



# **GOOD CORPORATE GOVERNANCE POLICY**

**PT Indo Tambangraya Megah Tbk**



## **GOOD CORPORATE GOVERNANCE POLICY**

### **PT Indo Tambangraya Megah Tbk and Subsidiaries**

**Jakarta, August 2009**

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## Message from the President Commissioner

To secure a sustainable business growth, the Board of Commissioners of PT Indo Tambangraya Megah Tbk (ITM) considers a formal policy on Good Corporate Governance an imperative. We believe that Good Corporate Governance gives maximum benefits to ITM's shareholders as well as fairness to its divers stakeholders

The following statement outlines the ethical norms and regulatory principles and rules on good corporate governance and is aimed to demonstrate ITM's commitment to comply therewith.

To meet the expectation of stakeholders, ITM's Directors, executives and staffs pursue the company vision and mission that has been set in the company's declaration on strategic intents.

The BOC ensures through an effective supervision that ITM's directors, executives and staffs comply with this guideline with a view of sustaining ITM's growth.

Jakarta, 27 August 2009

Sutoyo Sutejo, SH, MH  
President Commissioner

## 1. Vision and Mission

### Vision

To become a leading coal-related energy company in Indonesia with sustainable growth through professionalism and care to our employees, community and environment

### Mission

- To develop excellence to all operations to serve our customers with consistent quality and quantity of products and services
- To develop competent employees, efficient system and infrastructure under the innovation, integrity, care and synergy culture within the organization
- To invest in coal-related energy business which will sustainably strengthen our position
- To promote and contribute to the development of society by acting as a good citizen and contribute to the economy and communities

## 2. Beliefs and Values

### Beliefs

We aim to attain operational excellence through :

- Commitment to achieve short and long term goals
- High moral, ethical and professional standards
- Confidence, innovative thinking and decisive action
- Full support for our human resources to reach their full potential

- Care and concern to our staff and society

## Values

We will aim to foster the following values in such a way that ITM's employees, Directors and Commissioners feel proud to belong to the company and in such a way that external parties recognize such values as characteristics of ITM's employees, Directors and Commissioners

### • Innovation

- think out of the box
- act intelligently
- dare to initiate
- courageous and challenging
- pro-active
- flexible and versatile
- adaptive and resilient
- continual development

### • Integrity

- honest
- ethical
- reliable
- disciplined
- persistent
- committed
- transparent

- Care

- open and sincere
- accepting and accommodating
- honoring others
- respectful
- warm and solicitous
- fair-minded
- kind and generous

- Synergy

- cooperative
- fair-minded
- teamwork
- networking
- supportive and sharing

### 3. Corporate Governance Principles and Policies

The Board of Commissioners and the Board of Directors are committed to the principles of good corporate governance in compliance with the recommended best practices for the listed company and relevant rules, regulations and guidelines of the Indonesia Stock Exchange and Bapepam & LK. In addition, the company aims to attain the highest international standards and best practices in the adoption and implementation of sound principles of corporate governance

### **3.1 Duties and responsibilities of the Board of Commissioners and Board of Directors to the Shareholders : Setting Strategic Directions and Corporate Governance Policy**

The Board of Commissioners is accountable for the corporate governance and Board of Directors are accountable to shareholders for both business operations and corporate governance in achieving the set goals and in directions that will lead to optimal benefits for shareholders and for the best interests of the company

The Board of Commissioners and Board of Directors are bound to comply with relevant laws, regulations, the company articles of associations and resolutions of the shareholders, with honesty, integrity and due care for the long and short term interests of the company

For the best interests of company, the Board of Directors formulate strategies reflecting the vision and mission of the company and sets policies in the execution of those strategies, they prepares long-term plans and annual operating plans and budgets pursuant to those policies and presents them to the Board of Commissioners for considerations, modifications as appropriate and approval

The Board of Commissioners and Board of Directors are bound to ensure that, in pursuit of

its vision, the Company operates in accordance with the principles of corporate governance which are stated in this document

