

ANALYSIS OF THE COLLECTIVE BARGAINING AGREEMENT (CBA) OF PT INDOMINCO

VALIDITY PERIOD: 2023-2025

Special Note:

The Collective Bargaining Agreement (CBA) book is printed in two languages within a single volume: Indonesian and English.

Article 4: The scope of the agreement differentiates between temporary employees and foreign workers (TKA) and permanent employees.

1. BEST PRACTICE: FREEDOM OF ASSOCIATION

Article 6.2 Obligations of the Company

6.2.1. Acknowledge that SPIM and PK FPE KSBSI PT Indominco Mandiri are legitimate worker organizations representing their members.

6.2.2. Address and consider any labor-related issues presented by SPIM and PK FPE KSBSI PT Indominco Mandiri in accordance with the applicable procedures and strive to resolve these issues through bipartite negotiations.

6.2.3. Receive representatives of SPIM and PK FPE KSBSI PT Indominco Mandiri for discussions with the Company as needed.

Article 8: Facilities and Assistance for Workers

8.1. Company Facilities and Resources

8.1.1. The Company shall provide facilities to the extent of its capacity to the Worker Representatives for carrying out organizational duties, including office space, equipment, and supplies necessary for the effective execution of their activities.

8.2. Deduction of Member Contributions

8.2.1. In accordance with applicable regulations, the Company Management will assist the Worker Representatives in collecting mandatory member contributions through monthly payroll deductions, as agreed upon in the written authorization provided by each worker for such deductions.

8.3. Leave for Union Representatives/Members

8.3.1. The Company may grant leave from work to Union Representatives/Members who are designated to represent the Workers in attending Congresses/Meetings/Conferences/Seminars/Training related to Workers issues.

Article 59.3.

Any matters not or not yet covered by this Collective Bargaining Agreement (CBA) concerning the interests of Workers will be separately regulated/determined by the Employer and the Trade Union/Workers.

Note: Evidence of acknowledgment of the existence of the trade union.

Article 59.4

The Employer and the Workers agree to hold meetings as needed to consult each other on the implementation of the CBA and any regulations issued by the Company that concern the interests of the Workers.

ARTICLE 60: CONCLUSION

The Company and the Workers will distribute this Collective Bargaining Agreement (CBA) book to all Workers at the Company's expense after the book and its appendices have been printed in a portable format. This CBA is prepared and signed by both parties with full responsibility to be implemented as stipulated.

2. BEST PRACTICE REGARDING WAGES**Article 22: WAGES**

22.4. The minimum wage shall not be less than the Provincial or District/City Minimum Wage (if applicable) as established by the Regional Government within the Company's operational area.

Article 23: WAGE STRUCTURE

Note: Contains a detailed calculation scheme.

Article 24.1. Holiday Allowance (THR).

The Company shall provide Holiday Allowance to Workers no later than 2 (two) weeks before Idul Fitri. The allowance amount shall be calculated as $(1 + (0.1 \times \text{length of service})) \times \text{wage}$, with a minimum of 1 month's wage for employees who have worked for 1 (one) year and a maximum of 2 months' wage.

Article 24.3: Annual Bonus

The Company shall provide an annual bonus based on the company's performance over the preceding year, to be given in the following year. The allocation of the bonus is determined by the Company, considering the Company's performance. Employees who retire normally or pass away will still receive a proportional bonus.

Article 24.4: Marriage Assistance

The Company shall provide marriage assistance to Workers under the following conditions:

24.4.1. The Worker must legally marry (evidenced by a Marriage Certificate or Civil Registry).

24.4.2. If the marriage occurs between Workers, the assistance will be provided to both Workers (husband and wife).

*Note: Articles 24.1 and 24.3 regarding **Holiday Allowance, Bonus, and Marriage Assistance** are valued in excess of statutory requirements.*

Bad Practice Regarding Wages:

Article 22.6 The Employer/Company Management will deduct Income Tax from the wages received by Workers in accordance with applicable tax regulations, following the transition from a net salary system to a gross salary system. The Employer/Company Management will provide proof of the annual Income Tax payment to the Workers. This policy of changing from a net salary system to a gross salary system is as stated in the Company's Commitment outlined in Notarial Deed No. 05 dated December 13, 2007, prepared by Erni Rohaini, S.H., M.BA., Notary in Jakarta, which has been registered at the South Jakarta District Court.

