

JOINT REGULATION OF THE BOARD OF COMMISSIONERS AND THE  
BOARD OF DIRECTORS OF LIMITED LIABILITY COMPANY (PERSERO)

PT TELEKOMUNIKASI INDONESIA TBK

NUMBER: 08/KEP/DK/2020

AND

NUMBER: PD.620.00/r.00/HK200/COP-M4000000/2020

CONCERNING

BOARD MANUAL OF THE BOARD OF COMMISSIONERS AND THE BOARD OF  
DIRECTORS OF LIMITED LIABILITY COMPANY (PERSERO) PT  
TELEKOMUNIKASI INDONESIA TBK

THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF  
LIMITED LIABILITY COMPANY (PERSERO) PT TELEKOMUNIKASI  
INDONESIA TBK

Considering : a. whereas as a State Owned Enterprise  
(SOE) whose shares are listed on the  
Indonesia Stock Exchanges and  
American Stock Exchanges, Limited  
Liability Company (Persero) PT  
Telekomunikasi Indonesia Tbk (Telkom)  
needs to have a Board Manual of the  
Board of Directors and the Board of

Commissioners;

- b. Whereas Telkom currently has already had BOC Charter and BOD Charter which bind each member of the Board of Commissioners and the Board of Directors, and it is deemed necessary to integrate the principles provided for in the Charters in a manual which shall bind the Board of Commissioners and the Board of Directors;
- c. Whereas the implementation of good corporate governance is manifested in the forms of, among others, effective work relations between the Board of Commissioners and the Board of Directors;
- d. Whereas in connection with the foregoing considerations, it is necessary to stipulate the Board Manual of the Board of Commissioners and the Board of Directors in a Joint Regulation of the Board of Commissioners and the Board of Directors.

In View of : 1. Articles of Association of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk which have been announced in Official Gazette of the Republic of Indonesia Number 5 dated January 17, 1992, Supplement to the Official Gazette of the Republic of Indonesia Number 210, as has been amended several times, the most recent of which has received and recorded in the database of the Legal Entity Administration System of the Ministry of Law and Human Rights by letter No. AHU-AH.01.03-0289820 dated June 24, 2019 concerning Receipt of Notification of Amendment to the Articles of Association of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk and Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-0032595.AH.01.02.TAHUN 2019 dated June 24, 2019 concerning Approval to

Amendment to the Articles of Association of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk;

2. Resolution of the Annual General Meeting of Shareholders (AGMS) of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk (TELKOM) dated May 24, 2019, as stated in Deed of Resolution of AGMS of TELKOM Number 31 dated June 21, 2019 drawn-up before Sasha Adisa Putri S.H., M.Kn. as the Substitute Notary of Ashoya Ratam, S.H., M.Kn.

HAS DECIDED

To Stipulate : JOINT REGULATION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF LIMITED LIABILITY COMPANY (PERSERO) PT TELEKOMUNIKASI INDONESIA TBK CONCERNING BOARD MANUAL OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF LIMITED LIABILITY COMPANY (PERSERO) PT TELEKOMUNIKASI INDONESIA TBK

FIRST : To stipulate the Board Manual of the Board

of Directors and the Board of Commissioners of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk as attached in the Appendix to the Joint Regulation.

SECOND : This Joint Regulation along with the Appendix thereto shall be an integral and inseparable unity.

THIRD : This Joint Regulation shall take effect as of its stipulation date.

FOURTH : Without prejudice to the Third dictum above:

- a. Company Regulations and Decisions of the Board of Commissioners required for the implementation of this Board Manual shall be stipulated no later than 6 (six) months after the stipulation of this Joint Regulation;
- b. Provisions of the Board Manual that do not require implementing regulations shall take effect as of their stipulation date.

c. No later than 6 (six) months as of the stipulation date of the Board Manual, provisions of Company Regulations stipulated before the entry into force of this Board Manual shall remain in effect and provisions not yet in accordance with the Board Manual shall be adjusted to the provisions of the Board Manual.

Stipulated in Jakarta

On June 18, 2020

LIMITED LIABILITY COMPANY (PERSERO)

PT TELEKOMUNIKASI INDONESIA Tbk

On behalf of the Board of  
Commissioners

[signed]

RHENALD KASALI

President Commissioner

[signed]

MARCELINO RUMAMBO PANDIN

Commissioner

On behalf of the Board of  
Directors

[signed]

RIRIEK ADRIANSYAH

President Director

APPENDIX TO JOINT REGULATION OF THE BOARD OF COMMISSIONERS  
AND THE BOARD OF DIRECTORS OF LIMITED LIABILITY COMPANY  
(PERSERO) PT TELEKOMUNIKASI INDONESIA TBK

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CONCERNING

BOARD MANUAL OF THE BOARD OF COMMISSIONERS AND THE BOARD OF  
DIRECTORS OF LIMITED LIABILITY COMPANY (PERSERO) PT  
TELEKOMUNIKASI INDONESIA TBK

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## LEGAL GROUNDS AND REFERENCES

Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk is a State Owned Enterprise engaged in business in the Telecommunication sector whose shares are listed on 2 (two) stock exchanges, namely the Indonesia Stock Exchange (IDX) and the New York Stock Exchange (NYSE), so that Telkom is subject to the regulations as follows:

### 1. External Regulations

#### Regulations in Indonesia

##### a. Law, among others:

- i. Law Number 8 of 1995 concerning Capital Market;
- ii. Law Number 36 of 1999 concerning Telecommunications;
- iii. Law Number 31 of 1999 concerning Eradication of Corruption Crime as amended by Law Number 20 of 2001;
- iv. Law Number 19 of 2003 concerning State-Owned Enterprises;
- v. Law Number 40 of 2007 concerning Limited Liability Company;
- vi. Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crime.

b. Government Regulation Number 45 of 2005 concerning Establishment, Management, Supervision and Dissolution of State-Owned Enterprises.

c. Regulation of the Minister of State-Owned Enterprises, among others:

- i. Regulation of the Minister of State-Owned Enterprises Number PER-01/MBU/2011 concerning Implementation of Good Corporate Governance in State-Owned Enterprises as lastly amended by Regulation of the Minister of State-Owned Enterprises Number PER-09/MBU/2012.
- ii. Regulation of the Minister of State-Owned Enterprises Number PER-12/MBU/2012 concerning Supporting Organs of the Board of Commissioners/Board of Supervisors of State-Owned Enterprises.
- iii. Regulation of the Minister of State-Owned Enterprises Number PER-03/MBU/2012 concerning Guidelines for the Appointment of Members of the Board of Directors and Members of the Board of Commissioners of Subsidiaries of State-Owned Enterprises.
- iv. Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/02/2015 concerning

Requirements and Procedures for the Appointment and Dismissal of Members of the Board of Commissioners and Board of Supervisors of State-Owned Enterprises.

v. Regulation of the Minister of State-Owned Enterprises Number PER-03/MBU/02/2015 concerning Requirements and Procedures for the Appointment and Dismissal of Members of the Board of Directors of State-Owned Enterprises.

vi. Regulation of the Minister of State-Owned Enterprises Number PER-04/MBU/2014 concerning Guidelines for the Determination of Remuneration of the Board of Directors, Board of Commissioners and Board of Supervisors of State-Owned Enterprises as lastly amended by Regulation of the Minister of State-Owned Enterprises Number PER-01/MBU/05/2019.

d. Regulation of the Financial Services Authority and technical regulations related to the capital market sector, among others:

i. Regulation of the Financial Services Authority Number 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of Share Issuing Companies or Public Companies;

- ii. Regulation of the Financial Services Authority Number 34/POJK.04/2014 concerning Nomination and Remuneration Committee of Share Issuing Companies or Public Companies;
- iii. Regulation of the Financial Services Authority Number 35/POJK.04/2014 concerning Secretary of Share Issuing Companies or Public Companies;
- iv. Regulation of the Financial Services Authority Number 31/POJK.04/2015 concerning Disclosure of Material Information or Facts by Share Issuing Companies or Public Companies;
- v. Regulation of the Financial Services Authority Number 55/POJK.04/2015 concerning Guidelines for the Implementation of Works of Audit Committee;
- vi. Regulation of the Financial Services Authority Number 29/POJK.04/2016 concerning Annual Reports of Share Issuing Companies or Public Companies;
- vii. Regulation of the Financial Services Authority Number 75 /POJK.04/2017 concerning Accountability of the Board of Directors on Financial Statements;
- viii. Regulation of the Financial Services Authority Number 15/POJK.04/2020 concerning Planning and Holding of General Meeting of Shareholders of Public Companies;

- ix. Regulation of the Financial Services Authority Number 17/POJK.04/2020 concerning Material Transactions and Changes in Business Activities;
- x. Decree of the Head of the Capital Market and Financial Institution Supervisory Agency Number KEP-412/BL/2009 concerning Affiliated Transactions and Conflict of Interest in Certain Transactions;
- xi. Regulation of IDX Number I-E concerning Obligation to Submit Information;
- xii. Circular Letter of the Financial Services Authority Number 32/SEOJK.04/2015 concerning Governance of Public Companies.

Regulations in the United States of America

- a. Securities Act of 1993;
- b. Securities Exchange Act of 1934;
- c. Form 20-F US-SEC Regulation.

2. Internal Regulations

- a. Articles of Association of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk;
- b. Resolution of the Board of Commissioners of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk;



- c. Regulation of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk;
- d. Resolutions of General Meeting of Shareholders of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk; (Resolutions of GMS).

3. Guidelines for the Implementation of Good Corporate Governance (GCG)

- a. General Guidelines for Indonesian Good Corporate Governance, issued by the National Governance Policy Committee, 2006;
- b. OECD Guidelines on Corporate Governance of State-owned Enterprises, 2005. (OECD SOE Guidelines 2005);
- c. Decree of the Secretary of the Ministry of State-Owned Enterprises Number SK-16/S.MBU/2012 concerning Indicators/Parameters for Assessment and Evaluation of Implementation of Good Corporate Governance of State-Owned enterprises;
- d. The Indonesian Corporate Governance Manual, the Financial Services Authority (OJK), 2014.

In the event of amendments to the regulations as referred to in points 1, 2 and 3 above, including in cases of introduction of new rules or regulations binding on the

**ANANG FAHCRUDIN**  
**SWORN & AUTHORIZED**  
**TRANSLATOR**

Company, all managerial and/or supervisory activities on the Company performed by the Board of Directors and/or the Board of Commissioners shall be subject to the amended or newly-introduced regulations.

## DEFINITION

1. Articles of Association shall be the Articles of Association of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk, along with amendments thereto from time to time, which shall include bylaws.
2. Board Manual shall be guidelines for the Board of Directors and the Board of Commissioner based on agreements, approvals and/or arrangements related to the matters pertaining to activities and acts that are structured, systematic and can be carried out consistently by the Board of Directors and the Board of Commissioners in carrying out the Company's management not regulated in detail in the Articles of Association (AoA) of the Company and the laws and regulations to achieve the Company's Vision and Mission.
3. Board of Directors shall be an organ of the Company having authority to and is fully responsible for the Company's management for the benefit of the Company, in accordance with the purposes and objectives of the Company and to represent the Company inside and outside the court of law according to the provisions of the Articles of Association.

4. Board of Commissioners shall be an organ of the Company tasked with conducting supervision generally and/or specifically in accordance with the Articles of Association and providing advices to the Board of Directors.
5. Company Employees shall be people working for the Company, including time-based professionals receiving salaries under employment relations.
6. Leadership Employees shall be Position 1 Band (BOD-1) employees occupying managerial positions.
7. Executive Committee shall be a committee formed by the Board of Directors pursuant to a company regulation consisting of 2 (two) Directors or more given the authority to decide/approve Company regulations and certain policies and transactions.
8. Independent Commissioner shall be a member of the Board of Commissioners from outside the Company meeting the requirements as stipulated in the Articles of Association and the applicable laws and regulations.
9. Stakeholders shall be parties having interests with the Company due to having legal relations with the Company, authority (influence/authority/power) over and interests on the Company's business activities.

10. Limited Liability Company or Company or TELKOM shall be Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk.
11. Related Party shall be an individual or a company/an entity having relations with members of the Board of Directors and the Board of Commissioners, either directly or indirectly through kinship and/or share ownership.
12. Meeting of the Board of Directors (RADIR) shall be a meeting held by the Board of Directors in accordance with the meeting mechanisms stipulated in the Company's Articles of Association and the applicable Company regulations.
13. Meeting of the Board of Commissioners shall be a meeting held by the Board of Commissioners in accordance with the meeting mechanisms stipulated in the Company's Articles of Association and the applicable Company regulations determined by either the Board of Directors or the Board of Commissioners.
14. Six Eyes Principles shall be the principles of separation of initiation, review and approving entity (segregation of duties) for the acts taken in a decision made by the Company.
15. Telkom Group shall be Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk and all

subsidiaries whose industries are "related" and form cohesiveness in an ecosystem for its business portfolio management effectiveness obliging all the entities to be managed in a platform management.

## GENERAL PRINCIPLES

1. The Board Manual shall be prepared based on the principles of corporate law, provisions of the Articles of Association, company regulations determined by the Board of Directors and the Board of Commissioners, laws and regulations, instructions of the Shareholders and corporate management practices while observing and meeting the demands of swiftness and business dynamics by constantly maintaining compliance aspects.
2. In general, the Board Manual provides for the principles of regulation among members of the Board of Directors and the Board of Commissioners on the following matters, among others:
  - a. Authority to act for and on behalf of the Board of Directors in representing the Company;
  - b. Unavailable Members of the Board of Directors and Temporary Substitute Officials;
  - c. Mechanisms or forum for making decision/giving approval of the Board of Directors and the Board of Commissioners;
  - d. Conflict of Interest of the Board of Directors and the Board of Commissioners in transactions with Related Parties;

- e. Confidentiality and transparency of information;
  - f. Segregation of duties and authorities among members of the Board of Directors and the Board of Commissioners;
  - g. Executive Committees and Committees under the Board of Commissioners; and
  - h. Work relations between the Board of Directors and the Board of Commissioners.
3. In performing their duties, the Board of Directors and the Board of Commissioners shall be required to observe the following:
- a. Compliance with Pancasila ideology, Laws and Regulations, the Articles of Association and Company Regulations;
  - b. Implementation of business practices based on the principles of Good Corporate Governance namely: transparency, accountability, responsibility, independence and fairness;
  - c. Implementation of segregation of duties based on the "Six Eyes Principles" namely separation of functions from initiating, reviewing and approving functions with regard to a decision;
  - d. Role of SOEs as a means of welfare state in national development.



e. Business Judgment Rule as contained in Law Number 40 of 2007 concerning Limited Liability Company, Regulation of the Financial Services Authority Number 33/POJK.04/2014 concerning Board of Directors and Board of Commissioners of Share Issuing Companies or Public Companies, as well as the Company's Articles of Association under the following principles:

- (i) Good faith;
- (ii) Fiduciary duty and duty of loyalty;
- (iii) Informed basis; and
- (iv) Duty of care.

f. Corporate cultural values, among others :

- (i) The Telkom Way in Digital Era
  - (a) Basic Belief, namely *Always the Best*, which is the philosophy to be the best, consisting of:
    - 1) Integrity  
To have integrity, to behave positively and to promote honesty.
    - 2) Enthusiastic  
To be enthusiastic, to be honest and to desire to be the best.

3) Totality

Totality, self development and to be committed to duties.

(b) Core Values which are the Principles to be the Star, consisting of:

1) Solid

To prioritize synergy, shared vision and mutual trust.

2) Speed

Initiative, swift service, swift decision making.

3) Smart

To understand goals, set priorities and find new ways.

(c) Key Behaviors, namely:

Practices to be The Winner

1) Imagine

To plan for victory and set sustainable targets.

2) Focus

To set a quick win and optimize resources.

3) Action

To put forward real actions, evaluation and sustainable improvement.

Practices to be The Winner in Digital Era

Collaborative - Openness -  
Desire to reach purpose -  
innovative - Self organized  
called Telkom CODES, as the  
Digital Ways of Working.

(ii) The Company's board culture applied in carrying out daily Company activities are as follows:

- (a) To attend every regular meeting;
- (b) Equity participation;
- (c) Skills of each member of the Board of Directors and the Board of Commissioners;
- (d) Age limits for each member of the Board of Directors and the Board of Commissioners;
- (e) Involvement of the previous President Director;
- (f) Independence;

- (g) Total number of members of the Board of Directors, Board of Commissioners and Committees;
- (h) Respect, trust and openness between one another;
- (i) Openness to different opinion;
- (j) Regular change of roles;
- (k) Individual accountability;
- (l) Performance evaluation.

g. Constant observance to the demands of development, speed and dynamics of business while consistently complying with the applicable regulations.