### **3.2 Policy related to Shareholders : Rights and Equality of Shareholders and Shareholders' Meeting**

The company's shareholders shall have the same basic rights as follows:

- Rights to receive share certificate and rights to transfer the shares
- Rights to receive adequate information in a timely fashion and in a form appropriate for making decisions
- Rights to attend, express an opinion and vote in the shareholders meeting
- Rights to elect and remove commissioners and directors
- Rights to approve the appointment of auditor
- Rights to share in profits of the company

The Board of Commissioners and Board of Directors values the importance of shareholders' meetings and shall facilitate all shareholders to attend meetings, obtain access to information, pose questions and exercise voting rights at the meeting in an equitable manner

The Board of Directors shall present important

matters, even beyond those required by law to shareholders so that they can participate in the decision-making while ensuring that shareholders receive full, adequate and timely information for decision-making purposes. In addition, it shall support and facilitate appropriate voting procedures including voting by proxy.

The Board of Directors encourage shareholders to express their views and opinions to seek explanations or to pose questions. Board of Commissioners and Board of Directors are required to attend shareholders meeting to answer shareholder questions

The Board of Directors shall prepare the minutes of shareholders' meeting and distribute them to shareholders via the corporate website within 30 days from the meeting date

### **3.3 Policy on Conflict of Interests**

The Board of Commissioners shall not allow Commissioners, Directors, and employees to seek personal gains from or to engage in business in direct competition with the company or transactions that may lead to a conflict of interests with the company. If such a transaction is unavoidable, the Board of Commissioners and or Board of Directors shall ensure that the transaction shall be carried out with transparency and fairness similar to

transactions carried out with unrelated parties. Commissioners, Directors and employees having an interest in any transaction must not take part in its approval process.

If a transaction is considered a connected transaction according to Bapepam & LK Rule , the Board of Commissioners and Board of Directors must make sure that the relevant rules and procedures for disclosure regarding connected transactions by listed company is strictly complied with

### **3.4 Policy on Stakeholders**

The Board of Commissioners and Board of Directors recognizes the rights of stakeholders and therefore encourages cooperation between the company and the stakeholders as well as other concerned parties including employees, customers, trading partners, creditors, government agencies, communities where the company operates and the society at large. Commissioners, Directors and employees must comply with the Code of Conduct to ensure fair and balance dealings with stakeholders

In addition, the Board of Commissioners requires Board of Directors that operational information be reported to stakeholders and related parties through annual report, company's website and other relevant channels. Two-way

communication channels have been established to ensure stakeholders and other parties to express their views or file grievances

### **3.5 Policy on Information Disclosures, Transparency, Financial Report and Report on Operations**

Board of Directors shall disclose accurate, complete, adequate, regular and timely financial information and other information related to the company's business and performance. The disclosed-information will reflect the company's actual financial conditions and operational results as well as its prospects.

The Board of Commissioners and Board of Directors shall ensure strict adherence to all relevant laws, rules and regulations relating to the disclosure of information and transparency. The company has established the function of Corporate Secretary to disseminate information to stakeholders and the function of Investor Relations shall assist investors and securities analysts to understand the company and its business. Information posted in the company's website in both Bahasa Indonesia and English. In addition, the Corporate Communication Department has been assigned to widely publicize timely corporate information and performance data via various media.

### **3.6 Policy on Risks Management**

Board of Directors has adopted a risk management system for all material and controllable risks which may affect the company's operations. This includes risks relating to the achievement of the company's vision and implementation of its strategies as well as risks in relation to the financial condition of the company, its operation and other relevant areas.

Risk management is carried out on the basis of probability that an identified risk may materialize and the likely impact of such a risk may have on the business. In addition, clear preventive and mitigation measures have been established. Systems to assess, monitor and report on risks have been set up.

A Risk Management Committee has been set up to report to the Board of Directors on its operation plans and performance and shall also regularly report to the Audit Committee.

