

ANALISIS PKB PT KUALA PELABUHAN INDONESIA

CBA EDITION OF XIV: 2022-2024

I. BEST PRACTICES ON FREEDOM OF ASSOCIATION

Article 58: WORKER/EMPLOYEE COOPERATIVES

1. To promote and develop productive activities of Worker/Employee Cooperatives, Employers and Trade Unions/Labor Unions may recommend including their respective representatives as members of the supervisory board of Worker/Employee Cooperatives, which will subsequently be determined according to the mechanisms in the Articles of Association/Bylaws (AD/ART) of the Worker/Employee Cooperative.

Note: Reflects open recognition of the existence of trade unions.

Article 59: UNION MEMBERSHIP FEES

1. In accordance with the Minister of Manpower Regulation No. KEP-187/MEN/IX/2004, upon a written request from the Trade Union/Labor Union, the Employer may assist in collecting membership fees for the Trade Union/Labor Union by deducting the wages of Workers/Employees who are members of the Trade Union/Labor Union.

Note: This article complies with applicable laws but should be highlighted as recognition, as the implementation of Check-Off Systems (COS) in companies in Indonesia remains limited.

Article 60: COMPANY FACILITIES FOR TRADE UNIONS

1. Employers provide suitable office space and its equipment for use by the PTKPI Trade Union/Labor Union at the Light Industrial Park (LIP) in Kuala Kencana, including a desk, meeting table, chairs, telephone, filing cabinet, and office supplies.
2. Employers provide bulletin boards and a website for use by the PTKPI Trade Union/Labor Union. The bulletin boards are to be placed across all PTKPI work areas in both highland and lowland regions. Additional bulletin boards may be installed with mutual agreement between the Employer and the PTKPI Trade Union/Labor Union, unless government security officials advise otherwise for security stability. Announcements can only be posted if their content does not violate the principles of Pancasila Industrial Relations (HIP) and after obtaining the Employer's approval.
3. To use company facilities as a venue for PTKPI Trade Union meetings, the Union must submit a written request to the Employer at least five (5) days before the intended use. The request should specify the purpose of the meeting and the names of the PTKPI Trade Union/Labor Union officers/members responsible. The Employer will inform the Union in writing, no later than two (2) days before the date, about whether the facility can be used. In emergencies, the Union may submit a verbal request, provided it is approved by the Employer.

4. To facilitate the operations of the PTKPI Trade Union, the Employer will provide financial assistance of IDR 5,000,000 (five million rupiah) per month. This assistance is separate from other support described in paragraphs 1 through 3 of this article.

Note: This support is highly beneficial for the existence of Trade Unions/Labor Unions, especially in paragraph 4.

Article 61: RECOGNITION OF TRADE UNION REPRESENTATIVES

1. Workers/Employees elected as PTKPI Trade Union/Labor Union officials or appointed as representatives by the PTKPI Trade Union/Labor Union will not face pressure or discriminatory treatment from the Employer, directly or indirectly, because of their role as representatives of the PTKPI Trade Union/Labor Union.
2. The Employer guarantees that the involvement of any Worker/Employee in the membership and administration of the PTKPI Trade Union/Labor Union will not affect their career progression or performance evaluation.

Article 62: EXEMPTIONS FOR TRADE UNION ACTIVITIES

1. The Employer permits Workers/Employees who are PTKPI Trade Union/Labor Union officials, as per the Union's Articles of Association/Bylaws (AD/ART), to take leave from their work while receiving full wages. This is contingent upon approval from the Industrial Relations Section Department following a written exemption request by the PTKPI Trade Union/Labor Union to the Employer every month, with copies sent to the relevant department/division for notification.

Exemptions are granted for the following purposes:

- a. To attend regular conferences/meetings;
 - b. To attend seminars or training for the PTKPI Trade Union/Labor Union domestically and abroad;
 - c. To respond to summonses from government agencies;
 - d. For other activities related to the PTKPI Trade Union/Labor Union;
 - e. The number of exemption days does not include days for collective bargaining agreement (CBA) negotiations.
2. If the requested exemption exceeds the number of days specified in paragraph 1, the PTKPI Trade Union/Labor Union may submit an application to the Employer based on the urgency of the activity to seek approval.

