

BOARD OF DIRECTORS CHARTER



PT OBM Drilchem Tbk

I. Legal Basis

The legal basis for the establishment of the Board of Directors Charter is as follows:

1. Law Number 40 of 2007 concerning Limited Liability Companies;
2. Law Number 08 of 1995 concerning the Capital Market;
3. Financial Services Authority (OJK) Regulation Number 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies;
4. The Company's Articles of Association;
5. Other related regulations.

II. Definitions

1. Articles of Association mean the Company's articles of association.
2. Board of Commissioners is the organ of the Company tasked with carrying out general and/or specific supervision in accordance with the Company's articles of association and providing advice to the Board of Directors.
3. Board of Directors is the organ of the Company that is authorized and fully responsible for the management of the Company in the interests of the Company, in accordance with the aims and objectives of the Company, and representing the Company both inside and outside the court in accordance with the provisions of the Company's articles of association.
4. Code of Ethics is the Board of Directors' code of ethics as regulated in this Board of Directors Charter and the Company's Code of Ethics.
5. Financial Services Authority ("OJK") is a state institution established pursuant to Law Number 21 of 2011 concerning the Financial Services Authority, which functions to organize an integrated regulatory and supervisory system over all activities in the financial services sector, including banking, capital markets, and non-bank financial services sectors such as insurance, pension funds, financing institutions, and other financial service institutions.
6. Stakeholders are parties that have an interest in the Company.
7. Company means PT OBM Drilchem Tbk.
8. General Meeting of Shareholders ("GMS") is an organ of the Company that has authorities not granted to the Board of Directors or the Board of Commissioners as regulated in Law Number 40 of 2007 and/or the Company's articles of association.
9. Corporate Secretary is an individual or person in charge of a work unit that carries out the corporate secretary function.

III. Vision and Mission

1. Vision

To make the function of the Board of Directors enhance the principles and implementation of corporate governance in carrying out the duties and responsibilities of the Board of Directors over management and performance based on the Company's goals and objectives

2. Mission

This Board of Directors Charter serves as a guideline to assist the Board of Directors in carrying out its duties and responsibilities so that it can better perform its management function in the best interests of the Company and in accordance with the aims and objectives of the Company.

IV. Duties of the Board of Directors

In managing the Company, the Board of Directors carries out its duties, authorities, and responsibilities as regulated in the Company's Articles of Association and applicable regulations, namely:

1. The Board of Directors is fully responsible for carrying out its duties in the interests of the Company in achieving its aims and objectives;
2. The Board of Directors is required to convene the Annual GMS and other GMS as regulated in the applicable laws and regulations and the Company's articles of association;
3. Each member of the Board of Directors is required to carry out his/her duties in good faith and with full responsibility while observing the applicable laws and regulations;
4. The Board of Directors is required to implement risk management and the principles of good corporate governance in every business activity of the Company at all levels or tiers of the organization;
5. The Board of Directors determines the organizational structure and work procedures of the Company;
6. In the event of a conflict of interest between the Company and a member of the Board of Directors and/or other parties related to the Company, the member of the Board of Directors is prohibited from taking actions that may harm the Company or reduce the Company's profits and is required to disclose such conflict of interest in every decision;
7. In the event that the Company has an interest that conflicts with the personal interest of a member of the Board of Directors, the Company shall be represented by another member of the Board of Directors, and if the Company has an interest that conflicts with the interests of all members of the Board of Directors, the Company shall be represented by the Board of Commissioners, with due regard to the applicable laws and regulations;
8. In order to support the effective implementation of its duties and responsibilities, the Board of Directors may establish Committees and is required to conduct an evaluation of the Committees' performance at the end of each financial year;
9. Members of the Board of Directors are required to continuously improve their competence through education and training, and to understand and possess general and specific knowledge of the Company's business activities.

V. Responsibilities of the Board of Directors

1. Each member of the Board of Directors is jointly and severally liable for losses suffered by the Company caused by errors or negligence of members of the Board of Directors in carrying out their duties;
2. A member of the Board of Directors cannot be held liable for losses of the Company if he/she can prove that:
 - a. The loss was not due to his/her error or negligence;
 - b. He/she has carried out management in good faith, with full responsibility and prudence for the interests of and in accordance with the aims and objectives of the Company;
 - c. He/she has no conflict of interest, either directly or indirectly, in the management actions that resulted in the loss;
 - d. He/she has taken actions to prevent the occurrence or continuation of such loss.

VI. Authorities of the Board of Directors

1. The Board of Directors is authorized to carry out management in accordance with policies deemed appropriate, in line with the aims and objectives set forth in the articles of association;
2. The Board of Directors is authorized to represent the Company inside and outside the court, with the following provisions:
 - a. The President Director has the right and authority to act for and on behalf of the Board of Directors and to represent the Company;
 - b. In the event that the President Director is absent or unable to attend for any reason whatsoever, which need not be proven to third parties, another member of the Board of Directors shall have the right and authority to act for and on behalf of the Board of Directors and to represent the Company.

