



BOARD OF DIRECTORS CHARTER

PT Darya-Varia
Laboratoria Tbk

2015

(1) LEGAL BASIS

PT Darya-Varia Laboratoria Tbk (the “Company”) as a company incorporated and operates under the laws and regulation of the Republic of Indonesia, is obliged to comply with relevant laws and regulations in Indonesia. The Company upholds the principles and rules of Good Corporate Governance (“GCG”) namely transparency, accountability, responsibility, independency 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 Issuer or Public Company, the Board of Directors (the “BOD”) is required to have a general guidelines named as “the Charter of Board of Directors” (hereinafter referred to as “BOD Charter”). The BOD Charter shall be the reference for the members in executing their role and acting consistently for the advancement of the Company.

In performing the BOD managing role, these guidelines shall be the reference for the BOD members in executing its responsibility, authority and to act consistently for the advancement and sustainability of the Company while securing interest of all stakeholders. BOD shall provide access to Board of Commissioners (“BOC”) and supply BOC with best possible information pertaining to areas needed enabling BOC to provide proper advices to BOD.

(2) MEMBERS OF BOD

Members of BOD are expected to deliver their utmost while performing their duties, responsibility and authority with professional expertise, skill and know-how for the best interest of the Company.

A. BOD composition:

Consists of at least 3 (three) members with the following compositions:

- a. 1 (one) President Director
- b. 1 (one) Vice President Director
- c. 1 (one) or more Director(s)

B. BOD Qualifications:

Each member of BOD shall fulfill the following qualifications:

- 1. Has good morals and integrity;
- 2. Competent to conduct legal acts;
- 3. Has comitment to comply with regulations;
- 4. Has knowledge and/or expertise in the relevant area; and
- 5. Other requirements as stipulated in the prevailing regulations including OJK and IDX regulations.

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

(3) DUTIES, RESPONSIBILITIES AND AUTHORITIES

BOD shall execute its duties, responsibilities and authority as set out in the Company’s Articles of Association, resolutions of shareholders’ meeting, relevant laws and regulations and shall act in good faith with a view to maximizing the Company’s value to the shareholders and all stakeholders.

A. DUTIES

1. Manage the Company for the benefit of the Company in line with its objectives and purposes set forth in the articles of association.
2. Hold Annual General Meeting of Shareholders (“AGMS”) and other General Meeting of Shareholders (“GMS”) as stipulated in the Company’s Articles of Associations and prevailing laws and regulations.
3. Carry out the duties and responsibilities in good faith, accountable and prudent.
4. BOD may form committees in order to support the effectiveness of the implementation of its tasks and responsibilities.
5. Evaluate the committee(s) performance at the end of the year.

B. RESPONSIBILITIES, LIABILITIES:

1. Each member of BOD shall jointly and severally be liable for the losses of the Company caused by the fault or negligence of members of the BOD in carrying out their duties.
2. A member of the BOD shall not be liable for the abovementioned Company’s loss if he/she can prove:
 - a. the loss is not due to his/her error or negligence;
 - b. has managed the Company in good faith, and prudent for the benefit and in accordance with the intent and purpose of the Company;
 - c. does not have any conflict of interest, either directly or indirectly, in actions that caused loss to the Company; and
 - d. that he/she has taken actions to prevent such arising or continuing loss.

C. AUTHORITIES:

1. The BOD is authorized to run and is responsible to manage the Company for the Company’s interest and in accordance with the objective and purposes set forth in the articles of association.
2. Member of BOD is authorized to run and manage his/her areas of responsibility in accordance with his/her knowledge and expertise.
3. The BOD is authorized to represent the Company before and outside the court.
4. A BOD member is not authorized to represent the Company if:
 - a. In the event of litigation between the Company with the BOD member concerned; and
 - b. The BOD member concerned has interests that conflict with the interests of the Company.
5. If the circumstance stated in point 4 above occurs, the following person is entitled to represent Company:
 - a. Other BOD members who do not have a conflict of interest with the Company;
 - b. BOC in the event that all members of the BOD have a conflict of interest with the Company; or
 - c. other person appointed by the GMS in the event that all members of the BOD and the BOC have conflict of interest with the Company.

(4) VALUES

BOD values are the same with the Company’s values.

1. Living Bayanihan

Working together to bring the Company to a better place;

2. **Openness**
Transparent, honest and respectful communication and promote sincere collaboration within the Company;
3. **Caring**
Value people and nurture good relations to each other and with the communities;
4. **Passionate to excel**
Exert best effort at all times to exceed the expectations of the stakeholders;
5. **Professional**
Competent and adhere to strict guidelines of professional conduct;
6. **Accountable**
Responsible to take accountability to justify actions and decisions;
7. **Customer-Focused**
Finding unique and relevant ways that add value.

