

**BOARD MANUAL
PT WIJAYA KARYA (Persero) Tbk.**

Revision Edition 2014

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INTRODUCTION

Good Corporate Governance (GCG) requires a clear system and structure concerning the relationship among the Company's organ. Authorities, duties and working relationship of each company's organ shall be defined clearly and implemented consistently. Therefore, a manual is needed to be a guideline in implementing of each duties.

The changes in this Board Manual is compilation of changes and implementation from corporate law principles, as stipulated in the Laws Number 40 Year 2007 concerning Limited Liability Company and prevailing rules related with State-Owned Enterprises, Capital Market Regulation, Company's Articles of Association and Good Corporate Governance best practices.

The changes of the Board Manual (Corporate Management Manual for the Board of Commissioners and Directors) is changes of document that become a guideline for the Board of Commissioners and Directors of PT Wijaya Karya (Persero) Tbk in performing tasks, authorities, responsibilities, rights and obligations, both as the Board of individual member of the Board of Commissioners and Directors. This document also sets the relationship structure among the Board of Commissioners, Directors, Shareholders, and Subsidiaries.

For implementation of this manual, commitment is needed together from the Board of Commissioners and Directors to manage the Company for the interest of shareholders and stakeholders in general. With clear main duties and each function, it is expected to improve the effectiveness and performance of the Board of Commissioners and Directors.

This document is not static but can be developed as the Company's condition. But the changes shall be made based on agreement between the Board of Commissioners and Directors.

Generally, the preparation of this changes of the Board Manual is based on the prevailing rules and regulations, Articles of Association of PT Wijaya Karya (Persero) Tbk, GMS resolutions and other relevant regulations as well as best practices suggested in the implementation of Good Corporate Governance.

Therefore, this Manual only consists of basic principles of Company's Management, and in the implementation, this manual is not limitative. Several detail provisions in the Articles of Association, Shareholders Direction set in the GMS, and several other law provisions are still tied even though it is not specifically explained in this Manual.

Principles of good intention, fully responsible and fiduciary duties, skill and inherent care with the position of the Board of Commissioners and Directors are the general principles that shall be respected by the Company's organ who is in charge in supervising and managing the Company.

CORPORATE VISION AND MISSION

Vision :

To be the leading Engineering Procurement & Construction Company in Southeast Asia.

Mission :

To spearhead the development of excellent engineering procurement and construction industry and satisfying the expectation of all stakeholders.

CORPORATE CULTURE AND MANAGEMENT SYSTEM POLICY

Corporate Culture :

WIKA employees uphold high integrity in performing their tasks and believe in the following values:

1. **Commitment**
Act in accordance with agreement and promises
2. **Innovation**
Find a better solution at all time
3. **Balance**
Maintain the balance of all aspects
4. **Excellence**
Provide better results
5. **Relationship**
Maintain good partnership for both parties
6. **Team Work**
Synergy, cooperation within and across work units
7. **Integrity**
Nurture unity and sincerity by upholding fairness, accountability, integrity, transparency, and honesty.

Management System Policy :

The leaders and all employees of PT Wijaya Karya (Persero) Tbk are agree to achieve the growth of profit and soundness business is by providing products and services in engineering procurement and construction that are excellent, competitive and satisfying the expectation of customers and all stakeholders by:

1. Prevention of occupational accidents and diseases.
2. Implementation and development of risk management.
3. Consistency in implementing quality management system.
4. Protection of information in developing, managing, and decision making.
5. Prevention of environmental pollution.

Such commitment will be improved consinuously in accordance with the GCG principles, and prevailing laws and regulations and other requirements.

CHAPTER I THE BOARD OF COMMISSIONERS

A. Duties of The Board of Commissioners

1. The Board of Commissioners is responsible to monitor the management policy, the management in general both concerning the Company and the Company's business performed by the Board of Directors and also provide advice to the Board of Directors, including supervisory in the Company's Long Term Plan, Company's Work Plan and Budget, and also the prevailing laws and regulations for the interest of the Company and as the aims and objectives of the Company.
2. In performing its duties, each member of the Board of Commissioners shall:
 - a. Company with the Articles of Association and rules and regulations as well as principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness;
 - b. Good intention, prudence and responsible in performing the duties of supervisory and advice granting to the Board of Directors for the interest of the Company and in accordance with the Company's aims and objectives.

B. Responsibility of The Board of Commissioners

In performing its duties, the Board of Commissioners is responsible to:

1. Provide advices to the Board of Directors in managing the Company;
2. Examine, review and sign, and grant approval or legalization to the Company's Work Plan and Budget prepared by the Board of Directors by no later than 60 (sixty) calendar days prior to the budget year;
3. Cope with the Company's activities, provide suggestions and inputs to GMS concerning important issues;
4. Immediately report to GMS in the case that the Company performance shows a downtrend which will cause material impact;
5. Examine and review the periodic and annual reports arranged by the Board of Directors and sign the annual report;
6. Make minutes of meeting of the Board of Commissioners and maintain the copies;
7. Give report to the Company concerning their shares ownership and/or their family's in such Company and other Company;
8. Give report concerning the supervision activity performed during the previous book year to GMS;
9. Perform other duties related to the supervision and advice granting activities as long as they do not collide with the applicable laws and regulations, the Articles of Association, and/or GMS resolutions.

C. Authorities of The Board of Commissioners

In performing its duties, the Board of Commissioners is authorized to:

1. To examine the books, letters, and other documents, to check the cash for verification and other commercial papers and to examine the Company's assets;
2. To enter the premises, buildings and offices used by the Company;
3. To ask for clarifications from the Board of Directors and/or other officers concerning all matters related to the management of the Company;
4. To know all policies and actions that have been taken and to be taken by the Board of Directors;
5. To ask the Board of Directors and/or other officials under the Board of Directors at the Board of Directors' knowledge to attend a Board of Commissioners' meeting;
6. To appoint and terminate the Board of Commissioners' Secretary, if deemed necessary;
7. To suspend a Member of the Board of Directors in accordance with the provision of the Articles of Association;
8. To establish other committees other than audit committee, if deemed necessary, taking into account the Company's capability;
9. To utilize expert staff for a certain task and for a certain period at the Company's expense, if deemed necessary;
10. To manage the Company during certain condition for a certain period in accordance with the Articles of Association;
11. To attend the Board of Directors' meeting and give opinions on matters being discussed;
12. To carry out other supervisory authority as long as not in contravention with the laws and regulations, Articles of Association and/or resolutions of RUPS.

D. Rights of The Board of Commissioners

In implementing the duties, authorities and responsibilities, the Board of Commissioners has rights:

1. Shall be provided with honorariums and allowances as well as facilities including post-service benefits which type and amount shall be determined by RUPS taking into account the provisions in the applicable laws and regulations;
2. Create working relationship among the members of the Board of Commissioners that is set by themselves, and to assist with the smooth performance of its duties, the Board of Commissioners shall be entitled to support from the Secretary of the Board of Commissioners at the Company's expense. To assist with the smooth performance of its duties, the Board of Commissioners shall be entitled to support from a Secretary and Committees if deemed necessary, both temporary and permanent, that are appointed by the Board of Commissioners in accordance with the needs at the Company's expense;
3. A member of the Board of Commissioners has the rights to resign from his position with the obligation to give written statement concerning the issue to the Company and the Board of Commissioners, Directors and Shareholders who nominate the appointment of the concerned members of the Board of Commissioners:
 - a. The Company shall organize RUPS to determine the request of resignation of the members of the Board of Commissioners no later than 60 (sixty) calendar days after the receipt of resignation letter;
 - b. In the event that the Company does not organize RUPS within 60 (sixty) calendar

days after the receipt of the resignation letter, then the resignation from the members of the Board of Commissioners is valid without the approval of RUPS, unless the resignation caused the number of members of the Board of Commissioners is less than 2 (two) people;

- c. To the members of the Board of Commissioners who resign as mentioned, still can be asked the responsibilities since the appointment of the member until the date of his resignation becomes effective;
- d. Transfer the expenses needed to the Company in relation with the implementation of duties, authorities, and responsibilities of the Board of Commissioners and such expenses is clearly stated in the Company's Work Plan and Budget;
- e. To gain access of the Company's information in time and complete.

E. Criteria of the Members of the Board of Commissioners

PT Wijaya Karya (Persero) Tbk fully aware that Shareholders through RUPS have full authorities to appoint the Board of Commissioners. But, to ensure that the Board or the member of the Board of Commissioners have performances as expected by the Shareholders and the Company's needs, therefore the Company needs to determine policy concerning the criteria of the members of the Board of Commissioners as needed.

Criteria of the Company's Board of Commissioners are as follows:

1. The Board of Commissioners shall be at least 2 (two) members or more in which the number is determined by RUPS and to be adjusted with the needs.

The Company shall have Independent Commissioners in accordance with the prevailing laws and regulation in Capital Market.

2. The Board of Commissioner that consists of more than 1 (one) member is a board and each member of the Board of Commissioners shall not act by itself, but in accordance with the resolutions of the Board of Commissioners.
3. In the event the Board of Commissioners comprises of more than 1 (one) member, one of members of the Board of Commissioners may be appointed as the President Commissioner.
4. Those who are eligible to be appointed as members of the Board of Commissioners are individuals who are able to conduct legal actions, except that within 5 (five) years prior to their appointments:
 - a. Were declared bankrupt;
 - b. Became members of the Board of Commissioners who were declared guilty of causing the Company to be declared bankrupt; or
 - c. Were punished for committing a criminal act which inflicted a loss to the state's finance and/or SOEs and/or related to the financial sector
5. In addition to the criteria above-mentioned in the point 4, the appointment of the members of the Board of Commissioners is conducted by taking into account the integrity, dedication, understand the company's management issues related to one of the management functions, have sufficient knowledge of the Company's business, and dedicate adequate time to carry out their duties and responsibilities in accordance with the prevailing laws and regulations.
6. The appointment of the members of the Board of Commissioners, that does not fulfill the requirements as mentioned in the point 4 and 5, is invalid because of law since the other

members of the Board of Commissioners or Directors aware the unfulfillment of such requirements.

7. Especially for the member of the Independent Commissioner has additional criteria as mentioned in the Decree of Minister of State Owned Enterprises Number Kep-117/M-MBU/2002 concerning the Implementation of Good Corporate Governance Practices in the State Owned Enterprises (SOEs).
8. The appointment of members of the Board of Commissioners is not at the same time with the appointment of members of the Board of Directors.
9. The members of the Board of Commissioners are appointed and dismissed by RUPS from the candidates proposed by the Shareholders of Dwiwarna Series A after the nomination process in accordance with the prevailing rules and regulations and the nomination is tied to RUPS.
10. Among the members of the Board of Commissioners and between the members of the Board of Commissioners with the members of the Board of Directors shall not have blood relations until the third generation, both vertically and horizontally or related by marriage. In the case that such situation occurred, then RUPS is authorized to dismiss one of them.
11. The members of the Board of Commissioners shall not have other positions as:
 - a. members of the Board of Directors in another State-Owned Enterprise, Region-Owned Enterprise, Private-Owned Enterprise;
 - b. other positions in accordance with the prevailing laws and regulations, member of management of any political party and/or candidate legislative member and/or legislative member;
 - c. Other positions that might potentially create a conflict of interest.

F. Term of Office of the Board of Commissioners

1. The term of office of the members of the Board of Commissioners is for the period of time since the date of appointment determined by RUPS and end in the closing of the 5th (fifth) RUPS after the appointment date, but without losing the rights of RUPS to dismiss the members of the Board of Commissioners at any time before the term of office ends if the members of the Board of Commissioners can not fulfill one of or more reasons but not limited to:
 - a. Is unable to carry out his duties properly;
 - b. Fails to comply with the provision of laws and regulations and/or Articles of Association;
 - c. Is involved in an act which damages the Company and/or the state;
 - d. Is declared guilty by a court ruling having permanent legal force; or
 - e. Resigns.

After the end of term of office, the members of the Board of Commissioners may be re-appointed by RUPS for 1 (one) more term.

2. In addition to the reason of dismissal of the Board of Commissioners' members as above-mentioned in point 1, the member of the Board of Commissioners is able to be dismissed by RUPS based on another reasons that are deemed accurate by RUPS for the interest and objectives of the Company.
3. Dismissal reasons as above-mentioned in point 1 a, b, and c, shall be taken after the member concerned is given to state a defense. Dismissal because of reasons as above

mentioned in poin 1 c and d is a dishonorable-discharge.

