



BOARD OF COMMISSIONERS CHARTER

PT Darya-Varia
Laboratoria Tbk

2015

(1) LEGAL BASIS

PT Darya-Varia Laboratoria Tbk (the “Company”), as a company incorporated and operating under the laws and regulations of the Republic of Indonesia, is obliged to comply with relevant laws and regulations in the country. The Company upholds the principles and rules of Good Corporate Governance (“GCG”), i.e., integrity, transparency, accountability, responsibility and fairness.

In compliance with Otoritas Jasa Keuangan (“OJK”) Regulation No.33/POJK.04/2014 dated December 8, 2014 concerning the Board of Directors and the Board of Commissioners of an Issuer or a Public Company, the Board of Commissioners (the “BOC”) is required to have a set of general guidelines named as “the Charter of the Board of Commissioners” (hereinafter referred to as “BOC Charter”). This Charter is also based on Law No. 40 of 2007 regarding Limited Liability Company and the Company’s Articles of Association.

In performing the BOC supervisory role, these guidelines shall be the reference for the BOC Members in executing its responsibility and authority to act consistently for the advancement of the Company and the interest of all stakeholders.

(2) VALUES

BOC values are the same with the Company’s values, in particular the following:

1. Living Bayanihan

Promote working together to bring the Company to a better place

2. Openness

Transparent, honest and respectful communication to encourage sincere collaboration within the Company

3. Caring

Value people and nurture good relations with one another and with the community-at-large.

4. Passion to excel

Exert best efforts at all times to exceed the expectations of the stakeholders

5. Professional

Competence and adherence to strict guidelines of professional conduct

6. Accountable

Takes responsibility for any actions and decisions taken and their consequences

(3) BOARD OF COMMISSIONERS

The BOC is the Company’s organ that is authorized and responsible for supervising the BOD in managing the Company.

Members of the BOC are expected to bring professional supervisory expertise, know-how and experience to the BOC and shall be prepared to do their utmost while performing their duties, responsibility and authority.

A. Composition of BOC

1. The BOC shall consist of at least 3 (three) members with the following compositions:
 - a. 1 (one) President Commissioner;
 - b. 1 (one) Vice President Commissioner;
 - c. 1 (one) or more Commissioner(s);1 (one) of them shall be an Independent Commissioner;
2. The number of Independent Commissioners shall be at least 30% (thirty percent) of the total members of the BOC.

B. Qualifications of BOC

Members of BOC shall possess the following qualifications:

1. Good morals and integrity;
2. Competence to supervise and guide the BOD and evaluate its performance;
3. Commitment to comply with laws and regulations;
4. Knowledge and/or expertise in relevant areas; and
5. Other requirements as stipulated in prevailing regulations, including OJK and IDX regulations.

The commitment to fulfil the above requirements shall be incorporated in a written statement submitted to the Company.

(4) DUTIES, RESPONSIBILITIES AND AUTHORITIES

A. DUTIES

1. Supervise the management of the Company and provide advice to the Board of Directors (the "BOD");
2. Under certain circumstances as stipulated in the Articles of Association, conduct General Meeting of Shareholders ("GMS");
3. Execute their duties in good faith, with accountability and prudence;
4. Perform special tasks assigned to them based on the Company's Articles of Association, prevailing laws and/or based on the GMS;
5. Form an Audit Committee and such other committee(s) as may be necessary to support their duties;
6. Evaluate the committee(s) performance at the end of the year;
7. Comply with the Articles of Association and prevailing laws and regulations.

B. RESPONSIBILITIES, LIABILITIES

1. Each member of BOC shall be jointly and severally liable for the losses of the Company caused by the fault or negligence of members of the BOC in carrying out their duties.
2. A member of the BOC shall not be liable for the abovementioned Company's loss if he/she can prove:
 - a. He/she has done supervisory duties in good faith and prudence for the interest of the Company and in accordance with the intent and purpose of the Company;

- b. He/she does not have any personal interest, either directly or indirectly, in the BOD actions that caused a loss to the Company; and
- c. He/she has advised the BOD to prevent such loss from arising or continuing.

C. AUTHORITIES:

1. Temporarily suspend any members of the BOD stating the reasons therefor;
2. Under certain circumstances and for a certain period of time, BOC can take necessary actions to manage the Company, subject to the Company's Articles of Association.

D. NOMINATION AND REMUNERATION FUNCTION:

Under OJK No. 34/POJK.04/2014 dated December 8, 2014 concerning Nomination and Remuneration, an Issuer or Public Company must have Nomination and Remuneration functions.

