

**THE GUIDELINES AND CODE OF ETICS
OF
THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS
PT NUSANTARA PELABUHAN HANDAL Tbk.**

In order to fulfill the requirement under the prevailing laws and regulations, the Board of Directors (“**BOD**”) and the Board of Commissioners (“**BOC**”) of PT Nusantara Pelabuhan Handal Tbk. (“**NPH**” or “**Company**”) has prepared the Guidelines and Code of Ethics of the Board of Directors and the Board of Commissioners, binding to all members of the Board of Directors and the Board of Commissioners, unless specified otherwise in this Guidelines and Code of Ethics.

I. Legal Basis

This Guidelines and Code of Ethics has been made in accordance with (i) the Companies Law (as will be defined below), (ii) the articles of association of the Company, (iii) the capital market regulations, including Law No. 8 of 1995 on Capital Market, the Financial Services Authority (“**OJK**”) Regulation No. 33/POJK.04/2014 on Board of Directors and Board of Commissioners of Issuers or Public Companies (“**OJK Regulation**”), (iv) OJK Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuers or Public Companies and (v) the Indonesia Stock Exchange Regulation No. I-A on Listing of Shares (Stock) and Equity-Type Securities other than Stock Issued by Listed Companies as attached to the Indonesia Stock Exchange’s Board of Directors Decision No. Kep-00001/BEI/01-2014; and (iv) the Good Corporate Governance principles.

II. Description of Duty, Responsibility and Authority

2.1 Duties, Responsibilities and Authorities of the BOC

Duties

The primary duties of the BOC are to conduct supervision and responsible for such supervision to the management policy, the implementation of the management in general, both in relation to the Company or the Company’s business, and to advise the BOD.

In certain conditions, the BOC shall convene Annual General Meeting of Shareholders (“**GMS**”) and other GMS as regulated under the prevailing laws and regulations and in the Company’s articles of association

The BOC shall perform its duties and responsibilities in good faith, with full responsibility, and in prudent manner.

Responsibilities

Each member of the BOC shall be jointly responsible for the loss of the Company caused by negligence or error of the BOC member in performing his/her duties.

Authorities

BOC may temporarily dismiss a member of the BOD by stating the underlying reason.

BOC may manage over the Company in certain conditions for a certain period of time as determined by the resolution of the GMS or in accordance to the articles of association of the Company.

2.2 Duties, Responsibilities and Authorities of the BOD

Duties

The primary duties of the BOD are to:

1. lead and manage the Company in the interest and in accordance with the purpose of the Company and to improve the efficiency and effectiveness of the Company; and
2. to control, maintain and manage the Company's assets;

in accordance with the Articles of Association. The BOD shall perform its duties and responsibilities in good faith, with full responsibility, and in prudent manner.

Duties of the BOD:

1. BOD shall:
 - a. Prepare shareholders registry, special registry, minutes of GMS, and Minutes of BOD meetings;
 - b. Prepare annual reports and financial of a defined form documents of the Company as stipulated under laws on company documents; and
 - c. Maintain all the abovementioned lists, minutes, and financial documents as well as any other company documents.
2. Upon written request from the shareholders, the BOD shall give approval to the shareholders to inspect shareholders registry, special registry, minutes of GMS and annual report, and shall also furnish the shareholders of the same;

3. BOD shall prepare an annual work and budget plan prior to the commencement of the subsequent financial year and submit the annual work and budget plan to the BOC for its approval, at the latest 30 (thirty) calendar days before the new financial year commences;
4. BOD shall submit an annual report at the GMS after having it reviewed by the BOC at the latest 6 (six) months after the end of the relevant financial year;
5. BOD shall sign off on the annual report;
6. BOD shall convene the Annual GMS and Extraordinary GMS in accordance with the Company's articles of association and the prevailing laws and regulations;
7. BOD is obliged to announce for a GMS at the latest 15 (fifteen) days after the request from the shareholders of the Company has been received;
8. BOD is obliged to report to the Company regarding its and/or its relatives' shares ownership in the Company and other Companies to be later recorded in the special registry; and
9. BOD members shall be obliged to provide all information required for inspection/investigation on the Company.
10. Based on Article 17 paragraph (1) of the articles of associations of the Company, in performing its authority to manage the Company, the BOD shall obtain a written approval from the BOC prior to taking certain corporate legal actions for and on behalf of the Company, as follows:
 - a. borrow or lend money for and on behalf of the Company (excluding any withdrawal of the Company's monies in banks) which amount exceeds the limit as provided by the BOC from time to time;
 - b. establishing a business or participate in other companies either domestic or foreign;
 - c. any sale, transfer, disposal of the Company's assets, except:
 - i. of trading stock or cash made in the ordinary course of business of the disposing entity;
 - ii. of assets in exchange for or to be replaced by other assets comparable superior as to type, value and quality and for a similar purpose;
 - iii. of obsolete or redundant vehicles, plant and equipment for cash and on an arm's length basis and normal commercial terms;