Note: This indicates a reduction in wages due to the implementation of Government Regulation in Lieu of Law No. 6/2023, with the Company accommodating this change through the Company Commitment. The calculation of salaries has shifted from a net to a gross system, where income tax (PPH) is no longer paid by the Company but is instead deducted from the salary.

Article 49.1.1 Workers who have reached the age of 55 years.

Note: This is lower than the provisions set by Government Regulation No. 45/2015, which stipulates the following retirement age rules: initially, the retirement age was set at 56 years; starting January 1, 2019, the retirement age increased to 57 years; and from that point, the retirement age increases by 1 year every 3 years until it reaches 65 years. Therefore, as of the current year, 2024, the retirement age should be 58 years.

3. BEST AND BAD PRACTICES REGARDING SOCIAL SECURITY

Article 28.4 For female Workers with marital status, if their spouse's workplace provides Health Maintenance Guarantee (JPK) that is lower than what is stipulated in this Collective Bargaining Agreement (CBA), then the female Workers and their legitimate children registered with PT Indominco Mandiri shall receive JPK from PT Indominco Mandiri, subject to approval by the Company Management, under the following conditions:

28.4.1. If the JPK at the spouse's workplace is managed independently by that company, the following documents must be provided:

28.4.1.1. A certificate stating that the company provides JPK that is lower than that of PT Indominco Mandiri and the withdrawal of JPK for the female Worker and her legitimate children from that company.

28.4.1.2. A photocopy of the JPK regulations from that company.

28.4.2 If the JPK at the spouse's workplace is managed by another company or relevant insurance-related agency, the following documents must be provided:

28.4.2.1. A certificate stating that the company or agency provides JPK that is lower than that of PT Indominco Mandiri and the withdrawal of JPK for the female Worker and her legitimate children from that company or agency.

28.4.2.2. A letter of withdrawal of JPK membership from the other company or relevant insurance-related agency for the female Worker and her legitimate children.

Note: This provision complicates the process for participants as it requires the withdrawal of documents, which may be unnecessary. Check the relevant legislation for possible discrepancies.

ARTICLE 30: DEATH BENEFITS DUE TO WORK ACCIDENTS

30.1. In the event of a Worker's death due to a work-related accident, the Company shall provide financial support and life insurance benefits to the deceased Worker's family according to the terms specified in the table below. These provisions are set at a level exceeding the statutory requirements and will not be offset by the calculations for BPJS (Social Security) benefits.

ARTICLE 47: COMPANY EFFICIENCY

In cases of mass termination due to company closure not related to reasons specified in Article 46, or if the Company undertakes efficiency measures, Workers are entitled to receive at least three times the amounts specified in Appendices 6, 7, and 8 of this Collective Bargaining Agreement (CBA).

Article 49.2: Special Retirement

A special Retirement may be implemented based on an agreement between Workers and the Company Management, initiated upon request by the Worker. This special pension is only applicable to Workers who have been employed for at least 10 (ten) years and are at least 40 years old, or who have 20 years of service regardless of age.

BAD PRACTICE IN SOCIAL SECURITY

ARTICLE 48: URGENT VIOLATIONS/DISCIPLINARY RULES AND REGULATIONS

In cases where a Worker has committed urgent violations of the Disciplinary Rules and Regulations, the Company may terminate the employment relationship while adhering to

applicable legal regulations and providing severance pay (Appendix 8) and separation pay (Appendix 9).

Note: This article may be subject to multiple interpretations regarding the category of urgent violations—unless there is an attachment clarifying this article that aligns with the Employment Law (note that the CBA is highlighted in yellow; check with the FPE for potential changes).

BAD PRACTICE REGARDING GENDER

ARTICLE 20: MENSTRUAL LEAVE

Female employees are permitted to take menstrual leave if they experience pain, for a maximum of 2 working days per month, specifically on the first and second day of menstruation. In certain cases, the Company, through its medical staff or paramedics, may conduct an examination.

Note: This article poses potential risks of abuse, as it permits physical examinations without strong justification. It is necessary to review existing practices for future improvements to the content of the CBA.