### **3.7 Policy on Internal Audit**

Board of Directors shall ensure an effective and efficient internal control system that covers every aspect of its operation and compliance with related laws, rules and regulations. Effective and adequate check and balance mechanisms are in place to protect shareholders investments in the company and its assets. The company shall

clearly set procedure for delegation of authority and responsibility for management and staff

An independent Internal Audit function is established to ensure that all operation units of the company are in compliance with set operating procedures. Thus, the Internal Audit function shall :

- report directly to the President Director
- prepare and submit auditing report to President Director and Board of Commissioners
- provide administration services to Audit Committee

### **3.8 Policy on Monitoring and Evaluation of Performance**

To ensure that operation is in line with set goals, the Board of Directors requires that the management reports the results of actual operation in comparison with set targets on a regular basis. In the event that operation fails to perform as planned, Board of Directors together with management shall resolve the situation and prepare corrective strategic directions

### **3.9 Policy on Succession Plan**

The Board of Commissioners shall ensure that a succession plan for the position of Directors is in place to ensure that the company is managed

at all time by executives with appropriate competence and skills.

### **3.10 Corporate Culture and Organizational Attitude**

It is the duty of both the Board of Commissioners and Board of Directors to foster an appropriate corporate culture by assigning the management to design a desired corporate culture and to ensure that this is effectively communicated to all employees for common understanding. The Board of Commissioners and Board of Directors shall strive to set a good example for such culture.

### **3.11 Policy on Sustainable Development**

Our values provide the foundation for our approach to sustainable long term growth - management of economic, environmental and social risks and opportunities.

We believe that an industry will be strong only when it is developed in tandem with social and environmental responsibility, which in turn creates shareholder value at each stage of our development. This sentiment underlies our Sustainable Development Policy and commitment to be a good citizen, being committed to social responsibility, high degree of fairness, integrity and ethical standards to all parties

In every location, we are dedicated to conducting our business responsibly, ethically and lawfully in all matters and to comply with our company standards. We put Sustainable Development into practice through the effective implementation of QSE management standards which identify, assess and manage risks to our people, contractors, the environment and our host communities, arising from all activities that we control or can influence.

To accomplish those goals, we :

- minimize and responsibly manage environmental impacts, arising from our activities across the value chain
- set and achieve targets that promote efficient use of resources and include reducing and preventing pollution by assessing and considering ecological value and land use aspects in investment, operational and closure activities
- establish and maintain greenhouse gas inventory data and publicly report our emissions
- care for occupation health and safety of our employees and contractors by taking all practical and reasonable measures to eliminate fatalities, injuries and occupational illnesses
- take pride in fundamental human rights and

respect people of all races, nationalities, cultures and religions. We will ensure that our employees are provided with fair remuneration, fair management and opportunities for learning and professional development

- bring sustainable benefits to our host communities and society, we seek to understand their needs, engage in open dialogue to build trust and take their views and concerns into account in our decision making
- operate efficiently and profitably by maximizing revenue, minimizing costs and investing to achieve long-term growth and value creation
- conduct or support research and innovation that promotes the use of our products and technologies that are safe, environmentally sound and efficient in their use

In implementing the policy we establish measurable indicators to monitor and review our environmental, health, safety and social responsibility performance and use these to set goals for continuous improvement.

That commitment will be achieved through environmental, health, safety and social responsibility accountabilities and leadership in all levels of management.

## **4. Qualifications, Structure and Composition of the Board of Commissioners and Board of Directors**

### **4.1 Independency and Impartiality of the Board of Commissioners and Board of Directors**

Board of Commissioners as an organ of the company shall function and be responsible collectively for overseeing and providing advices to the Board of Directors and ensuring that the company implements the good corporate governance and the Board of Commissioners is prohibited from participating in making any operational decisions.

Board of Directors as a company organ shall function and be responsible collegially for the management of the company. Each Director can carry out its duty and take decisions in accordance with their respective assignments and authorities, however, the execution of tasks by each Director remains to be a collective responsibility. Board of Directors shall perform its duty and exercise its discretion independently from the majority shareholders for the best interest of company.

