Shareholders (ultimate Shareholders) in case there is alleged violations of the statutory regulations, or in the event required by the relevant authorities;

In the event the Shareholder is a controlling Shareholder in several Companies, efforts shall be made to allow the accountability and inter-company relationship can be conducted transparently.



- b) Responsibilities of the Company' to the Rights and Obligations of the Shareholders
- The Company shall protect the rights of Shareholders in accordance with the Articles of Association of the Company and the statutory regulations;
  - The Company shall maintain a Shareholders Register in orderly manner in accordance with the Articles of Association of the Company and the statutory regulations;
  - The Company shall provide information on the Company timely, correctly and regularly to the Shareholders, except for the things that are confidential in nature;
  - The Company shall not be partial to certain Shareholders by providing information that are not disclosed to other Shareholders. Information must be given to all shareholders regardless the type and classification of their shares; and
  - The Company must be able to provide full explanation and accurate information regarding any convention of GMS.

## 2.8.2 The Board of Commissioners

The Board of Commissioners as the Company's organ has collective tasks and responsibilities to conduct supervision of and give advices to the Board of Directors and to ensure that the Company implements the GCG. However, the Board of Commissioners must not participate in making any operational decisions. Position of each member of the Board of Commissioners, including the President Commissioner are equal. Task of the President Commissioner is to coordinate the activities of members of the Board of Commissioners. To allow the duties of the Board of Commissioners can performed effectively, the following principles need to be fulfilled:

- a) Composition of the Board of Commissioners shall enable effective, appropriate and quick decision making, and able to act independently;
- b) The Board of Commissioners shall have integrity and shall be professional so that able to perform its functions properly, including ensuring that the Board of Directors pays attention to the interests of all Stakeholders; and
- c) The supervisory and advisory functions of the Board of Commissioners include preventive, corrective actions, until suspension.
- d) Other principles stated on the Article Association, the Board of Commissioners Charter and others prevailing laws and regulations.

## Implementation Main Guidelines

### a) **Composition, Appointment and Dismissal of the Board of Commissioners**

- 1) Composition and number of the Board of Commissioners shall be determined by a GMS and comply to the Article Association with due observance to the Vision, Missions and strategic plan of the Company, thus enabling effective, appropriate and quick decision making, and able to act independently;
- 2) The Company should have Independent Commissioner in accordance with regulations, include regulation in capital market;
- 3) The Board of Commissioners shall be appointed and dismissed by a GMS through a transparent process. Process of assessing candidates for the Board of Commissioners shall be conducted prior to the GMS through the GCG-NR Committee. Nomination list from the Board of Commissioners submitted to the Shareholder of Series A Dwiwarna for further processing without restricting other candidates of the before set in the GMS;
- 4) Dismissal of members of the Board of Commissioners before expiry of their term of office shall be conducted by a GMS and refers to the Article Association and after the relevant members of the Board of Commissioners have been given with opportunity to defend themselves.

### b) **Capability and integrity of the Board of Commissioners**

- 1) The Board of Commissioners must fulfill the requirements and integrity so that performance of the supervisory and advisory functions for the benefit of the Company can be performed properly;
- 2) The Board of Commissioners is prohibited to utilize the Company for their personal, familial, or business group and other party's interests;
- 3) The Board of Commissioners shall understand and comply with the Articles of Association of the Company and the statutory regulations pertaining to their duties; and
- 4) The Board of Commissioners shall understand and implement the CGP in accordance with their responsibilities and authorities.

### c) **Job Description**

In optimizing the duties as Board of Commissioners, the Board of Commissioners divide the tasks according to capability and expertise of each Member of the Board of Commissioners with due observance to the scope of the Company's business. This job description is regulated solely among members of the BOC and set out in the Charter of BOC.

## **d) Supervisory Function of the Board of Commissioners**

- 1) The Board of Commissioners must not participate in making any operational decisions. In the event the Board of Commissioners make decisions on matters as specified in the Articles of Association of the Company or the statutory regulations, such a decision making shall be conducted in its function as supervisor, thus the decision on operational activities shall remain the responsibility of the Board of Directors. Authorities vested in the Board of Commissioners shall be exercised in its function as supervisor and adviser;
- 2) In order to perform its functions, the Board of Commissioners have authority for the Corporate Information timely and accurate;
- 3) The Board of Commissioners shall have a work rule and guideline (Board of Commissioners Charter) so that their tasks can be performed on a well-directed and effective manner and can be used as one of tools for assessing performance of the Board of Commissioners.

## **e) The Company Code of Conduct**

- 1) Members of the Board of Commissioners shall, in performing their duties and responsibilities, be required to comply with the Code of Conduct and prohibited from taking personal advantages, both directly and indirectly, from the Company activities other than salaries and other benefits, including the retirement benefits they receive as Board of Commissioners in accordance with the prevailing statutory regulations; and
- 2) The President Commissioner is obliged to ensure compliance of all members of the Board of Commissioners with the Code of Conduct, including to settle any conflicts that arise.

## **f) Conflict of Interest**

- 1) Conflict of interest is a situation in which there are conflicts between the economic interests of the Company and the personal economic interests of Shareholders, members the Board of Commissioners and the Board of Directors, and Employees of the Company;
- 2) In performing its duties and obligations, the Board of Commissioners must always put higher priority on the Company's interests over the personal or families, as well as other party's interests;
- 3) Members of the Board of Commissioners are prohibited from abusing their position for their personal, familial and other party's interests or benefits;

- 4) The Board of Commissioners must disclose all conflicts of interest at hand as well as potential conflicts of interest or anything that can inhibit members of the Board of Commissioners to act independently;
- 5) In the event of discussion and decision-making that contains conflict of interest, the relevant parties are not allowed to participate in it; and
- 6) Each member of the Board of Commissioners who has decision-making authority is required on annual basis to make a statement of not having conflict of interest in any decisions that have been made by him/her and has implemented the Code of Conduct as established by the Company.

**g) Relationship between the Board of Commissioners and the Board of Commissioners**

- 1) Collective responsibilities of the Board of Commissioners and the Board of Directors in maintaining viability of the Company in the long run are reflected in:
  - Proper implementation of the internal control and risk management;
  - Achieved optimal return to the shareholders;
  - Protected interests of the Stakeholders fairly;
  - Achieved leadership succession reasonably for sustainability of management at all organizational lines.
- 2) Otherwise provided by the prevailing rules and regulations, the relationship Commissioners, Directors as set forth above may include but are not limited to the following:
  - The Company Long Term Framework (RJPP), the Work Plan and the Company Budget (RKAP), and its achievement strategies;
  - Together with the Board of Director review the Company's vision and mission
  - Policies in ensuring compliance with the statutory regulations and the Articles of Association of the Company and avoiding any kind of conflict of interest;
  - Policies and methods of assessment of the Company, business units in the Company and their personnel;
  - Organizational structure until one level below the Board of Directors that may support the achievement of the Vision, Mission and values of the Company.
  - Other principles stated on Board of Commissioners Charter, Board of Directors Charter, and/or the Article Association.

- 3) The Board of Commissioners and the Board of Directors shall jointly sign the Company documents, namely the RJPP, the RKAP, and the Company's Annual Report;
- 4) The Board of Commissioners shall have the right to obtain access to the Company information timely and completely;
- 5) Reports of Audit results or task performance results of the Internal Audit are submitted to the Board of Commissioners periodically;
- 6) If deemed necessary the Board of Commissioners may ask for information directly from the Corporate Secretary, Internal Audit Division (through Internal Audit Committee) and Risk Management Division or unit and others team if necessary, related to their task;
- 7) The Board of Commissioners may ask the Board of Directors or other officers on acknowledgement of the Board of Directors to attend meetings of the Board of Commissioners;
- 8) The Board of Commissioners may attend meetings of the Board of Directors and give opinion on things being discussed;
- 9) The Board of Commissioners may suspend the Board of Directors, if the Board members act contrary to the Articles of Association or there is indication of loss of the Company or neglect perform its obligations or there are compelling reasons for the Company by taking into account the provisions as contained in the Articles of Association ;
- 10) Minutes of Meeting of the Board of Commissioners and the Board of Directors must be made available when requested by members of the Board of Commissioners and the Board of Directors; and
- 11) If there are any things that require follow-up of supervision, the same will be implemented through a special task.

## **h) Supporting Committee for the Board of Commissioners**

The Board of Commissioners may establish Supporting Committee for the Board of Commissioners at Board of Commissioners level in order to assist with the tasks of the Board of Commissioners and to comply with the prevailing statutory regulations at the Company's expenses. Each Committee shall be chaired by a member of the Board of Commissioners;

Establishment of Supporting Committee of the BOC in ANTAM refers to the regulation of Minister of SOEs No. Per-12/MBU/2012, however with the provisions of the ASX Corporate Governance Principles and Recommendations, as well as the FSA Rules, then ANTAM have three (3) Supporting Committee of BOC, namely:

- The Audit Committee;
- The GCG-NR Committee;
- The Risk Management Committee.

Duties, authorities, membership and other matters related to the Supporting Committee for Board of Commissioners shall be governed in a separate Charter.

## **i) Performance Evaluation**

- 1) Performance evaluation of the Board of Commissioners in detail will be assigned refers to the Decree of the Board of Commissioners and will be evaluated periodically;
- 2) Performance evaluation of the Board of Commissioners conducted with self assessment and will comprise 60% of the Committee's performance at an equal weight and 40% of others' performance at varying weights;
- 3) Performance evaluation of the Board of Commissioners based on an indicator that has been set in the beginning of the year and will prepared by the GCG-NR committee in accordance with achievement score of the Company and feedback from the Committee then to be decided by the Board of Commissioners;
- 4) The GCG-NR committee responsible for preparing the data needed to evaluate and propose achievements based on data and input from each Supporting Committee of the Board of Commissioners and to propose to the Board of Commissioners convened at the Board of Commissioners;
- 5) Performance evaluation of the Board of Commissioners conducted every year and the result will be reported in GMS.
- 6) GMS shall set the indicators of performance achievement of the Board of Commissioners that is the indicator of the successfull of the duties and responsibilities the board of commissioners based on the proposal of the board of commissioners

## **j) Remuneration**

- 1) Members of the Board of Commissioners are awarded by salary / honoraria and facilities / benefits, including retirement compensation, the amount of which shall be determined by the GMS;

- 2) Remuneration for members of the Board of Commissioners shall be awarded on the basis of a formula set by the previous GMS through a review by the Board of Commissioners by deepening conducted by the GCG-NR Committee;
- 3) Board of Commissioners (through the GCG-NR Committee) proposes a formula for remuneration of members of the Board of Directors, the amount of which shall be further determined by a Board of Commissioners' meeting;
- 4) Members of the Board of Commissioners must report the amount of remuneration they receive (including stock options, if any) and the basis for calculating the remuneration in the Company's annual report.

## **k) Reporting**

On annual basis, the Board of Commissioners shall report the progress of the Company in a Company Annual Report and shall, jointly with the Board of Directors, sign and submit it to the GMS for approval and legalization.

## **l) Responsibility**

- 1) In performing its duties, the Board of Commissioners is responsible to the GMS;
- 2) In condition that the the Company shows any symptoms of significant decline, the Board of Commisssoners should report to the General Meeting of Shareholders s to provide suggestions for corrective measures to be taken;
- 3) Providing opinions and advice to the GMS regarding any issues that are considered critical to the Company's management;
- 4) To provide feedback on periodic reports of the Board of Directors and at any time as needed on the Company's development and to report the results of performance of their duties to shareholders of Series A Dwiwarna timely.
- 5) The Board of Commissioners within their supervisory function shall submit supervision accountability reports of the Company management by the Board of Directors. The supervision report of the Board of Commissioners shall constitute part of the annual report submitted to the GMS for approval;
- 6) The granting of approval to the annual report and approval to the financial statements means that GMS has provided acquittal and discharge (acquit de charge) from responsibilities to each member of the Board of Commissioners as far as things are reflected in the annual report, without prejudice to the responsibilities of each member of the Board of Commissioners in the event of any crime or fault or omission that causes damage to any third party that cannot be recovered by the Company's assets;

- 7) Accountability of the Board of Commissioners to the General Meeting of Shareholders is the embodiment of supervision accountability for the Company's management in the implementation of good corporate governance principles.