4. In the event a reason of a vacant position of the Board of Commissioners' members or the Company does not have any member of the Board of Commissioners, RUPS shall be held no later than 60 (sixty) calendar days after the vacancy, to fill in the vacant position;
5. The position of a member of the Board of Commissioners shall end if he/she:
 - a. His/her resign is effective in accordance with the provisions of the Articles of Association;
 - b. Passes away;
 - c. His/her term of office has ended;
 - d. Is terminated based on decision of a General Meeting of Shareholders; and/or
 - e. No longer meets the requirements as a member of the Board of Commissioners based on the prevailing laws and regulations.
6. In the event that the member of the Board of Commissioners resigns that causes the total number of members of the Board of Commissioners is less than 2 (two) people, therefore the resignation is valid after determined by RUPS and a new member of the Board of Commissioners has been appointed, so that the Company fulfills the minimum requirement of total number of members of the Board of Commissioners.
7. In the event that the concerned resigned member of the Board of Commissioners before or after the term of office is over unless because of passes away, therefore the concerned person shall be responsible of the actions taken that have not been accepted the accountability by RUPS.

G. Familiarization Program of the Board of Commissioners

To make the Board of Commissioners can work harmoniously with the other Company's organs, therefore for the new appointed member of the Board of Commissioners shall be given Familiarization Program. The familiarization program given is in the form of presentation, meeting, visit to Company's facilities, visit to Region and Branch Office or other programs. President Commissioner is responsible for this familiarization program and in the event that President Commissioner is not present, then President Director is responsible for the implementation of the familiarization program.

The familiarization program given to the members of the Board of Commissioners, shall cover:

1. The implementation of the principles of Good Corporate Governance;
2. The picture of the Company with regards to the purpose, nature, scope of activities, financial and operational performance, strategies, short-term and long-term business plans, risks, internal control and other strategic issues;
3. Explanation regarding delegation of authority, internal and external audits, system and policy of internal control and audit committee;
4. Description of duties and responsibilities of the Board of Commissioners and Directors;
5. Several laws and regulations in force and the Company's Policy.

The Company will organize self development program for members of the Board of Commissioners with agenda and contents adjusted with needs of the Commissioners and the Company's needs.

H. Member of the Independent Commissioner

The Company is fully aware of the importance of independent members of the Board of Commissioners. Therefore to prepare the position of Independent Commissioner's member, the Company defines the member of Independent Commissioner in accordance with the Decree of Minister of State-Owned Enterprises Number Kep117/M-MBU/202 concerning the implementation of Good Corporate Governance in State-Owned Enterprises, as follows:

1. Is not holding the position as the Board of Directors in an affiliated company with PT Wijaya Karya (Persero) Tbk.
2. Is not working for the Government including department, institution and military during the last three years.
3. Is not working in PT Wijaya Karya (Persero) Tbk or its affiliated companies during the last three years.
3. Has no financial relationship, either directly or indirectly with PT Wijaya Karya (Persero) Tbk or other companies which provide services and products to PT Wijaya Karya (Persero) Tbk and its affiliated companies.
4. Is free from any conflict of interest and business activities or other relationship that might hinder or hamper his position as a member of the Board of Commissioners to act or think freely in PT Wijaya Karya (Persero) Tbk.

Fulfilling the provisions determined by the rules and regulations especially in the capital market which is Bapepam-LK No. IX.I.5 and also regulations of Indonesia Stock Exchange No. I-A, concerning the composition of number of Independent Commissioner that shall at least 30% (thirty percent) from the total members of the Board of Commissioners.

I. Ethics of the Board of Commissioners

In performing its duties and functions, the Board of Commissioners hold on the principles as follows:

1. Every member of the Board of Commissioners shall be required to comply with the prevailing laws and regulations, Articles of Association, and Codes of Good Corporate Governance, Code of Conduct as well as other Company policies.
2. Every member of the Board of Commissioners shall not hold any positions as the members of the Board of Directors in State-Owned Enterprises, Region-Owned Enterprises, Private Companies and other positions that might create conflict of interest, and/or other positions in accordance with the prevailing laws and regulations.
3. Every member of the Board of Commissioners shall not take personal advantage of the Company's activities, other than the salary and facilities as the members of the Board of Commissioners as determined by RUPS.
4. Every member of the Board of Commissioners shall not be permitted to give or offer, or receive ether directly or indirectly, anything of value to customers or government officials in order to influence them or as gratifications for what they have done and other actions in accordance with the prevailing laws and regulations.
5. Every member of the Board of Commissioners shall avoid any activities that can affect the working relationship between the Board of Commissioners and Directors.

6. Every member of the Board of Commissioners shall make himself as a good role model for the Board of Directors and all Company's employees.
7. Every member of the Board of Commissioners shall maintain the confidentiality of the Company's confidential information.
8. Confidential information entrusted during the term of office as members of the Board of Commissioner shall be maintained confidential in accordance with the prevailing laws and regulations.

J. Meeting of the Board of Commissioners

1. All resolutions of the Board of Commissioners shall be adopted in the Board of Commissioners' meeting.
2. The Board of Commissioners may hold a meeting at any time at the request of 1 (one) or more members of the Board of Commissioners, request of the Board of Directors, or at a written request of 1 (one) or several Shareholders who represent at least 1/10 (one tenth) of the number of shares with voting rights, by mentioning the agenda to be discussed.
3. The resolutions of meeting may also be adopted outside a Board of Commissioners' meeting as long as all members of the Board of Commissioners approve the method and materials being decided.
4. At every meeting of the Board of Commissioners, minutes of meeting shall be prepared which contain matters discussed (including dissenting opinions from the members of the Board of Commissioners, if any) and matters resolved.
5. The minutes of meeting as above-mentioned in point 4 shall be signed by the chairman of meeting and all members of the Board of Commissioners present at the meeting complete with the attendance signed by the chairman of meeting and all members of the Board of Commissioner present at the meeting. Members of the Board of Commissioner who are not present at the meeting shall provide statement of approval or objection against the resolutions of the meeting.
6. The minutes of meeting of the Board of Commissioners shall be submitted to the Board of Directors to be kept and maintained, and a copy shall be kept by the Board of Commissioners.
7. The Board of Commissioners' meeting shall be considered valid if held in the Company's place of domicile or at the main business place of the Company.
8. The Board of Commissioners shall hold a meeting at least once a month and in that meeting the Board of Commissioners may invite the Board of Directors.
9. Summons to the Board of Commissioners' meeting shall be served in writing by the President Commissioner or by a member of the Board of Commissioners appointed by the President Commissioner and shall be delivered within 3 (three) days prior to the meeting or a shorter period if in urgent condition, excluding the date of summons and date of meeting.
10. The summons to the meeting as above-mentioned in point 9 shall include the agenda, date, time and venue of the meeting.
11. Such summons to the meeting shall not be required if all members of the Board of Commissioners are present in the meeting.
12. The Board of Commissioners' meeting shall be valid and entitled to adopt binding

resolutions if attended or represented by more than ½ (a half) of the total members of the Board of Commissioners.

13. In the miscellaneous agenda, the Board of Commissioners' meeting shall have no right to adopt any resolutions unless all members of the Board of Commissioners or their formal representatives are present and agree to the additional meeting agenda.
14. A member of the Board of Commissioners may only be represented by another member of the Board of Commissioners, by granting a power of attorney with sufficient duty stamp specially made for such purpose.
15. All meetings of the Board of Commissioners shall be chaired by the President Commissioners.
16. In the event the President Commissioner is unable to attend, the meeting shall be chaired by another member of the Board of Commissioners appointed by the President Commissioner.
17. In the event the President Commissioner does not make any appointment, the member with the longest services as a Commissioner shall act as chairman of the Board of Commissioners' meeting.
18. In the event there are more than one longest-serving members of the Board of Commissioners, the member of the Board of Commissioners, as above-mentioned in point 17, the oldest (in age) member shall act as the chairman of the meeting.
19. All resolutions in the Board of Commissioners' meeting shall be adopted amicably for deliberation.
20. If no agreement is reached amicably, resolutions of the Board of Commissioners' meeting shall be adopted by majority votes.
 - In the event of a tie vote, with regard to an individual, decision of the meeting shall be made through a closed voting until obtain the majority votes, meanwhile with regard to other matters, then the decision of the meeting shall be made through revoting until obtain the majority votes.
21. Each member of the Board of Commissioners shall be entitled to cast 1 (one) vote plus 1 (one) other vote for a member of the Board of Commissioners he represents.
22. In the event there are more than two alternatives proposed and the results of voting have not obtained any one alternative with votes of more than ½ (a half) portion of the total votes cast, then the second voting may be held on the two alternatives which receive the majority votes so that one proposed alternatives receives more than ½ (a half) portion of the total votes cast.
23. Blank votes shall be deemed to agree with the proposal brought up in the meeting. Invalid votes shall be adopted null and uncounted in determining the total votes cast in the meeting.
24. The Board of Commissioners' meeting shall be attended by the Secretary of the Board of Commissioners or other officials assigned by the President Commissioner as minutes of meeting taker, except for special meetings which may only be attended by members of the Board of Commissioners. The Board of Commissioners' Secretary or other officials appointed shall be responsible to prepare, correct, administer and distribute the minutes of meeting. In the event that the special meeting is not attended by the Board of Commissioners' Secretary, the minutes of meeting shall be prepared, corrected, administered and distributed by one member of the Board of Commissioners appointed.

25. This minutes of meeting is a valid proof for the members of the Board of Commissioners and for the third party concerning the decisions taken in the meeting.

If the minutes of meeting is made by Notary, then the signature is not deemed necessary. In preparing the minutes of the Board of Commissioners' meeting shall fulfill the followings:

- a. The minutes of meeting shall reflect the situation of meeting. Therefore, the minutes of meeting shall include the venue, date and time of meeting, agenda being discussed, attendance list, various opinions brough forward in the meeting, who gave the opinion, decision making process, resolutions adopted, and statement of objection (dissenting comments) against the resolutions of meeting if there is no unanimous decision.
- b. Each member of the Board of Commissioners shall be entitled to receive a copy of the minutes of Board's meeting, whether or not the member concerned was present at the meeting.
- c. A copy of the minutes of Board of Commissioners' meeting shall be delivered to all members of the Board of Commissioners within 7 (seven) days after the meeting of the Board of Commissioners. Revision of the minutes of meeting shall be made within 14 (fourteen) days of date after delivery of the minutes of meeting. Each member of the Board of Commissioners present and/or represented in the meeting shall give his approval or objection and/or recommendation for correction, if any, on what is contained in the minutes of meeting. If the objection and/or proposed correction is not received during that period, it shall be concluded that there is no objection and/or revision on the minutes of meeting.
- d. The minutes of meeting shall be documented properly by the Board of Commissioners' Secretary or other officials who is appointed for the documentation and accountability in the decision making process carried out by the Board of Commissioners.

K. Board of Commissioners' Performance Appraisal

The Board of Commissioners and its members' performance will be evaluated each year by Shareholders in the General Meeting of Shareholders.

Generally, the Board of Commissioners' performance shall be determined based on the duties and responsibilities contained in the prevailing laws and regulations and the Articles of Association as well as the mandate of Shareholders. The criteria of a formal evaluation are given openly to the member of the Board of Commissioners concerned as of the date of his appointment.

The result of evaluation on the Board of Commissioners' performance as a whole and each member's performance individually shall become an integral part in the compensation scheme and in the awarding of incentives for the Board of Commissioners. The result of performance appraisal of each member of the Board of Commissioners individually shall become the basis of consideration for the Shareholders to terminate and/or reappoint the member of the Board of Commissioners concerned. The results of performance appraisal shall become the basis for evaluation and improvement of the Board of Commissioners effectiveness.

General Meeting of Shareholder determined the criteria of the Board of Commissioners' performance as a whole or each member's performance individually. The evaluation criteria of the Board of Commissioners' performance individually are as follows:

1. Rate of attendance at the Board of Commissioners' meeting and meetings with other existing committees.
2. Contribution in the process of Company supervision.
3. Involvement in certain assignments.
4. Commitment in promoting Company's interest.
5. Compliance with the prevailing laws and regulations and the Company policies.

