

BOARD MANUAL

Board of Commissioners
and Board of Directors Manual

PT ABM INVESTAMA TBK

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Chapter 1



Part One INTRODUCTION

I.a Aim and Purpose of the Board Manual

The present Board Manual is a document which outlines matters relating to the structure of the organs of the Board of Directors and Board of Commissioners and the functional relationship between the organs of the boards, and between the two organs. This Manual also regulates the General Meeting of Shareholders in respect of its interaction with the two organs of the company.

This Manual constitute a Code of Corporate Governance, which is based on the Company's articles of association, the Company Law, and other regulatory instruments.

This Manual is a document agreed upon by the Board of Directors and Board of Commissioners which aims to:

- 1) Serve as reference/manual with respect to the duties, authority and responsibility of each of the organs;
- 2) Enhance the quality and effectiveness of the working relationship between the organs;
- 3) Facilitate the implementation of Good Corporate Governance (GCG) principles, namely transparency, accountability, responsibility, independence and fairness.
- 4) Establish independence in the decision-making process and create the ability to discharge their respective duties and responsibilities in accordance with the expectations of the shareholders and other stakeholders.

I.b Scope of the Manual

The Manual is a primary reference for the working relationship between the Board of Directors, the Board of Commissioners, and General Meeting of Shareholders of PT ABM Investama, which covers their respective duties, responsibilities, powers, meeting mechanism, decision making process and the principles of check and balance applied by the three organs.

I.c Points of Reference in the Preparation of the Board Manual

- 1) Law Number 40 of 2007 on Limited Liability Company;
- 2) Law Number 14 of 2008 on Public Information Disclosure;
- 3) The Company's Articles of Association.

I.d Definitions

The following definitions are given to create a uniform construction of the terms used in the Manual.

- 1) **Board Manual** is a manual of the Board of Directors and Board of Commissioners in managing the Company in accordance with the principles of good corporate governance, and with reference to all laws and regulations affecting the Company.

- 2) **Conflict of Interest** is an incongruity between the economic interest of the Company and the personal economic interest of any member of the Board of Directors or Board of Commissioners, or a majority shareholder, which may adversely affect the Company.
- 3) **Board of Commissioners** is an organ of the Company which is charged with monitoring and the giving of advice to the Board of Directors in the management of the Company.
- 4) **Board of Directors** is the organ of the Company responsible for the Company's management towards achieving the interest and objectives of the Company, and for representing the Company within and outside a court of law.
- 5) **ABM Group** is a group of companies operating under the auspice of and, either directly or indirectly, owned by PT ABM Investama, a legal corporate entity incorporated by virtue of the laws of the Republic of Indonesia.
- 6) **Company** refers to PT ABM Investama Tbk.
- 7) **Stakeholder** is any person having an interest in the company and any person who is directly affected by the strategic and operational decisions of the Company, among others consisting of the Company's shareholders, employees, business partners, and the community living within the premises of the Company's site of operation.
- 8) **General Meeting of Shareholders** is the highest power within the Company and bearer of all authority not delegated to the Board of Directors or Board of Commissioners.
- 9) **LTWP (Long Term Business Plan)** is a reference for the Board of Directors in running the business of the Company for a period of five years.
- 10) **AWP (Annual Business Plan)** is a reference for the Board of Directors in running the business of the Company for the ongoing year.

I.e Principles of Good Corporate Governance

This Board Manual is a form of implementation of Good Corporate Governance (CGC) which are based on the following principles:

- 1) **Transparency** – transparency in the disclosure of material information pertaining to the Company and transparency in the relevant decision-making process towards the best interest of the Company.
- 2) **Accountability** – the management of the Company can be accounted for correctly, measurably and in line with the Company's interest without disregarding the interests of the stakeholders.
- 3) **Responsibility** – management of the Company must be in accordance with the applicable laws and regulations and duly undertake responsibility to the surrounding community and the environment in order to ensure the Company's continuity.
- 4) **Independency** – management of the Company must be carried out professionally and independently, free of conflict of interest and undue influence/coercion from any party in contravention of the applicable laws and regulations, and without any control or

intervention by any party whatsoever.

- 5) **Fairness** – fairness and equality in the fulfillment of the rights of stakeholders arising from agreements and the applicable laws and regulations.

Chapter 2



Part Two
BOARD OF COMMISSIONERS

II.a Qualification and Composition of the Members of the Board of Commissioners

II.c.1. General Qualifications

Persons who are eligible to become members of the Board of Commissioners are persons:

- 1) Having the ability and experience in the Company's field of business that are relevant to the duties and obligations of a commissioner and having an understanding of matters pertaining to the Company's management;
- 2) Having the capacity to perform legal actions;
- 3) Never having been declared as bankrupt by a court of law;
- 4) Never having been appointed as a member of the Board of Directors or Board of Commissioners determined as causing a company to become bankrupt; or convicted of committing a criminal offense causing financial loss to be suffered by the state and/or a criminal offense related to the financial sector;
- 5) Able to work with other members of the Board of Commissioners;
- 6) Having integrity, dedication and good reputation, namely never having been directly or indirectly involved in any act of fraud or irregular practices, default, or any other act adversely affecting the company where such person is employed or has been employed;
- 7) Acting in the best interest of the Company;
- 8) Members of the Board of Commissioners are required to disclose their shareholding, including the shareholding of their family members (of the same degree), whether in ABM and/or any other company posing a potential a conflict of interests;
- 9) Members of the Board of Commissioners are required to disclose any ongoing condition which constitute, or which can potentially result in, a conflict of interest with ABM or any condition that may hamper ABM's operations, including without limitation a condition wherein a commissioner is concurrently serving or occupying a position as an officer in another corporate entity, non-governmental organization, political party and/or legal entity, including but not limited to as a director, commissioner or chief officer of another corporate entity, non-governmental organization, political party and/or legal entity, including as a public official (member of the legislature or head of region);
- 10) Disclosure of a conflict of interest as described above should be performed on a regular basis in the annual report and through conflict of interest declarations in the format as specified by the Company.

II.c.2. Special Qualifications:

A candidate member of the Board of Commissioners must possess the following special qualifications:

- 1) Having knowledge and skills pertaining to ABM's and ABM Group's business processes;
- 2) Having knowledge and skills pertaining to risk management, corporate governance and internal control system;
- 3) Possessing leadership skills, positive attitude, practice mutual respect, honest, creative and innovative, synergy, able to work in a team and possess the highest commitment to the promotion and growth of the Company;
- 4) Having the ability and commitment to implement a system of reward and punishment in a consistent manner;
- 5) Possessing integrity, namely never having been directly or indirectly involved in any act of fraud or irregular practices, default, or any other act adversely affecting the company where such person is employed or has been employed;
- 6) Possessing the ability and experience relating to the management of the Company, leadership, vision and mission of the Company, the development of the Company for the long term, as well as resolution of the Company's strategic issues.

The qualifications set out above does not preclude the Shareholders from determining any additional qualifications as deemed necessary in a GMS.

Documents evidencing the satisfaction of the qualifications to serve on the Board of Commissioners shall be retained by the Company.

II.c.3. Composition of the Board of Commissioners

- 1) The Board of Commissioners consists of at least 2 (two) commissioners, one among whom is appointed as President Commissioner;
- 2) The composition and number of members of the Board of Commissioners are determined by the GMS;
- 3) Members of the Board of Commissioners are appointed and discharged by the Shareholders through a nomination process in accordance with the applicable laws and regulations. Members of the Board of Commissioners are appointed for a fixed period and may be reappointed for another term;
- 4) If for any reason a seat in the Board of Commissioners becomes vacant:
 - a) The Shareholders within 60 (sixty) days of such vacancy must cause such vacancy to be filled;
 - b) If the vacancy is caused by the expiry of the officer term of a member of the Board of Commissioners, the member whose term has come to an end shall continue to discharge his/her duties and responsibilities and exercise the regular rights and obligations of a member of the Board of Commissioners up to the appointment of a definite commissioner.

- 5) If at any time the Company has no member serving on its Board of Commissioners:
 - a) The Shareholders may appoint one or several persons to discharge the duties and authority of the Board of Commissioners, and exercise its rights and obligations, up to the appointment of a definite member of the Board of Commissioners;
 - b) If the vacancy is caused by the conclusion of the office terms of the members, the members whose term has concluded will continue to discharge their duties and authority and exercise their regular rights and obligations as members of the Board of Commissioners up to the appointment of the definite members of the Board of Commissioners.
- 6) Nomination of members of the Board of Commissioners is conducted by instructing the Remuneration and Human Resources Development Committee, chaired by a member of the Board of Commissioners, to initiate a nomination process, following which the selected nominee is decided upon in a Commissioners' Meeting and affirmed by the Shareholders in an GMS.
- 7) Candidate members of the Board of Commissioners having passed the fit and proper test will be submitted to the GMS for appointment.
- 8) At least 30% (thirty percent) of the Board of Commissioners must be Independent Commissioners nominated from among parties external to the Company and free from the influence of the other members of the Board of Commissioners or Board of Directors and controlling Shareholders, one among whom must possess a background in accounting and/or finance.

II.b Office Term of Commissioners

- 1) Every member of the Board of Commissioners serves and office term commencing on the date of the appointing GMS and concluding on the closing of the third GMS following such appointment, and such member may be reappointed for a subsequent term.
- 2) A person appointed to replace a member of a resigning or dismissed Board of Commissioners or to fill a vacant seat or a new position on such Board of Commissioners, is appointed for the remaining term of the other incumbent members.
- 3) The office term of a member of the Board of Commissioners concludes if such member:
 - a) resigns;
 - b) has reached the end of his/her office term;
 - c) fails to meet the requirements set by the applicable laws and regulations;
 - d) is dismissed by virtue of GMS resolution; or
 - e) becomes deceased while serving in office;
 - f) is unable to duly discharge his/her duties;
 - g) fails to comply with the relevant laws and regulations and/or the Articles of Association;

- h) is involved in any act detrimental to the interest of the Company and/or State;
 - i) is given a guilty verdict by virtue of a court ruling having permanent legal force.
- 4) A member of the Board of Commissioners may resign from his/her position by a 60-day written notice to the other commissioners and the Board of Directors prior to the effective date of such resignation, and such resigning member may still be required to prove an accountability report as a member of the Board of Commissioners for the period commencing on his/her appointment up to the date of the resignation.
 - 5) A Board of Commissioners member may be dismissed at any time by the GMS if deemed as being incapable of discharging his/her duties as set out in the articles of association and/or any other reason acceptable by the GMS, after such commissioner having been given an opportunity to appear before a GMS to present a defense.
 - 6) Insofar as a dismissal is still being deliberated, the member in question is required to continue to duly discharge his/her duties.

