

[Official Translation]

[Letterhead of Telkom Indonesia]

**JOINT REGULATION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA TBK**

NUMBER: 05/KEP/DK/2022

AND

NUMBER: PD.620.00/r.01/HK200/COP-M4000000/2022

REGARDING

**THE GUIDELINE ON THE WORKING PROCEDURES OF THE BOARD OF COMMISSIONERS AND
THE BOARD OF DIRECTORS (BOARD MANUAL) OF
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk**

**THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk**

- Considering** :
- a. whereas as a State Owned Enterprise (SOE) whose shares are listed at the Indonesia Stock Exchange and the New York Stock Exchange, Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk (Telkom) needs to have in place the guideline on the working procedures of the Board of Commissioners and the Board of Directors;
 - b. whereas Telkom, at the present time, has already had in place the Guideline on the Working Procedures of the Board of Commissioners and the Board of Directors (Board Manual) stipulated by means of the Joint Regulation of the Board of Commissioners and the Board of Directors of Telkom Number 08/KEP/DK/2020 and Number PD.620.00/r.00/HK200/COP-M4000000/2020 dated June 18, 2020, which binds every member of the Board of Commissioners and the Board of Directors;
 - c. whereas in the current Board Manual has been accommodated the provision that the Company will carry out evaluation periodically or in accordance with the needs to know and measure the conformity of the Board Manual with the prevailing laws and regulations and the occurring business dynamics;
 - d. whereas the Board of Commissioners and the Board of Directors are committed to apply good corporate governance, one of which is by carrying out evaluation over the Guideline on the Working Procedures of the Board of Commissioners and the Board of Directors (Board Manual);
 - e. whereas based on the result of the evaluation as referred to in point d above, it is necessary to make a renewal on the Guideline on the Working Procedures of the Board of Commissioners and the Board of Directors (Board Manual) to adjust to the latest regulations as well as the business needs of the Company;
 - f. whereas in relation to the above mentioned considerations, then, it is necessary to be stipulated the new Guideline on the Working Procedures of the Board of Commissioners and the Board of Directors (Board Manual) in one Joint Regulation of the Board of Commissioners and the Board of Directors.

- Bearing in mind** :
1. The Articles of Association of Perusahaan Perseroan (Persero) PT Telekomunikasi



Indonesia Tbk which has been published in the State Report of the Republic of Indonesia Number 5 dated January 17, 1992, Supplement to the State Report of the Republic of Indonesia Number 210, as has been amended for several times and its latest amendment has been approved and recorded in the database of the Legal Entity Administration System of the Ministry of Law and Human Rights by means of the Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-0044650.AH.01.02 Tahun 2022 regarding the Approval over the Amendment to the Articles of Association of Limited Liability Company Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk.;

2. The Resolution of the Annual General Meeting of Shareholders for the Financial Year of 2020 of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk dated May 28, 2021, as stated in the Deed of Statement of Resolution of the Annual General Meeting of Shareholders of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk No. 34 dated June 18, 2021, drawn up before Notary Ashoya Ratam, S.H., M.Kn.

With due regards to : The Joint Meeting dated August 31, 2022, which principally has approved the amendment to the Joint Regulation of the Board of Commissioners and the Board of Directors of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk regarding the Guideline on the Working Procedures of the Board of Commissioners and the Board of Directors (Board Manual) of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk

HAS DECIDED

To stipulate : **JOINT REGULATION OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF PERUSAHAAN PERSEROAN (PERSERO) PT TELEKOMUNIKASI INDONESIA Tbk REGARDING THE GUIDELINE ON THE WORKING PROCEDURES OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS (BOARD MANUAL) OF PERUSAHAAN PERSEROAN (PERSERO) PT TELEKOMUNIKASI INDONESIA Tbk**

FIRST : At the time this Joint Regulation is stipulated, the Joint Regulation of the Board of Commissioners and the Board of Directors of Telkom Number: 08/KEP/DK/2020 and Number: PD.620.00/r.00/HK200/COP-M4000000/2020 regarding the Guideline on the Working Procedures of the Board of Commissioners and the Board of Directors (Board Manual) of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk dated June 18, 2020, is declared to be revoked and is no longer applicable.

SECOND : Stipulate the Guideline on the Working Procedures of the Board of Commissioners and the Board of Directors (Board Manual) of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk as attached on the Attachment to this Joint Regulation.

THIRD : This Joint Regulation along with the supplementing Attachment constitutes one integral and inseparable part.

FOURTH : This Joint Regulation will be effective starting as of its date of stipulation.

FIFTH : Without prejudice to the Fourth dictum mentioned above:

- a. The Company Regulation and the Decree of the Board of Commissioners which are required for the implementation of this Board Manual will be stipulated at the latest 6 (six) months starting as of the stipulation of this Joint Regulation.



- b. The provisions of the Board Manual which do not require implementing regulation will be effective on the date of stipulation.
- c. At the latest 6 (six) months starting as of the date of stipulation of this Board Manual, the provisions in the Company Regulation which have been issued before the effective application of this Board Manual will continue to be valid and, furthermore, the provisions which have not yet conformed to the Board Manual must be adjusted to the provisions in this Board Manual.

Stipulated in : Jakarta
Dated : August 31, 2022

**PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk**

On Behalf of the Board of Commissioners

[signature affixed]

BAMBANG PERMADI SOEMANTRI
BRODJONEGORO
President Commissioner

[signature affixed]

MARCELINO RUMAMBO PANDIN
Commissioner

On Behalf of the Board of Directors

[signature affixed]

RIRIEK ADRIANSYAH
President Director



[Official Translation]

**ATTACHMENT TO THE JOINT REGULATION OF
THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA TBK**

**NUMBER: 05/KEP/DK/2022
AND
NUMBER: PD.620.00/r.01/HK200/COP-M4000000/2022**

REGARDING

**THE GUIDELINE ON THE WORKING PROCEDURES OF
THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS (BOARD MANUAL) OF
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk**



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LEGAL BASIS AND REFERENCE

Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk constitutes a State-Owned Enterprise engaging in the Telecommunication sector whose shares are listed at 2 (two) stock exchanges which are the Indonesia Stock Exchange (BEI) and New York Stock Exchange (NYSE), therefore, Telkom is subject to the provisions among others:

1. External Regulations

Regulations in the Indonesia

a. Laws, among others:

- i. Law Number 8 of the Year 1995 regarding Capital Market as has been revoked partially by means of Government Regulation in Lieu of Law Number 1 of the Year 2017 regarding Financial Information Access for Taxation Purposes;
- ii. Law Number 36 of the Year 1999 regarding Telecommunication as has been amended by means of Law Number 11 of the Year 2020 regarding Job Creation;
- iii. Law Number 28 of the Year 1999 regarding State Administration as has been amended by Law Number 30 of the Year 2002 regarding the Commission for the Eradication of Corruption Criminal Offenses;
- iv. Law Number 31 of the Year 1999 regarding the Eradication of Corruption Criminal Offenses as has been amended by means of Law Number 20 of the Year 2001 regarding the Amendment to Law Number 31 of the Year 1999 regarding the Eradication of Corruption Criminal Offenses and has been revoked partially by means of Law Number 30 of the Year 2002 regarding the Commissioner for the Eradication of Corruption Criminal Offenses;
- v. Law Number 19 of the Year 2003 regarding State-Owned Enterprises as has been amended by means of Law Number 11 of the Year 2020 regarding Job Creation;
- vi. Law Number 15 of the Year 2004 regarding the Audit over the Management and Accountability of State Finance;
- vii. Law Number 15 of the Year 2006 regarding the Audit Board of the Republic of Indonesia;
- viii. Law Number 40 of the Year 2007 regarding Limited Liability Company as has been amended by means of Law Number 11 of the Year 2020 regarding Job Creation;
- ix. Law Number 8 of the Year 2010 regarding the Prevention and Eradication of Money Laundering Criminal Offenses.

- b. Government Regulation Number 45 of the Year 2005 regarding the Establishment, Management, Supervision, and Dissolution of State-Owned Enterprises as has been amended by means of Government Regulation Number 23 of the Year 2022 regarding the Amendment to the Government Regulation Number 45 of the Year 2005 regarding the Establishment, Management, Supervision, and Dissolution of State-Owned Enterprises.

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

- i. Regulation of the Minister of State-Owned Enterprises Number PER-01/MBU/2011 regarding the Application of Good Corporate Governance at State-Owned Enterprises as has been amended at the latest by means of the 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 regarding the Supporting Organs of the Board of Commissioners/Supervisory Board of State-Owned Enterprises as amended by means of Per-06/MBU/04/2021 regarding the Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-12/MBU/2012 regarding the Supporting Organs of the Board of Commissioners/Supervisory Board of State-Owned Enterprises which has been amended by means of the Regulation of the Minister of State-Owned Enterprises PER-14/MBU/10/2021 regarding the Second Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-12/MBU/2012 regarding the Supporting Organs of the Board of Commissioners/Supervisory Board of State-Owned Enterprises.
 - iii. Regulation of the Minister of State-Owned Enterprises Number PER-03/MBU/2021 regarding the Guidelines for the Appointment of the Members of the Board of Directors and the Members of the Board of Commissioners of Subsidiary Companies of State-Owned Enterprises as has been amended by means of the Regulation of the Minister of State-Owned Enterprises PER-04/MBU/06/2020 regarding the Amendment to the Regulation of the Minister of State-Owned Enterprises PER-03/MBU/2012 regarding the Guidelines for the Appointment of the Members of the Board of Directors and the Members of the Board of Commissioners of Subsidiary Companies of State-Owned Enterprises.
 - iv. Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/02/2015 regarding the Requirements and Procedures for the Appointment and Dismissal of the Members of the Board of Commissioners and the Supervisory Board of State-Owned Enterprises as has been amended by means of Regulation of the Minister of State-Owned Enterprises PER-10/MBU/10/2020 regarding the Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-02/MBU/02/2015 Regarding the Requirements and Procedures for the Appointment and Dismissal of the Members of the Board of Commissioners and the Supervisory Board of State-Owned Enterprises.
 - v. Regulation of the Minister of State-Owned Enterprises PER-04/MBU/2014 regarding the Guidelines for the Stipulation of Income for the Board of Directors, the Board of Commissioners, and the Supervisory Board of State-Owned Enterprises as has been amended at the latest by means of the Regulation of the Minister of State-Owned Enterprises PER-13/MBU/09/2021 regarding the Sixth Amendment to the Regulation of the Minister of State-Owned Enterprises Number PER-04/MBU/2014 Regarding the Guidelines for the Stipulation of Income for the Board of Directors, the Board of Commissioners, and the Supervisory Board of State-Owned Enterprises.
 - vi. Regulation of the Minister of State-Owned Enterprises PER-11/MBU/11/2020 regarding the Management Contract and Annual Management Contract of the Board of Directors of State-Owned Enterprises.
 - vii. Regulation of the Minister of State-Owned Enterprises Number PER-11/MBU/07/2021 regarding the Requirements, the Procedures for the Appointment, and the Dismissal of the Members of the Board of Directors of State-Owned Enterprises.
- d. Regulations of the Financial Services Authority and the technical regulations related to capital market, among others:
- i. Regulation of the Financial Services Authority Number 33/POJK.04/2014 regarding the Board of Directors and the Board of Commissioners of Issuers or Public Companies;
 - ii. Regulation of the Financial Services Authority Number 34/POJK.04/2014 regarding the



- Nomination and Remuneration Committee of Issuers or Public Companies;
- iii. Regulation of the Financial Services Authority Number 35/POJK.04/2014 regarding the Corporate Secretary of Issuers or Public Companies;
 - iv. Regulation of the Financial Services Authority Number 31/POJK.04/2015 regarding the Disclosure of Information or Material Facts by Issuers or Public Companies;
 - v. Regulation of the Financial Services Authority Number 55/POJK.04/2015 regarding the Guidelines for the Work Performance of the Audit Committee;
 - vi. Regulation of the Financial Services Authority Number 29/POJK.04/2016 regarding the Annual Report of Issuers or Public Companies;
 - vii. Regulation of the Financial Services Authority Number 51/POJK.03/2017 regarding the Application of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies;
 - viii. Regulation of the Financial Services Authority Number 75/POJK.04/2017 regarding the Accountability of the Board of Directors over Financial Statement;
 - ix. Regulation of the Financial Services Authority Number 15/POJK.04/2020 regarding the Plan and the Convening of General Meeting of Shareholders of Public Companies;
 - x. Regulation of the Financial Services Authority Number 17/POJK.04/2020 regarding Material Transactions and Change of Business Activities;
 - xi. Regulation of the Financial Services Authority Number 42/POJK.04/2020 regarding Affiliated Transactions and Conflict of Interest Transactions;
 - xii. Regulation of IDX Number I-E regarding the Obligations for the Delivery of Information as has been amended based on the Decree of the Board of Directors of PT Bursa Efek Indonesia Number Kep-00015/BEI/01-2021 regarding the Amendment to the Regulation Number I-E Regarding the Obligation for the Delivery of Information;
 - xiii. Circular Letter of the Financial Services Authority Number 32/SEOJK.04/2015 regarding the Corporate Governance of Public Companies.

Regulations in the United States of America

- a. Securities Act of 1933;
- b. Securities Exchange Act of 1934;
- c. Form 20-F US-SEC Regulation

including each of their implementing regulations.

2. Internal Regulations

- a. Articles of Association of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk;
- b. Decree of the Board of Commissioners of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk;



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

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

- a. General Guidelines for the Indonesian Corporate Governance (PUGKI) issued by the National Committee for Governance Policies (KNKG) of the Year 2021;
- b. OECD Guidelines on Corporate Governance of State-Owned Enterprises, Year 2015 (OECD SOE Guidelines 2015);
- c. Decree of the Secretary of the Ministry of State-Owned Enterprises Number SK-16/S.MBU/2012 regarding the Indicators/Parameters for the Assessment and Evaluation over the Application of Good Corporate Governance on State-Owned Enterprises;
- d. Indonesian Corporate Governance Manual, 2nd Edition, the Financial Services Authority (OJK), 2018.

In the event that there is any changes to the provisions as referred to in points 1, 2, and 3 above, including if there is any new provision or regulation binding the Company, then, any activities and actions for the management and/or supervision of the Company performed by the Board of Directors and/or Board of Commissioners are subject to the provisions of amendment or the new provisions aforesaid.

DEFINITIONS

1. **Articles of Association** shall be the Articles of Association of Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk, along with its amendments from time to time, wherein includes the by-laws.
2. **State-Owned Enterprise**, which hereinafter will be referred to as **BUMN**, shall be a business entity whose entire or a substantial part of its capital is owned by the state through direct participation which is deriving from separated state assets.
3. **Board Manual** or **Work Procedure** shall be the guidelines for the Board of Directors and the Board of Commissioners, based on the agreement, the approval and/or the stipulation in relation to the matters related to the consistent activities and actions in a structured, systematic and enforceable manner by the Board of Directors and the Board of Commissioners in carrying out the management of the Company which cannot be stipulated in detailed manner in the Articles of Association (AoA) of the Company and the provisions of the legislations in order to achieve the Vision and Mission of the Company.
4. **Board of Directors** shall be the organ of the Company who is fully authorized and responsible for the management of the Company for the interest of the Company, in accordance with the purposes and objectives of the Company as well as representing the Company, both inside and outside the court in accordance with the provisions of the Articles of Association.
5. **Board of Commissioners** shall be the organ of the Company assigned to carry out the supervision in general and/or in specific manner in accordance with the Articles of Association as well as to provide advices to the Board of Directors.
6. **Facilities** shall be income in the form of means and/or expediency and/or encumbrance which is used/utilized by the members of the Board of Directors, the Board of Commissioners, and the Supervisory Board in the framework of implementation of duties, authorities, obligations and responsibilities based on the laws and regulations.



7. **Employee of the Company** shall be the individual working at the Company, including the definite term professional staff and receives salary based on employment relationship.
8. **Principal Employee** shall be the Band Position 1 employee (BOD-1) occupying managerial position.
9. **Executive Committee** shall be the committee formed by the Board of Directors by means of a Company regulation having the members of 2 (two) or more Directors who are given the authorities to resolve/approve the Company regulation, certain policies and transactions.
10. **Audit Committee** shall be the committee which is formed by and accountable to the Board of Commissioners in assisting the performance of duties and functions of the Board of Commissioners.
11. **Nomination and Remuneration Committee** shall be the committee which is formed by and accountable to the Board of Commissioner in assisting the performance of functions and duties of the Board of Commissioners related to the nomination and remuneration towards the members of the Board of Directors and the members of the Board of Commissioners of the Company including the related matters stipulated in the Articles of Association (AoA) of the Company.
12. **Independent Commissioner** shall be the member of the Board of Commissioners coming from outside the Company and fulfilling the requirements as stipulated in the Articles of Association and the prevailing laws and regulations.
13. **Sustainability Report** shall be the report announced to the public containing the economic, financial, social, and Environmental performance in carrying out sustainable business.
14. **Allowance** shall be Income in the form of money or cash equivalent received at a certain time by the members of the Board of Directors, the Board of Commissioners, and the Supervisory Board, other than Salary/Honorarium.
15. **Stakeholder** shall be the parties having an interest towards the Company since it have legal relationship with the Company, authority (influence/control/power) and interest towards the business activities of the Company.
16. **Company or Corporation or TELKOM** shall be Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk.
17. **Related Party** shall be the individual or the company/entity having relationship with the members of the Board of Directors and the Board of Commissioners, either directly or indirectly, through family relationship and or share ownership.
18. **Meeting of the Board of Directors (RADIR)** shall be the meeting convened by the Board of Directors in accordance with the meeting mechanism stipulated in the Articles of Association of the Company and the prevailing Company regulation.
19. **Meeting of the Board of Commissioners** shall be the meeting convened by the Board of Commissioners in accordance with the meeting mechanism stipulated in the Articles of Association of the Company and prevailing regulations either stipulated by the Board of Directors and the Board of Commissioners.
20. **Six Eyes Principles** shall be the principles for the separation of initiation, review, and approval provision functions (segregation of duties) over the actions carried out in the decision making by the Company.
21. **Telkom Group** shall be Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk and the entire subsidiary Companies whose industry is "related" in nature and who formed cohesiveness in an ecosystem as well as for the purpose of effectiveness on the management of its business portfolio, therefore, the entire entity aforesaid requires the management in a platform management.