3. The Board of Directors has the right to represent the Company inside and outside the court in all matters and under all circumstances, to bind the Company with other parties and other parties with the Company, and to carry out all actions, whether relating to management or ownership, provided that for the following legal actions:

- a. Borrowing money in the name of the Company;
 - b. Purchasing or otherwise acquiring immovable property, including rights to land, buildings, or companies;
 - c. Selling or otherwise transferring or releasing immovable property, including rights to land, buildings, or companies owned by the Company;
 - d. Pledging the Company's assets;
 - e. Binding the Company as a guarantor for the debts or obligations of other parties;
 - f. Establishing or participating in the establishment of a new business or company or purchasing shares of other companies, both domestically and abroad;
 - g. Entering into business cooperation with other parties;
- the Board of Directors must obtain prior approval from the Company's Board of Commissioners.

4. Legal actions to transfer assets or to encumber the Company's assets as collateral for debts amounting to more than 50% (fifty percent) of the Company's net assets based on book value according to the most recently approved balance sheet by the GMS, in one (1) or more transactions, whether related or unrelated, occurring within one (1) financial year, must obtain prior approval from the GMS;

5. Members of the Board of Directors are not authorized to represent the Company if:

- a. There is a court case between the Company and the relevant member of the Board of Directors;
- b. The relevant member of the Board of Directors has an interest that conflicts with the interests of the Company.

6. In the event of the circumstances referred to in point (5), those authorized to represent the Company are:

- a. Other members of the Board of Directors who do not have a conflict of interest with the Company;
- b. The Board of Commissioners, if all members of the Board of Directors have a conflict of interest with the Company;
- c. Another party appointed by the GMS if all members of the Board of Directors or the Board of Commissioners have a conflict of interest with the Company.

VII. Board of Directors Meetings

1. The Board of Directors is required to hold Board of Directors meetings regularly at least once (1) every month;
2. A Board of Directors meeting as referred to in point 1 (one) may be held if attended by a majority of all members of the Board of Directors;
3. The Board of Directors is required to hold joint meetings of the Board of Directors and the Board of Commissioners regularly at least once (1) every four (4) months;
4. The attendance of members of the Board of Directors at meetings as referred to in point 3 (three) must be disclosed in the Company's annual report;
5. The Board of Directors must schedule the meetings as referred to in points 1 (one) and 3 (three) for the following year before the end of the financial year;
6. For meetings that have been scheduled as referred to in point 5 (five), meeting materials must be delivered to participants no later than five (5) days before the meeting is held;
7. In the event that a meeting is held outside the established schedule as referred to in point 5 (five), meeting materials must be delivered to meeting participants no later than before the meeting is held;
8. The convening of Board of Directors meetings shall be carried out under the following provisions:
 - a. The convening of a Board of Directors meeting shall be carried out by a member of the Board of Directors who is authorized to represent the Board of Directors;

- b. The convening of a Board of Directors meeting must be delivered by registered letter or by letter delivered directly to each member of the Board of Directors with receipt acknowledgment no later than three (3) days before the Board of Directors meeting is held, excluding the date of the invitation and the date of the meeting;
 - c. The invitation to the Board of Directors meeting must include the agenda, date, time, and place of the meeting;
 - d. Board of Directors meetings shall be held at the Company's principal place of business within the territory of the Republic of Indonesia;
 - e. If all members of the Board of Directors are present or represented, the invitation as referred to in letter b is not required and the Board of Directors meeting may be held anywhere and is entitled to make valid and binding decisions.
9. Board of Directors meetings shall be chaired by the President Director, and in the event that the President Director is unable to attend or is prevented, which need not be proven to third parties, the Board of Directors meeting shall be chaired by a member of the Board of Directors elected from among the members present.
10. A member of the Board of Directors may be represented at a Board of Directors meeting only by another member of the Board of Directors based on a power of attorney.
11. A Board of Directors meeting is valid and entitled to make binding decisions if more than 1/2 (one half) of the total number of members of the Board of Directors are present or represented at the meeting.
12. Decision-making at meetings shall be carried out under the following provisions:
- a. Decisions of the Board of Directors meeting must be taken by deliberation to reach consensus. If a decision by deliberation to reach consensus cannot be achieved, the decision shall be taken by voting based on affirmative votes of more than 1/2 (one half) of the votes cast at the meeting;
 - b. If the number of votes in favor and against is equal, the chair of the Board of Directors meeting shall determine by casting 1 (one) deciding vote plus an additional 1 (one) vote for each other member of the Board of Directors he/she represents;
 - c. Voting on matters concerning individuals shall be conducted by secret ballot without signature, while voting on other matters shall be conducted orally unless the chair of the meeting determines otherwise without objection from those present;
 - d. Blank votes and invalid votes are deemed not to have been validly cast and are considered nonexistent and shall not be counted in determining the number of votes cast;
 - e. The Board of Directors may also make valid decisions without holding a Board of Directors meeting, provided that all members of the Board of Directors have been notified in writing and all members of the Board of Directors give written approval of the proposed matter and sign such approval. Decisions taken in this manner shall have the same force as decisions validly taken at a Board of Directors meeting.
13. The results of meetings as referred to in point 1 (one) must be set forth in minutes of meeting, signed by all members of the Board of Directors present, and distributed to all members of the Board of Directors.
14. The results of meetings as referred to in point 3 (three) must be set forth in minutes of meeting, signed by the members of the Board of Directors and members of the Board of Commissioners present, and distributed to all members of the Board of Directors and members of the Board of Commissioners.
15. In the event that there are members of the Board of Directors and/or members of the Board of Commissioners who do not sign the meeting results as referred to in points 13 and 14, the relevant parties must state their reasons in writing in a separate letter attached to the minutes of meeting.
16. The minutes of meetings as referred to in points 13 and 14 must be documented by the Company.