II.c Introductory and Knowledge Intensification Programs

II.c.1. Introductory Program

An introductory program for new members of the Board of Commissioners is aimed to provide understanding of the conditions existing within the Company, thus the Board of Commissioners would receive a comprehensive understanding of the organization and the Company's operations.

- 1) A Company Orientation Program must be given to a Board of Commissioners member who is serving for the first time in the Company;
- 2) Responsibility for providing such Orientation Program lies with the President Commissioner. If the President Commissioner is unavailable, the responsibility of holding the Orientation Program falls to the President Director.
- 3) Materials to be given under the Orientation Program consists of the following:
 - a) an overview of the Company with regard to its objectives, nature, scope of operations, financial and operational performance, strategies, short- and long-term business plans, competitive position, risks, and other strategic aspects;
 - b) application of the principles of good corporate governance by the Company;
 - c) legal responsibilities of the Commissioners;
 - d) explanation on delegated authority, internal and external audits, internal control system and policies, and the duties and roles of the Audit Committee and other committees under the Board of Commissioners;
 - e) explanation on the duties and responsibilities of the Board of Commissioners and Board of Directors;
 - f) team building; entailing the participation of all members of the Board of Commissioners, both newly appointed and those who have previously served, with the aim of establishing solidarity and teamwork as members of the Board of Commissioners.

II.c.2. Knowledge Intensification Program

- 1) A Knowledge Intensification Program is conducted to enhance the work effectiveness of the Board of Commissioners and is stipulated in the Work Plan and Board of Commissioners Budget.
- 2) Every member of the Board of Commissioners participating in the Knowledge Intensification Program activities, such seminars and/or trainings, may deliver a presentation to the other Commissioners for information and knowledge sharing purposes.
- 3) The concerned member of Board of Commissioners is responsible for preparing a report on the Knowledge Intensification Program. The report is to be submitted to the Board of Commissioners.

II.d Duties, Authority and Obligations of the Board of Commissioners

The duties and responsibilities of members of the Board of Commissioners are to supervise the management of the Company as carried out by the Board of Directors and provide advice to the Board of Directors including with regard to the implementation of the LTWP, Annual Business Plan, and the provisions of the Articles of Association and GMS resolutions, as well as the applicable laws and regulations.

II.f.1. Duties and Responsibilities of the Board of Commissioners

With regard to the discharge of its duties and responsibilities, the scope of the Board of Commissioners' work pursuant to the applicable laws and regulations are:

- 1) Conduct supervision of the management of the Company as carried out by the Board of Directors, and render approval of the Company's development plans, Long Term Business Plan (LTWP), Annual Business Plan (AWP), and the exercise of the duties, authority and responsibilities as set out in the Company's Articles of Association and GMS resolutions and the applicable laws and regulations;
- 2) Discharge duties specifically charged upon it pursuant to the Articles of Association the applicable laws and regulations, and/or based on the relevant GMS resolution;
- 3) Perform acts in the interest of the Company and be accountable to the GMS;
- 4) Examine and review annual reports prepared by the Board of Directors and sign such reports;
- 5) Follow the progress of the Company's activities, and immediately report to the GMS in the event the Company exhibits any conspicuous signs of decline, and provide recommendations on the corrective actions to be taken;
- 6) Provide opinions and recommendations commensurate to the its supervisory duties to the GMS with regard to any other matter deemed pertinent to the Company's management;
- 7) Coordinate with and evaluate the public account who will conduct audit on the Company's books, to be submitted in the form of recommendations to the GMS;
- 8) Provide comments on the Directors' periodic reports and at any time as required with regard to the Company's growth and report on the performance of its duties to the Shareholders in a timely manner;

- 9) Monitor the effectiveness of the implementation the GCG principles and Corporate Social Responsibility (CSR) as set by the Company make the necessary adjustments;
- 10) Determine Key Performance Indicators (KPI) for the Board of Directors at the beginning of each operating year;
- 11) Determine transparent systems for nomination, performance evaluation, and remuneration of the Board of Commissioners and Board of Directors, upon due consideration of the result of review conducted by the Nomination and Remuneration Committee, to be subsequently submitted for approval by the GMS and implement the same within the Board of Commissioners;
- 12) Determine transparent systems for nomination, remuneration and performance evaluation of Senior Executives (General Managers and equivalent) who are not serving as members of the Board of Directors in a transparent manner, upon due consideration of the result of the review conducted by the Nomination and Remuneration Committee;
- 13) Enhance its competence and knowledge in a continual manner with the aim of discharging its function in a professional manner;
- 14) Prepare and retain the minutes of Board of Commissioners meetings and, if necessary, the Secretary to the Board of Commissioners may be designated to prepare such minutes of meeting;
- 15) Report to the Company on its shareholding and/or the shareholding of their family members in the Company and ABM Group. The shareholding of members of the Board of Commissioners and their family members in any company other than the Company and ABM Group is required when the company concerned is involved in the Company's or the ABM Group's business activities, including but not limited in the capacity of vendor, supplier or joint venture partner;
- 16) Deliver reports on the supervisory duties performed during a preceding financial year to the GMS;
- 17) Determine value thresholds of legal actions exercised by the Board of Directors which are subject to the written approval of the Board of Commissioners;
- 18) Render approval to proposed legal actions by the Board of Directors requiring the written approval of the Board of Commissioners;
- 19) The Board of Commissioners is required to establish an Audit Committee and may establish other committees as necessary. In performing its duties, the Board of Commissioners may receive assistance from experts for specific matters and for specific periods at the expense of the Company. Distribution of responsibilities among members of the Board of Commissioners shall be self-determined by themselves.

II.f.2. Rights & Authority of the Board of Commissioners

The Board of Commissioners has the authority to conduct supervisory activities with regard to the management of the Company and report on the same to the Shareholders through the GMS, comprising of the following activities:

- 1) Peruse records, letters, and other documents, inspect stored cash for the purpose of verification, as well as to examine other valuable documents and inspect the assets of

the Company;

- 2) Enter premises, buildings and offices used by the Company;
- 3) Seek clarification from Directors and/or other officers relating to all matters pertaining to the management of the Company;
- 4) Be informed of all policies and actions that has been and will be carried out by the Board of Directors;
- 5) Require the Board of Directors or other officers under the Board of Directors, with the Directors' knowledge, to be present at a Board of Commissioners meeting.
- 6) Be present at a Board of Directors meeting and give insights on the matters being deliberated.
- 7) The Board of Commissioners at any time, through a Board of Commissioners meeting, is entitled to suspend one or more members of the Board of Directors if such member is acting contrary to the stipulations of the Articles of Association or if there is any indication of such member causing an adverse effect to be suffered by the Company or having neglected his/her obligations or if there any other compelling reason for the Company. Such suspension must he notified in writing to the person concerned and the Shareholders, along with the reason for such action to be taken.

Within 45 (forty-five) days of the suspension taking effect, the Board of Commissioners are required to hold an Extraordinary GMS to decide whether the concerned member of the Board of Directors will be permanently dismissed or reinstated to his/her position, and the suspended member is to be given an opportunity to defend him/herself.

- 8) During the suspension, the Board of Commissioners is required to carry out the work of the Board of Directors, whether by themselves collectively or by appointing one or more persons among themselves to perform such task with the same power and authority as those possessed by the Board of Directors.

If for any reason one or more or all of the positions on the Board of Directors becomes vacant, within 60 (sixty) days of such vacancy a GMS must be convened with the purpose of filling such vacancy or vacancies, subject to the applicable laws and the Articles of Association.

- 9) A third party may be appointed to represent the Company in the event of a conflict between the interest of the Company and the interest of all members of the Board of Directors, whether outside or in a court of law.
- 10) In the event all positions on the Board of Directors are vacant and no candidate replacements are available or if the candidates replacements have not be taken office, the Board of Commissioners may appoint one of its members to carry out the Company's managerial duties.
- 11) Notwithstanding other provisions in this Board Manual, the Board of Directors has the authority to grant approval for the following actions of the Board of Directors:
 - a) Approve a loan from a bank or another form of financial institution, or lend money in the name of the Company;
 - b) Approve a new business or participation in a new company, whether in the

- country or abroad;
- c) Encumber an asset of the Company;
- d) Dispose or write-off movable or immovable assets at a certain minimum value as determined by the Board of Commissioners;
- e) Write off outstanding receivables up to a certain value as determined by the Board of Commissioners.

Determination of the threshold for any of the actions of the Board of Directors requiring the written approval of the Board of Commissioners is made in Board of Commissioners meeting. Such determination is decided upon by the Board of Commissioners after hearing the views of the Board of Directors and is applicable for at least 1 (one) budget year.

A work manual for each committee working under the Board of Commissioners may be prepared by the Board of Commissioners or drafted by the Board of Directors to be approved by the Board of Commissioners.

II.e Distribution of Duties of the Board of Commissioners

Distribution of work among members of the Board of Commissioners are determined independently and to facilitate the performance of their duties, the Board of Commissioners may be assisted by a Board of Commissioners Secretary appointed by the Board of Commissioners at the expense of the Company.

II.f Board of Commissioners Meeting

A Board of Commissioners Meeting is a meeting held by the Board of Commissioners to deliberate agendas pertaining to its duties and functions, at least once every month.

II.f.1. Frequency of Board of Commissioners Meeting

- 1) A meeting may be convened at any time:
 - if deemed necessary by one or more members of the Board of Commissioners;
 - upon the written request of one or more shareholders jointly holding 1/10 or more of the entire voting shares;
- 2) A regular meeting is conducted once every 3 (three) months.

II.f.2. Meeting invitation and venue

- 1) Invitations to a Board of Commissioners meeting is issued by the President Commissioner or, if the President Commissioner is unavailable, by a Commissioner of the Company.
- 2) Invitations to a Board of Commissioners is issued by no later than 7 seven calendar days prior to the date of the meeting, not counting the date of the invitation, via letter and confirmed by telephone.
- 3) An invitation to a meeting must state the agenda, date, time and venue of the meeting.
- 4) A Board of Commissioners meeting is conducted at the domicile of the Company or its site of operation.
- 5) Invitation to a meeting is not required and the Board of Commissioners may conduct

such meeting at any location if all members of the Board of Commissioners are present or represented.