GENERAL PRINCIPLES

1. Board Manual is composed based on the corporate law principles, the provisions of the Articles of Association, the Company regulations stipulated by the Board of Directors and the Board of Commissioners, the laws and regulations, the instructions of the Shareholders as well as the corporate management practices by continue observing and is capable of fulfilling the demands of business speed and dynamics, by always maintaining compliance aspect.
2. In general, the Board Manual stipulates the stipulating principles between the members of the Board of Directors and the Board of Commissioners over the matters, among others:
 - a. The power of attorney acting for and on behalf of the Board of Directors in representing the Company;
 - b. The Impeded Members of the Board of Directors and the Vacant Positions as the Members of the Board of Directors;
 - c. The mechanism or the forum for the adoption of resolution/approval of the Board of Directors and the Board of Commissioners;
 - d. The Conflict of Interest of the Board of Directors and the Board of Commissioners in the transaction with the Related Parties;
 - e. Confidentiality and information disclosure;
 - f. The distribution of duties and authorities of the members of the Board of Directors and the Board of Commissioners;
 - g. The Executive Committee and the Committees under the Board of Commissioners; and
 - h. The working relationship of the Board of Directors and the Board of Commissioners.
3. In the performance of their duties, the Board of Directors and the Board of Commissioners will be obliged to observe:
 - a. The compliance towards the Pancasila ideology, the Laws and Regulations, the Articles of Association, and the Company regulation;
 - b. The application of business practices based on the principles of Good Corporate Governance, which are: transparency, accountability, responsibility (accountability), independence (autonomy), and fairness (equity);
 - c. The application of segregation of duties based on the "Six Eyes Principles" which is the separation of functions among the initiation, review, and approval provision functions over a material of a resolution;
 - d. The role of BUMN as the government tool (Welfare state) in national development;
 - e. The Business Judgement Rule as contained in the Law Number 40 of the Year 2007 regarding Limited Liability Company, Government Regulation Number 45 of the Year 2005 regarding the Establishment, Management, Supervision, and Dissolution of BUMN as amended by Government Regulation Number 23 of the Year 2022, the Regulation of the Financial Services Authority Number 33/POJK.04/2014 regarding the Board of Directors and the Board of Commissioners of Issuers or Public Companies, as well as the Articles of Association of the Company with the principles of



- (i). Good faith;
 - (ii). Adoption of resolution with due regards to the company interest (fiduciary duty) and not based on the personal interest (duty of loyalty);
 - (iii). Based on sufficient knowledge (informed basis); and
 - (iv). Carried out prudently and thoroughly (duty of care).
- f. The cultural values of the Company, among others:
- (i). The Telkom Way in Digital Era
 - (ii). The working cultural values of the Company (board culture) applied in carrying out the daily activities of the Company:
 - (a) The attendance on every routine meeting;
 - (b) The equity participation;
 - (c) The skills of each member of the Board of Directors and the Board of Commissioners;
 - (d) The age limit of each members of the Board of Directors and the Board of Commissioners;
 - (e) The involvement of the previous President Director;
 - (f) The Independence;
 - (g) The total number of membership of the Board of Directors, the Board of Commissioners, and the Committees;
 - (h) The respect, trust, and candor among one another;
 - (i) The openness towards differences of opinion;
 - (j) The regular changing of roles;
 - (k) The individual accountability;
 - (l) The performance evaluation.
- g. Pay attention to the demands of business development, speed and dynamics by continue observing and in accordance with the prevailing regulations.

CHAPTER I

THE BOARD OF COMMISSIONERS

A. THE COMPOSITION OF THE BOARD OF COMMISSIONERS

1. The Composition of the Board of Commissioners
 - a. The Board of Commissioners consists of at least 2 (two) members, one individual among them will be appointed as the President Commissioner, and if required one individual among them may be appointed as the Vice President Commissioner;
 - b. The Board of Commissioners consists of the Commissioners and the Independent Commissioners, the total number of Independent Commissioners must be at least 30% (thirty percent) of the total number of the entire members of the Board of Commissioners.
2. The Term of Office of the Board of Commissioners
 - a. The term of office of the members of the Board of Commissioners is stipulated 5 (five) years and may be reappointed for 1 (one) more term of office.
 - b. The members of the Board of Commissioners will be provided with honorarium and allowances/facilities including bonus royalty, and retirement benefits, the type and amount of which are stipulated by the GMS with due observance of the provisions of the prevailing laws and regulations.

B. THE MEMBERSHIP OF THE BOARD OF COMMISSIONERS

1. The Appointment of the Board of Commissioners
 - a. The Members of the Board of Commissioners will be appointed and dismissed by the GMS.
 - b. The Members of the Board of Commissioners will be appointed from the candidates nominated by the Shareholders and the nomination aforesaid is binding towards the GMS.
 - c. The proposal for the appointment of the Board of Commissioners to the GMS will be carried out with due observance of the recommendation from the Board of Commissioners. In giving the recommendation, the Board of Commissioners may observe the input from the Nomination and Remuneration Committee, if any.
 - d. The newly appointed Members of the Board of Commissioners must be given the introduction program and competence improvement.

The abovementioned provisions will be carried out based on the Articles of Association and the prevailing laws and regulations.

2. If according to the assessment of the Minister of State-Owned Enterprises (the Minister of BUMN), there is an urgent condition, then, the Minister of BUMN may appoint a temporary member of the Board of Commissioners without the assessment process, guided by the prevailing laws and regulations.
3. The termination of the Office of the Members of the Board of Commissioners
 - a. The office of a member of the Board of Commissioners will end if:



- (i) He passed away;
 - (ii) His term office has ended;
 - (iii) He is dismissed based on the GMS;
 - (iv) He is declared of being bankrupt by the commercial court which has already had permanent legal force or he is put under guardianship based on a court decision; or
 - (v) He no longer fulfills 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 stated in point 3.a(v) above, including but not limited to concurrently serving in a prohibited office and the resignation.
- c. The appointment for the members of the Board of Commissioners who did not fulfill the requirements as stated in Point 3.a(v) above, will be null and void starting as of the time the other members of the Board of Commissioners or the Board of Directors are aware of the non-fulfillment of the requirements aforesaid, based on valid evidence, and to the relevant member of the Board of Commissioners will be notified in writing with due observance of the laws and regulations.
- d. For the members of the Board of Commissioners who is resigning before or after the end of his term of office, unless due to his demise, then, the relevant individual will remain responsible for their actions which accountability have not yet been accepted by the GMS.
4. The Dismissal of the Members of the Board of Commissioners
- a. The members of the Board of Commissioners at any time may be dismissed based on the resolution of the GMS by stating the reasons thereof.
- b. The reasons for the dismissal of a member of the Board of Commissioners as mentioned above will be carried out if based on the facts, the relevant members of the Board of Commissioners, among others:
- (i) Does not perform his duties properly;
 - (ii) Violates the provisions of the Articles of Association and/or the prevailing laws and regulations;
 - (iii) Is involved in an action which is inflicting losses to the Company and/or the state;
 - (iv) Commits an action violating the ethic and/or the decency which should be honored as a member of the Board of Commissioners;
 - (v) Has been stipulated as the suspect or the accused by the authorities in an action which is inflicting losses to the Company and/or the state finance;
 - (vi) Is convicted of being guilty with the court decision which has already had permanent legal force;
 - (vii) Resigns.
- c. In addition to the reasons for dismissal above, the member of the Board of Commissioners may be dismissed by the GMS based on other reasons considered appropriate by the GMS

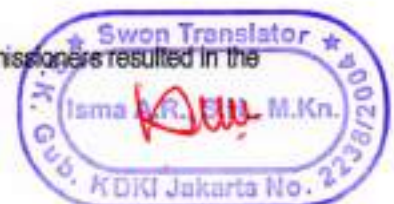


for the interests and objectives of the Company.

- d. The resolution for the dismissal may be temporary or permanent in nature, in accordance with the resolution of the GMS, due to the reasons as referred to in point b (i), (ii), (iii), (iv) and point c, which is adopted after the relevant individual is given the opportunity to defend himself in the GMS, based on the provisions of the Articles of Association and the prevailing laws and regulations.
- e. The permanent dismissal due to the reason as referred to in point b (iii) and (vi) constitutes dishonorable discharge.
- f. Among the members of the Board of Commissioners and/or between the members of the Board of Commissioners and the members of the Board of Directors are prohibited to have family relationship up to the third degree, both according to a straight line and side line, including a relationship arising from a marriage. In the event that there is any of such condition, then, the GMS will be authorized to dismiss one of the individual among them.
- g. The proposal for the dismissal of the Board of Commissioners to the GMS will be carried out with due observance of the recommendation from the Board of Commissioners. In providing recommendation, the Board of Commissioners may observe the input from the Nomination and Remuneration Committee, if any;
- h. The dismissal of the Board of Commissioners will be carried out based on the provisions of the Articles of Association as well as the prevailing legislations.

5. The Resignation of the Board of Commissioners

- a. A member of the Board of Commissioners will be entitled to resign from his office before the end of his term of office by notifying in writing regarding his intention aforesaid to the Company.
- b. The Company will be obliged to convene the GMS to resolve on the application for the resignation of a member of the Board of Commissioners within a period of at the latest 90 (ninety) days after the receipt of the resignation letter.
- c. The Company will be obliged to carry out information disclosure to the public and submit it to the Financial Services Authority at the latest 2 (two) working days after the receipt of application for resignation of a member of the Board of Commissioners and the result of the convening of the GMS as mentioned above.
- d. Before the effective date of the resignation, the relevant member of the Board of Commissioners will continue to be responsible for settling his duties and authorities in accordance with the Articles of Association and the prevailing laws and regulations unless stipulated otherwise by the resolution of the Board of Commissioners based on fair considerations.
- e. Towards the resigning member of the Board of Commissioners mentioned above will continue to be able to be requested his accountability as a member of the Board of Commissioners starting as of the appointment of the relevant individual up to the date of approval of his resignation in the GMS and such actions are accepted by the GMS.
- f. The discharge of liabilities of the resigning member of the Board of Commissioners will be given after the Annual GMS discharges him.
- g. In the event that the resigning of the member of the Board of Commissioners resulted in the



total number of the members of the Board of Commissioners to be less than 2 (two) individuals, then, the resignation aforesaid will be valid if it has been stipulated by the GMS and has been appointed a new member of the Board of Commissioners, therefore, fulfilling the minimum requirement of the total number of members of the Board of Commissioners.

6. The Vacant Office of the Board of Commissioners

- a. If at any time, due to any reason whatsoever, on or more offices of the members of the Board of Commissioners are vacant:
 - (i) The GMS must be convened to fill in the vacant offices aforesaid if it causes the members of the Board of Commissioners to be less than 2 (two) individuals, one of whom is the President Commissioner or the vacant office is as the President Commissioner;
 - (ii) The GMS as referred to in point (i) above is convened at the latest 90 (ninety) days after the occurrence of the vacant offices.
- b. If at any time, due to any reason whatsoever, the entire members of the Board of Commissioners of the Company are vacant, then, for the time being, the Dwiwarna A Series shareholder may appoint the acting official as the member of the Board of Commissioners to carry out the work of the Board of Commissioners with the same authorities, provided that within a period of at the latest 90 (ninety) days after the occurrence of the vacancy, must be convened the GMS to fill in the vacant office of the Board of Commissioners aforesaid.

C. **PRESIDENT COMMISSIONER**

The President Commissioner has the equal position as other members of the Board of Commissioners. The Duty of the President Commissioner as the primus inter pares shall be as the coordinator in the implementation of activities and duties of the Board of Commissioners.

The duties and responsibilities of the President Commissioner are, among others, as following:

1. Lead and ensure the effectiveness of the performance of the Board of Commissioners.
2. Prepare, apply, and provide review over the working guidelines/procedures related to the duties of the Board of Commissioners.
3. Prepare the meeting schedule calendar of the Board of Commissioners and coordinate it with the Committees level of the Board of Commissioners.
4. Organize and deliver meeting agenda as well as ensure that the entire Commissioners receive the information in a timely manner.
5. Interact periodically with the President Director and act as the liaison between the Board of Commissioners and the Board of Directors.
6. Ensure the information delivered to the entire Commissioners is accurate, on time, and clear.
7. Ensure the effective communication with the shareholders.
8. Arrange the performance evaluation of the Board of Commissioners, including the entire levels of the Committees and the Independent Commissioners, regularly.
9. Facilitate the effective contribution from the Independent Commissioner and establish constructive



relationship among the Commissioners.

10. Carry out other duties in accordance with the request of the GMS and the Board of Commissioners collegially, in accordance with the needs and conditions.

D. THE INDEPENDENT COMMISSIONER

1. The Independent Commissioner constitutes a member of the Board of Commissioners who is not affiliated with the Board of Directors, other members of the Board of Commissioners, and the Controlling Shareholders, as well as free from business relationship or other relationship which can affect his capability to act or to solely act for the interest of the Company.
2. The Independent Commissioner has basic responsibility to encourage the application of Good Corporate Governance in the Company through the empowerment of the Board of Commissioners in order to be able to carry out the supervisory duties and the providing of advices to the Board of Directors effectively and to further provide added value to the Company.

a. The Duties of the Independent Commissioner

- (i) Warrant the transparency and openness of the financial statement of the Company;
- (ii) Fair treatment towards the minority Shareholders and other Stakeholders;
- (iii) Disclose the transactions containing conflict of interest in a properly and fairly;
- (iv) Ensure the compliance of the Company to the prevailing legislations and regulations;
- (v) Warrant the accountability of the organs of the Company

b. The Authorities of the Independent Commissioner

- (i) Chair the Audit Committee and other Committees.
- (ii) The Independent Commissioner who has occupied the office for 2 (two) periods of term of office may be reappointed on the subsequent period to the extent that the Independent Commissioner aforesaid declares himself to remain independent to the GMS and it must be disclosed in the Annual Report.
- (iii) In the event that the Independent Commissioner occupies the office on the Audit Committee, the relevant Independent Commissioner may only be reappointed on the Audit Committee for another 1 (one) period of subsequent term of office on the Audit Committee.
- (iv) Based on the rational and prudential considerations, will be entitled to express an opinion different from that of other members of the Board of Commissioners and it must be recorded in the Minutes of Meeting of the Board of Commissioners and the different opinion which is material in nature must be included in the annual report.

c. The Responsibilities of the Independent Commissioner

In the effort to properly carry out his responsibilities, then, the Independent Commissioner must proactively endeavor in order that the Board of Commissioners carries out the supervision and provides advices to the Board of Directors related to, but not limited to the following matters:



- (i) Ensure that the Company has effective business strategy, including to monitor the schedule, budget and effectiveness of the strategy aforesaid;
- (ii) Ensure that the Company appoints the executives and the professional managers;
- (iii) Ensure that the Company has information, control system, and audit system which are working properly;
- (iv) Ensure that the Company complies with the laws and the prevailing legislations and the values stipulated by the Company in carrying out its operation;
- (v) Ensure the risks and crisis potentials are always identified and managed properly;
- (vi) Ensure the GCG principles and practices are complied with and applied properly.

E. THE DISTRIBUTION OF WORKS OF THE MEMBERS OF THE BOARD OF COMMISSIONERS

The distribution of works among the members of the Board of Commissioners will be stipulated by themselves, and for the smooth running of their duties, the Board of Commissioners will be assisted by the Secretary of the Board of Commissioners.

F. THE DUTIES, RESPONSIBILITIES, AND AUTHORITIES

1. The Board of Commissioners will be assigned to carry out the supervision towards the management policies, the running of the management in general, pertaining both to the Company and the businesses of the Company which are carried out by the Board of Directors, and to provide advices to the Board of Directors, including the supervision towards the implementation of Long Term Plan of the Company, the Annual Work and Budget Plan of the Company as well as the provisions of the Articles of Association and the Resolutions of the GMS, as well as the laws and regulations, for the interests of the Company, in accordance with the purposes and objectives of the Company.
2. The Board of Commissioners has the authorities to:
 - a. Examine the books, letters, as well as other documents, examine the cash for verification purposes, and other securities, and examine the assets of the Company;
 - b. Enter the premises, buildings, and offices used by the Company;
 - c. Demand explanation from the Board of Directors and/or other officials regarding any issues relating to the management of the Company;
 - d. Be informed of any policies and actions which have been and will be taken by the Board of Directors;
 - e. Demand the Board of Directors and/or other officials under the Board of Directors, with the acknowledgement of the Board of Directors, to attend the meeting of the Board of Commissioners, whereas for the demand or support of activities, other than the meeting to be convened, with due regards to the professionalism, ethics, interests of the Company and the organs of the Company;
 - f. Appoint and dismiss a Secretary of the Board of Commissioners;
 - g. Suspend a member of the Board of Directors in accordance with the provisions of the Articles of Association of the Company;



- h. Establish the Audit Committee, the Remuneration and Nomination Committee, the Risk Monitoring Committee, and other committees, if considered necessary with due regards to the capabilities of the Company;
 - i. Utilize the expert staff for certain matters and in certain period at the expense of the Company, if considered necessary;
 - j. Carry out the management actions of the Company in certain conditions for certain period in accordance with the provisions of the Articles of Association;
 - k. Approve the appointment and dismissal of the Corporate Secretary and/or the Head of Internal Supervisory Unit;
 - l. Analyze and carry out review over the annual report prepared by the Board of Directors as well as execute the annual report aforesaid;
 - m. Attend the meeting of the Board of Directors and provide insights towards the matters being discussed;
 - n. Exercise other supervisory authorities to the extent they are not contradictory to the laws and regulations, the Articles of Association, and/or the resolutions of the GMS;
 - o. In the framework of carrying out the supervisory function, the members of the Board of Commissioners during working hours or at other agreed time, collectively or individually, with or without prior notification to the Board of Directors, with due regards to the professionalism, the interests of the Company, the public, as well as the organs, has right of access, including but not limited to the buildings and locations of or other utilized places controlled by the Subsidiary Companies of the Company and has the right to examine the books, letters of evidence, reports, and stocks of goods, and examine the cash position (for verification purposes) and other collaterals, and to be informed of any actions which are taken by the Board of Directors of the Subsidiary Companies based on the principles of information disclosure, with due observance of the confidentiality of the Company, as well as may provide advices to the Subsidiary Companies related to the policies/actions which have been decided and which will be taken by the Board of Directors of the Subsidiary Companies, whether requested or not.
3. In relation to the duties and authorities above, the Board of Commissioners will be entitled to receive income stipulated by the GMS, with the provisions:
- a. The Type of Income
 - 1) Honorarium;
 - 2) Allowances, which are consisting of:
 - i. Religious holiday allowance;
 - ii. Transportation allowance;
 - iii. Retirement insurance.
 - 3) Facilities, which are consisting of:
 - i. Health facilities;



- ii. Legal assistance facilities.
- 4) Bonus Royalty/Performance Incentives, in the case of Bonus Royalty, it can be provided with addition in the form of Long Term Appreciation (Long Term Incentive/LTI)
- b. The details, amount, types, and procedures for the providing of income for the members of the Board of Commissioners, including their changes, adhering to the provisions in the laws and regulations, the Articles of Association as well as the Company regulation.
4. In relation to the duties and authorities of the Board of Commissioners as referred to in point 2 (two) above, then, the Board of Commissioners will be obliged to:
 - a. Provide advices to the Board of Directors in carrying out the management of the Company;
 - b. Give opinions and approval over Long Term Plan of the Company, the Annual Work and Budget Plan of the Company as well as other work plans prepared by the Board of Directors, in accordance with the provisions of the Articles of Association and the provisions of the prevailing laws and regulations;
 - c. Keep up with the development of the activities of the Company, provide opinions and advices to the GMS regarding every issue considered important for the management of the Company;
 - d. Report to the Dwiwarna A Series Shareholder if there is any tendency of declining performance of the Company;
 - e. Propose to the GMS, the appointment of Public Accountant who will carry out the audit over the books of the Company;
 - f. Analyze and review the periodic report and the annual report prepared by the Board of Directors as well as execute the annual report;
 - g. Provide explanation, opinion, and advices to the GMS regarding the Annual Report, if accepted;
 - h. Prepare the minutes of meeting of the Board of Commissioners and keep the official copy of which;
 - i. Report to the Company regarding his share ownership and/or his family to the Company aforesaid and other Company;
 - j. Provide report regarding the supervisory duties which have been performed during the recently elapsed financial year to the GMS;
 - k. Provide explanation regarding any matters inquired about or requested by the Dwiwarna A Series shareholder with due observance of the laws and regulations, particularly those applicable in the Capital Market sector;
 - l. Carry out other obligations in the framework of supervisory duties and the providing of advices, to the extent they are not contradictory to the laws and regulations, the articles of association, and/or the resolutions of the GMS.
5. Every member of the Board of Commissioners will be jointly and severally liable for the losses of the Company caused by the fault or negligence of the members of the Board of Commissioners in performing his duties.



