



**PT MERDEKA COPPER GOLD, Tbk.**

**STANDARD OPERATING PROCEDURE**  
**HANDLING OF RULE VIOLATIONS**  
**MCG-SOP-IR-04-01**

PREPARED	CHECKED		APPROVED	
Chairul Reza Faisal	Yanthi Sepriana Siagian	Muhammad Regen Pohan	Titien Supeno	Albert Saputro
IR Superintendent	HR Compliance Supervisor	IR Manager	HR Director	President Director
01 June 2023	01 June 2023	01 June 2023	01 June 2023	01 June 2023


**Head Office:**

Treasury Tower 67<sup>th</sup> Floor District 8 SCBD LOT.28,  
Jl. Jend.Sudirman KAV.52-53, Senayan, Kebayoran Baru, Kota Adm.  
Jakarta Selatan, DKI Jakarta - 12190

Phone : (+62-21) 2988 0399

Fax : (+62-21) 2988 0427

Website : [www.merdekacoppergold.com](http://www.merdekacoppergold.com)

PT MERDEKA COPPER GOLD, Tbk.		Document number	MCG-SOP-IR-04-01
	<b>HANDLING OF RULE VIOLATIONS</b>	Effective date	01 June 2023
		Revision to	01
		Number of page	2 of 15

## DOCUMENT CHANGE STATUS

No. Revision	Division/Department	Reason of Change	Revision By	Revision Date
01	HR – Industrial Relations	<p>1. Addition and revision to number 1. General to: Suppose, in the course of implementation, non-conformities are found that are not covered in this document and are considered important for one reason or another. In that case, the non-conformities will be further reviewed, and if they are to continue to be applied, they will be made into an addendum to this procedure.</p> <p>And suppose there is a difference in interpretation between this procedure's Indonesian and English versions. In that case, the Indonesian version is the prevailing version. It will be used, and in the event of a request for Discretion on implementing this procedure, it must obtain prior approval from the President Director.</p>	HR Compliance	01 June 2023
01	HR– Industrial Relations	<p>Revise and remove the term in point 5.1 Definition, as follows:</p> <p>1. Trade/Labor Union is a Trade/Labor Union established by the Employee at PT Merdeka Copper Gold, Tbk. or its subsidiaries by the applicable laws and regulations.</p> <p>2. Member of a Trade/Labor Union is an Employee who declares themselves in</p>	HR Compliance	01 June 2023

*This publication may not be reproduced, stored in the system, transferred in any form by any means, electronic, mechanical, photocopying, recorded or otherwise without the permission of  
PT MERDEKA COPPER GOLD, Tbk.*



## HANDLING OF RULE VIOLATIONS

Effective date

01 June 2023

Revision to

01

Number of page

3 of 15

		<p>writing to be a member of a Trade/Labor Union.</p> <p>3. Management of Trade/Labor Union is Trade/Labor Union Members who are elected or appointed by Trade/Labor Union Members to run or manage the organizational wheels of a Trade/Labor Union.</p> <p>4. Violation is an act or action contrary to decency and/or can hinder the production process as stipulated in the Work Agreement, Company Regulations and/or Collective Agreement.</p>		
01	HR – Industrial Relations	<p>Revise and delete point 5.5 Mechanism for Giving Verbal Warning, Written Warning, and Warning Letter number 6, 9, and 10 regarding:</p> <p>6. The Direct Supervisor, together with the Industrial Relations Department or a certain team formed by the Company, determines the sanctions/punishments given to the Employee according to their level as regulated in the Work Agreement, Company Regulations and/or Collective Agreement.</p> <p>9. If the feedback is not acceptable or cannot be accounted for, the Direct Supervisor, together with the Industrial Relations Department or a certain team formed by the Company, will still impose sanctions/punishments by those stipulated in the Work Agreement, Company Regulations</p>	HR Compliance	01 June 2023