- iv. at arm's length and on normal commercial terms of assets no longer required for the Company's business;
 - v. made in accordance with the approved business plan or annual budget of the Company;
- d. any creation of security interest of the Company, except for:
- i. any cash management, netting or set-off arrangement entered into by the Company in the ordinary course of its business;
 - ii. any payment or close out netting or set-off arrangement or other security interest pursuant to any hedging transaction entered into by the Company for the purpose of:
 - (1) hedging any risk to which it is exposed in its ordinary course of business; or
 - (2) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only;
 - iii. any lien arising by operation of law and in the ordinary course of business, provided that the debt which is secured thereby is paid when due or contested in good faith by appropriated proceedings and properly provisioned;
 - iv. any security interest arising under any title transfer, retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Company in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Company;
 - v. any security interest over goods, the related documents of title and/or other related documents arising or created in the ordinary course of business as security for indebtedness to a bank or financial institution directly relating to the goods or documents over which that security interest exists;
 - vi. any security interest resulting from the rules and regulations of any clearing system or stock exchange over shares and/or other securities held in that clearing system or stock exchange;
 - vii. any security interest created in accordance with the approved business plan or annual budget of the Company;
 - viii. any security interest replacing any security interest permitted under item i to vii above or this paragraph and securing indebtedness or obligations whose principal amount does not exceed the maximum principal amount secured, or which could be secured by the replaced security when it is replaced;
- e. any transaction between the Company, other company that owns, either directly or indirectly, shares in the Company or any of their affiliation;

- f. entry into any transaction by the Company which is not made on a bona fide arm's length basis or which is not in the ordinary course of business;
- g. the Company giving any guarantee or indemnity other than in the ordinary course of business;
- h. any payment by the Company to its shareholders pursuant to the loan agreement with the relevant affiliated company;
- i. to bind the Company as a guarantor;
- j. any capital expenses or investment or a single transaction (or a series of transactions or related transactions) by the Company except those which have been approved in the business plan and annual budget;
- k. the Company providing any loan facility or advanced payment to third parties except in every trade credit transaction provided by the Company to its customers in its ordinary course of business.

Further, the BOD shall obtain approval from the GMS for:

- 1. transfer;
- 2. dispose of any rights; and/or
- 3. collateralized;

its assets constituting more than 50% of its net asset value in one financial year, either in a single transaction or in a series of transaction either not related or related to each other.

BOD shall submit, to the BOC, for their review, an annual financial statements consisting of a balance sheet and profit and loss statement of the financial year concerned audited by a Public Accountant and submit balance sheets audited by the Public Accountant appointed at the Annual GMS in the last financial year, after review and assessment by the BOC, for approval and ratification at the Annual GMS; and

BOD shall carry out its duties, authorities and responsibilities in accordance to the Company's Articles of Association, GMS resolutions and the prevailing laws and regulations.

Responsibilities

Members of the BOD shall be fully and personally liable over the loss of the Company if it resulted from the BOD's fault or negligence in performing its duties, unless it is proven that:

- 1. Such loss is not resulted from the BOD's fault or negligence;
- 2. The relevant member of the BOD has performed the management of the Company with good faith and prudent for the interest of the Company and in accordance with the Company's purposes and objectives;
- 3. The relevant member of the BOD has no conflict of interest, either directly or indirectly over the management that result to the loss; and

4. The relevant member of the BOD has taken actions to the prevent occurrence or continuity of such loss.

Members of BOD shall be held jointly liable with members of the BOC and the Company in the event the Company's dissolution occurs and it fails to settle all of the Company's businesses for the purpose of liquidation.

Authorities of the BOD:

1. BOD is authorised to represent the Company, either in or out of court, on any matters and in any event, to bind the Company with other third party and to bind such third party to the Company, and to carry out any action, both related to the management and beneficiary action, subject to the provisions of the articles of associations of the Company;
2. In relation to point 1 above, a BOD member shall not be authorised to represent the Company in the event of:
 - a. Proceedings between the Company and the relevant director; or
 - b. Conflict of interest between the Company and the relevant director.Under such conditions, other non-conflicted director(s) shall be authorised to represent the Company.
3. BOD may give written power of attorney to 1 (one) or more employees of the Company or other individuals for and on behalf of the Company to undertake certain legal actions as stipulated thereof;
4. BOD may establish committee(s) to support its duties and obligations, and shall evaluate the performance of such committee(s) at every end of the financial year

Pursuant to the Articles of Association of the Company, the President Director is entitled to and authorized to act for and on behalf of the BOD and the Company, in the event that the President Director is unavailable, another member of the BOD is entitled to and authorized to act for and on behalf of the Company.