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

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

1. General Principles

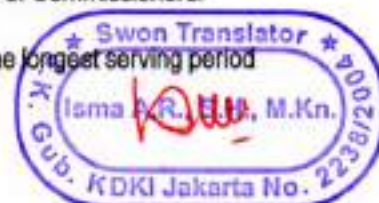
- a. Any resolution of the Board of Commissioners is adopted in the meeting of the Board of Commissioners or the resolution in lieu of the meeting of the Board of Commissioners.
- b. The Board of Commissioners will be obliged to convene the meeting at least 1 (one) time in a month.
- c. The Board of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

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

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

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

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

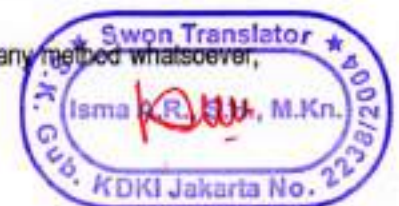


as members of the Board of Commissioner are more than one individual, then, the oldest member of the Board of Commissioners will act as the chairman of the meeting.

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

3. The Mechanism for the Adoption of Resolution

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



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

4. The Minutes of Meeting of the Board of Commissioners

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

H. THE REPORTING OF THE BOARD OF COMMISSIONERS

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



allowances received from the relevant Company.

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

1. The Work Ethic related to the Exemplary

The Board of Commissioners must encourage the creation of ethical behavior and uphold the ethical standard at the Company, one of the methods is by making himself as the role model for the Board of Directors and the employees of the Company.

2. The Compliance Ethic Towards the Laws and Regulations

The Board of Commissioners will be obliged to comply with the prevailing laws and regulations, the Articles of Association and the Guidelines of Good Corporate Governance as well as the policies of the Company which have been stipulated.

3. The Ethic Related to Information Disclosure and Confidentiality

The Board of Commissioners must disclose the information in accordance with the provisions of the prevailing laws and regulations and always maintain the confidentiality of the information entrusted to it in accordance with the provisions of the laws and regulations and/or the provisions of the Company.

4. The Ethic Related to the Opportunity of the Company

During their term of office, the Board of Commissioners is prohibited to:

- a. Take business opportunity of the Company for the interest of his own, his family, his business group and/or other parties.
- b. Use the assets of the Company, the information of the Company or his position as a Member of the Board of Commissioners for his personal interest outside the provisions of the laws and regulations as well as the prevailing provisions of the Company.
- c. Compete with the Company, which is using the inside knowledge/information to obtain profit for the interest of other than the interest of the Company.
- d. Gain personal profit from the activities of the Company, other than the salary and facilities received as a member of the Board of Commissioners of the Company, stipulated by the GMS.
- e. Take business transaction opportunity with the parties whose funds are suspected to derive from money laundering activities. Therefore, comprehensive understanding regarding who, how and the reputation of the prospective working partner aforesaid is very crucial. In addition, there is a reference from the third party who will also provide additional information.

5. The Business Ethic and Anti-Corruption

The members of the Board of Commissioners must always prevent and avoid from monopoly practices and unfair business competition, corruption, gratification, money laundering, bribery, practices of abuse of power and position, abuse of opportunities or facilities vested in his position in the manner, in the form, and/or for any interest whatsoever believed and considered could be detrimental to the Company.

Several matters which are prohibited for the members of the Board of Commissioners are including,



but not limited to:

- a. The member of the Board of Commissioners is prohibited to give or offer, or receive either directly or indirectly, anything valuable to a customer or an official/employee of government institution to influence or as a reward for anything which has been done and other actions in accordance with the prevailing laws and regulations.
- b. Is prohibited to give an expression of gratitude in business activities, such as gift, donation or entertainment, which is given in a certain condition which could be considered as the giving of gratification and/or inappropriate action.

6. The Ethic Related to Conflict of Interest

- a. A transaction requiring the written approval of the Board of Commissioners will be considered as containing conflict of interest if the relevant member of the Board of Commissioners has a relationship with the Related Party. The Related Party as referred previously covers:
 - (i) The Party having family relationship due to marriage and lineage up to the second degree (including in-laws) both horizontal and vertical with the members of the Board of Commissioners; or
 - (ii) The Company or the entity in which the relevant member of the Board of Commissioners or his family (as referred to in point i above) occupies the office as the Commissioner (in the case of other than limited liability company, other equivalent position) or constitutes the controlling shareholder (in the case of other than limited liability company, other equivalent position) or constitutes the main shareholder (in the case of other than limited liability company, other equivalent position).
- b. In the event that the relevant member of the Board of Commissioners is involved in a Transaction with Conflict of Interest, the relevant member of the Board of Commissioners aforesaid must disclose it, and will not act as the chairman in a Meeting of the Board of Commissioners which resolves the Transaction with Conflict of Interest aforesaid and will not be permitted to participate in carrying out the voting for the resolution to resolve on approving or disapproving a transaction which must obtain written approval of the Board of Commissioners which is proposed by the Board of Directors. Thus therefore, at the time such matter is discussed in the GMS, then, the GMS will be chaired by other members of the Board of Commissioners having no conflict of interest and who are appointed by the Board of Commissioners. However, if the entire members of the Board of Commissioners have conflict of interest, then, the GMS will be chaired by the President Director or by other member of the Board of Directors having no Conflict of Interest, and if there is not any member of the Board of Directors fulfilling the requirements, then, the GMS will be chaired by a non-controlling (minority) shareholder appointed by the shareholders who are present in the GMS.
- c. In addition, may also be classified as the Related Party is a company or an entity who is included in a business group in which the relevant member of the Board of Commissioners and his family (as referred to in letter a above) occupies the office as the Commissioner in one of the company or entity in the business group aforesaid.

In such case, the member of the Board of Commissioners who is considered of having conflict of interest aforesaid will not be permitted to participate in carrying out the voting for the resolution to resolve whether approving or disapproving a transaction which must obtain written approval of the Board of Commissioners which is proposed by the Board of Directors.

J. THE SUPPORTING ORGANS OF THE BOARD OF COMMISSIONERS



1. The Supporting Organs of the Board of Commissioners consist of the Committees of the Board of Commissioners and the Secretary of the Board of Commissioners.
2. The Board of Commissioners will be entitled to form, change and stipulate the membership of the Supporting Organs of the Board of Commissioners in accordance with the needs and will continue to rely on the provisions of the laws and regulations.
3. The Board of Commissioners may form committees and, if considered necessary, may use experts for a certain period of time at the expense of the Company.
4. The Committees within the Board of Commissioners consist of the Audit Committee, the Nomination and Remuneration Committee, the Planning and Risk Evaluation and Monitoring Committee, or other committees other than the committees contained in this Board Manual, if considered necessary, with due observance of the provisions of the prevailing laws and regulations as well as the capability of the Company in order to assist the Board of Commissioners in the field of activity of the Company which is requiring specific monitoring.
5. The guidelines for the performance of work (charter) for the supporting organs of the Board of Commissioners aforesaid will be regulated and stipulated separately in a separate Resolution of the Board of Commissioners.
6. To assist the smooth performance of its duties, the Board of Commissioners, at the expense of the Company, will be entitled to receive the assistance of the Secretary of the Board of Commissioners who carries out the administrative and secretarial duties related to the entire activities of the members of the Board of Commissioners, to ensure the duties of the Commissioners have been carried out and all information required by the Commissioners have been made available and other duties as stipulated in the prevailing laws and regulations.

a. Main Function

The Secretary of the Board of Commissioners has the main function to provide support to the Commissioners in order to facilitate the duties of the Commissioners in carrying out their function as the representative of the Shareholders to provide advices as well as supervision in its relation to the management of the Company by the Board of Directors and its entire levels.

b. Requirements

The Secretary of the Board of Commissioners must fulfill the requirements:

- 1) Understand the management, supervisory and fostering system of the Company;
- 2) Has good integrity;
- 3) Understand the secretarial function;
- 4) Has the capability to communicate and coordinate appropriately;

c. Term of Service:

The term of service of the Secretary of the Board of Commissioners is stipulated by the Board of Commissioners at the maximum for 3 (three) years and may be reappointed for at the most a further 2 (two) years without prejudice to the right of the Board of Commissioners to dismiss him at any time.



K. CONFIDENTIALITY

1. The entire information and document related to the approval process along with its attachment, including documentary letters which have been issued and the presentation made by the Board of Commissioners and the Supporting Organs of the Board of Commissioners, including the document and/or the material of the presentation made by the Board of Directors and delivered to the Board of Commissioners, must be kept confidential by the Board of Commissioners and the entire members of the Supporting Organs of the Board of Commissioners, as well as will not be disclosed and reported to other party, unless required by the law or approved by the Company or has become public information.
2. The disclosure of important information of the Company to other party is set out in the Annual Report and the Financial Statement of the Company in accordance with the laws and regulations.

The Confidentiality, the Management of Document, and the Information of the Company will be further stipulated in the Company regulations, by continue observing the provisions contained in the laws and regulations and the Articles of Association of the Company.

L. THE INTRODUCTION PROGRAM AND COMPETENCE IMPROVEMENT

1. The Introduction Program of the Board of Commissioners
 - a. For the newly appointed members of the Board of Commissioners will be given the introduction program to give them understanding regarding any aspects related to the roles and responsibilities of the Board of Commissioners as well as to synchronize the perception regarding the implementation of GCG in the Company, therefore, the new Board of Commissioners can immediately adjust and give contribution to the Company.
 - b. The implementation of the introduction program aforesaid will become the responsibility of the Corporate Secretary or anyone who carries out the function as the corporate secretary.
 - c. The materials of the introduction program will at least contain the following matters:
 - 1) The introduction regarding the Company including the vision, mission, strategy, performance, financial condition, risks and latest condition of the Company;
 - 2) The comprehension regarding the telecommunication industry, including the knowledge regarding the products of the Company;
 - 3) The comprehension regarding the regulation and policies of the government, particularly towards telecommunication industry;
 - 4) The comprehension regarding the financial aspect (financial literacy), particularly related to the audit of the financial statement, including, but not limited to the balance sheet, the profit and loss statement, the cash flow report, and the statement of changes in equity, as well as the report over the financial statement of State-Owned Enterprises and public companies.
 - 5) The implementation of GCG principles in the Company, the integrated Governance, Risk & Compliance (GRC), and the whistleblowing system, including the prevailing ethic and norms within the Company;
 - 6) The knowledge related to the prevailing Environmental, Social, and Governance (ESG) and sustainability reporting in the Company based on the provisions of the laws and regulations and the Articles of Association;



- 7) The sharing session with the policy makers and the regulator;
 - 8) The knowledge related to the state finance law and the prevention of corruption criminal offenses;
 - 9) The roles, duties, and responsibilities of the Board of Commissioners and the Board of Directors, including the Internal Audit and the Committees, as well as other supporting organs;
 - 10) The introduction with the management level and visit to each Unit of the Company;
 - 11) The Team Building will engage the entire members of the Board of Commissioners, both the newly appointed and those who have previously occupied the office, with the objective of materializing team cohesiveness and cooperation as the Board of Commissioners.
- d. The materials for the introduction program as referred to in point c above must firstly observe the instruction of the Board of Directors and by considering the advices of the Board of Commissioners.
- e. At the latest 3 (three) months after the implementation of the introduction program, the Corporate Secretary or anyone performing the corporate secretary function will be obliged to carry out evaluation towards the implementation of the introduction program aforesaid.
2. The Competence Improvement
- a. The provisions regarding the competence improvement program for the Board of Commissioners are as following:
- 1) The competence improvement program will be carried out in framework of improving work effectiveness of the Board of Commissioners;
 - 2) Every member of the Board of Commissioners attending the competence improvement program, such as seminars and/or training, will be required to give presentation to other members of the Board of Commissioners in the framework of sharing information and knowledge;
 - 3) The relevant member of the Board of Commissioners will be responsible for drawing report regarding the implementation of the competence improvement program. The report aforesaid will be delivered to the Board of Commissioners.
- b. The competence improvement programs which can be carried out are among others:
- 1) The knowledge related to the corporate legal principles and the laws and regulations related to the business activities of the Company, as well as the internal control system;
 - 2) The knowledge related to the Policies of the government related to the strategic environment of the Company, the core business of the Company, and the latest development of the industry of the Company;
 - 3) The knowledge related to the strategic management and its formula;
 - 4) The knowledge related to the risk management;



- 5) The knowledge related to the high quality financial reporting;

M. THE PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS

1. General Policies

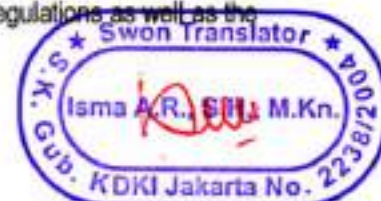
- a. The Board of Commissioners will prepare and deliver to the Dwiwarna A Series Shareholder, the Key Performance Indicator (KPI) document for the Board of Commissioners in a collegial manner.
- b. The Board of Commissioners, in preparing KPI, will observe and consider the assessment parameter, both in the form of numeral indicator and narrative format as well as the evaluation related to:
 - i. The application of Good Corporate Governance;
 - ii. The Aspiration of the Dwiwarna A Series Shareholder;
 - iii. The stipulation of absolute target for RKAP and KPI;
 - iv. The provisions of the legislations.
- c. The Board of Commissioners will be obliged to deliver the quarterly report on the progress of KPI realization to the Dwiwarna A Series Shareholder.

2. The Self-Assessment Policy to assess the performance of the Board of Commissioners.

- a. The Board of Commissioners has the Self-Assessment policy to assess the performance of the Board of Commissioners. The Self-Assessment of the Board of Commissioners constitutes a guideline which is used as the form of accountability over the assessment on the performance of the Board of Commissioners in a collegial manner. The relevant Self-Assessment will be carried out by each member of the Board of Commissioners to assess the implementation of the performance of the Board of Commissioners in a collegial manner, and does not assess the individual performance of each member of the Board of Commissioners. With the presence of this Self-Assessment, it is anticipated that each member of the Board of Commissioners can contribute to improve the performance of the Board of Commissioners in a sustainable manner.
- b. The Self-Assessment of the members of the Board of Commissioners will be carried out by the Committee carrying out the Nomination and Remuneration function chaired by one of the Members of the Board of Commissioners.
- c. In the Self-Assessment, the policy aforesaid may cover assessment activities which are carried out along with their purposes and objectives, the time for the periodic implementation, and the assessment benchmark or criteria used in accordance with the recommendation provided by the nomination and remuneration function.
- d. The Self-Assessment policy to assess the performance of the Board of Commissioners will be disclosed through the Annual Report.

N. CONCURRENT SERVING OF THE BOARD OF COMMISSIONERS

1. The Board of Commissioners may concurrently serve as the Board of Commissioners in a company other than BUMN, by referring to the provisions of the sectoral laws and regulations as well as the provisions of the prevailing laws and regulations.



2. A member of the Board of Commissioners of the Company will be prohibited to concurrently serve as:
 - a. A member of the Board of Commissioners of BUMN, unless based on specific assignment from the Minister;
 - b. A member of the Board of Directors or other office in BUMN, Regional Government-Owned Enterprise, Privately Owned Enterprise prohibited to be concurrently served as a member of the Board of Commissioners of the Company which could give rise to conflict of interest with the Company;
 - c. A member of the Board of Directors or the Board of Commissioners in other company with the criteria:
 - 1) Existing in the same relevant market;
 - 2) Has close relationship in the sector and or type of business; or
 - 3) Other company aforesaid together with the Company can control the market segment of certain goods and/or services;which could give rise to the occurrence of monopoly practices and/or unfair business competition.
 - d. The management of political party, a member of the House of People's Representatives, the Regional Representatives Board, the House of People's Representatives of the First Level Region, and the House of People's Representatives of the Second Level Region and//or the head of the region/the deputy head of the region;
 - e. Becoming a candidate/member of the House of People's Representatives, the Regional Representatives Board, the House of People's Representatives of the First Level Region, and the House of People's Representatives of the Second Level Region and//or the head of the region/the deputy head of the region;
 - f. Other office which could give rise to conflict of interest; and/or
 - g. Other offices in accordance with the provisions of laws and regulations.
3. The member of the Board of Commissioners who is concurrently serving as referred to in point 2 above, his term of office as a member of the Board of Commissioners ends starting as of the occurrence of the concurrent serving.
4. The member of the Board of Commissioners whose term of office ended as referred to in point 3 above, shall notify to the Company in writing in relation to the occurrence of concurrent serving supplemented by the supporting documents.
5. Within a period of at the latest 7 (seven) days starting as of the concurrent serving becomes known, the member of the Board of Commissioners, or the member of the Board of Directors, must deliver notification to Dwiwarna A Series Shareholder related to the concurrent serving aforesaid, afterward will be carried out the dismissal determination process at the closest GMS.
6. The member of the Board of Commissioners shall deliver to Dwiwarna A Series Shareholder in the event that there is any share ownership and concurrent serving other than the concurrent serving prohibited in this provision in other company.