(5) TENURE

A. DUAL POSITIONS

Members of the BOD may hold dual positions as:

1. a member of the BOD of no more than 1 (one) other issuer/public company;
2. a member of the BOC of no more than 3 (three) other issuer/public company; and/or
3. committee member of maximum 5 (five) committees at issuer/public company where the BOD member concerned also serves as a member of the BOD or BOC; provided that there is no conflict with other regulations.

B. TERM OF TENURE

1 (one) period of tenure is 5 (five) years from his/her appointment until the closing of the fifth GMS after his/her appointment. The BOC member may be reappointed for the next period by the GMS.

C. APPOINTMENT, TERMINATION AND TEMPORARY SUSPENSION

A member of BOD can be:

1. Appointed and dismissed by the GMS.
2. Appointed for a certain period and may be reappointed by the GMS.

Recommendation:

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

D. RESIGNATION

1. Members of the BOD may resign before his/her term ends by submitting resignation letter to the Company.
2. Within 90 (ninety) days upon the receipt of resignation letter from any member of the BOD, the Company shall hold the GMS.
3. The Company shall disclose information to the public and notify OJK no later than two (2) working days after:
 - a. acceptance of the Director resignation; and
 - b. the GMS result.

E. TEMPORARY SUSPENSION

1. Any member of the BOD might be temporarily suspended by the BOC.
2. Suspension shall be notified in writing by stating the reasons to the relevant BOD.
3. In the event of suspension, BOC shall hold the GMS to decide on cancellation or ratification on the temporary suspension decision no later than 90 (ninety) days after the date of suspension. With the elapse of a period to hold the GMS or the GMS cannot make any decision, then the temporary suspension is void. The BOD in question shall have the right to defend himself/herself.
4. The suspended member of the BOD is not entitled to:
 - a. run his/her in managing the Company until the final decision is made by GMS; and
 - b. representing the Company before and outside the court.
5. The limitation of authority set forth in point E.4 above shall not apply in the event:
 - a. The GMS has decided to cancel the temporary suspension; or
 - b. The period to hold the GMS has elapsed or the GMS cannot make any decision.

(6) MEETING POLICY

A. ATTENDANCE, QUORUM

1. The BOD shall conduct the BOD meeting at least once a month or as required by the Company and/or regulations.
2. The BOD shall hold a joint meeting with the BOC regularly, at least once in 4 (four) months or in accordance with prevailing regulations.
3. BOD Meetings may be held if attended by majority (more than 50%) of total members of the BOD.
4. A BOD member can only be represented by other BOD member in the BOD meeting with power of attorney.

B. SCHEDULE

1. The BOD should schedule a meeting for the following year before the end of the fiscal year.
2. At the scheduled meeting, the material was provided to the meeting participants no later than 5 (five) days before the meeting is held.
3. If the meeting is rescheduled, the material shall be provided to the meeting participants at the latest before the meeting is held.

C. INVITATION

1. The BOD meeting invitation shall be made by President Director.
2. The BOD meeting invitation shall be notified by the registered mail, at least 14 (fourteen) days or 3 (three) days in case of emergency, excluding the date of summons and the date of the meeting.
3. The BOD meeting invitation shall state the agenda, date, time and place of the meeting.

D. VENUE

The BOD meeting can be hold at the domicile of the Company or at the place where the main activity of the Company is run, either within or outside Indonesia.

E. CHAIRMAN

The BOD meeting shall be chaired by the President of Director. In the absence of President Director, the meeting shall be chaired by one of the BOD members.

F. DECISION

1. The BOD meeting's decision shall be done by consensus.
2. In case consensus is not reached, decisions shall be made by a majority vote (more than 50%) from total BOD members present or represented in the meeting, which includes President Director or if the President Director is not present or represented, the vote shall include Vice President Director or his/her authorized proxy.

G. MINUTES OF MEETING

1. Results of the meeting shall be set out in the minutes of meeting, signed by all members of the BOD who were present, and subsequently to be submitted to all members of the BOD;
2. The results 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 submitted to all members of the BOC and the BOD.
3. Any member of the BOD and/or BOC who does not sign the minutes of meeting, shall specify the reasons in a separate letter attached to the minutes of meetings.
4. Minutes of the meeting shall be documented by the Company.

(7) REPORTING

1. The BOD shall prepare Annual Report together with BOC, and prepare Financial reports in accordance with prevailing regulations.
2. The BOD shall consult Audit Committee every quarter in accordance with capital market regulations.
3. The BOD shall make sure all reportings required by authorized institutions are submitted properly.

This Board of Directors Charter is made in Jakarta and will be implemented effective as from June 3, 2015.