### 2.8.3 The Board of Directors

The Board of Directors is the Company's organ that is responsible fully for the management of the Company for the Company's interests and purposes and representing the Company both inside and outside the court in accordance with the provisions in the Articles of Association of the Company.

#### Basic Principles

The Board of Directors the Company's organ has collegial responsibility in managing the Company. Each member of the Board of Directors may conduct the tasks of making decisions in accordance with their division of work and responsibilities. However, the performance of duties by each member of the Board of Directors shall remain a joint responsibility. Position of each member of the Board of Directors including the President Director are equal. Task of the President Director is to coordinate the activities of the Board of Directors.

To allow the duties of the Board of Directors can performed effectively, the following principles need to be fulfilled:

- a) Composition of the Board of Directors shall be such as to enable effective, appropriate and quick decision making, and able to act independently;
- b) The Board of Directors shall have integrity, shall be professional and have experience in their fields;
- c) The Board of Directors is responsible for management of the Company in order to generate profits and growth as well as value added on an ongoing basis to the Shareholders and the Stakeholders; and
- d) The Board of Directors shall be held responsible for its managerial affairs at the GMS in accordance with the prevailing statutory regulations.

#### Implementation Main Guidelines

##### a) Composition, Appointment and Dismissal of the Board of Directors

- 1) Composition and number of the Board of Directors shall be determined by the GMS with due observance to the Vision, Missions and strategic plan of the Company, thus enabling effective, appropriate and quick decision making, and able to act independently;
- 2) The Board of Directors shall be elected and dismissed by the GMS through a transparent process. Process of assessing candidates for the Board of Directors shall be conducted prior to the GMS through the NRPSDM Committee; and



- 3) Dismissal of members of the Board of Directors before expiry of their term of office shall be conducted by a GMS based on reasonable grounds and after the concerned persons have been given with opportunity to defend themselves.

**b) Integrity, capability and experience of the Board of Directors**

- 1) The Board of Directors must fulfill the integrity requirement so that the Company management functions can be performed properly;
- 2) The Board of Directors is prohibited to utilize the Company for their personal, familial, or business group and other party's interests;
- 3) The Board of Directors must understand and comply with the Articles of Association and regulations pertaining to their duties;
- 4) The Board of Directors shall understand and be capable to perform the CGP in accordance with their responsibilities and authorities; and
- 5) The Board of Directors shall have adequate experience to perform the roles and functions under its scope of duty.

**c) Nomination of the Board of Directors**

- 1) The Board of Directors nomination process shall be conducted through the GCG-NR Committee. Results of the nomination conducted by the GCG-NR Committee shall be submitted to the Shareholders for selection, without limit the other candidates proposed before before stipulation at a GMS.
- 2) The Board of Directors members are selected and appointed by the GMS based on the nomination process according to the rules and regulations, including those in the field of Limited Liability Company and based on considerations of integrity, dedication, understanding of problems of management of the Company, adequate knowledge in the field of business of the Company and ability to provide enough time to perform duties;

**d) Functions of the Board of Directors**

The Company management function by the Board of Directors include, among other things:

- 1) Managerial affairs
  - The Board of Directors shall establish the Vision, Missions, and values as well as long-term and short-term programs of the Company for submission to and approval by the Board of Commissioners or the GMS in accordance with provisions in the Articles of Association of the Company;

- The Board of Directors must be able to control the Company's resources effectively and efficiently;
- The Board of Directors must pay attention to the reasonable interests of the Stakeholders; and
- The Board of Directors shall have a work rule and guideline (Board of Directors Charter) so that their tasks can be performed on a well-directed and effective manner and can be used as one of performance assessment tools.

## 2) Risk Management

- The Board of Directors shall establish and implement the Company's risk management system covering all aspects of the Company's activities;
- For every strategic decision making, including creation of new products or services, its risk exposures shall be taken into account carefully;
- To ensure proper implementation of risk management, the Company shall have a working unit or person in charge for the risk control.

## 3) Internal Control

- The Board of Directors shall establish and implement a reliable Company internal control system in order to maintain assets and performance of the Company and to comply with the statutory regulations;
- The Internal Audit shall test and review the Company's internal control system;
- The Internal Audit reports to the President Director;
- Structurally, the Internal Audit is responsible to the President Director and has a coordinative relation with the Audit Committee.

## 4) Communication

- The Board of Directors shall ensure the smooth communication between the Company and the Stakeholders by means of empowering the Corporate Secretary functions;
- The company shall have a Corporate Secretary whose function may also include Investor Relations;
- In the event the Company has no a separate Compliance Division, the function to ensure compliance with the statutory regulations shall be conducted by the Corporate Secretary; and
- The Corporate Secretary or the acting Corporate Secretary shall be responsible to the Board of Directors. Report of tasks implementation of the Corporate Secretary shall be submitted to the Board of Commissioners;

## 5) Social Responsibility

- In order to maintain continuity of the Company, the Board of Directors must be able to ensure the fulfillment of social responsibility of the Company; and
- The Board of Directors shall have a clear written plan and shall focus on performing the social responsibility of the Company.

## e) The Company Code of Conduct

- 1) Members of the Board of Directors shall, in performing their duties and responsibilities, be required to comply with the Code of Conducts and prohibited from taking personal advantages, both directly and indirectly, from the Company activities other than salaries and other benefits, including the retirement benefits they receive as Board of Directors in accordance with the prevailing statutory regulations; and
- 2) The President Director is obliged to ensure compliance of all members of the Board of Directors with the Code of Conduct, including to settle any conflicts that arise.

## f) Conflict of Interest

- 1) Conflict of interest is a situation in which there are conflicts between the economic interests of the Company and the personal economic interests of Shareholders, members the Board of Directors and the Board of Commissioners, and Employees of the Company;
- 2) In performing their duties and obligations, the Board of Directors and Employees of the Company must always put higher priority on the Company's interests over the personal or families, as well as other party's interests;
- 3) The Board of Directors and Employees of the Company are prohibited from abusing their position for their personal, familial and other party's interests or benefits;
- 4) A member of the Board of Directors must disclose all conflicts of interest being faced and potential conflict of interest or anything that can inhibit such member of the Board of Directors from acting independently;
- 5) In the event of discussion and decision-making that contains conflict of interest, the relevant parties are not allowed to participate in it; and

- 6) The Board of Directors and Employees of the Company who have decision-making authority are required on annual basis to make a statement of not having conflict of interest in any decisions that have been made by them and have implemented the Code of Conduct as established by the Company.

**g) Performance Evaluation**

- 1) The Board of Commissioners shall set the Key Performance Indicators of the Board of Directors;
- 2) The Board of Commissioners shall evaluate the achievement of the Board of Directors to be submitted to the GMS;
- 3) Assessment of the performance of the Board of Directors based on the general criteria set forth in the KPI (Key Performance Indicator):
  - Collective performance of the Board of Directors towards the achievement of the Company in accordance with the RJPP/RKAP and or other criteria set by the Board of Commissioners, after discussion with the Board of Directors;
  - Individual performance of Directors in achieving the Company's performance as listed in the RJPP/RKAP/Management Contract and or other criteria set out in board meetings after discussion with the Board of Directors;
  - Individual achievement of the Director's referring to the RJPP/RKAP or other criteria determined by the Board of Commissioners;
  - The implementation of the principles of GCG, both individually and collectively.

**h) Remuneration**

- 1) Remuneration of members of the Board of Directors is decided in the GMS by taking into account the advice of the Board of Commissioners;
- 2) Remuneration of members of the Board of Directors should be related to job performance evaluation of the Board of Commissioners based on the advice of the GCG-NR Committee;
- 3) The Board of Directors must report the remuneration they receive (including stock options if any) and the remuneration calculation basis in the Annual Report.

**i) Reporting**

Regularly, in accordance with the prevailing provisions, the Board of Directors shall make monthly, quarterly, semi-annual and annual reports to the Board of Commissioners, the capital market authorities, the relevant agencies or to the GMS.

## **j) Responsibility of the Board of Directors**

- 1) In performing its duties, the Board of Directors is responsible to the GMS;
- 2) In performing its duties, the Board of Directors is responsible fully for the Company's interests in achieving its purposes and objectives;
- 3) In performing its duties, the Board of Directors shall, in good faith and responsibly, perform its duties with due observance to the Company's Articles of Association and the prevailing statutory regulations, Stipulations of the GMS and Stipulations of the Board of Commissioners;
- 4) The Board of Directors must prepare accountability of management of the Company in the form of Annual Report that contains, among other things, financial statements, the Company activity report, and GCG implementation report;
- 5) The Annual Reports must obtain approval of the GMS, and specifically for the financial statements, must obtain legalization by the GMS;
- 6) Upon approval on to the annual report and legalization of the financial statements, means that the GMS has give a full release and discharge from responsibilities to each member of the Board of Directors to thee extent they are reflected in the Annual Report, without prejudice to responsibilities of each member of the Board of Directors in the event of any criminal offenses or faults or negligence that result in damages to a third parties which can not be covered by the Company's assets; and
- 7) Accountability of the Board of Directors to the GMS constitutes a manifestation of accountability of the Company management in the framework of implementation of the GCG principles.





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## **CHAPTER III COMPANY KEY POLICIES**

## 3.1 General Guideline

The entire process of preparation and implementation of policies that become reference in every preparation and implementation of all of the Company Key Policies must fulfill the GCG principles, namely:

- a. Transparency, in that anything that is being, will be conducted and that is resulted by the application of CGP is documented and reported transparently without compromising the confidentiality aspect thus every decision that is made relating to the Company is justifiable.
- b. Accountability, in that all Employees who have duties related to CGP implementation undertakes to take be held responsible for their actions and decisions according to the authority line as set by the Company;
- c. Responsibility, in that the whole process of CGP application must allow a clear division and separation of duties and authorities so as to control each others;
- d. Independency, in that all Employees involved in the CGP application process must be free of any all conflicts of interest and always put highest priority on the Company's' best interests;
- e. Fairness, in that the CGP application process must provide services that are able to meet the needs of the ANTAM Stakeholders on a fair basis.

## 3.2 Guideline for Preparation of the Company Code of Conduct (CoC)

### 3.2.1 CoC Philosophy

In conducting its business, ANTAM lays the Company Code of Conduct universally as a behavioral basis of ANTAM personnel in conducting the Missions to achieve the Company's Vision. ANTAM personnel is any person who uses ANTAM as his/her identity, such as the Board of Commissioners, the Board of Directors, the Employees, and to some extent, other related parties outside the Company, such as work partners (contractors, consultants and counterparts), subsidiaries, and affiliates under its control

The Business Ethics and the Code of Conduct shall not conflict with the general norms in the business world and the community.

With the approval of the Board of Commissioners, the Board of Directors is responsible for preparing a comprehensive CoC, as elaboration of the policies contained in the CGP ANTAM.



## 3.2.2 Purposes of the CoC Application

Purpose of the CoC application is to be practical guide and a code of conduct that must be adhered to by all ANTAM personnel in day-to-day interaction with all interested parties and shall be used as a basis of thinking in decision-making processes.

## 3.2.3 Risks of CoC Application

Risks that must be considered in applying the CoC are as follows, but not limited to:

- a. Worsening relationship or emergence of conflicts with the surrounding community, the Governments or the related Non-Governmental Organizations;
- b. Possible occurrence of matters that can be deemed as violation of human rights committed by ANTAM Partners;
- c. ANTAM internal unfair competition and fraudulent behaviors;
- d. Resulting in emergence of corruptions as well as all other forms of fraud.