[Official Translation]

7. The legal action performed for and on behalf of the Company by the member of the Board of Commissioners after the expiry of his term of office by the operation of law as referred to in point 3 will be invalid and will become the personal liability of the relevant member of the Board of Commissioners.
8. The provisions as referred to in point 7 will not prejudice to liabilities of the relevant member of the Board of Commissioners towards the losses of the Company caused by the fault or negligence of the relevant member of the Board of Commissioners in carrying out his duties, if the members of the Board of Commissioners consist of 2 (two) or more members of the Board of Commissioners, the liabilities as referred to in this point 8, will be applicable as a jointly and severally liability for every member of the Board of Commissioners.
9. Other matters related to the follow-up over the occurrence of the concurrent serving of office including the rights and obligations related to the dismissal of the relevant member of the Board of Commissioners, will adhere to the provision contained in the laws and regulations, the Articles of Association, and the Company regulations.



CHAPTER II

THE BOARD OF DIRECTORS

A. THE COMPOSITION OF THE BOARD OF DIRECTORS

1. Composition of the Board of Directors
 - a. The total number of the Board of Directors will be adjusted to the needs of the Company;
 - b. The Board of Directors will consist of at least 2 (two) members, one of them will be appointed as the president director and if required, one of them may be appointed as the vice president director.
2. Term of Office of the Members of the Board of Directors
 - a. The members of the Board of Directors will be appointed for a term of 5 (five) years and may be reappointed for 1 (one) other term of office.
 - b. The members of the Board of Directors may be given salary along with other facilities and/or allowances, including royalty bonus and post-employment compensation, the type and amount of which will be stipulated by the GMS and such authority may be delegated to the Board of Commissioners.

B. THE MEMBERSHIP OF THE BOARD OF DIRECTORS

1. The appointment of the Members of the Board of Directors.
 - a. The members of the Board of Directors will be appointed and dismissed by the GMS.
 - b. The proposal for the appointment of the members of the Board of Directors to the GMS will be carried out with due regards to the recommendation from the Board of Commissioners. In providing the recommendation, the Board of Commissioners may give regards to the input from the Nomination and Remuneration Committee, if any.
 - c. The appointment of the members of the Board of Directors will be carried out based on the provisions of the Articles of Association and the prevailing laws and regulations.
2. Termination of the Term of Office of the Members of the Board of Directors
 - a. The term of office of a member of the Board of Directors will end if:
 - (i) His resignation has become effective;
 - (ii) He passed away;
 - (iii) His term of office has ended;
 - (iv) He is dismissed based on the resolution of the GMS;
 - (v) He is declared of being bankrupt by the commercial court which has obtained permanent legal force or he is put under guardianship based on a court decision; or
 - (vi) He no longer fulfills 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, including but not limited to the prohibited concurrent serving of office.
- c. The appointment of a member of the Board of Directors who did not fulfill the requirements as described in point 2.a.(vi) above, will be null and void starting as of the other members of the Board of Directors or the Board of Commissioners become aware of the non-fulfillment of the requirements aforesaid based on valid evidence, and to the relevant member of the Board of Directors, will be provided written notification with due observance of the laws and regulations.
- d. For a member of the Board of Director who is resigning before and after the expiry of his term of office, save for due to his demise, then, the relevant individual will continue to be accountable for his actions which accountability report has not yet been accepted by the GMS.

3. Suspension of the Members of the Board of Directors

- a. A member of the Board of Directors, at any time, may be suspended by the Board of Commissioners by stating the reason thereof.
- b. The reason for the suspension of a member of the Board of Directors mentioned above will be carried out if the relevant member of the Board of Directors:
 - (i) acting contradictory to the Articles of Association of the Company;
 - (ii) there is an indication of him committing action which is detrimental to the Company;
 - (iii) neglected his obligation; or
 - (iv) there is an urgent reason to do so by the Company.
- c. The suspension aforesaid must be notified in writing at the latest 2 (two) working days after the stipulation of the suspension aforesaid to the relevant member of the Board of Directors supplemented by the reason causing such action with a copy sent to the Board of Directors.
- d. Within a period of at the latest 90 (ninety) days after the relevant suspension, the Board of Commissioners must convene the GMS to revoke or confirm the decision for the suspension aforesaid.
- e. The suspended member of the Board of Directors will be given the opportunity to defend himself in the GMS as referred to in Point d above after being summoned in writing. The absence of the suspended member of the Board of Directors in the GMS will be considered as non-exercise of the right of the relevant member of the Board of Directors to defend himself in the GMS and that he has accepted the resolution of the GMS.
- f. The suspended member of the Board of Directors will not be authorized to carry out the management of the Company for the interest of the Company in accordance with the purposes and objectives of the Company as well as to represent the Company both inside and outside the Court.
- g. The suspension aforesaid will become void and cannot be extended or reinstated for the same reason if:
 - (i) due to the lapse of the period for convening the GMS as referred to in Point d above,
or



- (ii) the GMS did not adopt any resolution.
- h. If the GMS:
 - (i) annul the suspension or if there is any condition as referred to in Point e above, then, the relevant member of the Board of Directors will be obliged to resume performing his duties accordingly;
 - (ii) confirmed the decision for the suspension, then, the relevant member of the Board of Directors will be dismissed permanently.
- i. The Company will be obliged to carry out information disclosure to the public and deliver to the Financial Services Authority regarding:
 - (i) the resolution for the suspension; and
 - (ii) the result of the convening of the GMS to revoke or confirm the resolution for the suspension or information regarding the annulment of the suspension by the Board of Commissioners due to the failure for the convening of GMS up to the lapse of the period as referred to in letter d above at the latest 2 (two) working days after the occurrence of such event.

4. Dismissal of the Members of the Board of Directors

- a. The Members of the Board of Directors may be dismissed based on the resolution of the GMS by stating the reason thereof.
- b. The reason for the dismissal of the members of the Board of Directors as mentioned above will be carried out based on the fact that the relevant member of the Board of Directors, among others:
 - (i) Does not/lacking in fulfilling his obligations which have been agreed upon in the managerial contract;
 - (ii) Cannot perform his duties properly;
 - (iii) Violates the provisions of the Articles of Association of the Company and/or the prevailing laws and regulations;
 - (iv) Is involved in the actions which are detrimental to the Company and/or the state;
 - (v) Commits action violating the ethic and/or compliance which should be respected as a member of the Board of Directors;
 - (vi) Is declared of being guilty by means of a court decision with permanent legal force;
 - (vii) Resigns;
 - (viii) There is a change of business strategy in BUMN;
 - (ix) Has been declared as the suspect or the convicted by the authorities in an actin detrimental to the Company and/or the state;
 - (x) Is permanently impeded, including terminally ill/prolonged illness;



- (xi) Other reasons which are considered appropriate by the GMS for the interest and objectives of the Company.
 - c. The resolution for the dismissal due to reasons as referred to in point b (i), (ii), (iii), (iv), (v), (vii) and (xi) will be adopted after the relevant individual is given the opportunity to defend himself.
 - d. The dismissal due to reasons as referred to in point b (iv) and (vi) will constitute dishonorable discharge.
 - e. Among the members of the Board of Directors and between the members of the Board of Directors and the members of the Board of Commissioners will not be permitted any family relationship up to the third degree, either in straight line and sideways, including relationship arising due to marriage. In the event of such case, then, the GMS will be authorized to dismiss one individual among them.
 - f. The proposal for the dismissal of a member of the Board of Directors to the GMS will be carried out with due regards to the recommendation from the Board of Commissioners. In providing recommendation, the Board of Commissioners may consider the input from the Nomination and Remuneration Committee, if any.
 - g. The dismissal of a member of the Board of Directors will be carried out based on the provisions of the Articles of Association and the prevailing laws and regulations.
5. Resignation of the Member of the Board of Directors
- a. A member of the Board of Directors may resign from his office before the expiry of his term of office by submitting written resignation application regarding his intention aforesaid to the Company.
 - b. The Company will be obliged to convene the GMS to resolve on the resignation application of the member of the Board of Directors within a period of at the latest 90 (ninety) days after the receipt of resignation letter.
 - c. The Company will be obliged to carry out information disclosure to the public and submit it to the Financial Service Authority at the latest 2 (two) working days after the receipt of the resignation application of the member of the Board of Directors and the result of the convening of the GMS as referred to above.
 - d. Before the effective date of the resignation, the relevant member of the Board of Directors will continue to be obliged to settle his duties and responsibilities in accordance with the Articles of Association and the prevailing laws and regulations, unless stipulated otherwise by the Board of Commissioners based on fair considerations.
 - e. Towards the resigning member of the Board of Directors as mentioned above will continue to be demanded his accountability as a member of the Board of Directors since the appointment of the relevant individual up to the date of approval of his resignation in the GMS and until his actions are accepted by the GMS.
 - f. The release over liabilities of the resigning member of the Board of Directors will be granted after the Annual GMS release him.
 - g. In the event that a member of the Board of Directors resigned, therefore, resulting in the total number of the members of the Board of Directors become less than 2 (two) individuals, then, the resignation aforesaid will be valid if it has been stipulated by the GMS and has been



appointed a new member of the Board of Directors, therefore, complying with the requirement on the minimum total number of the members of the Board of Directors.

6. Vacancy in the Office of the Board of Directors

- a. If at a certain period of time, due to any reason whatsoever, there is one or more vacant offices as the members of the Board of Directors:
 - (i) The Board of Commissioners will appoint one of the other members of the Board of Directors to carry out the work of the vacant office as a member of the Board of Directors aforesaid with the same power and authority;
 - (ii) The GMS will be obliged to be convened to fill in the vacant office aforesaid if it resulted in the members of the Board of Directors become less than 2 (two) individuals, one of whom is the President Director or the vacant office is the President Director or the other director who is prescribed by the prevailing provisions.
 - (iii) The GMS as referred to in point (ii) above will be convened at the latest 90 (ninety) days after the occurrence of the vacant office.
- b. In the event that there is a member of the Board of Directors whose term of office ended and the GMS has not yet stipulated his replacement, then, the member of the Board of Directors whose term of office has ended aforesaid may be stipulated by the GMS to carry out his work with the same power and authority, provided that the member of the Board of Directors whose term of office has ended aforesaid has only serve for 1 (one) term of office.
- c. If at a certain period of time, due to any reason whatsoever, the entire offices of the members of the Board of Directors of the Company are vacant, then:
 - (i) within a period of at the latest 90 (ninety) days after the occurrence of the vacancy, must be convened the GMS to fill in the vacancy of the office of the Board of Directors aforesaid;
 - (ii) to the extent that the office is vacant and the GMS has not yet filled in the vacant office of the Board of Directors, then, for the time being, the Company will be managed by the Board of Commissioners with the same powers and authorities.

C. THE FUNCTIONS AND ROLES OF THE BOARD OF DIRECTORS

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

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

The efforts for strengthening the membership and the composition of the Board of Directors can be carried out through the following things:

- a. The determination on the total number of the members of the Board of Directors by considering the condition of the Company as well as the effectiveness in the adoption of resolution.
- b. The determination on the composition of the members of the Board of Directors with due regards to the diversity of the required expertise, knowledge and experience.
- c. The members of the Board of Directors supervising the accounting of financial division



possess the expertise and/or knowledge in the accounting sector.

2. Improve the quality for the implementation of duties and responsibilities of the Board of Directors.
 - a. The quality improvement effort of duties and responsibilities implementation of the Board of Directors as referred to in number 1, can be carried out through the following things:
 - (i) The Board of Directors has in place the 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 will be disclosed through the annual report of the Company.
 - (iii) The Board of the Directors has in place the policy related to the resignation of the members of the Board of Directors if they are involved in the financial crimes.
 - b. The policy as referred to in letter a.(iii) above will be further stipulated in the Company Regulation.

D. THE MAIN DUTIES OF THE BOARD OF DIRECTORS

1. The main duties of the Board of Directors shall be carrying out any actions related to and to be responsible over the management of the Company for the interest of the Company and in accordance with the purposes and objectives of the Company as well as to represent the Company both inside and outside the court with regard to any matters and in any events with the restrictions as stipulated in the laws and regulations, the Articles of Association and/or the Resolution of the GMS.
2. In carrying out the abovementioned main duties, the Board of Directors through the Meeting of the Board of Directors or the joint approval mechanism will be authorized to:
 - a. Propose the visions, missions, and strategies of the Company;
 - b. Determine the basic policy of corporate, financial, organizational, and human resources strategies as well as information technology and communication systems of the company;
 - c. Submit proposal for the management of the Company requiring the approval of the Board of Commissioners and the Approval of the GMS as well as implement it in accordance with the provisions stipulated in the Articles of Association, the approval of the Board of Commissioners as well as the resolution of the GMS;
 - d. Strive to achieve the indicator targets of financial aspects, operational aspects, and administrative aspects which are used as the basis for the assessment of the soundness level of the Company in accordance with the performance which has been stipulated by the Shareholders.
 - e. Stipulate the performance targets and performance evaluation of the Company, the Directorates, the operational Units and the business units through the organizational mechanism of the Company as well as the performance targets and performance evaluation of the subsidiaries companies, including the strategic plans and dividend policy of the Subsidiaries Companies through the organizational mechanism of the subsidiary companies in accordance with the prevailing provisions for the subsidiary companies.
 - f. Stipulate the proposal and changes to the Long Term Plan of the Company and the Budget Work Plan of the Company in accordance with the prevailing provisions.



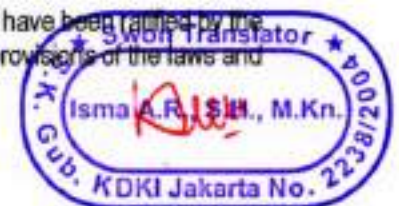
- g. Stipulate the approval on the feasibility of the investment in accordance with the authority of the Board of Directors, monitor and make corrections towards its implementation.
- h. Stipulate the cooperation activities or contract with the value and the time or the utilization/acquirement in accordance with the authorities stipulated in the Company regulation.
- i. Determine the financial policy which needs to be periodically reviewed by the Board of Directors, for example, the Cash Management, the Expenditure Authority, and the Payment Authority.
- j. Determine the organizational structure and the determination of the officers of the Company up to a certain level which is stipulated through the Company regulation.

E. THE DUTIES, RESPONSIBILITIES, AND AUTHORITIES

1. The Board of Directors has the rights and authorities, among others:
 - a. Stipulate the policy considered appropriate in the management of the Company;
 - b. Regulate the handing-over of authority of the Board of Directors to represent the Company inside and outside the court to one or several individuals specifically appointed for such purpose, including the workers of the Company, both individually and collectively and/or to other entity;
 - c. Regulate the provisions regarding the workers of the Company, including the determination on the wages, pension or old age insurance, and other income for the workers of the Company based on the prevailing laws and regulations;
 - d. Appoint and dismiss the Employees of the Company based on the manpower regulations of the Company and the laws and regulations;
 - e. Appoint and dismiss a Corporate Secretary and/or the Head of the Internal Supervisory Unit with the approval of the Board of Commissioners;
 - f. Write-off non-performing account receivables with the provisions as stipulated in the Articles of Association and which will then be reported to the Board of Commissioners and afterward it is reported and accounted for in the Annual Report;
 - g. Do not collect interest account receivables, penalties, costs and other account receivables outside the principal amount which is carried out in the framework of restructuring and/or settlement of account receivables as well as other actions in the framework of settlement of account receivables of the Company with the obligation to report it to the Board of Commissioners, the provisions and reporting procedures of which are stipulated by the Board of Commissioners.
 - h. Take any actions and other deeds regarding the management and ownership of assets of the Company, to bind the Company to other party and/or other party to the Company, as well as to represent the Company inside and outside the court with regard to any matters and in any events, with the restriction as stipulated in the laws and regulations, the Articles of Association, and/or the resolution of the GMS.
2. In relation to the duties and authorities above, the Board of Directors will receive the income stipulated by the GMS, with the provisions:



- a. Types of Income
 - 1) Salary;
 - 2) Allowances, consisting of:
 - i. Religious holiday allowance;
 - ii. Housing allowance;
 - iii. Post-employment insurance.
 - 3) Facilities, consisting of:
 - i. Vehicle facility;
 - ii. Health facility;
 - iii. Legal assistance facility.
 - 4) Royalty Bonus/Work Incentives wherein in the Royalty Bonus can be provided additional, in the form of Long Term Rewards (Long Term Incentive/LTI).
 - b. The amount, type, and procedure for the providing of income to the members of the Board of Directors, including their changes, will follow the provisions in the laws and regulations, the Articles of Association as well as the Company regulation.
3. In carrying out its duties, the Board of Directors will be obliged to:
- a. Strive and warrant the implementation of business and activities of the Company in accordance with its purposes and objectives as well as business activities;
 - b. Prepare in a timely manner, the Long Term Plan of the Company, the Annual Work and Budget Plan of the Company, and other work plan as well as their changes to be submitted to the Board of Commissioners and to obtain approval of the Board of Commissioners;
 - c. Prepare the Register of Shareholders, the Special Register, the Minutes of the GMS, and the Minutes of the Meeting of the Board of Directors;
 - d. Prepare the Annual Report which is, among others, consisting of the financial statement, as the manifestation of accountability over the management of the Company, as well as the financial documents of the Company as referred to in the Law regarding Corporate Documents;
 - e. Prepare the financial statement based on the Financial Accounting Standards and submit it to the Public Accountant for audit;
 - f. Submit the Annual Report, after having been reviewed by the Board of Commissioners within a period of at the latest 5 (five) months after the financial year of the Company ended, to the GMS for approval and ratification;
 - g. Provide explanation to the GMS regarding the Annual Report;
 - h. Submit the Balance Sheet and the Profit and Loss Statement which have been ratified by the GMS to the Minister administering the Law in accordance with the provisions of the laws and



regulations;

- i. Compose other reports which are prescribed by the provisions of the laws and regulations;
- j. Maintain the Register of Shareholders, the Special Register, the Minutes of the GMS, the Minutes of the Meeting of the Board of Commissioners, and the Minutes of the Meeting of the Board of Directors, the Annual Report, and the financial documents of the Company as referred to in letters d and e as well as other documents of the Company;
- k. Keep at the place of domicile of the Company: the Register of Shareholders, the Special Register, the Minutes of the GMS, the Minutes of the Meeting of the Board of Commissioners, and the Minutes of the Meeting of the Board of Directors, the Annual Report, and the financial documents of the Company as well as other documents of the Company;
- l. Keep and maintain bookkeeping and administration of the Company in accordance with the normal course of business for a company;
- m. Prepare the accounting system in accordance with the Financial Accounting Standards and based on the internal control principles, particularly the management, recording, storage, and supervisory functions;
- n. Provide periodic report according to the manner and time in accordance with the prevailing provisions, as well as other reports, at any time requested by the Board of Commissioners and/or the Dwiwarna A Series shareholder, with due observance of the laws and regulations, particularly the regulations in the Capital Market sector;
- o. Prepare the organizational structure of the Company complete with their details and duties;
- p. Provide explanation regarding any matters inquired about or requested by the members of the Board of Commissioners and the Dwiwarna A Series shareholder with due observance of the laws and regulations, particularly the regulations in the Capital Market sector;
- q. Carrying out other obligations in accordance with the provisions regulated in the Articles of Association and stipulated by the GMS based on the laws and regulations;
- r. In carrying out the management of the Company, there are actions of the Board of Directors which must obtain written approval from the Board of Commissioners and/or the Dwiwarna A Series Shareholder. The relevant actions are regulated in the Articles of Association;
- s. If in carrying out the management of the Company, there are actions of the Board of Directors which do not require the approval of the Board of Commissioners, however, in the resolution adoption process of the Board of Directors aforesaid, it is considered necessary by the Board of Directors to consult it with the Ministry of BUMN as the Dwiwarna A Series shareholder, then, the Board of Directors may request prior advice to the Board of Commissioners before consulting with the Ministry of BUMN, and towards every result of the consultation which is material in nature, particularly every matter related to the appointment of the management or the personnel, direction, and instruction, as well as the policy of the Company, it must be set out in writing to be further submitted to the Board of Commissioners.
- t. To be jointly and severally liable for the losses of the Company which is caused by the fault or negligence of the members of the Board of Directors in carrying out the duties, unless he can prove:
 - (i) The losses aforesaid is not due to his fault or negligence;



- (ii) Has carried out management in good faith and prudently for the interest of and in accordance with the purposes and objectives aforesaid;
 - (iii) Does not have conflict of interest, either directly or indirectly, over the management action resulting in the losses; and
 - (iv) Has taken action to prevent the arising or continuation of such losses.
- u. To follow up of the recommendation in this audit result report by the Audit Board of the Republic of Indonesia (BPK) towards the Company by taking measures or actions considered necessary as prescribed in the laws and regulations.