- 6) A Board of Commissioners Meeting may be held using video conferencing or using other electronic media which allows all of the participants to the Meeting to have real time visual and audio contact with each other and participate in the Meeting.

II.f.3. Board of Commissioners Meeting Chair and persons entitled to attend

A Board of Commissioners Meeting is chaired by the President Commissioner or, if the President Commissioner is unavailable, by another member of the Board of Commissioners elected by and from among the attending members.

A Board of Commissioners is attended by members of the Board of Commissioners and a meeting minute must be prepared. If necessary, a Board of Commissioners may extend to invite members of the Board of Directors, the Corporate Secretary, committees and other invitees.

II.f.4. Power of Attorney for a Board of Commissioners Meeting

A member of the Board of Commissioners may be represented in a Board of Commissioners Meeting only by another member by virtue of a power of attorney.

II.f.5. Quorum

- 1) A Board of Commissioners Meeting is duly convened and entitled to adopt binding resolutions if more than ½ of the Board of Commissioners members are present, and members who are not present confer a power of attorney to be represented at such Meeting.
- 2) Meeting resolutions are adopted through amicable negotiations.
- 3) If the number consenting and dissenting votes is equal, the Meeting Chair determines the final decision.
- 4) Voting concerning a person is conducted using closed ballot without signature, whereas voting concerning any other matter is conducted verbally, except if otherwise determined by the chairperson without any objection from the other attending participants.
- 5) Blank and invalid ballots are considered as having duly cast and are not counted in determining the number votes cast.

Action	Required approvals from the Commissioners
1. Borrow or lend money in the name of the Company.*)	>1/2
2. Merger or acquisition (including acquisition without takeover), joint venture, and joint operation.	>1/2
3. Establish a subsidiary	>1/2
4. Open a branch office of the Company	>1/2
5. Sale of subsidiary	>1/2
6. Sale of ≤ 50% of the Company's assets *)	>1/2
7. Encumber as security ≤50% of the Company's assets.*)	>1/2

8. Make investment; participate in a project/tender.	>1/2
9. Mass termination of employment	>1/2
10. Determination of the Directors' salary and bonus	>1/2
11. Annual Business Plan and Long Term Business Plan	>1/2
12. The Company's Annual Report	>1/2
13. The Company's Annual Financial Report	>1/2
14. Write-off of assets, receivers and collection (ad hoc).*)	>1/2
15. Interim dividend	>1/2
16. Repurchase of shares and/or sale of stocks issued by the Company through a stock exchange/financial institution	>1/2
17. Rent out assets form a period of more than 3 years	>1/2
18. Bind the Company as a guarantor.	>1/2

*) The action must be undertaken in accordance with the Limit of Authority applicable at the Company subject to the applicable laws and regulations, including if the Company changes its status to become a public Company.

II.f.6. Adoption of Resolution Outside a Meeting (Circular)

The Board of Commissioners may adopt valid resolutions without having to convene a Board of Commissioners provided that all members of the Board of Commissioners confer their approval of the proposed agenda in writing and sign such approval.

II.f.7. Minute of Meeting

- 1) Prepared by the Corporate Secretary or a person designated by the Board of Commissioners.
- 2) A minute of meeting must state any dissenting opinion/comment from members of the Board of Commissioners and the final resolution adopted.
- 3) The minute of meeting must be distributed to all members of the Board of Directors by 7 (seven) calendar days from the date of the Meeting.
- 4) By no later than 7 (seven) calendar days from the date of distribution of the minute of meeting, members of the Board of Commissioners must communicate their approval of or objection and/or recommended amendments to the content of the minute of meeting.
- 5) Members of the Board of Commissioners are deemed to approve the content of the minute of meeting if they do not communicate their approval of, objection and/or recommended amendment to the minute of meeting by 7 (seven) calendar days from the date of distribution.
- 6) A minute of a Board of Commissioners Meeting may be signed by the meeting chairperson and a Commissioner designated by and from among those present.
- 7) The minute of a Board of Commissioners Meeting is retained by the Board of Directors and to that end the Board of Directors may instruct the Corporate Secretary to keep the minute.

II.g Board of Commissioners Supporting Organs

II.g.1 Audit Committee

The Audit Committee assists the Board of Commissioners in supervising the management of the Company in accordance with the GCG principles. In performing its duties the Audit Committee acts independently and is directly accountable to the Board of Commissioners. The Audit Committee must ensure that:

- 1) The financial report and other information furnished by the Company to the relevant persons and the public has been presented in a transparent, reliable, trusted and timely manner;
- 2) The Company have in place a sound internal control system to protect its assets;
- 3) The Company is run effectively and efficiently and in compliance with the applicable laws and regulations.

The Audit Committee functions to assist the Board of Commissioners in performing its supervisory duties and providing advice to the Board of Directors, among others:

- 1) Ensuring the effectiveness of the internal control system and the effective performance of the duties of the external and internal auditors;
- 2) Assessing the planning and implementation of audits, and its results, performed by the Internal Control Unit as well External Auditors, thus allowing sub-standard performance and reporting to be avoided.
- 3) Providing recommendations for the enhancement of the Company's management control system and its implementation;
- 4) Ensuring that a satisfactory procedure is in place to review information generated by the Company, including its periodic financial reports and forecasts and other financial information communicated to the Shareholders.
- 5) Identifying issues requiring the attention of the Board of Commissioners;
- 6) Performing other duties given by the Board of Commissioners, provided that they are within the scope of its duties and responsibilities.

In addition to the above, based upon the agreed upon distribution of work of the Board of Commissioners, the Audit Committee may also assist the Board of Commissioners concerning the following matters:

- 1) The Company's Financial Statements;
- 2) The Company's Work Plan and Budget/Work Plan and Joint Program Budget and Community Development;
- 3) The Company's Financial Audit
- 4) Complaints from the Public;
- 5) The core business of the Company;
- 6) The Company's debts and receivables;
- 7) Write-off and disposal of assets;
- 8) Purchase/disposal of commercial papers, and Participating Interests, etc.

II.g.2 Other committees

In discharging its supervisory and advisory duties, the Board of Commissioners may establish other committees in accordance with the applicable laws and regulations and/or as dictated by the needs of the Company.

The Board of Commissioners may consider to establish other committees consisting of the Nomination Committee, Remuneration Committee, and Insurance and Business Risk Committee in order to support the functions of the Board of Commissioners.

1) **Nomination and Remuneration Committees**

The Nomination Committee prepares selection criteria and nomination procedures with respect to members of the Board of Commissioners, Board of Directors and other executives of the Company, develop an evaluation system and provide recommendations on the number of members of Board of Commissioners/Board of Directors.

The Remuneration Committee is in charge of developing a remuneration and benefit system and provide recommendations on:

- 1) evaluation of the system;
- 2) options awarded, including share options;
- 3) pension system; and
- 4) compensation system and other benefits with respect to termination of employment.

2) **Investment and Business Risk Committee**

The Investment and Business Risk Committee is charged with evaluating investment on a regular basis and provide recommendation on business risks and the type and amount of insurance coverage relating to business risk.

II.g.3 Secretary to the Board of Commissioners

The Board of Commissioners may appoint a Secretary to the Board of Commissioners to assist in secretarial matters, among others:

- 1) Perform secretarial administrative functions for the Board of Commissioners;
- 2) Organize Board of Commissioners Meetings and meetings between the Board of Commissioners and the Shareholders, the Board of Directors and other stakeholders;
- 3) Provide data/information needed by the Board of Commissioners and committees working under the auspice of the Board of Commissioners relating to:
 - a) Monitoring of actions taken in furtherance of resolutions, recommendations and directions of the Board of Commissioners;
 - b) Administrative materials pertaining to the reports/activities of the Board of Directors in managing the Company;
 - c) Administrative support and monitoring activities relating to matters requiring the approval or recommendation of the Board of Commissioners with respect to the Company's managerial activities performed by the Board of Directors.
- 4) Collect technical data from committees working under the auspice of the Board of Commissioners and experts as required by the Board of Commissioners.

II.h Board of Commissioners Performance Evaluation

II.h.1 General Policy

- 1) The work performance of the Board of Commissioners and members of the Board of Commissioners is evaluated by the Shareholders.
- 2) The work performance of the Board of Commissioners is broadly determined by the obligations stipulated in the applicable laws and regulations and the Company's Articles of Association as well as the mandate given by the Shareholders. The formal criteria for evaluation are openly communicated to the members of the Board of

Commissioners as of the date of appointment.

- 3) Result of the evaluation of the Board of Commissioners as a whole and the performance of each individual members constitute an inseparable part of the compensation scheme and incentive awarded to members of the Board of Commissioners.
- 4) Result of the work performance of each individual members of the Board of Commissioners serves as a basis of consideration by the Shareholders as representatives of the Capital Owners. Result of such evaluation constitute a means to assess and enhance the effectiveness of the Board of Commissioners.

II.h.2 Board of Commissioners Performance Evaluation Criteria

Criteria for the performance evaluation of the Board of Commissioners and its members are proposed by the Nomination and Remuneration Committee to the Board of Commissioners for affirmation by the GMS, comprising as follows:

- 1) Attendance at Board of Commissioners Meetings and at meetings with the existing Committees;
- 2) Contribution to the supervisory and advisory processes;
- 3) Involvement in certain tasks;
- 4) Commitment towards the advancement of the Company's interests;
- 5) Compliance with the applicable laws and regulations and policies of the Company.

Chapter 3



Part Three
BOARD OF DIRECTORS

III.a Qualification and Composition of the Board of Directors

The Board of Directors is an organ charged with the management of the Company acting in the interest and to achieve the objectives of the Company and represent the Company in and outside a court of law.