Note: Articles 61 and 62 demonstrate full support for Trade Union/Labor Union activities

II. BEST PRACTICE ON WAGES

Article 20: WAGE SYSTEM

4. The wage system for Workers/Employees is divided into three (3) wage categories:
 - a. **Pratama** (Group F to A)
 - b. **Muda** (Level 1 to 3)
 - c. **Madya** (Level 4 to 5)
5. The wage system for **Pratama Workers/Employees** is divided into three (3) wage categories:
 - a. Group F1 to C4 – “Basic Competency Development”
 - b. Group B1 to B5 – “Specialization”
 - c. Group A1 to A5 – “Master” (Master Tradesperson, Master Operator, Assistant Instructor, Lead Hand).

Note: The Company's recognition of different competencies can serve as motivation and promote healthy competition among workers/employees.

Article 22:

2c. Pratama Workers/Employees of PTKPI assigned to underground mines will receive an Additional Overtime Premium (UG Overtime Premium) amounting to **35% (thirty-five percent)** of the nominal value of overtime wages for the current month. This premium is provided due to changes in the calculation system for overtime wages. This premium is categorized under overtime wages and is not considered an allowance.

Note: Extra compensation for working overtime in specialized areas.

Article 23: ALLOWANCES AND BONUSES

1. **Holiday Allowance**
 - b. All Pratama Workers/Employees will receive a Holiday Allowance equivalent to **two (2) times the basic salary**.

Note: This exceeds the legal requirement by 2x.
2. **Temporary Supervisor Appointments**

Pratama Workers/Employees temporarily appointed as supervisors to replace their superiors on leave, business trips, or as interim supervisors will receive a **bonus of 20% (twenty percent)** of the highest basic salary of the top grade (A5) during the period of the appointment. Written notification of the temporary appointment must be submitted to the HR Department with the approval of the Department Head.

Note: Additional income is provided for tasks beyond normal responsibilities.
3. **Shift Work Allowance**
 - a. Pratama Workers/Employees working shifts receive an allowance of **Rp 22,000** per shift.
 - b. Pratama Workers/Employees of PTKPI not working shifts at open-pit mines, underground mines, processing plants (mills), or dewatering plants receive an allowance of **Rp 22,000** per shift.
 - c. Pratama Workers/Employees of PTKPI working shifts in open-pit or underground mines

and on mining vessels receive an allowance of **Rp 44,000** per shift.

Note: Higher allowances are provided for workers in vulnerable or shift-based roles.

4. Leave Allowance

a. Every February 1st, Pratama Workers/Employees stationed in work areas are entitled to a **leave allowance equivalent to 1 month of basic salary**.

5. Transportation Assistance

The Company provides transportation assistance ranging from **Rp 500,000 to Rp 750,000** per month, subject to income tax deductions. This does not apply to Pratama Workers/Employees provided with accommodation at Mile 38.

Note: Transportation assistance is monetized despite the Company already providing employee transportation.

6. Productivity Bonus

Details of the bonus are determined by the Company based on work output.

Article 25:6. LEAVE DESTINATION

a. Due to the transportation conditions in Papua, Maluku, NTT, and NTB (island regions), the Company provides travel facilities in the form of economy-class flight tickets to provincial/regional capitals where the parents or spouses of Pratama Workers/Employees are located, as recorded in Company documents.

Article 26: ALLOWANCES AND TRAVEL ASSISTANCE FOR WORKERS/EMPLOYEES

1. Travel Allowance for Pratama Workers/Employees

a. Once a year, the Company provides travel allowances in the form of **2 economy-class flight tickets** for unmarried workers/employees with less than 10 years of service.

b. For unmarried workers/employees with 10 years or more of service, **3 economy-class flight tickets** are provided annually.

c. For married workers/employees and their immediate dependents, **1 economy-class flight ticket** is provided annually.

d. For new workers/employees:

- Hired before July 1st: Eligible for **1 economy-class flight ticket** in the same year.
- Hired on or after July 1st: Eligible for **1 economy-class flight ticket** the following year.

e. The Company provides married Pratama Workers/Employees stationed in Jakarta or work areas with a travel allowance equivalent to **1 month of basic salary per year**, payable every November 1st.

f. Unused travel rights may be carried over to the next year.

Article 27:3. SPECIAL TRAVEL REWARDS FOR PAPUAN EMPLOYEES

a. The Company provides economy-class flight tickets (e.g., Timika-Jakarta-Timika) to Papuan employees as a reward every 3 years (or 2 years if no disciplinary record exists). This includes:

a.1. Round-trip tickets for the worker/employee.

a.2. Round-trip tickets for the spouse and up to three (3) dependent children.

b. Employees may modify travel routes, bearing any additional costs incurred.