## CHAPTER I

### BOARD OF COMMISSIONERS

#### A. COMPOSITION OF THE BOARD OF COMMISSIONERS

##### 1. Composition of the Board of Commissioners

a. The Board of Commissioners shall consist of at least 2 (two) members, one of them shall be appointed as the President Commissioner, and if necessary one of them can be appointed as the Vice President Commissioner;

b. The Board of Commissioners shall consist of Commissioners and Independent Commissioners, the number of Independent Commissioners shall be no less than 30% (thirty percent) of the total members of the Board of Commissioners.

##### 2. Term of Office of the Board of Commissioners

a. Members of the Board of Commissioners shall be appointed for a term of office of 5 (five) years and can be reappointed for another term of office.

b. Members of the Board of Commissioners shall be given honoraria and benefits/facilities including bonuses, and post-service benefits, the types and amounts of which shall be determined by the GMS by taking into account the applicable laws and regulations.

B. MEMBERSHIP OF THE BOARD OF COMMISSIONERS

1. Appointment of Members the Board of Commissioners

a. Members of the Board of Commissioners shall be appointed and dismissed by the GMS.

b. Members of the Board of Commissioners shall be appointed from the candidates nominated by the Shareholders and such nominations shall be binding on the GMS.

c. New members of the Board of Commissioners who have been appointed shall be given an introductory and competence improvement program.

2. If according to the assessment of the Minister of State-Owned Enterprises (Minister of SOEs) there is an urgency to do so, the Minister of SOEs can appoint temporary members of the Board of Commissioners by waiving the assessment process while observing the applicable laws and regulations.

3. Termination of Position of Members of the Board of Commissioners

a. The position of a member of the Board of Commissioners shall terminate in the events as follows:

- (i) Demise;
- (ii) Expiration of the term of office;
- (iii) Dismissal based on the resolution of a GMS;
- (iv) Being declared bankrupt by the decision of a commercial court having had permanent legal force or being put under guardianship pursuant to a court decision; or
- (v) No longer fulfilling the requirements as a member of the Board of Commissioners based on the Articles of Association and other laws and regulations.

- b. The provisions as referred to in point 3.a. (v) above shall include but not limited to prohibited concurrent positions and resignation.
- c. Appointment of the member of the Board of Commissioners not meeting the requirements as mentioned in point 3.a. (v) above shall be void by law as of the discovery of the non-fulfillment of the requirements by other members of the Board of Commissioners pursuant to valid evidence and the relevant member of the Board of Commissioners

shall be notified in writing with due observance of the laws and regulations.

- d. A member of the Board of Commissioners resigning before or after the expiry of the term of office, except due to demise, shall remain to be responsible for acts the accountability of which have not been accepted by the GMS.

#### 4. Dismissal of Member of the Board of Commissioners

- a. A member of the Board of Commissioners may be dismissed at any time based on the resolution of a GMS by stating the reasons.
- b. The dismissal of a member of the Board of Commissioners as mentioned above shall be carried out if such relevant member of the Board of Commissioners:
  - (i) Is factually unable to perform duties properly;
  - (ii) Violates the provisions of the Articles of Association and/or the applicable laws and regulations;
  - (iii) Is involved in acts harmful the Company and/or the state;



(iv) Commits acts that violate ethics and/or appropriateness that should be respected as a member of the Board of Commissioners;

(v) Is found guilty by a court decision having had permanent legal force;

(vi) Resigns.

c. In addition to the reasons for dismissal above, a member of the Board of Commissioners may be dismissed by the GMS based on other reasons deemed appropriate by the GMS for the interests and objectives of the Company.

d. The decision for dismissal due to the reasons as referred to in points b (i), (ii), (iii), (iv) and point c, shall be made after the relevant person has been given the opportunity to defend him/herself in the GMS.

e. Termination due to the reasons as referred to in points b (iii) and (v) shall be a dishonorable discharge.

f. Among members of the Board of Commissioners and members of the Board of Commissioners and members of the Board of Directors there shall be no

family relations up to the third degree, either in a straight line downwards or a horizontal line, including any relations because of marriage. In the event of such a situation, the GMS shall be authorized to dismiss one of them.

#### 5. Resignation of Member of the Board of Commissioners

- a. A member of the Board of Commissioners shall have the right to resign from his/her positions before the expiry of the term of office by giving a written notification on the intention to the Company.
- b. The company shall be obliged to hold a GMS to decide on the resignation of the member of the Board of Commissioners no later than 90 (ninety) days after the receipt of the resignation letter.
- c. The company shall be obliged to announce to the public and to inform the Financial Services Authority no later than 2 (two) business days after the receipt of the application for resignation of the relevant member of the Board of Commissioners and the holding of the GMS as mentioned above.
- d. Before the resignation takes effect, such member of the Board of Commissioners shall remain to

have the obligation to finish his/her duties and perform responsibilities in accordance with the Articles of Association and the applicable laws and regulations.

e. The resigning member of the Board of Commissioners as mentioned shall remain to be held accountable as a member of the Board of Commissioners since the appointment of the relevant member until the date of approval of their resignation by the GMS.

f. The resigning member of the Board of Commissioners shall be released from his/her responsibility after the Annual GMS has given such release to him/her.

g. In the event that the resignation of a member of the Board of Commissioners results in the number of members of the Board of Commissioners to be less than 2 (two) members, such resignation shall be valid if it has been approved by the GMS and new members of the Board of Commissioners have been appointed to meet the minimum requirements of number of members of the Board of Commissioners.

#### 6. Vacancy in the Position of the Board of Commissioners

a. If at any time for any reason one or more position of members of the Board of Commissioners becomes vacant:

(i) A GMS shall be held to fill the vacant position if such vacancy results in the number of members of the Board of Commissioners to be less than 2 (two) members and one of them is the President Commissioner or if the vacant position is the position of the President Commissioner;

(ii) The GMS as referred to in point (i) above shall be held no later than 90 (ninety) days after the occurrence of the vacant position.

b. If at any time due to any reasons whatsoever the positions of all members of the Board of Commissioners of the company become vacant, the holder of Series A Dwiwarna shares may appoint acting members of the Board of Commissioners to carry out the works of the Board of Commissioners with the same authority provided that no later than 90 (ninety) days after the vacancy occurs, a GMS shall be held to fill the vacant positions of such members the Board of Commissioners.

### C. PRESIDENT COMMISSIONER

The President Commissioner shall have an equal position with other members of the Board of Commissioners. The duty of the President Commissioner as the *primus inter pares* is to be the coordinator in the implementation of activities and duties of the Board of Commissioners.

The duties and responsibilities of the President Commissioner shall be as follows:

1. To lead and ensure the effectiveness of the performance of the Board of Commissioners.
2. To create, implement and give review on the work guidelines/procedures relating to the duties of the Board of Commissioners.
3. To create a calendar of meeting schedule of the Board of Commissioners and to coordinate it with the Board of Commissioners' Committees.
4. To organize and convey the meeting agenda and to ensure that all Commissioners get timely information.
5. To interact periodically with the President Director and to act as a liaison officer between the Board of Commissioners and the Board of Directors.
6. To ensure that the information given to all Commissioners is accurate, timely and clear.

7. To ensure effective communication with the shareholders.
8. To set the performance evaluation of the Board of Commissioners, including all members of Committees and Independent Commissioners on a regular basis.
9. To facilitate the effective contributions of the Independent Commissioners and to establish constructive relations among the Commissioners.
10. To perform other duties as requested by the GMS and the Board of Commissioners on a collegial, according to the requirements and circumstances.

#### D. INDEPENDENT COMMISSIONER

1. An Independent Commissioner shall be a member of the Board of Commissioners unaffiliated with the Board of Directors, other members of the Board of Commissioners and the Controlling Shareholders who shall be free from business relations or other relations that can influence his/her ability to perform or act solely for the benefit of the Company.
2. An Independent Commissioner shall have the main responsibility to encourage the implementation of the principle of good corporate governance within the Company through empowerment of the Board of

Commissioners to perform supervisory duties on and advising duties to the Board of Directors effectively and to give added value for the Company.

a. Duties of Independent Commissioner

- (i) To ensure transparency and openness of the Company's financial statements;
- (ii) To treat minority shareholders and other stakeholders fairly;
- (iii) To disclose transactions that contain conflict of interest in a reasonable and fair manner;
- (iv) To ensure the Company's compliance with the applicable laws and regulations;
- (v) To ensure the accountability of the Company's organs.

b. Authority of Independent Commissioner

- (i) To chair the Audit Committee and other Committees.
- (ii) An independent commissioner who has been serving for 2 (two) terms of office can be reappointed for upcoming terms of office as long as the Independent Commissioner

certifies to the GMS that he/she shall remain independent and shall declare that he/she shall remain independent to the GMS to be stated in the Annual Reports.

(iii) In the event that the Independent Commissioner serves on the Audit Committee, the relevant Independent Commissioner may only be reappointed to the Committee Audit for another term of office of the Audit Committee.

(iv) Based on rational and careful considerations, he/she shall be entitled to give dissenting different opinions from those of other members of the Board of Commissioners which must be recorded in the Minutes of Meeting of the Board of Commissioners while material dissenting opinions shall be recorded in the Annual Reports.

#### c. Responsibilities of Independent Commissioner

In an effort to perform responsibilities properly, an Independent Commissioner must proactively strive for the Board of Commissioners to perform supervision and give



advices to the Board Directors with regard to, but not limited to the following matters:

- (i) To ensure that the Company has effective business strategies, including to monitor the schedule, budget and effectiveness of the strategies;
- (ii) To ensure that the Company appoints professional executives and managers;
- (iii) To ensure that the Company maintains information, control system and audit systems that work properly;
- (iv) To ensure that the Company complies with the applicable laws and regulations as well as the values determined by the Company in carrying out its operation;
- (v) To ensure that risks and potential crises are identified and managed properly;
- (vi) To ensure that GCG principles and practices are adhered to and implemented properly.

#### E. SEGREGATION OF DUTIES OF THE BOARD OF COMMISSIONERS

Segregation of duties among members of the Board of Commissioners shall be done by themselves, and for the smooth performance of duties, the Board of Commissioners may be assisted by the Secretary of the Board of Commissioners.

## F. DUTIES, RESPONSIBILITIES AND AUTHORITY

1. The Board of Commissioners shall have the duty to supervise the managerial policies, course of management in general, both concerning the Company and the Company's business conducted by the Board of Directors and to give advices to the Board of Directors including to supervise the implementation of the Company's Long Term Plan, The Company's Annual Work Plan and Budget (RKAP) and the provisions of the Articles of Association and Resolutions of GMSs, as well as the laws and regulations, for the interests of the Company according to the purposes and objectives of the Company.
2. The Board of Commissioners shall have the authority:
  - a. To check books, letters, and other documents, to check cash for the purposes of verification and other securities and to check the Company's assets;
  - b. To enter yards, buildings and offices used by the Company;
  - c. To request explanation from the Board of Directors and/or other officials regarding

- any issues pertaining to the Company's management;
- d. To be informed of all policies and acts that have been and will be carried out by the Board of Directors;
  - e. To ask the Board of Directors and/or other officials under the Board of Directors with the knowledge of the Board of Directors to attend meetings of the Board of Commissioners, while requests or support for other activities than meetings will be carried out with due observance of professionalism, ethics and interests of the Company and the Company's organs.
  - f. To appoint and dismiss the Secretary of the Board of Commissioners;
  - g. To temporarily suspend members of the Board of Directors in accordance with the provisions of the Company's Articles of Association;
  - h. To establish the Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee, if considered necessary with due observance of the Company's capability;

- i. To hire experts for certain matters for a certain period of time at the Company's expenses, if deemed necessary;
- j. To manage the Company in certain circumstances for a certain period of time in accordance with the provisions of the Articles of Association;
- k. To approve the appointment and dismissal of the Corporate Secretary and/or Head of Internal Supervisory Unit;
- l. To study and review the Annual Reports prepared by the Board of Directors and to sign the Annual Reports;
- m. To attend meetings of the Board of Directors and to give opinions on the matters discussed;
- n. To carry out other supervisory powers as long as they do not conflict with the laws and regulations, the Articles of Association and/or resolutions of GMSs;
- o. In order to carry out the supervisory function, members of the Board of Commissioners during the working hours or at other times agreed, collectively or individually, with or without prior

notification to the Board of Directors, with due observance to professionalism, interests of the Company, the public and the Company's organs, shall have access rights including but not limited to buildings and premises or other places used and controlled by the Company's subsidiaries and shall have the rights to check books, documentary evidence, reports and inventory of goods and to check cash position (for the purpose of verification) and other guarantees and to be informed of all acts taken by the Boards of Directors of the Subsidiaries based on the principle of transparency of information with due observance to the confidentiality of the Company and may give advices to the Subsidiaries regarding the policies made/acts taken by the Board of Directors of the Subsidiaries whether or not requested.

3. In relation to the above duties and authorities, the Board of Commissioners shall be entitled to incomes as determined by the GMS as provided below:

a. Types of Income

1) Honoraria;

2) Benefits, which consist of:

i. Festive holiday benefit;

ii. Transportation benefit;

iii. Post-service insurance.

3) Facilities, which consist of:

i. Medical facility;

ii. Legal aid facility.

4) Bonus/Performance Incentives in which the bonus can be added with Long Term Incentive (LTI).

b. Details, amount, type and procedures for the disbursement of income of Members of the Board of Commissioners, including amendments thereto shall comply with the provisions of the laws and regulations, the Articles of Association and Company regulations.

4. With regard to the duties and authorities of the Board of Commissioners as referred to in point 2 (two) above, the Board of Commissioners shall be obliged:

- a. To give advices to the Board of Directors in carrying out the Company's management;
- b. To give opinion on and approval to the Company's Long Term Plan, Annual RKAP and other work plans prepared by the Board of Directors in accordance with the provisions of the Articles of Association and the applicable laws and regulations;
- c. To be aware of the progress of the Company's activities, to give opinions and advices to the GMS regarding any issues deemed important for the Company's management;
- d. To report to the holder of Series A Dwiwarna shares in cases of indication of declining performance of the Company:
- e. To nominate to the GMS a Public Accountant who will perform audit on the Company's books;
- f. To study and review periodic reports and Annual Reports prepared by the Board of Directors and to sign the Annual Reports;
- g. To give explanations, opinions and suggestions to the GMS regarding the Annual Reports, if requested;
- h. To prepare minutes of meeting of the Board of Commissioners and to keep a copy of it;

- i. To report to the Company regarding his/her or his/her family's share ownership in the Company and other Companies;
  - j. To give reports on supervisory duties that have been carried out during the previous accounting year to the GMS;
  - k. To give explanation of all matters asked or requested by the holder of Series A Dwiwarna shares with due observance of the laws and regulations especially those in the Capital Market sector;
  - l. To perform other obligations in the context of supervisory and advisory duties, as long as they do not conflict with the laws and regulations, the Articles of Association, and/or resolutions of GMSs.
5. Each member of the Board of Commissioners shall be jointly and severally responsible for losses of the Company caused by the faults or negligence of members of the Board of Commissioners in performing duties.
6. Members of the Board of Commissioners cannot be held accountable for the Company's losses if it can be proved that:
- a. The losses are not the results of their faults or negligence;



- b. They have performed supervision in good faith and prudently for the interests and in accordance with the purposes and objectives of the Company;
- c. They have no direct or indirect conflict of interest with regard to the managerial actions of the Board of Directors that result in the losses; and
- d. They have taken actions to prevent the loss from arising or continuing.

7. Under certain conditions the Board of Commissioners shall be required to hold the annual GMS and other GMSs in accordance with their authority as stipulated in the laws and regulations and the Articles of Association.

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

##### 1. General Principles

- a. All decisions of the Board of Commissioners shall be made in Meetings of the Board of Commissioners or by decisions in lieu of meeting of the Board of Commissioners.
- b. The Board of Commissioners shall be required to hold a meeting at least 1 (once) a month.

- c. The Board of Commissioners shall hold joint meetings with the Board of Directors regularly at least 1 (once) in 3 (three) months.
- d. The meeting materials as referred to in letter c. above, especially for meetings discussing quarterly financial statements shall be submitted by the Board of Directors no later than 5 (five) business days before the meeting, accompanied by evidence of submission of the documents.
- e. The mechanism for organizing meetings of the Board of Commissioners including, among others summons for the meetings, meeting venue, quorum, decision making mechanism, minutes of meeting and others shall fully refer to the provisions of the Company's Articles of Association.
- f. For orderly administration, any member of the Board of Commissioners unable to attend the meeting of the Board of Commissioners shall grant a special power of attorney to other members of the Board of Commissioners.
- g. Any decision of meeting of the Board of Commissioners held in accordance with the

provisions of the Articles of Association shall constitute the decision of the Board of Commissioners as a panel and shall therefore be binding on each member of the Company.