### **4.2 Qualifications of the Board of Commissioners and Board of Directors**

The Board of Commissioners and Board of Directors shall consists of persons of high professional and ethical standards with

qualifications, experience, skills, competency and expertise relevant to the business of the company. Commissioners and Directors are expected to bring fresh perspectives to the board and must be prepared to give their utmost performance to their duties and accountabilities.

During its selection of new members, the Good Corporate Governance, Nomination and Compensation Committee shall review qualifications, skills knowledge and expertise of all candidates to determine the appropriate qualifications profiles for the new members with an aim of ensuring that the Company gains the benefit of a board comprising appropriately qualified and skilled commissioners and directors with a diversity of experience.

#### **4.3 Qualifications of Independent Commissioner and Un-affiliated Director**

##### **4.3.1 Independent Commissioner**

The Board of Commissioners shall require that the qualifications of Independent Commissioner reflect the Indonesia Stock Exchange requirements on qualifications of Independent Commissioners listed below

- 4.3.1.1 Does not have any affiliate relation with the controlling

- shareholders of the relevant listed company
- 4.3.1.2 Does not have any affiliate relation with any Director and/or Commissioner of the relevant listed company
  - 4.3.1.3 Does not have any position as a member of Board of Directors in other company which is affiliated to the relevant listed company
  - 4.3.1.4 Understand the laws and regulations of the capital market
  - 4.3.1.5 Does not act as an agent to protect the interests of the company's Director or Commissioners, major shareholders or shareholders relating to the company major shareholders
  - 4.3.1.6 Able to perform duty, express opinions or report on performance as designated by the Board of Commissioners independently without being controlled by the company's or major shareholders as well as related persons or closed relatives

#### 4.3.2 Un-affiliated Director

- 4.3.2.1 Does not have any affiliate relation with the controlling shareholder of the relevant listed company at least 6 months prior to the appointment as the Unaffiliated Director
- 4.3.2.2 Does not have any affiliate relation with any commissioners or Board of Directors of the listed company
- 4.3.2.3 Does not have any position as a member of board of directors in other company
- 4.3.2.4 Has not been an insider in the supporting institution or profession of the capital market whose service is utilized by the listed company for 6 months prior to the appointment as the Director

#### 4.4 Composition of the Board of Commissioners and Directors

##### 4.4.1 The Board of Commissioners

The Board of Commissioners shall consists of Commissioners in a number considered appropriate for the

company's size of business and efficient operation and one of them shall be appointed as chairman. There shall not be less than six Commissioners in the board. And no less than one third shall be independent and have no business relationship or any other relationship with the company which may affect the Commissioners' independent exercise of discretion.

#### 4.4.2 Board of Directors

Board of Directors shall consist of a President and Directors in a number considered appropriate for the company's size of business and efficient operation. There shall be no less than one Director shall be an Un-affiliated Director

#### 4.5 Chairman of the Board of Commissioners and President Director

Each of the members of the Board of Commissioners including Chairman has equal position. The duty of the Chairman of the Board of Commissioners as primus inter pares is to coordinate the activities of the Board of Commissioners.

The position of each respective member of the Board of Directors including President Director is equal. The duty of the President Director as

primus inter pares is to coordinate the activities of the Directors.

#### **4.6 Terms of Commissionership and Directorship**

The Commissioner and Director shall serve a term of office of three years. A Commissioner or Director who has completed his / her term is eligible for re-election by shareholders.

#### **4.7 Commissioner's and Director's Maximum Age**

Commissioner shall retire at the age of 72 years and Director at 60 years and such retirement shall be effective on the date of the following Annual General Meeting of Shareholders.

#### **4.8 Nomination of Commissioners and Directors**

The Corporate Governance, Nomination and Compensation Committee shall recommend to the Board of Commissioners candidates to replace retiring Commissioners / Directors or to fill any other vacancy. The Corporate Governance, Nomination and Compensation Committee shall review the structure and composition of the Board of Commissioners or Board of Directors, set nomination criteria and search for candidates with qualifications appropriate for the company's situation and needs.