III.a.1 General Qualifications

Persons who are eligible to become members of the Board of Directors are persons:

- 1) Meeting the applicable criteria with regard to capabilities, leadership skills, experience, honesty, and conduct, and possessing a strong dedication to the promotion and growth of the Company;
- 2) Having the ability and experience in the Company's field of business that are relevant to the duties and obligations of a director;
- 3) Having the commitment to dedicate sufficient time to perform the required duties;
- 4) Having the capacity to perform legal actions;
- 5) Never having been declared as bankrupt;
- 6) Never having been a director or commissioner convicted by a court of law as being guilty for causing a company to be declared bankrupt;
- 7) Never having been sentenced for committing a criminal offense causing financial loss to be suffered by the state and/or a criminal offense related to the financial sector;
- 8) Able to work with other members of the Board of Directors;
- 9) Not currently serving in any other office which may cause a conflict of interest, whether directly or indirectly, with the Company and/or with the applicable provisions of the law;
- 10) Possessing integrity and good reputation, namely never having been directly or indirectly involved in any act of fraud or irregular practices, default, or any other act adversely affecting the company where such person is employed or has been employed;
- 11) Act in the interest of the Company;
- 12) Members of the Board of Directors are required to disclose their shareholding, including the shareholding of their family members (of the same degree), whether in ABM and/or any other company posing a potential a conflict of interests;
- 13) Members of the Board of Directors are required to disclose any ongoing condition which constitute, or which can potentially result in, a conflict of interest with ABM or any condition that may hamper ABM's operations, including without limitation a condition wherein a director is concurrently serving or occupying a position as an officer in another corporate entity, non-governmental organization, political party and/or legal entity, including but not limited to as a director, commissioner or chief officer of another corporate entity, non-governmental organization, political party and/or legal entity, including as a public official (member of the legislature or head of

region);

- 14) Disclosure of a conflict of interest as described above should be performed on a regular basis in the annual report and through conflict of interest declarations in the format as specified by the Company.

III.a.2 Special Qualifications

A nominated member of the Board of Directors must possess the following specific qualifications:

- 1) Having knowledge and skills pertaining to the Company's and ABM Group's business processes;
- 2) Having knowledge and skills pertaining to risk management, corporate governance and internal control system;
- 3) Possessing leadership skills, positive attitude, practice mutual respect, honest, creative and innovative, synergy, able to work in a team and possess the highest commitment to the promotion and growth of the Company;
- 4) Having the ability and commitment to implement a system of reward and punishment in a consistent manner;
- 5) Possessing integrity, namely never having been directly or indirectly involved in any act of fraud or irregular practices, default, or any other act adversely affecting the company where such person is employed or has been employed;
- 6) Possessing the ability and experience relating to the management of the Company, leadership, vision and mission of the Company, the development of the Company for the long term, as well as resolution of the Company's strategic issues.

The qualifications set out above does not preclude the competent authority from determining additional qualifications pursuant to the applicable laws and regulations.

Documents evidencing the satisfaction of the qualifications to serve on the Board of Directors shall be retained by the Company.

III.a.3 Composition of the Board of Directors

- 1) The Board of Directors consists of at least 2 (two) Directors, one among whom is appointed as President Director. The number of Directors is determined by the Shareholders;
- 2) Distribution of the duties and authority of members of the Board of Directors is determined by the Shareholders, which decision may be delegated to the Board of Commissioners;
- 3) If for any reason a seat in the Board of Directors becomes vacant:
 - a) The Shareholders within 60 (sixty) days of such vacancy must cause such vacancy to be filled;
 - b) Insofar as such position remains vacant and a replacement has not been appointed, another Director appointed by the Board of Commissioners performs

the work attributed to the vacant position, with the same duties and authority; or

- c) If the vacancy is caused by the conclusion of the office terms of a member, the member whose term has concluded will continue to discharge his/her duties and authority and exercise his/her regular rights and obligations as member of the Board of Directors up to the definite appointment of a new Director.
- 4) If at any time the Company has no member serving on its Board of Directors:
 - a) The Board of Commissioners is temporary obligated to perform the functions of the Board of Directors, whether collectively by themselves or by appointing one or more among themselves or any other persons to undertake such duty;
 - b) If the vacancy is caused by the conclusion of the office terms of all the Directors, the Directors whose term has concluded will continue to discharge their duties and authority and exercise their regular rights and obligations as members of the Board of Directors up to the definite appointment of the new Directors.
- 5) An individual nominated to sit on the Board of Directors must undergo a fit and proper test conducted by the Nomination and Remuneration Committee;
- 6) Board of Directors nominees who have passed the fit and proper test as well as reappointed Directors are required to sign a management contract prior to being affirmed as members of the Company's Board of Directors.
- 7) Members of the Board of Directors are appointed and discharged by the Shareholders or GMS from among the nominees nominated by the Nomination and Remuneration Committee.

III.b Office Term

- 1) Every member of the Board of Directors serves and office term commencing on the date of the appointing GMS and concluding on the closing of the third GMS following such appointment, and such member may be reappointed for a subsequent term.
- 2) The office term of a member of the Board of Directors concludes if such member:
 - Becomes deceased;
 - Has reached the conclusion of his/her office term; and
 - Is dismissed by virtue of a Shareholders' decision, including dismissal due to such Director no longer meeting the mandatory qualifications.
- 3) A member of the Board of Directors may resign from his/her office by written notice to the Shareholders with copies delivered to the Board of Commissioners and the other Directors.
- 4) Members of the Board of Directors resigning prior to or following the conclusion of his/her office term shall remain accountable for actions with regard to which an accountability report has not been received by the Shareholders;
- 5) A Director may be dismissed at any time by virtue of a Shareholders Resolution which states the reasons for such dismissal, including but not limited for the following reasons:
 - Unable to meet the obligations as agreed upon under the management contract;
 - Unable to discharge his/her duties in the proper manner;

- Fails to observe the stipulations of the articles of association;
 - Is involved in an act which adversely affects the Company and/or state;
 - Is found guilty under a court ruling having permanent legal force; and/or
 - Tenders his/her resignation.
- 6) A dismissal being contemplated upon a Director will be communicated to the person concerned verbally or in writing by the Board of Commissioners or a specifically designated officer. A decision of dismissal is made after the director in question has been given the opportunity to present a defense.
 - 7) Unless otherwise determined by the proposed dismissal of a member of the Board of Directors, insofar as the dismissal is being deliberated the Director concerned is obligated to duly perform his/her duties;
 - 8) The Board of Commissioners may suspend one or more members of the Board of Directors if such persons have committed an act which contravenes a provision of the Company's Articles of Association and/or there is found indications of an act which may adversely affect the Company and/or such persons has neglected their duties and/or there exists an urgent reason for the Company to take such action.
 - 9) A suspension must be communicated in writing to the Director concerned along with the reason for such suspension. A suspended Director is entitled to offer a defense. Within 60 (sixty) days following the receipt of the notice of suspension, the Board of Commissioners must have decided whether the individual is to be permanently dismissed from office or reinstated to his/her position.
 - 10) If the Shareholders do not come to decision within a period of 60 (sixty) days, such suspension is annulled. A suspension cannot be extended or reinstated for the same grounds, and the Director concerned is obligated to resume his/her duties;
 - 11) In the event of an addition to the members of the Board of Directors, the office term of the newly appointed Directors will conclude at the same time as the conclusion of the office term of the other Directors.

III.c Independent Directors

To ensure that the Board of Directors are able to act in the best interest of the Company, independence of the Directors is an important factor that must be maintained. To maintain independency, the Company establishes the following conditions:

- 1) Other than the Company's organs, no party shall discharge or interfere with the managerial activities of the Company;
- 2) A member of the Board of Directors are prohibited from engaging in an activity which may affect his/her independence in managing the Company.

III.d Orientation and Knowledge Intensification Program

III.d.1 Introductory Program

- 1) The Orientation Program is important to be implemented, as members of the Board of Directors may possess diverse backgrounds, thus such step is necessary to establish a solid team.
- 2) The Orientation Program requirement are as follows:
 - New Board of Directors members who are first-time appointees are required to partake in the Company Orientation Program.

- The President Director is responsible for the conduct of the orientation program, or if the President Director is unavailable, the responsibility for conducting the orientation shall fall on the President Commissioner or the available director.
 - The orientation program provided to members of the Board of Directors cover the following subjects:
 - a. Description of the duties and responsibilities of the Board of Commissioners and Board of Directors under the law.
 - b. Implementation of good corporate governance by the Company.
 - c. Description of the Company in respects of its vision, mission, culture, objective, nature, scope of operation, financial and operational performance, strategies, short- and long-term business plan, competitive position, risks, and other strategic issues.
 - d. Description of delegated authority, internal and external audit, internal control system and policy, and audit committee.
 - e. Team building. This particular activity should involve new and reappointed Directors.
- 3) The orientation program provided may be in the form of presentation, meetings or visits to the Company's facilities and other programs as may be required by the Company.

III.d.2 Knowledge Intensification Program

- 1) The Knowledge Intensification Program is important in allowing Directors to be updated on new developments of the Company's core business in the area of media and journalism.
- 2) Conditions of the Knowledge Intensification Program for the Board of Directors are as follows:
 - Knowledge Intensification Program is conducted in order to enhance the effectiveness of the Board of Directors' performance.
 - A plan for Knowledge Intensification Program must be incorporated into the Work Plan and Budget of the Company.
 - Each member of the Board of Directors participating in the Knowledge Intensification Program, such as in the form of seminars and/or training, may deliver a presentation to the other members of the Board of Directors for the purpose of information and knowledge sharing.
 - Members of the Board of Directors are required to prepare a report in the conduct of the Knowledge Intensification Program. The report is to be submitted to the Board of Directors.

III.e Duties, Authority and Obligations of the Board of Directors

III.e.1 Duties of the Board of Directors

The Primary Duties of the Board of Directors are:

- 1) To manage the Company in the interest and towards achieving the objectives of the Company, and to serve as highest authority in such management, and to represent the Company in and outside a court of law.
- 2) Maintain and manage the assets of the Company.
- 3) The Board of Directors are entitled to represent the Company in and outside a court of law and take any action and measure, whether with respect to its managerial duties or

the ownership of the Company's assets, and bind the Company with other parties and/or other parties with the Company, subject to the limitations as stipulated in the Company's articles of association.

- 4) Members of the Board of Directors are required to communicate any dissenting opinion/comment that they have with regard to the Board's resolution which may potentially adversely affect the Company. A dissenting opinion of a board member serves as internal evidence of a discharge from responsibility with respect to the Board's resolution in question.
- 5) The Board of Directors are entitled to form committees that are deemed necessary to assist in the management of the Company. A committee established under the auspice of the Board of Directors must have a work manual approved by the Board of Directors to guide it in the performance of its duties.

