

PT. Indo-Rama Synthetics Tbk ("Company")

The Board of Directors' Guidelines

Introduction

The Board of Directors' Guideline was established by the Board of Directors and has obtained approval from the Board of Commissioners of the Company as required by the Regulations of Financial Services Authority Number: 33/POJK.04/2014 dated December 8, 2014 concerning the Board of Directors and the Board of Commissioners of the Issuer or the Publicly Listed Company.

Legal Basis – Composition, Structure and Requirements for Membership

1. The members of the Board of Directors shall be appointed and dismissed/discharged by a General Meeting of Shareholders ("GMS") and they shall be entitled to resign from their office/position before their term of office has come to an end and temporary suspended by the Board of Commissioners by specifying the reasons thereof under the provisions of the Company's articles of association, provision of Law on Limited Liability Companies ("UUPT"), as well as the laws and regulations in the field of Capital Market.
2. The Board of Directors shall consist of at least 2 (two) members, consisting of 1 (one) President Director and at least 1 (one) member of the Board of Directors.
3. The members of the Board of Directors shall be appointed and dismissed/discharged by a GMS; the said appointment shall be valid commencing from the date as stipulated in a GMS which decides his/her/their appointment and shall cease at the closing of the 5th (fifth) Annual GMS after the date of his/her/their appointment and may be reappointed.
4. Those who are entitled to be members of the Board of Directors are the individual who fulfill the requirements (at the time of his/her appointment and during his/her term of office) of the provisions of UUPT, the laws and regulations in the field of Capital Market and the laws and regulations related to the Company's business activities and including but not limited to the following matters:
 - a. having good character, morality and integrity;
 - b. legally competent
 - c. within 5 (five) years prior to his/her appointment and during his/her term of office:
 - i. never been declared bankrupt;
 - ii. never become a member of the Board of Directors and/or a member of the Board of Commissioners declared guilty of causing a company to go bankrupt;
 - iii. never been convicted of committing a criminal offense that is detrimental to the State financial and/or relating to the financial sector; and
 - iv. never been a member of the Board of Directors and/or a member of the Board of Commissioners that during his/her/their term of office/service:

1. never hold an annual GMS;
 2. his/her accountability as a member of the Board of Directors and/or a member of the Board of Commissioners was once not accepted by the GMS or once not giving accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS; and
 3. once caused the company having a license, approval, or registration from the Financial Services Authority (OJK) not fulfilling its obligations to submit the annual report and/or financial statement to the Financial Services Authority.
 - d. having commitment to comply with the existing laws and regulations;
 - e. having commitment to upholding values of the Company; and
 - f. having knowledge and/or expertise in the field as required by the Company.
5. The members of the Board of Directors may hold concurrent position as long as it does not conflict with the other laws and regulations as:
- a. a member of the Board of Directors at the most in 1 (one) Issuer or other Publicly Listed Company;
 - b. a member of the Board of Commissioners of at the most in 3 (three) Issuers or other Publicly Listed Companies; and/or
 - c. a committee member at the most in 5 (five) committees Issuers or the Publicly Listed Companies in which the relevant member also serves as a member of the Board of Directors or q member of the Board of Commissioners.

Duties, Responsibilities and Authority

6. The Board of Directors shall be responsible to carry out their duties to manage the Company in the interest of the Company in line with the purposes and objectives of the Company as provided for in the articles of association and each member of the Board of Directors shall be obliged to carry out his/her duties and responsibilities in good faith, in responsible and prudent manner.
7. The Board of Directors shall be obliged to hold an annual GMS and other GMSs as provided for in the regulations of UUPT, the laws and regulations in the field of Capital Market and the Company's articles of association.
8. In order to support the effectiveness of the implementation of duties and responsibilities, the Board of Directors shall be obliged to establish a committee and in case a committee is established, the Board of Directors shall be obliged to evaluate the committee's performance at the end of each financial year.
9. Each member of the Board of Directors shall be jointly as well as severally responsible for the Company losses caused by the errors (mistake) or the negligence of the members of the Board of Directors in carrying out his/her/their duties. The members of the Board of Directors are not responsible for the Company losses if the following matters can be proved:
 - a. such losses are not due to errors (mistake) or negligence of the members of the Board of Directors;
 - b. having taken management action in good faith, in responsible and prudent manner in the interest and in line with the purposes and objectives of the