To improve the effectiveness of the Board of Commissioners, then the Board of Commissioners regularly evaluates the needs of person and the member composition. The results of evaluation shall be an input reported to the Shareholders.

L. Conflict of Interest of the Board of Commissioners

Conflict of interest of the Board of Commissioners is a particular condition where the individual interest of the Board of Commissioners' members might potentially create a conflict of interest with the Company's interest to achieve profit, improve the Company's value, achieve vision and the Company's mission as well as carry out the resolutions of General Meeting of Shareholders.

The Board of Commissioners of PT Wijaya Karya (Persero) Tbk shall follow and comply with the regulation of Bapepam Number IX.E.I concerning Conflict of Interest on Certain Transactions.

Some principles followed by PT Wijaya Karya (Persero) Tbk to avoid the occurrence of conflict of interest and further implication that often raised among others are as follows:

1. The Board of Commissioners shall always avoid any conflict of interest in carrying out its tasks. The Board of Commissioners is not using its position for personal interest or for the interests of others or other related parties.
2. The Board of Commissioners shall avoid any activities that may influence its independency in carrying out his tasks.
3. The Board of Commissioners shall complete a special register containing information on its family or its own share ownership with another Company.
4. In the event of a conflict of interest, it shall be disclosed, and the Board of Commissioners concerned shall not get involved in the process of Company's decision making related to that matter.
5. The Board of Commissioners shall makes statement concerning conflict of interest of matters stated in the Work Plan and Articles of Association.

M. Working Relationship with the Board of Directors

Generally, working relationship between the Board of Commissioners and Directors is directed to carry out each tasks and functions as the Company's organ. The Board of Directors is responsible for managing the Company's operations and the Board of Commissioners is responsible to oversee the implementation of management carried out by the Board of Directors. However, the working relationship between the Board of Commissioners and Directors shall follow the following principles:

1. In accordance to maintain independency of each Company's organ, for each working relationship between the Board of Commissioners and Directors in relations with each the task and function is a formal relationship, which means that it shall always be based on standard mechanism or accountable correspondence. The informal working relationship can be created by each member of the Board of Commissioners and Directors, but shall not be used as a formal policy before it passes through the mechanism or accountable correspondence.
2. The Board of Commissioners shall respect the function and role of the Board of Directors in managing the Company as has been stipulated in the laws and regulations and Articles of Association. Matters concerning the daily working relationship between the Board of Commissioners and Directors, that has not been stipulated in the prevailing laws and regulations, Articles of Association, Code of Good Corporate Gocernance, Code of Conduct and this document, will be further stipulated in accordance with the agreement between the Board of Commissioners and Directors based on good corporate governance principles.
3. Members of the Board of Commissioners both personally or collectively shall be entitled to obtain access of information concerning with the Company's management including but not limited to information of Subsidiaries.
4. In the event of information request by the Board of Commissioners concerning the Subsidiary, then the request will be submitted to the Board of Directors. It is the authority of the Board if Directors to request information concerned form Subsidiary with its authority as the Shareholders.
4. The Board of Commissioners together with the Board of Directors regularly shall conduct coordination meeting to discuss various problems concerning the Company. In the coordination meeting, President Commissioner acts as the Chairman of the meeting. In the event that President Commissioner is not present, then he/she shall appoints other member of the Board of Commissioners to represent him/her.
5. The resolutions of Coordination meeting between the Board of Commissioners and Directors shall bind all participants of the meeting.
6. Each working relationship between the Board of Commissioners and Directors is an institutional relationship which means that the Board of Commissioners and Board of Directors are collective positions which represent the entire members so for each relationship between a member of the Board of Commissioners with a member of the Board of Directors shall be known by other members of the Board of Commissioners.

N. Committee that Supports the Board of Commissioners

In carrying its daily tasks in accordance with the Good Corporate Governance principles, the Board of Commissioners can form Committees that act as supporting tools for the Board of Commissioners' supervisory function.

Those committees are Audit Committee, Financial Plan and Business Risk Committee, Nomination and Remuneration Committee, Good Corporate Governance Committee, and other Committees can be formed. The formation of those Committees is adjusted with the Company's condition and need.

N.1 Audit Committee

Is responsible to assist the Board of Commissioners to create adequate internal control, improve disclosure in financial report, review the scope of work and effectiveness of external auditor including but not limited to fairness of audit fee, experiences, independency and objectiveness. In addition, Audit Committee is also responsible to prepare report that describes the Committee's tasks and responsibilities during the fiscal year that is being reviewed by the external auditor, which has to be inserted in the annual report submitted to the Shareholders.

Details of the Audit Committee's tasks are:

In Financial Reporting:

The responsibilities of Audit Committee in this field is to ensure that the financial report prepared by the management has reflected the real situation (credible and objective) of the financial condition, result of business plan and long term commitment.

The scope of works including:

1. Assess the accounting policy and decisions made concerning with financial.
2. Supervise the process of financial report preparation by emphasizing on the compliance towards the prevailing policies, standard, and accounting system.
3. Review and assess the financial reports and business results reports regularly.

In Corporate Governance

The responsibilities of Audit Committee in this field is to ensure that the Company has been managed in accordance with the prevailing laws, regulations, standard procedure norm and manual, ethics and implement effective supervision on conflict of interest and fraud.

The scope of works consisting:

1. Review and assess compliance on the prevailing laws, regulations and SOP, ethical, conflict of interest and investigate on the acts that create the Company's loss.
2. Ensure the existence of satisfied review procedure on the information disclosed by the SOEs including brochure, periodic financial report, projection and others as well as financial report submitted to the Shareholders.
3. Supervise and review the complains and solve any problems concerning good corporate governance and the Company becomes one of related party involved.
4. Review important cases related with conflict of interest, acts that create the Company's loss and fraud.
5. Request the internal auditor to provide written report on the corporate governance practices and report if there is any violation.

In Supervisory and Company's Control

The responsibilities of Audit Committee in this field consist of understanding problems and matters that might have risks in preparing, implementing, and completing the Company's core tasks, control system and oversee the supervision process and Company's tasks implementation.

The scope of works consisting:

1. Oversee the independency of plan scope and quality of internal and external auditor's findings.
2. Ensure the competence and integrity of external auditor.
3. Review and assess the adequacy and effectiveness of supervisory.
4. Review and assess adequacy and effectiveness of work facilities and infrastructure of controlling supervision.
5. Provide recommendation concerning management controlling system improvement and implementation.
6. Provide recommendation of appointment and termination of external and internal auditor.
7. Supervise the external audit and assess the quality of audit services and the fairness of fees charged.
8. Review and assess the performance and results of external and internal audit.
9. Review the report of external and internal auditor.

N.2 Financial plan and Business Risk Committee

Financial Plan and Business Risk Committee is responsible to assist the Board of Commissioners in carrying out its tasks and responsible directly to the Board of Commissioners of PT Wijaya Karya (Persero) Tbk.

Financial Plan and Business Risk Committee works collectively and independent both in executing its tasks and in reporting.

The core duties of Financial Plan and Business Risk Committee are as follows:

1. Recognize and anticipate the potential of business risks and propose improvement on the financial plan to minimize the risks
2. Chairman of the Financial Plan and Business Risk Committee acts as advisor of the members of the Financial Plan and Business Risk Committee concerning each problems faced by the Board of Directors to be discussed immediately by the Board of Commisisoner as one of early warning system implementation.
3. Daily tasks implementation are carried out by the the members of Financial Plan and Business Risk Committee.

Details of the Financial Plan and Business Risk Committee's tasks are:

1. Review the suggestion from the Board of Directors concerning policies and Company's risk management system.
2. Evaluate the financial plan proposal prepared by the Board of Directors stated in the RKAP proposal and evaluate each proposed project and program activity.

3. Evaluate the leverage ability for each project run with share performance and Company's financial improvement.
4. Review on the effectiveness of organization structure of Financial Plan and Business Risk Committee.
5. Evaluate and analyze quarterly on the risks that might affect the project analysis proposed by the Board of Directors as part of early warning system implementation.
6. Together with Audit Committee review on the risks identification process and risk management implementation conducted by the management.
7. Supervise the process of risks management and controlling implementation.
8. Ensure that the management has conducted risk controlling in accordance with the prevailing SOP or recommendations from auditors.

Financial Plan and Business Risk Committee shall held meeting at least 2 (twice) a month. Financial Plan and Business Risk Committee shall report immediately the evaluation result conducted to the Board of Commissioners.

Financial Plan and Business Risk Committee shall submit periodic report to the Board of Commissioners concerning the highlights of work result assigned by the Board of Commissioners. This periodic report is submitted at least every 2 (two) months unless determined different by the Board of Commissioners.

Financial Plan and Business Risk Committee shall submit special report consisting analysis highlights of expected matters that might affect the Company's activities. This report is signed by the chairman and one of the members of Financial Plan and Business Risk Committee and shall be submitted to the Board of Commissioners no later than 10 (ten) working days after the analysis finding date.

Concerning the responsibilities and tasks implementation of Financial Plan and Business Risk Committee, the Board of Commissioners of PT Wijaya Karya (Persero) Tbk gives authority to the Financial Plan and Business Risk Committee to obtain information, document, and related data from internal or external party of PT Wijaya Karya (Persero) Tbk to implement the tasks of Financial Plan and Business Risk Committee.

The members of Financial Plan and Business Risk Committee shall have commitment implementing their tasks and ensure the information confidentiality and data of Company received or known from parties that are not related with their tasks.

All expenses of Financial Plan and Business Risk Committee are charged to the Company.

The members of Financial Plan and Business Risk Committee shall not the members of the Board of Commissioners of PT Wijaya Karya (Persero) Tbk, and are given salary on the Company's expenses. The salary given is determined by the Board of Commissioners of PT Wijaya Karya (Persero) Tbk.

The term of office of the Financial Plan and Business Risk Committee is 1 (one) year since the appointment decision by not losing the rights of the Board of Commissioners to terminate at any time.

N.3 Nomination and Remuneration Committee

Nomination and Remuneration Committee is responsible to assist the Board of Commissioners in executing its tasks and responsible directly to the Board of Commissioners of PT Wijaya Karya (Persero) Tbk.

Nomination and Remuneration Committee works collectively and independent in executing its tasks and in reporting.

The main tasks of Nomination and Remuneration Committee are as follows:

Nomination and Remuneration Committee works in two scope of function which are:

- Nomination scope that is responsible to prepare the selection criteria and nomination procedure for the members of the Board of Commissioners, Directors, and other executives in PT Wijaya Karya (Persero) Tbk, make assessment system and provide recommendation on the total number of members of the Board of Commissioners and Directors.
- Remuneration scope that is responsible to prepare remuneration system and allowance distribution to the members of the Board of Commissioners and Directors and provide related recommendation.

Chairman of Nomination and Remuneration Committee act as advisor of the members of the Nomination and Remuneration Committee concerning matters that become the focus from audit that will be conducted.

Daily tasks implementation conducted by the members of Nomination and Remuneration Committee.

In executing its core tasks, Nomination and Remuneration Committee is responsible of:

1. Preparing, implementing, and analyzing the criteria and procedure of nomination for the Board of Commissioners, Directors, and other executives candidates (until 1 level below the Board of Directors).
2. Preparing, implementing, and analyzing the criteria and procedure of nomination, appointment, and termination of the members of the Board of Commissioners and Directors.
3. Preparing the performance appraisal system of the members of the Board of Commissioners and Directors.
4. Preparing and evaluating the remuneration system and allowances distribution to the members of the Board of Commissioners and Directors and provide recommendation of:
 - a. Assessment on the system;
 - b. Option given, such as option of shares;
 - c. Retirement system;
 - d. Compensation system and other benefits in employees deduction.

Nomination and Remuneration Committee shall report immediately the evaluation result conducted to the Board of Commissioners.

Nomination and Remuneration Committee shall submit periodic report to the Board of Commissioners concerning the highlights of work result assigned by the Board of Commissioners. This periodic report is submitted at least every 1 (one) year unless determined different by the Board of Commissioners.

In the event that is related with the responsibilities of tasks implementation of Nomination and Remuneration Committee, the Board of Commissioners of PT Wijaya Karya (Persero) Tbk gives authority to the Nomination and Remuneration Committee to:

1. Obtain various information, document, and data related with the internal and external parties of PT Wijaya Karya (Persero) Tbk, that is needed to implement the tasks of Nomination and Remuneration Committee.
2. Cooperate with external party of PT Wijaya Karya (Persero) Tbk, to implement the tasks of Nomination and Remuneration Committee.