#### **4.9 Commissioners and Directors' Remunerations**

The Board of Commissioners shall designate Compensation Committee to recommend guidelines for setting Commissioner / Directors remunerations. The levels of remunerations shall be comparable to those of companies in the same industry taking into consideration the duties and responsibilities of the Commissioners / Directors concerned. Commissioners' and directors' remuneration are approved at a shareholder's meeting.

#### **4.10 Committees of the Board of Commissioners**

The Board of Commissioners shall appoint Commissioners from their number to serve on committees of the board. The qualifications of selected commissioners will be appropriate for the duties of each committee. Members of such committees shall serve a three year term and shall be eligible for reappointment.

Each board committee shall perform its duties as assigned by the Board of Commissioners. Management shall attend the board committee meetings on invitation of such committee, to submit reports or to provide information. Board committees shall have the right to commission external consultant at company's expense. Each board committee shall submit an annual report to the Board of Commissioners.

At present, the Board of Commissioners has appointed two board Committees, namely, the Audit Committee and the Good Corporate Governance, Nomination and Compensation Committee.

#### **4.10.1 Audit Committee**

The Audit Committee shall consist of at least three members with an independent commissioner as chairman. The Audit Committee is responsible for reviewing the company's financial reports, assessing the adequacy of the internal control and risk management compliance, ensuring that conflict of interest is dealt with in accordance with the company's policy and proposing the company's external auditor and its fees. The Audit Committee also monitors and reviews compliance with risk management policy as reported by the Risk Management Committee. The Audit Committee is also responsible for expressing its opinion with regard to operation plan and budgets as well as the appointment and termination of staff of the Internal Audit Office.

#### **4.10.2 Good Corporate Governance, Nomination and Compensation Committee**

Good Corporate Governance, Nomination and Compensation Committee shall consist of three members and chaired

by an Independent Commissioner. Its duties are :

- to review and monitor corporate governance policies and Code of Conduct policies and guidelines
- to monitor compliance with corporate governance policies and the Code of Conduct
- responsible for screening candidates for appointment as the company's commissioners as well as securing appropriate succession plan for Directors
- to suggest compensation policy, guidelines and procedures and other benefits in relation to directors
- to determine performance measurement criteria for Directors

## **5. Functioning of the Board of Commissioners and Board of Directors**

### **5.1 Specific duties and responsibilities of the Board of Commissioners and Board of Directors**

#### **5.1.1 Board of Commissioners**

In addition to any other action taken in compliance with the laws, objectives, articles of association and the resolutions of the shareholders' meeting of the company, the Board of Commissioners in

monitoring the business of the company hereby stipulate that the consideration, acknowledgement and approval of the following matters shall be vested under the authority, duty and responsibility of the Board of Commissioners :

- 5.1.1.1 the company's policies, business strategies, business plans and annual budget
- 5.1.1.2 the company's monthly and quarterly performance and operation report compared to the plan, budget and outlook of the following period of the budget year
- 5.1.1.3 the company's investment in a project worth more than IDR 150 billion
- 5.1.1.4 transaction or act which materially affects the company's financial status, liabilities, business strategy and reputation
- 5.1.1.5 entering into a contract not related to a normal course of business and a contract related to an important normal business
- 5.1.1.6 purchase and disposal of

- assets, acquisition of business and participation in a joint venture project which are not in conflict with the rules and regulations of the Indonesia Stock Exchange with the rules and regulations of Bapepam & LK and the Indonesia Stock Exchange
- 5.1.1.7 investment which exceeds 10 percent of the total investment budget of an approved project and which exceeds 10 percent of the total non project investment budget
  - 5.1.1.8 parts of a connected transaction between the company, its parent company, subsidiaries, associated companies and related individuals in accordance with the capital market regulations
  - 5.1.1.9 transaction which causes the ratio of company's debt-to-equity ratio to exceeds 2.5 : 1
  - 5.1.1.10 distribution of interim dividend
  - 5.1.1.11 net borrowing that exceeds

