

6. The member of the Board of Commissioners cannot be demanded for his accountability for the losses of the Company if he can prove:
  - a. Such losses aforesaid are not due to his fault or negligence;
  - b. He has performed supervision in good faith and prudential manner for the interests and in accordance with the purposes and objectives of the Company;
  - c. He does not have any conflict of interest, either directly or indirectly, over the management actions of the Board of Directors resulting in the losses; and
  - d. Has taken actions, including provide advices to the Board of Directors which are given formally and which can be proven, either in writing or by means of other media, to prevent the arising of and the continuance of such losses.
7. In certain conditions, the Board of Commissioners will be obliged to convene the annual GMS and other GMS in accordance with his authorities as stipulated in the laws and regulations and the Articles of Association.

## G. THE MEETING OF THE BOARD OF COMMISSIONERS AND THE DECISION MAKING MECHANISM

### 1. General Principles

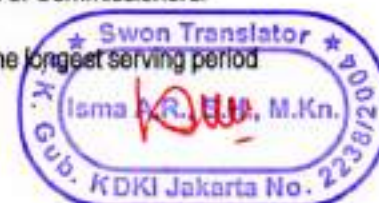
- a. Any resolution of the Board of Commissioners is adopted in the meeting of the Board of Commissioners or the resolution in lieu of the meeting of the Board of Commissioners.
- b. The Board of Commissioners will be obliged to convene the meeting at least 1 (one) time in a month.
- c. The Board of Commissioners will be obliged to convene the joint meeting with the Board of Directors periodically at least 1 (one) time in 3 (three) months.
- d. The materials for the meeting as referred to in letter c. above, particularly for the meeting discussing the quarterly financial statement, will be delivered by the Board of Directors at the latest 5 (five) working days prior to the convening of the meeting supplemented by the evidence of delivery of documents.
- e. The mechanism for the convening of the Meeting of the Board of Commissioners, among others, such as the summoning for the meeting, the venue of the meeting, the quorum, the mechanism for the adoption of resolution, the minutes of meeting, etc., will be entirely referring to the provisions in the Articles of Association of the Company.
- f. For good administration, for every member of the Board of Commissioners who are prevented from attending in the meeting of the Board of Commissioners, is implored to grant special power of attorney to other member of the Board of Commissioners.
- g. Every resolution of the meeting of the Board of Commissioners which has been convened in accordance with the provisions in the Articles of Association constitutes the resolution of the Board of Commissioners as a council and therefore is binding every member of the Board of Commissioners.
- h. If in the adoption of resolution which is carried out by means of voting, there is any difference of opinion or dissenting opinion, then, the dissenting opinion from the member of the Board of Commissioners or other member of the Board of Commissioners granted with power of attorney by him who is present in the adoption of resolution aforesaid, must be stated in the

minutes of meeting along with the reasons for such dissenting opinion aforesaid.

- i. Every resolution of the meeting of the Board of Commissioners with the Board of Directors as referred to in letter c above, which has been convened in accordance with the provisions in the Articles of Association constitutes a binding resolution which is binding every member of the Board of Commissioners and the members of the Board of Directors.
- j. The process for the adoption of resolution in the meeting of the Board of Commissioners either the meeting of the Board of Commissioners itself or the joint meeting with the Board of Directors related to the input/instruction from the stakeholders, will be carried out swiftly and wisely (not rigid) as well as putting forward the interest of the Company, with due regards to the prudential principles, and compliance towards the prevailing laws and regulations.

## 2. The Summoning and the Convening of the Meeting of the Board of Commissioners

- a. The summoning for the Meeting of the Board of Commissioners must be carried out by the President Commissioner. In the event that the President Commissioner is impeded or not available, then, the summoning for the meeting will be carried out by the Vice President Commissioner or by one of the members of the Board of Commissioners.
- b. The summoning for the Meeting of the Board of Commissioners will be given or delivered directly by means of written letter or by means of electronic media which at least contains the agenda, the date, the time, and the venue of the meeting, to every member of the Board of Commissioners, at the latest 5 (five) days prior to the convening of the meeting, excluding the date of the summoning and the date of the meeting, or within a shorter period in urgent condition.
- c. The summoning as referred to in letter b above will not be required for meetings which have been scheduled based on the resolution of the Meeting of the Board of Commissioners convened previously.
- d. The Meeting of the Board of Commissioners will be convened at the place of domicile of the Company or at other places within the territory of the Republic of Indonesia or at the place of business activities of the Company.
- e. In addition to the Meeting of the Board of Commissioners convened with physical attendance, the Meeting of the Board of Commissioners may also be convened by means of teleconference media, video conference or other electronic media facilities in accordance with the prevailing provisions.
- f. In the meeting of the Board of Commissioners convened by means of video conference connection or other similar communication facilities, must be drawn up the minutes of meeting in writing and circulated to the entire members of the Board of Commissioners who participate for examination and approval.
- g. The Meeting of the Board of Commissioners will be chaired by the President Commissioner, in the event that the President Commissioner is prevented from attending, the meeting will be chaired by the Vice President Commissioner or an appointed Member of the Board of Commissioners.
- h. In the event that the President Commissioner did not make any appointment, then a member of the Board of Commissioners with the longest serving period as a member of the Board of Commissioners will act as the chairman of the meeting of the Board of Commissioners.
- i. In the event that the members of the Board of Commissioners with the longest serving period



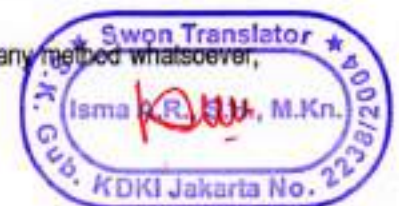


as members of the Board of Commissioner are more than one individual, then, the oldest member of the Board of Commissioners will act as the chairman of the meeting.