## 3.2.4 CoC Application and Supervision Policy

- a. In order to ensure effective, efficient and sustainable CoC implementation, then the Company must ensure the existence of key success factors that include, but are not limited to, the commitment, competence, communication, consistency, control, and exemplary aspects.
- b. To minimize the risk of possible violations of the CoC, the Company shall apply a close supervision, effective control mechanism and shall conduct continuous socialization and training programs in order to increase knowledge and awareness of the Employees in the Ethic Standards.
- c. The Board of Directors shall ensure that the CoC has been understood and signed by all of ANTAM personnel.
- d. In the efforts of enforcement of the Company Code of Conduct, the Board of Commissioners and the Board of Directors shall ensure that all of ANTAM personnel and other related parties outside the Company comply with the Company CoC, including settlement of every conflict that arises.
- e. The Company is obliged to develop Corporate Ethics, Culture and Sociology that conform to the business culture and development.

## 3.2.5 CoC Coverage

The CoC covers the principles in the Business Ethics and the Work Ethics, namely as follows:

### a. Business Ethics

#### 1) Relationship with the Employees

ANTAM realizes that employees are the most important aspect in supporting the Company's success. Therefore, ANTAM provides equal opportunity for all employees to participate actively in achieving the Company's Vision and Missions.

#### 2) Relationship with Customer

ANTAM is committed to fulfilling all of the sales contracts that have been agreed upon in the effort of improving the customer satisfaction and fulfilling supply to the customers.

#### 3) Relationship with Supplier

ANTAM realizes the Company's relationship with the suppliers on the legal, efficient and fair business practice principles. ANTAM expects that each supplier always upholds the prevailing statutory regulations in dealing with ANTAM Personnel, among the suppliers and ANTAM as a Company.

#### 4) Relationship with Competitor

In conducting its business, ANTAM is committed to do with accountable procedures so that ANTAM is always committed to implement fair competition and deems the competitors as a driver for the Company to always provide the best to the customers and other related parties.

#### 5) Relationship with the Regulators.

ANTAM is committed to building relationship with all government official agencies and (regulators) based on the business ethic standards and the prevailing statutory regulations.

#### 6) Relationship with Surrounding Communities

In line with the Good Corporate Citizen Principles, the Company will not be able to grow and develop without involving the surrounding community to grow and develop together.

### 7) Relation with the Investors and Shareholders

ANTAM personnel are committed to always make best efforts to allow the Company enjoys continuous growth based on mutual beneficial business standards so that be able to give optimal contribution to the Investors and Shareholders.

### 8) Relationship with Creditors

In achieving its vision and mission, ANTAM seeks to continue to develop its business with supported by funding both from Investors and Creditors. In a relationship with a Creditors, ANTAM is committed to always apply behaviors based on the existing work ethic and the applicable laws and regulations.

### 9) Relationship with Subsidiaries/Joint Ventures

In developing the business, the Company may establish subsidiaries and cooperate to establish joint venture companies. Relationship with its subsidiaries and joint ventures shall be undertaken in order to build synergy and better image, and to be able to improve the Company's performance and able to give a value added to the Company.

### 10) Relation with the Media

ANTAM believes that by building and developing relation with the Media, the Company is able to reach the public in order to improve image, trust, and achievement of the Company's goals. Therefore, the Company strives to always provide accurate and accountable information to the public.

### 11) International Trade

As a Company that frequently conducts international trades, ANTAM always tries to respect all international laws and regulations related to the international trade, including the matters of licensing, shipping documentation, import documentation, reporting and document storage as required.

### 12) Relationship with the Community/Professional Organizations

ANTAM Personnel is committed to continuously develop themselves by enhancing their knowledge and insights that can best contribute to the Company through a media of community/professional organizations.

## b. Work Ethic

### 1) Compliance with the law

ANTAM realizes that the compliance with statutory regulations is a standard for the Company to conduct its business in reasonable ways so that all of the prevailing laws and regulations must be internalized and implemented in any business activity of the Company.

### 2) Conflicts of Interest

ANTAM realizes that every ANTAM Personnel has the right to participate in financial, business, social, cultural, political activities and other lawful activities outside of works by still paying attention to obligations to the Company. These activities must be legitimate and free from conflicts of interest with their responsibilities as ANTAM Personnel. ANTAM personnel must not misuse any resources or influence of ANTAM so that able to discredit the good standing and reputation of ANTAM.

### 3) Giving and Receiving

Receiving and giving gifts or assistances in the work, may lead to conflicts of interest and the declining public confidence in the integrity of the Company. Therefore, ANTAM establish a Code of Conduct that specifically regulates the receiving and giving of gifts from third parties outside the Company.

### 4) Equality and Respect to Human Rights

ANTAM believes that human rights are something universal. As an inseparable part of the community, ANTAM encourages the efforts to secure the fulfillment of human rights and consider any effect of the operation activity on the surrounding community. ANTAM is committed to ensuring that every operation activity of the Company does not violate the human rights principles.

### 5) Fair Employment Opportunity

ANTAM is committed to creating fair employment opportunities, including prohibition against all forms of discrimination and disorientation. ANTAM provides equal opportunity and fair treatment to all ANTAM Personnel.

### 6) Improper Payments

ANTAM Personnel are prohibited from offering and/or giving something of value to obtain an advantage or preferential treatment in selling goods or rendering services or conducting financial transactions to government officials or parties outside ANTAM. Improper Payments Policy provides for ANTAM Code of Conduct and practices regarding special payments, entertainments and political donations, both to government officials and to parties outside ANTAM. ANTAM does not tolerate any practices that do not comply with this policy. ANTAM will process

further any violations of this policy in accordance with the prevailing statutory regulations;

## 7) Confidentiality Data and Information

The Company's data and information confidentiality policy is developed to ensure the information security and make sure that any data and information that are required to be disclosed by ANTAM, have been delivered on a fair and equitable basis to the concerned parties without any preferential treatment to certain parties refers to the prevailing laws and regulations.

## 8) Supervision and Use of Assets

The ethic standard on supervision and use of assets is intended to ensure all physical, financial assets, intellectual property rights and other assets are used and protected optimally.

## 9) Mining Occupational Health, Safety and Environment.

ANTAM is committed to achieving high Mining Occupational Safety, Health and Environment Standards (K3LP). This is a collective responsibility of the top management and all of ANTAM personnel.

## 10) Intellectual Property Rights (IPR).

Intellectual property right (including patents, trade secrets, trademarks, copyrights, and other proprietary information of the Company) is one of the most valuable asset for any Company.

## 11) Ethical Conduct to Other Employees.

ANTAM is fully committed to creating a harmonious and comfortable working atmosphere in the Company through the efforts of forming disciplined and ethical character of ANTAM Personnel in daily interaction both among fellow employees and in superior and subordinate relationship through various forms of communication, both directly and indirectly.

## 3.3 Guideline for Preparation of Charter

### 3.3.1 Charter Philosophy

The Board of Commissioners, the Supporting Committee for Board of Commissioners, the Board of Directors and the Internal Audit play very important roles in achieving business objectives of the Company, thus, a Charter is required as a guideline for implementation of their duties, responsibilities and authorities to meet the interests of the Shareholders and Other Stakeholders consisting of: the Shareholders, the

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community, employees, the government, security personnel, the media, business partners and suppliers and consumers.

With existence of a Charter, the Board of Commissioners, the Board of Directors, the Supporting Committees of the Board of Commissioners, and the Internal Audit shall, in performing their duties, always act and behave based on the GCG principles, in accordance with the Company Code of Conduct, and shall always comply with the prevailing statutory regulations.

The Board of Commissioners, the Supporting Committee for Board of Commissioners, the Board of Directors, and the Internal Audit is responsible for preparation of Charter related to their scope of duties, as elaboration of the policies as contained in the CGP ANTAM.

### 3.3.2 Purposes of Charter

The Charter is prepared as a guideline to allow that the Board of Commissioners, the Supporting Committee for Board of Commissioners, the Board of Directors, and the Internal Audit perform their duties and responsibilities in efficient, effective, transparent, competent, independent, and accountable manners so that acceptable to all concerned parties and in accordance with the prevailing statutory regulations.

### 3.3.3 Charter Implementation and Supervision Policy

In implementation of the Charter, the Company shall ensure the implementation and supervision of the Charter to effectively, efficiently and continually. In order to minimize the possible risk of violation of the Charter, the Company shall apply a close supervision, effective control mechanism and shall conduct continuous socialization and training programs in order to increase knowledge of and awareness in the Charter. In efforts of enforcing compliance with the Charter, each of the parties shall be responsible for ensuring compliance with the Charter, including settlement of any conflicts that arise.

### 3.3.4 Charter Coverage

Generally, the Charter covers at least the following aspects:

- a. Structure and status: describes the structure and status of the organization existence;
- b. Duties and responsibilities: outlines the duties and responsibilities that have been

- agreed upon as a guideline for performance of their duties and responsibilities;
- c. Rights and authorities: basic explanations including reward and punishment on performance of duties and authorities that can be exercised;
- d. Ethic Code: includes norms of performance of duties;
- e. Membership requirements: contain competency, technical education requirements, quality and quantity of members;
- f. Employment relationship: mechanism of employment relationship with related parties;
- g. Responsibility: task implementation reporting; and
- h. Independency.

### 3.3.5 Stipulation of Charter

- a. The Board of Commissioners is responsible for stipulating the Board of Commissioners Charter and the Cahretr of Supporting Committee of the Board of Commissioners;
- b. The Board of Directors is responsible for stipulating the Board of Directors Charter;
- c. The Board of Commissioners and the Board of Directors are responsible for stipulating the Internal Audit Charter; and
- d. In the stipulation process of all Charters, a good coordination is required between the Board of Commissioners and the Board of Directors.

## 3.4 Corporate Management Policy Guideline

### 3.4.1 Corporate Strategic Management

#### a. Corporate Strategic Management Manual Philosophy

Corporate strategic management governance is responsibility of the Board of Commissioners and the Board of Directors and is one of the most important parts of overall Corporate governance. Preparation of all Corporate policies and decision-making related to the Corporate strategic management governance process, requires a policy guideline on Corporate strategic management. The Board of Directors is responsible for availability of a more detailed guideline on the Corporate strategic management policy preparation process that contains

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policies and SOPs of that process.

The Board of Commissioners and the Board of Directors have ultimate responsibility to ensure that ANTAM has a formal strategy. Further, the Board of Commissioners and the Board of Directors shall divide the roles of preparation of ANTAM strategic management in accordance with the statutory regulations, the Articles of Association of the Company and the Charters of the Board of Commissioners and the Board of Directors. Each party who plays role in the ANTAM strategic planning process including the RJPP must ensure that all data and information used in the strategic planning process are accurate and up to date.

## **b. Purpose of the Corporate Strategic Management**

The strategic management policy is purposed to:

- 1) Ensure that the Company has a definition of future strategic conditions that is proper and in accordance with aspirations of the Shareholders and expectations of the Stakeholders;
- 2) Ensure that the Company has a clear plan toward achieving these strategic conditions;
- 3) Evaluate the success of achieving the desired strategic conditions for better organizational learning; and
- 4) To be a policy base that will affect the entire managerial and operational aspects of ANTAM.

## **c. Risk in the Corporate Strategic Management**

Risks that that must be considered in achieving the purposes of the Corporate Strategic Management include, but not limited to, as follows:

- 1) The strategy is not supported by adequate resources allocation;
- 2) The strategy of the corporate level to the level of the unit and its subsidiaries are not effective;
- 3) The Company did not acquire a strategic partner for business development of ANTAM;
- 4) The delay in the transfer of the Mining Business License of ANTAM to Subsidiaries;
- 5) Ineffctive of the corporate performance system (CMS) management.



### d. Corporate Vision and Mission Establishment Policy

The Corporate Vision and Missions is translated from the definition of future strategic conditions within a certain period of time that the Company wants to achieve. The Board of Commissioners and the Board of Directors must reach consensus on the Corporate Vision and Mission by taking into account full potential of the Company, strategic challenges to encounter, business development, aspirations of the Shareholders and expectations of the Stakeholders. The Vision and Mission shall be formally stated and distributed to all organizations in the Company to be internalized and followed by each of ANTAM Personnel.