The members of Nomination and Remuneration Committee shall have commitment implementing their tasks and ensure the information confidentiality and data of Company received or known from parties that are not related with their tasks.

All expenses of Nomination and Remuneration Committee to implement its tasks as stipulated in the article 2 of this decision are charged to the Company.

The members of Nomination and Remuneration Committee that are not the members of the Board of Commissioners of PT Wijaya Karya (Persero) Tbk are given salary on the Company's expense. The amount of salary is determined by the Board of Commissioners of PT Wijaya Karya (Persero) Tbk.

The term of office of the Nomination and Remuneration Committee is 1 (one) year since the appointment decision by not losing the rights of the Board of Commissioners to terminate at any time.

N.4 Good Corporate Governance Committee

Is responsible to assist the Board of Commissioners in reviewing the overall policies of Corporate Governance prepared by the Board of Directors and consistency of implementation including those that are related with the business ethics and Corporate Social Responsibility.

In implementing its core tasks, the Good Corporate Governance (GCG) Committee has the details of tasks as follows:

1. Ensure the compliance of PT Wijaya Karya (Persero) Tbk towards the prevailing regulation in every activities implementation of the Board of Commissioners, operations of the Board of Directors and others.
2. Ensure there is Standard Operations Procedure (SOP) applied and comply with the prevailing Standard Operation Procedure (SOP) in the level of the Board of Commissioners or in working relationship between the Board of Commissioners and Directors.
3. Evaluate the implementation of Good Corporate Governance system in the Company.
4. Evaluate the GCG code of conduct both within the internal of the Board of Commissioners and working relationship between the Board of Commissioners and Directors, and management relationship in the level below the Board of Directors based on the proposal submitted by the Board of Directors.

Good Corporate Governance Committee shall held meeting at least 1 (once) a month.

O. The Board of Commissioners' Secretary

1. To assist with the smooth performance of its duties implementation, the Board of Commissioners shall be entitled to appoint a Secretary of the Board of Commissioners at the Company's expense.
2. The Board of Commissioners' Secretary shall carries out the administrative and secretarial function related with all activities of the Board of Commissioners in executing its function and roles as the Baord of Commissioners.
3. All the Board of Commissioners' meeting, both internal meeting of the Board of Commissioners and Coordination meeting of the Board of Commissioners and Directors are attended by the Board of Commissioners' Secretary or other officials appointed to note the minutes of meeting. Unless for special meeting that can only be attended by the Board of Commissioners and/or Directors.
4. The Board of Commissioners' Secretary is responsible of the distribution of related information with the agenda being discussed. The Board of Commissioners' Secretary is also responsible in the preparation, administration, and distribution of the minutes meeting of the Board of Commissioners' meeting.
5. The Board of Commissioners' Secretary together with the Corporate Secretary plan the technical of Familiarization and Training program for the new members of the Board of Comissioners appointed.

BAB II

THE BOARD OF DIRECTORS

The Board of Directors is a Company's organ that is responsible on the Company's management. The Board of Directors shall has good intention and fully responsible for the interest of the Company, manage the business and Company's business by taking into account the balance of the interest of stakeholders with the Company's activities. The Board of Directors acts carefully, prudence and by taking into account several important aspects that are relevant in implementing its duties. The Board of Directors uses the authority owned only for the interest of the Company.

A. Duties and Authorities of the Board of Directors

1. The Board of Directors executes all actions related with the Company's management for the interest of the Company and to meet the objectives of the Company and to represent the Company both in and out of a court regarding any matters and any events with some restrictions in accordance with the prevailing rules and regulation, Articles of Association and/or resolutions of RUPS.
2. In implementing the duties as above-mentioned in the point 1, then the Board of Directors is authorized to:
 - a. Set out the Company's management policy;
 - b. Arrange the special letter of attorney of the Board of Directors to represent the Company in and out of the Court to one or several Company's employees both by himself or together or with other people;
 - c. Make the provisions on Company personnel including the setting out of salary, pension, or old age benefits and other income for the Company's employees based on the prevailing laws and regulations;
 - d. Appoint and terminate Company's employees based on the Company's personnel regulation as well as the prevailing laws and regulations;
 - e. Perform all acts and conducts related to the arrangement and ownership of Company's assets, to bind the Company with other parties and/or other parties with the Company, and to represent the Company in and out of a Court regarding any matters and any event, with some restrictions as provided for in the laws and regulations, Articles of Association and/or resolutions of RUPS.
3. In implementing its duties, the Board of Directors shall express its energies, thoughts, attentions and devotion fully on the duties, obligation, and achievement of the Company's objectives.
4. In implementing its duties, the members of the Board of Directors shall complies with the Company's Articles of Association, Code of Good Corporate Governance, Code of Conduct and laws and regulations, and also shall implements the principles of professionalism, efficiency, transparency, accountability, responsibility, independency and fairness.
5. Each member of the Board of Directors shall with good intention and fully responsible to implement the duties for the interest and business of the Company by taking into account the prevailing laws and regulations.
6. Each member of the Board of Directors is fully responsible personally if the concerned found guilty or neglect their duties for the interest and business of the Company.
7. Actions conducted by the members of the Board of Directors that are not specified in the

Board of Directors' meeting shall be the concerned personal responsibility until such actions are approved by the Board of Directors' meeting.

8. The following Board of Directors' actions shall gain written approval from the Board of Commissioners to:
 - a. Make capital participation in another company;
 - b. Establish a Subsidiary Company and/or a joint venture company;
 - c. Release the capital participation in another company, subsidiary and joint venture company;
 - d. Perform merger, dissolution, acquisition, separation, and liquidation of a subsidiary company;
 - e. Establish Operations Cooperation (KSO) for terms more than 3 (three) years;
 - f. Establish cooperation with enterprises or other parties in the form of licensing cooperation, management contract, Build Operate Transfer, Build Own Transfer, Build Transfer Operate, and other cooperation which particular value or term determined by the Board of Commissioners;
 - g. Bind the Company as borg or avalist that creates financial liabilities which value is greater than value determined by the Board of Commissioners;
 - h. Receive mid/long-term loans and provide mid/long-term loans which value is greater than value determined by the Board of Commissioners, and also provide short-term, non operational loans;
 - i. Pledge fixed assets in making short-term credit withdrawal and/or release movable fixed assets;
 - j. Write off from the bookkeeping uncollectible receivables and dead stocks which value is greater than value determined by the Board of Commissioners;
 - k. Determine and change the Company's logo;
 - l. Implement actions that have not set in RKAP;
 - m. Open branch or representative in other places, both in or out of the region of Indonesia.
9. If within 45 (fourty five) calendar days since the receival of proposal or explanation and document from the Board of Directors, the Board of Commissioners does not give the decisions as above-mentioend in point 8, then the Board of Commissioners is deemed to approve the proposal of the Board of Directors.
10. The following actions may only be taken by the Board of Directors after obtaining a written response from the Board of Commissioners and approval from RUPS to:
 - a. Pledge fixed assets in making mid/long-term credit withdrawal and/or release fixed assets;
 - b. Stop collecting uncollectible receivables which have been written off;
 - c. Perform actions including in the material transactions for the Company based on the capital market laws and regulation, that fulfill at least one of the following:
 - 1) 10 % (ten percent) from the Company's revenues;
 - 2) 20 % (twenty percent) from the total equity.-Or other percentages set by the laws and regulations in Capital Market.
11. The Board of Directors shall request the approval of RUPS to:
 - a. Transfer the Company's assets; or
 - b. Put as security Company's assets;
Which is more than 50% (fifty percent) of Company's net assets in 1 (one) transaction or more, either interrelated or not.
12. a. Transaction as above-mentioned in point 11 a is the transaction to transfer the Company's net assets occurred within 1 (one) fiscal year;

- b. Meanwhile the transaction as above-mentioned in point 11 b is the transaction to put as security Company's assets for 1 (one) fiscal year or more.
13. Legal action as above-mentioned in point 11 without approval RUPS, still bind the Company as long as other parties in such legal action have good intention.
 14. Legal action to divert/release rights or to put as security Company's assets as above-mentioned in point 11 shall obtain approval from RUPS that is attended or represented by Shareholders who own at least $\frac{3}{4}$ (3 out of 4) part out of the total shares with valid votes and approved by at least $\frac{3}{4}$ (3 out of 4) part of the total votes. In the event that attendance quorum does not achieve, second RUPS can be held with attendance at least $\frac{2}{3}$ (2 out of 3) part of the total shares with valid votes and approved by at least $\frac{3}{4}$ (3 out of 4) part of the total votes.
 15. Legal action to divert/release rights or to put as security all or part of Company's fixed assets that is merchandise or inventory including those derived from repayment of bad debt resulting from the implementation of the main business activities, does not require the approval of the Board of Commissioners or RUPS as above-mentioned in point 8 and 10.
 16. To carry out a legal action in the form of transaction that create conflict of interest between personal economic interests of members of the Board of Directors, the Board of Commissioners or Shareholders with personal economic interests of Company, the Board of Directors shall request the approval of RUPS based on the majority affirmative vote from Shareholders who do not have conflict of interest.
 17. RUPS can decrease restrictions on the actions of the Board of Directors as set in the Articles of Association or determine other restrictions to the Board of Directors apart from what have been set in the Articles of Association, by taking into account the prevailing laws and regulations.
 18. In managing the Company, the President Director has the rights and authorities to act for and on behalf of the Board of Directors as well as represent the Company as long as those actions of the President Director have been approved by the Board of Directors' meeting.
 19. In the event the President Director is unable to attend for any reason, and does not need to prove to third party, then one of the members of the Board of Directors who is appointed in written by the President Director has authority to act for and on behalf of the Board of Directors and implement the duties of President Director.
 20. In the event the President Director does not make any appointment, the member with the longest services as a Director shall act for and on behalf of the Board of Directors implement the duties of President Director.
 21. In the event there are more than 1 (one) longest-serving members of the Board of Directors, the the member of the Board of Directors, as above-mentioned in point 20, the oldest (in age) member shall act for and on behalf of the Board of Directors implement the duties of President Director.
 22. In the event that one of the members of the Board of Directors beside the President Director is unable to attend for any reason, and does not need to prove to third party, then other members of the Board of Directors appoint one of the members of the Board of Directors to implement the duties of the members of the Board of Directors who is unable to attend.
 23. All actions of the members of the Board of Directors who represent the President Director as mentioned in point 19, 20, 21, and 22 have been approved in the Board of

Directors' meeting.

24. The Board of Directors for certain actions at its own account, shall also has the right to appoint one person or more as a deputy or power, by granting upon him/them the power for such actions as set out in the power of attorney.
25. Division of tasks and authorities of each member of the Board of Directors is determined by RUPS. In the event that RUPS did not determine the division of tasks and authorities, then the division of tasks and authorities among the members of the Board of Directors are determined by the Board of Directors' decision.
26. The Board of Directors in managing the Company implement instructions given by RUPS as long as it is in accordance with the prevailing rules and regulations and/or Articles of Association.
27. The members of the Board of Directors does not have the authority to represent the Company if:
 - a. Legal matter occured in Court between the Company and the concerned member of the Board of Directors; or
 - b. The concerned member of the Board of Directors has conflict of interest with the Company.
28. In the event there are some cases as above-mentiones in poin 27, the one who has the rights to represent the Company is:
 - a. Other members of the Board of Directors who do not have conflict of interest with the Company;
 - b. The Board of Commissioners in the case that all members of the Board of Directors have conflict of interest with the Company; or
 - c. Other party appointed by RUPS in the case that all members of the Board of Directors or Commissioners have conflict of interest with the Company.

B. Rights and Responsibilities of the Board of Directors

In implementing its duties, the Board of Directors has the rights to:

1. Receive salaries and allowances/facilities including post-service benefits which amount shall be determined by the RUPS and such authorities can be given by RUPS to the Board of Commissioners.
2. A member of the Board of Directors has the rights to resign from his position with the obligation to give written statement concerning the issue to the Company and the Board of Commissioners, other members of the Board of Directors and Shareholders who nominate the appointment of the concerned members of the Board of Directors;
 - a. The Company shall organize RUPS to determine the request of resignation of the members of Board of Directors no later than 60 (sixty) calendar days after the receival of resignation letter.
 - b. In the event that the Company does not organize RUPS within 60 (sixty) calendar days after the receival of the resignation letter, then the resignation from the members of the Board of Directors is valid without the approval of RUPS, unless the resignation caused the number of members of the Board of Directors is less than 2 (two) people.
 - c. To the members of the Board of Directors who resign as mentioned, still can be asked for the responsibilities since the appointment of the member until the date of his resignation becomes effective.