- h. Decision of the joint meeting of the Board of Commissioners with the Board of Directors as referred to in letter c above held in accordance with the provisions of the Articles of Association shall be a decision that binds every member of the Council Commissioners and members of the Board of Directors.
- i. The decision making process at meetings of the Board of Commissioners, both meetings of the Board of Commissioners or joint meetings with the Board of Directors related to recommendation/instruction from the stakeholders shall be implemented swiftly and prudently (not rigidly) and shall put forward the interests of the Company, observe the principle of prudence and compliance with the applicable laws and regulations.

2. Summons for and Holding of Meeting of the Board of Commissioners

- a. Summons for a meeting of the Board of Commissioners must be made by the President Commissioner. In the event that the President Commissioner is absent or unavailable, the summons for the meeting shall be made by the Vice President Commissioner or by another member of the Board of Commissioners.
- b. Summons for a meeting of the Board of Commissioners shall be delivered or submitted in person through written letters or through electronic media which shall at least contain the agenda, date, time and venue of the meeting to each member of the Board of Commissioners no later than 5 (five) days before the holding of the meeting, without taking into account the date of the summons and the date of the meeting, or in a shorter period in an urgent condition.
- c. The summons as referred to in letter b above shall not be required for a meeting that has been scheduled based on the decision of the previous meeting of the Board of Commissioners.
- d. Meetings of the Board of Commissioners shall be held at the domicile of the Company or at other location

- within the territory of the Republic of Indonesia or at the place of business of the Company.
- e. In addition to meetings of the Board of Commissioners held by physical attendance, a meeting of the Board of Commissioners can also be held by teleconference, video conference or other electronic media facilities in accordance with the applicable regulations.
- f. In a meeting of the Board of Commissioners held by video conference or other similar means of communication, shall be drawn-up minutes of meeting in writing to be circulated to all participating members of the Board of Commissioners to be checked and approved.
- g. Meetings of the Board of Commissioners shall be chaired by the President Commissioner, in the event that the President Commissioner is unavailable, the meeting may be chaired by the Vice President Commissioner or a Member of the Board of Commissioners appointed.
- h. In the event that the President Commissioner does not appoint anybody, a member of the Board of Commissioners having served as the most senior member in terms of tenure shall act as the chairperson of the meeting of the Board of Commissioners.

- i. In the event that there is more than one member of the Board of Commissioners having served as the most senior in terms of tenure, the oldest member of the Board of Commissioners shall act as the chairperson of the meeting of the Board of Commissioners.
- j. In a meeting of the Board of Commissioners, every member of the Board of Commissioners shall be entitled to cast 1 (one) vote and 1 (one) additional vote for every other member of the Board of Commissioners validly represented by him/her in the meeting.

### 3. Decision Making Mechanism

- a. All decisions in a Meeting of the Board of Commissioners shall be made by deliberation to reach consensus.
- b. A meeting of the Board of Commissioners shall be valid and entitled to adopt binding decisions only if more than 1/2 (a half) of the total number of members of the Board of Commissioners are present or represented in the meeting.
- c. If decision by deliberation to reach consensus is unreachable, the decision must be adopted by voting based on approval of more than 1/2 (a half) of the total valid votes cast in the meeting.

- d. In the event of a drawn between approvals and disapprovals, the decision of a Meeting of the Board of Commissioners shall be as decided by the chairperson of the Meeting of the Board of Commissioners with due observance of the provisions concerning accountability as referred to in the Company's Articles of Association. Unless regarding persons, the decision of the meeting shall be made by undisclosed voting.
- e. Every member of the Board of Commissioners shall have the rights to cast 1 (one) vote plus 1 (one) vote for another member of the Board of Commissioners represented by him/her (if authorized by virtue of a power of attorney).
- f. Voting regarding persons shall be carried out by sealed unsigned ballots while voting on other matters shall be carried out verbally, unless determined otherwise by the Chairperson of the Meeting without objection based on the majority votes of those present.
- g. Every member of the Board of Commissioners present or represented in the meeting shall cast votes.
- h. In the event that a member of the Board of Commissioners refuses to cast vote (being abstain), such member of the Board of Commissioners shall be

deemed to have agreed with the decision of the Meeting of the Board of Commissioners and shall be also responsible for the decision of the meeting.

i. Invalid votes shall be considered non-existent and shall not be counted in determining the total votes cast in the meeting.

j. The Board of Commissioners may also make a decision in lieu of meeting of the Board of Commissioners provided that all members of the Board of Commissioners have been informed of the proposed decision and all members of the Board of Commissioners give approval regarding the proposal submitted and sign the approval which shall have equivalent force as a decision legally adopted in a meeting of the Board of Commissioners.

k. Any member of the Board of Commissioners who personally in any way, directly or indirectly, has interests in a transaction, contract or proposed contract in which the Company is a party thereto shall declare the interest in a meeting of the Board of Commissioners and shall not be entitled to participate in voting regarding matters relating to the transaction or contract.

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



- a. For every meeting of the Board of Commissioners, shall be prepared minutes of the meeting containing the matters discussed (including dissenting opinions of members of the Board of Commissioners), if any, and the matters resolved must be included in the Annual Reports.
- b. The minutes of meeting as referred to in letter a above must be stated in the Minutes of Meeting drawn-up by a person present in the meeting appointed by the Chairperson of the Meeting to be signed by all members of the Board of Commissioners present and conveyed to all members of the Board of Commissioners.
- c. Minutes of joint meeting of the Board of Commissioners and the Board of Directors must be stated in the Minutes of Meeting to be prepared by a person present in the meeting appointed by the Chairperson of the Meeting and signed by all members of the Board Commissioners and members of the Board of Directors present no later than 20 (twenty) business days after the adjournment of the meeting which shall at least contain the following: (i) date of the meeting; (ii) venue of the meeting; (iii) matters discussed; and (iv) decision of the meeting.
- d. In the event that there are members of the Board of Commissioners and/or members of the Board of Directors

refusing to sign the decision of the meeting as referred to in letter b and letter c above, the relevant members must state the reasons in writing in a separate letter attached to the minutes of the meeting.

e. The minutes as referred to in letter b and letter c above shall be documented by the Company.

f. Minutes of Meeting of the Board of Commissioners shall be valid evidence for members of the Board of Commissioners and for third parties or other parties related to the decisions made in the relevant Meeting.

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

1. The Board of Commissioners shall be obliged to give reports on the supervision performed during the past fiscal year to the GMS.

2. The Board of Commissioners shall have the obligation to examine and give feedback to the GMS on the periodic reports and Annual Reports prepared by the Board of Directors and to sign the Annual Reports.

3. Members of the Board of Commissioners shall report to the Company their share ownership and/or their relatives' share ownership in the relevant Company and other companies, including any changes thereto.

4. The Board of Commissioners shall ensure that the Annual Reports of the Company contains information regarding identities, main occupations, positions of members of the Board of Commissioners in other companies, including meetings held within a fiscal year (internal meetings or joint meetings with the Board of Directors), as well as honoraria, facilities, and/or other benefits received from the relevant Company.

I. ETHICS OF OFFICE OF MEMBERS OF THE BOARD OF COMMISSIONERS

1. Ethics related to Role Modeling

Members of the Board of Commissioners must encourage ethical behavior and uphold standards of ethics in the Company by, among others, making themselves role models for the Board of Directors and employees of the Company.

2. Ethics of Compliance with Laws and Regulations

Members of the Board of Commissioners must comply with the applicable laws and regulations, the Articles of Association and Guidelines for Good Corporate Governance and corporate policies stipulated.

3. Ethics regarding Information Transparency and Confidentiality

Members of the Board of Commissioners must disclose information in accordance with the provisions of the applicable laws and regulations and shall constantly maintain the confidentiality of information entrusted to them in accordance with the provisions of laws and regulations and/or Company regulations.

4. Ethics Relating to the Company's Opportunities

During their tenure, Members of the Board of Commissioners shall be prohibited from:

- a. Taking the Company's business opportunities for their own advantage, the advantage of their families, business groups and/or other parties.
- b. Abusing the Company's assets, information or their positions as Members of the Board of Commissioners for personal interests beyond the provisions of laws and regulations as well as the applicable policies of the Company.
- c. Competing with the Company, namely by abusing inside information to get advantage for the interests of others and not the interests of the Company.

- d. Taking personal advantage of the Company's activities, other than salary and benefits received as members of the Board of Commissioners of the Company as determined by the GMS.
- e. Taking opportunities for business transactions with parties whose funds are suspected to originate from money laundering activities. To that end, comprehensive understanding on the identities and reputation of prospective partners is imperative. In addition, references from third parties will provide additional information.

#### 5. Business Ethics and Anti-Corruption

Members of the Board of Commissioners must at all times prevent and refrain from committing practices of corruption, gratification, money laundering, and bribery in any ways, forms and/or for any interest believed and considered harmful to the Company.

Several matters prohibited for members of the Board of Commissioners shall include but not limited to the following:

- a. Members of the Board of Commissioners shall be prohibited from giving or offering to, or receiving either directly or indirectly something of value

from a customer or an official/employee of a government agency to influence or in return for an act and other acts according to the applicable laws and regulations.

- b. They shall be forbidden to give tokens of gratitude in business activities such as gifts, donations or entertainment, given at circumstances that can be considered as gratification and/or inappropriate acts.

#### 6. Ethics Regarding Conflicts of Interest

- a. A transaction that requires the written approval of the Board of Commissioners shall be considered to contain a conflict of interest if such member of the Board of Commissioners is linked to the Related Parties which shall include:

- (i) Parties having family relations due to marriage and descendant up to the second degree (including in-laws) either horizontally or vertically with the members of the Board of Commissioners;

or

- (ii) The company or body in which the members of the Board of Commissioners or their families (as referred to in point i

above) serve as Commissioners (in case of non-limited liability company - other equivalent positions) or are the controlling shareholders (in case of non-limited liability company - other equivalent positions) or are the main shareholders (in case of non-limited liability company - other equivalent positions).

b. In the event that a member of the Board of Commissioners is involved in a Transaction with Conflict of Interest, the member of the Board of Commissioners must disclose it, and shall not act as the Chairperson in a GMS which decides the transaction with Conflict of Interest and shall not be allowed to participate in the making of the decision to approve or disapprove a transaction that must obtain the written approval of the Board of Commissioners proposed by the Board of Directors. Accordingly, the GMS will be chaired by other members of the Board of Commissioners who do not have a conflict of interest to be appointed by the Board of Commissioners. However, if all members of the Board of Commissioners have conflicts of

interest, the GMS will be chaired by the President Director or by other members of the Board of Directors who do not have conflicts of interest, and if there is no member of the Board of Directors that meets the requirements, the GMS will be chaired by a non-controlling (minority) shareholder appointed by the shareholders being present in the GMS.

c. In addition, classified as Related Parties shall be companies or entities incorporated in a business group in which a member of the Board of Commissioners and his/her family (as referred to in letter a above) serves as a Commissioner in one of the companies or entities in the business group.

In such case, member of the Board of Commissioners deemed to have a conflict of interest shall not be allowed to participate in the making of the decision to approve or disapprove a transaction that must obtain the written approval of the Board of Commissioners proposed by the Board of Directors.

#### J. SUPPORTING ORGANS OF THE BOARD OF COMMISSIONERS



1. Supporting Organs of the Board of Commissioners shall consist of the Committee of the Board of Commissioners and the Secretary of the Board of Commissioners.
2. The Board of Commissioners shall have the rights to form, change and regulate the membership of the Supporting Organs of the Board of Commissioners in accordance with the needs and based always on the provisions of the laws and regulations.
3. The Board of Commissioners may form committees and if deemed necessary may hire experts for a certain period at the expense of the Company.
4. Committees within the Board of Commissioners shall consist of the Audit Committee, Nomination and Remuneration Committee, Planning and Risk Evaluation and Monitoring Committee, or other committees than the committees listed in this Board Manual if deemed necessary by observing the provisions of the prevailing laws and regulations as well the ability of the Company to assist the Board of Commissioners in the field of activities Companies that require special monitoring.
5. Charter for the supporting organs of the Board of Commissioners shall be regulated and stipulated separately in a Decision of the Board of Commissioners.

6. To assist the smooth execution of its duties, the Board of Commissioners at the expense of the company shall be entitled to receive assistance from the Secretary of the Board of Commissioners in carrying out administrative and secretarial duties relating to all activities of members of the Board of Commissioners to ensure that the duties of the Board of Commissioners are carried out and all the information required by the Board of Commissioners is available along with other duties as regulated in the prevailing laws and regulations.

a. Main Functions:

The Secretary of the Board of Commissioners shall have the main function of providing support to the Commissioners in order to expedite the duties of the Board of Commissioners in carrying out the functions as a representative of the Shareholders to give advices as well as performing supervision in relation to the Company's management by the Directors and the entire ranks and files.

b. Requirements:

The Secretary of the Board of Commissioners shall meet the following requirements:

- 1) Understanding of the management, supervision and guidance system of the Company;
- 2) Having good integrity;
- 3) Understanding of secretarial functions;
- 4) Having good ability to communicate and coordinate.

c. Term of Office

The term of office of the Secretary of the Board of Commissioners shall be determined by the Board of Commissioners for a maximum of 3 (three) years and may be re-appointed for a maximum of 2 (two) years without prejudice to the rights of the Board of Commissioners to dismiss him/her at any time.

K. CONFIDENTIALITY

1. All information and documents related to the approval process along with appendices thereto, including documents that have been published and presentations made by the Board of Commissioners and the supporting organs of the Board of Commissioners must be kept confidential by the Board of Commissioners and all members of the Supporting Organs of the Board Commissioners, and may not be disclosed and reported to other

parties, except as required by laws or as approved by the Company.

2. Disclosure of important information of the Company to other parties shall be stated in the Annual Reports and Financial Statements of the Company in accordance with the laws and regulations.
3. Management of the Documents & Information of the Company will be further regulated in a Company regulation.

#### L. INTRODUCTORY AND COMPETENCY IMPROVEMENT PROGRAM

##### 1. Introductory Program for the Board of Commissioners

- a. Newly appointed members of the Board of Commissioners shall be given an introductory program to understand all aspects related to the roles and responsibilities of the Board of Commissioners and to harmonize perceptions about the implementation of GOG in the Company so that the new Board of Commissioners can immediately adapt and give contribution to the Company.
- b. The implementation of the introductory program shall be the responsibility of the Corporate Secretary or any person performing the function of corporate secretary.

c. The introductory program materials shall at least include the following:

- 1) Introduction to the Company including its vision, mission, strategy, performance, financial conditions, risks and the most current developments of the Company.
- 2) Understanding of the telecommunications industry, including knowledge of the Company's products;
- 3) Understanding of government regulations and policies particularly in the telecommunication industry;
- 4) Understanding of the financial aspects (financial literacy), especially related to examination of financial statements, including but not limited to balance sheets, income statements, cash flow statements, and changes in equity statements, as well as notes to the financial statements of State Owned Enterprises and publicly-listed companies;
- 5) Implementation of GCG principles in the Company, including ethics and norms applicable within the Company.

- 6) Roles, duties and responsibilities of the Board of Commissioners and the Board of Directors, including with regard to Internal Audit and Committees, as well as other supporting organs.
  - 7) Introduction to managerial ranks and files and visit to each Unit of the Company.
  - 8) Roles, duties and responsibilities of the Board of Commissioners and Directors.
  - 9) Introduction to managerial ranks and files and visit to each Unit of the Company.
- d. The materials of the introductory program as referred to in point c above shall first consider the instruction of the Board of Directors and advice of the Board of Commissioners.
- e. The preparation of the materials of the introductory program as referred to in point 1) c above shall first consider the instruction of the Board of Directors and advices of the Board of Commissioners.
- f. No later than 3 (three) months after the introductory program is carried out, the Corporate Secretary or any person that carries out the function of Corporate Secretary shall be

obliged to evaluate the implementation of the introductory program.

## 2. Competency Improvement

a. The provisions concerning competency improvement program for the Board of Commissioners shall be as follows:

- 1) The competency improvement program shall be implemented in order to improve the effectiveness of the work of the Board of Commissioners;
- 2) Each member of the Board of Commissioners participating in the competency improvement program such as seminars and/or training shall be required to give presentations to other members of the Board of Commissioners for sharing information and knowledge;
- 3) The relevant member of the Board of Commissioners shall be responsible for preparing report on the implementation of the competency improvement program. The report shall be submitted to the Board of Commissioners.

b. The Competency improvement programs that can be carried out shall be, among others:

- 1) Knowledge related to the principles of corporate law and laws and regulations relating to the Company's business activities, as well as the internal control system;
- 2) Knowledge related to government policies related to the Company's strategic ecosystem, the Company's core business, and the latest developments of the Company's industry.
- 3) Knowledge related to strategic management and its formulation;
- 4) Knowledge related to risk management;
- 5) Knowledge related to quality financial reporting.