F. THE COMPOSITION AND DISTRIBUTION OF DUTIES AMONG THE BOARD OF DIRECTORS

1. The composition of the Board of Directors of the Company at the present time consists of:
 - a. The President Director;
 - b. The Finance and Risk Management Director;
 - c. The Strategic Portfolio Director;
 - d. The Digital Business Director;
 - e. The Wholesale & International Service Director;
 - f. The Enterprise & Business Service Director;
 - g. The Consumer Service Director;
 - h. The Human Capital Management Director; and
 - i. The Network & IT Solution Director.
2. In the event that there is any change of composition based on the resolution of the GMS or the change of nomenclature of the members of the Board of Directors, then, the composition and/or the nomenclature of the members of the Board of Directors to be used will refer to the latest change in accordance with the resolution of the GMS.
3. Within a period of 6 (six) months after the occurrence of the change of composition based on the resolution of the GMS, then, the Company regulation stipulating the duties and responsibilities of each member of the Board of Directors, will be adjusted to the new composition.
4. The distribution of duties and authorities of each member of the Board of Directors will be stipulated by the GMS. In the event that the GMS did not stipulate the distribution of duties and authorities aforesaid, then, the distribution of the duties and authorities among the members of the Board of the Directors will be stipulated based on the resolutions of the Board of Directors after consulting with the Board of Commissioners.

G. INDEPENDENCE OF THE BOARD OF DIRECTORS

In order that the Board of Directors can act properly for the interest of the Company comprehensively, then, the independence of the Board of Directors constitutes one of the important factors which must be maintained. To maintain such independence, then, the Company stipulates the following provisions:



1. Other than the Board of Directors, any other party will be prohibited to carry out or interfere in the management of the Company;
2. The Board of Directors can adopt resolution objectively without conflict of interest and free from any pressure from any party whomsoever;
3. The Board of Directors will be prohibited from carrying out activities which could disrupt its independence in managing the Company;
4. Execute the Integrity Pact as a form of commitment of the Board of Directors in carrying out the activities of the Company which could give rise to conflict of interest.

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

1. In the framework of carrying out the management of the Company, every member of the Board of Directors will be entitled and authorized to act for and on behalf of the Board of Directors as well as to represent the Company in accordance with the management policies and authorities of the Company stipulated based on the resolution of the Board of Directors.
2. The members of the Board of Directors, for certain actions, on their own account, will also be entitled to appoint one or more individuals as their representatives or proxies, by granting him or them, the powers for certain actions aforesaid stipulated in a power of attorney.
3. The power of attorney as referred to in point 2 can be in the form of assignment of duties and authorities in the Company regulation, notarial deed of power of attorney, and privately drawn up power of attorney.
4. The Company Regulation which stipulates regarding the duties, authorities, and responsibilities of a certain position or office will constitute a form of granting of power of attorney from the members of the Board of Directors to the employees occupying the relevant position or office.
5. The provisions on the procedure for the granting of power of attorney in order to act for and on behalf of the Board of Directors in representing the Company will be stipulated in the Company regulation which stipulates regarding the granting of power of attorney to act for and on behalf of the Board of Directors in representing the Company.

I. THE MEMBERS OF THE BOARD OF DIRECTORS ARE IMPEDED AND THE VACANT OFFICES AS THE MEMBERS OF THE BOARD OF DIRECTORS

1. Based on certain reasons, the members of the Board of Directors could be impeded, either permanently or temporarily impeded, or there could be a vacant office in carrying out the management duties.
2. The criteria for temporary impeded member of the Board of Directors shall be not present at the office on working day due to regular illness, on leaves or official office travels which does not enable him to carry out working actions/activities. The criteria for permanent impediment shall be not being able to carry out working activities, including due to terminally ill/prolonged illness.
3. The criteria of vacant office of a member of the Board of Directors are, among other, due to the relevant member of the Board of Directors is appointed for a position which is prohibited to be concurrently served, is dismissed by the GMS, resigns, passed away or no longer qualifies as a member of the Board of Directors based on the provisions of the Articles of Association and the laws and regulations.



4. In performing the works of the substituted member of the Board of Directors, either due to impediment or due to an occurrence of vacant office, then, it is necessary to be appointed one of the members of the Board of Directors as:
 - a. The Temporary Substituting Officer (PGS) to substitute the impeded member of the Board of Directors;
 - b. The Acting Official (Pit) for the vacant office of the Board of Directors;who is granted the same powers and authorities in performing his duties.

Impeded Board of Directors

5. If the President Director is absent or impeded due to any reason whatsoever, of which impediment, no evidence to the third party will be required, then the Vice President Director will be authorized to act for and on behalf of the Board of Directors as well as to carry out the duties of the President Director or the President Director will appoint one of the members of the Board of Directors who will be authorized to act for and on behalf of the Board of Directors as well as to carry out the duties of the President Director and/or the Vice President Director if at the same time, the vice President Director is also absent or impeded.
6. If the Vice President Director is absent or impeded due to any reason whatsoever, of which impediment, no evidence to the third party will be required, then, the Vice President Director will appoint in writing, the member of the Board of Directors who will be authorized to act for and on behalf of the Board of Directors as well as to carry out the duties of the President Director and/or the Vice President Director, if firstly the President Director is absent or impeded.
7. If the GMS did not appoint the Vice President Director, then, in the event that the President Director is absent or impeded due to any reason whatsoever, of which impediment, no evidence to the third party will be required, then, the President Director will appoint in writing, the member of the Board of Directors who will be authorized to act for and on behalf of the Board of Directors as well as to carry out the duties of the President Director.
8. In the event that the President Director did not make any appointment, then, the longest serving incumbent member of the Board of Director will be authorized to act for and on behalf of the Board of Directors as well as to carry out the duties of the President Director.
9. By considering the continuity of the duties and functions of the members of the Board of Directors, then, if a member of the Board of Directors is impeded, it is necessary to have the Temporary Substituting Officer (PGS) to take over directly the authorities, duties and functions of the impeded member aforesaid in accordance with the provisions in the Company regulation.
10. The stipulation of PGS of the member of the Board of Directors other than the President Director in the case of temporary impediment is as stipulated in the **Attachment-1** of this Board Manual.
11. The term of office of the PGS has a time limit of at the maximum 2 (two) months since the stipulation as PGS which if the time limit aforesaid has ended, will be carried out rotation to fill in the PGS position aforesaid in accordance with the priority order as referred to in the **Attachment-1**.
12. The impeded member of the Board of Directors, either personally or through the Secretariat Head of the impeded Directorate, will notify the Corporate Secretary, and then the Corporate Secretary will notify the members of the Board of Directors who is appointed as the PGS in accordance with the table of Temporary Substituting Officer of the Members of the Board of Directors in the **Attachment-1** of this Board Manual and the provisions of the Articles of Association, with a copy sent to other members of the Board of Directors.



13. In the event that based on the table for the stipulation of PGS, the entire members of the Board of Directors who become the substitutes are also impeded, then, based on the information of the Corporate Secretary, the President Director may:
- Appoint a member of the Board of Directors who is not impeded outside the table for the stipulation of PGS to become the substitute of the impeded member of the Board of Directors aforesaid; or
 - Act as the PGS of the impeded member of the Board of Directors aforesaid.
14. At the latest 7 (seven) calendar days after the related member of the Board of Directors or the President Director completed his duties as the PGS, the secretariat of the Directorate of the related member of the Board of Directors or the President Director will prepare the post fact approval report executed by the PGS Officer to be delivered to the substituted member of the Board of Directors, in the event that the relevant individual adopt a resolution in accordance with the boundaries/corridor of his authorities, as a report/notification and at least contains regarding the type of resolution, the date of issuance, the content of the resolution, the reporting Director, notes or matters which become the consideration.

Vacant Position of the Board of Directors

15. If at a certain period of time, due to any reason whatsoever, one or more offices of the members of the Board of Directors of the Company are vacant:
- The Board of Commissioners will appoint one of the other members of the Board of Directors as Plt to carry out the works of the vacant office of the member of the Board of Directors aforesaid with the same powers and authorities.
 - In the appointment process as referred to in letter (a) above, the Board of Commissioners may consider the table for the stipulation of PGS in the **Attachment-1** of this Board Manual.
 - With due observance of the prevailing provisions, the GMS must be convened to fill in the vacant office aforesaid, if it caused the total number of the members of the Board of Directors to be less than 2 (two) individuals, one of whom is the President Director or the vacant office is as the President Director or other Director which is prescribed by the prevailing provisions.
 - The GMS as referred to in letter (c) will be convened at the latest 90 (ninety) days after the occurrence of the vacant office which causes the total number of the members of the Board of Directors to become less than 2 (two) individuals or the vacant office is as the President Director.
16. If required, the Board of Directors may submit in writing, the proposal on the names of other members of the Board of Directors to be the reference for the Board of Commissioners in making the appointment on the acting official (Plt) at the vacant office of the members of the Board of Directors as referred to in number 5 letter a above.
17. The term of office of the Plt at the vacant office of the members of the Board of Directors has the time limit of 3 (three) months starting as of the appointment is made as the Plt at the vacant office of the members of the Board of Directors.
18. The term of office of the Plt as referred to in number 17 may be extended in accordance with the needs by considering the opinion of the President Director in relation to the conduct and performance of the relevant Plt, the effectiveness of the management as well as the conformity with the good corporate governance principles.



19. If towards the term of office as referred to in point 18 cannot be made any further extension, therefore, the term of appointment of the Plt aforesaid ended, then, will be appointed another member of the Board of Directors to fill in the position of the Plt aforesaid.
20. For the member of the Board of Directors who concurrently serves as the Plt in the vacant office of the Board of Directors may be given additional remuneration for the Plt in accordance with the prevailing provisions.

J. THE MECHANISM AND FORUM FOR THE ADOPTION OF RESOLUTION/APPROVAL

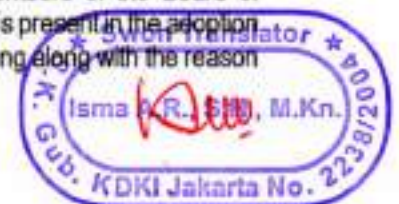
1. Forum for the Adoption of Resolution/Approval

- a. Basically, the mechanism and forum for the adoption of resolution/approval of the Board of Directors is carried out through the Meeting of the Board of Directors (Radir).
- b. In order to resolve/approve the regulation, initiative strategy as well as transaction, requiring the approval of more than 2 (two) Directors, then, the Board of Directors may grant authorities and mechanism for the adoption of resolution/approval to several members of the Board of Directors in an Executive Committee (joint approval authority), the implementation of which will be in accordance with the Company regulation.
- c. Other than the resolution by means of Radir and the Executive Committee aforesaid, every member of the Board of Directors may adopt resolution/approval for the operational activities at the relevant Directorate (single approval authority) in accordance with the authority as set out in the Articles of Association of the Company, the organizational rules or other Company regulations.
- d. Every adoption of resolution/approval adopted by the Board of Directors and the members of the Board of Directors will be carried out by continue upholding the prudential principle, the materiality principle, and must conform to the internal regulation of the Company and/or its functions and authorities as well as will be obliged to implement the principles of professionalism, efficiency, transparency, independence, accountability, liability, and fairness.

2. Mechanism for the Adoption of Resolution/Approval

a. Meeting of the Board of Directors

- i. Based on the Articles of Association of the Company and the prevailing Company regulation, the Board of Directors will be obliged to convene Radir periodically at least 1 (one) time in a month.
- ii. The Board of Directors will be obliged to convene Radir jointly with the Board of Commissioners periodically at least 1 (one) time in 3 (three) months.
- iii. In addition to by means of Radir, the adoption of resolution/approval by the Board of Directors may also be carried out without convening meeting, provided that all members of the Board of Directors give their approval in writing by executing the submitted proposal (circular).
- iv. If in the adoption of the resolution which is carried out by means of voting, there is a difference of opinion or disapproval (dissenting opinion), then, the dissenting opinion from the members of the Board of Directors or other members of the Board of Directors who are granted with power of attorney by him who is present in the adoption of resolution aforesaid must be stated in the minutes of meeting along with the reason



of such dissenting opinion.

- v. The resolutions which have been approved by Radir or the circular which is regulatory in nature, afterward can be set out in the form of Company regulation, in accordance with the prevailing regulations.
- vi. The implementation of Radir or circular will follow the provisions contained in the Articles of Association of the Company.

b. The Executive Committee (Joint Approval)

- i. For the purpose of adoption of resolution/approval related to policy, the Company regulation or certain transaction, the Company will form the Executive Committee, which is a committee established by the Board of Directors consisting of 2 (two) or more Directors.
- ii. The Executive Committee will be chaired by one of the members of the Board of Directors and consisting of several members of the Board of Directors, and may be assisted by the secretary to the committee and the working group member of the Committee, which will be further stipulated in a separate Company regulation.
- iii. The adoption of resolution/approval of the Executive Committee may be carried out through the meeting of the Executive Committee or through the circular provided that all members of the Executive Committee give their approval in writing by executing the Minutes of Meeting/Circular of the Committee.
- iv. The resolutions which have been approved by the Executive Committee which is regulatory in nature can be set out in form of Company regulation, however, in the event that the resolution aforesaid needs to be immediately implemented, then, before the stipulation of the Company regulation, the relevant resolution may be enacted by stating it in the resolution of the Executive Committee.
- v. The provisions on the procedure and implementation of the resolution of the Executive Committee will be stipulated in a separate Company regulation.

c. The Adoption of Resolution/Approval by the Director (Single Approval)

- i. Every member of the Board of Directors may resolve his policy in accordance with his duties as well as authorities stipulated in the prevailing Company regulation.
- ii. The resolution or approval of the Directors as referred to above which is regulatory in nature may be set out in the form of Company regulation in accordance with the authorities of the relevant member of the Board of Directors.

d. Compliance Review over Approval Authority

- i. In the framework of administrative order on the procedure of approval as well as compliance towards the process for the issuance of Company regulation, then, before the Company regulation aforesaid is stipulated, it is necessary to carry out the compliance review.
- ii. The scope of the compliance review will cover among others:
 - a. Proposal on the justification and professional considerations



- b. Compliance towards the prevailing provisions and legislations.
 - c. Authority level of the approval grantor.
 - d. Conformity between the approval documents and the issued documents.
- iii. For certain transactions which need to have the approval of the Board of Directors or the Executive Committee, then, they must have due regards to the principles of segregation of duties (six eyes principles).

K. REPORTING AND ACCOUNTABILITY

1. Report delivered Annually:

a. Annual Report

- 1) The Board of Directors will be obliged to submit the annual Report after having been reviewed by the Board of Commissioners within a period of at the latest 5 (five) months after the financial year of the Company ended, to the GMS for approval and ratification.
- 2) In the event that there is any member of the Board of Directors and/or the Board of Commissioners who did not execute the annual report as referred to above, then, must be stated the reason thereof in writing or the reason aforesaid must be stated by the member of the Board of Directors and/or the Board of Commissioners in a separate letter attached to the annual report.
- 3) The annual report will be executed by all incumbent members of the Board of Directors and all incumbent members of the Board of Commissioners in the relevant financial year and will be made available at the office of the Company starting as of the date of the summoning for the GMS, for the examination by the shareholders.
- 4) In the event that there is any member of the Board of Directors or members of the Board of Commissioners who did not execute the annual report as referred to in letter c above and did not provide the reason thereof in writing, then, the relevant individual will be considered of having agreed to the content of the annual report.
- 5) The annual report containing the financial statement which has been audited by Public Accountant registered at the Financial Services Authority must have already been made available at the Office of the Company at the latest on the date of the Summoning for the Annual GMS, for examination by the shareholders.
- 6) The Company will be obliged to publish the balance sheet and the profit and loss statement in 2 (two) daily newspapers in the Indonesian language with wide circulation within the territory of the State of the Republic of Indonesia in accordance with the provisions of the laws and regulations in the Capital Market and the Limited Liability Company sectors.
- 7) The annual report as referred to in point 1 must contain at least:
 - (i) the financial statement consisting of the balance sheet at the end of the recently passed financial year in comparison to the previous financial year, the profit and loss statement of the relevant financial year, the cash flow report, and the statement of changes in equity, as well as notes to the financial statement aforesaid;



- (ii) the report regarding the activities of the Company including with regard to the realization/implementation of the annual Work and Budget Plan of the Company;
- (iii) the report on the implementation of Social and Environmental Responsibility and the Partnership and Community Development Program (if any);
- (iv) the details on the issues arising during the financial year affecting the business activities of the Company;
- (v) the report regarding the supervisory duties which have been performed by the Board of Commissioners during the recently passed financial year;
- (vi) the names of the members of the Board of Directors and the members of the Board of Commissioners;
- (vii) the salary and allowances/facilities for the members of the Board of Directors and the Board of Commissioners of the Company for the recently passed year;
- (viii) the attendance of the members of the Board of Directors and the Board of Commissioners in the meeting of the Board of Directors and/or the meeting of the Board of Commissioners;
- (ix) the annual strategic regulatory development report; and
- (x) other matters in accordance with the provisions of the laws and regulations in the Capital Market sector in Indonesia.