- d. In the event that the member of the Board of Directors resigns that causes the total number of members of the Board of Directors is less than 2 (two) people, therefore the resignation is valid after determined by RUPS and a new member of the Board of Commissioners has been appointed, so that the Company fulfills the minimum requirement of total number of members of the Board of Directors.

In performing its duties, the Board of Directors is responsible to:

1. To make all efforts and ensure that the Company's business and activities run in accordance with the Company's aims and objectives;
2. To prepare, when the time comes, Company's work plans and budget (RKAP) and its changes (if any) and deliver it to the Board of Commissioners to obtain approval from Board of Commissioners' Meeting no later than 60 (sixty) calendar days prior to the budget year;
3. To make a Register of Shareholders, Special Register, Minutes of General Meeting of Shareholders (RUPS) and Minutes of Meeting of the Board of Directors;
4. To prepare an annual report as a form of accountability management of the Company and Company's financial documents as set out in regulation of Company's document;
5. To prepare financial reports based on financial accounting standards and submit them to a public accountant for audit;
6. To submit annual report including financial reports to the RUPS to obtain approval and validation
7. To give explanations to the RUPS regarding the annual report;
8. To submit Balance Sheet and Income Statement which was approved by RUPS to the Minister of Law and Human Right, in accordance with the prevailing of laws and regulation;
9. To keep in the Company's domicile all such documents as Register of Shareholders, Special Register, Minutes of General Meeting of Shareholders (RUPS), Minutes of Meeting of the Board of Commissioners and Minutes of Meeting of the Board of Directors, Annual Reports and Company's financial document as well as other documents as above-mentioned in article b point 4) and 5);
10. To provide periodic reports based on the method and time as set out in laws and regulations as well as other reports as requested by Board of Commissioners;
11. To prepare Company's organizational structure complete with its specifications and duties;
12. To provide explanations of everything asked or requested by members of the Board of Commissioners
13. To carry out other obligations in accordance with the provisions set forth in the Articles of Association or as determined by the RUPS and laws and regulations.

In addition, the Board of Directors is responsible to:

1. To prepare, when the time comes, the Company's development plan, including other plans related to the implementation of the Company's business and activities and delivers it to the Commissioner and the Shareholders for further submitted to RUPS to obtain authorization.
2. To make available and maintain the bookkeeping and administration of the Company

based on a common practice applicable in a Company.

3. To prepare accounting systems based on based on financial accounting standards and the principles of internal control, especially division of management, recording, storing, and supervision functions.
4. To carry out other obligations in accordance with common practice applicable in a Company and prevailing laws and regulation.

C. Composition and Job Division among the Board of Directors

The Board of Directors shall comprise of:

1. President Director
2. Director of Operations 1
3. Director of Operations 2
4. Director of Finance
5. Director of Human Resources and Development

Job division of each member of the Board of Director is as follows:

1. President Director

President Director is in charge of leading and managing the Company, in accordance with the Company's objective, include:

- a. Increase efficiency and effectiveness of the Company.
- b. Acquisition, maintenance, and the announcement of the company's wealth.
- c. Increase the competitiveness of the Company.
- d. Details of Director's task, including the task of representing the Company in and out of a Court, with some restrictions as provided for in the Articles of Association.
- e. Appoint deputy or power with a Special Letter of Attorney, or appointment letter to other Directors.
- f. Set out Company's vision, mission and strategic plan.
- g. Set out Company's policy.
- h. Set out Company's organizational structure.
- i. Set out employment regulations.
- j. Appoint and terminate Employees.
- k. Responsible for making a performance report of the Company.
- l. Set out the formation pattern, development, coordination, consolidation, control of function that is directly responsible to President Director, including:
 - Head of Internal Supervisory Unit (SPI) in charge of Internal Supervisory Unit, in accordance with its main function has responsibility for:
 - 1) Optimization of the implementation of control process in Company's unit or organ.
 - 2) Optimization to follow up the improvements on the finding of the Internal Supervisory Unit.
 - 3) Optimization of the monitoring of internal business activity and work ethic.
 - 4) The preparation and implementation of formulation and consolidation of Company's work plans and budget (RKAP), Company's policy, and internal supervisory unit's policy.
 - 5) Establishment of Annual Work Program Monitoring (PKPT) of the Company based on the prevailing organization norms Internal Supervisory Unit. The

implementation of the activities, management, and control of the activities of supervision/inspection to support the achievement of the Annual Work Program Monitoring (PKPT).

- 6) Availability of Basic Audit Program (P3) as work guidelines Head Auditor.
- 7) Establishment of audit report in accordance with the schedule of Basic Audit Program (P3).
- 8) The implementation of control for budget review efficiently and effectively.
- 9) The development of Audit personnel to produce accurate audit results in accordance with the norms prevailing internal control unit.
- 10) Maintaining confidentiality of documents audit for Company's interest.
- 11) Integration of engagement with External Auditor continuously.
- 12) Establishing of organizational norm of Internal Supervisory Unit (SPI) optimally.
- 13) The availability of the latest information regarding the results of the follow-up on the findings of internal supervisory unit in related work or organ unit.
- 14) The controlled implementation of follow up by related Company's work or organ unit to audit result or findings from internal supervisory unit.
- 15) Integration of service, help, advice, support, and audit (SASAA) in all Company's work or organ unit in scope of internal supervisory unit.
- 16) Implementation of good administrative, but not limited to monthly, semi-annually, annually in accordance with the scope of its responsibilities.
- 17) Implementation of the quality management system ISO 9001 version 2000 and other quality management system developed by the Company.
- 18) Implementation of guidance functions in business environment and human resources under its responsibility in accordance with the direction of Company's development.
- 19) Implementation of risk management in every activity in work environment.

2. Director of Operations 1 and Director of Operations 2

Director of Operations is in charge of developing Company's function in construction that becomes its responsibilities, include:

- a. Establishment of strategy and control revenue of construction business both for domestic and international market
- b. Determination of the target market and development of early market in accordance with the scope of its task.
- c. Establishment of pattern of production control, commercial and procurement.
- d. Establishment of strategy of technology development and construction management.
- e. Undertaking of strategic business unit into business sector under the Directorate of Operations 1 that is Department of Civil Works, Department of Regional and Foreign Affairs and Department of Building, as well as strategic business units into business sector under the Directorate of Operations 2, namely the Department of Utilities and Department of Energy, including the functions of marketing, production, commercial, and procurement, engineering, and operation collaboration.
- f. Determination of pattern formation, development, coordination, consolidation, control of function under the Directorate of Operations 1 and Directorate of Operations 2, including General Manager of the Department of Civil Works, Department of Regional and Foreign Affairs, Department of Building, Department of Utilities, and Department of Energy covers functions of marketing, production, commercial and procurement, engineering and operation collaboration in accordance with its main function has responsibility for:

- a) Implementation of formulation and consolidation of Company's work plans and budget (RKAP) and Company's strategic plan (Renstra), strategy, policy, main program in the scope of its responsibility.
- b) Availability of early market information, customer and competitors.
- c) Implementation of acquisition of contract value in accordance with Company's work plans and budget (RKAP).
- d) Implementation of the acquisition of sales, productivity, and operating income in accordance with Company's work plans and budget (RKAP)
- e) Implementation of coordination in marketing function inter-Strategic Business Unit (SBU) in the department.
- f) Implementation of prequalification, bids, proposal in accordance with the demand and interest of prospective customers.
- g) Ensuring the effectiveness of implementation of customer service and after-sales service.
- h) Implementation of improvement "Brand Image" Company.
- i) Implementation of standardisation of work method, application of "knowledge management system", approval of work method that will be used in the project, application of value analysis/value engineering, innovation associated with the increase of added value as well as the productivity of the Company.
- j) Implementation of contract review, contract administration, claim and escalation, insurance and application of risk analysis in accordance with the scope of its task.
- k) Implementation of financial engineering function in order to increase the investment projects in the department.
- l) Availability of information of material database, supplier, subcontractor and partner in the implementation of modern procurement management, transparent and controlled in order to increase the competitiveness of Company.
- m) Implementation of the utilization of equipment/machinery equipment, , subcontractor and supplier/service provider at Company level in scope of its department in order to achieve production target.
- n) Implementation of the evaluation of performance effectiveness PjPU in the scope of its department related to the achievement of sales turnover, work cost to operating income and "early warning" information of the implementation of PjPU/PPU using modern software application
- o) Implementation of a system of "Project Management Body of Knowledge (PMBOK)" in both the application and acquisition of certification.
- p) Implementation of control of strategic projects in terms of: Cost, Quality, Time (BMW)
- q) Implementation of service, help, advice, support, and audit (SASAA) in all Company's work or organ unit in scope of operation in order to optimize management production control, control of the Company's productivity.
- r) Implementation of good administrative including monthly, semi-annual, and annual report, performance evaluation in accordance with the scope of its responsibility in order to promote consistency in administration.
- s) Management of resources department that become its responsibility and implementation of management system optimally, particularly the function of planning and supervision.
- t) Implementation of effort of quality improvement that become its responsibility, through the application of WIKA Management System.
- u) Implementation of improvement and development of human capital

competence that become its responsibility in accordance with the direction of Company's development.

- v) Implementation of risk management in every work activity at the level of its Department.

3. Director of Finance

Director of Finance has a duty to develop financial enterprise and secretarial functions of the Company, include:

- a. Determination of the plan and control of operating results Departremen in consolidation level of Department, Subsidiary Company, and Joint Venture.
- b. Control of the management of its Subsidiary Company and Joint Venture.
- c. Determination of the plan and fund control, including the optimization of enterprise, management, and utilization of financial resources.
- d. Determination of accounting and tax management strategy, including the control strategy in order to implement Company's bookkeeping in accordance with the prevailing accounting system and the implementation and Company's tax obligation optimally for Company's interest.
- e. Determination of strategy and pattern of general function management, including the provision of public facilities/offices, Company's physical property management, the control of WIKA Industrial Area, branch office management, and optimization of the 'service' office management.
- f. Determination of pattern formation, development, coordination, consolidation, control of function under the Directorate of Finance, include:
 - 1) General Manager of the Department of Finance in accordance with its main function has responsibility for:
 - a) Implementation of formulation and consolidation of Company's work plans and budget (RKAP) and Company's strategic plan (Renstra), performance report, evaluation of operating result, and Company's financial policy as a basis for the evaluation of operating result of Holding Company, Subsidiary Company and Joint Venture.
 - b) Implementation of investment analysis in Company's level, and feasibility in finance for Board's decision basis.
 - c) Implementation of the budget formulation, utilization of funds, cost control effort, and taxation in Company's level, accounting firm as the basis for the health of Corporate Financial Management.
 - d) Establishment of system in the scope of planning and operating result control, investment, finance, taxation, accounting, and performance report in order to support the program of Company's financial resource control.
 - e) Implementation of management and budget control, utilization of funds, taxation, systems and accounting function, accounts receivable and inventory, to support the achievement of Company's objective optimally.
 - f) The controlled management of financial information, taxation, accounting to support the achievement of Company's objective optimally.
 - g) Implementation of control over the implementation of the financial management function in all Company's work/organ unit and formulate preventive and corrective actions to the Company's work/organ unit concerned.
 - h) Implementation of corporate risk management.
 - i) Integration of coaching function annual planning, evaluation of operating result, financial management, tax management, accounting firm, in all Company's work/organ unit.
 - j) Availability of consolidated Company performance reports and other related