### e. Competitive Advantage Determination Policy

The Board of Commissioners and the Board of Directors shall identify and determine competitive advantages of the Company that will be used as one of basis for the Company when setting the strategies, determining the Company's values and preparing the Corporate strategic plan.

The Corporate competitive advantage that is determined must clearly inform the advantages owned by the Company over the competitors, that must be utilized to achieve the Company's Vision.

### f. Corporate Strategy Determination Policy

The Board of Commissioners and the Board of Directors are responsible for the setting of the Corporate strategies. The Strategies set by the Company must at least consider and contain the following elements:

- 1) Vision and Mission;
- 2) Competitive advantages of the Company;
- 3) Long-term organizational sustainability;
- 4) Aspirations of the Shareholders and expectations of other Stakeholders;
- 5) Strengths, weaknesses, opportunities and constraints;
- 6) Currency aspects or significant changes in political, macro and micro economic, social conditions, technological development, markets, products, customers, competitors, and regulatory environment that can significantly affect the Company;
- 7) Strategic risks which can hinder the strategic management and ultimately impede the achievement of ANTAM Vision;

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- 8) Which are integrated, including all functions, business processes, organizational units of ANTAM; and
- 9) Ability to execute the strategy itself.

## **g. Corporate Values Determination Policy**

To support achievement of the Corporate Vision and Mission that has been set, the Board of Commissioners and the Board of Directors of the Company shall develop the behavioral values of the Company's personnel being the result of reflection and thought and every idea, view on speech, behavior, attitudes and habits that exist and apply in every Company personnel. The Company's values must be complied with and applied in execution of daily work by all lines in the Company.

## **h. Strategic Planning Policy**

Strategic Plan contains strategic and concrete steps within a certain period of time, that are structured to achieve the Vision and Missions. The strategic planning process includes:

- 1) Strategic analysis;
- 2) Determination of the Company strategic position;
- 3) The Company strategy priority;
- 4) Strategic initiatives;
- 5) Financial projection; and
- 6) Risk analysis

The Board of Commissioners and the Board of Directors are responsible for the preparation and completion of the strategic plan on timely basis. The Board of Commissioners and the Board of Directors must also ensure the strategic plan is reduced to be annual work plans.

## **i. Strategic Management Implementation Policy**

The Board of Commissioners and the Board of Directors must ensure the availability of a system that manages the Corporate strategic management implementation in the form of Corporate performance management.

The performance management system that is set by the Company must:

- 1) Ensure that the organization is able to perform the best practices to achieve

superior performance in implementation of the strategic plan and achievement of the Company's vision;

- 2) Be elaborated to all organizations in the Company;
- 3) Be elaborated to the workforce;
- 4) Be linked with the reward and punishment mechanism; and
- 5) Include a reporting mechanism that promotes accountability so that every strategic management process can be monitored and evaluated at any time and on a periodic basis.

### **j. Communication Policy of Strategic Management**

The Board of Commissioners and the Board of Directors must ensure that the Corporate strategic management can be understood by all of ANTAM personnel from various functions, business processes and organizational units without compromising the confidentiality aspect.

### **k. Policy on Corporate Strategic Management Review**

The Board of Commissioners and the Board of Directors must ensure the review process of the strategic management process and implementation is conducted periodically or in the event of any significant changes in the strategic environment. The Board of Commissioners and the Board of Directors must also ensure that the strategic management review result are utilized for better organizational learning.

## **3.4.2 Corporate Organizational and Cultural Development**

### **a. Philosophy of Corporate Organizational and Cultural Development Manual**

Organizational Development refers to efforts of improving effectiveness and efficiency of the organization to achieve the strategic goals of ANTAM in both short term and long term, and constitutes is the basis for all of strategic decision-making in the Company related to the formation of organizational design and corporate culture.

### **b. Purpose of the Corporate Organizational and Cultural Development Process**

Purpose of the Corporate organizational and cultural development process is to form an organizational design and corporate culture that can support the

implementation of corporate strategies and the achievement of the Corporate Vision and Missions.

**c. Risks in the Corporate Organizational and Cultural Development**

Risks that that must be considered in achieving the purposes of the Corporate Organizational and Cultural Development include, but not limited to, as follows:

- 1) Ineffectiveness and inefficiency of the Corporate organizational structure;
- 2) Non-compliance of the organizational design with the Company business processes and strategies;
- 3) Division of work and responsibilities among positions within the organizational structure to implement the business process is unclear, unbalanced, not divided up completely, and overlapping;
- 4) Potential low commitment and engagement of the employees to the Company and their work due to the work climate and the corporate culture that is not conducive; and
- 5) Potential improper implementation of the Corporate culture internalization process to every ANTAM Personnel.

**d. Policy on Alignment of Organizational Development and Corporate Culture with the Vision, Missions, Objectives, and Strategies of ANTAM**

ANTAM organizational design and corporate culture must be determined based the Vision, Missions, Objectives, and Strategies of ANTAM (organization design follows organization's objectives/strategy principle) so that change in the organization and culture of ANTAM shall only be made if there is a change in the Vision, Missions, Objectives, and Strategies of ANTAM.

**e. Policy on Organizational Development Process**

The following factors must exist in every organizational design that is developed by ANTAM:

- 1) Command, namely that the reporting lines and work accountability (who reports to whom) must be clear. Any unclearness of command will result in lack of unity of purpose and direction;
- 2) Span of control, namely limit of number of immediate subordinates that may to led and controlled effectively by a superior;

- 3) Responsibility, namely a clear and formal obligation to perform a task or activity that aims to achieve a certain work result;
- 4) Authority, namely a right/influence that is given formally to a position to make decisions and use the resources;
- 5) Delegation, namely existence of a formal mechanism that governs how a task and/or authority is handed over to the subordinate, but the delegating superior remains responsible for the final result;
- 6) Accountability, namely how the implementation result of a responsibility and use of authority will be accounted for; and
- 7) Division of work, namely how the ANTAM Organizational Design is divided into smaller organizational units without compromising the effectiveness and efficiency of the organization.

### **f. Policy on Organizational Design and Corporate Culture Communication Process**

The Board of Directors and all of the organization unit leaders of ANTAM must ensure that the communication process in development of the Organizational Design and Corporate Culture is implemented effectively so that every ANTAM Personnel able to provide inputs, understand, and execute the Organizational Design and Corporate Culture that has been established.

### **g. Policy on Organizational Design in the Subsidiaries**

The Board of Directors as a majority Shareholder shall ensure the Organizational Design is effective and efficient in the Subsidiaries within the auspice of ANTAM.

### **h. Policy on Corporate Culture Development Process**

The Board of Directors must participate and support fully the Corporate Culture Development policy to deliver ANTAM personnel behavior that comply with the values developed in realizing the Vision, Missions, Objectives, and Strategies of ANTAM.

## **3.4.3 Corporate Secretary**

### **a. Philosophy of Corporate Secretary Process Manual**

Corporate Secretary Policy is the basis for establishment of all Corporate policies and decision-making relating to corporate secretary process including external

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relations and the Company's image. The Management is obliged to establish managerial policies and SOPs related to the corporate secretary process.

## **b. Purpose of the Corporate Secretary Process**

The Corporate Secretary Process is conducted to maintain the balance of rights and obligations among the Shareholders, the Board of Directors, the Board of Commissioners, and the Stakeholders, to foster the partnership and to build positive image in order to support the achievement of the Vision and Missions of ANTAM.

## **c. Risks in the Corporate Secretary Process**

Risks that that must be considered in achieving the purposes of the corporate secretary process include, but not limited to, as follows:

- 1) Decrease the reputation and image of the company for their practices that are not implement GCG, both at the company and its affiliates or due to decreased performance of the Company;
- 2) The decline in trust of stakeholders towards the company as a result of the ineffectiveness of effective communication with the media;
- 3) Potential inability of the Company to comply with the stock exchange regulations;
- 4) Potential non-uniformity of information of the Company condition to the Stakeholders;

## **d. Policy on Process to Ensure Compliance with the Statutory Regulations**

The corporate secretary process must ensure that the Shareholders, the Board of Commissioners, the Supporting Committee for Board of Commissioners, the Board of Directors and the Stakeholders have had information on internal regulation products (results of GMS, the Articles of Association, CGP and so on) and external regulation products that are relevant to ANTAM and ensure their compliance with these regulations.

## **e. Policy on Communication Process with the Shareholders, the Board of Commissioners, the Supporting Committees for the Board of Commissioners and the Board of Directors**

The corporate secretary process must be able to facilitate and manage the communication protocol among the Shareholders, the Board of Commissioners, the Supporting Committee for Board of Commissioners, the Board of Directors and

the Stakeholders openly and effectively so that their rights and obligations on the information can be fulfilled.

### **f. Policy on Meeting Convention Process**

The corporate secretary process must ensure that:

- 1) Meeting is attended only by those authorized to attend the meeting according to the internal and external regulations of ANTAM;
- 2) All meeting attendees have had adequate information on the meeting agenda; and
- 3) The Meeting is documented and ratified adequately so that every resolution adopted in the meeting is accountable and can be accounted for by each of the meeting attendees.

### **g. Policy on Information Delivery Process to the Board of Commissioners, the Supporting Committees for the Board of Commissioners and the Board of Directors**

The corporate secretary process is obliged to submit information that needs attention of the Board of Commissioners and the Board of Directors particularly related to information on legal and governance aspects. The corporate secretary process must ensure that the Board of Commissioners, Supporting Committees for the Board of Commissioners and the Board of Directors have information that need attention and have adequate information before a decision is made.

### **h. Policy on Induction Process of Members of the Board of Commissioners, Members of the Supporting Committee for Board of Commissioners and members of the Board of Directors**

The corporate secretary process must coordinate the entire induction process (orientation program) for new members of the Board of Commissioners, new members of the Supporting for the Board of Commissioners Committee and new members of the Board of Directors so that they can obtain adequate information on:

- 1) Duties and responsibilities as members of the Board of Commissioners, members of the Supporting Committee for Board of Commissioners and members of the Board of Directors;
- 2) Policies and procedures that govern performance of duties by members of the Board of Commissioners, members of the Supporting Committee for Board of Commissioners and members of the Board of Directors;

# Company Key Policies

- 3) Business and organizational structure of ANTAM along with its core staffs;
- 4) implementation of the GCG principles by ANTAM;
- 5) Overview of ANTAM related to purposes, characteristics, and scope of activity, financial and operational performance, strategies, short-term and long-term business plans, competitive position, other strategic risks and issues;
- 6) Information relating to the delegated authorities, internal and external audit, internal control system and policy, including the Audit Committee; and
- 7) Other information that can assist smooth implementation of duties and responsibilities of members of the Board of Commissioners, members of the Supporting Committee for Board of Commissioners and members of the Board of Directors;

**i. Policy on Coordination Process of Material Transactions and/or Afiliation**

The corporate secretary process must ensure that every material transaction and/or Afiliation can be informed to other Shareholders to allow the equitable treatment principle is met.

**j. Policy on Relation with Stakeholders**

ANTAM must promote a good relation with the relevant Stakeholders in supporting the achievement of the Company goals. Fostering of relation with Stakeholders must be conducted carefully in order to always reflect the credibility and professionalism of ANTAM through good cooperation.

**k. Policy on Communication with the Stakeholders**

Any form of communication that is submitted to the public concerning corporation, products, and or services produced by ANTAM, through both print media and electronic media, must be accurate, clear, considering the materiality aspect and the Company's reputation and conducted carefully. The Company must have well-directed and coordinated communication strategies, in order to primarily maintain the Company's positive reputation and well-directed market expectations. The Company shall have a formal system to evaluate and determine information that may fall into category of material information.

