

# CORPORATE GOVERNANCE

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## Corporate Governance Structure

The Corporate Governance Structure comprises of the General Meeting of Shareholders, Board of Commissioners and Board of Directors, with support from the Audit Committee as the committee who is reporting to the Board of Commissioners, Corporate Secretary and the Internal Audit Unit reporting directly to the President Director.

### SHAREHOLDERS' RESOLUTION

The General Meeting of Shareholders (GMS) is the executor holding the highest power and authority in the Company. The authority of the General Meeting of Shareholders includes among others appointing and dismissing members of the Board of Commissioners and the Board of Directors, evaluate the performance of the Board of Commissioners and the Board of Directors, approve the amendments to the Articles of Association, approve the annual report and determine the form and amount of remuneration for the members of the Board of Commissioners and the Board of Directors.

### BOARD OF COMMISSIONERS

In accordance to the prevailing laws and regulations, the Board of Commissioners is the company's organ comprising of representations of the Shareholders to carry out the supervisory function over the execution of the company's policy and strategy by the Board of Directors and providing direction/advice to the Board of Directors in managing the Company based on the principles of good faith, prudence and accountability, and carry out the function to strengthen the Company's image in the eyes of the public and the shareholders.

Please visit the Board of Commissioners section to review their current profile.

### BOARD OF DIRECTORS

The Board of Directors is a company organ that holds full responsibility over the management of the company in keeping at all times with the interests and goal of the Company and its business units as well as taking into consideration the interests of all shareholders and stakeholders. The Board of Directors' responsibility shall include conducting internal supervision effectively and efficiently; monitoring risks and managing them, maintaining a conducive working environment to improve productivity and professionalism, managing staffs and reporting the Company's entire performance to the shareholders in the General Meeting of Shareholders.

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### **CORPORATE SECRETARY**

With reference to the Regulation of Bapepam-LK No. IX.I.4 and the Regulation of PT Bursa Efek Indonesia (Indonesia Stock Exchange/BEI) No. I-A, the Company shall appoint a Corporate Secretary who shall serve as the liaison officer between the Company and the Company's Executor and stakeholders. The Corporate Secretary shall report to the Board of Directors and also report on the implementation of its duties to the Board of Commissioners. The Board of Directors of the Company has appointed Dicky Setiadi Moechtar as the Corporate Secretary by virtue of the Decree Number SK-001/LN/CSL/V/13 dated June 5, 2013. The general public and investors may access the Company's web site to obtain information on the Company's business activities, or contact the Corporate Secretary to obtain more information on the Company.

The profile of Corporate Secretary Dicky Setiadi Moechtar can be viewed under the Board of Directors special section.

### **AUDIT COMMITTEE**

In accordance to the rules issued by Badan Pengawas Pasar Modal dan Lembaga Keuangan (Capital Market and Financial Institutions Supervisory Agency/Bapepam-LK) Number IX.I.5 concerning the Establishment and Guideline on the Work Implementation of the Audit Committee, the objective of the Audit Committee's establishment is to ensure that the corporate governance principles are properly implemented. The main duty of the Audit Committee is to encourage the implementation of good corporate governance, establishment of sufficient internal control structure, enhancement of the quality of transparency and financial reporting as well as reviewing the scope, accuracy, independence and objectivity of the public accountant. The Board of Commissioners has established the Audit Committee to support them in carrying out their duties and obligations. The ruling on the establishment of the Audit Committee shall be made by virtue of the Decree of the Board of Commissioners and chaired by an Independent Commissioner appointed by the Board of Commissioners. The composition of the Audit Committee as of April 11, 2014 based on the resolutions of the Board of Commissioners No. SK-002/LN/CSL/IV/14 is as follows:

1. Jonathan Limbong Parapak (Chairman/Independent Commissioner).
2. Lim Kwang Tak (Member/Independent)
3. Herman Latief (Member/Independent)