- reports to Shareholders, Board of Commissioners and/or related parties of the Company.
- k) Availability of performance information of Subsidiary Company and Joint Venture as well as follow-up recommendations.
 - l) Integration of service, help, advice, support, and audit (SASAA) in all Company's work/organ unit in scope of finance in order to optimize the management of financial resources and coordinate with Subsidiary Company in accordance with its function.
 - m) Implementation of good administrative, including but not limited to monthly, semi-annual, and annual report in accordance with the scope of its responsibility.
 - n) Implementation of quality improvement effort which become its responsibility, through calibration concept of Integrated Quality Management System or Integrated Quality Control (PMT) and the Quality Management System ISO 9001 version 2000 and/or other determined quality management systems.
 - o) Implementation of guidance functions in its environment and human capital that become its responsibility in accordance with the direction of Company's development.
 - p) Implementation of risk management in every work activity at the level of its Department.
- 2) Corporate Secretary in charge of the Company Secretariat, in accordance with its main function has responsibility for:
- a) Implementation of the formulation and consolidation of short-term and long-term plans, Company's policy, main policy, Company budget in scope of Company Secretariat.
 - b) Implementation of the effectiveness of "Good Corporate Governance" (GCG) practices, linkages with Company regulations and the prevailing regulations, setting and meeting archiving of Board of Directors/Board of Commissioners/Shareholder, setting and filing correspondence/documents of the Company.
 - c) Implementation of Company publicity, internal and external communications, protocol, promotion and implementation of customer service standard.
 - d) Implementation of relationship building and communication with investors.
 - e) The implementation of practices, management, and control of the plan/realization of common activities include: professional membership, associations, clubs, document ownership of the Company's assets, management of building, vehicles, utilities, sanitation and accommodation Board of Directors/Board of Commissioners.
 - f) The implementation of the legality of the business activities as well as matters related to litigation, disseminate information related to the legality of the engagement with other parties.
 - g) The implementation of partnerships and community development program as well as program of Corporate Social Responsibility in the entire Company.
 - h) Integration of service, help, advice, support, and audit (SASAA) in all Company's work/organ unit in scope of Company Secretariat.
 - i) Implementation of good administrative, including but not limited to monthly, semi-annual, and annual report in accordance with the scope of its responsibility.
 - j) Implementation of quality improvement effort which become its responsibility, through calibration concept of Integrated Quality Management System or Integrated Quality Control (PMT) and the Quality Management System ISO 9001 version 2000 and/or other determined quality management systems
 - q) Implementation of guidance functions in its environment and human capital that become its responsibility in accordance with the direction of Company's

development.

- k) Implementation of risk management in every work activity at the level of its Department.

4. Director of Human Resources (Human Capital) and Development

Director of Human Resources (Human Capital) and Development in charge of fostering human capital utilization functions and business development, including:

- a. Determination of strategy and guideline of human capital planning and development, including recruitment, strategy establishment and pattern of planning and competency development and placement of human capital, optimization of the realization of follow up training and development of human capital.
- b. Establishment of strategy and pattern of human capital appraisal, including the determination of strategies and patterns of development of human capital appraisal system, the determination of the pattern of conducive industrial relations, the determination of strategy and pattern of organizational development and optimization of the pattern of administration in the function of human capital comprehensively.
- c. Determination of the pattern of management systems development, including planning, development and implementation of management systems at the Company level, consist of the quality management system ISO 9000, Occupational Health and Safety (K3), Development Management System, and the trials of other management systems that will be developed by the Company .
- d. Determination of strategy and pattern of information system development, including strategy and pattern of development and information technology management, optimization of software and hardware applications, optimization of information technology networks at the Company level.
- e. Determination of business development, including the strategy of implementation and evaluation BEM Wika, optimization of synergies process and Subsidiary Company's product, new business development strategy.
- f. Determination of pattern formation, development, coordination, consolidation, control of functions under the Directorate of Human Capital and Development, include:
 - 1) General Manager of the Department of Human Capital in accordance with its main function has responsibility for:
 - a) Implementation of formulation and consolidation of Company's work plans and budget (RKAP) and Company's strategic plan (Renstra) in scope of the organization and human capital, the Company's policy for the organization and human capital, the Company's budget in scope of human capital, human capital portfolio, main policy for organization and human capital, as decision-making material for the Board of Directors.
 - b) Establishment of a system within the scope of the needs of human capital, human capital planning, fulfillment of human capital, training and competence development, placement, education and training, career path, audit of human capital, "corporate culture", and organizational development company.
 - c) The implementation of the appraisal program, work assessment management system, more incentives, bonuses, industrial relations, human capital information systems, administration and payroll, insurance and pension programs.
 - d) Availability of adequate budget in accordance with the direction of the company development, appraisal of human capital and the optimization of company's interests.
 - e) Ensuring the appraisal of human capital based on their contribution.

- f) Implementation of service, help, advice, support, and audit (SASAA) in all Company's work/organ unit in scope of organization and human capital in order to optimize human capital management at Company level.
 - g) Implementation of empowerment, control, guidance on the implementation of human capital management functions across the Company's work/organ unit and formulate preventive and corrective actions to be recommended in the Company's work/organ unit concerned in order to optimize the management of human capital at Company level.
 - h) Implementation of good administrative, including but not limited to monthly, semi-annual, and annual report in accordance with the scope of its responsibility.
 - i) Implementation of the quality management system ISO 9001 and other quality management system developed by the Company.
 - j) Implementation of guidance functions in its environment and human capital that become its responsibility in accordance with the direction of Company's development.
 - k) Implementation of risk management in every work activity at the level of its Department.
- 2) General Manager of the Department of Development System and Business in accordance with its main function has responsibility for:
- a) Implementation of formulation and consolidation of Company's work plans and budget (RKAP) and Company's strategic plan (Renstra), the Company's policy, and main policy of management system, information system, business development, as decision-making material for the Board of Directors.
 - b) Establishment of Company's strategic planning related to the BEM WIKA, the Company's investment plan, as well as the determination of WIKA Management System (SMW), Knowledge Management, Occupational Health and Safety (K3), ensure the implementation of the Quality Management System established by the Company.
 - c) Establishment and control of integrated Management Information System that includes: "business IT architecture", "data-based management system", "application system/software", "business integration", "business intelligent", "quality assurance" "IT audit ", " knowledge management ", WIKA Portal" and "Nomenclature" and the availability of network or hardware as needed by Company.
 - d) Availability of new strategic business study related to strategic planning of WIKA.
 - e) Availability of investment study related to new business development of the Company.
 - f) Implementation and integration of knowledge management at Company level.
 - g) Implementation of service, help, advice, support, and audit (SASAA) in all Company's work/organ unit in scope of management system, information system, and new business development in order to increase the competitiveness of Company.
 - h) Implementation of empowerment, control, guidance on the implementation of management system function, information system, business development across the Company's work/organ unit and formulate corrective actions to be recommended in the Company's work/organ unit concerned in order to optimize the management of system development at Company level.
 - i) Implementation of good administrative, including but not limited to monthly, semi-annual, and annual report in accordance with the scope of its responsibility.
 - j) Implementation of guidance functions in its environment and human capital that become its responsibility in accordance with the direction of Company's development.

- k) Implementation of risk management in every work activity at the level of its Department.

D. Corporate Policy Establishment by The Board of Directors

The Corporate policy in this case is a decision or action taken by the Board of Directors in performing, directing and controlling certain work activities or solves a particular problem, in which the referred subject matter or work activities have not been regulated in a standard rule.

Policy taken by the Board of Directors may be a policy taken by consensus among all or most of the members of the Board of Directors related to the Company's organization issue and Company management, or can also be a policy taken by individual without any referred consensus.

In order to use and carry out the rights and duties in daily activities then the following principles shall be obeyed by the Board of Directors:

1. In the case of a policy taken by the Board of Directors is something that concerns with the substance of the Company's image, the risk or the material consequences of the policy must be approved by the Board of Directors as a collegial. Further elaboration of the Company's image, risk and materiality is described in a separate policy.
2. In the case of the above policy carried out by individual members of the Board of Directors, the individual members of the Board of Directors shall be responsible for this policy until the policy is approved by the Board of Directors collegially.
3. In the case of policy taken by the Board of Directors has the same substance and conducted continuously so that it becomes a day-to-day needs of the concerned individual members of the Board of Directors need to propose to the Board of Directors to make this policy as a binding rule.
4. In taking a policy or decision on an issue that arises, each member of the Board of Directors shall consider some of the following:
 - a. Good will
 - b. Rational considerations and sufficient information
 - c. In-depth investigation on the existing problems and the various possible resolutions and their positive and negative impacts for the Company, both for short term and long term.
 - d. Shall be made based on independent considerations.
 - e. Coordination with other members of the Board of Directors, especially for a policy that will impact directly or indirectly to the duties and authorities as well as the policy of other members of the Board of Directors.
5. In carrying out day-to-day duties, the Board of Directors continues to consider the suitability of the action with the Company's plans and objectives.
6. Delegation of authority of the Board of Directors to employees or other parties to take legal actions on behalf of the Company shall be expressed in terms of written documents and approved by President Director.

E. Delegations of Task and Authorities

In the event that the President Director is unable to perform his duties, then a member of the Board of Directors appointed to carry out task and authorities of the President Director. The

appointment of members of the Board of Directors determined in rotation for a certain time. If one member of the Board of Directors is unable to carry out their duties, the President Director and/or one appointed member of the Board of Directors will run Duties and Authorities of the absent members of the Board of Directors. The procedure for the delegation of task and authorities will be regulated by the Decree of the Board of Directors.

F. Requirements of the Board of Directors' Members

PT Wijaya Karya (Persero) Tbk is fully aware that the Shareholders through the RUPS have full authority to appoint the Board of Directors. However, to ensure the Board of Directors and members of the Board of Directors who have performed as expected by Shareholders and the need of the Company then the Company needs to establish a policy on the criteria for members of the Board of Directors as needed.

Criteria of the Board of Directors in the Company include as follows:

1. The Company shall be managed and led by the Board of Directors whose number is adjusted to the needs of the Company with the provisions at least 2 (two) members of the Board of Directors, one of whom was appointed as President Director.
2. Those who are eligible to be appointed as Members of the Board of Directors are individuals who are able to conduct legal actions, except that within five (5) years prior to their appointments:
 - a. Were declared bankrupt;
 - b. Became Members of the Board of Directors or Members of the Board of Commissioners who were declared guilty of causing and/or the Company to be declared bankrupt, or;
 - c. Were punished for committing a criminal act which inflicted loss to the state's, BUMN'S, Company's finance, and/or which is related to the Financial sector.
3. The fulfillment of the requirements as above-mentioned in point 2, proved by a statement letter signed by the prospective members of the Board of Directors and the letters kept by the Company.
4. In addition to meet the requirements as above-mentioned in point 3, the appointment of members of the Board of Directors is conducted by taking into account the expertise, experience and other requirements based on the prevailing laws and regulations.
5. Appointment of members of the Board of Directors, which does not meet the requirements as above-mentioned in point 2 and point 4, canceled due to the law since the other members of the Board of Directors or Board of Commissioners know that these requirements are not fulfilled.
6. Among members of the Board of Directors and between members of the Board of Directors and members of the Board of Commissioners is not allowed to have a family relationship up to the 3rd (third) degree, either based on vertical or horizontal lines, including relationship due to marriage (son-in-law or law). In the event of the circumstances referred to this point, the RUPS authorized to dismiss one of them.
7. The members of the Board of Directors appointed by RUPS from the candidates nominated by the Shareholders of Series A Dwiwarna after going through the nomination process in accordance with the prevailing law and regulations, and the nomination is bind for the RUPS.
8. RUPS as referred to point 7 must be attended by Shareholders Series A Dwiwarna and meeting decisions must be approved by Shareholders Series A Dwiwarna to the provisions concerning the quorum, voting rights and decision of RUPS as set out in the Articles of Association of the Company.