- c. Company;
 - c. having no conflict of interest either directly or indirectly in the management action causing such losses; and
 - d. having taken any action to prevent the occurrence or continuation of such losses.
10. The Board of Directors shall be authorized to carry out management of the Company in line with the policies that are considered proper, relevant to the purposes and objectives as provided for in the Company's articles of association.
 11. The Board of Directors shall be entitled and authorized to represent the Company both inside and outside a court of law. The members of the Board of Directors shall not entitled and authorized to represent the Company, if:
 - a. there is a case at a court of law between the Company and the relevant member of the Board of Directors; and
 - b. the relevant member of the Board of Directors has a conflict of interest with the interest of the Companyand in the event of circumstances as mentioned above, those who are entitled to represent the Company are as follows:
 - c. other members of the Board of Directors who do not have a conflict of interest with the Company;
 - d. the Board of Commissioners in case all members of Board of Directors have a conflict of interest with the Company; or
 - e. Other parties who are designated by a GMS in case all members of the Board of Directors or all members of the Board of Commissioners have a conflict of interest with the Company.
 12. The President Director shall be entitled and authorized to act for and on behalf of the Board of Directors as well as representing the Company, in the event that the President Director is not present or is not available or is unable to attend due to any reasons whatsoever, which matter is not required to be proved to any third party, a member of the Board of Directors shall be entitled and authorized to act for and on behalf of the Board of Directors as well as representing the Company.
 13. Without prejudice to their responsibilities, the Board of Directors shall be entitled to appoint one or more person as their representative or proxy to act for and on behalf of the Board of Directors and for that purpose they are supplied with written power of attorney, and in such written power of attorney the authority to carry out certain measures must be granted to the holder(s)/ receiver(s) of the said power.
 14. Division of duties and authority of each member of the Board of Directors shall be decided by a GMS, in the event that the GMS does not decides the same, the division of duties and authority of each member of the Board of Directors shall be determined based on the decision of the Board of Directors.

Meeting Policy

15. The Board of Directors shall be obliged to hold the Board of Directors meeting periodically at least once a month.
16. The Board of Directors meeting may be held if it is attended by a majority of all members of the Board of Directors.

17. Board of Directors shall be obliged to hold a joint meeting with the Board of Commissioners periodically at least once in 4 (four) months.
18. Board of Directors must schedule the above-mentioned meetings for the following year prior to the expiry of the financial year.
19. The materials of the meeting shall be distributed to the participants of the meeting no later than 5 (five) days prior to the holding of such meeting.
20. In the event of a meeting held out of the schedule that has been determined, the materials of the meeting shall be distributed to the participants of the meeting at the latest prior to the holding of such meeting.
21. Resolutions of the Board of Directors meeting shall be made based on deliberation and discussion leading to mutual agreement/consensus; in the event that a decision/resolution to be made based on deliberation and/or discussion (leading to mutual agreement) is not reached, such decision/resolution shall be made based on majority votes.
22. The resolutions of the Board of Directors meeting shall be contained in the minutes of meeting signed by all members of the Board of Directors present in the meeting, and the same shall be reported to all members of the Board of Directors.
23. The resolutions of the joint meeting of the Board of Directors and the Board of Commissioners shall be contained in the minutes of meeting signed by the members of the Board of Directors and the members of the Board of Commissioners present in the meeting, and the same shall be reported to all members of the Board of Directors and all members of the Board of Commissioners.
24. In case a member of the Board of Directors and/or a member of the Board of Commissioners is present in the meeting but does not affix his/her signature on the decisions/resolutions of the meeting, the relevant member of the Board of Directors and/or member of the Board of Commissioners shall be obliged to state the reasons thereof in writing in a separate letter and attached to the minutes of meeting.

Reporting and Accountability

25. The Board of Directors shall be obliged to submit all reports as provided for in the Company's articles of association, the laws and regulations in the field of Capital Market and provisions of UUPT.

Jakarta, November 30, 2015

The Board of Directors