III. Values

3.1 Integrity

The BOD and BOC act professionally, honestly and ethically in all aspects of business.

3.2 Safety

The BOD and BOC put safety first.

3.3 Teamwork

The BOD and BOC collaborate and support one another in accordance with the prevailing laws and regulations.

3.4 Accountability

The BOD and BOC are responsible for their actions.

3.5 Respect

The BOD and BOC value the employees, customers, suppliers, shareholders and the surrounding community.

III. Working Hours

In performing their duties, the BOD's and BOC's working hours starts at 08.00 Western Indonesian Time until 17.00 Western Indonesian Time, unless there are urgent matters to attend.

The BOD with his awareness were asked to record its presence on each working day using attendance recording facilities provided by the Company. The BOD and BOC shall perform their duties as effectively and as efficiently as possible and shall be contactable at all times.

IV. Meeting Policy

4.1 BOC Meeting

Timing and Quorum Requirement

The BOC is required to meet at least once every two (2) months. The BOC meeting can only be validly convened and is entitled to conclude a binding decision if attended by more than $\frac{1}{2}$ (one half) of the BOC members attended or represented in the meeting. A member of the BOC may be represented at a meeting only by another member of BOC by virtue of a written power of attorney.

The BOC shall convene a joint meeting with the BOD regularly at least once in every 4 (four) months and the attendance by BOC members shall be disclosed in the Company's annual report. The BOC shall schedule such periodic meetings for the subsequent year prior to the end of the current financial year.

The BOC may also convene a meeting at any time deemed necessary by one or more member of the BOC or upon the written request of the BOD or upon the request of 1 (one) or more shareholders who in aggregate owned $\frac{1}{20}$ (one twentieth) of the total shares with a valid voting right issued by the Company, in any case the BOC may invite the BOD. Such BOC meeting can only be validly convened and is entitled to conclude a binding decision if attended by more than $\frac{1}{2}$ (one half) of the BOC members attended or represented in the meeting.

Invitation

The invitation of the BOC meeting shall be made no later than 5 (five) days before the meeting is convened. In case all of the BOC members are present, such invitation is not required.

Venue of the Meeting and Form of Meeting

The meeting of the BOC shall be convened at the Company's domicile or at the place of business of the Company.

With due observance to the above provisions, the BOC meeting may also be held through a teleconference media, videoconference or by other electronic media that enables all of the meeting attendees to see each and/or hear each other directly and participate in the BOC meeting, provided that the minutes of the meeting that used teleconference or similar communication device shall be made in writing and circulated to all of the BOC members participating in such meeting, such decision made shall have the same power as any decisions taken in a regular BOC meeting.

Chairman of the Meeting

All meetings of the BOC shall be chaired by the President Commissioner, and in his absence or inability to attend the BOC meeting, then the meeting will be chaired by one of the member of the BOC appointed by and from amongst those present and/or represented in the meeting.

Resolutions

All resolutions at the BOC meetings shall be adopted after deliberations for consensus. If by deliberation no consensus is reached, the resolution of the meeting of the BOC shall be adopted by a vote based on the favored votes of more than $\frac{1}{2}$ (one half) of the total votes validly casted in the meeting. In the event of a tie-vote, the chairman of the BOC meeting shall determine such decision. Each member of the BOC shall be entitled to cast 1 (one) vote for him/herself and 1 (one) additional vote for each member of the BOC he/she presents.

The meeting results shall be reflected in a minutes of meeting signed by all of the BOC members present at the meeting, and delivered to all of the BOC members.

The BOC is entitled to conclude a valid and binding decision without convening the BOC meeting, provided that all of the BOC members has been notified in writing on the relevant proposals and all of the BOC member have approved such proposals and sign such approval, which decision taken shall have the same power and authority as it was taken in a regular BOC meeting.

4.2 BOD Meeting

Timing and Quorum Requirement

The BOD is required to convene a meeting regularly at least once per month. The BOD meeting can only be validly convened and is entitled to conclude a binding decision if attended by more than 1/2 (one half) of the BOD members attended or represented in the meeting. A member of the BOD may be represented at a meeting only by another member of the BOD by virtue of a written power of attorney.

The BOD also shall convene a BOD meeting together with the BOC regularly at least once in every 4 (four) months, and the attendance by BOD members shall be disclosed in the Company's annual report. The BOD shall schedule all BOD meetings for the next year prior to the end of the current financial year.

The BOD may also convene a meeting at any time deemed necessary by one or more member of the BOD or upon the written request of 1 (one) or more members of the BOC or upon the request of 1 (one) or more shareholders who in aggregate owned 1/20 (one twentieth) of the total shares with a valid voting right issued by the Company. Such BOD meeting can only be validly convened and is entitled to conclude a binding decision if attended by more than 1/2 (one half) of the BOD members attended or represented in the meeting.

