

## CHARTER OF THE BOARD OF COMMISSIONERS



## I. Legal Basis

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

1. Law Number 40 of 2007 concerning Limited Liability Companies;
2. Law Number 08 of 1995 concerning Capital Markets;
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 relevant regulations.

## II. Definitions

1. Articles of Association mean the Company's articles of association.
2. Board of Commissioners means the Company's organ tasked with conducting 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 means the Company's organ that has the authority and full responsibility for managing the Company for the interest of the Company, in accordance with the Company's aims and objectives, 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 means the code of ethics of the Board of Commissioners as regulated in the Board of Commissioners Charter and the Company Code of Ethics.
5. Audit Committee means a committee formed by and responsible to the Board of Commissioners to assist in carrying out the duties and functions of the Board of Commissioners.
6. Financial Services Authority ("OJK") means a state institution established under Law Number 21 of 2011 concerning the Financial Services Authority, which functions to organize an integrated system of regulation and supervision over all activities in the financial services sector, both in the banking sector, capital markets, and non-bank financial services sectors, such as insurance, pension funds, financing institutions, and other financial service institutions.
7. Stakeholders mean parties that have an interest in the Company.
8. Company means PT OBM Drilchem Tbk.
9. General Meeting of Shareholders ("GMS") means the Company's organ that has authority 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.
10. Corporate Secretary means an individual or the person in charge of a work unit that performs the corporate secretary function.

## III. Vision and Mission

### 1. Vision

To position the function of the Board of Commissioners to enhance the principles and implementation of corporate governance in carrying out the duties and responsibilities of the Board of Commissioners.

### 2. Mission

This Board of Commissioners Charter serves as a guideline to assist the Board of Commissioners in carrying out its duties and responsibilities so that it can better perform its supervisory function, including but not limited to supervision of the performance of the Company's Board of Directors in managing the Company for the best interests of the Company and in accordance with the Company's aims and objectives.

## IV. Duties of the Board of Commissioners

1. The Board of Commissioners is tasked with conducting supervision and is responsible for supervising the policies of the Board of Directors in managing the Company and providing advice to the Board of Directors.
2. Members of the Board of Commissioners are required to carry out their duties and responsibilities in good faith, with full responsibility, and with due care.

3. The Board of Commissioners is required to implement and ensure the implementation of risk management and the principles of good corporate governance in every business activity of the Company at all levels or tiers of the organization.
4. The Board of Commissioners is required to evaluate and approve the Company's work plan.
5. The Board of Commissioners is required to assist and encourage efforts to foster and develop the Company.
6. To support the effective implementation of duties and responsibilities, the Board of Commissioners is required to establish an Audit Committee and may establish other committees in accordance with applicable laws and regulations.
7. The Board of Commissioners is required to evaluate the performance of committees that assist in carrying out its duties and responsibilities at the end of each financial year.
8. The Board of Commissioners is required to carry out the Nomination and Remuneration function. In carrying out this function, the Board of Commissioners may establish a Nomination and Remuneration Committee.
9. Under certain conditions, the Board of Commissioners is required to convene the annual GMS and other GMS in accordance with its authority as regulated by applicable laws and regulations and the articles of association.
11. The GMS is chaired by a member of the Board of Commissioners appointed by the Board of Commissioners. If all members of the Board of Commissioners are absent or unable to attend, the leadership of the GMS shall refer to the provisions stipulated in the articles of association.

## **V. Responsibilities of the Board of Commissioners**

1. Each member of the Board of Commissioners is jointly and severally liable for losses of the Company caused by errors or negligence of members of the Board of Commissioners in carrying out their duties.
2. Members of the Board of Commissioners cannot be held liable for Company losses as referred to in point 1 above if they can prove that:
  - a. The loss was not due to their fault or negligence;
  - b. They have carried out supervision in good faith, with full responsibility, and with due care for the interest of and in accordance with the aims and objectives of the Company;
  - c. They have no conflict of interest, either directly or indirectly, with management actions that resulted in losses; and
  - d. They have taken actions to prevent the occurrence or continuation of such losses.