Some of the established policies related to this communication with the Stakeholders include:



### 1) Policy on Communication Process with the Capital Market

The corporate secretary process must ensure that the communication process of ANTAM with the Capital Market Authority, and other agencies related to ANTAM's line of business and ANTAM's status as a publicly listed company (Tbk) is only conducted through one gate (one gate policy).

### 2) Policy on Communication Process with the Investors and the Shareholders

The corporate secretary process must ensure that any information provided to investors and the Shareholders are a forecast or projection which may cause the investors or the Shareholders have the wrong interpretation and expectation regarding the ANTAM condition in future.

### 3) Policy of Communication Process with the Public, the Media and the Government

The corporate secretary process must ensure the existence of a public, media and government communication strategies and coordinate public exposure to disseminate information of the Company.

The corporate secretary process must ensure that any important questions, criticisms, and suggestions from the community regarding corporations, that are delivered through both print and electronic media or verbal messages, can be addressed immediately.

#### **l. Policy on Policy Issuance Coordination Process (Policy Coordination)**

The Corporate Secretary in cooperation with the Legal & Compliance function and the Risk Management checks all of the management policies to maintain consistency of policies issued by the Company, and coordinate with relevant parties before the policy is approved/authorized by the Board of Directors.

The Corporate Secretary is responsible for the registration of all policies at the management level that are issued.

#### **m. Policy on Disclosure of Conflicts of Interest to the Shareholders, the Board of Commissioners, the Supporting Committees for the Board of Commissioners and the Board of Directors**

The corporate secretary process must provide information to the Shareholders, the Board of Commissioners, the Supporting Committees for the Board of Commissioners and the Board of Directors on potential conflicts of interest that will be encountered or if there has been conflicts of interest in the Shareholders,

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the Board of Commissioners, the Supporting Committees for the Board of Commissioners and the Board of Directors.

**n. Policy on Administration Process of Archives, Documents, Shares and Securities**

The corporate secretary process must ensure that all of the corporate files and documents have been registered and all copies of the files and documents have been controlled (controlled copy). The corporate secretary process must ensure that all shares and other securities that are traded in the capital market have been administered properly.

**o. Policy on Communication Process of Corporate Actions**

The corporate secretary process must ensure the provision of honest and correct explanations and information if there are any issues on ANTAM, significant share price fluctuations, other material things, and management crisis; particularly to the investors, Shareholders, Capital Market Authority, and to the mass media, and the stock exchanges.

**p. ANTAM Identity Policy**

ANTAM identity is manifested in the form of ANTAM's name and logo in which the use of such an identity must be regulated in accordance with the prevailing provisions in order to always achieve the harmony between their purposed use, legality and protection so that a positive corporate reputation is established.

**q. Policy on Communication Process of ANTAM Identity**

The corporate secretary process must ensure that the ANTAM identity (name, logo and other attributes) are used and communicated only for authorized purposes of the Company.

**r. Policy on Donation Process**

The Board of Commissioners and the Board of Directors and all employees of ANTAM are obliged to separate definitively between contributions for personal commitment, and contributions on behalf of ANTAM.

ANTAM contributions to other parties may only be in the form of donations for charity or social purposes in accordance with the prevailing statutory regulations.

## 3.4.4 Internal Audit and Control

### a. Internal Audit and Control Manual Philosophy

The Internal Audit and Control Policy is aimed at as early as possible preventing irregularities and conducting corrective actions necessary in order to ensure that all of the management processes and functions can be controlled in accordance with the Corporate goals. All of ANTAM personnel must view the audit and control process as a part of joint effort to achieve the corporate goals.

The Board of Directors has the obligation to ensure that the internal audit have a more detailed internal audit policy that includes the Audit Guideline and SOP.

### b. Purposes of the Internal Audit and Control Process

Purpose of the internal audit and control process is to provide assurance and independent and objective consultation, with the aim to increase the values and improve the operations of the Company, through systematic approaches, by means of reviewing and improving the effectiveness of risk management, internal control and Corporate governance process.

### c. Risks in the Process Control and Internal Control

Risks that that must be considered in achieving the purposes of the supervision and control process include, but not limited to, as follows:

- 1) Ineffectiveness of the Corporate internal control;
- 2) Scope of audit can not yet cover the entire main activities of the Company; and
- 3) Inaccurate review resulted by the Internal Audit to support the management's statements and assertions.

### d. Internal Audit Policy Strategy Harmonization Policy

The internal audit process must ensure the availability of long term and short term internal audit strategies that are harmonious with the corporate goals and strategies of ANTAM. In preparation of such strategies, it must be ensured that all inputs from the concerned parties (the Board of Commissioners, the Board of Directors, the Audit Committee, the Public Accountants, the heads of organizational units and others) with the internal audit process has been considered. The Internal

audit strategy must also include performance measurements that will be used to evaluate the internal audit process.

## **e. Risk Assessment Process Policy**

The Internal Audit must conduct a risk assessment of all business processes in ANTAM by considering the objectives of each of the business processes and the key risks in each of the business processes. In conducting the risk assessment, the internal audit must coordinate their activities with the risk management process in order to obtain inputs on the risk assessment that is generated by the risk management process.

## **f. Internal Audit Planning Policy**

Internal audit process within a period (usually one year) must be guided by an annual inspection plan of internal audit that is approved by the President Director. Such an inspection plan must be prepared based on a risk profile that has been generated by the risk assessment process. Each business process that is deemed having significant risks to the achievement of corporate goals of ANTAM, must receive a high priority in the inspection plan set-forth above. The inspection plan must be reviewed periodically and revised if there is any fundamental change in the risk profile of ANTAM.

## **g. Internal Audit Implementation Policy**

Implementation of internal audit must be able to identify the presence or absence (effectiveness or ineffectiveness) of internal control that is owned by an audited business process in mitigating the risks that put the achievement of corporate objectives of ANTAM in danger.

The internal audit process must also ensure the availability of acceptable and practicable recommendations by the process owner to improve the effectiveness of internal control and to provide added value to efficiency of ANTAM. All lines of management of the organizational units are responsible for implementing adequate follow-up on recommendations of audit results that have been jointly agreed upon. The follow-up implementation should be made one of factors in assessing performance of the organizational units.

## **h. Policy on Internal Audit Results Communication and Special Assignment**

Internal audit process must ensure the existence of an effective communication with the Board of Directors (through the President Director) and the Board of Commissioners (through the Audit Committee) and the process owners in the entire internal audit process (preparation of strategy, risk assessment, audit planning, and audit implementation) without compromising the confidentiality principle.

## **3.4.5 Risk Management**

### **a. Philosophy of Risk Management Manual**

Corporate risk governance. The Company is committed to managing all risks effectively and efficiently and ensuring the sustainability and growth of sustainable core business by means of risk management proactively.

This risk governance policy is the basis for preparation of all Corporate policies and provide inputs to the management in the Corporate decision making related to the risk management of ANTAM. The Board of Directors is responsible for ensuring that the risk management implementation in the Company is effective and become a part of the Company's operation, as well as ensuring that all of the Company's risks are at an acceptable tolerance level in line with the Corporate strategies.

### **b. Purposes of the Risk Management**

Purposes of the risk management are:

- 1) Availability of basic guidance for the Company in the Corporate risk management; and
- 2) Coordinated processes and activities of risk management that are integrated and synchronized within the auspice of the Company, so that the risk management process can be implemented properly on all lines in the Company.

### **c. Risks in the Risk Management Process**

Risks must be considered in achieving the objectives of Risk Management Process but not limited to:

- a. The Vision and Missions of ANTAM may be impeded as a result of inability of the Company to identify and manage appropriately the Corporate significant risks and the risk criteria set are unable to accommodate all the

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existing initiatives. Improper risk management results in the Company unable to mitigate risks which may occur at any time and affect significantly on the Company's business.

- b. Potency on ineffectiveness of management decision because of limitations data both primary and secondary material for analysis / evaluation of risks;
- c. Potency of unidentified any significant risk to the RCSA (Operations and Projects).

## **d. Policy on Risk Management Context Determination**

The Board of Commissioners and the Board of Directors must establish a risk management system in ANTAM which includes:

- 1) Strategic context, namely that the risk management process must consider the environment or the parties that may affect the implementation of the risk management process itself;
- 2) Organizational context, namely that the risk management process must consider the organizational capabilities, and linked to the goals and strategies of ANTAM on a corporate basis;
- 3) Risk management context, namely that the risk management process itself must have the purposes, strategy, scope, and balance between benefits and costs in its application;
- 4) Risk criteria, namely that the Board of Commissioners and the Board of Directors must set criteria to be used to evaluate the risks; and
- 5) Risk management structure, namely existence of a clear systematic to ensure that significant risks for ANTAM are not overlooked.

## **e. Risk Identification Policy**

All the risks faced by ANTAM, both those that have and have not been controlled, must be identified using a structured systematic.

## **f. Risk Analysis Policy**

Distinction between the minor and major risks must be made so that the risks can be evaluated properly. This distinction must also consider the source of risk, the risk probability/likelihood, and impacts (consequences) that may be incurred due to such risks.

## **g. Risk Evaluation Policy**

Comparison must be made between the risk analysis results and the predetermined criteria so that ANTAM is able to prioritize which risks must be dealt with first.

## **h. Risk Mitigation Policy**

It must be made ensured that ANTAM has an option that can be made to mitigate any risks and ensured that such a choice made is applied so that lowering the risk level.

## **i. Policy on Monitoring and Review of Risks**

ANTAM must have a risk monitoring process to ensure that the risk mitigation remains effective and relevant to the changing situations. The Board of Commissioners and the Board of Directors must ensure that the review of the overall corporate risks is as a part of the risk management cycle of ANTAM.

## **j. Policy on Communication and Consultation in Risk Management**

The Board of Commissioners and the Board of Directors must ensure that there is effective communication and consultation among all of the concerned parties in the risks management, both internal and external parties. The communication must be conducted for every stage of risk management.

### **3.4.6 Legal**

#### **a. Philosophy of Legal Process Manual**

This legal process policy is the basis for preparation of all Corporate policies and decision-making related to law. The Board of Directors has the obligation to prepare and continuously improve a more detailed legal policy (Corporate Legal Manual Policy) as well as the SOP related to the legal process in accordance with the mechanism applicable in the Company.

#### **b. Purposes of the Legal Process**

The Corporate Legal Process is conducted to ensure that the operations of the Company are legally protected (include contractually), compliance of Corporate business and legality of Corporate assets with the statutory regulations and the prevailing provisions to ensure existence and business continuity of the Company in achieving the Vision and Missions it sets.

## c. Risks in the Legal Process

Risks that must be considered in achieving the purposes of the Legal Process include, but not limited to, as follows:

- 1) Weak management of legal function, thereby results in claims/lawsuits from other parties associated with contracts/agreements between ANTAM and these parties;
- 2) Delayed response to or review on the contracts or legal documents or others legal document; and
- 3) Lack of socialization of the prevailing law provisions and statutory regulations, thus resulting in a low legal compliance in the operation process.
- 4) The existence of claims / lawsuits from third parties and summoning of law enforcement officials (for the case of non-contractual)
- 5) Inhibition of ANTAM operational activities due to the advent of new regulations or policies of the Government.

## d. Corporate Legal Strategy Harmonization Manual Policy

The Corporate legal processes must be ensured for its alignment with the Company's corporate strategy implementation for achievement of the Corporate Vision and Mission. The Company's legal process capability in supporting implementation of the Corporate strategies must ensure that all legal risks are under control of the Board of Directors.

## e. Policy on Compliance Process with the Prevailing Statutory Regulations and Provisions

The Corporate legal process must provide for existence of socialization and assessment of the prevailing statutory regulations and provisions, as well as providing legal advices to the Board of Commissioners, the Board of Directors and the Employees of the Company in the framework of compliance with the prevailing statutory regulations and provisions and providing recommendations on legal actions that are necessary in implementation of their respective duties. Formal opinions that are issued by the Company on legal matters can only be given after receiving recommendation from the organization unit in charge for legal affairs.