In performing the above duties, each member of the Board of Directors has the following categories of duty and responsibility:

- A = Approve or not Approve
 JR = Joint Responsibility
 R = Responsible/Accountable for output in own area
 S = Support and inform others in achieving the end result

Description of the duties and responsibilities of the Board of Directors are as follows:

No.	DUTY & RESPONSIBILITY	PD	CSD	FD	CSSD
1.	Determine the vision, mission and strategies of the Company subject to the approval of the Board of.	JR	JR	JR	JR
2.	Formulate interpretation, commitments and enhancements to the vision, mission and strategies of the Company.	JR	JR	JR	JR
3.	Establish basic corporate policies on strategies, finance, the organization, human resources and ICT system..	JR	JR	JR	JR
4.	Submit drafts of policies, operating standards, SOPs, and operate the Company in accordance with its authority as set out in the Articles of association , GMS Resolution and/or this Board Manual.	JR	JR	JR	JR
5.	The Board of Directors and each of its members to provide explanations on matters queried by the Board of Commissioners .	JR	JR	JR	JR
6.	Establish targets and performance evaluation for work units operating under the respective director in accordance with the Annual Business Plan and Long Term Business Plan.	A	R	R	R
7.	Submit drafts Annual Business Plan and Long Term Business Plan.	JR	JR	JR	JR
8.	Determine drafts and amendments to the Annual Business Plan and Long Term Business Plan.	JR	JR	JR	JR
9.	Establish and make the utmost effort to meet targets /key performance indicator in accordance with the performance evaluation of the Company and its subsidiaries in accordance with the Annual Business Plan and Long Term Business Plan.	JR	JR	JR	JR

10.	Propose policies and evaluation on a regular basis regarding its limit of authority, which governs thresholds of transaction value or use/acquisition of assets falling under the purview of the Board of Directors with reference to the Company's financial policies and the relevant decision making quorum.	JR	JR	JR	JR
11.	Appoint, dismiss, promote and demote officers of the Company, from the Unit Head level upwards as determined by an affirmation the Board of Directors.	JR	JR	JR	JR
12.	Appoint a Director to discharge the functions and duties of the President Director if the latter is unavailable.	A	S	S	S
13.	Establish and implement rules regarding the conduct of Board of Directors meetings.	JR	JR	JR	JR
14.	Conduct risk analysis, take measures to mitigate and overcome the various risks faced by the Company.	JR	JR	JR	JR
15.	Review, evaluate and correct and approve every investment project in accordance with the authority of the Board of Directors (IAC/IDC or equivalent).	JR	JR	JR	JR
16.	Conduct monitoring of the implementation of approved projects and investments.	A	R	S	S
17.	Formulate, enhance and implement development plans of the ABM Group.	A	R	S	S
18.	Identify and determine business partners outside the tender award.	A	R	S	S
19.	Implement and control all financial policies in accordance with the Board of Directors resolution and practice efficiency and effectiveness with regard to the financial functions of the Company and the ABM Group.	A	S	R	S
20.	Coordinate the implementation of the Annual Business Plan and Long Term Business Plan with regard to accounting and finance, treasury, and the management and development of financing sources for the growth of the Company.	A	R	S	S
21.	Develop maintain relations with public investors.	A	S	R	S
22.	Identify and develop values that can increase the Company's competitive advantage with due regard to compensation and benefit to the human resources.	A	S	S	R
23.	Design and develop an organization that can implement business strategies in an effective manner and achieve efficiency in undertaking the Company's operational routines (organization planning).	A	S	S	R
24.	Acquire, develop and maintain leaders/directors needed by the ABM Group (leadership development).	A	S	S	R
25.	Manage, develop and ensure communication with stakeholders through corporate communication channels in an effective manner in accordance with the Company's policies.	A	S	S	R
26.	Plan, coordinate and discharge the Company's obligations in relation to social and environmental responsibilities.	A	S	S	R

PD : President Director
 CSD : Corporate Strategic Planning Director
 FD : Finance Director
 CSSD : Corporate Support Services Director

III.e.2 Authority of the Board of Directors

In exercising its authority, the Board of Directors categorizes its authority as follows:

AT = Authorized
CA = Collective Authority
S = Support

A description of the authority held by members of the Company's Board of Directors are as follows:

No.	AUTHORITY	PD	CSD	FD	CSSD
1.	Represent the Company in and outside a court of law.	AT	AT	AT	AT
2.	Represent and/or bind the Company with other parties in accordance with the authority conferred in the Company's Articles of Association. "The President Director represents the Company, and if unavailable may be substituted by another Director."	AT	AT	AT	AT
3.	Convene a Board of Directors meeting as deemed necessary one or more Directors or upon the written request of one or more member of the Board of Commissioners or Shareholder representing at least 1/10 of the total voting shares.	AT	AT	AT	AT
4.	Convene a General Meeting of Shareholders at any time as deemed necessary upon the written request of one or more members of the Board of Commissioners or Shareholder representing at least 1/10 of the total voting shares.	CA	CA	CA	CA
5.	Validate the Company's Annual Report including the Financial Report.	CA	CA	CA	CA
6.	Propose policies and procedures under each department or unit operating under the auspice of the respective director, in order to achieve the set targets of such functional department or unit.	AT	AT	AT	AT
7.	Determine the Company's organizational structure.	CA	CA	CA	CA
8.	Propose amendments to the Annual Business Plan and Long Term Business Plan.	CA	CA	CA	CA
9.	Determine the growth plan of the business operations of the Company and the ABM Group.	CA	CA	S	S
10.	Affirm the Company's personnel management system.	CA	S	S	CA
11.	Affirm policies and procedures with respect to accounting, treasury, and financial management of the Company and the ABM Group.	CA	S	CA	S

III.e.3 Annual Business Plan (RKT)

The Board of Directors formulates an Annual Business Plan prior to the commencement of the upcoming financial year. The Annual Business Plan consists of the Company's annual budget for the upcoming financial year.

The Annual Business Plan is submitted by the Board of Directors to the Board of Commissioners for review, prior to being submitted to the GMS for approval.

The Annual Business Plan contains at least:

- a. The vision, mission, business targets, business strategies, policies and work programs of the Company;
- b. The Company's budget detailed by work program for the upcoming financial year;
- c. The Company's and its subsidiaries' financial projection for the upcoming financial year;
- d. Other matters requiring a resolution of the GMS.

Procedure:

- a. The Board of Directors compiles a draft Annual Business Plan through a Board of Directors and submit the compilation to the Board of Commissioners 60 days prior to the commencement of the new budget year.
- b. The Board of Commissioners provides inputs/recommendations for amendment of the Annual Business Plan and deliver the same to the Board of Directors by no later than the first day of December or 1 (one) month upon receiving the draft Annual Business Plan.
- c. If the input/recommendation from the Board of Commissioners can be accepted, the Board of Directors amends the draft Annual Business Plan to be resubmitted to the Board of Commissioners and the Shareholders by no later than 31 December or 1 (one) month upon receiving the input/recommendation from the Board of Commissioners.
- d. The Board of Commissioners provides its views and renders its approval of the draft Annual Business Plans to the Board of Directors.

III.e.4 Long Term Business Plan (RKJP)

The Board of Directors must draft a Long Term Business Plan, which constitute strategic plans containing the targets and objectives of the Company to be achieved within a period of 3 (three) or 5 (five) years, and an Annual Business Plan which is an elaboration of the Long Term Business Plan.

The draft Annual Business Plan and draft Long Term Business Plan is co-signed by the Board of Directors and Board of Commissioners and delivered to the Shareholders for validation.

The Long Term Business Plan consists of at least:

- a. Evaluation of the implementation of the previous Long Term Business Plan.
- b. The Company's position as of the date of the draft;
- c. Assumptions used in the drafting of the Long Term Business Plan;
- d. The vision, mission, targets, strategies, policies, and long term business programs;
- e. Policies relating to the development of the Company's business.

Purpose of the Long Term Business Plan:

- a. To define the Company's vision and mission.
- b. To identify priorities and performance to be achieved.
- c. To formulate strategic plans with the aim of increasing the Company's competitive edge in order to achieve the said vision, mission and targets.

Procedure:

- a. The Board of Directors prepares a draft Long Term Business Plan by no later than the end of March.
- b. The Board of Directors delivers the draft Long Term Business Plan to the Board of Commissioners.
- c. The Board of Commissioners reviews the draft Long Term Business Plan and, if necessary, provides inputs/recommendations for amendment.
- d. The Board of Commissioners delivers the inputs/ recommendations for amendment to the Board of Directors by no later than 30 (thirty) calendar days upon receiving the draft Long Term Business Plan.
- e. The Board of Directors sends out notice of a Board of Commissioners – Directors Joint Meeting to discuss the draft Long Term Business Plan.
- f. The Board of Commissioners and Board of Directors convenes the Joint Meeting.
- g. The Board of Commissioners renders its approval of the revised draft Long Term Business Plan.

- h. The Board of Commissioners and Board of Directors signs the agreed upon Long Term Business Plan.

III.f Distribution of Duties Among Directors

Assignment of the duties for each Director is determined by the GMS. If the GMS does not make a determination, distribution of the duties and authority of the Board of Directors is determined by resolution of the Board of Commissioners.

III.g Board of Directors Meeting

III.g.1 Time of Convening a Board of Directors Meeting

- 1) A Board of Directors meeting may be convened at any time as deemed necessary:
 - by one or more directors;
 - upon the written request of one or more members of the Board of Commissioners;
 - upon the written request of one or more shareholders jointly holding 1/10 or more of the entire voting shares;
- 2) Regular meetings are convened once every two weeks.

III.g.2 Notice and Location of Meeting

- a) A Notice of Board of Directors Meeting is issued by the President Director, or by a Director if the President Director is unavailable.
- b) A Notice of Board of Directors Meeting is delivered by no later than 7 (seven) calendar days prior to the date of the meeting, not counting the date of the notice, via email and confirmed by telephone.
- c) A Notice of Board of Directors Meeting must state the agenda, date, time and venue of the Meeting.
- d) Board of Directors Meetings are held at the domicile of the Company or its location of business.
- e) Notice of Board of Directors Meeting is not required the meeting may be held at any location if all members of the Board of Directors are present or represented.
- f) The a Board of Directors Meeting may be held through video conference or other electronic means which allows all participants to the meeting to directly communicate visually and audibly and participate in the Board of Directors Meeting.

III.g.3 Meeting Chair and Persons Entitled to Attend

A Board of Directors Meeting is chaired by the President Director, and if the President Director is unavailable the Meeting is chaired by a Director elected by and from among the Directors present.

The Board of Directors may invite members of the Board of Commissioners to explain, provide inputs or engage in discussions regarding any issue as material for the Board of Directors to discharge its function. If necessary, the Board of Directors may invite the relevant department or business unit to attend the Board of Directors.

III.g.4 Director's Power of Attorney in a Meeting

A member of the Board of Directors may be represented in a Board of Directors Meeting only

by another Director by virtue of a power of attorney.