#### M. PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS

##### 1. General Policy

- a. The Board of Commissioners shall formulate and submit to the holder of Series A Dwiwarna Shares the Management Contract documents which shall include the following:

- 1) Key Performance Indicator (KPI) for the Board of Commissioners; and
- 2) Key Performance Indicator (KPI) for the Company.



- b. The Board of Commissioners shall evaluate and approve the Key Performance Indicators for the Board of Director by taking into account and considering the parameters of assessment in the forms of numerical and narrative indicators as well as related evaluations:
    - i. Implementation of Good Corporate Governance;
    - ii. Aspirations of the holder of Series A Dwiwarna shares;
    - iii. Determination of absolute targets for RKAP and KPI;
    - iv. Provisions of laws and regulations.
  - c. The Board of Commissioners must convey to the holder of Series A Dwiwarna shares the progress of fulfillment of the Key Performance Indicator (KPI) on a quarterly basis or periodically in accordance with the provisions stipulated by the holder of Series A Dwiwarna shares.
2. Self Assessment Policy to assess the performance of the Board of Commissioners
- a. The Board of Commissioners shall have a self-assessment policy to assess the performance of the Board of Commissioners. The self-assessment

of the Board of Commissioners shall be guidelines used as a form of accountability for the performance assessment of the Board of Commissioners on a collegial basis. The self-assessment shall be carried out by each member of the Board of Commissioners to assess the performance of the Board of Commissioners on a collegial basis and not assessing the individual performance of each member of the Board Commissioner. With this Self Assessment, it is expected that each member of the Board of Commissioners can give contribution to improve the performance of the Board of Commissioners on an ongoing basis.

- b. The policy may cover the activities carried out along with the purposes and objectives, periodic implementation time, and benchmarks or assessment criteria used in accordance with the recommendations given by the nomination and remuneration functions.
- c. The Self Assessment Policy to assess the performance of the Board of Commissioners shall be stated in the Annual Reports.

3. The results of assessment of the performance of the Board of Commissioners for 1 (one) full year based on the Key Performance Indicator in the management contract shall be evaluated by an independent party (the external auditor).

N. CONCURRENT POSITION OF THE BOARD OF COMMISSIONERS

1. A member of the Board of Commissioners of the Company shall be prohibited from holding concurrent positions as:

- a. A member of the Board of Directors of other SOEs, regionally owned enterprises, private companies;

- b. A political party administrator, a member of the People's Representative Council, Regional Representative Council, Level I People's Representative Council and Level II People's Representative Council and/or a head of region/vice head of region;

- c. A candidate/member of People's Representative Council, Regional Representative Council, Level I People's Representative Council and Level II People's Representative Council and/or a head of region/vice head of region;

- d. Other positions that may result in a conflict of interest; and/or
  - e. Other positions in accordance with the provisions of laws and regulations.
2. With regard to the member of the Board of Commissioners holding concurrent positions as referred to in point 1 above, his/her term of office shall terminate as a member of the Board of Commissioners as of the occurrence of the concurrent positions.
  3. The member of the Board of Commissioners whose term of office is terminated as referred to in point 2 above, shall notify the Company in writing with regard to the concurrent positions accompanied by the supporting documents.
  4. Within a period of no later than 7 (seven) days as of the discovery of the concurrent positions, members of the Board of Commissioners, or members of the Board of Directors, shall notify the holder of Series A Dwiwarna shares regarding the concurrent positions, to be followed by the process for determining the in the forthcoming GMS.
  5. Other matters relating to the follow-up of concurrent positions including rights and obligations related to

the dismissal of the relevant members of the Board of Commissioners shall comply with the provisions contained in the laws and regulations, the Articles of Association, and company regulations.

## CHAPTER II

### BOARD OF DIRECTORS

#### A. COMPOSITION OF THE BOARD OF DIRECTORS

##### 1. Composition of the Board of Directors

- a. The number of Directors shall be adjusted to the needs of the Company;
- b. The Board of Directors shall consist of at least 2 (two) directors, one of whom shall be appointed as the president director and if necessary, one of them can be appointed as the vice president director.

##### 2. Term of Office of Member of the Board of Directors

- a. A member of the Board of Directors shall be appointed for a term of office of 5 (five) years and can be re-appointed for another term of office.
- b. A member of the Board of Directors can be given a salary along with facilities and/or other benefits including bonus and post service benefit the type and amount of which shall be determined by the GMS and this authority may be delegated to the Board of Commissioners.

B. MEMBERSHIP OF THE BOARD OF DIRECTORS

1. Members of the Board of Directors shall be appointed and dismissed by the GMS.
2. Termination of Position of Member of the Board of Directors:
  - a. The position of a member of the Board of Directors shall terminate in the following events:
    - (i) The resignation has become effective;
    - (ii) Demise;
    - (iii) Expiration of the term of office;
    - (iv) Dismissal based on the decision of the a GMS;
    - (v) Being declared bankrupt by a commercial court having had permanent legal force or being put under guardianship based on a court decision; or
    - (vi) No longer meeting the requirements as a member of the Board of Directors based on the Articles of Association and other laws and regulations.

- b. The provisions as referred to in point 2.a. (vi) above shall include but not limited to concurrent positions prohibited.
- c. The appointment of a member of the Board of Directors that does not meet the requirements as intended in point 2.a. (vi) above shall be null and void as of the discovery of the non-fulfillment of the requirements by other members of the Board of Directors based on valid evidence and notified in writing to the relevant members of the Board of Directors by observing the provisions of laws and regulations.
- d. A members of the Board of Directors resigning before or after the expiration of his/her term of office, unless due to demise, shall remain to be responsible for his/her acts the accountability of which has not been accepted by the GMS.

3. Temporary Suspension of Member of the Board of Directors

- a. A member of the Board of Directors may be temporarily suspended at any time by the Board of Commissioners by stating the reasons.



- b. The temporary suspension of a member of the Board of Directors as mentioned above shall be conducted if the relevant member of the Board of Directors:
- (i) acts contrary to the Company's Articles of Association;
  - (ii) there are indications of him/her having taken acts harmful to the Company;
  - (iii) is in default on his/her obligations; or
  - (iv) there are compelling reasons to do so for the Company.
- c. The temporary suspension must be notified in writing no later than 2 (two) business days after the stipulation of the temporary suspension to the relevant member of the Board of Directors along with the underlying reason with a copy to the Board of Directors.
- d. No later than 90 (ninety) days after the temporary suspension, the Board of Commissioners must hold a GMS to revoke or affirm the decision for temporary dismissal.
- e. Temporarily suspended member of the Board of Directors shall be given the opportunity to defend him/herself

in the GMS as referred to in point d above after being summoned in writing. The absence of such temporarily suspended member of the Board of Directors in the GMS shall be deemed as a waiver of the rights of the relevant member of Board of Directors to defend him/herself in the GMS and he/she shall be deemed to accept the decision of the GMS.

f. The temporarily suspended member of the Board of Directors is not authorized to run the management of the Company for the interests of the Company in accordance with the purposes and objectives of the Company and to represent the Company inside and outside the Court of law.

g. The temporary suspension shall be void and non-extendable or re-stipulated under the same reasons in the following events:

(i) lapse of the deadline for holding the GMS as intended in point d above; or

(ii) the GMS is unable to adopt a decision.

h. If the GMS:

(i) annuls the temporary suspension or the situation as referred to in point e above occurs, the relevant

member of the Board of Directors shall resume the performance of his/her duties properly;

(ii) affirms the temporary dismissal decision, the temporarily suspended member of the Board of Directors shall be dismissed permanently.

i. The company shall be obliged to inform the following to the public and submit the following to the Financial Services Authority:

(i) decision on the temporary dismissal; and

(ii) output of the GMS to revoke or affirm the decision on temporary dismissal or information concerning the annulment of the temporary suspension by the Board of Commissioners because the GMS is not held until the deadline as referred to in letter d above no later than 2 (two) business days after the occurrence of the event.

#### 4. Dismissal of Member of the Board of Directors

a. A member of the Board of Directors may be dismissed at any time based on the decision of a GMS by stating the reasons.

b. The dismissal of a member of the Board of Directors as mentioned above shall be done if the relevant member of the Board of Directors, among others:

(i) Is unable to fulfill his/her obligations as agreed in the management contract;

(ii) Is unable to perform duties properly;

(iii) Violates the provisions of the Company's Articles of Association and/or the applicable laws and regulations;

(iv) Is involved in acts harmful to the Company and/or the state;

(v) Takes acts that violate ethics and/or appropriateness that should be respected as members of the Board of Directors;

(vi) Is found guilty by a court decision that has had permanent legal force;

(vii) Resigns;

(viii) Based on other reasons deemed appropriate by the GMS for the purposes and interests of the Company.

- c. The decision for dismissal due to the reasons as referred to in points b (i), (ii), (iii), (iv), (v) and (viii) shall be made after the relevant member has been given the opportunity to defend him/herself in the GMS.
- d. Dismissal due to the reasons as referred to in points b (iii) and (v) shall be a dishonorable discharge.
- e. Among members of the Board of Directors and members of the Board of Directors and members of the Board of Commissioners there shall be no family relations up to the third degree, either in a straight line downwards or a horizontal line, including any relations because of marriage. In the event of such a situation, the GMS shall be authorized to dismiss one of them.

5. Resignation of Member of the Board of Directors

- a. A member of the Board of Directors shall have the right to resign from his/her position before the expiry of his/her term of office by giving a written notification on the intention to the Company.

- b. The company shall be obliged to hold a GMS to decide on the resignation of the member of the Board of Directors no later than 90 (ninety) days after the receipt of the resignation letter.
- c. The company shall be obliged to announce to the public and to inform the Financial Services Authority no later than 2 (two) business days after the receipt of the application for resignation of the relevant member of the Board of Directors and the holding of the GMS as mentioned above.
- d. Before the resignation takes effect, such member of the Board of Directors shall remain to have the obligation to finish duties and perform responsibilities in accordance with the Articles of Association and the applicable laws and regulations.
- e. The resigning member of the Board of Directors as mentioned shall remain to be held accountable as a member of the Board of Directors since the appointment of the relevant member until the date of approval of his/her resignation by the GMS.

- f. The resigning member of the Board of Directors shall be released from responsibility after the Annual GMS has given such release to him/her.
  
- g. In the event of resignation of members of the Board of Directors resulting in the number of members of the Board of Directors to be less than 2 (two) members, such resignation shall be valid if it has been approved by the GMS and new members of the Board of Directors have been appointed to meet the minimum requirements of number of members of the Board of Directors.

6. Vacancy in the Position of the Board of Directors

- a. If at any time for any reason one or more position of members of the Board of Directors becomes vacant:

- (i) The Board of Commissioners shall appoint another member of the Board of Directors to perform the works of the vacant position of member of the Board of Directors with the same powers and authority;

(ii) A GMS shall be held to fill the vacant position if such vacancy results in the number of members of the Board of Directors to be less than 2 (two) members and one of them is the President Director or if the vacant position is the position of the President Director;

(iii) The GMS as referred to in point (ii) above shall be held no later than 90 (ninety) days after the occurrence of the vacant position.

c. In the event that there is a member of the Board of Directors whose term of office has expired and the GMS has not appointed the successor, the member of the Board of Directors whose term of office has expired can be appointed by the GMS to carry out his/her work with the same powers and authority, provided that the member of the Board of Directors whose term of office has expired has only served for 1 (one) term of office.

d. If at any time due to any reasons whatsoever the positions of all members of the Board of Directors of the Company become vacant, then:



- (i) within 90 (ninety) days after the vacancy occurs, a GMS shall be held to fill the vacant positions of members of the Board of Directors;
- (ii) as long as the positions remain vacant and the GMS has not filled the vacant positions of members the Board of Directors, the Company shall temporarily be managed by the Board of Commissioners with the same powers and authority.

#### C. FUNCTIONS AND ROLES OF THE BOARD OF DIRECTORS

The functions and roles of the Board of Directors to support the sustainability of the Company can be optimized through the following efforts:

1. Strengthening the membership and composition of the Board of Directors

The efforts to strengthen the membership and composition of the Board of Directors can be made through several measures as follows:

- a. Determination of the number of members of the Board of Directors by taking into account the conditions of the Company and effectiveness of decision making.
- b. Determination of the composition of members of the Board of Directors by taking into account

the diversity of expertise, knowledge and experience required.

c. Members of the Board of Directors in charge of accounting or finance shall have expertise and/or knowledge in accounting.

2. Improving the quality of the implementation of duties and responsibilities of the Board of Directors.

a. The efforts to improve the quality of the implementation of the duties and responsibilities of the Board of Directors as referred to in point 1 can be done through the following measures:

(i) The Board of Directors shall have a self-assessment policy to assess the performance of the Board of Directors.

(ii) The self-assessment policy to assess the performance of the Board of Directors shall be stated in the Company's Annual Reports.

(iii) The Board of Directors shall have policies concerning the resignation of a member of the

Board of Directors involved in financial crimes.

- d. The policies as referred to in letter a (iii) above shall further be regulated in a company regulation.

#### D. MAIN DUTIES OF THE BOARD OF DIRECTORS

1. The main duties of the Board of Directors shall be to carry out all acts related to and shall be responsible for the management of the Company for the benefit of the Company according to the purposes and objectives of the Company and to represent the Company both inside and outside the court of law on all matters and events with the restrictions as provided for in the laws and regulations, the Articles of Association and/or Decision of the GMS.
2. In carrying out the abovementioned main duties, the Board of Directors through a Meeting of the Board of Directors or under the joint approval mechanism shall be authorized:
  - a. To propose the vision, mission and strategies of the Company;
  - b. To establish basic policies for corporate, financial, organizational and HR strategies as

well the Company's information and communication technology system;

- c. To submit proposals for the management of the Company that require the approval of the Board of Commissioners and the GMS and to implement them according to the provisions of the Articles of Association, approval of the Board of Commissioners and decision of the GMS;
- d. To strive to achieve the target indicators for financial, operational and administrative aspects used as the basis for assessing the level of health of the Company in accordance with the performance target determined by the Shareholders.
- e. To establish performance targets and performance evaluation of the Company, Directorates, Operation Units and business units through the Company's organizational mechanisms and the performance targets and evaluation of subsidiaries including strategic plans and dividend policies of the subsidiaries through subsidiary organs mechanism according to the regulations applicable to the subsidiaries.
- f. To approve proposals and amendments to the Company's Long Term Plan and the Company's Budget

and Work Plan in accordance with the applicable regulations.

g. To give investment feasibility approval according to the authority of the Board of Directors and to monitor and make corrections to its implementation.

h. To determine cooperation or contract activities with a value and time or use/acquisition in accordance with the authority stipulated in the Company regulation.

#### E. DUTIES, RESPONSIBILITIES AND AUTHORITY

1. The Board of Directors shall have the rights and authorities, among others, as follows:

a. To establish policies deemed appropriate for the Company's management;

b. To arrange for the transfer of power of the Board of Directors to represent the Company inside and outside the court of law to a person or persons specially appointed for that purpose including the Company's employees either individually or collectively and/or other bodies;

c. To make regulations concerning the Company's employees including the determination of salaries and pensions or old age security and other incomes for the

- Company's employees based on the applicable laws and regulations;
- d. To appoint and dismiss the Company's employees based on the Company's regulations on manpower and the laws and regulations;
  - e. To appoint and dismiss the Corporate Secretary and/or the Head of Internal Supervisory Unit upon approval of the Board of Commissioners;
  - f. To write-off bad debts under the provisions as set forth in the Articles of Association to be reported to the Board of Commissioners;
  - g. To stop collecting interest, penalties, fees and other receivables than the principals made in the context of restructuring and/or settlement of receivables as well as other acts in order to settle the Company's receivables with the obligations to report them to the Board of Commissioners provided that the procedures and method of reporting of which shall be determined by the Board of Commissioners;
  - h. To do all other acts and actions regarding the management as well ownership of the Company's assets, to bind the Company with other parties and/or other parties with the Company, and to represent the Company inside and outside the court of law on all matters and events under the limitations as provided for in the

laws and regulations, the Articles of Association and/or decision of the GMS;

2. In relation to the above duties and authorities, the Board of Directors shall be entitled to incomes as determined by the GMS as provided below:

a. Types of Income

1) Salary;

2) Benefits, which shall consist of the following:

i. Festive holiday benefit;

ii. Housing benefit;

iii. Post-service insurance.