8) In the annual report, the Board of Directors may also submit the annual risk management implementation report of the Company.

b. Sustainability Report

The obligation for the delivery of the Sustainability Report will be carried out in accordance with the prevailing laws and regulations towards the Company in carrying out sustainable businesses.

2. Reports delivered Periodically

- a. In addition to the report as referred to in number 1 above, the Board of Directors will be obliged to prepare and submit periodic report to the Board of Commissioners.
- b. The periodic report as referred to in point 2 letter a above will cover the monthly report and the quarterly report which must at least consist of:
 - (i) The report on the realization/implementation of the monthly (if required) and quarterly Work and Budget Plan of the Company;
 - (ii) The quarterly strategic regulatory development report; and
 - (iii) The quarterly risk management implementation report of the Company (if required).
- c. In addition to the periodic report as referred to in point 2 letter b, the Board of Directors may also provide specific report to the Board of Commissioners.



- d. The periodic report and other reports as referred to in point 2 letters b and c will be submitted in the form, with the content and in the formulation procedure in accordance with the provisions of the laws and regulations.
- e. The Board of Directors will be obliged to submit the quarterly report to the Board of Commissioners at the latest 30 (thirty) days after the end of the quarterly period aforesaid, which is executed by all members of the Board of Directors.
- f. In the event that there is a member of the Board of Directors who did not execute the quarterly report as referred to in point 2 letter b, then, the relevant member of the Board of Directors must state the reason thereof in writing.
- g. The Board of Directors will be obliged to report to the Company regarding the shares ownership of their own and/or their families in the relevant Company and other companies, including any of its changes.

L. THE COMMITTEES OF THE BOARD OF DIRECTORS

1. For the purpose of adoption of resolution/approval related to policy, Company regulation or certain transactions, the Company can form, change and/or dismiss the Committees under the coordination of the Board of Directors and can consist of the members of the Board of Directors and outside the Members of the Board of Directors.
2. The Committees of the Board of Directors will be stipulated based on the regulations issued by the Board of Directors in accordance with the needs which can be amended based on the resolution of the Board of Directors.
3. The Committee as referred to in number 2 above, are including but not limited to:
 - a. The Executive Committee as described in point J.2.b of this Chapter consisting of:
 - i. The Investment Committee;
 - ii. The Subsidiary Company Management Committee;
 - iii. The Risk, Compliance and Revenue Assurance Committee;
 - iv. The Disclosure Committee;
 - v. The Procurement Committee;
 - vi. The Pricing Committee.
 - b. Other Committees outside the Executive Committee, consisting of:
 - i. The Ethic, Compliance and Discipline Committee, or abbreviated to as KEKD;
 - ii. The Investigation Committee;
 - iii. The Hedging Committee.

With the duties of authorities, duties, and responsibilities stipulated in a separate Company regulation.

M. THE WORK ETHICS OF THE MEMBERS OF THE BOARD OF DIRECTORS



1. Ethic Related to Exemplary Action

The Board of Directors must encourage the creation of ethical behavior and highly uphold the ethical standard in the Company, one of which by making itself as the role model for the Employees of the Company.

2. Compliance Ethic Towards Laws and Regulations

The Board of Directors will be obliged to comply with the prevailing laws and regulations, the Articles of Association and the Guidelines of Good Corporate Governance as well as the policies of the Company which have been stipulated.

3. Ethic Related to Information Disclosure

The Board of Directors must disclose the information in accordance with the provisions of the prevailing laws and regulations and always maintain the confidentiality of the information entrusted to it in accordance with the provisions of the laws and regulations and/or the Company regulation.

4. Ethic Related to the Opportunities of the Company

During the term of office, the Board of Directors is prohibited to:

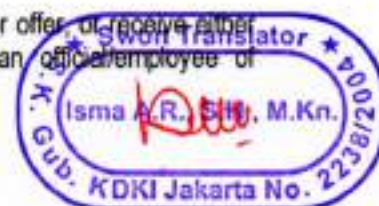
- a. Take business opportunities of the Company for the interest of his own, his family, his business group, and/or other parties.
- b. Use the assets of the Company, the information of the Company or his position as a member of the Board of Directors for his personal interest outside the provisions of the prevailing laws and regulations, policies, and Company regulation.
- c. Compete with the Company which is using the knowledge/information from inside (inside information) to obtain benefit for the interest other than for the interest of the Company.
- d. Take personal benefit from the activities of the Company, in addition to salary and facilities which he received as a member of the Board of Directors of the Company, which are stipulated by the GMS.
- e. Take business transaction opportunities with parties, the fund of which is suspected to derive from money laundering activities. For such purpose, the comprehensive understanding regarding who, how, and the reputation of the candidate working partner aforesaid is very important. In addition, the presence of reference from the third party will also provide additional information.

5. Business Ethic and Anti-Corruption

The members of the Board of Directors must always prevent and avoid themselves from monopoly practices and unfair business competition, corruption, gratification, money laundering, bribery, practices of abuse of power and position, abuse of opportunities or facilities under their control due to their position, in any manner, form and/or for any purpose whatsoever which are believed and considered possibly detrimental to the Company.

Several matters which are prohibited for the members of the Board of Directors are, including but not limited to:

- a. The members of the Board of Directors are prohibited to provide or offer, or receive either directly or indirectly, anything valuable to the customers or an official employee of



government institution to influent or as compensation for those which have been done and other actions in accordance with the prevailing laws and regulations.

- b. Prohibited to give expression of appreciation in business activities, such as gift, donation or banquet (entertainment), given on a condition which could be considered as the giving of gratification and/or inappropriate behavior.

6. Ethic Related to Conflict of Interest

The Related Party covers:

- a. The Related Party covers:
 - i. The Party with family relationship due to marriage and lineage up to the second degree (including the in-laws) both horizontal and vertical with the members of the Board of Directors; or
 - ii. The Company or entity in which the members of the Board of Directors or their family (as referred to in number 6.a.i. above occupy the position as the Director or the Commissioner (in the event other than limited liability company, other equivalent position) or constitute the Controlling Shareholders (in the event other than limited liability company, other equivalent position) or constitute the Main Shareholder (in the event other than limited liability company, other equivalent position).

In the event that a member of the Board of Directors has relationship with the Related Party as referred to in this number 6, then, the voting rights of the member of the Board of Directors aforesaid cannot be included in the adoption of resolution to carry out a transaction.

- b. Among the members of the Board of Directors and between the members of the Board of Directors and the members of the Board of Commissioners will be prohibited to have family relationship up to the 3rd (third) degree both in straight line and sideways, including family relationship arising due to marriage (marriage relationship). In such case, the GMS will be authorized to dismiss one individual among them.
- c. The members of the Board of Directors will not be authorized to represent the Company if:
 - (i). There is 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 has conflict of interest with the Company.
- d. In the event that there is a condition as referred to in point c above, then, the party entitled to represent the Company shall be:
 - (i). Other member of the Board of Directors having no conflict of interest with the Company, who is appointed by other members of the Board of Directors having no conflict of interest;
 - (ii). The Board of Commissioners, in the event that the entire members of the Board of Directors have conflict of interest with the Company; or
 - (iii). Other party appointed by the GMS, in the event that the entire members of the Board of Directors or the Board of Commissioners have conflict of interest with the Company.



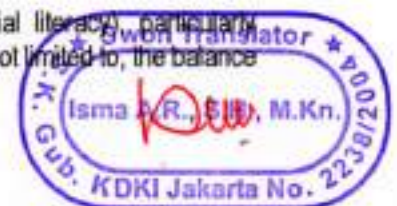
- e. In the event that the entire members of the Board of Directors have conflict of interest with the Company and there is not any member of the Board of Commissioners, then, the Company will be represented by other party appointed by the GMS.

N. CONFIDENTIALITY AND INFORMATION DISCLOSURE

1. Information disclosure must be carried out accurately and in a timely manner in accordance with the prevailing provisions regarding any important information of the Company.
2. To improve the implementation of information disclosure, it can be carried out through the following matters:
 - a. The utilization of information technology more widely other than on the website as the media of information disclosure;
 - b. The Annual Report of the Company; and/or
 - c. Other methods prescribed by the laws and regulations or which are considered good by the Company.
3. The entire documents on the approval process along with its attachments, including the letter documents which have been issued and the presentation made by the Board of Directors and the Executive Committee must continue to be maintained with regard to its confidentiality and must not be disclosed and reported to other party, unless required by the laws or approved by the Board of Directors.
4. The disclosure of important information of the Company to other party will be set out in the Annual Report and the Financial Statement of the Company in accordance with the laws and regulations.
5. The Management of Documents & Information of the Company will be further stipulated in the Company regulations.

O. THE INTRODUCTION PROGRAM AND COMPETENCE IMPROVEMENT

1. The Introduction Program of the Board of Directors
 - a. For the members of the Board of Directors who are recently appointed, will be provided the introduction program regarding the general condition of the Company.
 - b. The responsibility to carry out the introduction program lies on the hand of the Corporate Secretary or anyone carrying out the corporate secretary function.
 - c. The materials for the introduction program will at least cover the following matters:
 - 1) The introduction regarding the Company, including the vision, mission, strategy, performance, financial condition, risk, and latest development of the Company.
 - 2) The comprehension regarding telecommunication industry, including the knowledge regarding the products of the Company;
 - 3) The comprehension towards the regulation and policy of the government, particularly towards the telecommunication industry;
 - 4) The comprehension towards the financial aspect (financial literacy), particularly related to the audit of the financial statement, including, but not limited to, the balance



sheet, the profit and loss statement, the cash flow report, and the statement of changes in equity, as well as the notes on the financial statement of State-Owned Enterprises and public companies;

- 5) The implementation of GCG principles in the Company, the integrated Governance, Risk & Compliance (GRC), and the whistleblowing system, including the prevailing ethics and norms within the scope of the Company.
 - 6) The knowledge related to Environmental, Social, and Governance (ESG) and the prevailing sustainability reporting in the Company based on the provisions of the laws and regulations and the Articles of Association;
 - 7) The sharing session with the policy makers and the regulator;
 - 8) The knowledge related to the state financial law and the prevention of corruption criminal offenses;
 - 9) The roles, duties, and responsibilities of the Board of Commissioners and the Board of Directors, including the Internal Audit and the Committees.
 - 10) The introduction with the managerial levels and visits to each Unit of the Company.
 - 11) The team building which includes the entire Members of the Board of Directors, both the newly appointed and those who have previously occupied the office with the objective of materializing the team solidarity and cooperation as the Board of Directors.
- d. The formation of the materials for the introduction program as referred to in letter c above must firstly be with due regards to the instruction of the Board of Directors and by considering the advice of the Board of Commissioners.
- e. At the latest 3 (three) months after the carrying out the introduction program, the Corporate Secretary or anyone carrying out the corporate secretary function will be obliged to carry out evaluation towards the implementation of such introduction program.

2. Competence Improvement

The provisions regarding the capability improvement program for the Board of Directors shall be as following:

- a. The competence improvement program is carried out in the framework of improving the work function and effectiveness of the Board of Directors;
- b. The plan for carrying out the competence improvement program must be included in the Work and Budget Plan of the Company;
- c. The Corporate Secretary formulates the needs of competence improvement program of the Board of Directors, once every year with due regards to the advice of the Nomination and Remuneration Committee.
- d. Every member of the Board of Directors attending the competence improvement program, such as seminar and/or training, is requested to give presentation to other members of the Board of Directors who did not attend the competence improvement program in the framework of sharing information and knowledge;



- e. The relevant member of the Board of Director will be responsible for preparing the report regarding the implementation of competence improvement program. The report aforesaid will be submitted to the President Director.

P. THE PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

1. General Policy

- a. The Board of Directors executes the Management Contract documents containing:
 - 1) The Key Performance Indicator (KPI) in a collegial manner; and
 - 2) The Key Performance Indicator (KPI) individually.
- b. The Board of Directors in formulating KPI in collegial manner will be obliged to have due regards to and consider the assessment parameter in the form of numeric indicator and narrative as well as evaluation related to:
 - i. The economic and social values for Indonesia;
 - ii. The innovation of business model;
 - iii. The leadership of technology;
 - iv. The increase of investment;
 - v. The development of talents; and
 - vi. The provisions of the legislations.
- c. The Board of Directors submits the Board of Directors' KPI proposal in collegial manner to the Dwiwarna A Series Shareholder to be stipulated simultaneously with the submission of the Work and Budget Plan of the Company.
- d. The Board of Directors will be obliged to elaborate the Board of Directors' KPI in a collegial manner to become the Board of Directors' KPI individually and to present it to the Board of Commissioners to obtain approval.
- e. The calculation for the achievement of the Board of Directors' KPI in a collegial manner and individually will be reviewed by the Public Accounting Firm (KAP) auditing the financial statement of the Company.
- f. The achievement of the Board of Directors' KPI in a collegial manner will be reported in the periodic report and the annual report in accordance with the prevailing provisions.
- g. The changes to the Board of Directors' KPI may only be made in the framework of adjustment to the Work and Budget Plan of the Company.

2. The Performance Evaluation Criteria of the Board of Directors

The performance evaluation criteria of the Board of Directors will be stipulated in the GMS based on the KPI. The performance evaluation criteria of the Board of Directors will be at least as following:

- a. The formation of KPI and its achievement evaluation.



- b. Its attendance level in the Meeting of the Board of Directors and the Meeting of the Board of Commissioners.
 - c. The contribution in the business activities of the Company.
 - d. The involvement in certain assignments.
 - e. Its commitment in promoting the interest of the Company.
 - f. The compliance towards the prevailing laws and regulations as well as the policies of the Company.
 - g. The achievement of the targets of the Company set out in RKAP and the Management Contract.
3. Self-Assessment Policy to assess the performance of the Board of Directors
- a. The Board of Directors has self-assessment policy to assess the performance of the Board of Directors. The self-assessment policy of the Board of Directors constitutes a guideline used as a form of accountability over the collegial performance assessment of the Board of Directors. The relevant Self-Assessment is carried out by each member of the Board of Directors to assess the collegial performance implementation of the Board of Directors, instead of assessing the individual performance of each member of the Board of Directors. With the presence of this self-assessment, it is expected that each member of the Board of Directors can contribute to improving the performance of the Board of Directors in a sustainable manner.
 - b. The policy aforesaid can cover assessment activities being carried out along with their purposes and objectives, the periodic implementation time, and the benchmark or criteria of assessment being used is in accordance with the recommendation provided by the nomination and remuneration function.
 - c. The self-assessment policy to assess the performance of the Board of Directors will be disclosed through the Annual Report.

Q. CONCURRENT SERVING OF THE BOARD OF DIRECTORS

1. A member of the Board of Directors of the Company will be prohibited to concurrently serving as:
 - a. A member of the Board of Directors at other BUMN, regional government-owned enterprise, and privately owned enterprise;
 - b. A member of the Board of Commissioners and/or the Supervisory Board at other BUMN and other companies;
 - c. The members of the Board of Directors or the Board of Commissioners in other company with the criteria:
 - 1) Exist in the same relevant market;
 - 2) Has close linkage in the line of business and/or type of business; or
 - 3) The other company aforesaid collectively with the Company can control the market segment of certain goods and/or services



- which can result in the occurrence of monopoly practices and/or unfair business competition.
- d. Other structural and functional position in the central and regional government institution/agency;
 - e. The administrator of political party, a member of the House of People's Representatives, the Regional Government Representatives Board, the House of People's Representatives of the First Level Region, and the House of People's Representatives of the Second Level Region and/or the head of the region/deputy head of the region;
 - f. Become a candidate/member of the House of People's Representatives, the Regional Government Representatives Board, the House of People's Representatives of the First Level Region, and the House of People's Representatives of the Second Level Region or the candidate for the head of the region/deputy head of the region;
 - g. Other position which can give rise to conflict of interest; and/or
 - h. Other position in accordance with the provisions in the laws and regulations.
2. For concurrent serving of office as the Board of Directors which are not included in the provisions in point 1 will be required the approval from the Board of Commissioners.
 3. A member of the Board of Directors of the Company who is concurrently serving other office as referred to in point 1 above, his term of office as a member of the Board of Directors of BUMN will end starting as of the occurrence of the concurrent serving of office aforesaid.
 4. A member of the Board of Directors whose term of office has ended as referred to in point 3 above, will notify to the Company in writing related to the occurrence of the concurrent serving of office supplemented by the supporting documents.
 5. The member of the Board of Directors whose term of office has ended as referred to in point 3 above, will be confirmed with regard to his dismissal in the GMS.
 6. In addition to the prohibited concurrent serving of office as referred to in point 1, the members of the Board of Directors are prohibited to concurrently serving the office as the members of the Board of Commissioners in other company, save for:
 - a. The Board of Commissioners in the subsidiary company of BUMN/the affiliated company of the relevant BUMN, provided that he will only be entitled to the highest income of the offices which he concurrently serves, unless stipulated otherwise by the Minister.
 - b. The Board of Commissioners in other company to represent/defend the interest of BUMN to the extent obtaining permit from the Minister of BUMN.
 7. A member of the Board of Directors will submit to the Board of Commissioners in the event that there is a share ownership and concurrent serving of offices outside the prohibited concurrent serving of offices in this provision at other company.
 8. By considering the effectiveness of management of the Company, a Member of the Board of Directors of the Company may occupy the office as a member of the Board of Commissioners at the maximum in 3 (three) Subsidiary Companies and/or affiliated companies.
 9. By considering the needs and demands of the Company, by firstly obtaining the approval of the Board of Commissioners, then, certain members of the Board of Directors may occupy the office as members of the Board of Commissioners in more than 3 (three) Subsidiary Companies and/or



affiliated companies.