## **VI. Authorities of the Board of Commissioners**

1. The Board of Commissioners provides approval and assistance to the Board of Directors in carrying out certain legal actions as regulated in the Articles of Association. In this case, such actions include:
  - a. Borrowing money in the name of the Company;
  - b. Purchasing or in any manner acquiring immovable property, including rights to land, buildings, or companies;
  - c. Selling or in any manner transferring or disposing of 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.
2. Decision-making by the Board of Commissioners does not eliminate the responsibility of the Board of Directors for the implementation of Company management.
3. The Board of Commissioners, either jointly or individually, at any time during the Company's office hours, has the right to enter buildings and yards or other places used or controlled by the Company and has the right to examine all bookkeeping, letters, and other evidence, examine and reconcile the condition of cash and other assets, and has the right to know all actions carried out by the Board of Directors.

4. The Board of Commissioners may request the convening of a GMS with reference to the Articles of Association and applicable laws and regulations.
5. The Board of Commissioners may at any time temporarily suspend one or more members of the Board of Directors if such members act contrary to the articles of association and/or applicable laws and regulations, with reference to the Articles of Association and applicable laws and regulations.
6. The Board of Commissioners may carry out Company management actions under certain conditions for a certain period of time.
7. In carrying out its duties and responsibilities, the Board of Commissioners is not involved in decision-making regarding the Company's operational activities, except for matters regulated in the Company's articles of association or applicable laws and regulations.
8. The Board of Commissioners has the right to access all Company data, information, and/or reports required to carry out its duties and responsibilities.
9. Requests for Company data, information, and/or reports shall be submitted through the Corporate Secretary.

## **VII. Meetings of the Board of Commissioners**

1. The Board of Commissioners is required to hold meetings at least once every 2 (two) months, unless deemed necessary by the President Commissioner or at least 2 (two) Commissioners or by a Board of Directors Meeting.
2. Meetings of the Board of Commissioners are chaired by the President Commissioner. If the President Commissioner is unable to attend or is unavailable, which need not be proven to third parties, the Meeting of the Board of Commissioners shall be chaired by a person elected by and from among the attending members of the Board of Commissioners.
3. A Meeting of the Board of Commissioners is valid and entitled to make binding decisions only if more than 1/2 (one half) of the total members of the Board of Commissioners are present or represented at the Meeting of the Board of Commissioners.
4. The Board of Commissioners is required to hold meetings with members of the Board of Directors at least once every 4 (four) months.
5. The Board of Commissioners is required to schedule Meetings of the Board of Commissioners for the following year before the end of the financial year.
6. If the schedule has been determined, meeting materials must be submitted to meeting participants no later than 5 (five) days before the meeting is held.
7. If the meeting is held outside the established schedule, meeting materials must be submitted to meeting participants before the meeting begins.
8. The results of Meetings of the Board of Commissioners must be set forth in minutes of meeting and properly documented.
9. Minutes of Meetings of the Board of Commissioners are prepared by the Corporate Secretary or a party appointed at the meeting and are signed by all members of the Board of Commissioners present at the meeting.

## VIII. Reporting

1. The Board of Commissioners is required to prepare an accountability report on the implementation of supervisory activities over the Company's performance, which is included in the annual report and accounted for at the Annual GMS.
2. The Board of Commissioners is required to evaluate the Company's annual work plan prepared by the Board of Directors before the end of the current financial year.

