

Principles & Structure Good Corporate Governance

PT Astra Otoparts Tbk

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Good Corporate Governance Principles

1. Transparency

The Company implements the transparency/openness principle in, among things:

- Developing and communicating of business plan to public;
- Annual Report;
- Periodic financial reports: annual, mid-year, and quarterly financial reports;
- Other reports required of the Company as a listed Company;
- Utilization of website to disseminate information to shareholders and other stakeholders.

2. Accountability

Accountability principle is implemented by, among others, making a clear division of authority among corporate organs, including by detailing the duty and authority of the Shareholders Meeting (GMOs), Board of Commissioners, and Board of Directors, along with their performance measurements.

3. Responsibility

The Company applies responsibility principle by, among others:

- Complying with the Company's Article of Association and existing laws on the way the Company conducts its activities;
- Fulfilling tax obligation in good and timely manner;
- Carrying out its corporate social responsibility (CSR) programs;
- Meeting its obligation of disclosure in accordance with the capital market regulation.

4. Independency

Astra Otoparts implements the independence principle as follows:

- Mutually respecting the rights, duties, tasks, and authorities as well as responsibilities of corporate organs;
- Shareholders and Board of Commissioners are not allowed to interfere in Company management;
- Board of Commissioners, Board of Directors, and employees always avoid conflict of interests in taking a decision;
- Company activities that may contain conflict of interests must secure prior approval from independent shareholders;
- Implement policies and systems that minimize conflict of interests.

5. Fairness

The Company applies the principle as follows:

- Shareholders have all the rights to attend and vote in the Shareholders Meeting in accordance with existing laws;
- The Company treats all business partners equally and transparently;
- The Company provides a good and safe working condition for all employees in line with the Company's ability and existing laws.

Good Corporate Governance Structure

The main organs of GCC are:

1. General Meeting of Shareholders (GMS) as the highest decision-making forum for Shareholders
GMS authorities include the following:
 - Appoint and dismiss members of BOC and BOD,
 - Evaluate performance and hold accountability of BOC and BOD for managing the Company,
 - Approve the amendments of the Articles of Association,
 - Approve Annual Report,
 - Stipulate profit distribution,
 - Appoint public accountant,
 - Determine the remuneration of BOC and BOD,
 - Make decisions regarding corporate action or other strategic decisions as proposed by Board of Directors.
2. Board of Commissioners roles are as supervisor and advisor of Board of Directors with good faith and full responsibility for the Company's interests.

BOC roles are:

- Supervision on Board of Directors' policies in managing the Company, including preventive action, improvement and temporary dismissal of Board of Directors members;
 - Supervision on the Company's business risks and adequacy of management's efforts in internal control;
 - Supervision on GCG in the Company's business activities;
 - Provision of advices to Board of Directors related to roles and obligations of Board of Directors;
 - Provision of feedback and recommendations on the Company's strategic development proposal and plan proposed by Board of Directors;
 - Ensuring that Board of Directors takes into account stakeholders' interests.
3. Roles of Board of Directors are to lead and manage the Company with good faith and full responsibility for achieving the Company's aims and objectives.

Board of Directors roles are:

- Manage the Company in accordance with its authorities and responsibilities as stipulated in the Articles of Association, the prevailing laws and regulations and Good Corporate Governance (GCG) principles;
- Establish the Company's vision, missions, and values as well as strategic plans in form of corporate plan and business plan;
- Organize Board of Directors' meetings periodically with sufficient time;
- Establish complete organizational structure of the Company with detailed roles of each division and business unit;
- Control the Company's resources effectively and efficiently;

- Organize and maintain shareholders register and register of shares ownerships of BOD and BOC members and their families (wife/husband and children) in the Company and other Companies (Special Register);
- Establish internal control and risk management system;
- Consider fair interests of the Company's stakeholders.

Other elements that support the governance structure are:

1. Audit Committee that assists the Board of Commissioners in supervising financial policies
2. Corporate Secretary as the person in charge for the effectiveness of GGC implementation
3. Internal Audit and Risk Management