3) Facilities, which consist of:

i. Vehicle facility;

ii. Medical facility;

iii. Legal aid facility.

4) Bonus/Performance Incentives in which the bonus can be added with Long Term Incentive (LTI).

- b. The amount, type and procedures for the disbursement of income of members of the Board of Directors, including amendments thereto shall comply with the provisions of the laws and regulations, the Articles of Association and Company regulations.
3. In carrying out its duties, the Board of Directors shall be obliged:
  - a. To strive for and ensure the implementation of the Company's business and activities according to its purposes and objectives and business activities;
  - b. To prepare in due time the Company's Long Term Plan, Work Plan and the Company's Annual Budget and other work plans and amendments thereto to be submitted to the Board of Commissioners and to obtain approval from the Board Commissioner;
  - c. To prepare the List of Shareholders, Special Register, Minutes of the GMS, and Minutes of Meeting of the Board of Directors;
  - d. To prepare the Annual Reports which shall include, among others, financial statements, as a form of accountability for the Company's management, as well as the Company's financial



documents as referred to in the Law on Company Documents;

- e. To prepare financial statements based on the Financial Accounting Standards and to submit them to the Public Accountant for auditing;
- f. To deliver the Annual Reports after being reviewed by the Board of Commissioners no later than 5 (five) months after the expiry of the Company's fiscal year to the GMS for approval and ratification;
- g. To give explanation to the GMS with regard to the Annual Reports;
- h. To deliver the Balance Sheet and Profit and Loss Statement which have been approved by the GMS to the Minister in charge of Law in accordance with the provisions of the laws and regulations;
- i. To prepare other reports required by the provisions of laws and regulations;
- j. To maintain the Register of Shareholders, Special Register, Minutes of GMS, Minutes of Meetings of the Board of Commissioners and Minutes of Meetings of the Board of Directors, Annual Reports and the Company's financial documents as referred to in letters d and e as well as other documents of the Company;

- k. To keep the following at the domicile of the Company: Register of Shareholders, Special Register, Minutes of GMS, Minutes of Meetings of the Board of Commissioners and Minutes of Meetings of the Board of Directors, Annual Reports and Company financial documents as well as other financial documents of the Company;
- l. To establish and maintain books and administration of the Company according to the common practice for a company;
- m. To develop an accounting system in accordance with the Financial Accounting Standards and based on the principles of internal control, especially the managerial, recording, storage and supervisory functions;
- n. To give periodic reports according to the mechanism and time in accordance with the applicable regulations, as well as other reports whenever requested by the Board of Commissioners and/or the holder of Series A Dwiwarna shares, with due observance of the laws and regulations, especially regulations in the capital market sector;
- o. To prepare the Company's organizational structure along with the details and duties;

- p. To give explanation of everything asked or requested by members of the Board of Commissioners and the holder of Series A Dwiwarna shares with due observance of the laws and regulations, especially regulations in the Capital market sector;
- q. To perform out other obligations in accordance with the provisions of the Articles of Association and as stipulated by the GMS based on the laws and regulations;
- r. In carrying out the Company's management, there are acts of the Board of Directors that must obtain the written approval of the Board of Commissioners and/or the holder of Series A Dwiwarna shares. The relevant acts shall be as regulated in the Articles of Association;
- s. If in carrying out the Company's management there are acts of the Board of Directors which do not require the approval of the Board of Commissioners, but in the process of decision making of the Board of Directors, it is deemed necessary by the Board of Directors to consult the Ministry of SOEs as the holder of Series A Dwiwarna shares, then the Board of Directors may first ask for advice from the Board Commissioners

before consulting the Ministry of SOEs, and with regard to any output of consultation that is material in nature, especially any matters related to the appointment of the management or personnel, directions and instructions and policies of the company must be stated in writing to be submitted to Board of Commissioners.

t. The division of duties and powers of each member of the Board of Directors shall be determined by the GMS. In the event that the GMS does not determine such division of duties and powers, the division of duties and powers among members of the Board of Directors shall be determined by Decision of the Board of Directors.

#### F. COMPOSITION AND SEGREGATION OF DUTIES AMONG DIRECTORS

1. The Company's Board of Directors shall currently consist of the following directors:

- a. President Director;
- b. Director of Finance;
- c. Director of Strategic Portfolio;
- d. Director of Digital Business;
- e. Director of Wholesale & International Service;
- f. Director of Enterprise & Business Service;
- g. Director of Consumer Service;

h. Director of Human Capital Management; and

i. Director of Network & IT Solution.

2. In the event of a change in the composition based on the decision of a GMS or a change in the nomenclature of members of the Board of Directors, the composition and/or nomenclature of the members of the Board of Directors shall refer to the most recent change in accordance with the decision of the GMS.

3. Within 6 (six) months after the change in the composition in accordance with the decision of a GMS, the Company regulation governing duties and responsibilities of each member of the Board of Directors shall be adjusted to the new composition.

4. The division of duties of each member of the Board of Directors shall further be regulated in a Company regulation.

#### G. INDEPENDENCE OF THE BOARD OF DIRECTORS

In order to allow the Board of Directors to act in the best possible way for the best interests of the Company, independence of the Board of Directors shall be an important factor to be ensured. In order to maintain this independence, the Company shall establish the rules as follows:

1. Except the Board of Directors, any other parties shall be prohibited from engaging in or interfering with the management of the Company;
2. The Board of Directors must be able to make decisions objectively without conflict of interest and shall be free from any kind of pressure from any party;
3. The Board of Directors shall be prohibited from engaging in activities that may interfere with its independence in managing the Company;
4. An Integrity Pact shall be signed as a form of commitment of the Board of Directors in implementing the Company's activities that may result in conflict of interest.

H. AUTHORITY TO ACT FOR AND ON BEHALF OF THE BOARD OF DIRECTORS IN REPRESENTING THE COMPANY

1. In the course of the Company's management, each member of the Board of Directors shall have the right and shall be authorized to act for and on behalf of the Board of Directors and to represent the Company according to the stipulated policies and managerial authority of the Company based on a decision of the Board of Directors.

2. Members of the Board of Directors for certain acts at their own responsibility shall also be entitled to appoint one person or more as their representative or proxy by granting him/her or them the power for that particular act which shall be regulated in a power of attorney.
3. The power of attorney as referred to in point 2 may be in the form of an assignment and a granting of authority in a Company regulation, a power of attorney drawn-up by a notary and a privately drawn-up power of attorney.
4. The Company regulation governing duties, authority and responsibilities of a certain position or office shall be a form of the granting of authority from a member of the Board of Directors to the employee who occupies the position or office in question.
5. The provisions on the procedures for the granting of authority to act for and on behalf of the Board of Directors in representing the Company shall be regulated in a Company regulation governing the procedures for the granting of authority to act for and on behalf of the Board of Directors in representing the Company.

I. UNAVAILABLE MEMBER OF THE BOARD OF DIRECTORS AND  
TEMPORARY SUBSTITUTE OFFICIAL (PGS)

1. Due to certain reasons, a member of the Board of Directors may be unavailable or there may be a vacant office in carrying out managerial duties.
2. The criteria for unavailable member of the Board of Directors shall be being unable to be present at the work location on a business day because of sickness, being on leave or on a business trip preventing him/her from carrying out work activities.
3. The criteria for vacant position for a member of the Board of Directors shall include, among others, that member of the Board of Directors is appointed to a position prohibited from being held concurrently, is dismissed by the GMS, resigns, demises or no longer meets the requirements as a member of the Board of Directors based on the provisions of the Articles of Association and the laws and regulations.
4. If the President Director is absent or unavailable for any reason whatsoever, of which impediment no evidence to a third party shall be required, then:
  - a. The Vice President Director shall have the authority to act for and on behalf of the Board



of Directors and to carry out the duties of the President Director, otherwise the President Director shall appoint a member of the Board of Directors who shall be authorized to act for and on behalf of the Board of Directors and to carry out the duties of the President Director and/or Vice President Director if at the same time the Vice President Director is absent or unavailable.

b. If the Vice President Director is absent or unavailable for any reason, of which impediment no evidence to a third party shall be required, the Vice President Director shall appoint a member of the Board of Directors in writing who shall be authorized to act for and on behalf of the Board of Directors and to carry out the duties of the President Director and/or Vice President Director if the President Director has been absent or unavailable beforehand.

c. If the GMS does not appoint a Vice President Director, in the event that the President Director is absent or unavailable for any reason whatsoever, of which impediment no evidence to a third party shall be required, the President Director shall appoint in writing a member of the

Board of Directors who shall be authorized to act for and on behalf of the Board of Directors and to carry out the duties of the President Director.

- d. In the event that the President Director does not make any appointment, the most senior member of the Board of Directors in terms of tenure shall be authorized to act for and on behalf of the Board of Directors and to carry out the duties of the President Director.

5. If at any time due to any reason one or more position of member of the Company's Board of Directors becomes vacant:

- a. The Board of Commissioners shall appoint another member of the Board of Directors to carry out the work of the vacant office of the member of the Board of Directors with the same power and authority.
- b. With due observance of the applicable regulations, a GMS must be held to fill the vacant position if such vacancy causes the number of members of the Board of Directors to be less than 2 (two) directors in which one of them shall

be the President Director or if the vacant position is the office of the President Director or other Directors required by the applicable regulation.

c. The GMS as referred to in letter b shall be held no later than 90 (ninety) days since the occurrence of the vacant position resulting in the total number of members of the Board of Directors to be less than 2 (two) members or should the vacant position is the office of the President Director.

6. If needed, the Board of Directors may submit a written recommendation for other members of the Board of Directors as a reference for the Board of Commissioners to appoint a caretaker to fill the vacant office of member of the Board of Directors as referred to referred to in point 5 letter a above.

7. The term of office of the caretaker to the vacant office of member of the Board of Directors shall be maximally 2 (two) months after the appointment as the caretaker to the vacant office of member of the Board of Directors and when the term of office expires, another member of the Board of Directors will be appointed to fill in the caretaker's position.

8. By taking into account the continuity of duties and functions of members of the Board of Directors, in the event that a member of the Board of Directors is unavailable, it is necessary to have a Temporary Substitute Official (PGS) to take over the authority, duties and functions of the unavailable member to comply with the provisions of the Company regulations.
9. The term of office of a PGS shall be maximally 2 (two) months from the date of his/her appointment as the PGS and when the term of office has expired, the position shall be given to another PGS according to the priority order as referred to in Appendix-1.
10. The appointment of the PGS of other members of the Board of Directors than the President Director in the event of temporary unavailability shall be as stipulated in Appendix-1 to this Board Manual.
11. In the event that based on the PGS appointment table, a Substitute member of the Board of Directors is also unavailable, the appointment of the PGS will be carried out by the President Director.
12. In carrying out the work of a substituted member of the Board of Directors, a substituting member of the

Board of Directors shall be given the same power and authority.

13. The unavailable member of the Board of Directors either directly or through the unavailable Head of the Secretariat of Directorate shall notify the Corporate Secretary and the Corporate Secretary shall notify the member of the Board of Directors appointed as the PGS in accordance with the table of Temporary Substitute Officials for Members of the Board of Directors in Appendix-1 of this Board Manual and the provisions of the Articles of Association, with copies to other members of the Board of Directors.

14. In case of the two PGSSs according to the priority order in the table of Temporary Substitute Officials of Members of the Board of Directors in Appendix-1 of this Board Manual are also unavailable, the Corporate Secretary shall notify the President Director as the holder of ultimate accountability to take over directly the authority, duties and functions of the unavailable member of the Board of Directors with a copy to other members of the Board of Directors.

15. In the event that all Substitutes of unavailable members of the Board of Directors (according to the table for appointing PGSSs in Appendix-1), are

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temporarily or permanently unavailable, an available member of the Board of Directors may be appointed as a substitute for 1 (one) or more unavailable members of the Board of Directors.

16. No later than 7 (seven) calendar days after the relevant member of the Board of Directors has completed duties as the PGS, the secretariat of the Directorate of the relevant member of the Board of Directors shall prepare a post fact approval report signed by the PGS official to be submitted to the substituted member of the Board of Directors in the event that the relevant person makes a decision according to the limit/corridor of authority as a report and shall at least contain the type of decision, date of issue, content of the decision, the reporting Director and notes or matters to be considered.

#### J. DECISION-MAKING/APPROVAL MECHANISM AND FORUM

##### 1. Decision-Making/Approval Forum

- a. The mechanism and forum for decision-making/approval of the Board of Directors shall basically be meetings of the Board of Directors.

- b. In order to decide/approve regulations, strategic initiatives and transactions that require the approval of more than 2 (two) Directors, the Board of Directors may grant authority and mechanism for decision-making/approval to several members of the Board of Directors in an Executive Committee (joint approval authority) to be implemented in accordance with the Company regulations.
- c. Apart from decision-making through meetings of the Board of Directors and the Executive Committee, each member of the Board of Directors may make decisions/grant approvals for operational activities in the relevant directorate (single approval authority) in accordance with the authority as stated in the Company's Articles of Association, organizational rules or other Company regulations.
- d. Any decisions made/approvals given by the Board of Directors or members of the Board of Directors shall be carried out by upholding the principles of prudence, materiality and must comply with the Company's internal regulations and/or functions and authority and must uphold the principles of professionalism, efficiency, transparency,

independence, accountability, accountability and fairness.

## 2. Decision-Making/Approval Mechanism

### a. Meeting of the Board of Directors

- i. Pursuant to the Company's Articles of Association and the applicable Company's regulations, the Board of Directors shall be required to hold a meeting of the Board of Directors periodically, at least once in a month.
- ii. The Board of Directors must periodically hold a meeting of the Board of Directors together with the Board of Commissioners at least once in 3 (three) months.
- iii. Apart from through a meeting of the Board of Directors, the Board of Directors may make decision/grant approval without holding a meeting, provided that all members of the Board of Directors grant their written approval by signing the proposal submitted (in the form of a circular letter).
- iv. Decisions approved by Meeting of the Board of Director or circular letters that are regulatory



in nature may be set forth in the form of a Company regulation in accordance with the applicable regulations.

- v. The implementation of a meeting of the Board of Directors or a circular letter shall comply with the provisions contained in the Company's Articles of Association.

b. Executive Committee (Joint Approval)

- i. For the purposes of making decisions/granting approvals related to policies, Company regulations or certain transactions, the Company shall form a Committee Executive, namely a committee formed by the Board of Directors consisting of 2 (two) Directors or more.
- ii. The Executive Committee shall be chaired by one of the members of the Board of Directors and its members shall be several members of the Board of Directors, and may be assisted by the secretary of the committee and members of the working group of the Committee which shall further be regulated in a separate Company regulation.
- iii. A decision/approval of the Executive Committee can be made through a meeting of the Executive

Committee or through a circular letter provided all members of the Executive Committee approve it in writing by sign the Minutes of Meeting/Circular Letter of the Committee.

- iv. Decisions approved by the Executive Committee which shall be regulatory in nature may be set out in the form of a Company regulation, however in the event that the decisions need to be executed immediately, before the stipulation of the Company regulation, the decision can be enforced by stating it in the decision of the Executive Committee.
  - v. Provisions for the procedures and implementation of the decision of the Executive Committee shall be regulated in a separate Company regulation.
- c. Decision Making/Approval by the Director (Single Approval)
- i. Each member of the Board of Directors may make policies according to the field of duties and authority as regulated in the applicable Company regulations.
  - ii. The aforementioned decision or approval by the Director which shall be regulatory in nature may be

set out in the form of a Company regulation in accordance with the authority of the relevant member of the Board of Directors.

d. Approval Authority Compliance Review

i. In order to have orderly administrative approval and to comply with the process of introducing Company regulations, before the Company regulation is stipulated, it is necessary to carry out compliance review.

ii. The scope of compliance review shall include, among others:

a. Proposed justification and professional consideration.

b. Compliance with the applicable laws and regulations.

c. Level of authority of the approving official.

d. Conformity between the approval document and the issued document.

iii. Certain transactions that require the approval of the Board of Directors or the Executive Committee shall observe the principles of segregation of duties (six eyes principles).

## K. REPORTING AND ACCOUNTABILITY

### 1. Annual Reports

- a. The Board of Directors shall submit the Annual Reports after being reviewed by the Board of Commissioners, within 5 (five) months after the end of the fiscal year of the company to the GMS for approval and ratification.
- b. In the event that there is a member of the Board of Directors and/or the Board of Commissioners refusing to sign the Annual Reports as mentioned above, the reason for refusal must be stated in writing or the reason for refusal must be stated by the relevant member of the Board of Directors and/or the Board of Commissioners in a separate letter attached to the Annual Reports.
- c. The Annual Reports shall be signed by all members of the Board of Directors and all members Board of Commissioners serving in the relevant fiscal year and shall be made available at the Company's office since the date of summons to the GMS to be examined by the shareholders.
- d. In the event that there is a member of the Board of Directors or a member of the Board of

Commissioners refusing to sign the Annual Reports as referred to in letter c above and do not give written reasons, the relevant members shall be deemed to have approved the content of the Annual Reports.