## IX. Performance Assessment of the Board of Commissioners

1. The Board of Commissioners conducts a self-assessment to evaluate the performance of the Board of Commissioners collegially, which is carried out at the end of the relevant financial year or at the beginning of the new financial year. The results of the self-assessment are then discussed in a Meeting of the Board of Commissioners at the beginning of the new financial year.
2. In addition to self-assessment, the collegial performance assessment of the Board of Commissioners is carried out by the Shareholders at the Annual GMS. In this case, the Board of Commissioners submits an accountability report contained in the Board of Commissioners' 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 Commissioners and the individual performance of each member of the Board of Commissioners constitute an inseparable part of the compensation scheme and the granting of incentives for members of the Board of Commissioners.
4. The criteria for evaluating the performance of the Board of Commissioners are the implementation of supervisory duties over management policies and the course of management in general, both regarding the Company and the Company's business carried out by the Board of Directors, as well as the provision of advice to the Board of Directors for the purpose of achieving the Company's objectives, which include among others:
  - a. Contribution to the achievement of the Company's performance;
  - b. Timeliness in delivering opinions and advice that are the obligations of the Board of Commissioners;
  - c. Contribution to the implementation of GCG Guidelines;
  - d. Attendance level of members of the Board of Commissioners;
  - e. Effectiveness of supporting activities of the Board of Commissioners.

## X. Working Time

1. The Board of Commissioners is required to allocate sufficient time to optimally carry out its duties and responsibilities.
2. The Board of Commissioners is required to attend at least Meetings of the Board of Commissioners and committee meetings in which the member of the Board of Commissioners is a member of such committee. If a member of the Board of Commissioners is unable to attend a meeting, the member may grant power of attorney to another member of the Board of Commissioners.
3. The notification letter of leave/temporary unavailability as referred to above must state the number of leave days or the days on which the member of the Board of Commissioners is unable to carry out his/her duties and responsibilities.
4. Members of the Board of Commissioners who are on leave/temporarily unavailable must grant a power of attorney to another member of the Board of Commissioners to make decisions at Meetings of the Board of Commissioners.
5. In the event that there is a member of the Board of Commissioners who is unavailable due to leave or other circumstances that cause the member of the Board of Commissioners to be unable to carry out his/her duties within

a certain period (temporary unavailability), the concerned member must submit a written notice of unavailability to all members of the Board of Commissioners stating the number of leave days or the days on which the member of the Board of Commissioners is unable to 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 Commissioners refer to the Articles of Association and other relevant regulations.

## **XII. Code of Ethics**

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

### 1. Integrity

- a. Must perform work in good faith, upholding honesty, prudence, and responsibility.
- b. Must comply with all applicable laws and make information disclosures required under applicable law and professional ethics.
- c. Must respect and support the good name of the Company.
- d. Members of the Board of Commissioners must serve as role models for employees in implementing the Company's ethical guidelines and code of conduct and always act in accordance with and subject to the Company's articles of association and applicable laws and regulations.
- e. Must prioritize the interests of the Company, Shareholders, and Stakeholders.

### 2. Objectivity

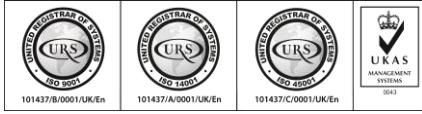
- a. Make balanced assessments of all related conditions and are not influenced by personal interests or the interests of other parties in providing considerations, and act professionally in the event of a conflict of interest of the Company.
- b. Do not participate in any activities or relationships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

### 3. Confidentiality

- a. Do not disclose information for personal interests or in any manner contrary to the law or detrimental to the Company.
- b. Must be careful in using and safeguarding information obtained while carrying out their duties.

## **XIII. Closing**

1. This Board of Commissioners Charter is effective as of the date of its determination by the Board of Commissioners.
2. This Board of Commissioners Charter must be published on the Company's website.
3. This Board of Commissioners Charter may be reviewed periodically for improvement by taking into account applicable laws and regulations.



Signed in Jakarta  
On December 8, 2021



**Mohamad As'ad**  
President Commissioner



**Andang Bachtiar**  
Commissioner



**Tumbur HP Nainggolan**  
Independent Commissioner