- d. Papuan workers/employees may monetize their tickets at **100% value** for the first reward, while tickets for children can be monetized at **50% value**.
- f. Workers/employees with no written disciplinary warnings in the last 2 years receive:
 - f.1. Travel rewards every 2 years instead of 3.
 - f.2. Accommodation and transportation assistance of **Rp 10,000,000** (non-monetizable).

Article 28:4. PER DIEM TRAVEL ALLOWANCE

In addition to airfare, workers/employees are entitled to a per diem for 2 days:

- a. Worker/Employee: **Rp 500,000 per day**.
- b. Spouse: **Rp 500,000 per day**.
- c. Children: **Rp 250,000 per day/person**.

Article 30:6. RELIGIOUS OBLIGATIONS

- a. The Company grants leave with pay for workers/employees performing mandatory religious obligations, outside the standard 30-day leave period.
- b. The leave duration aligns with the travel schedule confirmed by the HR Department.
- c. Workers/employees performing mandatory religious obligations are entitled to a **4-day per diem of Rp 500,000 per day**.

Note: Religious leave and per diem compensation exceed labor law requirements.

Note: The duration of leave for religious activities is not regulated under labor laws. Freeport provides a generous arrangement, including a per diem allowance for 2 days.

III. BEST PRACTICE ON SOCIAL SECURITY

Article 31: General Provisions

- 1. The children of Workers/Laborers recognized by the Employer as direct dependents entitled to social security and welfare must meet the following requirements:
 - a. Be under 21 years of age,
 - b. Be unmarried,
 - c. Not be employed, except for those still attending school or pursuing a diploma or undergraduate (bachelor's degree) program, and
 - d. Be registered with the Company.
- 2. For children of Workers/Laborers who are unmarried and unemployed or for children of Workers/Laborers who suffer from mental/physical disabilities preventing them from attending school or working, they will be recognized as Dependents by the Employer until the age of 23.
- 3. For the purposes of this Collective Labor Agreement, the Direct Dependents recognized by the Employer include one (1) spouse and three (3) biological children and/or stepchildren and/or legally adopted children.

Article 32: Medical Treatment/Health Care

2. Eyeglasses and Lenses

- a. Reimbursement for the purchase of one (1) lens and eyeglasses based on a doctor's prescription, including the frame and lenses, up to a maximum of IDR 1,200,000/year.
- b. Reimbursement for frames and lenses can be made once a year.
- c. Reimbursement for the purchase of eyeglass lenses based on a doctor's prescription, up to a maximum of IDR 500,000/year.
- d. Reimbursement for the purchase of frames and/or lenses that are damaged or broken while the Worker/Laborer is performing their duties is up to the maximum amount specified in points (a) and (c) above.
- e. Requests for reimbursement must be accompanied by proof of purchase of the frame and lenses/eyeglasses and a statement from their supervisor.

3. Dental Care

- a. Reimbursement for dental treatment costs for Workers/Laborers and their dependents registered in accordance with Article 31 of the CLA.
- b. Workers/Laborers bear the cost of dental care that is cosmetic in nature.
- c. Reimbursement for dental replacement due to work-related accidents with dentures.

4. Hearing Aids

- a. The Employer will assist in the purchase of hearing aids for Workers/Laborers experiencing hearing issues, as recommended by the Company Doctor.
- b. The Employer will replace hearing aids damaged due to work, as recommended by the doctor.

5. Periodic Health Checkups

- a. The Employer conducts periodic health examinations for Workers/Laborers at the Employer's expense.
- b. Workers/Laborers must attend scheduled periodic health examinations.
- c. The Employer will enforce disciplinary action against Workers/Laborers who do not attend their scheduled periodic health examinations without acceptable reasons as outlined in Article 27 paragraph 27 of the PHI Handbook.
- d. The frequency of periodic health examinations is regulated in the Company Policy HR.CB.05.

6. Specialist Doctors

The Employer will regularly provide access to dental, eye, or other specialist doctors in the Work Area for Workers/Laborers and their families.

Article 33: Medical Treatment/Health Care Outside the Work Area

The Employer provides medical treatment facilities for Workers/Laborers assigned to Work Areas and/or their Direct Dependents residing in the Work Area. The provisions for medical treatment/health care outside the Work Area are as follows:

1. Medical Evacuation (Medivac)

- a. The Company Doctor is authorized to decide whether Workers/Laborers or their Direct Dependents residing in the Work Area require medivac (further examination and/or treatment at a designated location outside the Work Area), and the Employer will act on this decision.