## **f. Corporate and Commercial Law Process Policy**

The corporate and commercial law process must ensure that all legal implications of any corporate transactions or actions and contracts made by the Company with other parties have been taken into account in the legal risk tolerance and ensure that the Board of Commissioners and the Board of Directors have known and been conscious of the legal implications in accordance with their respective authorities as set out in the Articles of Association and the prevailing statutory regulations and provisions. In addition, the Corporate legal process must also ensure that all corporate licenses of the Company are still valid.

## **g. Dispute Settlement Process Policy**

Corporate legal process must ensure that the Company has the appropriate strategy in and be able to minimize the occurrence or development of disputes as well as to settle the disputes, both in and out of court. In addition, the Corporate legal process must ensure that any development of dispute settlement process is continually monitored and reported to the Board of Directors. This is conducted in the form of, among other things, good coaching and coordination in the event any of the Company personnel is required to meet summons of a court or other competent authorities in proceeding that relates to the Company.

## **h. Asset Protection Process Policy**

Corporate legal process must ensure that the Company's assets, particularly fixed assets and Intellectual Property Rights that are controlled and/or owned by the Company, have strong legal basis in accordance with the prevailing statutory regulations and provisions so that avoided from disturbance of other parties. This can be conducted in the form of execution by the Legal & Compliance Division or in the form of coaching or giving advices to other Divisions within the Company that are responsible for protection of these assets.

### **3.4.7 Development**

#### **a. Business Development Manual Philosophy**

This development policy is as a basis for preparation of all Corporate policies and decision-making relating to exploration, management of resources and reserves, technology development, as well as business development and management in accordance with the Corporate strategic planning. The Board of Directors has

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the obligation to draw up a more detailed development manual that includes MP and SOP.

## **b. Purposes of the Development Process**

Purpose of the development process is to maintain, adjust and improve the growth and competitiveness of ANTAM in accordance with the Company Vision and Missions in anticipating the changes of business/industrial environment and change in the prevailing statutory regulations.

## **c. Risks in the Development Process**

Risks that must be considered in achieving the purposes of the Development Process include, but not limited to, as follows:

- 1) Failure in discovering economic reserves;
- 2) Failure in opening new mines;
- 3) Failure to identifying the risks of changes in competitive environment;
- 4) Failure in conducting development project feasibility study;
- 5) Failure in preparing and establishing a project plan that already covers the entire scope of project work and becoming commitment of all related parties to the project;
- 6) Failure to obtain project financing;
- 7) Failure to meet the Development project completion schedule;
- 8) Failure to control subsidiaries and affiliates;
- 9) Failure in decision making related to the strategic issue in subsidiaries;
- 10) Failure in establishing new technologies for the Company sustainability.
- 11) Not optimal use of capital injection by the Subsidiaries;
- 12) Incompatibility of the project management related to project implementation procedures in Company.

## **d. Exploration Process Policy**

Exploration process can be conducted as long as not contrary to the prevailing laws, and considering the community conditions, and other information on comprehensively and well-documented basis to reduce the risks for the Company.

The Board of Directors must decide whether the exploration stage is to be

continued to the development stage or not. This decision must be in writing and documented with due observance to the prescribed risk tolerance level.

### **e. Policy on Resources, Reserves and Related Permission Management Process**

Resources and Reserves Management Process must ensure the quality and quantity of economic value so that able to be developed into a new mining project on a safe, effective, efficient, and environmentally oriented basis. Resources And Reserves has to be classified according to certain quality in the mining process should be separated according to those interval quality and should be saved as stock in accordance with determined interval quality. Ore storage management operated on best practices so that do not decrease the quality. Determination the quality of Resources & Reserves are determined by the Board of Directors. The licensing Management Process must ensure that the permits have been dealt with effectively, efficiently, will not resulting in legal problems in future and in compliance with the prevailing statutory regulations.

### **f. Policy on Feasibility Study and Development Process**

The Board of Directors must ensure that a development project must undergo a feasibility study process that is conducted professionally and meeting the prevailing technical, economic, environmental, social principles and the legal risks of the development feasibility. The feasibility study process must be able to identify the desired growth rate, by taking into account the prescribed risk tolerance level after undergoing the sensitivity analysis that is acceptable in the healthy business practices. The feasibility study process can engage Independent Consultants primarily in the bankable feasibility study.

### **g. Policy on Technology Development Process**

Technology Development must be able to increase the added value, competitiveness and productivity to maximize the achievement of Corporate goals. The Board of Directors must ensure that the Technology Development process is carried out effectively and efficiently based on the best practices in similar industries, using the latest, effective, proven and impelemented technology with low cost to increase competitive advantage and develop technology strategic partnership. The Technology Development Options that are chosen must be ensured as having undergone benchmarking, analysis process, and taking into account the inputs from relevant experts.

## **h. Policy on Project Integration**

The Board of Directors must ensure that the portfolio business which it executed by ANTAM business unit and which submitted to the subsidiary should support the achievement of ANTAM's vision and mission. In case of ANTAM yet in a position majority, the Board of Directors must ensure that the cooperation clause of subsidiaries establishment and the Articles of Association do not put ANTAM in a weak position.

## **i. Development Evaluation Process Policy**

Business development must be able to increase revenues for the Company by capturing potential business opportunities in accordance with ANTAM strategies. The Business portfolio management must be conducted to obtain the optimal value of all business units with the risks as small as possible and the growth in accordance with the ANTAM strategies and targets. The business management evaluation process must ensure achievement of the best performance in the implementation of short- and long-term strategies and in the achievement of the Vision and Missions of ANTAM. Result of the evaluation process is input to the Business management in the effort of continuously improving Corporate performance and providing optimal benefits to ANTAM and to the Stakeholders.

## **j. Project Management Development Policy**

The management of Project Development conducted in 5 (five) phase in a project (initiation, planning, execution, monitoring & control, closing) refers to the principles of best practice project management. Once the project is completed later closed and transferred to the Directorate of Operations, then an evaluation of the project's benefits (benefits tracking) will be conducted and manage the projects document. The Board of Directors ensures that every phase and every stage in the development project carried out effectively and in line with the Company's internal policies and applicable law.

## **k. Policy on Establishment and Management of Subsidiaries and Affiliates**

Establishment and management of Subsidiaries and Affiliates is one of the corporate strategies to maintain sustainability, business development of the company, and constituting one of ways of Company to achieve the Company's goals. The Board

of Directors must ensure that the establishment and management of Subsidiaries and Affiliates will deliver benefits to the Company, free from political interests, and free from any conflicts of interest. The Subsidiary Management must put highest priority on the synergy with the Company and the Subsidiaries with due observance to the prevailing regulations and statutory regulations.

### 3.4.8 Operation

#### a. Operation Manual Philosophy

This operation policy is the basis for policy establishment and decision-making of the Company related to mining operation, processing (smelting, purification) and mine closure and post-mining processes. The Board of Directors has the obligation to prepare a more detailed manual on the operation process (operation manual) which contains policies and SOP of mining operation and processing/smelting/purification and mine closure processes.

#### b. Purposes of the Operation Process

Purpose of the operation process is to produce a quality and competitive products in accordance with the Vision and Missions of ANTAM.

#### c. Risks of the Operation Process

Risks that that must be considered in achieving the purposes of the Operation Process include, but not limited to, as follows:

- 1) Risk of declining world commodity prices;
- 2) Instability within the Company operation area;
- 3) Risk of interference with the production equipments;
- 4) Risk of disruption on price increase of raw materials, supporting materials and energy supply;
- 5) Potential failure to achieve the production and sales targets;
- 6) Potential failure to achieve the cost reduction strategies and efficiency in reduction of operating costs;
- 7) Potential decrease in market demand and material substitution;
- 8) Constraints of operational licensing settlement;
- 9) Potential lack effective of environmental management systems;
- 10) Potential lack effective of mined land reclamation; and

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- 11) Risk of the quality of the products generated not complying with the specifications and the delivery schedule that has been agreed upon in advance;
- 12) Potential of not getting funding from the Bank /Non-Bank;
- 13) Increasing the Company's cash cost is very significant;
- 14) The Management Emergency Response Management (K3) not working maximally;
- 15) The requirements of the quality system (ISO) has not fulfilled;
- 16) The mine closure program (mine closures) are not in accordance with schedule.

## **d. Policy on Operation Strategy Harmonization Process**

Operation strategy harmonization process must ensure that ANTAM has a formal, measurable operation strategy and goals in every operation activity which consists of mining, processing/smelting/purification, marketing, environmental management, mine closure, post-mining, occupational safety and health, community development, that are aligned with the overall strategies and objectives of the ANTAM. ANTAM operation strategy is developed based on the principle of not compromising the Company's best interests in the long term (sustainable profit and growth principle) including in determination of operation implementation through outsourcing. That the application of such a principle must be in accordance with the prevailing statutory regulations.

## **e. Production Process Policy**

The Board of Directors ensures that the mining and processing/smelting/purification phases are conducted without compromising the Company's best interests in the long term to achieve sustainable profit and growth. This principle must be reflected in the long-term production plan that is approved by the Board of Directors.

Any change to the annual production plan that impact on change in the long-term production plan which has been set by the Company must be approved by the Board of Directors and documented. The operation process must ensure the availability of inputs (raw materials, auxiliary materials and energy) for sustainability of a quality production process.

## **f. Policy on Marketing and Sales Process**

The Board of Directors must ensure that the whole marketing and sales process of ANTAM has data of market development and the customers data and adequately

and proactively conducts market penetration to sell the Company's products in order to maintain the market that has been formed, to create new markets. The marketing and sales process must ensure that ANTAM submit a quality products in accordance with the customer needs by implementing the on time delivery, compliance to specification and quick response principle to meet the customer expectation and satisfaction. The marketing process must be able to ensure that ANTAM enters into sale and purchase contracts with credible customers and fulfills all of the governing provisions.

The marketing and sales process also ensures that the requirements as provided for in the contracts with the customers must provide added value to the Company and refers to the prevailing laws and regulations.

### **g. Policy on Environmental Management, Mine Closure and Post-Mining Process**

The environmental management, mine closure and post-mining activities form an integral and inseparable part in every cycle of mining operation. The Board of Directors must ensure that in the mining operation cycle from exploration, construction/project, operation and post-operation, has an environmental management, mine closure and post-mining system.

That policy must meet the following principles:

- 1) Developing and applying an environmental management system that refers to the Company's policies and the prevailing statutory regulations;
- 2) Promoting the use of systems, technologies, methods, equipments, materials that have minimal negative impacts on the environment in any mining activities;
- 3) Improving professionalism of human resources in the environmental management;
- 4) Minimizing the disturbed lands and rehabilitating them in accordance with their designation, including protecting the flora and fauna in them.
- 5) Using natural resources optimally in the framework of conservation and waste minimization;
- 6) Making efforts of environmental pollution prevention and controlling its impacts;
- 7) Supporting the greenhouse gas emission reduction program with productive and innovative efforts in the mining activities;
- 8) Supporting the sustainable development efforts and considering the needs of the community around the mine site; and

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- 9) Conducting evaluation to improve environmental performance on an ongoing basis.

## **h. Occupational Health and Safety Policy**

The Board of Directors must ensure that each operation stage in the ANTAM mining business, both vertically and horizontally, is obliged to have and implement the K3 (Occupational Health and Safety) management system that meets the standards and the prevailing statutory regulations with appropriate K3 technology.

## **i. Outsourcing Policy**

At every stage of mining operation, determination of operation implementation through outsourcing, must be based on the principle of not compromising the Company's best interests and in accordance with the prevailing statutory regulations. The Board of Directors must ensure that this operation implementation through outsourcing can be controlled in order to minimize the risks and maximize the benefits.

### **3.4.9 Human Resources Management**

#### **a. ANTAM Human Resources Manual Philosophy**

Human Resources (HR) Policies of ANTAM refers to the philosophy of human resources as human capital. This philosophy is the basis for preparation of all Corporate policies and decision-making related to HR management of ANTAM. As manifestation of ANTAM commitment to the aforesaid philosophy, the Board of Directors has the obligation to establish strategies, roadmap and detailed guidance on ANTAM HR policy.