## HANDLING OF RULE VIOLATIONS

Effective date

01 June 2023

Revision to

01

Number of page

4 of 15

		and/or Collective Agreement. 10. If the Employee is a Member of a Trade Union, then the process of handling violations of this regulation may be accompanied by the Management of the Trade Union.		
01	HR – Industrial Relations	Revise and delete point 5.4 Sanctions/Punishments for Violation of Regulations Sanctions/penalties for a violation will be given with the following observance of number 1 part b: a. Employment Agreement; and b. Company Regulations or Collective Agreement.	HR Compliance	01 June 2023
01	HR – Industrial Relations	Revisions and additions to point 5.2 of the General Standard, as follows: The Company is committed, responsible, and fair in submitting and resolving Employee's grievances protected by applicable laws and regulations and international labor standards, specifically The International Labor Organization Declaration on Fundamental Principles and Rights at Work and The Core International Labor Conventions.	HR Compliance	01 June 2023
01	HR – Industrial Relations	Revise and remove the term Trade/Labor Union in point 5.6 of the Matrix for Giving Verbal Warning, Written Warning, and Warning Letter number 4, previously: 4. If the Employee is a Member of the Trade Union, then the process of handling violations of regulations can be	HR Compliance	01 June 2023

**PT MERDEKA COPPER GOLD, Tbk.**

**Document number**

**MCG-SOP-IR-04-01**



## **HANDLING OF RULE VIOLATIONS**

**Effective date**

**01 June 2023**


**Revision to**

**01**

**Number of page**

**5 of 15**

submitted to the  
Management of the Labor  
Union through the  
Industrial Relations  
Department.

PT MERDEKA COPPER GOLD, Tbk.		Document number	MCG-SOP-IR-04-01
	<b>HANDLING OF RULE VIOLATIONS</b>	Effective date	01 June 2023
		Revision to	01
		Number of page	6 of 15

## 1. GENERAL

Procedures regarding Handling of Rule Violations is developed, implemented, and managed for the benefit of PT Merdeka Copper Gold, Tbk. and its subsidiaries regarding the handling and management process in the event of a violation committed by an Employee as stipulated in the Work Agreement, and Company Regulations.

Suppose, in the course of implementation, non-conformities are found that are not covered in this document and are considered important for one reason or another. In that case, the non-conformities will be further reviewed, and if they are to continue to be applied, they will be made into an addendum to this procedure.

And suppose there is a difference in interpretation between this procedure's Indonesian and English versions. In that case, the Indonesian version is the prevailing version. It will be used, and in the event of a request for Discretion on implementing this procedure, it must obtain prior approval from the President Director.

## 2. PURPOSE

The purpose of this procedure is as an implementation guideline regarding the procedures for handling and managing violations of regulations, in terms of guidance carried out or in terms of the application of sanctions/punishments given, including guidelines in the sanction/punishment matrix.

## 3. SCOPE

This procedure applies to all Employee at PT Merdeka Copper Gold, Tbk. and its subsidiaries.

## 4. RESPONSIBILITY


### 4.1 Top Management

Top Management must approve and sign all quality management system documents including Company Policies, Procedures, Work Instructions, Forms, and other documents.

### 4.2 Management Representative

The HR department must cooperate with other departments to prepare and revise all documents including Company Policies, Procedures, Work Instructions, Forms, and other documents.



PT MERDEKA COPPER GOLD, Tbk.		Document number	MCG-SOP-IR-04-01
	<b>HANDLING OF RULE VIOLATIONS</b>	Effective date	01 June 2023
		Revision to	01
		Number of page	7 of 15

#### 4.3 Head of Department or Department Manager

The Department Head or Department Manager must review the relevant document and ensure that their subordinate staff are aware of any changes or updates to the document.