III.g.5 Quorum

- a) A Board of Directors Meeting is duly convened and entitled to adopt binding resolutions if more than ½ of the total number of Directors are present or represented in such Meeting.
- b) A resolution of the Board of Directors is adopted through amicable negotiation.
- c) A resolution adopted by voting is passed if approved by more than ½ of the entire votes cast during the Meeting.
- d) If the number of consenting and dissenting votes are equal, the Chairman of the Meeting will decide the matter.
- e) Voting with regard to a person is conducted using unsigned folded ballots, whereas voting concerning other matters are conducted verbally except as otherwise determined by the chairman of the meeting without any objection from the meeting participants.
- f) Blank and invalid votes are considered as not having been cast and will not be counted in determining the number of votes cast.

	Required number of approving Directors
1. Making or receiving loans on behalf of the Company. *)	>1/2
2. Merger or acquisition (including acquisition without takeover), joint venture, and joint operation.	>1/2
3. Establishment of a subsidiary	>1/2
4. Opening of a branch office of the Company	>1/2
5. Sale of subsidiary *)	>1/2
6. Sale of ≤ 50% of the Company's assets. *)	>1/2
7. Encumber as security ≤50% of the Company's assets. *)	>1/2
8. Investment; participation in a project/tender.	>1/2
9. Mass termination of employment	>1/2
10. Determination of \salary and bonus other than for the Directors.	>1/2
11. Annual Business Plan and Long Term Business Plan	>1/2
12. The Company's Annual Report	>1/2
13. The Company's Annual Financial Report	>1/2
14. Write-off of assets, receivers and collection (ad hoc).*)	>1/2
15. Issuance of tender awards to vendors *)	>1/2
16. Determination or changes of system or process having a significant impact on the Company.	>1/2
17. Interim Dividend	>1/2
18. Repurchase of shares and/or sale of stocks issued by the Company through a stock exchange/ financial institution	>1/2
19. Rent out assets for a period of more than 3 years.	>1/2
20. Bind the Company as a guarantor.	>1/2

*) Such action to comply with the Limit of Authority applicable at the Company, subject to the prevailing laws and regulations, including in the event the Company changes its status to become a public company.

Other than the quorum as described in the table above, every resolution adopted by the Board

of Directors Meeting are valid if approved by more than 1/2 of the votes cast.

III.g.6 Adoption of Resolutions Outside a Meeting (Circular)

The Board of Directors may adopt valid resolutions without convening a Board of Directors Meeting provided that all members of the Board of Directors render their approval on the proposal in writing and sign such approval.

III.g.7 Minute of Meeting

- 1) Minute of Meeting is prepared by a Director or a person assigned by the Board of Directors.
- 2) A minute of meeting must state any dissenting opinion/comment made by the Directors..
- 3) The minute of meeting must be distributed to all members of the Board of Directors by no later than 3 (three) business days from the date of the meeting.
- 4) By 3 (three) business days from the date the minute is distributed, members of the Board of Directors must indicate their approval or objection and/or proposed changes to the content of the minute of meeting.
- 5) A member of the Board of Directors is deemed to approve the content of the minute of Board of Directors Meeting (also if such minute states a dissenting opinion) if such member fails to indicate his approval, objection and/or proposed amendment to the minute by 3 (three) business days from the date of distribution.
- 6) The minute of Board of Directors Meeting may be signed by the Meeting chairman and at least one Director designated by and among those present.
- 7) The minute of Board of Directors Meeting is kept by the Board of Directors.

III.h Board of Directors Supporting Organs

In performing its duties, the Board of Directors may be assisted by supporting organs, such as committees operating under the Board of Directors, Corporate Secretary, as well as risk management functions in accordance with the needs and ability of the Company.

III.h.1 Corporate Secretary

To facilitate the performance of its duties, the Board of Directors may appoint a Corporate Secretary. The Corporate Secretary must possess adequate academic qualifications to allow the discharge its duties and responsibilities.

The duties and responsibilities of the Corporate Secretary are as follows:

- 1) Undertake the role as contact person between the Board of Directors, the Board of Commissioners, Shareholders, the Government/the relevant governmental agencies, the public and other stakeholders.
- 2) Direct, coordinate and review the issuance of statements from a legal, documentary, public relations, protocol, and ceremonial aspects of the Company in order to support the effective and efficient implementation of the Company's activities and to enhance the Company's image.
- 3) Undertake secretarial activities for the Board of Directors, Board of Commissioners and the Company as well as administrative matters, including the management and retention of documents relating to the Company's activities, which include documents pertaining to GMS, minute of Board of Directors meeting, minute of Board of

Commissioners meeting, minute of Joint Meeting, Special Registry of Shareholders, dissenting opinion documents, invitations, meeting agenda, meeting materials and other documents.

- 4) Coordinate the holding of GMS, Board of Directors Meeting, Board of Commissioners Meeting, and Joint Meeting, and manage scheduling to ensure the effective conduct of the meetings for the interest of the Company.
- 5) Direct, coordinate and conduct all information dissemination activities in the form of formal orientations, bulletins, clippings, electronic mail and other media to the Board of Directors and Board of Commissioners and other stakeholders, thus ensuring the dissemination of accurate and updated information which supports the Company's image.
- 6) Regularly provide information to the Board of Directors and Board of Commissioners as requested, to ensure that the Company complies with the laws and regulations regarding disclosure in accordance with applicable Company regulations.
- 7) Coordinate the Board of Directors' actions relating to corporate activities to support the effective performance of the Board of Directors' functions and the Company's performance.
- 8) Represent the Board of Directors in communicating with parties external to the Company and/or within the company pursuant to the mandate given and the determined policy.
- 9) Direct, coordinate and, if necessary, act as the representative of the Company with respect to, activities relating to the Company interest in order to bridge the Company's interest with those of stakeholders and other relevant external parties.
- 10) Direct, coordinate and control the undertaking of activities relating to the implementation of good corporate governance in order to ensure the good governance of the Company.

III.h.2 Internal Audit

To insure an effective internal control system, the Board of Directors is structurally assisted by an Internal Audit Unit, Structural Officers and all components within the Company. The Internal Audit Unit is chaired by a chairman who is accountable to the Board of Directors. Work programs and audit reports are submitted to the Board of Directors with copies delivered to the Board of Commissioners, to serve as material for the Audit Committee's review.

The primary duties of the Internal Audit Unit are:

- 1) Prepare and implement control strategies, policies and plans;
- 2) Conduct operational and compliance audits on all activities of the Company in order to enhance the effectiveness of internal control, risk management and GCG process;
- 3) Conduct special audits to examine suspected cases of abuse of power, embezzlement, irregularities and fraud;
- 4) Provide consultation to all of the management regarding efforts to enhance effectiveness of internal control, enhancement of efficiency, risk management, and other activities having the purpose of improving the Company's performance.

III.i Board of Directors' Performance Evaluation

III.i.1 General Policy

- 1) The performance of the Board of Directors and its individual members are evaluated by the shareholders in a GMS.
- 2) In general terms, the performance of the Board of Directors is determined based on the duties and obligations stated in the applicable laws and regulations and the Company's Articles of Association and the mandate given by the Shareholders. The formal evaluation criteria is communicated openly to members of the Board of Directors on the date of their appointment as stated in the Management Contract, which serve as the performance target of the Board of Directors both jointly as well as individually.
- 3) Result of evaluation of the performance of the Board of Directors and its individual members constitute an inseparable part of the Directors compensation and incentive scheme.
- 4) Result of evaluation of the performance of an individual Board member serves as a basis for consideration by the Shareholders in dismissing and/or reappointing such member. Result of such performance evaluation is a means to assess and enhance the effectiveness of the Board of Directors.

III.i.2 Board of Directors Performance Evaluation Criteria

Performance evaluation criteria applicable to the Board of Directors and its individual members is submitted by the [Nomination and Remuneration Committee] to the Board of Commissioners for affirmation at the GMS, and comprises of at least the following:

- 1) Attendance at Board of Directors Meetings and meetings with the Board of Commissioners and other committees;
- 2) Contribution to the Company's management processes;
- 3) Involvement in certain assignments;
- 4) Commitment towards the advancement of the Company's interests;
- 5) Compliance with the applicable laws and regulations and policies of the Company.

III.j Actions of the Board of Directors Requiring Written Approval of the Board of Commissioners

In order to undertake certain actions, the authority of which is not entirely conferred to the Board of Directors, the Board of Directors must obtain prior written approval of the Board of Commissioners. Such actions are with regard to:

- 1) Making or receiving loans on behalf of the Company;
- 2) Merger or acquisition (including acquisition without takeover), joint venture, and joint operation;
- 3) Establishment of a subsidiary;
- 4) Opening of a branch office of the Company;
- 5) Sale of subsidiary's shares;
- 6) Sale of $\leq 50\%$ of the Company's assets;
- 7) Encumber as security $\leq 50\%$ of the Company's assets;
- 8) Investment; participation in a project/tender;
- 9) Mass termination of employment;
- 10) Determination of salary and bonus of the Directors;
- 11) Annual Business Plan and Long Term Business Plan;
- 12) Company's Annual Report;
- 13) Company's Annual Financial Report;

- 14) Write-off of assets, receivers and collection (ad hoc);
- 15) Interim Dividend;
- 16) Repurchase of shares and/or sale of stocks issued by the Company through a stock exchange/ financial institution;
- 17) Rent out assets for a period of more than 3 years;
- 18) Bind the Company as a guarantor;

Procedure:

- 1) The Board of Directors prepares materials relating to the action requiring written approval from the Board of Commissioners.
- 2) The Board of Directors delivers the materials to the Board of Commissioners.
- 3) The Board of Commissioners reviews the materials submitted by the Board of Directors and, if necessary, may require additional explanation from the Board of Directors, but not more than 1 (one) time and no later than 14 (fourteen) calendar days upon receiving the materials from the Board of Directors.
- 4) The Board of Directors provides additional materials and explanation, if any, as requested by the Board of Commissioners, by no later than 14 (fourteen) calendar days upon receiving such request.
- 5) The Board of Commissioners issues written decision with regard to the materials proposed by the Board of Directors by 5 (five) calendar days following the review of the materials or after receiving the additional explanation from the Board of Directors.
- 6) If within 30 (thirty) days upon receipt of the request or additional explanation or data from the Board of Directors, the Board of Commissioners fails to issue a written approval on the above matters, the Board of Commissioners is deemed to have approved the Board of Directors' proposed action.