9. The term of office of members of the Board of Directors is for the period of time since the date of appointment determined by RUPS and end in the closing of the 5th (fifth) RUPS after the appointment date, but without losing the rights of RUPS to dismiss the members of the Board of Commissioners at any time before the term of office ends if the members of the Board of Commissioners can not fulfill one of or more reasons, but not limited to:
 - a. No longer meets his duties as agreed in the management contract;
 - b. Is unable to carry out the tasks properly;
 - c. No longer meets the requirements of the Articles of Association and/or the prevailing law and regulations that proved by permanent legal force and binding;
 - d. Get involved in an act which damages the Company and/or the State as proved by permanent legal force and binding;
 - e. Resigns.
10. In addition to the reason of dismissal of the members of the Board Directors as above-mentioned in point 9a to 9e, the Board of Directors is able to be dismissed by RUPS based on another reasons that are deemed accurate by RUPS for the interest and objectives of the Company.
11. Dismissal reasons as above-mentioned in point 9a, 9b, 9c, 9d, and point 10, shall be taken after the member concerned is given to state a defense. Dismissal because of reasons as above-mentioned in point 9c and 9d is a dishonorable-discharge.
12. After the end of term of office, the members of the Board of Directors may be re-appointed by RUPS for 1 (one) more term.
13. In the event a reason of a vacant position of the members of Board of Directors, then:
 - a. those vacancy shall be filled in RUPS that has agenda to fill in the vacancy;
 - b. In the event of position of the members of the Board of Directors is vacant and has no successor yet, then one of the members of the Board of Directors appointed by the Board of Commissioners, carry out duties the concerned member with the same authorities and rights.
14. The term of office of a member appointed by the RUPS to fill in the vacancy is for a period of 5 (five) times annual RUPS as above-mentioned in point 9.
15. In the event of increasing of the number of members of the Board of Directors, the term of office of new members of the Board of Directors is for a period of 5 (five) times annual RUPS as above-mentioned in point 9.
16. In the event by any reason the Company does not have a member of the Board of Directors, then for temporary the Board of Commissioner must carry out the ongoing tasks, but only with the right to perform organizational action related to ongoing matters and activities, with obligation to hold RUPS no later than 60 (sixty) calendar days after the vacancy, to fill in the vacant position.
17. The position of a Member of the Board of Directors shall end if he/she:
 - a. Resigns and his/her resign is effective;
 - b. Passes away;
 - c. His/her term of office has ended;
 - d. Is terminated based on decision of RUPS; and/or
 - e. No longer meets the requirements as a member of the Board of Directors based on the prevailing laws and regulations.
18. In the event that the concerned resigned member of the Board of Directors before or after the term of office is over unless because of passes away, therefore the concerned person shall be responsible of the actions taken that have not been accepted the accountability by RUPS.
19. The members of the Board of Directors shall be terminated temporarily by Board of

Commissioners if they contradict with the Articles of Association and/or there is indication of getting involved in an act which damages the Company or neglect the duties and/or there is urgent reasons for the Company, by having regard to the following provisions:

- a. The resolutions of the Board of Commissioners on temporary dismissal of the members of the Board of Directors conducted in accordance with the procedures of decision-making of the Board of Commissioners' meeting;
 - b. The temporary dismissal shall be notified in writing to the member concerned with the reason that led to such action with a copy to the Board of Directors;
 - c. Notification as above-mentioned in point b delivered within a maximum period of 2 (two) working days after the temporary dismissal is set;
 - d. Members of the Board of Directors who has been terminated temporarily is not authorized to run the management of the Company and represent the Company both in and out of court;
 - e. Within a maximum period of 45 (forty five) calendar days after the temporary dismissal, RUPS should be carried out by the Board of Commissioners who will decide whether to revoke or to reinforce the temporary dismissal resolution;
 - f. In the RUPS as above-mentioned in point e, the concerned members of the Board of Directors is given to state a defense.
 - g. In terms of a period of 45 (forty five) calendar days have passed, the RUPS as above-mentioned in point e are not carried out or RUPS is unable to take resolutions, then the temporary dismissal is invalid, and the concerned Board of Directors shall performs his duties as accordingly;
 - h. The temporary dismissal can not be extended or re-defined for the same reason, when temporary dismissal are canceled as above-mentioned in point g.
20. The members of the Board of Directors shall not have other positions as:
- a. members of the Board of Directors in another State-Owned Enterprise, Region-Owned Enterprise, Private-Owned Enterprise;
 - b. other structural and functional positions in central and regional government institution/agencies;
 - c. not a member of management of any Political Party and/or candidate legislative member and/or legislative member;
 - d. other positions that might potentially create a conflict of interest; and/or
 - e. other positions in accordance with the prevailing laws and regulations.

G. Familiarization Program

To make the Board of Directors can work harmoniously with the other Company's organs, therefore for the new appointed member of the Board of Directors shall be given Familiarization Program.

The familiarization program given is in the form of presentation, meeting, visit to Company's facilities, visit to Region and Branch Office or other programs. President Director is responsible for this familiarization program and in the event that President Director is not present, then President Commissioner is responsible for the implementation of the familiarization program.

The familiarization program given to the new members of the Board of Directors, shall cover:

1. The principal and implementation of Good Corporate Governance.

2. The picture of the Company with regards to the purpose, nature, scope of activities, financial and operational performance, strategies, short-term and long-term business plans, risks, internal control and other strategic issues.
3. Explanation regarding delegation of authority, internal and external audits, system and policy of internal control and audit committee.
4. Description of duties and responsibilities of the Board of Commissioners and Directors.
5. Several laws and regulations in force and the Company's Policy.

The Company will organize self development program for members of the Board of Directors with agenda and contents adjusted with needs of the Directors and the Company's needs.

H. Ethics of Position

In performing its duties and functions, the Board of Directors hold on the principles as follows:

1. Each member of the Board of Directors shall in good will and full responsibility carry out the duties for the interest of the Company.
2. Board of Directors shall be required to comply with the prevailing laws and regulations, Articles of Association, and Codes of Good Corporate Governance, Code of Conduct as well as other Company policies.
3. Board of Directors shall not be permitted to give or offer, or receive either directly or indirectly, anything of value to customers or government officials in order to influence them or as gratifications for what they have done and other actions in accordance with the prevailing laws and regulations
4. Board of Directors shall not take personal advantage of the Company's activities, other than the salary and facilities as the members of the Board of Commissioners as determined by RUPS.
5. Each member of the Board of Directors shall respect the rights, duties and authorities of the other Directors.
6. Board of Directors shall avoid any activities that can affect the working relationship between the Board of Directors and Commissioners.
7. Board of Directors shall make himself as a good role model for all Company's employees, both in term of both in terms of moral integrity and capability.
8. Board of Directors shall maintain the confidentiality of the Company's confidential information
9. Confidential information entrusted during the term of office as members of the Board of Directors shall be maintained confidential in accordance with the prevailing laws and regulations

I. Corporate Financial Management

Specifically related to the financial management of the Company, the following principles need to be considered by the Board of Directors:

1. President Director cooperate with Director of Finance is responsible for all financial matters or legal actions related to the Company's financial management problems

2. Each member of the Board of Directors shall carry out financial controls under his responsibility and implement the financial control with always hold prudence principal.
3. Each member of the Board of Directors shall set up Company's work plans and budget (RKAP) related to the organization under his responsibility. Budget of the Company is set up so that it's sufficient to carry out the organization Work Plans the guidance and control.
4. Company's work plans and budget (RKAP) shall obtain approval from Board of Commissioners before the fiscal year begins.
5. Each member of the Board of Directors is entitled to access financial information in any form and is entitled to obtain adequate explanation from other member of Board of Directors regarding the Company's financial information.
6. Procedures and governance of funds expenditure related to budget is set up in separate regulations including the limits of authorization in funds expenditure.
7. The Director of Finance is responsible for Company's resources management that directly related to accounting and finance include: recording, reporting, financial information systems, financial control, revenues, expenditures and placement of funds in the Company.
8. The Director of Finance is responsible for the implementation of accounting systems and financial administration based on the prevailing accounting standard.
9. In order to run financial management system independently and continuously then financial management system of PT Wijaya Karya (Persero) Tbk is run based on prudent principal and consistency in carrying out all the prevailing rules that apply with respect to financial matters.

J. Board of Directors' Meeting

The Board of Directors' meeting is a meeting held by the Board of Directors to make business decisions, evaluate the Company's performance and establishes policies in the management of the Company.

The Board of Directors' meeting conducted by the following principles:

1. All resolutions of the Board of Directors shall be adopted in the Board of Directors' meeting
2. The resolutions of meeting may also be adopted outside a Board of Directors' meeting as long as all members of the Board of Directors approve the method and materials being decided
3. At every meeting of the Board of Directors, minutes of meeting shall be prepared which contain matters discussed (including dissenting opinions from the members of the Board of Directors, if any) and matters resolved.
4. The minutes of meeting as above-mentioned in point 3 shall be signed by the chairman of meeting and all members of the Board of Directors present at the meeting complete with the attendance signed by the chairman of meeting and all members of the Board of Directors present at the meeting. Members of the Board of Directors who are not present at the meeting shall provide statement of approval or objection against the resolutions of the meeting.
5. The Board of Directors may hold a meeting at any time if:

- a. deemed necessary by one or more members of the Board of Directors;
 - b. at the written request of 1 (one) or more members of the Board of Commissioners; or
 - c. At a written request of one (1) or more Shareholders collectively holding 1/10 (one tenth) or more of the total shares with voting rights
6. The Board of Directors' meeting shall be considered valid if held in the Company's place of domicile or at the main business place of the Company
 7. Summons to the Board of Directors' meeting shall be served in writing by a member of the Board of Directors who has right to represent the Company and shall be delivered within 3 (three) days prior to the meeting or a shorter period if in urgent condition, by excluding the date of summons and date of meeting.
 8. The summons to the meeting as above-mentioned in point 7 shall include the agenda, date, time and venue of the meeting
 9. If all Members of the Board of Directors are present or represented in the meeting, such advance summons shall not be required.
 10. A Board of Directors' Meeting is valid and entitled to adopt valid and binding resolutions if more than 1/2 (a half) of the total Members of the Board of Directors are present or validly represented in the meeting as above-mentioned in point 9.
 11. In the miscellaneous item of the agenda, the Board of Directors' Meeting shall have no right to make any resolutions unless all Members of the Board or their valid representatives are present and approve the additional agenda item
 12. All the Board of Directors' Meeting shall be chaired by the President Director.
 - In the event the President Director is unable to attend, the meeting shall be chaired by another member of the Board of Directors appointed in writing by the President Director.
 - In the event the President Director does not make any appointment, the member with the longest service as a member of Board of Directors shall act as chairman of the meeting.
 - In the event there are more than 1 (one) longest-serving members of the Board of Directors, the oldest (in age) member shall act as the chairman of meeting
 13. A member of the Board of Directors may be represented in the Board of Directors' Meeting only by another member of the Board based on a power of attorney given specifically for that purpose.
 14. Every member of the Board of Directors shall only represent another member of the Board.
 15. All resolutions of the Board of Directors' meeting shall be adopted amicably for deliberation.
 - In the event resolutions adopted in this manner fails, resolutions shall be adopted by voting based on majority votes.
 - In the event of a tie vote, with regard to an individual, decision of the meeting shall be made through a closed voting until obtain the majority votes, meanwhile with regard to other matters, then the decision of the meeting shall be made through revoting until obtain the majority votes.
 16. Every member of the Board of Directors present shall be entitled to cast 1 (one) vote and an additional 1 (one) vote for each other member of the Board of Directors he/she represents

17. In the event of more than 2 (two) alternatives are proposed and the results of voting have not obtained 1 (one) alternative with votes of more than 1/2 (a half) portion of the total votes cast, then the second voting may be held on the 2 (two) alternatives which receive most votes so that 1 (one) proposed alternative would receive votes of more than 1/2 (a half) portion from the total votes cast.
18. Blank votes (abstain) shall be deemed to agree with the proposal brought up in the meeting is responsible for the results of the meeting's resolutions.
19. Invalid votes shall not be considered and not counted in determining the total votes cast in the meeting
20. The Board of Directors' Meeting shall be attended by the Board of Directors' Secretary or other officials assigned by the President Director as minutes of meeting taker, except for special meetings which may only be attended by members of the Board of Directors. The Board of Directors' Secretary of appointed officials shall be responsible to prepare, correct, administer and distribute the minutes of meeting. The Board of Directors' Secretary Secretary or other officials appointed shall be responsible to prepare, correct, administer and distribute the minutes of meeting. In the event that the special meeting is not attended by Corporate Secretary, the minutes of meeting shall be prepared, corrected, administered and distributed by one member of the Board of Directors appointed.
21. This minutes of meeting is a valid proof for the members of the Board of Directors and for the third party concerning the decisions taken in the meeting. If the minutes of meeting is made by Notary, then the signature is not deemed necessary. In preparing the minutes of the Board of Directors' Meeting shall fulfill the followings:
 - a) The minutes of meeting shall reflect the situation of meeting. Therefore, the minutes of meeting shall include the venue, date and time of meeting, agenda being discussed, attendance list, various opinions brought forward in the meeting, who gave the opinion, decision making process, resolutions adopted, and statement of objection (dissenting comments) against the resolutions of meeting if there is no unanimous decision.
 - b) Each member of the Board of Directors shall be entitled to receive a copy of the minutes of Board's meeting, whether or not the concerned member was present at the meeting.
 - c) A copy of the minutes of Board of Directors' Meeting shall be delivered to all members of the Board of Directors within 7 (seven) days after the meeting of the Board of Directors. Revision of the minutes of meeting shall be made within 14 (fourteen) days of date after delivery of the minutes of meeting. Each member of the Board of Directors present and/or represented in the meeting shall give his approval or objection and/or recommendation for correction, if any, on what is contained in the minutes of meeting. If the objection and/or proposed correction is not received during that period, it shall be concluded that there is no objection and/or revision on the minutes of meeting.
 - d) The minutes of meeting shall be documented properly by the Board of Directors' Secretary or other officials who is appointed for the documentation and accountability in the decision making process carried out by the Board of Director.