- a maximum amount of IDR 30 billion subject to annual review
- 5.1.1.12 changes in policy and practices with material implications to accounting, risk management and reserves
- 5.1.1.13 significant changes relating to management and financial control system
- 5.1.1.14 determination and review of approval authority granted to the executives and subsidiaries
- 5.1.1.15 recruitment of the board members, Committee members, approval of salary increment budget and bonus or bonus formula or annual remuneration package adjustment formula of the board and committee members, executives and employees
- 5.1.1.16 nomination, appointment and termination of directors and the secretary of the Board of Commissioners and its committees

- 5.1.1.17 appointment and determination of authority of the sub committees
- 5.1.1.18 establishing and supervising the management in accordance with the Good Corporate Governance policy and practices
- 5.1.1.19 appointment of Directors or executives to be Directors of subsidiaries and associated companies
- 5.1.1.20 registration of new companies and dissolution of companies
- 5.1.1.21 duty to keep corporate information strictly confidential especially internal information not be disclosed to the public or information that may affect its business or share price
- 5.1.1.22 amendment to the scope of approval authority of the Board of Commissioners as stated in item 1-20 above

## **5.1.2 The Board of Directors**

In addition to any other action taken in compliance with the laws, objectives, articles of association and

the resolutions of the shareholders' meeting of the company, in managing the business of the company, Directors hereby stipulate that the consideration and approval of the following matters shall be vested under the authority, duty and responsibility of the Directors

- 5.1.2.1 adjustment of annual operation plan which total amount is less than 5% of the total approved administration
- 5.1.2.2 strategic plan of each business unit
- 5.1.2.3 calculate the interim dividend payment for the Board of Commissioners approval
- 5.1.2.4 use of capital investment
- 5.1.2.5 approve additional capital budget of new item up to IDR 4 billion
- 5.1.2.6 assets write off
- 5.1.2.7 fixed assets transfer among companies in Indonesia

## **5.2 Meetings of the Board of Commissioners and the Board of Directors**

### **5.2.1 The Board of Commissioners**

The Board of Commissioners shall discharge its duties through its

meetings, which must be held at least each quarter

Chairman of the board manages the functioning of the Board of Commissioners, determines the agenda for board meetings together with Directors and ensures smooth meeting procedures with clear decisions and resolutions

The Chairman of the board shall allocate appropriate time for free discussion and forge consensus or decision making by the board

Any Commissioners having potential conflict of interest in relation to a matter which is under consideration by the board shall be required to leave the meeting while the matter is under deliberation

When considering a particular matter, a Commissioner is entitled to have access to any relevant information or document, may seek additional explanations from the management and may commission external consultant for assistance at the company's expense

A resolution shall be based on a majority of votes. Any opposition to a resolution shall be recorded in the minutes of meeting

The Board of Commissioners shall appoint a secretary of the board to support the functioning of the Board of Commissioners

### **5.2.2 The Board of Directors**

The Board Directors shall discharge its duties through its meetings, which must be held at least each quarter

President Director determines the agenda for board meetings and ensures smooth meeting procedures with clear decisions and resolutions

Any Director having potential conflict of interest in relation to a matter which is under consideration by the board shall be required to leave the meeting while the matter is under deliberation

A resolution shall be based on a majority of votes. Any opposition to a resolution shall be recorded in the minutes of meeting

## **5.3 Accountability Report of Board of Commissioners and Board of Directors**

### **5.3.1 Board of Commissioners**

- o Board of Commissioners in its oversight function shall submit an accountability report for overseeing the conduct of the management by the Directors in managing the

company. The supervision report of the Board of Commissioners is made part of the annual report submitted to the general meeting of shareholders for approval

- o Approval of the annual report and ratification of the financial report will signify that the general meeting of shareholders has given a release and discharge to the members of the Board of Commissioners as far as it is reflected in the annual report, without minimizing the responsibility of each member of the Board of Commissioners in the event that a crime, mistake or negligence occurs causing damage to any third parties which can not be indemnified by the company's assets
- o The accountability of the Board of Commissioners to the general meeting of shareholders is a manifestation of the oversight accountability on the company's management in light of the GCG principles implementation

### **5.3.2 The Board of Directors**

The Board of Directors shall prepare a report on its management accountability which contains financial report, report on company's activities and report on

the implementation of good corporate governance

The Board of Directors shall responsible for the compilation of the company's business and financial reports as well as the consolidated financial reports and the financial information in its annual report. The financial report shall be prepared on the basis of Indonesia GAAP and Bapepam rule no VIII.G.7 for public company. In Addition, all relevant information will be adequately disclosed in notes to financial statements. The Directors shall designate the Audit Committee to supervise the quality of its financial report as well as to express its opinions on the financial report to the Directors through the Board of Commissioners.