## 5. PROCEDURE

### 5.1 Definition

1. The Company is PT Merdeka Copper Gold, Tbk. or its subsidiaries.
2. Employee is a person who works at PT Merdeka Copper Gold, Tbk. or its subsidiaries.
3. A Direct Supervisor is a person appointed by the employer or head of the Company, among others, to lead and supervise several Employee under their responsibility because of their position.
4. The Head of a Department is a person who leads a department, responsible for managing, supervising, motivating, and directing Employee to achieve the Company's objectives.
5. The Head of Division is a person who, because of their position, is appointed by the Employer or the head of the Company, among others, to lead a division.
6. Violation is an act or action contrary to propriety and/or can hamper the production process as stipulated in the Work Agreement, and Company Regulations.
7. A verbal warning is a verbal warning from a superior to a subordinate for a violation committed with the intention of a form of guidance to subordinates.
8. A written warning is a written warning from a superior to a subordinate for a violation committed with the intention of a form of guidance to subordinates.
9. A Warning Letter is a letter from a superior to a subordinate for an offense committed with the intention as a form of guidance and/or sanction/punishment to subordinates in the form of a First Warning Letter (SP-I), Second Warning Letter (SP-II), Third Warning Letter (SP-III), and First and Last Warning Letter.

### 5.2 General Standard

The Company is committed, responsible, and fair in submitting and resolving Employee's grievances protected by applicable laws and regulations and international labor standards, specifically The International Labor Organization Declaration on Fundamental Principles and Rights at Work and The Core International Labor Conventions.

PT MERDEKA COPPER GOLD, Tbk.		Document number	MCG-SOP-IR-04-01
	<b>HANDLING OF RULE VIOLATIONS</b>	Effective date	01 June 2023
		Revision to	01
		Number of page	8 of 15

### 5.3 General Terms

1. To create a positive work environment, every Employee must comply with all regulations that have been set.
2. Company and Employee realize that work discipline needs to be upheld, so Employee who violates established regulations must receive guidance and/or be subject to sanctions/punishments.
3. A coaching and/or sanction/punishment is carried out as a corrective action and directing the attitude and behavior of the Employee as well as to prevent the violation from happening again to him/her and other Employee in the future.


### 5.4 Violations and Repetition of Violations of the Rules

1. The Company will impose sanctions/punishments on any Violation of the Rules following the level of violation committed by the Employee.
2. If an Employee commits a violation repeatedly, either with the same or a different type of violation, the Company may increase the sanction/punishment to the Employee concerned up to the sanction/punishment of Termination of Employment.

### 5.5 Sanctions/Punishments for Violation of Rules

1. Sanctions/punishments for a violation will be given by considering:
  - a. Work Agreement; and
  - b. Company Regulations.
2. Sanctions/punishments for a Violation are given based on:
  - a. The type of violation;
  - b. Frequency (frequency/repetition) of violations;
  - c. The intentional element.
3. The level of sanction/punishment given for a violation, including:
  - a. Verbal Warning;
  - b. Written Warning;
  - c. First Warning Letter (SP-I);
  - d. Second Warning Letter (SP-II);
  - e. Third Warning Letter (SP-III);
  - f. First and Last Warning Letter.
4. The validity period for verbal and written warnings is 3 (three) months since the warning is delivered or issued.
5. The Warning Letter's validity period is 6 (six) months since the warning is issued.




<b>PT MERDEKA COPPER GOLD, Tbk.</b>		<b>Document number</b>	<b>MCG-SOP-IR-04-01</b>
	<b>HANDLING OF RULE VIOLATIONS</b>	<b>Effective date</b>	<b>01 June 2023</b>
		<b>Revision to</b>	<b>01</b>
		<b>Number of page</b>	<b>9 of 15</b>