- j. In the Meeting of the Board of Commissioners, every member of the Board of Commissioners will be entitled to cast 1 (one) vote and in addition 1 (one) other vote for every other member of the Board of Commissioners whom he validly represented in the meeting aforesaid.

### 3. The Mechanism for the Adoption of Resolution

- a. All resolutions in the meeting of the Board of Commissioners are adopted by means of deliberation to reach a consensus.
- b. The Meeting of the Board of Commissioners will be valid and entitled to adopt binding resolutions only if more than  $\frac{1}{2}$  (one-half) of the total number of members of the Board of Commissioners are present or represented in the meeting.
- c. If the resolution based on deliberation to reach a consensus cannot be achieved, then, the resolution must be adopted by means of voting based on the affirmative votes of more than  $\frac{1}{2}$  (one-half) of the total number of votes validly cast in the relevant meeting.
- d. In the case of a tie between the affirmative votes and the dissenting votes, then, the resolution of the Meeting of the Board of Commissioners will be the same as the opinion of the principal/chairman of the Meeting of the Board of Commissioners by continue observing the provisions regarding the accountability as referred to in the Articles of Association of the Company, unless concerning an individual, the adoption of resolution of the Meeting will be carried out by means of closed election.
- e. Every member of the Board of Commissioners will be entitled to cast 1 (one) vote and in addition 1 (one) other vote for the member of the Board of Commissioners whom he represented (if he was represented by virtue of power of attorney).
- f. The voting concerning an individual will be carried out by means of unsigned folded ballots, whereas voting concerning other matters will be carried out orally, unless the Chairman of the Meeting stipulates otherwise without any objection based on the majority votes of those present.
- g. Every member of the Board of Commissioners who is present or represented in the meeting must give or cast vote.
- h. In the event that a member of the Board of Commissioners did not cast vote (abstain), then, the relevant member of the Board of Commissioners aforesaid will be considered approving the result of the resolution of the Meeting of the Board of Commissioners and will also be responsible for the result of the resolution of the meeting.
- i. Invalid votes will be considered non-existent and will not be taken into account in determining the total number of votes cast in the meeting.
- j. The resolution may also be adopted outside the meeting of the Board of Commissioners provided that all members of the Board of Commissioners have been notified regarding the proposal for the relevant resolution and all members of the Board of Commissioners give their approvals regarding the presented proposal as well as execute the approval aforesaid, which resolution will have the same force as a resolution lawfully adopted in the meeting of the Board of Commissioners.
- k. Every member of the Board of Commissioners who personally by any method whatsoever,



either directly or indirectly, has an interest in a transaction, contract or proposed contract in which the Company becomes one of the parties, must be stated the nature of his interest in a Meeting of the Board of Commissioners and will not be entitled to participate in the voting regarding the matter related to the transaction or contract aforesaid.

#### 4. The Minutes of Meeting of the Board of Commissioners

- a. In every meeting of the Board of Commissioners must be drawn up the minutes of meeting containing the matters being discussed (including statement of disapproval/dissenting opinion of the members of the Board of Commissioners), if any, and matters which are resolved must be entered into the annual report.
- b. The minutes of meeting as referred to in letter a above must be set out in the Minutes of Meeting drawn up by an individual present in the meeting who is appointed by the Chairman of the Meeting, and then, it is executed by the entire members of the Board of Commissioners who are present and will be delivered to the entire members of the Board of Commissioners.
- c. The Minutes of the Meeting of the Board of Commissioners with the Board of Directors must be set out in the Minutes of Meeting. The Minutes of Meeting must be drawn up by an individual present in the meeting who is appointed by the Chairman of the Meeting, and then, executed by the entire members of the Board of Commissioners and the members of the Board of Directors who are present at the latest 20 (twenty) working days after the end of the meeting, containing at least: (i) date of convening of the meeting; (ii) the venue for the convening of the meeting; (iii) the subject matter of the discussion; and (iv) the resolution of the meeting.
- d. In the event that there is any member of the Board of Commissioners and/or member of the Board of Directors who did not execute the result of the meeting as referred to in letter b and letter c above, the relevant individual will be obliged to state his reasons in writing in a separate letter which is attached to the minutes of meeting.
- e. The minutes as referred to in letter b. and letter c. above must be documented by the Company.
- f. The Minutes of Meeting of the Board of Commissioners constitute the valid evidence for the members of the Board of Commissioners and for the third parties or other parties related to the resolution adopted in the relevant Meeting.

#### H. THE REPORTING OF THE BOARD OF COMMISSIONERS

1. The Board of Commissioners will be obliged to provide report regarding the supervision which has been performed during the recently lapsed financial year to the GMS.
2. The Board of Commissioners has the obligation to research and give responses to the GMS over the periodic report and the Annual Report prepared by the Board of Directors and execute the Annual Report aforesaid.
3. The Board of Commissioners will be obliged to report to the Company regarding the share ownership of their own and/or their families in the relevant Company and other companies, including every change on it.
4. The Board of Commissioners must ensure that the Annual Report of the Company has contained the information regarding the identities, the main works, the offices of the Board of Commissioners in other companies, including the meetings held in one financial year (the internal meeting or the joint meeting with the Board of Directors), as well as the honorarium, the facilities, and/or other