At the BOC meeting on June 3, 2015 it was resolved that the functions of the Nomination and Remuneration shall be exercised by the BOC. To carry out these functions, the BOC will formulate a separate guidelines which, among other things, will cover:

- a. duties and responsibilities related to the Nomination and Remuneration functions;
- b. working procedures;
- c. meetings; and
- d. disclosure and reporting.

(5) TENURE

A. DUAL POSITIONS

1. BOC members may have dual positions as:
 - a. BOD member of no more than 2 (two) other issuers/public companies; and
 - b. BOC member of no more than 2 (two) other issuers/public companies.
2. If a BOC member is not a BOD member of another issuer/public company, he/she can also hold the position of a BOC member of a maximum 4 (four) other issuers/public companies.
3. A BOC member may serve as a committee member of a maximum 5 (five) Committees at issuers/public companies where he/she also serves as a BOD or BOC member, provided that there is no conflict with other regulations.

B. APPOINTMENT, TERM OF TENURE

One period of tenure is 5 (five) years from his/her appointment by the GMS until the closing of the fifth GMS subsequent to his/her appointment, without prejudice to the right of GMS to dismiss him/her at any time. The BOC member may be reappointed for the next period by the GMS.

Proposal for appointment, dismissal, and/or replacement of members of the BOC to the GMS must consider the recommendation of the BOC or committee that performs the nomination function.

C. TENURE FOR INDEPENDENT COMMISSIONER

1. Independent Commissioner who has been serving the Company for 2 (two) periods of tenure can be reappointed for the next period provided that the Independent Commissioner declares himself before the GMS as remaining independent.
2. The statement of independence of the Independent Commissioner shall be disclosed in the annual report.
3. If an Independent Commissioner also serves as Chairman/member of the Audit Committee, the Independent Commissioner concerned can only be reappointed as Audit Committee member/Chairman for another one (1) period.

D. RESIGNATION

1. A member of the BOC may resign before his/her term ends by submitting a resignation letter to the Company.
2. The Company shall hold a GMS within ninety (90) days upon the receipt of resignation letter from any member of the BOC to act on the resignation.
3. The Company must disclose information to the public and notify OJK no later than two (2) working days after:
 - a. the acceptance of the Commissioner's resignation; and
 - b. the GMS resolution, including the appointment of another individual, if any, to replace the resigned BOC member.

E. TEMPORARY SUSPENSION

1. BOC has the authority to suspend any member of the BOD, stating the reasons for the suspension.
2. The BOC shall hold a GMS to decide on the cancellation or ratification of the temporary suspension decision no later than ninety (90) days after such suspension decision. The BOD in question shall have the right to defend himself/herself in the GMS.
3. If all members of BOD are suspended, the BOC may take management actions over the Company for a certain period of time, subject to the Company's Articles of Association.

(6) MEETING POLICY

A. ATTENDANCE, QUORUM

1. The BOC shall conduct a meeting at least once every 2 (two) months or as required by the Company and/or regulations.
2. Aside from the BOC meeting, the BOC shall hold a joint meeting with the BOD, at least once every 4 (four) months or in accordance with prevailing regulations.
3. A member of the BOC may be represented at the meeting of the BOC only by another member of the BOC by virtue of a power of attorney.
4. The BOC meeting shall be entitled to adopt valid and binding resolutions if more than 50% of the members of BOC are present or represented at the meeting, including the President Commissioner or, if the President Commissioner is not present and not legally represented, the Vice-President Commissioner or his legal proxy.

B. SCHEDULE

1. The BOC shall schedule meetings for the following year before the end of the on-going financial year.
2. Materials for discussion shall be provided to meeting participants no later than 5 (five) days before a meeting is held.
3. If a meeting is rescheduled, materials shall be provided to the meeting participants at the latest before the meeting is held.

C. SUMMONS

1. The BOC meeting invitation shall be made by President Commissioner, or, in his/her absence, by 2 (two) other members of the BOC.
2. The summons for the meeting of the BOC shall be delivered in person to the members of the BOC or sent by registered mail, and received with an appropriate receipt, or by facsimile or e-mail, immediately confirmed by registered mail, at least 14 (fourteen) or 3 (three) days in case of emergency, excluding the summons date and the date of the meeting of the BOC.
- 3.
4. In case of urgency, the period of the summons may be shortened to less than 3 (three) days before the meeting is convened excluding the date of summons for the meeting and the materials for the meeting shall be provided to all meeting participants at the latest before the meeting is convened.
5. The summons for the meeting must state the agenda, date, time and place of the meeting.