III.k Actions of the Board of Directors Requiring GMS Approval

To undertake certain actions, the Board of Directors is required to obtain the approval of the GMS, with regard to the following:

- 1) Amendment to the Articles of Association
- 2) Business amalgamation
- 3) Merger
- 4) Takeover
- 5) Spin-off
- 6) Petition for bankruptcy
- 7) Extension of the Company's term of establishment
- 8) Dissolution of the Company
- 9) Encumbrance as security more than 50% of the Company's assets
- 10) Increase/reduction of issued and paid-up capital
- 11) Share or stock buyback at the stock exchange or other financial institution
- 12) Release and discharge of the Board of Directors and Board of Commissioners members
- 13) Engagement of the Company as guarantor
- 14) Changes to the Company's management
- 15) Determination of bonus, salary and benefits of the members of the Board of Directors and Board of Commissioners
- 16) Determination of independent auditor or public accountant's office

Chapter 4

Part Four
RELATIONSHIP AMONG THE COMPANY'S ORGANS

IV.a General Meeting of Shareholders

The General Meeting of Shareholders, hereinafter referred to as GMS, is an organ of the Company which hold authority not delegated to the Board of Directors or the Board of Commissioners, within the boundaries set by the applicable laws and/or the Articles of Association .

GMS consists of:

a) Annual GMS

Annual GMS is GMS held once every year to validate the Annual Report prepared by the Board of Commissioners, and to appoint a Public Accountant's Office.

Validation of Annual Report

The purpose of Annual Report validation is to obtain accountability of the Board of Directors' work for the previous year as compared to the approved Annual Business Plan and the applicable laws and regulations, and to effect a release and discharge of each of the Board of Directors and Board of Commissioners members, without reducing their responsibility with respect to any criminal offense or errors or negligence causing loss to be suffered by a third party which cannot be compensated by the Company's assets.

Annual Reports are prepared to give an illustration and accountability with respect to the management of the Company for a period of one year, to be validated by the Shareholders and disseminated to other stakeholders. An Annual Report must at least contain:

- a. Financial report consisting of at least a balance sheet of the preceding financial year as compared to the balance sheet for the previous financial year, a profit loss statement of the relevant financial year, cash flow report, and report on changes to equity, and notes on the current financial reports;
- b. Report on the operational activities of the Company (including achievements with respect to the Annual Business Plan and the Long-Term Business Plan);
- c. Report on the implementation of the Company's Corporate Social Responsibilities and Environmental Obligations;
- d. Description of issues arising during the relevant financial year which affect the Company's operational activities;
- e. Report on the supervisory duties undertaken by the Board of Commissioners during the preceding financial year;
- f. Report on the condition and the running of the Company and the results achieved;
- g. The Company's primary business operation and any changes thereto made during the relevant financial period;
- h. Names of the Company's Board of Directors and Board of Commissioners members;
- i. Salary and benefits of the Company's Board of Directors members and salary or honorarium of the Board of Commissioners members for the preceding year.

Procedure:

- a. The Board of Directors prepares a draft Annual Report for the period of January-February;
- b. The Board of Directors delivers the draft Annual Report to the Board of Commissioners by no later than early March;
- c. The Board of Commissioners reviews the draft Annual Report and, if necessary, gives input/recommendations on amendment;
- d. The Board of Commissioners delivers their input/recommendations on amendment to the Annual Report to the Board of Directors no later than 14 (fourteen) calendar days upon receiving the draft Annual Report;
- e. The Board of Directors sends out notice of a Board of Commissioners-Directors Joint Meeting to discuss the draft Annual Report;
- f. The Board of Commissioners and Board of Directors convenes a Joint meeting;
- g. The Board of Commissioners and Board of Directors sign the Annual Report to be subsequently submitted to the Shareholders;
- h. The Board of Directors sends out notice of an Annual GMS, no later than 14 calendar days prior to the GMS date and submits the Company's Annual Report to Bapepam-LK;
- i. The Board of Directors convenes the Annual GMS, no later than June;
- j. The GMS adopts a resolution with regard to the proposed Annual Report.

Appointment of a Public Accountant

Appointment of a Public Accountant is aimed towards acquiring the service of a reputable public accountant's office of international stature which meets the standard professional qualification of a public accountant.

Procedure:

- a. The Board of Directors together with the Audit Committee drafts a Term of Reference (ToR) and a shortlist of the nominated public accountant, to be submitted to the Board of Commissioners for approval, by no later than the end of January.
 - b. If necessary, the Board of Directors forms an Public Accountant Service Procurement Committee comprising of the Procurement and other relevant functions, under the monitoring of the Audit Committee.
 - c. The Board of Directors submits the nominated Public Accountant to the Board of Commissioners and General Meeting of Shareholders.
 - d. The GMS adopts a resolution on the appointment of the nominated Public Accountant, and may delegate to the Board of Commissioners the authority to enter into a service agreement with the appointed Public Accountant as resolved by the GMS.
- b) Other GMS or Extraordinary GMS
- An Extraordinary GMS is convened if deemed necessary by the Board of Directors and/or Board of Commissioners and/or Shareholders.

IV.a.1 Request for the Convening of a GMS

The convening of an Other GMS may be conducted upon the request of:

- 1) 1 (one) or more shareholders jointly representing 1/10 (one-tenth) or more of the total number of voting shares, except if the Articles of Association determines a lower threshold. The Shareholder submits a letter of request for a GMS to the Board of Directors via registered mail along with the reasons for such request. A copy of such shareholder's letter of request for a GMS is to be delivered to the Board of Commissioners.
- 2) The Board of Commissioners submits a letter of request for a GMS to the Board of Directors via registered mail along with the reason for such request.

Upon receiving a request for the convening of an Extraordinary GMS or an Other GMS, the Board of Directors or the Board of Commissioners must carry out the following:

- 1) Carry out due procedure for the convening of a GMS by no later than 15 (fifteen) calendar days from the date of receipt of such request for a GMS.
- 2) In the event the Board of Directors fails to send out notice of a GMS as stipulated in paragraph 1 above, the request for a GMS may be resubmitted by the Shareholder to the Board of Commissioners (in the case where the GMS is requested by the Shareholder).
- 3) In the event the Board of Directors fails to send out notice of a GMS requested by the Board of Commissioners, the Board of Commissioners is entitled to send out notice of a GMS (in the case where the GMS is requested by the Board of Commissioners).
- 4) The Board of Commissioners must send out the notice of the GMS by no later than 15 (fifteen) calendar days from the date on which the request for the GMS is received.
- 5) Convening of GMS of a Public Company is subject to the provisions of this law provided that the capital market law does not provide otherwise.
- 6) GMS is to be held at the Company's domicile or the business location of the Company.
- 7) GMS must be held within the Republic of Indonesia.

IV.a.2 Procedure for the Convening of a GMS

In convening a GMS, the Company must comply with the following:

- 1) If provided under the regulatory provisions governing the convening of GMS, the Board of Directors will deliver a written notice regarding the planned GMS to the appropriate agency, where such notice must at least contain the meeting date, location, time and agenda. Such notice must be given by no later than 7 (seven) calendar days prior to the announcement of the GMS.
- 2) Unless required by the regulatory provisions governing the convening of GMS, the Board of Directors may place announcements of the GMS in at least 2 (two) daily newspapers with nationwide circulation. The announcement of GMS must be placed by no later than 14 (fourteen) calendar days prior to the notice of GMS.
- 3) The Shareholders may propose the agenda to be tabled at the GMS by providing the same in writing by no later than 7 (seven) calendar days prior to the notice of GMS. The proposed agenda is to be delivered to the Board of Directors or, if the GMS is convened by the Board of Commissioners, to the Board of Commissioners of the Company. The proposed agenda must relate to the Company and the Company's Board of Directors/Board of Commissioners are entitled to reject the proposed agenda.
- 4) Notice of a GMS must be given by no later than 14 (fourteen) calendar days prior to the date of the GMS, excluding the date of the notice. Unless required by the regulatory provisions regarding the convening of a GMS, the notice must be placed in at least 2 (two) daily newspapers with nationwide circulation. The notice of meeting must state the date, time, place and agenda of the GMS.
- 5) Materials for the GMS must be made available at the Company as on the date of the

GMS notice and provided to the Company's Shareholders free of charge.

- 6) Unless required by the regulatory provisions regarding the convening of a GMS, the Board of Directors may announce the resolution of the GMS in at least 2 (two) newspapers with nationwide circulation. The announcement of GMS resolution must be made by no later than 2 (two) business days following the date of the GMS.
- 7) The Company must comply with the applicable regulatory provisions governing the convening of GMS.

IV.a.3 GMS Chairman and Persons Entitled to Attend

A GMS is chaired by the President Commissioner and in the event the President Commissioner is unavailable, the Meeting is chaired by another member of the Board of Commissioners elected by and from among the Commissioners present.

In the event all members of the Board of Commissioners are not present or are unavailable due to any reason whatsoever, which reason shall not be required to be proven to third parties, the GMS will be chaired by the Company's President Director. In the event the President Director is unavailable, the GMS will be chaired by a Director elected by and from among the Directors present.

In the event all members of the Board of Directors are not present or are unavailable due to any reason whatsoever, which reason shall not be required to be proven to third parties, the GMS will be chaired by a person elected by and from among the persons present at the Meeting.

Provisions regarding the chairman of the GMS are subject to the Company's Articles of Association and/or other governing regulation or provision.

IV.a.4 GMS Chairman with Conflict of Interest Agenda

In the event a GMS is convened to decide upon a matter involving a Conflict of Interest, the GMS will be chaired by the President Commissioner. If the President Commissioner has a conflict of interest, the GMS will be chaired by the a Commissioner without a conflict of interest appointed by Commissioners present at the Meeting. In the event all members of the Board of Commissioners have a conflict of interest, the GMS will be chaired by the President Director.

In the event the President Director has a conflict of interest, the GMS will be chaired by another Director who does not have a conflict of interest appointed by the Directors present at the meeting. In the event all of the Directors have a conflict of interest, the GMS will be chaired by an independent Shareholder elected by the other Shareholders present at the Meeting.

IV.a.5 Quorum

- 1) A GMS is duly convened and entitled to adopt binding resolutions if more than ½ of the total number of voting shares are present or represented at the Meeting, unless otherwise provided by the Articles of Association.
- 2) A GMS resolution must be adopted by amicable negotiations.
- 3) Adoption of a valid resolution through voting is based on a total approving votes of more than ½ of the total number votes cast at the meeting. The Articles of Association stipulates that a resolution is valid if approved by the majority of votes.
- 4) Voting concerning a person is conducted using closed ballot without signature, whereas voting concerning any other matter is conducted verbally, except if otherwise determined by the chairperson without any objection from the other attending participants.
- 5) Blank and invalid ballots are considered as having duly cast and are not counted in determining the number votes cast.
- 6) Shareholders with voting rights who are present at the GMS but do not cast their votes are deemed to cast the same vote as the majority votes of the Shareholders casting their votes.