#### **5.6 Mechanism for Giving Verbal Warnings, Written Warnings, and Warning Letters**

1. If there is an indication of a violation, the Direct Supervisor collects all relevant evidence that supports and states that a violation has occurred.
2. In the case of no evidence in referred to in point 5.5 number 1 above, the Direct Supervisor is declared unable to prove that a violation has occurred so that the person concerned does not need to carry out coaching or impose sanctions/punishments for the Employee.
3. If there is evidence in referred to in point 5.5 number 1 above, the Direct Supervisor shall communicate with the Employee concerned to explore further information on the violation committed.
4. Communication between the Direct Supervisor and the Employee in exploring further information on the violation committed may be accompanied by the Industrial Relations Department.
5. In the case of a violation that requires a deeper investigation (e.g. violation of procedures resulting in a work accident) to dig up further information on the violation, the Company can form a certain team for the investigation process of the violation.
6. The Direct Supervisor, together with the Industrial Relations Department or a certain team formed by the Company, determines the sanctions/punishments given to the Employee according to the level as regulated in the Work Agreement, and Company Regulations.
7. Employee can provide feedback on sanctions/punishments for violations committed.
8. If feedback from the Employee is acceptable or can be accounted for, the Direct Supervisor, the Industrial Relations Department, and a team formed by the Company can determine the sanctions/punishments to be given.
9. If feedback is unacceptable or cannot be accounted for, the Direct Supervisor, the Industrial Relations Department, or a certain team formed by the Company will continue to impose sanctions/punishments following those stipulated in the Work Agreement, and Company Regulations.
10. The entire process of Handling Rule Violations is recorded and archived in the personal data of each Employee by the Industrial Relations Department.

#### **5.7 Mechanism of Giving Verbal Warnings, Written Warnings, and Warning Letters**


1. The Direct Supervisor gives the Verbal Warning and then submits it to the Industrial Relations Department for recording.

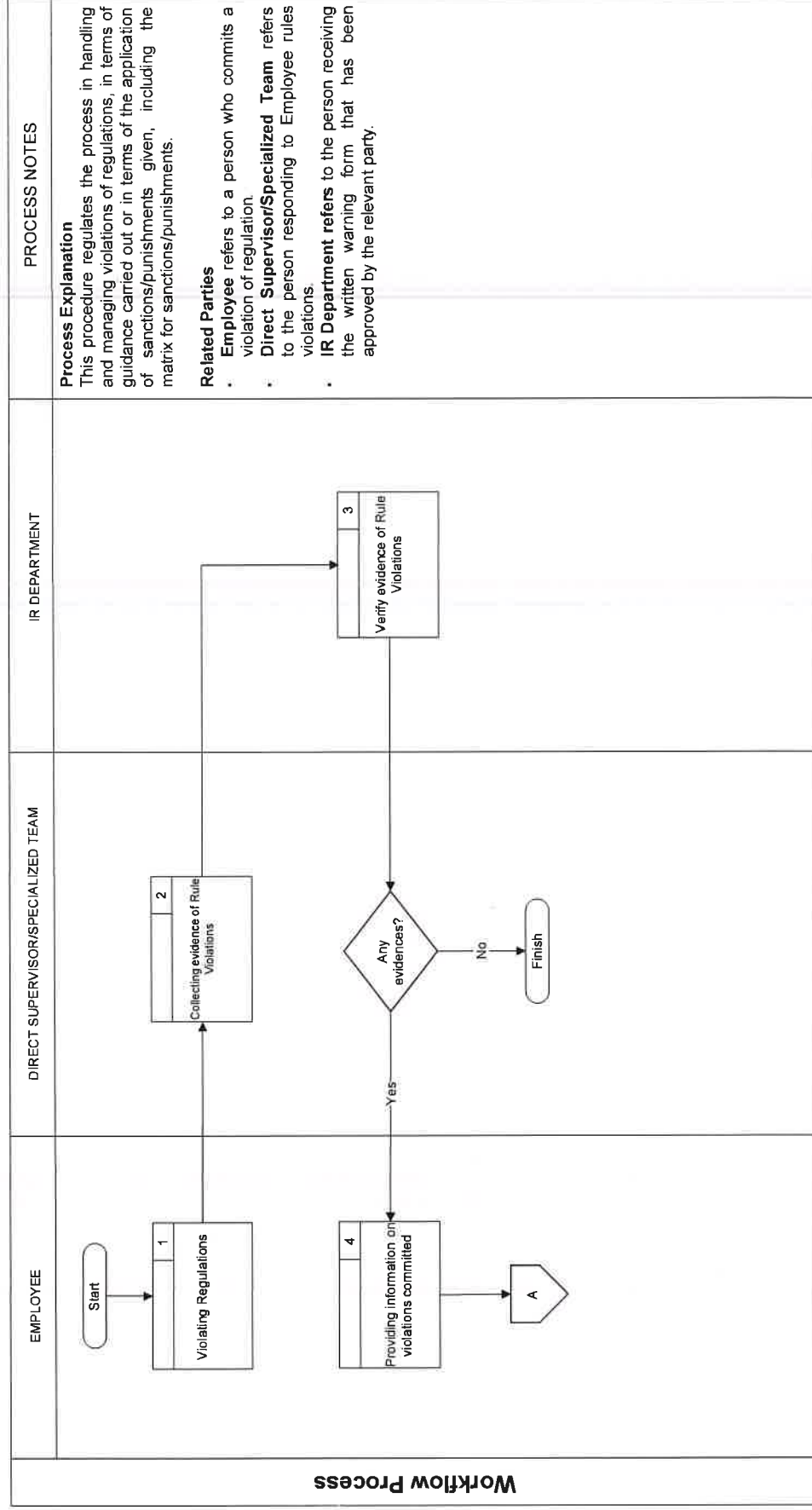
<b>PT MERDEKA COPPER GOLD, Tbk.</b>		<b>Document number</b>	<b>MCG-SOP-IR-04-01</b>
	<b>HANDLING OF RULE VIOLATIONS</b>	<b>Effective date</b>	<b>01 June 2023</b>
		<b>Revision to</b>	<b>01</b>
		<b>Number of page</b>	<b>10 of 15</b>