D. VENUE

1. The meeting of the BOC shall be convened at the place where the Company has its seat or at the place where the Company carries out its main business activities or both within and outside the territory of the Republic of Indonesia.
2. In the event that all members of the BOC are present or represented, such a prior summons shall not be required and the meeting of the Board of Commissioners may be convened at the place where the Company has its seat or at the place where the Company carries out its main business activities or anywhere within and outside the territory of the Republic of Indonesia as determined by the BOC. The meeting shall be entitled to adopt valid and binding resolutions.

E. CHAIRMAN

The BOC meeting shall be chaired by the President of Commissioner. In the event that the President Commissioner is unable to attend or absent, for which case no proof needs to be given to the third party, the meeting shall be chaired by a member of the BOC elected by and from among the members of the BOC present.

F. RESOLUTION

1. Resolutions of the meeting of the BOC shall be amicably adopted.
2. In the event that such amicable resolution cannot be reached, the resolution shall be adopted by voting based on the affirmative votes of more than 50% (fifty percent) of the members of the BOC present and/or legally represented at the meeting including the President Commissioner or, if the President Commissioner is not present and not legally represented, the Vice-President Commissioner or his/her legal proxy.
3. In case of a tie, where the affirmative is equal to the negative votes, the Chairman of the meeting of the BOC shall have a casting vote.
4. Each member of the BOC present shall be entitled to cast 1 (one) vote and 1 (one) additional vote for every other member of the BOC represented by him/her.
5. Voting shall be carried out orally, unless otherwise determined by the chairman of the meeting without any objection by majority vote from those present.
6. A member of the BOC or his proxy present at the meeting but not casting any votes (abstaining) shall be deemed to have cast the same votes as the majority of votes cast by the members of the BOC.

G. MINUTES OF MEETING

1. Results of the BOC meeting shall be set out in a minutes of meeting, signed by the chairman of the meeting and all BOC members who were present, and subsequently to be distributed to all members of the BOC.
2. In the event that the minutes are drawn up in the form of a notarial deed, the signatures shall not be required, except by the Commissioner authorized by the BOC.
3. The minutes of the meeting of the BOC made and signed shall become concrete evidence regarding resolutions adopted at the meeting before the members of the BOC and any third parties.
4. The BOC may also make valid decisions without holding a meeting of the BOC, provided that all members of the BOC have been notified in writing, give approval for the proposal made in writing and signing to indicate such approval.
Decisions made in such a procedure, by way of circular resolution, shall have the same force and effect as a resolution adopted legally at the meeting of the BOC.
5. The resolutions of the BOC & BOD joint meeting shall be stated in a minutes of meeting, signed by the members of the BOC and BOC present, and subsequently distributed to all members of the BOC and the BOD.
6. Any member of BOC or BOD who does not sign the minutes of meeting shall specify the reasons in writing in a separate letter attached to the minutes of meetings.
7. Minutes of the meeting shall be documented by the Company.

H. TELECONFERENCE/VIDEOCONFERENCE

The meeting of the BOC may be held by means of teleconference, video conference or other similar modes of communication which enable all persons participating at the meeting to directly view and hear each other without physical presence, in which

case they shall still be considered as participants at the meeting. The members of the BOC present at the meeting held in this manner shall be counted in the quorum. All resolutions approved by the BOC at the meeting shall be considered as effective as the approval of the resolutions adopted at the meeting with physical presence. The meeting held by means of teleconference, video conference or other similar modes of communication as mentioned earlier, shall be chaired by a member of the BOC elected by and from among them or by a member of the BOC present at a place approved by the members of the BOC attending the meeting, as the place where the meeting is convened, provided that at least one member of the BOC shall be physically present at that place during the meeting and the minutes thereof shall be signed by the chairman of the meeting.

(7) REPORTING

The BOC shall report its supervisory actions to be presented in the Company's Annual Report that is signed by all members of the BOC to be submitted for approval and ratification in the AGMS. Ratification and/or approval of the Annual Report by the AGMS provide a release and discharge from their responsibilities as members of the BOC of the supervision actions performed during the past financial year, as long as such actions are reflected in the Company's Annual Report and Financial Statement.

This Board of Commissioners Charter is made in Jakarta and effective as from February 1, 2016.