#### **b. Purposes of ANTAM Human Resources Management Process**

Purpose of ANTAM HR management processes is to make ANTAM Personnel become subject in the efforts of achieving the Vision and Missions of ANTAM.

It is a task of all parties involved in the human resources management to ensure that ANTAM recruits, develops, and maintains people who are of quality and having commitment to the objectives of the Company.



### c. Risks in ANTAM Human Resources Management Process

Risks that that must be considered in achieving the purposes of ANTAM Human Resources Management Process include, but not limited to, as follows:

- 1) Risk of Company failure in the processes of recruitment, training and development of human resources required;
- 2) Inappropriate of planning and development of employee's competency compare by the level qualification of position in organization.
- 3) Employee performance system and remuneration system not optimal;
- 4) Risk of loss of core competencies; and
- 5) Potential occurrence of employee dissatisfaction.

### d. Policy on Human Resources Planning, Recruitment, and Selection Process of Human Resources

ANTAM HR Plan is not merely the responsibility parties who relate directly with the preparation of the plan, but also the responsibility of every leader of organization unit in ANTAM so that the success in ANTAM HR planning must become one benchmark of success of the leaders of the organization units. ANTAM HR planning process must consider its interrelationship with the ANTAM strategic planning cycle so that the short-term and long-term plans of ANTAM can be supported by human resources who are adequate in terms of qualification and quantity. ANTAM recruitment and selection strategy must be proactive so ANTAM can always have the best human resources in the industry by considering the Company's internal and external conditions. Recruitment and selection methodology of ANTAM's human resources should ensure that the factor of personal quality and professional capabilities are the most important consideration in recruiting the candidate of ANTAM's employees.

Source of labor for filling the vacancy or positions that require work experience should be prioritized by internal ANTAM which prepared through a planned development program and selected from employees who have the best competency. In order to maintain the balance of interests between ANTAM and Stakeholder, then the aspects of corporate social responsibility should also be considered in the recruitment process, especially for employees in areas where ANTAM operates.

## e. Policy in Human Resources Management

The Board of Directors should ensure that ANTAM has a plan and a policy that would ensure the sustainability of human resource development of ANTAM including career and succession management processes at all levels of competence both functionally and structurally. The main factors to be considered in every career and succession management process is the result of assessment of competence and performance. Given the environment of the mining industry is a complex industry and highly dependent on external changes, the Board of Directors must ensure that ANTAM have change management processes (change management) that will ensure readiness of Insan ANTAM in encountering of any changes in the industry environment and the organization. ANTAM HR planning should have relevance to the career development plans (career management), succession planning (succession plan), and performance management (performance management).

## f. Employee Assessment Management Policy

The Board of Directors must ensure that ANTAM personnel have personal profile that fits the position demand so that they can perform their responsibilities optimally. In order to map and obtain employee personal profiles that relate to interests, talents, personality, and competence, then, assessment activity is required by using certain methods in accordance with the competence standards of ANTAM.

Implementation of employee assessment must consider the organizational needs so that its results can be used as a basis for evaluation in determining the direction and development of employees.

## g. Policy on Training and Development for ANTAM Personnel

Personnel training and development process ANTAM must ensure:

- 1) ANTAM Personnel have competence that comply with the competence standards (stakom) that are desired by ANTAM in fulfilling the business needs and HR succession of ANTAM at present and in the future;
- 2) That through increase of skills and competencies, ANTAM personnel are ready to take higher responsibilities in time (career management);
- 3) Established ANTAM Personnel behavior in accordance with the ANTAM values (PIONEER);
- 4) Increased productivity of ANTAM Personnel; and
- 5) Increased motivation of ANTAM personnel to always grow and develop.

## **h. Knowledge Management Policy**

Knowledge Management is a knowledge management process that is owned by ANTAM personnel and the Company, from the collection process (knowledge acquisition), storage (knowledge repository) and dissemination (knowledge sharing), so that knowledge in ANTAM become lasting and all of ANTAM employees can have equal opportunities in acquiring knowledge. Application of Knowledge Management in ANTAM is purposed to:

- 1) Encourage interest and to create a climate that supports the human capital learning and development program; and
- 2) Ensure that all knowledge that are owned by ANTAM personnel can be managed and become ownership of the Company, and can be used and disseminated for the maximum benefits of the Company.

To achieve the aforesaid purposes, strategies to be conducted by the Company are:

- 1) Ensuring that all knowledge in ANTAM are able to be used for the maximum benefits of the Company;
- 2) Ensuring the implementation of ANTAM Knowledge Management System is conducted gradually in accordance with the needs for organizational growth and improvements are conducted continually;
- 3) Realizing the Knowledge Management in the ANTAM Knowledge Management System that is integrated with ANTAM Human Capital Information System (HCIS) and other existing management systems; and
- 4) Ensuring that implementation of knowledge and information management is conducted properly and in conformity with the rules through a systematic and well-integrated governance mechanism.

## **i. ANTAM Personnel Award and Compensation Policy**

ANTAM Personnel award and compensation process which considers competitiveness in the market salary survey must be able to make ANTAM has human resources who are motivated to achieve ANTAM corporate objectives and, in turn, ANTAM Personnel as one of ANTAM competitive advantages in the industry.

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## **j. Policy on Employment Relation Maintenance**

ANTAM personnel is one of Stakeholders elements that will determine ANTAM sustainability. Thus, ANTAM must develop partnership principle in maintaining employment relationship by still relying on the prevailing statutory regulations.

## **k. Employment Termination Policy**

The Board of Directors must ensure that any employment termination is conducted fairly, harmoniously and in compliance with the prevailing statutory regulations.

## **l. Employee Welfare and Health Assurance Policy Process**

The Board of Directors must ensure that ANTAM has welfare programs, including insurances that are adequate, fair, harmonious and in compliance with the prevailing statutory regulations.

## **m. Policy on the Labor with Certain Period**

At any use of freelance workers and Labor with certain periods used in supporting the implementation of its activities should be based on the principles of efficiency and effectiveness without compromising the Company's interests and comply with labor regulations. The Board of Directors should ensure that the use of freelancers and labor with certain period can be controlled in order to minimize the risks and maximize the benefits. The use of freelance workers and labor with certain period in the Company are carried out with reference to the prevailing regulations.

## **n. Policy on Human Resources Management in Subsidiaries and Affiliation**

The Board of Directors must ensure that the management of Human Resources in Subsidiaries and Affiliates should still pay attention to the management of which is based on the Master Policy. Subsidiaries and Affiliates policy can not be separated from the ANTAM's Policy and the ANTAM's Policy can intervenes the Subsidiaries and Affiliates policy includes the functions of the Human Resources management.

### **3.4.10 Finance, Accounting, Budget, Taxes and Insurance**

#### **a. Finance, Accounting, Budget , Taxes, and Insurance Process Manual Philosophy**

This financial, accounting, budget, tax, and insurance process policy is the basis for establishment of all policies and decision-making in ANTAM related to finance,

accounting, budget, tax and insurance processes. The Management has the obligation to prepare a more detailed guideline on the corporate financial and accounting process (finance manual), budget, tax, and insurance process that contains policies and SOPs.

### **b. Purposes of the Financial, Accounting, Budget, Tax and Insurance Process**

Purpose of the financial, accounting, budget, tax and insurance processes is to manage the Corporate financial resources allocation and to provide information and reporting of the financial position and condition for decision making in meeting the Vision and Missions of ANTAM. The financial and accounting process is stewardship of the Board of Directors to the Shareholders for the use of the financial resources.

### **c. Risks of Financial, Accounting, Budget, Tax and Insurance**

Risks that that must be considered in achieving the purposes of the financial, accounting, budget, tax and insurance processes include, but not limited to, as follows:

- 1) Financial management and reporting not meeting the management rules and the prevailing standards;
- 2) Financial resources allocation improper, inefficient and ineffective;
- 3) Financial and accounting information unreliable; and
- 4) The potential lack of accurate preparation of Corporate Work and Budget Planning and Budget Control.

### **d. Financial Strategy Harmonization Policy**

The Board of Commissioners and the Board of Directors ensure that ANTAM has a good financial, accounting, budget and tax strategy that reflects how ANTAM's financial resources are allocated and controlled to support the implementation of corporate strategies in the long term and short term.

### **e. Budgeting Policy**

The Board of Directors is responsible for preparation of the Company Work Plan and Budget (RKAP) on an annual basis with reference to the Company Long-Term Plan (RJPP) and must be submitted to the Board of Commissioners for approval.

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The budgeting process must ensure that the budget being established is accurate, having interrelationship with the corporate objectives and strategies, is realistic and reliable. The Board of Directors must ensure that the budget is used as a management control tool for improving efficiency of ANTAM and effectiveness of the management in achievement of corporate goals.

## **f. Treasury Policy**

The Board of Directors must ensure that ANTAM has a reliable treasury process in cash flow management transactions, banking transactions, investment transactions, idle cash and financial hedging, commodity hedging, exchange rates, interest rate, and fuel rate, has passed through effective control of the risks and benefits resulting from the activity.

## **g. Short Funding Policy**

The Board of Directors should ensure that ANTAM have management guidelines in obtaining short-term funding through a financial institution in accordance with the principles of good corporate governance so that the sources of short-term funding is available in order to maintain the company's cash flow from deficit in the operating budget and maintain liquidity in order to ensure the availability of cash for expenditure to and pay short-term obligations at the due date.

## **h. Insurance Policy**

The Board of Directors should ensure that ANTAM have a reliable insurance management processes in order to provide top-quality protection of company assets at a low cost as well as a comprehensive claims handling process so as to obtain the result of a claim for damages in accordance with the proposed.

## **i. Tax Policy**

ANTAM has a reliable taxation process in calculation, documentation and reporting, reconciliation of tax and non-tax through an effective control of the risks and benefits resulting from these activities.

## **j. Corporate Finance Policy**

The Board of Commissioners and the Board of Directors must ensure that ANTAM has an evaluation process from financial stand point on the development projects,

and merger/acquisition transactions and their funding strategies and the financial impact analysis on the future ANTAM finance.

### **k. Accounting, Financial Statement and Managerial Reporting Policy**

The Board of Directors must ensure that ANTAM has financial statements that are prepared according to the generally acceptable accounting standards and the managerial reporting standards in accordance with the prevailing regulations.

The accounting, financial reporting and managerial reporting process must generate reports meeting the following criteria:

- 1) Easy to understand, namely that the information in the accounting, financial statements and management reports can be easily understood by the public;
- 2) Relevant, namely that the information in the financial and accounting reports and the management reports have influence on the economic decisions taken by their users;
- 3) Reliable, namely that the information in the financial and accounting statements and the management reports must be free of misleading meanings and material errors; and
- 4) Comparable, namely that the information in the financial and accounting reports and the management reports must be able to be compared between periods in order to identify the trends in financial position and performance.

The Board of Directors must ensure that ANTAM has effective internal control procedures in the financial statement and management report preparation process (internal control over financial and managerial reporting).

### **l. Policy on Monitoring Process of Financial and Accounting Condition**

The Board of Directors must ensure existence of periodic and ad-hoc monitoring of ANTAM financial condition both from financial accounting, management accounting and corporate finance aspects as well as ability of the financial process to support implementation of ANTAM strategies to ensure that the financial reporting risk is under control and management of ANTAM.

## **3.4.11 Information and Communication Technology (ICT)**

### **a. ICT Manual Philosophy**

ICT is a part of overall Corporate Governance of ANTAM. ICT governance implementation is based on Regulation of the State Minister for SOEs No.: PER-

01/MBU/2011 on GCG Application in SOEs. This ICT governance policy is the basis for establishment of all Corporate policies and decision-making relating to ANTAM ICT. The framework (framework) of ICT governance which have been prepared, consist of the processes and activities in the management of ICT which refers to the Regulation of Minister of State PER-02/MBU/2013 on Guidelines for Developing Management Information Technology of SOE. To maintain the implementation of the ICT governance processes, management has the obligation to establish its implementation strategy and roadmap, as well as a more detailed manual that contains MP, SOP, WI and other supporting documents.