- e. The Annual Reports containing financial statements that have been audited by a Public Accountant registered with the Financial Services Authority must have been made available at the Company's Office no later than the date of the Summons to the Annual GMS to be examined by the shareholders.
- f. The Company shall be required to announce the balance sheet and profit and loss statement in 2 (two) Indonesian language daily newspapers widely circulated within the territory of the Republic of Indonesia in accordance with the provisions of the laws and regulations in the Capital Market and Limited Liability Company sectors.
- g. The Annual Reports as referred to in point 1 shall at least contain:
  - (i) the financial statements consisting of the balance sheets at the end of the past fiscal

year in comparison with the preceding fiscal year, profit and loss statement of the relevant fiscal year, cash flow statements and changes in equity statements, as well as notes to the financial statements;

(ii) reports regarding the Company's activities including implementation of the Company's annual work plan and budget;

(iii) reports on the implementation of Social and Environmental Responsibility as well as Partnership and Community Development Program (if any);

(iv) details of issues arising during the fiscal year affecting the Company's business activities;

(v) reports on supervisory duties that have been performed by the Board of Commissioners during the previous fiscal year;

(vi) names of members of the Board of Directors and members of the Board of Commissioners;

(vii) salary and benefits/facilities for members of the Board of Directors and the Board of

Commissioners of the Company for the previous year;

(viii) attendance of members of the Board of Directors and the Board of Commissioners in meetings of the Board of Directors and/or meetings of the Board of Commissioners;

(ix) annual strategic regulatory progress reports; and

(x) other matters in accordance with the provisions of laws and regulations in the Capital Market sector in Indonesia.

h. In the Annual Reports, the Board of Directors may also submit the annual enterprise risk management implementation report.

## 2. Periodic Reports

a. In addition to the reports as referred to in point 1 above, the Board of Directors shall be obliged to prepare and submit periodic reports to the Board of Commissioners.

b. The periodic reports as referred to in point 2 letter a above shall include monthly reports and quarterly reports which shall at least consist of the following:

- (i) Monthly (if necessary) and quarterly report on the implementation of the Company's RKAP;
  - (ii) Quarterly strategic regulatory progress report: and
  - (iii) Quarterly enterprise risk management implementation report (if necessary).
- c. In addition to the periodic reports as referred to in point 2 letter b, the Board of Directors may also submit special reports to the Board of Commissioners.
- d. The periodic reports and other reports as referred to in point 2 letters b and c shall be submitted in the form, content and preparation procedures in accordance with the provisions of the laws and regulations.
- e. The Board of Directors must submit the quarterly report to the Board of Commissioners no later than 30 (thirty) days after the lapse of the quarterly period to be signed by all members of the Board of Directors.
- f. In the event that there are members of the Board of Directors refusing to sign the quarterly report as referred to in point 2 letter b, the relevant members of the Board of Directors shall state the refusal reasons in writing.



- g. Members of the Board of Directors must report to the Company their and/or their families' share ownership at the Company and other companies, including any changes thereto.

L. COMMITTEES OF THE BOARD OF DIRECTORS

- 1. For the purposes of making decisions/granting approvals related to policies, Company regulations or certain transactions, the Company may form Committees under the Board of Directors which may consist of members of the Board of Directors and non-members of the Board of Directors.
- 2. The Committees of the Board of Directors shall be determined based on the regulations issued by the Board of Directors as needed which may be amended pursuant to a decision of the Board of Directors.
- 3. The committees as referred to in point 2 above shall include but not limited to the following:
  - a. Executive Committee, as described in point J.2.b of this Chapter which shall consist of the following:
    - i. Investment Committee;
    - ii. Subsidiary Management Committee:

iii. Risk, Compliance and Revenue Assurance Committee;

iv. Disclosure Committee;

v. Procurement Committee;

vi. Pricing Committee.

b. Other committees than the Executive Committee, which shall consist of the following:

i. Compliance and Discipline Ethics Committee, abbreviated as KEKD;

ii. Investigation Committee;

iii. Hedging Committee.

With the duties of authority, duties and responsibilities as stipulated in a separate Company regulation

#### M. ETHICS OF OFFICE OF MEMBERS OF THE BOARD OF DIRECTORS

##### 1. Ethics related to Role Modeling

Members of the Board of Directors must encourage ethical behavior and uphold standards of ethics in the Company by, among others, making themselves role models for employees of the Company.

## 2. Ethics of Compliance with Laws and Regulations

Members of the Board of Directors must comply with the applicable laws and regulations, the Articles of Association and Guidelines for Good Corporate Governance and corporate policies stipulated.

## 3. Ethics regarding Information Transparency and Confidentiality

Members of the Board of Directors must disclose information in accordance with the provisions of the applicable laws and regulations and shall constantly maintain the confidentiality of information entrusted to them in accordance with the provisions of laws and regulations and/or Company regulations.

## 4. Ethics Relating to the Company's Opportunities

During their tenure, Members of the Board of Directors shall be prohibited from:

- a. Taking the Company's business opportunities for their own advantage, the advantage of their families, business groups and/or other parties.
- b. Abusing the Company's assets, information or their positions as members of the Board of Directors for personal interests beyond the provisions of laws

and regulations as well as the applicable policies of the Company.

- c. Competing with the Company, namely by using inside information to gain advantage for the interests of others and not the interests of the Company.
- d. Taking personal advantage of the Company's activities, other than salary and benefits received as members of the Board of Directors of the Company as determined by the GMS.
- e. Taking opportunities for business transactions with parties whose funds are suspected to originate from money laundering activities. To that end, comprehensive understanding on the identities and reputation of prospective partners is imperative. In addition, references from third parties will result in additional information.

#### 5. Business Ethics and Anti-Corruption

Members of the Board of Directors must at all times prevent and refrain from committing practices of corruption, gratification, money laundering, and bribery in any way, form and/or for any interest believed and considered harmful to the Company.

Several matters prohibited for members of the Board of Directors shall include but not limited to the following:

- a. Members of the Board of Directors shall be prohibited from giving or offering to, or receiving either directly or indirectly something of value from a customer or an official/employee of a government agency to influence or in return for an act and other acts according to the applicable laws and regulations.
- b. Members of the Board of Directors shall be prohibited from giving tokens of gratitude in business activities such as gifts, donations or entertainment, given at circumstances that can be considered as gratification and/or inappropriate acts.

#### 6. Ethics Regarding Conflicts of Interest

Related Parties shall include:

a. Related Parties shall include:

- (i) Parties having family relations due to marriage and the offspring up to the second degree (including in-laws) either horizontally

or vertically with the members of the Board of Directors; or

- (ii) The company or body in which the members of the Board of Directors or their families (as referred to in point 6.a.i above) serve as Directors (in case of non-limited liability company, other equivalent positions) or are controlling shareholders (in case of non-limited liability company, other equivalent positions) or are the main shareholders (in case of non-limited liability company, other equivalent positions).

In the event that a member of the Board of Directors has relations with the Related Parties as referred to in point 6, the voting rights of the members of the Board of Directors will not be taken into account in the decision making to do a transaction.

b. Among members of the Board of Directors and between members of the Board of Directors and members of the Board of Commissioners there shall be no family relations up to the 3<sup>rd</sup> (third) degree, both in a vertical line downwards and a horizontal line, including family relations arising from marriage (in-laws). In the

event of such a situation, the GMS shall be authorized to dismiss one of them.

c. A member of the Board of Directors shall not be authorized to represent the Company in the following events:

(i). There occurs a case before the Court between the Company and the relevant member of the Board of Directors; or

(ii). The relevant member of the Board of Directors concerned has a conflict of interest with the Company.

d. In the event of the situation as referred to in point c above, those entitled to represent the Company shall be:

(i). Other members of the Board of Directors that do not have a conflict of interest with the Company appointed by other members of the Board of Directors who do not have a conflict of interest

(ii). The Board of Commissioners, in the event that all members of the Board of Directors have a conflict of interests with the Company; or

(iii). Other parties appointed by the GMS, in the event that all members of the Board of Directors or the Board of Commissioners have a conflict of interest with the Company.

e. In the event that all members of the Board of Directors have a conflict of interest with the Company and there is no member of the Board of Commissioners, the Company shall be represented by another party appointed by the GMS.

#### N. CONFIDENTIALITY AND INFORMATION DISCLOSURE

1. Information disclosure must be done accurately and in a timely manner according to the applicable regulations pertaining to all important information of the Company.
2. The improvement of the implementation of information disclosure can be done through several measures as follows:
  - a. Utilization of information technology more widely in addition to the website as the information disclosure media;
  - b. Annual Reports of the Company.



3. All approval process documents and their Appendices, including documents published letters and presentations made by the Board of Directors and the Executive Committee must be kept confidential and will not be disclosed and reported to other parties, unless required by laws or approved by the Board of Directors.
4. Disclosure of important information of the Company to other parties shall be stated in the Annual Reports and Financial statements of the Company in accordance with the laws and regulations
5. Management of Documents & Information of the Company will be further regulated in a Company regulation.

0. INTRODUCTORY AND COMPETENCY IMPROVEMENT PROGRAM

1. Introductory Program for the Board of Directors

- a. Newly appointed members of the Board of Directors shall be given an introductory program to provide an understanding of the general condition of the Company.
- b. The implementation of the introductory program shall be the responsibility of the Corporate

Secretary or any person performing the function of corporate secretary.

c. The introductory program materials shall at least include the following:

- 1) Introduction to the Company including its vision, mission, strategy, performance, financial conditions, risks and the most current developments of the Company.
- 2) Understanding of the telecommunications industry, including knowledge of the Company's products;
- 3) Understanding of government regulations and policies particularly in the telecommunication industry;
- 4) Understanding of financial aspects (financial literacy), especially related to examination of financial statements, including but not limited to balance sheets, income statements, cash flow statements, and changes in equity statements, as well as notes to the financial statements of State Owned Enterprises and publicly-listed companies;

- 5) Implementation of GCG principles in the Company, including ethics and norms applicable within the Company.
  - 6) Roles, duties and responsibilities of the Board of Commissioners and the Board of Directors, including with regard to Internal Audit and Committees, as well as other supporting organs.
  - 7) Introduction to managerial ranks and files and visit to each Unit of the Company.
  - 8) Team building involving all members of the Board of Directors, both newly appointed and incumbent, with the aim of creating cohesiveness and teamwork as members of the Board of Directors.
- d. The materials of the introductory program as referred to in point c above shall first consider the instruction of the Board of Directors and advice of the Board of Directors.
- e. No later than 3 (three) months after the introductory program is carried out, the Corporate Secretary or any person that carries

out the function of Corporate Secretary shall be obliged to evaluate the implementation of the introductory program.

## 2. Competency Improvement

The provisions concerning competency improvement program for the Board of Directors shall be as follows:

- a. The competency improvement program shall be implemented in order to improve the effectiveness of the work of the Board of Directors;
- b. The competency improvement plan shall be included in the RKAP of the Company;
- c. The Corporate Secretary shall prepare the requirements of the competency improvement program of the Board of Directors every year by taking into account the advices of the Board of Commissioners.
- d. Any member of the Board of Directors taking part in the competency improvement program such as seminars and/or trainings shall be required to give presentation to other members of the Board of Directors not taking part in the competency

improvement program in the context of sharing information and knowledge;

- e. The relevant member of the Board of Directors shall be responsible for preparing a report on the implementation of the competency improvement program. The report shall be submitted to the Board of Directors.

#### P. PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

##### 1. General Policy

- a. The Board of Directors shall formulate and recommend the Key Performance Indicator (KPI) for the Company and the Key Performance Indicator (KPI) for each member of the Board of Directors to the Board of Commissioners.
- b. In formulating the Key Performance Indicator (KPI), the Board of Directors shall observe and consider the parameters of assessment in the forms of numerical and narrative indicators as well as related evaluations:
  - i. Implementation of Good Corporate Governance;
  - ii. Aspirations of the holder of Series A Dwiwarna shares;

- iii. Determination of absolute targets for RKAP and KPI;
- iv. Provisions of laws and regulations.
- c. The Board of Directors and the Board of Commissioners shall sign a Management Contract containing the Key Performance Indicator (KPI) and shall report it to the holder of Series A Dwiwarna shares through the Board of Commissioners.
- d. The performance of the Board of Directors and each member of the Board of Directors shall be evaluated by the Board of Commissioners and shall be informed to the Shareholders.
- e. The performance of the Board of Directors shall be appraised based on the duties, obligations and responsibilities contained in the provisions of the applicable laws and regulations and the Company's Articles of Association.
- f. The Board of Directors shall submit to the holder of Series A Dwiwarna shares the progress of the fulfillment of the Key Performance Indicator (KPI) on a quarterly or regular basis according to the applicable regulations.

2. Performance Evaluation Criteria of the Board of Directors

The performance evaluation criteria of the Board of Directors shall be determined in the GMS based on the Key Performance Indicator (KPI) which shall at least be as follows:

- i. Formulation of KPI and its achievement evaluation.
- ii. Percentage of presence in Meetings of the Board of Directors and Meetings of the Board of Commissioners.
- iii. Contribution to the business activities of the Company.
- iv. Involvement in certain assignments.
- v. Commitment to promote the Company's interest.
- vi. Compliance with the applicable laws and regulations and the company's policies.
- vii. Achievement of the Company's targets as set out in the RKAP and the Management Contract.

3. Self Assessment Policy to assess the performance of the Board of Directors

- a. The Board of Directors shall have a self-assessment policy to assess the performance of the Board of Directors. The Self-assessment of the Board of Directors shall be guidelines used as a form of accountability for the performance assessment of the Board of Directors on a collegial basis. The self-assessment shall be carried out by each member of the Board of Directors to assess the performance of the Board of Directors on a collegial basis and not assessing the individual performance of each member of the Board Director. With this Self Assessment, it is expected that each member of the Board of Directors can give contribution to improve the performance of the Board of Directors on an ongoing basis.
- b. The policy may cover the activities carried out along with the purposes and objectives, periodic implementation term, and benchmarks or assessment criteria used in accordance with the recommendations given by the nomination and remuneration functions.



- c. The Self Assessment Policy to assess the performance of the Board of Directors shall be stated in the Annual Reports.
4. The results of assessment of the performance of the Board of Directors for 1 (one) full year based on the Key Performance Indicator in the management contract evaluated by an independent party (external auditor).

Q. CONCURRENT POSITION OF THE BOARD OF DIRECTORS

1. A member of the Board of Directors of the Company shall be prohibited from holding concurrent positions as:
- a. A member of the Board of Directors of other SOEs, regionally owned enterprises, private companies;
  - b. A member of the Board of Directors and/or Board of Supervisors of other SOEs;
  - c. Other structural and functional positions in the central and regional government agencies/bodies;
  - d. A political party administrator, a member of the People's Representative Council, Regional Representative Council, Level I People's Representative Council and Level II People's Representative Council and/or a head of region/vice head of region;

- e. A candidate/member of People's Representative Council, Regional Representative Council, Level I People's Representative Council and Level II People's Representative Council and/or a head of region/vice head of region;
  - f. Other positions that may result in a conflict of interest; and/or
  - g. Other positions in accordance with the provisions of laws and regulations.
2. Concurrent positions held by a member of the Board of Directors not included in the provisions of point 1 shall require approval of the Board of Commissioners.
3. With regard to the member of the Board of Directors holding concurrent positions as referred to in point 1 above, his/her term of office shall terminate as members of the Board of Directors of SOE as of the occurrence of the concurrent positions.
4. The member of the Board of Directors whose term of office is terminated as referred to in point 3 above, shall notify the Company in writing regarding the concurrent positions accompanied by supporting documents.

5. By taking into account the effectiveness of the Company's management, a member of the Board of Directors of the Company may hold concurrent positions as a member of the Board of Commissioners in maximally 3 (three) Subsidiaries and/or affiliated companies.
6. By taking into account the needs and requirements of the Company, upon prior approval of the Board of Commissioners, certain members of the Board of Directors may hold positions as members of the Board of Commissioners in 3 (three) Subsidiaries and/or affiliated companies.
7. Other matters related to the follow-up to concurrent positions including rights and obligations pertaining to dismissal of the relevant members of the Board of Directors shall comply with the provisions of the laws and regulations, the Articles of Association and Company regulations.