VIII. Reporting

- 1. In carrying out its duties, the Board of Directors acts in the interests of the Company and is accountable to the GMS.
- 2. Reporting on the duties and responsibilities of the Board of Directors is submitted in the form of a Board of Directors report and an annual report to the Annual GMS.
- 3. The work plan must be submitted before the commencement of the upcoming financial year.

4. Approval of the Board of Directors report and the annual report by the Annual GMS constitutes full release and discharge of responsibility to the Board of Directors for the management carried out during the previous financial year, insofar as such actions are reflected in the Company's annual report.

IX. Evaluation of the Performance of the Board of Directors

1. The Board of Directors has its own evaluation policy (self-assessment) to assess the performance of the Board of Directors collegially. The results of the self-assessment are then discussed at a Board of Commissioners meeting and a joint meeting of the Board of Commissioners and the Board of Directors at the beginning of the new financial year.
2. In addition to self-assessment, the collegial performance evaluation of the Board of Directors is also conducted by the shareholders at the Annual GMS. In this case, the Board of Directors submits a Board of Directors Report, which is also included in the Company's Annual Report, to be presented at the Annual GMS.
3. The results of the evaluation of the overall performance of the Board of Directors and the individual performance of each member of the Board of Directors are an integral part of the compensation scheme and the granting of incentives for members of the Board of Directors.
4. The criteria for evaluating the performance of the Board of Directors are the implementation of the duties and responsibilities of members of the Board of Directors in managing the Company and the achievement of the work plan as reflected in the financial statements, which include, among others:
 - a. Finance and market;
 - b. Customer focus;
 - c. Products;
 - d. Workforce;
 - e. Governance leadership.

X. Working Time

1. Members of the Board of Directors are required to allocate sufficient time to carry out their duties and responsibilities optimally.
2. Members of the Board of Directors are required to attend every meeting involving the Board of Directors. In the event that a member of the Board of Directors is unable to attend a meeting, he/she may grant power of attorney to another member of the Board of Directors.
3. The notification letter of leave/temporary absence referred to above must state the number of leave days or the days on which the member of the Board of Directors cannot carry out his/her duties and responsibilities.
4. Members of the Board of Directors who are on leave/temporarily absent must grant power of attorney to another member of the Board of Directors to make decisions at Board of Directors meetings.
5. In the event that there is a member of the Board of Directors who is unable to perform his/her duties for a certain period due to leave or other circumstances (temporary absence), the relevant member must submit written notification of such absence to all members of the Board of Directors, stating the number of leave days or the days on which the member of the Board of Directors cannot carry out his/her duties and responsibilities.

XI. Requirements, Appointment, Dismissal and/or Replacement

The requirements, appointment, dismissal and/or replacement of members of the Board of Directors shall refer to the Articles of Association and other related regulations.

XII. Code of Ethics

All members of the Board of Directors must uphold the Code of Ethics.

1. Integrity
 - a. Required to carry out work in good faith, upholding honesty, prudence, and responsibility.
 - b. Required to comply with all applicable laws and to make disclosures required by law and applicable professional ethics.

- c. Required to respect and uphold the good name of the Company.
- d. The Board of Directors must serve as role models for employees in the application of the Company's ethical guidelines and code of conduct and must always act in accordance with and be subject to the Company's Articles of Association and applicable laws and regulations.
- e. Required to prioritize the interests of the Company, Shareholders, and Stakeholders.

2. Objectivity

- a. Make balanced judgments on all related conditions and not be influenced by personal interests or other parties in providing considerations, and act professionally in the event of a conflict of interest of the Company.
- b. Not participate in any activities or relationships that may interfere with providing impartial judgments. Such participation includes involvement in activities or relationships that conflict with the interests of the Company.
- c. Not accept anything that may compromise professional judgment.
- d. Required to disclose all existing material facts and not conceal matters that may harm the Company or violate the law.

3. Confidentiality

- a. Not disclose information for personal interests or in any manner that is contrary to the law or detrimental to the Company.
- b. Required to exercise caution in using and safeguarding information obtained in the course of carrying out duties.

XIII. Closing

- 1. This Board of Directors Charter shall be effective as of the date of its stipulation.
- 2. This Board of Directors Charter must be announced on the Company's website.
- 3. This Board of Directors Charter may be reviewed periodically for improvement by taking into account applicable legal provisions and laws and regulations.

Signed in Jakarta
On 8 December 2021



Ryanto Husodo
President Director



Ivan Alamsyah Siregar
Vice President Director



Irvan Juliansah
Director



Ayudyah Widyahening
Director