K. Board of Directors' Performance

The Board of Directors and its members' performance will be evaluated every year by Shareholders in RUPS.

In general, the Board of Directors' performance shall be determined based on the duties contained in *Statement of Corporate Intent*, the prevailing laws and regulations and the Company's Articles of Association as well as the mandate of Shareholders. The criteria of formal evaluation shall be given openly to the member of the Board of Directors concerned as of the date of his appointment

The results of evaluation on the Board of Directors' performance as a whole and each Member's performance individually shall become an integral part in the compensation scheme and in the awarding of incentives for the Board Members. The result of performance appraisal of each member of the Board of Directors individually shall become the basis of consideration for the Shareholders to terminate and/or reappoint the member of the Board of Directors concerned. The results of performance appraisal shall become the basis for evaluation and improvement of the Board of Directors effectiveness.

RUPS determined the criteria of the Board of Directors' performance as a whole or each member's performance individually. The evaluation criteria of the Board of Directors' performance individually are as follows:

1. Attendance rate in the Board of Directors' Meeting as well as meetings with the Board of Commissioners.
2. The readiness with agenda discussed in the meeting.
3. Involvement in certain assignments and decision making.
4. Compliance with the prevailing laws and regulations and Company policies.
5. Commitment to a decision has been made in the meeting.

L. Conflict of Interest of the Board of Directors

Conflict of interest of the Board of Directors is a particular condition where the individual interest of the Board of Directors' members might potentially create a conflict of interest with the Company's interest to gain profit, improve the Company's value, achieve vision and the Company's mission as well as carry out the resolutions of RUPS.

The Board of Directors of PT Wijaya Karya (Persero) Tbk shall follow and comply with the regulation of Bapepam Number IX.E.I concerning Conflict of Interest on Certain Transactions.

Some principles followed by PT Wijaya Karya (Persero) Tbk to avoid the occurrence of conflict of interest and further implication that oftenly raised among others are as follows:

1. The Board of Directors shall always avoid any conflict of interest in carrying out its tasks. In order to avoid that, the Board of Directors shall meet several principles:
 - a. The Board of Directors shall complete a special register containing information on its family or its own share ownership with another Company correctly and accurately.

- b. The Board of Directors shall avoid any activities that may influence its independency in decision making.
 - c. The Board of Directors shall not participate in any activities involving the procurement of a company where concerned or his family has a significant stock interest or has a financial interest on such transactions.
 - d. The Board of Directors shall makes statement concerning conflict of interest of matters stated in the Work Plan and Articles of Association of the Company.
2. In the event which the the Company's interests conflict with those of a member of the Board of Directors, with the approval of the Commissioner, the Company will be represented by members of the Board of Directors. If a conflict of interest concerns of all members of the Board of Directors, the Company will be represented by the Board of Commissioners or a person appointed by the Board of Commissioners.
 3. In the event which the the Board of Commissioners is not present, RUPS shall appoint one or more to represent the Company in carrying out the above-mentioned tasks

M. Working Relationship with the Board of Commissioners

The working relationship between the Board of Directors and the Board of Commissioners shall follow the following principles:

1. In accordance to maintain independency of each Company's organ, for each working relationship between the Board of Directors and the Board of Commissioners in relations with each the task and function is a formal relationship, which means that it shall always be based on standard mechanism or accountable correspondence. The informal working relationship can be created by each member of the Board of Directors and the Board of Commissioners, but shall not be used as a formal policy before it passes through the mechanism or accountable correspondence
2. The Board of Directors shall respect the function and role of the Board of Commissioners in managing the Company as has been stipulated in the laws and regulations and Articles of Association. Matters concerning the daily working relationship between the Board of Directors and the Board of Commissioners, that has not been stipulated in the prevailing laws and regulations, Articles of Association, Code of Good Corporate Gocernance, Code of Conduct and this document, will be further stipulated in accordance with the agreement between the Board of Directors and the Board of Commissioners based on Good Corporate Governance principles.
3. The Board of Directors shall provide complete information to the Board of Commissioners according to the needs of the Board of Commissioners in performing his tasks.

N. Corporate Secretary

The Corporate Secretary has an important role in facilitating the relationship between the Board of Commissioners, Board of Directors and the relationship between the Company and its stakeholders.

The Corporate Secretary is Company's organ which is the head of management company, has a main function in the management of the company secretariat functions, public relations, corporate lawyers, Code of Good Corporate Gocernance, corporate social responsibility towards stakeholders (Corporate Social Responsibility), development of small

business and cooperative, and community development in order to maintain the Company's image in and out of the Company.

In association with Corporate Secretary, PT Wijaya Karya (Persero) Tbk shall perform the principles as follows:

1. The Corporate Secretary shall have the academic qualifications and good professionalism in order to carry out tasks and responsibilities well. Corporate Secretary functions can be run by a member of the Board of Directors in the Company.
2. Elaboration of the tasks of Corporate Secretary in carrying out the task functions of the secretariat company management, public relations, corporate lawyers, enforcement of compliance and enforcement of GCG, corporate social responsibility towards stakeholders, development of small business and cooperative, and community development will be stipulated by the Decree of the Board of Directors.
3. The Corporate Secretary shall ensure that the Company complies with the regulation concerning the requirements for openness. Corporate Secretary shall provide information related to the tasks required by the Board of Directors regularly and to the Board of Commissioners if requested.

O. Internal Control System

The Board of Directors of PT Wijaya Karya (Persero) Tbk shall establish an effective internal control to secure investments and assets of the Company. Internal Control Systems include the following matters:

1. In the environment of Company's internal control shall be discipline and structured, consist of:
 - a. integrity, ethical values and competence of the employees;
 - b. philosophy and management style;
 - c. the method taken by management in performing authorities and responsibilities;
 - d. organization and development of human resources; and
 - e. interest and direction carried out by the Board of Directors.
2. Evaluation and risk management of the business that is a process to identify, analyze, measure and mitigate of the relevant risks.
3. Control activities are the actions carried out in a process of controlling the activities of the Company at any level and units within the organizational structure of the Company include authority, authorization, verification, reconciliation, performance appraisal, the division of tasks and the security of the assets of the Company.
4. Information systems and communication is a process of preparing a report on the operational activities, financial, and observance of the prevailing rules and regulations in the Company.
5. Monitoring is the process of assessment of the quality of the internal control system including the internal audit function at all levels and units of the Company's organizational structure, so that it can be implemented optimally, with the stipulation that the deviations shall be reported to the Board of Directors and a copy submitted to the Audit Committee.
6. To assist the Board of Directors in planning, control, coordination of supervision, assessment of management control systems and the implementation of all activities of the company as well as to provide suggestions for improvement formed Internal Supervisory Unit (SPI).

7. Internal Supervisory Unit (SPI) chaired by the Head of Internal Audit in carrying out its duties and responsible to President Director. Further duties and functions of SPI will be stipulated by Decree of the Board of Directors.

BAB III MANAGEMENT OF TIME, CORPORATE TOOLS AND FACILITIES

A. Time Management

Time management by the Board of Directors and Board of Commissioners is set by the following principles:

1. The Board of Directors shall use his working hours and facilities for the Company solely for activities related to the interests of the Company.
2. Activities of the Boards of Directors outside the company that are not directly related to the interests of the Company such as teaching, take charge of the business associations and its kind are allowed to use reasonable time and known by President Director or other the Board of Directors.

B. Provision and Use of Allowances Facilities

1. In providing allowances and facilities for the Board of Commissioners and Board of Directors on the basis of principles:
 - a. based on financial condition and performance of the company;
 - b. merit and fairness compared to similar industries;
 - c. in accordance with the prevailing law and regulations.
The type and amount of allowances and facilities for the Board of Directors and Board of Commissioners are generally determined by RUPS where details can be submitted to the Board of Commissioners.
2. The use of facilities owned by the Company for the benefit of government officials, corporate guests and other interests is possible with remain always of the prevailing rules for facilities and shall not contradict with the purpose and objectives of the provision of such facilities.
3. The use of facilities for the benefit of the government and political parties must comply with the prevailing law and regulations.
4. The Board of Directors is not allowed to give donation for any political party except to the extent justified by the law.

C. Official Travel

The company provides accommodation facilities, transportation and official travel allowances both domestically and abroad to the Board of Directors and Board of Commissioners. Provision of facilities on this matter based on the following principles:

1. Travelling solely for the activities and interests of the company.
2. In determining the transportation and accommodation facilities associated with official travel adapted to the financial capacity of the company with regard to aspects of appropriateness, support for the implementation of the work and maintain the image of the company.
3. Approval of official domestic travel for members of the Board of Directors is given by the President Director, while the official abroad travel is given by the President Commissioner.

4. Official domestic and abroad travel for members of the Board of Commissioners associated with the Company's requirements and with clarity of purpose and objectives of the trip.
5. Type of transport, provision of accommodation and the amount of business travel allowances for the Board of Directors and the Board of Commissioners shall be further stipulated by the Decree of the Board of Directors.

BAB IV

RELATIONSHIP WITH SUBSIDIARIES OR OTHER PARTIES

A. General Principle

1. Subsidiary is a separate legal entity that has a different company's organs. Thus, the mechanism in the prevailing relationship between PT Wijaya Karya (Persero) Tbk with subsidiaries shall be carried out through the mechanism of a healthy corporate.
2. Members of the Board of Directors either individually or together shall be able to separate the role and functions of his position as Director of PT Wijaya Karya (Persero) Tbk, Shareholders of Subsidiary and/or the Board of Commissioners of Subsidiary.
3. The Other Party is a business entity or government agencies to cooperate with the Company in order to conduct business through healthy corporate.

B. Transaction with Subsidiaries

1. Business transaction with Subsidiary shall be carried out on the basis of arm's length relationship as business transaction with an unaffiliated party.
2. Principally, the Directors are not allowed to give "special treatment" to the subsidiary and affiliated parties. Preferential treatment may be possible with the conditions and time limits specified in accordance with the interests of PT Wijaya Karya (Persero) Tbk in the long term as well as obtain the approval from RUPS and not contradict with the prevailing laws and regulations.
3. In the event of a conflict of interest between PT Wijaya Karya (Persero) Tbk with Subsidiary Company, then the interests of PT Wijaya Karya (Persero) Tbk should be prioritized.
4. Transaction with Subsidiary Company held by PT Wijaya Karya (Persero) Tbk implemented in accordance with Bapepam Regulation No. IX.EI concerning Conflict of Interest in Certain Transactions, and its related legislation.

C. Transaction with Other Parties

1. Business transactions with Other Parties should pay attention to the principles of good corporate governance, that is transparency, independence, accountability, responsibility, and fairness.
2. The Board of Directors in carrying out cooperation with Other Parties shall give equal treatment to each of the parties without any preferential treatment to one of the parties.
3. In the event of a conflict of interest with Other Parties, the Company's interests should be prioritized.
4. Transactions with Other Parties carried out by the Company shall follow and comply with the Regulation of Limited Liability Company, Regulation of State Owned Enterprises, Regulation of Capital Market and other prevailing law and regulations.
5. In carrying out cooperation with Other Parties, including the Subsidiary Company, the Board of Directors shall comply with the limits of authority set up in the Articles of Association, Regulation of Limited Liability Company, regulation of capital market,

procedure in Company as well as the limits of authority as attached along with this Board Manual changes.