- b. The Employer covers expenses incurred, including economy-class airfare, accommodation costs, and other examination/treatment/medical expenses at the designated hospital.
 - c. If the Worker/Laborer or their Direct Dependents are not admitted to the hospital, during their stay for examination and/or treatment, the Employer provides medivac per diem allowances to the Worker/Laborer or their Dependents for expenses such as meals, laundry, and local transportation.
 - d. Medivac per diem allowances are as follows:
 - o Adults: IDR 500,000/day
 - o Children: IDR 250,000/day
 - e. If the Company Doctor determines that a patient requires an escort, the medivac per diem allowance stated in point (d) also applies to the escort.
 - f. The Company Doctor determines the duration for which the patient requires an escort.
2. **Medical Leave Treatment**
- a. The Company Doctor may recommend Workers/Laborers or their Direct Dependents consult with a Specialist Doctor while the Worker/Laborer is on leave.
 - b. The Employer will only reimburse expenses incurred if the Worker/Laborer fulfills all conditions set by the Company Doctor.
 - c. General procedures for medical treatment during leave and special medileave assistance for Workers/Laborers stationed in Papua and/or Eastern Indonesia are regulated in the Company Policy HR.CB.05.
3. Medical treatment/health care for Workers/Laborers stationed in Jakarta is regulated in the Company Policy HR.CB.05.

Article 34: Medical Treatment/Health Care for Direct Dependents of Workers/Laborers

- 1. The Employer provides reimbursement for medical and/or treatment expenses for Direct Dependents under the condition that the expenses incurred are deemed reasonable, fair, and accountable.
- 2. Outpatient care reimbursement for Direct Dependents of Workers/Laborers stationed in the Work Area recognized by the Employer is 100% of the medical and/or treatment costs incurred by the Worker/Laborer or their dependents.
- 3. Inpatient care reimbursement for Direct Dependents of Workers/Laborers stationed in Jakarta is regulated in the Company Policy HR.CB.05.
- 4. For illnesses requiring hospitalization for Direct Dependents of Workers/Laborers stationed in the Work Area, the Employer reimburses 100% of costs for room care, treatment room, patient meals, doctors, ambulance fees, and necessary medications based on treatment in Class I.
- 5. Inpatient care reimbursement for Direct Dependents of Workers/Laborers stationed in Jakarta is regulated in the Company Policy HR.CB.05.
- 6. The Employer also reimburses maternity costs as outlined above, with the condition that the costs for the fourth and subsequent children become the responsibility of the Worker/Laborer.
- 7. The Employer does not reimburse additional costs such as meals ordered for patient caretakers, telephone charges, cosmetic product purchases, or similar items.

8. The Employer reimburses routine dental care costs for Direct Dependents of Junior Workers stationed in the Work Area, registered and recognized by the Employer, up to a maximum of IDR 750,000 per visit.
9. Reimbursement for medical/treatment costs for Direct Dependents of Workers/Laborers stationed in Jakarta is regulated in the Company Policy HR.CB.05.
10. The Employer reimburses treatment costs for children of Junior Workers who require special education (e.g., autism) up to a maximum of IDR 2,000,000 per month.

Article 36: EDUCATIONAL ASSISTANCE FOR CHILDREN OUTSIDE THE WORK AREA

1. Employers provide educational assistance for the children of Workers, who are direct dependents and still in school, with the following annual funding allocations based on educational levels:
 - **Early Childhood Education (1 year):** Rp. 2,690,000
 - **Kindergarten (2 years):** Rp. 4,840,000
 - **Elementary School (6 years):** Rp. 9,680,000
 - **Junior High School (3 years):** Rp. 11,290,000
 - **Senior High School (3 years):** Rp. 12,900,000
 - **Special Education (12 years):** Rp. 16,130,000
 - **Higher Education (5 years):** Rp. 16,130,000
2. Employers provide educational assistance for up to three children per Worker, including one legally adopted child, per academic year.

Article 37: TRAVEL FOR STUDENTS

1. Employers will reimburse the travel expenses of students attending schools or universities outside the Work Area. This applies to unmarried dependents of Workers who are full-time students at senior high schools, special education schools, universities, or equivalent institutions.
2. Reimbursement for round-trip travel costs is provided once a year for three years for senior high school students.
3. Reimbursement for round-trip travel costs is provided once a year for five years for university students.