#### **5.4 Communications with the Management**

The Board of Commissioners shall invite Directors and / or executives to attend its meeting to present information in relation to the agenda covering areas which such executives are responsible for. The objective is to allow the Board of Commissioners to be informed directly by the responsible executives of their views and opinions towards a particular subject. In addition, the executives will also have a chance to understand the Board of Commissioners'

meetings to foster better relationship and mutual understanding.

Commissioners may directly communicate with individual executives without intruding or interfering with the management's operation.

## **5.5 Assessment of Performance of the Board of Commissioners and the Board of Directors**

The Board of Commissioners shall assess its operation annually. The assessment will include an evaluation of each commissioner's independence. The conduct of this assessment is the responsibility of the Good Corporate Governance, Nomination and Compensation Committee which will prepare a report for the board's consideration

The Good Corporate Governance, Nomination and Compensation Committee shall recommend to the Board of Commissioners the criteria for assessing the annual performance of the Board of Directors. The criteria are to reflect the company's short and long term goals

## **5.6 Hiring External Expert Consultants**

The Board of Commissioners and the Board Committee may hire external expert consultants to provide advice with regard to the functioning of the Board of Commissioners and the Board Committees at the company's expenses

## **5.7 Orientation for New Commissioners and Enhancement of Business Knowledge**

The Board of Commissioners shall provide an orientation session for all new commissioners so as to inform them of the company expectation regarding a commissioner's roles, duties and responsibilities and compliance with the company's corporate governance policy and practices

The orientation is also intended to help new commissioner to better understand the business and operations of the company and to provide them with additional information in terms of industrial outlook, new technology and innovation as well as corporate governance to assist them in the effective performance of their duties

## **5.8 Code of Conduct**

To ensure maximum benefit to shareholders, Directors shall give equal weights to the achievement of goals and the means used for their achievement.

Directors shall prepare Code of Conduct which shall be distributed to commissioners, directors, executives and all employee to ensure they know what the company expects from them regarding conduct towards fellow staff, shareholders,

customers, trading partners, competitors and society in general

Directors shall also established mechanisms and procedures to ensure compliance with the Code of Conduct

## **6. Receiving Complaints regarding Corporate Governance**

Secretariat of Good Corporate Governance, Nomination and Compensation Committee is assigned to liaise on complaints or grievance from any persons / party or shareholders with regard to the corporate governance shall be addressed to the following :

**By letter :**

Complaint Unit on Corporate Governance and Code of Conduct

Secretariat of Good Corporate Governance, Nomination and Compensation Committee

PT Indo Tambangraya Megah Tbk  
Ventura Building 8th floor  
Jl. R. A. Kartini no. 26 Cilandak  
Jakarta 12430

**By e-Mail :**

[grievance@itmg.co.id](mailto:grievance@itmg.co.id)

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1. OECD Principles of Corporate Governance, Organization for Economic Cooperation and Development
2. 2006 Indonesia's Code of Good Corporate Governance
3. Listing Rule of the Indonesia Stock Exchange
4. Bapepam & LK Rules
5. Company Law
6. The 15 Principles of Corporate Governance : The Stock Exchange of Thailand
7. Good Practices for Directors of Listed Companies : The Stock Exchange of Thailand
8. Report of Good Corporate Governance : The Stock Exchange of Thailand
9. Corporate Governance Assessment Criteria : Thai Institute of Directors
10. Corporate Governance Rating Criteria : Thai Rating Information Services Co.Ltd.