2. The giving of a Written Warning is carried out by the Direct Supervisor, at least at the level of the Head of the Department, and is copied and submitted to the Industrial Relations Department for recording.
3. The issuance of a Warning Letter is carried out by the Direct Supervisor at least at the level of the Head of the Department to be forwarded to the Supervisor of the Head of the Department at least at the level of the Head of Division or General Manager and copied and submitted to the Industrial Relations Department for recording.


#### **5.8 Education through Coaching and/or Counseling**

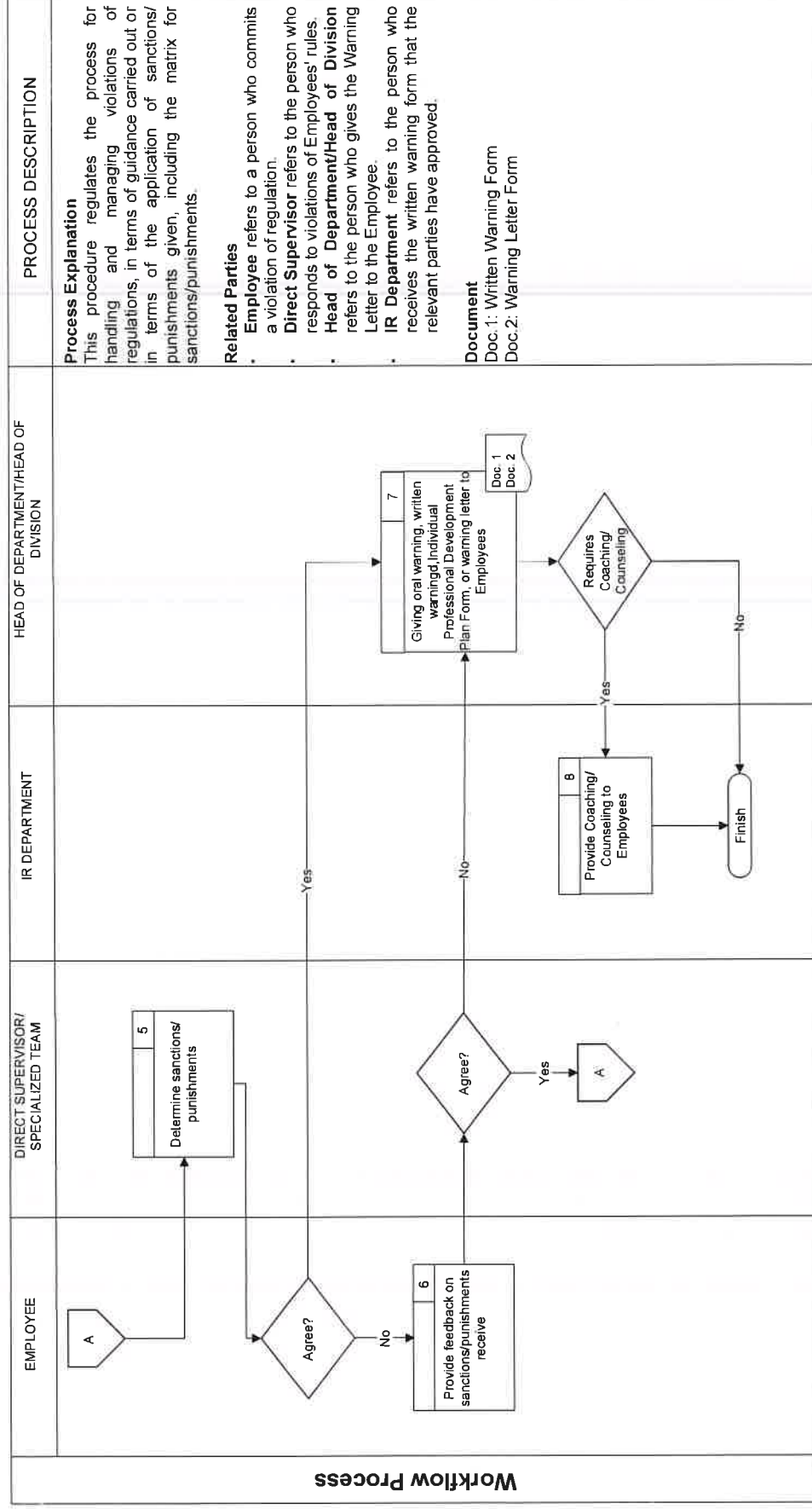
1. The Company realizes that changing the behavior of Employee towards a better direction is not enough by only giving sanctions/punishments through Written Warning and/or Warning Letter, so in the case of certain violations, a coaching and/or counseling process is also needed for the Employee concerned.
2. If a coaching and/or counseling process is required in handling Violations of these regulations, the coaching and/or counseling process shall be carried out by the relevant Department Head and/or the Industrial Relations Department.

PT MERDEKA COPPER GOLD, Tbk.		Document number	MCG-SOP-IR-04-01
	HANDLING OF RULE VIOLATIONS	Effective date	01 June 2023
		Revision to	01
		Number of page	11 of 15



*This publication may not be reproduced, stored in the system, transferred in any form by any means, electronic, mechanical, photocopying, recorded or otherwise without the permission of PT MERDEKA PT MERDEKA COPPER GOLD, Tbk.*

PT MERDEKA COPPER GOLD, Tbk.		Document number	MCG-SOP-IR-04-01
	HANDLING OF RULE VIOLATIONS	Effective date	01 June 2023
		Revision to	01
		Number of page	12 of 15



*This publication may not be reproduced, stored in the system, transferred in any form by any means, electronic, mechanical, photocopying, recorded or otherwise without the permission of PT PT MERDEKA COPPER GOLD, Tbk.*