Article 38: DEATH BENEFITS

1. Employers will pay death benefits equivalent to one year's salary to the spouse or registered dependents of a Worker who has worked for at least 90 days and passed away due to illness or an accident outside work hours.
2. Death benefits will be paid to the heirs in accordance with Article 31 of the Collective Labor Agreement.
3. Employers will pay death benefits equivalent to three months' salary to the heirs of a probationary Worker who passed away due to illness or an accident outside work hours, as per Articles 31 and 38(1) of the Collective Labor Agreement.

4. If the death benefit amount stated in the Collective Labor Agreement is lower than that stipulated in labor laws and regulations, the provisions of the prevailing laws and regulations will apply.

Article 39: DEATH OF A WORKER OR DEPENDENT IN THE WORK AREA

If a Worker or their Direct Dependent passes away in the Work Area, the Employer will cover the following expenses:

1. **Preparation of the Body**

- a. Embalming and preparation of the body.
- b. Coffin and shipping coffin.
- c. Permits, certificates, and related documents.

2. **Transportation**

- a. The Employer will provide air transportation for the body to the desired location, as long as it is not farther than the Worker's original place of residence, or the residence of the Worker's spouse as recorded in the HR Department.
- b. If the deceased is a Worker, the Employer will also provide transportation for the spouse and Dependents to the original location, as per the records in the HR Department.
- c. If the deceased is the Worker's spouse, the Employer will also provide round-trip transportation for the Worker and Dependents living in the Work Area to the cemetery.
- d. If the deceased is the Worker's child, the Employer will provide round-trip transportation for the Worker, spouse, and Dependents living in the Work Area to the cemetery.
- e. If the deceased is an unmarried Worker or a Worker with an unmarried status, the Employer will transport the body of the Worker to the spouse/parent's location as recorded in the Company within the area mentioned in Article 28.
- f. The Employer will assign a Worker to transport the body of an unmarried Worker or Worker with unmarried status, with permission to leave work for 7 days with full pay, considered as a business trip.
- g. The Employer will allow a Worker to leave work with pay for 7 days to transport the body of their spouse or Direct Dependent recognized by the Employer, in accordance with Article 28 of this Collective Labor Agreement (CLA).
- h. The Employer will send the personal belongings of the deceased Worker to the location of the family/Dependent recorded in the Company according to Article 28 of the CLA.

3. **Funeral Costs**

The Employer will provide funeral assistance equal to 150% of the Worker's basic monthly salary. This applies to Direct Dependents of unmarried Workers and Workers placed in Jakarta who have passed away.

Article 40: SPECIAL DEATH BENEFIT FOR MINING ACCIDENTS

For Workers who die due to a Mining Accident, the Employer will also provide a death benefit of US\$50,000 to the heirs recorded in the HR Department.

Article 42: OLD AGE SAVINGS PLAN

1. The Employer provides a retirement savings program designed to enhance retirement benefits for Workers, by contributing an amount equal to the Worker's contribution, managed by a third-party provider.
2. The Employer will contribute a fixed amount equal to the Worker's contribution as follows:
 - a. **Master Competency Level (Grade A)**: up to Rp. 1,500,000 per month
 - b. **Specialist Competency Level (Grade B)**: up to Rp. 1,250,000 per month
 - c. **Basic Competency Level (Grade F – Grade C)**: up to Rp. 1,000,000 per month
3. As a form of appreciation for the Worker's years of service, the Employer will provide a one-time initial investment payment based on the Worker's tenure as of December 2011 with the following values:
 - a. Rp. 3,000,000 for 5 – 9 years of service.
 - b. Rp. 7,500,000 for 10 – 14 years of service.
 - c. Rp. 10,000,000 for 15 – 19 years of service.
 - d. Rp. 15,000,000 for 20 years or more of service.

Note: This article standardizes the benefits in the Freeport Indonesia Group.

Article 43:2 PENSION BENEFIT MULTIPLIER FACTOR

The pension benefit multiplier factor outlined in the PT Freeport Indonesia Pension Fund regulation is 1.75, calculated as follows:

$1.75 \times \text{years of service} \times \text{Basic Pension Salary (PhDP)}$

Note: This is the standard benefit across the PT FI group.