Invitation

The invitation of the BOD meeting shall be made no later than 5 (five) days before the meeting is convened without considering the invitation date and the meeting date. In case all of the BOD members are present, such invitation is not required.

Venue of the Meeting and Form of the Meeting

The meeting of the BOD shall be held at the Company's domicile or at the place of business of the Company.

With due observance to the above provisions, the BOD meeting may also be held through a teleconference, videoconference, or by other electronic media that enables all of the meeting attendees to see each and/or hear each other directly and participate in the BOD meeting, provided that the minutes of the meeting that used teleconference or similar communication device shall be made in writing and circulated to all of the BOD members participating in such meeting, such decision made shall have the same power as any decisions taken in a regular BOD meeting.

Chairman of the Meeting

All meetings of the BOD shall be chaired by the President Director, and in his absence or inability to attend the BOD meeting, then the meeting will be chaired by one of the member of the BOD from among those present in the meeting.

Resolutions

All resolutions at the BOD meetings shall be adopted after deliberations for consensus. If by deliberation no consensus is reached, resolutions at the BOD meeting shall be adopted by a vote based on the favored votes of more than 1/2 (one half) of the total votes validly casted in the meeting. Each member of the BOD shall be entitled to cast 1 (one) vote and 1 (one) additional vote for each member of the BOD he/she presents.

The meeting results shall be reflected in a minutes of meeting, signed by all of the BOD members present at the meeting, and delivered to all of the BOD members. For BOD meetings that are also attended by the BOC members, the meeting results shall also be reflected in a minutes of meeting, signed by all of the BOD and BOC members present at the meeting, and delivered to all of the BOD and BOC members.

Valid and binding resolutions may also be adopted without convening a meeting of the BOD, provided that all of the BOD members have been notified in writing on the relevant proposals and all of the BOD members have approved such proposals and sign such approval, which decision taken shall have the same power and authority as it was taken in a regular BOD meeting.

V. Reporting and Accountability

Reporting and accountability of the management of the Company by the BOD and the supervision of the management of the Company by the BOC, published in the annual report and shall be delivered to the Annual GMS. In the Annual GMS, the shareholders of the Company grant release and discharge of responsibility (*acquit et decharge*) to the members of the BOD on the management actions during the relevant financial year and to the BOC on control measures undertaken and executed during the relevant financial year as far as these actions are reflected in the annual report and the financial report and such actions do not constitute a criminal offense.

VI. Conflict of Interest

Board of Commissioners

1. BOC members are prohibited from taking personal advantages, either directly or indirectly, from the Company other than the remuneration legally received.
2. In case where the Company's interest is conflicting with the personal interest of any of the BOD member, the Company shall be represented by other member of the BOD who does not have any conflict of interest and in case where the Company's interest is conflicting with all of the personal interests of the BOD members, the Company in this case shall be represented by the BOC. In case where the Company's interest is conflicting with the personal interests of all members of the BOD and BOC, the Company in this case shall be represented by other third party with no conflict of interest as appointed by the GMS.
3. Each of the BOC member with a conflict of interest with the Company in a transaction, or that is related to any party whose interest is conflicting with the Company's interest in a certain transaction shall disclose the nature of such interest in the BOC meeting. Each of such member of the BOC that has disclosed the nature of his/her interest in a certain transaction may not cast his/her vote in the decision making process related to such transaction.

Board of Directors

1. BOD members are prohibited from taking personal advantages, either directly or indirectly, from the Company other than the remuneration legally received.
2. In case where the Company's interest is conflicting with the personal interest of any of the BOD member, the Company shall be represented by other

member of the BOD who does not have any conflict of interest and in case where the Company's interest is conflicting with all of the personal interests of the BOD members, the Company in this case shall be represented by the BOC. In case where the Company's interest is conflicting with the personal interests of all members of the BOD and BOC, the Company in this case shall be represented by other third party with no conflict of interest as appointed by the GMS.

3. Each of the BOD member with a conflict of interest with the Company in a transaction, or that is related to any party whose interest is conflicting with the Company's interest in a certain transaction shall disclose the nature of such interest in the BOD meeting. Each of such member of the BOD that has disclosed the nature of his/her interest in a certain transaction may not cast his/her vote in the decision making process related to such transaction.

VII. Closing

This Guidelines and Code of Ethics is effective on 12 December 2016 and may be amended from time to time.

In the event of any differences between this Boards Charter and prevailing laws and regulations, the latter shall prevail.

This Guidelines and Code of Ethics is made in both Indonesian language and English language. In case of any inconsistency between the Indonesian version and the English version, then the Indonesian version shall prevail and the English version shall be deemed to be adjusted to conform with the Indonesian version.