## CHAPTER III

### WORK RELATIONS OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

#### A. FORMS OF WORK RELATIONS BETWEEN THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

The work relations between the Board of Directors and the Board of Commissioners shall be in the forms as follows:

1. Formal Meeting:
2. Informal Meeting;
3. Formal Communication;
4. Informal Communication.

##### 1. Formal Meeting

Formal meetings shall be meetings of the Board of Commissioners and meetings of the Board of Directors held by the respective boards. The formal meeting shall be held by the invitation of the Board of Commissioners or the Board of Directors.

##### a. Presence of the Board of Directors in Meeting of the Board of Commissioners

- 1) The presence of the Board of Directors in a Meeting of the Board of Commissioners shall be

allowed if the Board of Directors or one of the members of the Board of Directors is invited by the Board of Commissioners to give explanation, recommendation or to have a discussion.

2) The presence of the Board of Directors in a Meeting of the Board of Commissioners shall comply with the following procedures:

a) The Board of Commissioners shall send an invitation to the Meeting of the Board of Commissioners in writing, which can be in the forms of a letter/memorandum, an electronic mail (email) or a facsimile by attaching the meeting materials no later than 5 (five) business days before the holding of the meeting.

b) The Board of Directors, based on the meeting agenda, shall appoint a member of the Board of Directors or members of the Board of Directors who will attend the meeting and shall give confirmation to the Board of Commissioners no later 2 (two) business days before the commencement of the meeting.

- c) The Board of Commissioners shall hold the meeting attended by the Board of Directors and from the meeting, the Secretary of the Board of Commissioners shall prepares the minutes of the meeting and distribute it to those present.
  
- b. Presence of the Board of Commissioners in Meeting of the Board of Directors
  - 1) Presence of the Board of Commissioners in Meeting of the Board of Directors at the invitation of the Board of Directors
    - a) The presence of members of the Board of Commissioners, either collectively or individually to give opinions on the matters discussed in the meeting of the Board of Directors shall be allowed at the invitation of the Board of Directors.
  
    - b) The presence of the Board of Commissioners in a meeting of the Board of Directors at the Invitation of the Board of Directors shall comply with the following procedures:
      - i. The Board of Directors shall send an invitation to the meeting of the Board

of Directors to the Board of Commissioners in writing which can be in the forms of a letter/memorandum, an electronic mail (email) or a facsimile by attaching the meeting materials no later than 5 (five) business days before the holding of the meeting without taking into account the date of summons and the date of meeting or in a shorter time in case of urgent situation.

ii. The Board of Commissioners, based on the meeting agenda, shall appoint a members of the Board of Commissioners or members of the Board of Commissioners who will attend the meeting and shall give confirmation to the Board of Directors, no later than 2 (two) business days before the commencement of the meeting.

iii. The Board of Directors shall hold the meeting to be attended by the Board of Commissioners and from the meeting, the Corporate Secretary shall draw-up

the minutes of meeting and distribute it to the meeting participants.

2) Presence of the Board of Commissioners in Meeting of the Board of Directors at the Request of the Board of Commissioner

a) The Board of Directors shall meet at any time considered necessary by one or more members of the Board of Directors or at the written request of one or more members of the Board of Commissioners or the Shareholders having the most shares by mentioning the matters to be discussed.

b) The presence of the Board of Commissioners in a Meeting of the Board of Directors is allowed at the request of the Board of Commissioners or one of the members of the Board of Commissioners to be present in the meeting of the Board of Directors to give opinions on the matters discussed.

c) The presence of the Board of Commissioners in a meeting of the Board of Directors at the Request of the Board of Commissioners shall comply with the following procedures:



- i. The Board of Commissioners shall submit a request to the Board of Directors to be present in the meeting of the Board of Directors.
  - ii. The Corporate Secretary shall schedule the meeting of the Board of Directors to be attended by the Board of Commissioners.
  - iii. The Board of Directors shall hold the meeting of the Board of Directors attended by the Board of Commissioners and from the meeting, the Corporate secretary shall prepare the minutes of meeting and distribute it to the participants.
- c. Company Introductory Program to New Officials in the Company's Organs.

The company introductory program to new officials of the Company's organs is intended to allow new officials in the Company's organs to understand the existing conditions in the Company so that the new officials of the Company can get a comprehensive understanding of the Company organizationally and operationally.

The company introductory program to new officials, both at the Board of Directors and the Board of Commissioners shall be the responsibility of the Corporate Secretary or any person carrying out the function of corporate secretary. The materials introduced to New Officials shall at least include the following:

- (1) Implementation of GCG principles in the Company.
- (2) Description of the Company in relation to its objectives, nature, and scope of activities, financial and operational performance, strategy, short and long term business plans, competitive position, risks and other strategic issues;
- (3) Information relating to delegated authority, internal and external audit, internal control systems and policies, including the Audit Committee;
- (4) Information regarding duties and responsibilities of the Board of Commissioners and the Board of Directors as well as matters not allowed.

The introductory program of the Company can be in the forms of presentations, meetings, visits to company and study of

other documents or programs deemed appropriate with the SOE in which the program is implemented.

## 2. Informal Meeting

An informal meeting shall be a meeting of members of the Board of Commissioners and members of the Board of Directors outside the forum for formal meetings. This meeting can also be attended by a member or members of each organ or all members of both organs, to talk about or discuss an issue in an informal setting.

As it is informal in nature, the meeting shall not be aimed at making decision, but rather harmonizing opinions by giving opinions on an informal basis and striving for a harmonized view/understanding that shall not have binding power on both parties.

Any informal meeting may be held by each Member of the Board of Commissioners and the Board of Directors but cannot be used as a formal policy before going through an accountable mechanism or correspondence.

## 3. Formal Communication

Formal communication shall be communication that occurs between organs related to the fulfillment of formal provisions as stipulated in the Articles of Association

and/or customs based on best practices in the Company, in the forms of submission of reports and or exchange of data, information and supporting analysis.

a. Periodic reporting

Periodic reporting shall be the submission of reports from the Board of Directors to the Board of Commissioners which contain the implementation of the RKAP, implementation of the Enterprise Risk Management and development of strategic regulations related to the Company (including capital market regulations in which shares of the Company are listed) within a certain period of time which shall then be submitted to the Board of Commissioners.

The Board of Directors shall be obliged to timely prepare the Company's Long Term Plan, RKAP, including other plans related to the implementation of business and activities of the Company and shall submit them to the Board of Commissioners for approval.

Procedures:

- 1) The Periodic Report shall be submitted in the forms of written documents (hardcopy) and/or electronic documents (paperless);

- 2) The quarterly RKAP fulfillment report shall be submitted no later than 30 (thirty) days after the lapse of the quarterly period or with due regard to the provisions and procedures for submitting materials in a joint meeting of the Board of Directors and the Board of Commissioners. Response of the Board of Commissioners must be submitted no later than 1 (one) month after the submission of the quarterly report;
- 3) The annual RKAP fulfillment report shall be submitted no later than 3 (three) months after the current year as part of the Annual Reports. Response of the Board of Commissioners shall be submitted no later than 2 (two) months after the submission of the annual RKAP fulfillment report;
- 4) Reports in the forms of written or electronic documents shall be submitted according to the common practices.
- 5) Upon receipt of the reports, the Board of Commissioners may request additional explanation from the Board of Directors for matters deemed necessary, and the Board of Directors may update the report.

b. Special reporting

Special reporting shall be the submission of reports from the Board of Directors to the Board of Commissioners other than the submission of quarterly and annual RKAP periodic reports, upon request of the Board of Commissioners or upon initiatives of the Board of Directors, with regard to the implementation of activities of the Company.

Procedures:

- 1) The Board of Commissioners shall send the request for special report in writing to the Board of Directors by stating the main issues to be reported as well as the expected delivery time.
- 2) Based on a study of the extent of the issue, the Board of Directors shall give an estimated period of time for the submission of reports as requested by the Board of Commissioners, and within the agreed period of time the Board of Directors shall submit a special report to the Board of Commissioners.
- 3) Reports made at the initiative of the Board of Directors can be submitted at any time to the Board of Commissioners, by stating whether or not a response of the Board of Commissioners shall be needed.

- 4) Reports in the form of written and electronic documents shall be submitted according to the prevailing practices.
- 5) The Board of Commissioners may request additional explanation on the report from the Board of Directors and the Board of Directors can make updates and additions to the report if deemed necessary.

c. Correspondence/handling of Memorandum

Correspondence/handling of Memorandum shall be correspondences between formal organs with regard to the implementation and smoothness of the main duties and functions of each organ. Correspondences/Memoranda can be in the forms of delivery of information, request and opinion and advice, request for specific written comments and request for approval from the Board of Directors to the Board of Commissioners.

On the contrary, from the Board of Commissioners it shall be in the forms of delivery of information, comments and advice, specific written responses, and statement of approval of the request of the Board of Directors.

Procedures:

- A. Correspondence/handling of Memoranda can be done by written documents (hard-copy), electronic records (computer-media) or use of electronic mail (e-mail).
- B. The Corporate Secretary and the Secretary of the Board of Commissioners shall conduct monitoring and give instructions/reminders in the event of irregularities in the handling time frame.
- C. To increase the security and confidentiality of documents, prevention and deterrence of detection and corrective efforts shall be carried out by the related function unit, by striving to reduce the written documents
- D. One of the efforts to secure these documents shall be by backing up documents by making electronic records of physical documents (for example by using scanner), besides that, physical security measures are still imperative, for example through the storing of documents, securing infrastructure (servers, work terminals, networks) and determination of the distribution of access rights.

#### 4. Informal Communication

Informal communication shall be communication between the organs of the Board of Directors and the Board of



Commissioners, between a member or members of one organ with another, outside of the formal communication as stipulated in the Articles of Association and the applicable laws and regulations

In addition to using letters/personal notes in writing (hard-copy), informal communication shall be supported by the implementation of e-Office or through other media which shall include, among others:

- personal e-mail;
- Chatting or social media applications;
- Knowledge Management Systems.

Any communication that shall be informal in nature can be carried out by each Member of the Board of Commissioners and the Board of Directors, however, cannot be used as a formal policy before going through an accountable mechanism or correspondence.

In the event that the Board of Directors and/or the Board of Commissioners makes a decision in order to carry out duties, exercise powers and perform responsibilities towards the Company through informal communication, the decision made must be stated in the form of minutes of decision-making documents signed in lieu of meeting (as a

circular letter) by members of the Board of Directors and/or the Board of Commissioners in accordance with the Company's Articles of Association and the applicable laws and regulations. The minutes of decision making by members of the Board of Directors and/or the Board of Commissioners can be signed manually (by handwritten signature) or electronically in accordance with the provisions of the applicable laws and regulations and in this case the document shall be considered valid and shall have binding legal force.

B. GRANTING OF APPROVAL RELATED TO CERTAIN ACTS OF THE BOARD OF DIRECTORS

1. In general, there are two categories of certain acts of the Board of Directors, namely:

- a. With regard to investment and/or divestment.
- b. Other acts as regulated in the Articles of Association which shall not include investment and/or divestment activities.

2. Before carrying out the certain acts as regulated in the Company's Articles of Association with a value or threshold limit above the authority of the Board of Directors, the Board of Directors shall obtain the written approval of the Board of Commissioners or

written approval of the Board of Commissioners with prior approval from the holder of Series A Dwiwarna shares.

3. In applying for the approval as referred to in point 2 above, the Board of Directors must submit the relevant documents to the Board of Commissioners with the application for approval submitted by the Board of Directors.
4. Certain categories of acts of the Board of Directors as referred to in point 1 above shall be regulated as follows:
  - a. The limit of value limits and/or criteria (threshold) and procedures for applying the approval to certain acts of the Board of Directors as well as other related provisions shall further be regulated in a Decision of the Board of Commissioners.
  - b. Specifically for the determination of the organizational structure 1 (one) level below the Board of Directors falling into the category of certain acts of the Board of Directors in point 1 b above, the application for approval of the Board of Directors to the Board of Commissioners

shall only be valid for the determination of organization that reports directly to the Board of Directors, namely the organization led by an official occupying the level of Senior Vice President at Company office level and Business Units led by officials occupying the levels of Executive Vice President/Senior General Manager/Executive General Manager.

#### C. BUSINESS JUDGEMENT RULE

In the event that a decisions or act of the Board of Directors and/or the Board of Commissioners inflicts losses on the Company, based on Law Number 40 of 2007 concerning Limited Liability Companies, Regulation of the Financial Services Authority Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Share Issuing Entities or Publicly-Listed Companies, as well as the Articles of Association of the Company, the Board of Directors and the Board of Commissioners cannot be sued for losses resulted from the decision or act as long as the Board of Directors and the Board of Commissioners are able prove that their act is in accordance with the provisions of the laws and regulations and the internal Standard Operating Procedure (SOP) of the Company related to policy making. This is to prove that the losses arising from the

policies made are the result of business risks, not criminal acts committed with malicious intent.

With reference to the Business Judgment Rule mentioned in the General Principles section, before committing or approving an act, the Board of Directors and the Board of Commissioners must consider and observe the Business Judgment Rule guidelines needed as follows:

1. Category of decision made or act taken
  - a. A member of the Board of Directors or Board of Commissioners making decisions or taking acts shall have the authority to do so according to the provisions of the laws and regulations, the Articles of Association and the Company's internal regulations.
  - b. The relevant Member of the Board of Directors or the Board of Commissioners shall have good faith and shall not violate mandatory and binding regulations. In the event that a regulation does not contain specific and/or explicit requirements and allows discretion, the use of that discretion shall generally be qualified as a business decision or act.
2. The decision made or act taken shall not be based on Improper Influence (Without Personal or Conflict of Interest of the Decision Maker or Action Taker and

Other Special Interests (individual, Political, Commercial or Others that Must be Revealed)

- a. It shall refer to the applicable laws and regulations regarding the procedures for conducting a transaction with conflict of interest;
  - b. In several conditions, it is very difficult to prove that a decision made and an act taken by the Board of Directors and/or the Board of Commissioners is not based on the influence of any interest. In such case, a decision made in such situations shall best be avoided.
3. There is sufficient underlying information for the Board of Directors or the Board of Commissioners In Making Decision or Taking Act
- a. Sufficient information does not mean the requirement to collect all information. The criteria for sufficient information depend on the time, nature, size and potential risk associated with the decision or act, financial position and the Company's position in the market. More sources/basics/references will be beneficial for making decision or taking act that potentially

affects or may affect the financial well-being of the Company or the decision made is not in accordance with the Company's custom when compared with standard or insignificantly influential decision making.

- b. Documentation: the decision making sequences must be well documented, including minutes of meetings, conversations, discussions to show the process and method the decision is made from the beginning to the end. Even though complete documentation may be costly, if the business decision to be made carries business risks and/or may result in business risks in the future, the complete documentation will be conclusive evidence of the business decision making.

4. A Group of People in the Same Position and the Same Conditions Shall Make the Same Decision or Take the Same Act

5. The Board of Directors and/or the Board of Commissioners in making decision or taking act shall consider the best interests of the Company

- a. If the Board of Directors and/or the Board of Commissioners have sufficient information and

there is no improper influence from any party, the Board of Directors/Board of Commissioners may make decision in the best interests of the Company. The act can only be categorized as a Business Judgment Rule if there is no malicious intention in the decision making process and/or the act to be carried out.

- b. If there is no malicious intention in the decision making process, the Board of Directors/Board of Commissioners must also be able to prove the existence of rational justifications (which shall not be ambiguous and allow multiple interpretation) of the decision. The rational justification shall include the calculation of risk mitigation for the decision to be made and/or act to be carried out.

D. THE COMPANY'S LONG TERM PLAN/CORPORATE STRATEGIC SCENARIO AND WORK PLAN & BUDGET

1. The Board of Directors shall prepare a draft of the Company's Long Term Plan (RJPP)/Corporate Strategic Scenario (CSS), which shall be a strategic plan that contains the purposes and objectives of the SOE to be achieved within a period of 5 (five) years including the risk profile document.



2. The Board of Directors shall prepare the Company's RKAP as the annual manifestation of the RJPP/CSS.
3. The governance for the preparation of RJPP/CSS and RKAP shall be contained in a Company regulation.
4. In supervising the implementation of RJPP/CSS and RKAP, the Board of Commissioners may conduct field visits accompanied by the relevant Director or in the event the relevant Director is unavailable, by the Corporate Secretary and/or Officials appointed by the relevant Director.