#### ***Jonathan Limbong Parapak – Chairman***

Pls visit Board of Commissioners section for Mr Parapak Profile

#### ***Lim Kwang Tak – Member/Independent***

He earned a Bachelor in Accounting from the Faculty of Economy of the University of Indonesia in 1980. He served as a member of the Company's audit committee since 2014 to date. He started his career as a Management Consultant of Touche Ross Darmawan & Co (1981-1982) and a Management Consultant of Data Impact and Business Advisory (1983-1985). He previously held several positions at PT Trimex Sarana Trisula with the latest position of a Commissioner (1991-1999), at PT Southern Cross Textile Industry with the latest occupation as a Commissioner (1991-2012), as the President Commissioner of PT Chitose Indonesia Manufacturing (1992-2001), several positions at PT Trisenta Interior Manufacturing with the latest occupation as the President Commissioner (1992-2006), as a Commissioner of PT Nusantara Cemerlang (1997-2005), a Director of PT Trisula Corporation Pte Ltd (2000-2012), several positions at PT Trisula Textile Industries with the latest occupation as a Commissioner

(2005-2013), a Commissioner in PT Trisula Garment Manufacturing (2008-2013), a Commissioner of PT Trisula Textile Industries (2011-2013), the President Commissioner of PT Trimas Sarana Garment Industry (2010-2011) and the President Director of PT Trisula Insan Tiara (2011-2013). He is currently serving as a Senior Consultant at PT Bina Analisisindo Semesta (since 1985), the President Director at PT Trimas Sarana Garment Industry (since 2011), a Commissioner at PT Mido Indonesia (since 2011), a Commissioner of PT Trisula International Tbk (since 2011), a member of the Audit Committee of PT Matahari Putra Prima Tbk (since 2012), a member of the Audit Committee of PT Matahari Departemen Store Tbk (since 2012), a member of the Audit Committee of PT Siloam International Hospitals Tbk (since 2013) and a Commissioner of PT Paramount Land Development (since 2013).

***Herman Latief – Member/Independent***

He earned a Diplom Ingenieur Architect (Dipl. Ing) from TFH, Hamburg, Jerman in 1976. He has been serving as a member of the Company's Audit Committee since 2014 to date. He started his career as an architect at PT Widya Pertiwi Engineering (1976-1978), a Director at a company under the Kalbe Farma group (1979-1988), held several positions at PT Lippo Cikarang Tbk with the latest occupation as the Vice President Commissioner (1989-2001), as a Commissioner at PT Lippo Land Development (2001- 2004), a Commissioner at PT Bukit Sentul Tbk (2004-2005), a Director at PT East Jakarta Industrial Park (2004-2010), the Audit Committee at PT Pacific Utama Tbk (2005- 2007), the Audit Committee at di PT Gowa Makassar (2005-2007), the Audit Committee at PT Multipolar Tbk (2007-2009), actively involved in the Board of Advisors of the Industrial Zone Association (HKI) (1995-2000) and the Vice Chairman of the Real Estate Indonesia (1999-2008). He is currently holding a position as a Vice Chairman of the Board of Advisors of HKI (since 2000), the Vice Chairman of the Committee for Industrial Zone Development of the Indonesia Chambers of Commerce (KADIN) (since 2008), the Audit Committee of PT Star Pacific Tbk (since 2010) and the Audit Committee of PT Lippo General Insurance Tbk (since 2012).

**INTERNAL AUDIT UNIT**

The establishment of the Internal Audit Unit was refer to the Regulation of Bapepam-LK No. IX.I.7 and the Attached Decree of the Chairman Bapepam-LK No. Kep-496/BL/2008 concerning the establishment and guideline on the development of the Internal Audit Unit charter. The Internal Audit Unit is tasked, among others, to test and evaluate the implementation of the internal control and risk management system in accordance to the company's policy and to examine and evaluate its efficiency and effectiveness in the areas of finance, accounting, operational, human resources, marketing, information technology and other activities. In carrying out their duties, the Internal Audit Unit shall cooperate at all times with the Audit Committee and report to the President Director. The establishment of the Internal Audit Unit is a true demonstration of the company's commitment in practicing good governance and efficiency.

**INDEPENDENT AUDITOR**

In accordance with the provisions of the Regulation of the Minister of Finance of the Republic of Indonesia Number 17/PMK.01/2008 concerning Public Accountant Service and the Regulation of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) No.VIII.A.2 concerning Independency of Accountants Providing Audit Service in the Capital Market Sector, the Company's consolidated financial report has been audited by the Public Accountant Aryanto Amir Jusuf Mawar & Saptoto.