Article 44: HOUSING ASSISTANCE

Each year, the Employer provides housing assistance to 350 Primary Workers as follows:

1. **Down Payment Loan Facility for House Purchase**

To assist Primary Workers stationed in the Work Area in purchasing a home, the Employer provides a Down Payment Loan Facility for House Purchase amounting to Rp. 100,000,000, as follows:

 - a. Rp. 75,000,000 of the loan can be repaid through wage deductions over a maximum period of 84 months.
 - b. Rp. 25,000,000 of the loan is a grant from the Employer to the Primary Worker. The grant is subject to income tax according to tax regulations.
2. **Conditions for Down Payment Loan Facility**

The Primary Worker must:

 - a.1. Provide proof of participation in a mortgage program (KPR) or Building Permit (IMB), with priority given to housing in Mimika or housing recommended by the Labor Union.
 - a.2. Have a minimum of 4 consecutive years of service.
 - a.3. Not be under written warning.
 - a.4. Not have previously received the Timika Indah or Kuala Kencana housing program.
 - a.5. Have a minimum performance rating of 3 in the K3LLP, Attendance, and Contribution dimensions, and no score of 1 in any dimension in the last performance evaluation period.

- a.6. Be at least in Grade D on the wage scale.
- a.7. Be at most 50 years old.
- a.8. For married applicants, submit a consent letter from their spouse as registered in the Company's records.
- a.9. Applicants who meet the criteria but do not take the program within 2 months from the date they are declared eligible will forfeit their right to the program, and the next eligible applicant will be considered.
- 3. **Limitations on the Down Payment Loan Facility**
The number of Down Payment Loan Facilities provided each year is limited to 250 Primary Workers, selected based on the following criteria:
 - c.1. Worker Score = (Years of Service x 10) + Age Score + Grade Score + Location Score
 - c.2. Age Score = 10 + (age - 40)
 - c.3. Grade Score: A = 100, B = 90, C = 80, D = 70
 - c.4. Location Score: Mimika = 100, Papua = 80, Outside Papua = 50
- 4. **Limitations on the Loan**
The Down Payment Loan Facility is provided only once during the course of employment.
- 5. **Restrictions During Loan Repayment**
During the repayment period of the Down Payment Loan Facility, for any reason, the Primary Worker is prohibited from transferring the ownership of the house to another party.

Note: This benefit is the standard in the PT FI group.

Article 43:2 PENSION BENEFIT MULTIPLIER FACTOR

The pension benefit multiplier factor regulated by the PT Freeport Indonesia Pension Fund is 1.75, calculated as follows:

1.75 x years of service x Basic Pension Salary (PhDP)

Note: This is the standard benefit in the PT FI group.

Article 44: HOUSING ASSISTANCE

Each year, the Employer provides housing assistance to 350 Primary Workers as follows:

- 1. **Down Payment Loan Facility for House Purchase**
To assist Primary Workers stationed in the Work Area in purchasing a house, the Employer provides a Down Payment Loan Facility for House Purchase amounting to Rp. 100,000,000, as follows:
 - a. Rp. 75,000,000 of the loan can be repaid through wage deductions over a maximum of 84 months.
 - b. Rp. 25,000,000 of the loan is a grant from the Employer to the Primary Worker. The grant is subject to income tax according to tax regulations.
- 2. **Conditions for the Down Payment Loan Facility**
The Primary Worker must:
 - b.1. Provide proof of participation in a mortgage program (KPR) or Building Permit (IMB), with priority for housing in Mimika or housing recommended by the Labor Union.
 - b.2. Have at least 4 consecutive years of service.

- b.3. Not be under written warning.
- b.4. Never have received the Timika Indah or Kuala Kencana housing program.
- b.5. Have a minimum performance score of 3 in the K3LLP, Attendance, and Contribution criteria, and no score of 1 in any of these dimensions in the last performance evaluation period.
- b.6. Be at least in Grade D on the wage scale.
- b.7. Be at most 50 years old.
- b.8. If married, submit a consent letter from the spouse registered in the Company's records.
- b.9. If an applicant meets the criteria but does not take up the program within 2 months from the date they are declared eligible, their right to the program will be transferred to the next eligible applicant.

3. Limitations on the Down Payment Loan Facility

The number of Down Payment Loan Facilities provided each year is limited to 250 Primary Workers, selected based on the following criteria:

- c.1. Worker Score = (Years of Service x 10) + Age Score + Grade Score + Location Score
- c.2. Age Score = 10 + (age - 40)
- c.3. Grade Score: A = 100, B = 90, C = 80, D = 70
- c.4. Location Score: Mimika = 100, Papua = 80, Outside Papua = 50

4. Limitations on the Loan

The Down Payment Loan Facility is provided only once during the course of employment.