Action	Attendance Quorum	Resolution Quorum
1. Amend the Articles of Association	2/3	2/3
2. Amalgamation	3/4	3/4
3. Merger	3/4	3/4
4. Takeover	3/4	3/4
5. Spin-off	3/4	3/4
6. Petition for bankruptcy	3/4	3/4
7. Extension of the Company's term of establishment	3/4	3/4
8. Dissolution of the Company	3/4	3/4
9. Encumbrance as security more than 50% of the Company's assets	1/2	>1/2
10. Increase/reduction of issued and paid-up capital	1/2	>1/2
11. Share or stock buyback at the stock exchange or other financial institution	1/2	>1/2
12. Release and discharge of the Board of Directors and Board of Commissioners members	1/2	>1/2
13. Engagement of the Company as guarantor	3/4	3/4
14. Changes to the Company's management	1/2	>1/2
15. Determination of bonus, salary and benefits of the members of the Board of Directors and Board of Commissioners	1/2	>1/2
16. Determination of independent auditor or public accountant's office	1/2	>1/2

In addition to the quorums prescribed in the above table, unless otherwise provided by the Company's Articles of Association or the applicable regulatory provisions, every resolution adopted by a GMS is valid if at least $\frac{1}{2}$ of voting rights are present or represented at the meeting, and such resolution approved by more than $\frac{1}{2}$ of the votes cast at the meeting.

IV.a.6 Adoption of Resolution Outside a Meeting (Circular)

Shareholders may adopt binding resolutions outside a GMS provided that all shareholders having voting rights approve the proposal in writing and sign such approval.

IV.a.7 Minute of Meeting

- 1) Minute of Meeting is prepared by the Board of Directors or a person assigned by the Board of Directors (such as the Corporate Secretary).
- 2) A minute of meeting must be signed by the Meeting chairman and at least one shareholder.
- 3) The signatures as prescribed in paragraph 2 above are not required if the minute of GMS is prepared in the form of a notarized deed.
- 4) The minute of GMS is signed by the Meeting Chairman and a Shareholder or a proxy of the Shareholders appointed by and from among those present at the meeting.
- 5) The signatures as prescribed in paragraph 4 are not required if the minute of meeting is prepared in a notarized deed.
- 6) The minute of meeting is retained by the Board of Directors.

If the Company is public company, it will be subject to the prevailing regulatory provisions governing the convening and procedure of GMS.

IV.b Joint Meeting of the Board of Directors and Board of Commissioners

The Board of Directors and the Board of Commissioners, performing their respective management and supervisory functions of the Company, must convene a joint/coordination meeting on a regular basis (Joint Meeting). Procedure and terms for convening a Joint Meeting or coordinating meeting are as follows:

IV.b.1 Persons Entitled to Convene a Joint Meeting

- 1) A Joint Meeting may be convened at any time as deemed necessary by one or more members of the Board of Commissioners or Board of Directors.
- 2) A regular Joint Meeting is conducted once every 3 months.

IV.b.2 Meeting Notice and Location

- 1) Notice of a Joint Meeting is issued by the Board of Commissioners or Board of Directors is sent out no later than 21 (twenty-one) calendar days prior to the meeting date, excluding the notice day, through a letter and confirmed via telephone.
- 2) Notice of a Joint Meeting must state the meeting agenda, date time and venue.
- 3) A Joint Meeting is held at the Company's domicile or place of business.
- 4) A Joint Meeting may be held using video conferencing or using other electronic media which allows all of the participants to the Meeting to have real time visual and audio contact with each other and participate in the Meeting.

IV.b.3 Joint Meeting Chairman and persons entitled to be present

Joint Meeting is chaired by the President Commissioner or a Commissioner designated by the President Commissioner during the Meeting. Members of the Board of Commissioners and Board of Directors attends the Joint Meeting.

Joint Meeting is attended by members of the Board of Commissioners and Board of Directors, the Corporate Secretary and invitees. A minute of meeting is to be prepared by the Corporate Secretary or a person designated by the Board of Directors to document the meeting proceeding.

IV.b.4 Minute of Meeting

- 1) Minute of meeting is prepared by the Corporate Secretary or a person assigned by the Board of Directors.
- 2) The minute of meeting must be distributed to all members of the Board of Commissioners and Board of Directors by no later than 14 (fourteen) calendar days from the date of the Meeting.
- 3) By 14 (fourteen) calendar days from the distribution of the minute of meeting, the members of the Board of Commissioners and Board of Directors must communicate their approval or objection and/or proposed amendment to the content of the Minute of Joint Meeting.
- 4) Members of the Board of Commissioners and Board of Directors are deemed as having approved the content of the Minute of Joint Meeting if they do not communicate their approval, objection and/or proposed amendment to the minute by 14 (fourteen) calendar days from the date of distribution.
- 5) A Minute of Joint Meeting may be signed by the meeting chairman and at least one Director designated by and from among those present at the Meeting.
- 6) The Minute of Joint Meeting is kept by the Board of Directors.

IV.b.5 Periodic Report

The periodic report constitute a report by the Board of Directors to the Board of Commissioners with regard to the implementation of the Annual Business Plan.

The periodic report consists of a report on the quarterly realization report and the annual realization report of the Annual Business Plan. The Board of Directors must prepare the Long Term Business Plan and Annual Business Plan in a timely manner, including other plans related to the business operation and activities of the Company and submit the same to the Board of Commissioners.

IV.b.6 Special Report

In addition to the periodic report, the Board of Directors may at any time submit a special report to the Board of Commissioners and/or Shareholders.

The Special Report is a report given by the Board of Directors to the Board of Commissioners other than the periodic report, based upon the request of the Board of Commissioners or upon the initiative of the Board of Directors, which concerns the performance of the Company's business operations including the implementation of the business management system, implementation of risk management, and information technology system employed by the Company.

IV.c Formal Communication

Formal communications comprise of written correspondences in the form of reports, official memos, and correspondences including formal Memoranda among Company organs with regard to the performance and running of the primary duties and functions of the respective organ. A letter/memorandum may be in the form of conveyance of information, request, opinion or advice, and request for comments.

Communication can be effected using hardcopy or electronic copy (computer or email). The Corporate Secretary monitors and provide directives/reminders regarding management of formal communication of Memorandum.

To enhance security and confidentiality of documents, preventive and restrictive measures, detection, and corrective actions are undertaken by the respective functional unit, by taking measures to reduce the amount of printed materials.

Such measure may be pursued through the conversion of written materials into electronic copies (such as using scanners), maintenance of physical security, storage of documents, maintenance of infrastructure security (server, terminals, network) and allocation of access rights.

Reporting

Reporting is a form of formal written communication occurring between the relevant organs in accordance with the conditions set out in the Articles of Association and/or based on best practices of the Company, constituting the submission of reports and/or data and information exchange and the supporting analysis.

Official Letter/Memo

Official Letter/Memo constitute formal correspondence among organs concerning the performance and undertaking of the primary duties and functions of the respective organs. An Official Letter/Memo may convey information, request and opinion and comment, request for a special written request, and request for approval by the Board of Directors to the Board of Commissioners.

Conversely, Official Letter/Memo from the Board of Commissioners may be the conveyance of information, opinion or advice, special written comment, and approval in response to a request from the Board of Directors.

Procedure:

- 1) Correspondence/exchange of memos may be undertaken using hardcopy, electronic copy (compute media) or electronic mail.
- 2) The Corporate Secretary and the Board of Commissioners Secretary monitor and issues directives/reminders with respect to irregularities in the use of such media.
- 3) To enhance security and confidentiality of documents, preventive and restrictive measures, detection, and corrective actions are undertaken by the respective functional unit, by taking measures to reduce the amount of printed materials. Such measure may be pursued through the conversion of written materials into electronic copies (such as using scanners), maintenance of physical security, storage of documents, maintenance of infrastructure security (server, terminals, network) and allocation of access rights.

IV.d Informal Communication

Informal communication is communication between organs and between personnel of the respective organs, which are outside the definition of formal communication set out and governed by the Articles of Association, the prevailing laws and regulations and this Board Manual.

In addition to personal letter/memo in hardcopy, informal communication may be supported by the implementation of e-office, among others:

- Personal email;
- Group-chat;
- Personal blog;
- Private portal;
- Other personal media of similar form.

The use of media listed above are not binding upon the organs of the Company or their personnel.

Formal Notification on the Business Operation of the Company

Every formal/ceremonial activity of the Company at the corporate level which are relevant and significant in nature undertaken by the Board of Directors and Board of Commissioners are informed to all parties related to the Board of Directors and Board of Commissioners. Such information are placed on the Activity Schedule monitoring application, which constitute a part of the e-office system.

Events categorized as formal/ceremonial activities include official visits to the Company's business sites, whether as the visiting official or as accompaniment to officials from other agencies.

The preparation of this Board Manual to govern the business relationship between the three organs of the Company is expected to facilitate the harmonious undertaking of Company's business operations pursuant to the GCG principle in the effort to achieve the set vision and mission of the Company.

Chapter 5



Part Five CLOSING

V.a. Implementation of the Board Manual

This Board Manual has been prepared to serve as a manual to allow the Board of Commissioners and Board of Directors to discharge their duties and responsibilities in an efficient, effective, transparent, competent, independent and accountable manner, thus acceptable to all the parties concerned and refers to the applicable laws and regulations. The Board of Commissioners and Board of Directors are responsible for the implementation of this Board Manual.

V.b. Dissemination of the Board Manual

The Company will consistently disseminate the Board Manual. Such dissemination will be targeted towards new as well as incumbent Board of Directors and Board of Commissioners members. The dissemination will be focused on creating understanding, awareness and the need to apply good corporate governance in a consistent manner through induction/introductory programs for new Directors and Commissioners, meetings and other relevant forums.

V.c. Evaluation and Review of the Board Manual

The Company will evaluate the Board Manual on a regular basis or as needed to assess and measure its compliance with the applicable regulatory provisions and the current business dynamics. Evaluation of the Board Manual will be carried out by the Corporate Secretary and the Board of Commissioners Secretary in coordination with the Internal Audit Unit.