## CHAPTER IV

### RELATIONS BETWEEN THE COMPANY AND STAKEHOLDERS

#### A. GENERAL DESCRIPTION OF RELATIONS BETWEEN THE COMPANY AND STAKEHOLDERS

1. Between the Company and stakeholders, there shall be established good relations based on the principles of good corporate governance and the applicable laws and regulations. As guidelines to assist the Company to communicate and respond to each stakeholder group, the Company shall first do the following:

- a. Considering whether or not there are legal relations between the stakeholders and the Company: and
- b. Defining, analyzing, identifying and categorizing stakeholders based on the authority/power/influence and interests as referred to in the quadrant below:



2. The company needs to ensure:

- a. The rights of Stakeholders arising from the legal relations under the laws and regulations and/or agreements made by the Company and employees, service users, suppliers and others stakeholders;
- b. The Company's compliance with the Company's commitments and the submission of data and information requested by the regulator;
- c. that the Company shall perform its social responsibility according to the determined programs.

## B. RELATIONS BETWEEN THE COMPANY AND SHAREHOLDERS

1. In the relations between the Company and the shareholders, the Board of Directors shall be obliged to ensure the Company's communications with the

shareholders or investors are well established and carried out regularly.

2. The efforts as referred to in point 1 above can be done through the following measures, among others:

a. The company shall build communication with the shareholders or investors to protect the interests of the Shareholders;

b. The company shall establish communication with the shareholders or investors using the media owned by the Company, including the Company's website;

c. The company shall hold GMSs as a forum for communication with the Shareholders, with due observance of the provisions of the applicable laws and regulations, principles of fairness and transparency, which can be done by, among others:

i. Preparing GMS Rules of Procedure that contain technical methods or technical procedures for voting that prioritizes independence and interests of the shareholders.

- ii. Attempting to ensure all members of the Board of Commissioners and members of the Board of Directors attend the Annual GMS.
  - iii. Making a summary of the minutes of the GMS available on the Company's website no later than 2 business days after the GMS to be presented for at least 1 (one) year.
3. The policies as referred to in point 2 will be regulated in the Articles of Association and/or in other related regulations.

C. RELATIONS BETWEEN THE COMPANY AND THE MINISTRY OF STATE-OWNED ENTERPRISES AS THE HOLDER OF SERIES A DWIWARNA SHARES AND THE REGULATOR

- 1. The Company needs to ensure the Company's compliance with the Company's commitments and to ensure compliance with the delivery of data and information requested by the regulator and the Ministry of State-Owned Enterprises as the holder of Series A Dwiwarna shares.
- 2. The privileges of the Government as the holder of Series A Dwiwarna shares shall be limited by the principle of information transparency that shall be upheld in the regulations in the capital market

sector. In practice, the provision of certain reports, information or explanations by the Company to the Minister of SOEs as the representative of the Government as the holder of Series A Dwiwarna shares must be accompanied by restrictions in maintaining confidentiality until the report or information or explanation is published widely to other public shareholders.

3. Regulations or decrees issued by the Minister of SOE as a government institution that carries out guidance and supervision on the administration and managerial activities of SOEs in order to increase state revenue and improve people's welfare based on corporate mechanisms, basically provide for the standardization of the quality of administration and management of SOEs by the organs in the relevant SOEs. Apart from constant guiding and supervisory regulations or decisions on the supervision of the quality of administration and management of SOEs as mentioned above, the Ministry of SOEs may also issue incidental policies in order to achieve its vision and mission.

#### D. WHISTLE BLOWING MECHANISMS

1. Whistle blowing policies and procedures shall be one of the elements of internal control at entity level

that must be designed and implemented by the Audit Committee :

- a. To prevent, identify and detect possible acts of fraud and violation of the applicable regulations, which may resulting in losses for the Company;
  - b. To give formal channels for employees within TELKOM Group and other third parties to submit reports or complaints;
  - c. To provide clear and consistent policies and procedures in handling complaints.
2. The Audit Committee shall comply with up the complaints received, from employees of TELKOM Group and from other third parties with regard to the following:
- a. Accounting and internal control issues over financial reporting which may potentially result in material misstatement in the Company's financial statements;
  - b. Audit issues, especially those concerning independence of the Public Accountant Office;

- c. Violation of laws and regulations on the capital market related to the Company's operation;
  - d. Violation of internal regulations that has the potential to result in losses for the Company;
  - e. Fraud and/or abuse of office by officials and/or employees within TELKOM Group;
  - f. Condemnable conduct of the Board of Commissioners, Organs of the Board of Commissioners, the Directors, the Management and employees of the Company such as but not limited to: dishonesty, conflict of interest and spreading misleading information to the public which directly or indirectly harms the reputation or results in losses on the Company.
3. Complaints submitted and will be followed up by the Audit Committee shall be limited to complaints that meet the following requirements:
- a. The complaints shall be submitted in writing;
  - b. They contain the identity of the reporting person;



- c. They contain information that gives guidance on the issues reported, as mentioned in point IV points 1 to 6 as mentioned above;
  - d. The information must be supported by sufficient and reliable evidence as the initial data to carry out further examinations.
4. Complaints submitted to the Board of Commissioners through the Audit Committee must be submitted in accordance with the following procedures:
- a. The complaints shall be addressed directly to the President Commissioner or to the Chairperson of the Audit Committee of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk;
  - b. The complaints can be submitted through the whistle blowing application, by mail or via email in the following ways:
    - 1) In the event that the complaints will be submitted via the whistle blowing application, the application can be accessed directly on the Company's website at [www.whistleblower.telkom.co.id](http://www.whistleblower.telkom.co.id).

- 2) In the event that the complaints will be submitted by letter, the upper right corner of the envelope must be marked "*Rahasia Pribadi*" or abbreviated "RHSPRIB" and sent to the address as follows:

The President Commissioner

cq. The Audit Committee

of PT Telkom Indonesia (Persero) Tbk

Gedung Graha Merah Putih, 5<sup>th</sup> Floor

Jl. Jenderal Gatot Subroto Kav. 52, South  
Jakarta

- 3) In the event that the complaints will be submitted via email, they shall be emailed to  
  
auditcommittee\_whistleblower@telkom.co.id.

## CHAPTER V

### USE OF TIME, FACILITIES AND FACILITIES OF THE COMPANY

#### A. USE OF TIME

##### 1. Working Time

- a. In principle, the Company's working hours shall be Monday to Friday from 08.00 hours West Indonesia Time to 17.00 hours West Indonesia Time.
- b. Members of the Board of Directors may adjust their working hours flexibly under the principle of flexible working arrangements by observing the provisions of the laws and regulations, the Articles of Association, the applicable company regulations and constantly ensuring that the Company's operations can run well.
- c. Members of the Board of Commissioners can adjust their working hours flexibly under the principle of flexible working arrangement and shall have the flexibility to determine the working time according to the Company's needs by giving the best efforts to carry out duties, authorities and responsibilities in supervising the Company

according to the provisions of the applicable laws and regulations, the Articles of Association, and the Board Manual.

2. The use of time for the Board of Directors and the Board of Commissioners shall be regulated based on the following principles:

a. The Board of Commissioners and the Board of Directors must use the Company's equipment and facilities solely for activities related to the interests of the Company.

b. The Board of Commissioners and the Board of Directors may perform works and/or activities outside the Company that are not directly related to the interests of the Company as long as they do not interfere with their main duties as members of the Board of Commissioners and the Board of Directors which shall observe the provisions of the applicable laws and regulations, including but not limited to provisions on prohibition of conflicts of interest and prohibition of concurrent positions.

B. PROVISION AND USE OF BENEFITS AND FACILITIES

1. Provision of corporate benefits and facilities for the Board of Directors and the Board of Commissioners shall be based on the principles as follows:
  - a. It shall be adjusted to the company's financial condition and performance.
  - b. Principles of appropriateness and fairness compared to similar industries.
  - c. It shall not conflict with the existing laws and regulations.
  - d. The amount of benefits and facilities for the Board of Directors and the Board of Commissioners shall be determined by the GMS and the details of which may be submitted to the Board of Commissioners.
2. Use of equipment and facilities owned by the Company for the benefit of government officials, corporate guests, and other interests shall be allowed by constantly adhering to the rules applicable to the equipment and facilities and as far as possible it is not in conflict with the purposes and objectives of the provision of the equipment and facilities.

3. Use of equipment and facilities for the benefit of government guests and political parties must follow the provisions of the General Guidelines of Indonesian Good Corporate Governance. The Board of Commissioners and the Board of Directors shall not be allowed to give contributions to any political party except as long as allows by the laws.

#### C. OFFICIAL TRAVELS

The Company shall provide facilities for accommodation, transportation and benefits of official travels at home and abroad to the Board of Directors and the Board of Commissioners. The provision of equipment and facilities in this regard shall be based on the principles as follows:

1. Official travels shall be solely intended for the activities and interests of the Company.
2. Members of the Board of Directors or members of the Board of Commissioners may prepare and carry out official travel at home by observing the need and level of urgency of the activities.
3. Overseas official travels for members of the Board of Directors or members of the Board of Commissioners shall be implemented after obtaining approval from the Ministry of SOEs as the holder of Series A Dwiwarna

shares or in accordance with the applicable regulations.

4. Transportation and accommodation facilities related to official travel shall be adjusted to the financial capacity of the Company with due regard to the urgency of the activities, appropriateness and reputation of the Company.
5. Types of transportation means, accommodation provision and amount of benefits for official trips for the Board of Directors and the Board of Commissioners shall further be regulated by a Decision of the Board of Directors.

CHAPTER VI

CALENDAR OF EVENTS

The Corporate Secretary along with the relevant work units shall prepare the list of planned main activities of the Company, both mandatory and non-mandatory (incidental, according to the needs and the provisions of the Company Regulations) for 1 calendar years, among others:

Remarks

Mandatory

Non-mandatory (incidental, according to the needs and the provisions of the Company Regulations)

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors	Meeting of the Board of Directors
Meeting of the Board of Directors (incidental)											
Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio	Meeting of the Board of Commissio

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Meeting of the Board of Commissioners (incidental)											
Joint Meeting of the Board of Directors and the Board of Commissioners on Audit			Joint Meeting of the Board of Directors and the Board of Commissioners on Remuneration			Joint Meeting of the Board of Directors and the Board of Commissioners on CSS			Joint Meeting of the Board of Directors and the Board of Commissioners on other issues		
Joint Meeting of the Board of Directors and the Board of Commissioners (incidental)											
Approval of the Board of Commissioners on Draft RKAP											

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Annual GMS in the Context of Approval to Annual Reports (to be held no later than in May) and Appointment of Public Accountant Office											
	Submission of Quarterly Report from the Board of Directors to the Board of Commissioners			Submission of Quarterly Report from the Board of Directors to the Board of Commissioners			Submission of Quarterly Report from the Board of Directors to the Board of Commissioners			Submission of Quarterly Report from the Board of Directors to the Board of Commissioners	
Extraordinary GMS (incidental, as needed)											

## CHAPTER VII

### CLOSING PROVISIONS

#### A. APPLICATION OF THE MANUAL BOARD

1. The Board Manual shall be a compilation of principles of corporate law and its implementation shall refer to the applicable laws and regulations. Numerous detailed provisions contained in the Articles of Association, Direction of the Shareholders as stipulated in the General Meeting of Shareholders (GMS), and various other legal provisions shall remain binding although not specifically discussed in this Board Manual.
2. The Board Manual shall be prepared as guidelines so that:
  - a. The Board of Commissioners and the Board of Directors to carry out duties and responsibilities efficiently, effectively, transparently, competently, independently and accountably; and
  - b. the work relations between the Company's organs and the Company's business activities can be implemented harmoniously to achieve the Company's vision and mission established by referring to

the principles of good corporate governance and the prevailing laws and regulations to be accepted by all interested parties.

3. The Board of Commissioners and the Board of Directors shall be responsible for stipulating the Board Manual.
4. This Board Manual shall come into force as of its stipulation date.
5. Without prejudice to the provisions in point A.4 above:
  - a. Company Regulations and Decisions of the Board of Commissioners required for the implementation of this Board Manual shall be stipulated that no later than 6 (six) months as of the stipulation of this Board Manual;
  - b. The provisions of the Board Manual that do not require implementing regulations shall come into force as of their stipulation date.
  - c. No later than 6 (six) months as of the date of stipulation of this Board Manual, the provisions in the Company regulations made before the entry into force of this Board Manual will continue to apply and provisions which are not in accordance

with the Board Manual must comply with the provisions in this Board Manual.

6. The format of this Board Manual shall ignore the format contained in Regulation of the Board of Directors Number PD.601.00/r.00/HK000/COO-D0030000/2011 dated April 1, 2011 concerning Company Regulations Governance.

#### B. DISSEMINATION OF THE BOARD MANUAL

The Company shall disseminate the Board Manual on a continuous basis. Dissemination activities will be carried out on an ongoing basis to newly appointed and incumbent members of the Board of Directors and the Board of Commissioners. The dissemination activities shall be focused on the understanding, awareness and needs to apply good corporate governance consistently through induction/introductory programs for new members of the Board of Directors the and Board of Commissioners, meetings and other relevant forums.

#### C. INFORMATION TRANSPARENCY ON THE WEBSITE

The Company shall be committed to be transparent with regard to the Board Manual to all stakeholders through the Company's website. The transparency is part of the

Company's compliance in accordance with the principles of good corporate governance.

#### D. EVALUATION TO THE BOARD MANUAL

1. The Board Manual shall be a living document so that it should always be developed in accordance with the Company's needs, rules and/or the applicable laws and regulations. Amendment to the Board Manual must be based on an agreement of the Board of Commissioners and the Board of Directors in accordance with the rules and/or the applicable laws and regulations.

2. The Company will conduct evaluations periodically or as needed to find out and measure the conformity of the Board Manual with the applicable laws and regulations as well as the business dynamics.

3. Conflict with the Applicable Laws and Regulations

If in the future there is a provision or part of a provision of this Board Manual that is invalid or cannot be enforced or is ruled by any competent authority or court of competent jurisdiction as invalid or unenforceable, as a result of conflict, disharmony and/or inconsistency with the laws and regulations introduced by the Government, the Board of Commissioners and the Board of Directors shall give

their best effort to take any action to amend and adjust this Board Manual so that it can describe the terms and conditions as regulated in the relevant laws and regulations.

#### 4. Conflict with the Company's Internal Regulations

In the event that there are:

- a. matters that have not been regulated in the internal regulations, the provisions in this Board Manual will apply to the Board of Commissioners and the Board of Directors for all purposes of the Board Manual;
- b. conflicts, disharmonies and/or inconsistencies between the internal regulations of the Company and the Board Manual after the stipulation of this Board Manual, then:
  - 1) Company regulations issued prior to the enactment of the Board Manual shall remain valid as long as new Company regulations and Decisions of the Board of Directors have not been stipulated. The transition period shall be 6 (six) months.
  - 2) After the end of the transition period as referred to in point 4.b.1 above, the provisions of this Board Manual will apply between the Board

of Commissioners and the Board of Directors and the provisions of the Company regulations and Decisions of the Board of Commissioners which contradict the provisions in this Board Manual shall be declared invalid.

3) The Board of Commissioners and the Board of Directors will give their best efforts to take all actions, including in consultation with he/she Shareholders of the Company in the General Meeting of Shareholders to amend and adjust the internal regulations with this Board Manual.

5. Matters that have not been regulated in this Board Manual will be further discussed in Company regulations and other relevant internal Company policies, including Decisions of the Board of Commissioners which shall be integral parts of this Board Manual.

APPENDIX

Appendix -1	Temporary Substitute Officials of Members of the Board of Directors
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No	Unavailable Member of the Board of Directors	Temporary Substitute Officials according to the Order of Priority
1	Director in charge of Digital Business	Director in charge of Finance  Director in charge of Human Capital Management
2	Director in charge of Strategic Portfolio	Director in charge of Finance  Director in charge of Human Capital
3	Director in charge of Finance	Director in charge of Human Capital Management  Director in charge of Digital Business or  Director in charge of the Strategic Portfolio



4	Director in charge of Human Capital Management	Director in charge of Finance  Director in charge of Digital Business or  Director in charge of Strategic Portfolio
5	Director in charge of Consumer Service	Director in charge of Enterprise & Business Service  Director in charge of Wholesale & International Service
6	Director in charge of Enterprise & Business Service	Director in charge of Consumer  Director in charge of Wholesale & International Service
7	Director in charge of Wholesale & International Service	Director in charge of Enterprise & Business Service  Director in charge of Network, IT & Solution

	Director in charge of Network, IT & Solution	Director in charge of Wholesale & International Service  Director in charge of Enterprise & Business Service
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I, **Anang Fahkrudin**, a sworn and authorized translator, by virtue of Jakarta Capital Territory Governor's Decree No. **2228/2011**, practicing in Jakarta, do solemnly and sincerely declare that the foregoing document is a true and faithful translation from Indonesian into English of the original version.

Jakarta, October 15, 2020

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