5. Restrictions During Loan Repayment

During the repayment period, for any reason, the Primary Worker is prohibited from transferring the ownership of the house to another party.

2. Home Improvement Loan Facility

a. The Employer provides a Home Improvement Loan Facility for Primary Workers stationed in the Work Area, with a maximum amount of Rp. 100,000,000, as follows:

- a.1. Rp. 75,000,000 of the loan can be repaid through wage deductions over a maximum of 84 months.
- a.2. Rp. 25,000,000 of the loan is a grant from the Employer to the Primary Worker, subject to income tax as per tax regulations.

3. Conditions for the Home Improvement Loan Facility

The Primary Worker must:

- b.1. Have fully repaid any previous home ownership loans.
- b.2. Provide proof of home ownership.
- b.3. Have a minimum of 4 consecutive years of service.
- b.4. Not be under written warning.
- b.5. Have a minimum performance score of 3 in all criteria in the last performance evaluation period.
- b.6. Be at least in Grade D on the wage scale.
- b.7. Be at most 50 years old.
- b.8. If married, submit a consent letter from the spouse registered in the Company's records.

4. Limitations on the Home Improvement Loan Facility

The number of Home Improvement Loan Facilities is limited to 100 Primary Workers out of

the 350 Primary Workers per year, based on the following criteria:

c.1. Worker Score = (Years of Service x 10) + Age Score + Grade Score

c.2. Age Score = 10 + (age - 40)

c.3. Grade Score: A = 100, B = 90, C = 80, D = 70

5. **Restrictions During Loan Repayment**

During the repayment period, for any reason, the Primary Worker is prohibited from transferring the ownership of the house to another party.

Note: This is a standard provision across the PT FI group.

Article 44:4 Cost of Living Allowance Outside Company Accommodation Program

a. The Employer provides a Cost of Living Allowance Outside Company Accommodation to Primary Workers residing outside the Company's accommodation area.

b. The Cost of Living Allowance Outside Company Accommodation is provided in the first week of January as follows:

b.1. **Single Workers** residing outside the Company's accommodation: Rp. 6,300,000 per year.

b.2. **Married Workers** residing within the Company's accommodation: Rp. 7,875,000 per year.

b.3. **Married Workers** residing outside the Company's accommodation: Rp. 9,450,000 per year.

IV. BAD PRACTICE OF SOCIAL SECURITY

Article 50: Termination of Employment at Reaching Normal Retirement Age

1. The employment relationship ends when a Worker reaches the age of 55 years.

Note: Article 15 paragraphs (1), (2), and (3) of Government Regulation No. 45/2015 (and the Coiptaker Law) set the employee retirement age as follows:

- Initially, the retirement age was set at 56 years.
- Starting January 1, 2019, the retirement age as referred to in paragraph (1) was raised to 57 years.
- The retirement age, as mentioned in paragraph (2), will increase by 1 year every 3 years until it reaches 65 years of age.

This means that the retirement age currently (in 2024) is 58 years.

V. BEST PRACTICE ON GENDER

Article 23: 5e.

"The Employer shall provide separate bus transportation for female Workers and Young Workers from the pickup point in Timika City to Cargo Dock and vice versa."

Note: Implementing gender aspects through protection for female workers.

Article 30: 1. Maternity Leave

- a. Female workers who are pregnant are entitled to maternity leave for 1.5 months before the estimated delivery date and 2 months after the delivery date, as determined by the obstetrician or midwife, with full wage payment.
- b. The supervisor of the pregnant worker must ensure that the worker takes this leave, considering the health and safety of both the mother and the child.
- c. Early maternity leave (up to the third month of pregnancy) can be granted based on the Company's doctor's recommendation.

Note:

- a. The duration of maternity leave is 3.5 months, which exceeds the 3 months stipulated by the Employment Law.
- b. Ensuring that female workers take leave for health and safety reasons is evidence of a commitment to reproductive protection.
- c. The provision for early pregnancy leave (up to 3 months) is a gesture of concern, even though it is not mandated by the Law.

Article 31: 2.

For the children of workers who are unmarried, unemployed, or those who suffer from mental or physical disabilities that prevent them from attending school or working, they will be recognized as dependents by the Employer until the age of 23.

Note: The Company provides significant protection for children with mental/physical disabilities by covering them until the age of 23.