## **b. Purposes of the ICT Process**

Purpose the ICT process is to support the business processes to achieve the Vision and Missions of ANTAM.

## **c. Risks of ICT Process**

Risks that that must be considered in achieving the purposes of the information and communication technology process include, but not limited to, as follows:

- 1) Incompatibility of ICT investment with the Company's need;
- 2) Potential failure of the information and communication technology in rendering its services;
- 3) Potential poor management and integration of the Corporate data and information; and
- 4) Potential poor management of ICT security.

## **d. ICT Strategic Policy**

The Baord of Directors should ensure that the ICT strategic framework had been developed that includes the determination of the role of ICT, ICT planning, process and organizational framework for ICT, ICT investment management, ICT resource management, risk management of ICT, ICT project management and management of requirements and identification solutions.

## **e. ICT Operational Policy**

The Board Directors must ensure that the operational framework of ICT has been prepared which includes the management of ICT services, ICT security



management, third-party services management, ICT operational management, quality management, knowledge transfer of ICT, management of data monitoring and evaluation of the performance of ICT, monitoring and evaluation of internal control, compliance and external regulations.

### 3.4.12 Supply Chain Management

#### a. Supply Chain Management Manual Philosophy

Supply Chain Management policy is based on fulfillment of the required goods and services through a correct, independent (not containing any conflict of interest), and transparent mechanism. Procurement policy is the basis for establishment of all Corporate policies and decision-making relating procurement of goods and services. The Board of Directors has the obligation to establish a more detailed Procurement Manual that includes MP and SOP of goods and services procurement.

#### b. Purpose of the Procurement Process

Procurement process is conducted to allow ANTAM acquires goods and services at the determined time and place in the required volume (quantity) and quality, at reasonable price and from the right sources so that able to achieve the Vision and Missions of ANTAM.

#### c. Risks of the Procurement Process

Risks that must be considered in achieving the purposes of the Procurement Process in order to avoid adverse decisions to the Company include, but not limited to, as follows:

- 1) Incompatibility of quality and quantity of goods and services purchased with the Company's needs;
- 2) Potential of impropriety of estimated price;
- 3) Potential in which the Company does not get competitive prices;
- 4) Potential delay of availability of goods or services required;
- 5) Potential appointment of incompetent goods and services providers; and
- 6) Potential goods and services procurement without valid mechanism.

## d. Procurement Strategy Harmonization Policy

The Board of Directors must ensure that ANTAM has a procurement strategy that is in line with the Corporate goals. Such a procurement strategy must ensure that:

- 1) Implementation of ANTAM corporate strategy will not be disrupted by shortage of goods and services when needed;
- 2) ANTAM dependence to the goods and services is not compromising ANTAM competitiveness as a corporate in the industry;
- 3) The procurement process itself must be directed to continually conduct sourcing of new goods and services providers and new procurement techniques that can provide the best value to the Company; and
- 4) Procurement of goods and services for emergency response must be conducted immediately after the Board of Directors/Business Unit Head/ Project Head states that an emergency has occurred and approves the goods and services procurement plan for rehabilitation and reconstruction.

## e. Goods and Services Order Policy

The Board of Directors must ensure that all goods and services that are demanded by the users are truly the goods and services required by ANTAM, already planned and budgeted and approved by the competent authorities according to the prescribed level of authority.

## f. Policy on Selection and Evaluation Process of Goods and Services Provider

- 1) The Board of Directors must ensure that ANTAM has a methodology and criteria that can be used to select and evaluate the goods and services providers so as to obtain goods and services in volume (quantity) and quality as required, at reasonable prices and with the lowest total cost. Such a criteria must ensure that the procurement process is conducted fairly and transparently;
- 2) The procurement process must ensure that the goods and services providers selected by ANTAM to provide goods and services, are goods and services providers who are capable in accordance with their qualifications and classification;
- 3) The procurement process must ensure that the contracts/orders that are issued by ANTAM must be approved and legalized by the competent authority according to the prescribed level of authority;

- 4) Each of the parties involved in the procurement process must ensure that the demand for goods and services has been planned with sufficient time so as to avoid the loss of bargaining power of ANTAM against the goods and services providers; and
- 5) The procurement process must ensure there is no split of work package/ procurement to avoid a bidding process, except on technical consideration of work/procurement process that is accountable.

### **g. Goods and Services Management Policy**

The goods and services receiving process must ensure that ANTAM only receive the goods and services in accordance with the agreed provisions as set forth in the contract/purchase order. The Board of Directors must ensure availability of goods storage and release manual by implementing a good warehousing management and administration.

### **h. Inventory Control Policy**

The Board of Directors must ensure the availability of goods at optimal service level from ANTAM needs by applying the best practice that has been tested.

## **3.4.13 Corporate Social Responsibility (CSR)**

### **a. CSR Manual Philosophy**

In line with ANTAM commitment in performing social responsibilities, both at local, national and global level, then, a CSR policy is needed. The Board of Directors has the obligation to establish a more detailed manual on the CSR process (CSR Manual) which contains the basis of social responsibility, the operational context of ANTAM, social management system, the scope of social responsibility, policies and strategies for sustainable community development program, strategic program of five (5) years and indicators of achievement, as well as reporting, evaluation and reporting of program performance.

### **b. Purposes of CSR**

Purpose of the CSR process is to contribute to build a better quality of life together with the Stakeholders in which the Company operates to achieve the goal of sustainable development in accordance with the law and norms, as well as to maintain the balance of relationship between ANTAM and the Stakeholders

that has a direct impact on the Corporate Image so that the Vision and Missions of ANTAM can be achieved.

### **c. Risks in the CSR process**

Risks that must be considered in achieving the CSR Process objectives include, but not limited to, as follows:

- 1) The potential turbulence in the community towards the implementation of CSR activities decreased (down size) or a temporary suspension;
- 2) The low level of refund of Partnership Program;
- 3) Potential effects of CSR programs not as expected;
- 4) Potential abuse of CSR programs;
- 5) Unsustainable Plan and Master Plan of CSR Program; and
- 6) Potential disharmony of relation between ANTAM and the Stakeholders.

### **d. CSR Strategy Harmonization Policy**

With the approval of the Board of Commissioners, the Board of Directors must ensure that ANTAM has a CSR strategy that is harmonious with the corporate strategies in long term and short term.

### **e. CSR Stakeholder Identification Policy**

The Board of Directors must ensure that the CSR process generates CSR activities that are on target for the parties who have interest to achieve the goals of CSR and significantly affect the ANTAM business.

### **f. CSR Implementation Policy**

The Board of Directors must ensure that the CSR process generates CSR activities that are carried out by using effective methods in accordance with the targets and concern of nature relationship between ANTAM and with the Stakeholders. If using partnership with other parties in implementation of ANTAM CSR, then, the CSR process must ensure that the other party works within the ANTAM CSR strategy corridor.

## **g. CSR Implementation Communication Process Policy**

The Board of Directors must ensure the availability of effective public and media communication on implementation of the ANTAM CSR so that at any time the ANTAM's reputation can be maintained and improved and the Company get a feedback in order to do a continuous improvement based on the communication process.

## **h. CSR Monitoring and Compliance Process Policy**

The Board of Directors must ensure the availability of periodic and ad-hoc monitoring and evaluation processes on the implementation of CSR, both from the effectiveness, efficiency and compliance aspects.

### **3.4.14 General Administration**

#### **a. General Administration Manual Philosophy**

In line with ANTAM's need in supporting good operational activities, there is the need for a general administrative policy that is the basis for preparation of all Corporate policies and decision-making related to good general administrative services. The Board of Directors has the obligation to establish a detailed manual on the general administration process.

#### **b. Purposes of the General Administration Process**

Purpose of the general administration process is to maintain the correspondence and reporting standardization and to maintain the documentation and archival properties which directly affect ANTAM operation for achievement of the Vision and Missions of ANTAM.

#### **c. Risks of the General Administration Process**

Risks must be taken into consideration in achieving objectives of the general administration process to allow the general administrative functions as follows but not limited to:

- 1) Potential of unavailability of suitable infrastructure in accordance with documentation standard of document management;
- 2) Potential of lack of understanding of ANTAM employee related to the document management.

## **d. Report Management Policy**

The Board of Directors must ensure that ANTAM has internal and external reporting processes that are properly implemented and planned that depict actual, relevant, timely condition and is well measurable.

## **e. Letter and Filing Management Process Policy**

The Board of Directors must ensure that the correspondence and filing management is conducted by using effective methods in accordance with the needs and relationship of ANTAM with Stakeholders.

The correspondence and filing management process must include rules on governance of letters, mechanisms and signatory authority of official letters and decrees in accordance with the scope, limits of authority/responsibility and regulate the governance of archives physically and electronically.

### **3.4.15 Asset Management**

#### **a. Asset Management Manual Philosophy**

All of the Corporate assets require good management to preserve its values and benefits and to create asset productivity. The Board of Directors must ensure the availability of a more detailed manual on management of both movable assets and fixed assets of the Company.

#### **b. Purposes of the Asset Management Process**

Purpose of the Corporate asset management is to keep ANTAM assets well maintained in order to support smooth operation of ANTAM in achieving the Corporate Vision and Missions.

#### **c. Risks of Asset Management Process**

Risks that must be considered in achieving the purposes of Asset Management Process include, but not limited to, as follows:

- 1) Potential poor documentation of the Corporate assets;
- 2) Potential loss of assets or decrease in value of Corporate assets both productive and non- productive ones;

- 3) Potential for accumulation of excessive non-productive assets in Unit/Business Unit and post-mining regions; and
- 3) Potential non-achievement of the desired results of asset management and preservation.

### **d. Asset Management Policy**

The Board of Commissioners and the Board of Directors must ensure that ANTAM has an asset management strategy aligned with the long term and short term corporate strategies by which:

- 1) The Company must have mechanism for assets identification and physical verification as well as their value on a regular basis;
- 2) All of the owned assets must have legal documents that show legal ownership of the assets by the Company; and
- 3) The Company must optimize or conduct write-off process against non-earning assets.

### **e. Safety Process Policy**

The Board of Commissioners and the Board of Directors must ensure that the Company has preventive power against all safety hazards, that are caused both by man and by nature, that result in the lost, damaged and decreased value of the Corporate assets. The Company must have a mechanism to maintain the security and the public orderliness in accordance with the existing situation development. The Corporate assets security mechanism must include securing the strategic objects that determine the Corporate viability and the potential objects that have a high economic value.

### **f. Asset Write-Off Process Policy**

With the approval of the Board of Commissioners, the Board of Directors ensures that the asset write-off process conforms to the Articles of Association of the Company and the prevailing statutory regulations.







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## CHAPTER IV CLOSING

## CGP Socialization, Implementation and Evaluation

The Company will continuously conduct CGP socialization, implementation and evaluation phases on a sustainable basis.

The socialization activity will be conducted on sustainable basis to the internal and external parties. Socialization to internal parties is focused on existence of understanding, incurrence of awareness and the need for applying the CGP consistently. Socialization to external parties is aimed to provide an understanding of the procedures in accordance with the CGP applicable in the Company.

CGP implementation will be conducted continuously in consistent with the full commitment from all lines of ANTAM management and supports from all of other Stakeholders. One of forms of such an implementation is reflected from existence of periodic reports from each work unit on the CGP implementation and linked with the reward and punishment system that is developed by the Company for each Division and ANTAM Personnel.

The Company will continuously conduct evaluation of the CGP. This evaluation is aimed to know and measure suitability of the CGP with the Corporate needs and effectiveness of the implementation programs that have been implemented. Based on results of such an evaluation, the CGP improvement and development and its implementation programs will be continuously be conducted on a sustainable basis.





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