**PT MERDEKA COPPER GOLD, Tbk.**

**Document number**

**MCG-SOP-IR-04-01**



## **HANDLING OF RULE VIOLATIONS**

**Effective date**

**01 June 2023**

**Revision to**


**01**

**Number of page**


**13 of 15**

### **6. ANNEXES**

1. Written Warning Form
2. Warning Letter Form

PT MERDEKA COPPER GOLD, Tbk.		Document number	MCG-SOP-IR-04-01
	<h2 style="text-align: center;">HANDLING OF RULE VIOLATIONS</h2>	Effective date	01 June 2023
		Revision to	01
		Number of page	14 of 15

### Annex 1 : Written Warning Form

	<h2 style="text-align: center;">WRITTEN WARNING</h2>	Document number	MCG-FRM-IR-05-01
		Effective date	01 June 2023
		Revision to	01
		Number of page	1 of 1

On this day ....., date ....., month ....., year ....., located at .....,  
Written Warning has been given to:

Employee Name : .....  
Employee ID : .....  
Position : .....  
Division/Department : .....

Due to the following violations:

.....  
.....  
.....

The purpose and provisions of Written Warning are:

1. As a corrective action and direction for your attitude and behavior so that you do not commit violations again in the future.
2. This Written Warning is valid for 3 (three) months as of the date of issuance of this Written Warning.
3. If you repeat the violation within the validity period of this Written Warning, then more severe measures including termination of employment may be given to you.

Given by,

Approved by,

Regards,

Name \_\_\_\_\_  
Position \_\_\_\_\_

Name \_\_\_\_\_  
Position \_\_\_\_\_

Name \_\_\_\_\_  
HR Manager \_\_\_\_\_

Witnesses\*:

1. ....  
(.....)
2. ....  
(.....)

\* Witnesses are required if the Employee is unwilling to sign after being given an explanation of this Written Warning.


---

*This publication may not be reproduced, stored in the system, transferred in any form by any means, electronic, mechanical, photocopying, recorded or otherwise without the permission of PT MERDEKA COPPER GOLD, Tbk.*


---

*This publication may not be reproduced, stored in the system, transferred in any form by any means, electronic, mechanical, photocopying, recorded or otherwise without the permission of PT MERDEKA PT MERDEKA COPPER GOLD, Tbk.*



PT MERDEKA COPPER GOLD, Tbk.		Document number	MCG-SOP-IR-04-01
	HANDLING OF RULE VIOLATIONS	Effective date	01 June 2023
		Revision to	01
		Number of page	15 of 15

## Annex 2 : Warning Letter Form

	WARNING LETTER	Document number	MCG-FRM-IR-06-01
		Effective date	01 June 2023
		Revision to	01
		Number of page	1 of 1

On this day ....., date ....., month ....., year ....., located at .....  
 First Warning Letter / Second Warning Letter / Third Warning Letter / First and Last Warning Letter\* has  
 been given to:

Employee Name : .....  
 Employee ID : .....  
 Position : .....  
 Division/Department : .....

Due to the following reasons:

.....  
 .....  
 .....

The purpose and provisions of Warning Letter are:

1. As a corrective action and direction for your attitude and behavior so that you do not commit violations again in the future.
2. This Warning Letter is valid for 6 (six) months as of the date of issuance of this Warning Letter.
3. If you repeat the violation within the validity period of this Warning Letter, then more severe measures including termination of employment may be given to you.

Given by,

Approved by,

Regards,

Name .....  
 Position .....

Name .....  
 Position .....

Name .....  
 HR Manager .....

Witnesses\*:

1. ....  
 (.....)

2. ....  
 (.....)

\* Cross out the unnecessary

\*\* Witnesses are required if the Employee is unwilling to sign after being given an explanation of this Warning Letter.

*This publication may not be reproduced, stored in the system, transferred in any form by any means, electronic, mechanical, photocopying, recorded or otherwise without the permission of PT MERDEKA COPPER GOLD, Tbk.*

*This publication may not be reproduced, stored in the system, transferred in any form by any means, electronic, mechanical, photocopying, recorded or otherwise without the permission of PT MERDEKA COPPER GOLD, Tbk.*