VI. BEST PRACTICE ON OCCUPATIONAL HEALTH AND SAFETY (OSHE)**Article 23:8. Radiation Allowance and Dust Control Program**

- a. The Employer provides a Radiation Allowance of up to Rp. 950,000 per month (net) to Radiation Safety Officers who are competent as designated by the Employer for tasks related to radiation protection.
- b. The Employer implements a dust control program in areas with high dust exposure.

Article 32: Periodic Health Examinations**5. Periodic Health Examinations:**

- a. Workers are entitled to periodic health examinations at the Employer's expense.
- b. Workers scheduled for periodic health examinations must attend.
- c. If a worker fails to attend without an acceptable reason, disciplinary action will be taken in accordance with Article 27.27 of the PHI Book, which is an integral part of this Collective Labor Agreement (PKB).
- d. The period for periodic health examinations is governed by PTKPI policies, referencing PTFI Policy HR.CB.05, as attached.

6.Specialist Doctors:

The Employer will periodically bring in dentists, eye doctors, and other specialists to the work area for workers and their families.

Note: These provisions reflect the Employer's commitment to the health and protection of workers and their families.

Article 33: Medical Treatment Outside the Work Area

The Employer provides medical treatment facilities for workers and their direct dependents residing in the work area. For medical treatment outside the work area, the following provisions apply:

1. Medical Evacuation (Medivac):

- a. The Company doctor is authorized to decide if a worker or their direct dependent living in the work area needs to undergo medivac (further examination and/or treatment outside the work area at a designated location), and the Employer will follow up on this decision.
- b. The Employer covers all associated costs, including economy-class air travel, accommodation, and medical examination/treatment costs at the designated hospital.
- c. If the worker is not treated in a hospital but needs to stay at the location for examination and/or treatment, they will receive a per diem for medivac expenses, including meals, laundry, and local transportation.
- d. Medivac per diem rates:
 - o Adults: Rp 500,000 per day
 - o Children: Rp 250,000 per day
- e. If the Company doctor determines that the patient requires an escort, the per diem will also apply to the escort.
- f. The Company doctor will determine the duration for which the patient requires an escort.

Note: These provisions reflect strong efforts to safeguard the health and safety of workers by ensuring proper medical care, radiation safety, and addressing health risks through proactive measures like dust control and periodic health checks. Let me know if you need more details or adjustments!

Article 34: Medical Treatment for Direct Dependents of Workers

1. Medical and/or Treatment Compensation for Direct Dependents

The Employer provides compensation for medical and/or treatment costs for Direct Dependents as long as the expenses are deemed reasonable, necessary, and verifiable.

2. Outpatient Care Compensation

The Employer reimburses 100% (one hundred percent) of the outpatient medical and/or treatment costs incurred by the Worker or their dependents, with the status of placement in the Work Area.

3. Inpatient Care Reimbursement for Jakarta-based Dependents

Reimbursement for inpatient care for Direct Dependents of Workers with placement status in Jakarta is governed by the PTKPI policy, which refers to PTFI Policy HR.CB.05, as attached.

4. Inpatient Care in the Work Area

If a Direct Dependent of a Worker with placement status in the Work Area requires hospitalization, the Employer will reimburse 100% (one hundred percent) of the following costs based on Class I hospitalization:

- Room and treatment fees
- Patient meals
- Doctor's fees
- Ambulance rental
- Necessary medications

Note: Articles 33 and 34 reflect additional health protection benefits not mandated by law.

Article 40: Work/Mining Accident Insurance

3. Compensation for Fatalities Due to Mining Accidents

If a Worker dies due to a mining accident while in the course of their employment, in accordance with the applicable Accident Law, the Employer will pay US\$50,000 (fifty thousand US dollars) to the deceased Worker's recognized dependents, as recorded in the HR Department.

Note: This provision reflects best practice specific to the mining sector.

Additional: Other Points

Article 66: Work Committee

To effectively implement this Collective Labor Agreement (PKB), a Work Committee must be established, consisting of the PKB XIV Negotiation Team members from the PTKPI Worker/Union. This committee must be formed no later than one (1) month after the PKB becomes effective. The committee is required to meet periodically to evaluate the implementation of this PKB.

Note: *This article provides a solid framework for monitoring and evaluating the implementation of the PKB, ensuring ongoing improvements and compliance.*

These provisions outline comprehensive health protections, mining-specific compensation, and a system for continuous monitoring of the Collective Labor Agreement's effectiveness, demonstrating a commitment to worker welfare and safety.