10. Other matters in relation to the follow-up over the occurrence of concurrent serving of office, including the rights and obligations related to the dismissal of the relevant members of the Board of Directors, will adhere to the provisions contained in the laws and regulations, the Articles of Association, and the Company regulation.



CHAPTER III

WORKING RELATIONSHIP OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

A. THE FORMS OF WORKING RELATIONSHIP BETWEEN THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

The working relationship between the Board of Directors and the Board of Commissioners will be carried out in the form of:

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

1. **Formal Meeting**

Formal meeting is the Meeting of the Board of Commissioners and the Meeting of the Board of Directors convened by each organ. The formal meeting aforesaid will be convened upon the invitation of the Board of Commissioners or the Board of Directors.

a. **Attendance of the Board of Directors in the Meeting of the Board of Commissioners**

- 1) The attendance of the Board of Directors in the Meeting of the Board of Commissioners will be possible if the Board of Directors or one of the members of the Board of Directors is invited by the Board of Commissioners to explain, provide input or deliberate a discussion.
- 2) The attendance of the Board of Directors in the Meeting of the Board of Commissioners, through the following procedure:
 - a) The Board of Commissioners sends the invitation for the Meeting of the Board of Commissioners to the Board of Directors in writing, can be in the form of letter/memorandum, electronic mail (e-mail) or facsimile by attaching the materials for the meeting, at least 5 (five) working days prior to the convening of the meeting.
 - b) The Board of Directors, based on the agenda of the meeting, determines the Member of the Board of Directors or the members of the Board of Directors who will attend the meeting and gives confirmation to the Board of Commissioners, at least 2 (two) working days prior to the starting of the meeting.
 - c) The Board of Commissioners convenes the meeting attended by the Board of Directors and towards the meeting aforesaid, the Secretary of the Board of Commissioners will draw up the minutes of meeting and distribute to the participants of the meeting.

b. **Attendance of the Board of Commissioners in the Meeting of the Board of Directors**

- 1) **Attendance of the Board of Commissioners in the Meeting of the Board of Directors upon the invitation of the Board of Directors**



- a) The attendance of the Members of the Board of Commissioners both collectively and individually to provide insights towards the matters discussed in the Meeting of the Board of Directors is possible with the invitation by the Board of Directors.
- b) The attendance of the Board of Commissioners in the Meeting of the Board of Directors upon the Invitation of the Board of Directors, through the following procedure:
 - i. The Board of Directors sends the invitation for the Meeting of the Board of Directors to the Board of Commissioners in writing which can be in the form of letter/memorandum, electronic mail (e-mail) or facsimile by attaching the materials of the meeting, at least 5 (five) working days prior to the convening of the meeting, excluding the date of the summoning and the date of the meeting or within a shorter period in urgent condition.
 - ii. The Board of Commissioners, based on the agenda of the meeting, determines the Member of the Board of Commissioners or the members of the Board of Commissioners who will attend the meeting and gives confirmation to the Board of Directors, at least 2 (two) working days prior to the starting of the meeting.
 - iii. The Board of Directors convenes the meeting which is attended by the Board of Commissioners and towards such meeting, the Secretary of the Company will draw up the minutes of the meeting and distribute it to the participants of the meeting.

2) Attendance of the Board of Commissioners in the Meeting of the Board of Directors upon the Request of the Board of Commissioners

- a) The Board of Directors convenes the meeting every time if it is considered necessary by one or more members of the Board of Directors or upon the written request from one or more members of the Board of Commissioners or the Shareholders owning the largest total number of shares by stating the matters to be discussed.
- b) The attendance of the Board of Commissioners in the Meeting of the Board of Directors is also possible upon 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 in order to give insights towards the matters to be discussed.
- c) The attendance of the Board of Commissioners in the Meeting of the Board of Directors upon the Request of the Board of Commissioners will be through the following procedure:
 - i. The Board of Commissioners delivers the request to the Board of Directors to be present in the Meeting of the Board of Directors.
 - ii. The Corporate Secretary schedules the Meeting of the Board of Directors to be attended by the Board of Commissioners.
 - iii. The Board of Directors convenes the meeting of the Board of Directors which is attended by the Board of Commissioners and towards the



meeting aforesaid, the corporate secretary will draw up the minutes of meeting and distribute it to the participants of the meeting.

c. Company Introduction Program to the New Officials in the Organs of the Company.

The Company introduction program to the new officials in the organs of the Company is intended to provide comprehension to the new officials in the organs of the Company towards the existing conditions in the Company, therefore, the new officials of the Company obtain comprehensive understanding over the Company both organizationally and operationally.

The Company introduction program to the new officials, both in the Board of Directors and the Board of Commissioners levels, becomes the liability of the Corporate Secretary or anyone carrying out the function as the corporate secretary. The materials which are introduced to the New Officials will at least cover:

- (1) The implementation of GCG principles in the Company;
- (2) The illustrations regarding the Company related to the objectives, nature, and scope of work, financial and operational performance, strategies, short term and long term business plans, competitive position, risks and other strategic issues;
- (3) The information related to the authorities being delegated, internal and external audit, internal control system and policies, including the Audit Committee;
- (4) The information regarding the duties and responsibilities of the Board of Commissioners and the Board of Directors as well as prohibited matters.

The Company introduction program may be in the form of presentation, meeting, visits to the company and review of the documents or other program considered appropriate with BUMN in which the program aforesaid is being implemented.

2. Informal Meeting

The informal meeting shall be the meeting of the members of the Board of Commissioners and the members of the Board of Directors outside the formal meetings forum. This meeting can also be attended by the member or the members of other organs, or the members of both organs in complete format, to examine or discuss an issue in informal atmosphere.

In accordance with its informal nature, the meeting is not intended to come up with a resolution, instead, it is to align opinions through disclosure of insights informally, as well as to endeavor the common view/comprehension which has no binding power towards both parties.

Every meeting with informal nature can be convened by each Member of the Board of Commissioners and the Board of Directors, however, it cannot be used as the formal policy before undergoing the accountable mechanism or correspondences.

3. Formal Communication

The formal communication is the communication taking place among organs related to the fulfilment of formal provisions as stipulated in the Articles of Association and or the prevalence based on the best practices in the Company, in the form of delivery of report and or the exchange of data, information and its supporting analysis.

a. Periodic reporting



Periodic reporting is a delivery of report from the Board of Directors to the Board of Commissioners containing the implementation of RKAP, the implementation of Enterprise Risk Management, and the development of strategic regulation related to the Company (including the provisions of the capital market in which the shares of the Company are listed) within a certain period of time which then submitted to the Board of Commissioners.

The Board of Directors will be obliged to prepare, in a timely manner, RJPP, RKAP, including other plans related to the implementation of business and activities of the Company as well as deliver them to the Board of Commissioners to obtain approval.

Procedure:

- 1) The Periodic Report is delivered in the form of written script (hardcopy) and/or electronic script (paperless);
- 2) The quarterly RKAP realization report is delivered at the latest 30 (thirty) days after the end of one quarterly period or with due observance of the provisions and procedure for the delivery of materials in the joint meeting of the Board of Directors and the Board of Commissioners. The response from the Board of Commissioners should be delivered at the latest 1 (one) month after the delivery of the quarterly report.
- 3) The annual RKAP realization report will be submitted at the latest 3 (three) months after the current year as a part of the annual report. The response from the Board of Commissioners should be delivered at the latest 2 (two) months after the delivery of the annual RKAP realization report;
- 4) The reports in the form of written and electronic scripts will be carried out in accordance with the prevailing practices.
- 5) Upon the reports which it received, the Board of Commissioners may request additional explanation from the Board of Directors towards the matters considered necessary, and the Board of Directors may update the reports aforesaid.

b. Special reporting

Special reporting is the delivery of report from the Board of Directors to the Board of Commissioners, outside the delivery of the Quarterly and Annual RKAP periodic reports, upon the request of the Commissioners or the initiative of the Board of Directors, related to the implementation of the activities of the Company.

Procedure:

- 1) The request of special report will be sent in writing by the Board of Commissioners to the Board of Directors, by stating the subject matter which they would like to be reported as well as the expected time of delivery.
- 2) Based on the review over the coverage of the issue, the Board of Directors gives the estimates of the time of delivery of the report requested by the Board of Commissioners, and in accordance with the agreed upon time aforesaid, the Board of Directors deliver the special report to the Board of Commissioners.
- 3) The report prepared based on the initiative of the Board of Directors can be delivered at any time to the Commissioners, by stating the needs or the unnecessary of response from the Commissioners.



- 4) The report in the form of written or electronic scripts will be carried out in accordance with the prevailing practices.
- 5) The Board of Commissioners may request additional information over the report from the Board of Directors and the Board of Directors may make updates and additions over the report aforesaid if it is considered necessary.

c. Correspondences/handling of Memorandum

Correspondences/handling of Memorandum is a formal correspondence among organs, in relation to the implementation and smooth running of the main duties and functions of each organ. Letter/Memorandum may be, in nature, a delivery of information, request and opinion and advice, request for specific written responses, and request for approval from the Board of Directors to the Board of Commissioners.

Likewise, from the Commissioners constitutes a deliver of information, responses, opinions and advices, specific written responses, and the statement of approval over the request of the Board of Directors.

Procedure:

- A. Correspondences/handling of Memorandum may be made in written script (hardcopy), electronic record (computer-media) or utilization of electronic mail (e-mail).
- B. The Corporate Secretary and the Secretary of the Board of Commissioners will carry out monitoring and provide instruction/reminder in the event that there should occur any deviation on the time of handling.
- C. To improve the security and confidentiality of documents, will be carried out effort for the prevention and deterrence of detection and corrective measures by the related unit function, by carrying out efforts to decrease the occurrence of written script.
- D. One of the efforts for the handling of documents aforesaid can be carried out in the form of back up document by means of electronic recording towards physical documents (for example, the usage of scanner), in addition, will continue to be carried out physical securitization, among others, the storage of script, the securitization of infrastructure (server, working terminal, network) as well as the stipulation on the distribution of right of access.

4. Informal Communication

Informal communication is the communication between the Board of Directors and the Board of Commissioners organs, between the member or the members of one organ with other organ, outside the provisions of formal communication stipulation in the Articles of Association and the prevailing laws and regulations.

In addition to using written (hardcopy) personal letter/notes, information communication is supported by the implementation of e-Office or by means of other media, among others, in the form of:

- personal e-mail;
- chatting application or social media;
- Knowledge Management Systems.



Every informal communication can be carried out by each Member of the Board of Commissioners and the Board of Directors; however, it cannot be used as the formal policy before undergoing accountable mechanism or correspondences.

In the event that the Board of Directors and/or the Board of Commissioners has adopted a resolution in the framework of implementation of their duties, authorities, and liabilities toward the Company through informal communication, then, the adoption of resolution aforesaid must be set out in the form of the resolution adoption minutes document executed without attending the meeting (circular letter) by the relevant members of the Board of Directors and/or the Board of Commissioners in accordance with the Articles of Association of the Company and the prevailing laws and regulations. The execution of the resolution adoption minutes document by the members of the Board of Directors and/or the Board of Commissioners can be carried out manually (with wet signature) or electronically in accordance with the provisions and the prevailing laws and regulations, in such case, the relevant document will be considered valid and has binding legal force.

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

1. In general, there are two categories of certain actions of the Board of Directors, which are:
 - a. Related to equity participation activity (investment) and/or the discharge of equity participation (divestment).
 - b. Other actions as stipulated in the Articles of Association which are not included in the equity participation activity (investment) and/or discharge of equity participation (divestment).
2. Before performing certain actions as stipulated in the Articles of Association of the Company and with the threshold value or limit beyond the authorities of the Board of Directors, the Board of Directors will be obliged to obtain written approval from the Board of Commissioners or written approval of the Board of Commissioners by firstly obtaining the approval of the Dwiwarna A Series Shareholder.
3. In submitting application for the approval as referred to in point 2 above, the Board of Directors will be obliged to submit the related documents to the Board of Commissioners with the proposal of application for the approval submitted by the Board of Directors.
4. For certain actions category of the Board of Directors as referred to in point 1 above, it is stipulated as following:
 - a. The limit of value and/or criteria (threshold) and the procedure of application for the approval on certain actions of the Board of Directors as well as other related provisions will be further stipulated in the Resolution of the Board of Commissioners.
 - b. Specifically for the stipulation of organizational structure which is 1 (one) level under the Board of Directors, which is included in certain actions category of the Board of Directors in point 1 b above, the application for the approval of the Board of Directors to the Board of Commissioners will only be applicable for the stipulation of the organization who will be directly accountable to the Board of Directors, which is for the organization elected by a Senior Vice President level official at the Office of the Company, and the Business Unit led by an Executive Vice President/Senior General Manager/Executive General Manager level official. The stipulation of the temporary/definite term organizational structure will be sufficient to be reported to the Board of Commissioners.

C. BUSINESS JUDGEMENT RULE

In the event that the decision or action of the Board of Directors and/or the Board of Commissioners is



causing losses to the Company, based on Law No. 40 of the Year 2007 regarding Limited Liability Company, the Regulation of the Financial Services Authority Number 33/POJK.04/2014 regarding the Board of Directors and the Board of Commissioners of Issuer or Public Company, as well as the Articles of Association of the Company, the Board of Directors and the Board of Commissioners cannot be charged for the losses arising due to the decision or action aforesaid to the extent the Board of Directors and the Board of Commissioners can prove their actions have conformed to the matters stipulated in the laws and regulations as well as followed the internal Standard Operating Procedure (SOP) of the Company related to the policy making. This is to prove that the losses arising from the taking of such policy constitutes the consequences of business risks, instead of a criminal offense committed with ill intention.

By referring to the Business Judgement Rule mentioned in the General Principles, the Board of Directors and the Board of Commissioners before carrying out or approving to carry out the action, they must consider and observe the required Business Judgement Rule guidelines, as following:

1. Carried Out Decision or Action Category

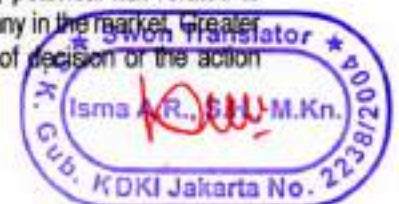
- a. The Board of Directors or the Board of Commissioners making the decision or carrying out the action has the authorities in accordance with the provisions of the laws and regulations, the Articles of Association and the internal regulations of the Company.
- b. The Board of Directors or the Board of Commissioners aforesaid is based on good faith and not contradictory to obligatory and binding regulations. In the event that a regulation does not contain specific and/or explicit requirements and give discretion, then, the exercise of such discretion is generally qualified as business decision or action.

2. Decision or Action Carried Out, Taken Without Unduly Effect (Without Personal Conflict of Interest of the Decision Maker or Action or Relationship and Other Special Interests (Individual, Politics, Commercials or Other Things Which Need to be Known))

- a. Referring to the prevailing laws and regulations regarding the procedure to carry out transaction containing conflict of interest;
- b. The decision or action aforesaid does not contain the element of suspicion and does not contain the element of abuse of authority and position as the Directors or the Board of Commissioners as well as there is not any personal gain obtained from the decision taken by the relevant Board of Directors or Board of Commissioners;
- c. In several conditions, it is very difficult to be proven that the decision making and actions carried out by the Board of Directors and/or the Board of Commissioners is not under any interest influence aforesaid. In such case, the decision making in the situation should be avoided.

3. There is a Sufficient Information Basis for the Board of Directors or the Board of Commissioners in Making Decision or Carrying out Actions

- a. In making the decision or carrying out action has been based on adequate considerations and information, accountable and rational data, as well as does not contain negligence or fraud element or abuse of authorities and position as the Board of Directors and/or the Board of Commissioners which resulted in the presence of personal gain obtained by the relevant Board of Directors and/or Board of Commissioners.
- b. Adequate information does not mean a necessity to collect the entire information. The criteria regarding adequate information depends on the time, nature, size, potential risk related to the decision or action, the financial stance and position of the Company in the market. Greater sources/basis/references will be more appropriate for the making of decision or the action



having the potential to or which might have impact on the financial welfare of the Company or the decision being taken does not conform to the practices of the Company if compared to the making of decision with more standards or having less impact.

- c. Documentation: a series of decision making must be well documented, including the minutes of meetings, conversations, discussions which can demonstrate the processes and methods for the decision making from the beginning to the end. Even though the completeness of the documentation could give rise to high cost, however, if the business decision to be taken has business risk and/or could give rise to business risk in the future, the completeness of the documentation will become the solid evidence towards the taking of the business decision aforesaid.
4. **A Group of People in the Same Position and Same Condition who will be Making the Decision or Carrying Out the Same Action**
 5. **The Board of Directors and/or the Board of Commissioners making the decision or carrying out the action aforesaid has considered the best interest of the Company**
 - a. If the Board of Directors and/or the Board of Commissioners have already had the adequate information and there is not any undue affect from any party whomsoever, then, the Board of Directors/the Board of Commissioners can make the best decision for the interest of the Company. Such action may only be categorized as the Business Judgement Rule if there is not any ill intention in the decision making process and/or the action to be taken aforesaid.
 - b. If there is not any ill intention in the decision-making process aforesaid, then, the Board of Directors/Board of Commissioners must also be able to prove the presence of rational justification (does not have many ambiguities and does not give any way to the opportunity of multi-interpretation) towards the taking of such decision. This rational justification includes the taking into account of the risk mitigation towards the decision to be taken and/or the action to be carried out.
 - c. If required, the Board of Directors/Board of Commissioners in the making of decision may use professional opinion from independent third party stating that there is not any elements of conflict of interest or personal gain to be acquired either by himself or by the members of the Board of Directors/Board of Commissioners over the providing of his opinion aforesaid.

D. LONG TERM PLAN OF THE COMPANY, CORPORATE STRATEGIC SCENARIO, CORPORATE ANNUAL MESSAGE, AND WORK & BUDGET PLAN OF THE COMPANY

1. The Board of Directors will be obliged to prepare the draft Long Term Plan of the Company (RJPP) for a timeline of 5 (five) years.
2. As the elaboration over the RJPP document, the Board of Directors also prepares the implementation strategy document which is the Corporate Strategic Scenario (CSS) document, for a timeline of 3 (three) years.
3. The Board of Directors will be obliged to prepare the Corporate Annual Message (CAM) and the Work & Budget Plan of the Company (RKAP) as the short-term strategic document of the company, containing the annual elaboration of the RJPP and/or the CSS.
4. The governance for the preparation of RJPP, CSS, CAM and RKAP is set out in the Company regulation.
5. In the supervisory over the implementation of RJPP, CSS, and RKAP, the Board of Commissioners may carry out site visit which in its implementation, they will be accompanied by the related Director



[Official Translation]

or in the event that the related Director is impeded, they may be accompanied by the Corporate Secretary and/or the official appointed by the related Director.



CHAPTER IV

RELATIONSHIP OF THE COMPANY WITH THE STAKEHOLDERS

A. GENERAL DESCRIPTION ON THE RELATIONSHIP WITH THE STAKEHOLDERS

1. Between the Company and the stakeholders must be establish a relationship based on the good corporate governance principles and the prevailing laws and regulations. As the guidelines in the framework of assisting the Company to communicate and give response to each group of Stakeholders, the Company must firstly:
 - a. Consider whether there is a legal relationship between the Stakeholders aforesaid and the Company or not; and
 - b. Define, carry out analysis, identification and categorization of the Stakeholders based on authority/power/influence and interest as referred to in the quadrant hereunder:



2. The company needs to ensure:
 - a. the assurance of the rights of the Stakeholders arising based on the legal relationship in the laws and regulations and/or the agreements entered into by the Company and the workers, the services users, the suppliers, and other stakeholders;
 - b. the compliance of the Company towards the commitments of the Company as well as to ensure the fulfilment of delivery of data and information requested by the regulator;
 - c. whereas the Company carries out its social responsibility with the program which has been stipulated.

B. THE RELATIONSHIP OF THE COMPANY WITH THE SHAREHOLDERS

1. In its relationship between the Company and the stakeholders, the Board of Directors will be obliged to ensure the quality of the communication of the Company with the shareholders or the investors is well and regularly established.
2. The effort as referred to in point 1 above can be carried out through the following matters, among others:
 - a. The Company establishes communication with the shareholders or investors to protect the interests of the Shareholders;
 - b. The Company carries out the communication with the shareholders or the investors by using the media owned by the Company including the website of the Company;
 - c. The Company convenes the GMS as the communication media with the Shareholders, with

due observance of the prevailing legislations, the fairness and transparency principles, which can be carried by means of, among others:

- I. Prepare the Code of Conduct of the GMS containing the methods or technical procedures for the voting putting forward the independence, and the interests of the shareholders.
 - ii. Endeavor to ensure the entire members of the Board of Commissioners and the members of the Board of Directors are present in the Annual GMS.
 - iii. Provide the summary of the minutes of the GMS on the website of the Company at the latest 2 working days after the convening of the GMS and presented during a period of at least 1 (one) year.
3. The policies as referred to in point 2 will be further stipulated in the Articles of Association and/or in other related provisions.

C. THE RELATIONSHIP OF THE COMPANY WITH THE MINISTRY OF STATE-OWNED ENTERPRISES AS DWIWARNA A SERIES SHAREHOLDER AND THE REGULATOR

1. The Company needs to ensure the compliance of the Company towards the commitments of the Company as well as to ensure the fulfillment of delivery of data and information requested by the regulator and the Ministry of State-Owned Enterprises as the Dwiwarna A Series shareholder.
2. The privilege of the Government as the Dwiwarna A Series shareholder is limited to the presence of information disclosure principle which is highly upheld in the regulations in the capital market sector. In practice, the providing of certain report, information or explanation by the Company to the Minister of BUMN as the representative of the Government as the Dwiwarna A Series Shareholder must be supplemented by the presence of limitations in safeguarding the confidentiality until the report or information or explanation aforesaid is widely published to other public shareholders.
3. The regulation or decree issued by the Minister of BUMN as the government institution carrying out the fostering and supervisory towards the administration and management activities of BUMN in the framework of achieving the increase of state revenue and the welfare of the people based on the corporate mechanism, basically provides the standardization of administration and management quality of BUMN by the organs of the Company in the related BUMN. In addition to the regulation or decree with the nature of continuous fostering and supervisory towards the administration and management quality of BUMN as mentioned above, the Ministry of BUMN can also issue policies of incidental nature in order to achieve its vision and mission.

D. THE HANDLING OF COMPLAINT (WHISTLEBLOWER)

1. In the framework of improvement Good Corporate Governance practices, will be required the implementation of policies and procedures for the handling of complaint (Whistleblowing System/WBS), to:
 - a. Identify, detect and prevent early the possibility of the occurrence of a fraudulent act and violation against the prevailing regulations, which could result in losses to the company (TELKOM Group);
 - b. Provide the formal channel for the employees within TELKOM Group and other third parties to convey complaint or discontent;
 - c. Provide clear and consistent policy and procedure in the handling of complaint



2. The complaints received through WBS cover:
 - a. Accounting and internal control issues over financial reporting potentially resulting in material misrepresentation in the financial statement of the company.
 - b. Audit issues particularly concerning the independency of the Public Accounting Firm.
 - c. Violations against the laws and regulations and capital market regulations related to the operations of the company.
 - d. Violations against internal regulations potentially causing losses to the company.
 - e. Fraud and/or abuse of position committed by an official and/or employees within TELKOM Group.
 - f. Improper conduct of the Board of Commissioners, the Organs of the Board of Commissioners, the Board of Directors, the Management and the employees of the company, such as, but not limited to, dishonest, conflict of interest, and provide misleading information to the public, which is directly or indirectly, potentially defaming the reputation or causing losses to the company.
3. The complaint received either from the internal of TELKOM Group or from other third party must be placed in the framework of improvement of Good Corporate Governance. Therefore, the complaint must be conveyed with the full sense of responsibility and is not a slander which could defame the good name or reputation of an individual.
4. To maintain the principles aforesaid, the complaints which are received and will be followed up must at least contain:
 - a. Information providing indications regarding the issues being reported, as mentioned in point 2 letter a up to f mentioned above, where, when and who will be involved in such issues.
 - b. Information must be supported with adequate evidences and can be relied upon as the preliminary data to carry out further investigation.
5. The complaint fulfilling the criteria in points 2, 3 and 4 will be forwarded to the WBS Team of Telkom Group by means of the media:
 - a. Website : <http://id.deloitte-halo.com/telkomwbs/>
 - b. Hotline : +62 21 5088 4601
 - c. Facsimile : +62 21 5088 4602
 - d. E-mail : telkomwbs@tipoffs.info
 - e. P.O. Box : Telkom Integrity Line
P.O. Box 2800, JKP 10028
 - f. SMS : +62 813 9000 3217
 - g. WhatsApp : +62 813 9000 3217



CHAPTER V

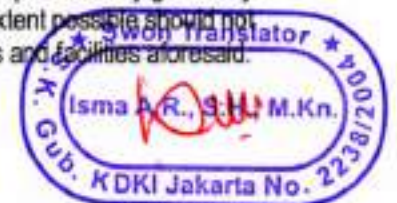
UTILIZATION OF TIME, UTILITIES AND FACILITIES OF THE COMPANY

A. UTILIZATION OF TIME

1. Working Hours
 - a. Principally, the working hours of the Company is from Monday through Friday, at 08.00 Western Indonesia Standard Time up to 17.00 Western Indonesia Standard Time.
 - b. The members of the Board of Directors may arrange the working hours flexibly with flexible working arrangement principle and will continue observe the provisions of the laws and regulations, the Articles of Association, the prevailing company regulations as well as ensure the operations of the Company can function well.
 - c. The members of the Board of Commissioners may arrange the working hours flexibly with the flexible working arrangement principle, and has the discretion to determine their working hours in accordance with the needs the Company by continue providing their best effort to carry out their duties, authorities and responsibilities in performing the supervisory towards the Company in accordance with the provisions of the prevailing laws and regulations, the Articles of Association, and this Board Manual.
2. The utilization of time of the Board of Directors and the Board of Commissioners is stipulated based on the principles of:
 - a. The Board of Commissioners and the Board of Directors must use the utilities and facilities of the Company solely for the activities related to the interests of the Company.
 - b. The Board of Commissioners and the Board of Directors can carry out works and/or activities outside the Company which are not directly related to the interests of the Company, to the extent they do not disrupt with the main duties as the members of the Board of Commissioners and the Board of Directors and will be obliged to observe the provisions of the prevailing laws and regulations, including, but not limited to, the provisions of the prohibition of conflict of interest and prohibition of concurrent serving of office.

B. PROVISION AND UTILIZATION OF ALLOWANCES AND FACILITIES

1. The provision of Allowances and facilities of the company for the Board of Directors and the Board of Commissioners based on the principles of:
 - a. Being adjusted to the financial condition and performance of the company.
 - b. The compliance and fairness basis compared to similar industry.
 - c. Not being contradictory to the existing laws and regulations.
 - d. The amount of allowances and facilities for the Board of Directors and the Board of Commissioners will be stipulated by the GMS, the details of which can be delegated to the Board of Commissioners.
2. The utilization of utilities and facilities owned by the Company for the purposes of government officials, company guesses, and other purposes, will be permitted by always permanently guided by the prevailing rules for the utilities and facilities aforesaid as well as to the extent possible should not be contradictory to the purposes and objectives of provision of such utilities and facilities aforesaid.



3. The utilization of utilities and facilities for the purposes of government guesses and political parties must adhere to the provisions of the General Guidelines of Good Corporate Governance of Indonesia. The Board of Commissioners and the Board of Directors will not be permitted to give donations to any political party whatsoever, unless to the extent justified by the laws.

C. OFFICIAL SERVICE TRAVELS

1. The Company provides accommodation facilities, transportation, and official service travels allowances, domestically and overseas, to the Board of Directors and the Board of Commissioners.
2. The providing of utilities and facilities as referred to in point 1 above is based on the principles of:
 - a. Official service travels are solely intended for the activities and interests of the Company.
 - b. The members of the Board of Directors and/or the members of the Board of Commissioners may arrange and carry out domestic official service travels in accordance with and with due regards of the needs and urgency level of the activities.
 - c. Overseas official service travels for the members of the Board of Directors and/or the members of the Board of Commissioners will be carried out after obtaining approval from the Ministry of BUMN as Dwiwarna A Series Shareholder or in accordance with the prevailing provisions.
 - d. The transportation and accommodation facilities related to official service travels are adjusted to the financial capability of the Company by continue considering the urgency of the activities, the aspect of appropriateness, and maintain the image of the Company.
 - e. The type of means of transportation, the providing of accommodation, and the amount of official service travels allowances for the members of the Board of Directors and/or the members of the Board of Commissioners will be further stipulated by means of Decree of the Board of Directors.



CHAPTER VI

CALENDAR OF EVENTS

The Corporate Secretary along with the related working units arrange the list of main activities plan of the Company which are mandatory and non-mandatory (at any time, in accordance with the needs and the provisions in the Company regulation) for 1 (one) calendar year, among others:

Information:

Mandatory

Non-Mandatory (at any time, in accordance with the needs and provisions in the Company regulation)

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 (at any time)											
Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners	Meeting of the Board of Commissioners
Meeting of the Board of Commissioners (at any time)											
Joint Meeting of the Board of Directors and the Board of Commissioners regarding Audit			Joint Meeting of the Board of Directors and the Board of Commissioners regarding Remuneration			Joint Meeting of the Board of Directors and the Board of Commissioners regarding CSS			Joint Meeting of the Board of Directors and the Board of Commissioners regarding other issues		
Joint Meeting of the Board of Directors and the Board of Commissioners (at any time)											
Approval of the Board of Commissioners over the Draft of RKAP											



Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
The Annual GMS in the Framework of Approval over the Annual Report (Maximum in May) and the Appointment of KAP											
	Delivery of Quarterly Report from the Board of Directors to the Board of Commissioners			Delivery of Quarterly Report from the Board of Directors to the Board of Commissioners			Delivery of Quarterly Report from the Board of Directors to the Board of Commissioners			Delivery of Quarterly Report from the Board of Directors to the Board of Commissioners	
The Extraordinary GMS (at any time in accordance with the needs)											



CHAPTER VII

CLOSING

A. ENFORCEMENT OF BOARD MANUAL

1. The Board Manual constitutes the compilation of corporate law principles, therefore, in its implementation, it must always refer to the prevailing laws and regulations. Various detailed provisions contained in the Articles of Association, the Instruction of the Shareholders stipulated in the General Meeting of Shareholders (GMS), and various other legal provisions will remain binding even though they are not specifically described in this Board Manual.
2. The Board Manual is composed as the guidelines in order that:
 - a. The Board of Commissioners and the Board of Directors can carry out their duties and responsibilities efficiently, effectively, transparently, competently, independently, and accountably; and
 - b. the working relationship between the organs of the Company and the business activities of the Company may be carried out harmoniously to achieve the stipulated vision and mission of the Companyby referring to the good corporate governance principles and the prevailing laws and regulations, therefore, it can be accepted by all concerned parties.
3. The Board of Commissioners and the Board of Directors are responsible for stipulating the Board Manual.
4. This Board Manual will be effective starting as of its date of stipulation.
5. Without prejudice to the provisions in point A.4 above:
 - a. The Company Regulation and the Decree of the Board of Commissioners which are required for the implementation of this Board Manual will be stipulated at the latest 6 (six) months starting as of the stipulation of this Board Manual;
 - b. The provisions of the Board Manual which do not require the implementing regulations, will be effective starting as of its date of stipulation.
 - c. At the latest 6 (six) months starting as of the date of this Board Manual being stipulated, the provisions in the Company regulation which has been issued before the effective application of this Board Manual, will continue to be applicable and, afterward, the provisions which have not yet conformed to the Board Manual must be adjusted to the provisions in this Board Manual.
6. The format of this Board Manual waives the format contained in the Regulation of the Board of Directors Number PD.601.00/r.00/HK000/COO-D0030000/2011 dated April 1, 2011, regarding the Governance of the Company Regulation.

B. SOCIALIZATION OF THE BOARD MANUAL

The Company will carry out the socialization phases of the Board Manual simultaneously. The simultaneous socialization activity will be carried out to the new and already serving members of the Board of Directors and the Board of Commissioners. Socialization will be focused on the presence of understanding, arising of awareness and the needs to apply good corporate governance consistently through



induction/introduction program for the new members of the Board of Directors and the Board of Commissioners, the meetings and other relevant forums.

C. INFORMATION DISCLOSURE ON THE WEBSITE

The Company is committed to carry out the disclosure of Board Manual for the entire stakeholders through website media of the Company. The implementation of this disclosure constitutes a part of the compliance of the Company in accordance with the good corporate governance principles.

D. EVALUATION OF THE BOARD MANUAL

1. The Board Manual constitutes the living document; therefore, its development must always be carried out in accordance with the needs of the Company, the prevailing provisions and/or laws and regulations. The amendments to the Board Manual must be based on the agreement of the Board of Commissioners and the Board of Directors in accordance with the prevailing provisions and/or laws and regulations.

2. The Company will carry out periodic evaluation at least 1 (one) time in 2 (two) years or in accordance with the needs to acknowledge and measure the conformity of the Board Manual with prevailing laws and regulations and the occurring business dynamics.

3. Conflict with the Prevailing Laws and Regulations

If in the future, there is any provisions or parts of a provision from this Board Manual is invalid or cannot be enforced or if found out by the authorities or the court with the competent jurisdiction that it was invalid or cannot be enforced, as the result of conflict, difference and/or inconsistency with the laws and regulations issued by the Government, then, the Board of Commissioners and the Board of Directors will give their best effort to take any actions to amend and adjust this Board Manual, therefore, it can depict the terms and conditions as stipulated in the related laws and regulations.

4. Conflict with the Internal Regulation of the Company

In the event that there is:

a. matter which has not yet been stipulated in the internal regulations, then, the provisions in this Board Manual will be applicable between the Board of Commissioners and the Board of Directors for the entire objectives of the Board Manual;

b. a conflict, difference and/or inconsistency between the internal regulations of the Company and the Board Manual after this Board Manual is stipulated, then:

1) the Company regulation which has been issued before the effective date of the Board Manual will remain to be valid to the extent has not yet been stipulated the new Company regulation and Decree of the Board of Commissioners. The transitional period aforesaid will be valid for 6 (six) months.

2) After the expiry of the transitional period as referred to in point 4.b.1 above, the provisions in this Board Manual will be applicable between the Board of Commissioners and the Board of Directors and the provisions in the Company regulation and the Decree of the Board of Commissioners which is contradictory to the provisions in this Board Manual will be declared not applicable.

3) The Board of Commissioners and the Board of Directors will give their best effort to take any actions, including to consult with the Shareholders of the Company in the General Meeting of Shareholders, to make the amendment and adjustment to the



Internal regulations aforesaid with this Board Manual.

5. Matters which have not yet been stipulated in this Board Manual will be further explained in the Company regulations and other related internal policies of the Company including the Decree of the Board of Commissioners will become an integral and inseparable part to this Board Manual.



ATTACHMENT

Attachment-1	Table of the Temporary Substituting Official of the Members of the Board of Directors
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No.	The Impeded Members of the Board of Directors	The Temporary Substituting Official in Priority Order
1	The Director in charge of Digital Business	The Director in charge of Finance and Risk Management The Director in charge of Human Capital Management
2	The Director in charge of Strategic Portfolio	The Director in charge of Finance and Risk Management The Director in charge of Human Capital Management
3	The Director in charge of Finance and Risk Management	The Director in charge of Human Capital Management The Director in charge of Digital Business or the Director in charge of Strategic Portfolio
4	The Director in charge of Human Capital Management	The Director in charge of Finance and Risk Management The Director in charge of Digital Business or the Director in charge of Strategic Portfolio
5	The Director in charge of Consumer Service	The Director in charge of Enterprise & Business Service The Director in charge of Wholesale & International Service
6	The Director in charge of Enterprise & Business Service	The Director in charge of Consumer The Director in charge of Wholesale & International Service
7	The Director in charge of Wholesale & International Service	The Director in charge of Enterprise & Business Service The Director in charge of Network, IT & Solution
8	The Director in charge of Network, IT & Solution	The Director in charge of Wholesale & International Service The Director in charge of Enterprise & Business Service

I, Isma Afifah Romani, S.H., M.Kn., Sworn Translator (pursuant to the Decree of the Governor of DKI Jakarta No. 2238/2004), hereby affirm that today, Monday, dated January 30, 2023, has translated this document into English language corresponding to the original document in Indonesian language.

