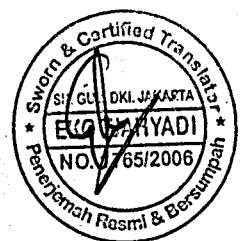


BOARD MANUAL

PT GUNUNG RAJA PAKSI Tbk.

Jakarta, 2019



LEGALIZATION PAGE

This Board Manual is legalized by the Board of Commissioner
and Directors on November 8, 2019

PT Gunung Raja Paksi Tbk

Directors

[signed]

Alouisius Masemillan

President Director

[signed]

Siti Humayah

Director

[signed]

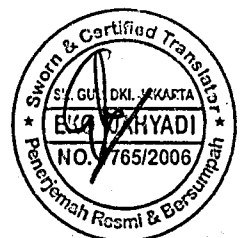
Biplab Kumar Dutta

Director

[signed]

A.Ambar Kuntjoro

Director



LEGALIZATION PAGE

PT Gunung Raja Paksi Tbk.

Board of Commissioners

[signed]

Kamaruddin

President Commissioner

[signed]

Limiwy Lie

Commissioner

[signed]

Edward Hasan

Commissioner

[signed]

Suliana Taniwan

Commissioner

[signed]

Siumin

Commissioner

[signed]

Jeffry Taniwan

Commissioner

[signed]

Dikdik Sugiharto

Independent Commissioner

[signed]

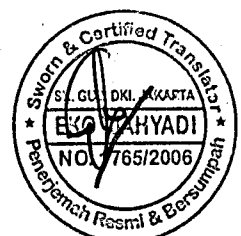
Muhamad Said

Independent Commissioner

[signed]

Taufiq Herman

Independent Commissioner



CHAPTER I INTRODUCTION

1.1 Objective and Benefit of Board Manual

The Board Manual shall constitute a series of instruction on how to manage the relations of the Board of Commissioners and Directors aiming at clarifying the tasks, responsibilities, rights and authorities of the Directors, Board of Commissioners and mechanism of work relations between the Directors and the Board of Commissioners in performing their tasks. The objective of this Board Manual shall be as follows:

1. Clarifying the tasks and responsibilities of the Board of Commissioners and Directors or work relations between the two Company's organs.
2. Facilitating the Company's organs under the Board of Commissioners and Directors to comprehend the tasks and responsibilities of the Board of Commissioners and Directors or task relations among the said organs.

The benefit of the Board Manual shall be increasing the application of GCG principles namely transparency, accountability, responsibility, independence, and fairness by the Directors, Board of Commissioners and General Meeting of Shareholders in the management of the Company in order to be in line with the prevailing legislation and sound corporation management principles.

1.2 Scope



This Board Manual shall apply to the Board of Commissioners and Directors within the Company according to the provisions as contained in the Articles of Association and/or provisions as contained in the prevailing legislation.

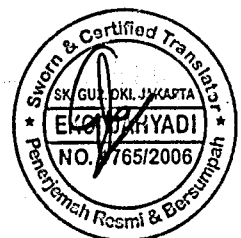
This Board Manual shall be dynamic in nature and always development. The adjustment is necessary to be made according to the need of the Board of Commissioners and Directors of the management of Company.

The prevailing provisions under this Board Manual shall always comply with the legislation and resolution of General Meeting of Shareholders as higher provision. If the provision under the Board Manual is in contravention of the higher provision, then the provision under this Board Manual shall not apply and the higher provision shall prevail.

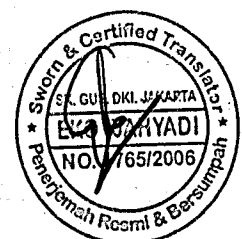
1.3 Definition

In this Board Manual by:

1. Affiliate, shall mean:
 - a. family relations by marriage and descent until the second degree, either horizontally or vertically;
 - b. relations between the Party and employee, director, or commissioner of the said party;

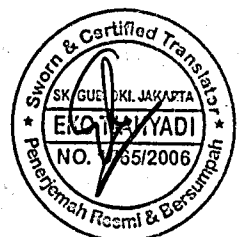


- c. relations between 2 (two) companies in which there is the same one or more member(s) of directors or board of commissioners;
 - d. relations between the company and the Party, either directly or indirectly, controlling or controlled by the said company;
 - e. relations between 2 (two) controlled companies, either directly or indirectly, by the same Party; or
 - f. relations between the company and main shareholders.
2. **Subsidiary**, shall mean legal entity in which the Company has control namely holding directly or indirectly more than 50% (fifty percent) of shares with voting rights in the said company of the Company has direct or indirect control to determine the financial policy and operation of the said legal entity.
3. **Articles of Association**, shall mean Deed of Declaration on Mutual Approval of all Shareholders of the Limited Liability Company No. 13, dated March 12, 2019 drawn up before Dina Chozie, S.H., based on Decision of Municipal Notary Public Supervisory Council of South Jakarta No. 03/MPDN.JKT-SELATAN/CT/II/2019, dated February 14, 2019 and based on Hippocratic Oath of Substitute Notary



Public No. W.10-AH.02.01.08 dated February 15, 2019, substitute for Fathiah Helmi, S.H., Notary Public in Jakarta, which notification is already delivered to and received by the Ministry of Law and Human Rights as indicated in Decree Number AHU-0013513.AH.01.02 dated March 12, 2019, together with all amendment or addendum thereto, and/or replacement thereof in the future.

4. **Member of the Board of Commissioners or Commissioner**, shall mean any person of the Board of Commissioner in reference to each individual of the Commissioner (not as board).
5. **External Auditor**, shall mean Independent Auditor so appointed by the General Meeting of Shareholders (GMS) to conduct audit toward the financial statement based on International Financial Report Standard (IFRS) which is effective in Indonesia so as to obtain belief that the financial statement is free from material misrepresentation.
6. **Internal Auditor**, shall mean internal audit being internal supervisory personnel within the Company who have the task of giving assurance and consultancy which is independent and objective in nature, aiming at increasing the value and improving the operation of company, through systematic approach, by way of evaluating and increasing



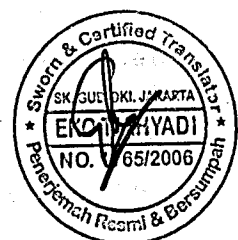
effectiveness of risk management, control and corporate governance process.

7. **Authority threshold**, shall mean threshold of the act of the Directors based on Article 16 paragraph (14) of Company's Articles of Association as referred to in Appendix 1.
8. **Conflict of Interest**, shall mean difference of economic interest of the Company from the personal economic interest of the member of Directors, member of the Board of Commissioners, or main shareholder that may harm the Company.
9. **Special Register**, shall mean register containing particulars regarding the shareholding of the Member of Directors and Member of Board of Commissioners together with their family in the Company and/or in the other company including the date on which the shares are acquired.
10. **Board of Commissioners**, shall mean Company's Organ that has the task of conducting supervision generally and/or specifically according to Articles of Association and the prevailing legislation, as well as giving advice to the Directors.
11. **Directors**, shall mean Company's Organ which is authorized and fully responsible for the management of the Company in the interest of the company, according to purpose and objective of the company,

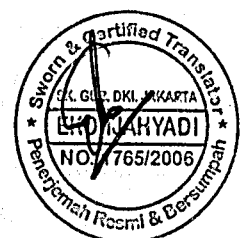


within threshold as determined by the prevailing legislation and Articles of Association.

12. **Director or Member of Directors**, shall mean any individual being member of Directors in reference to individual (not as board).
13. **Good Corporate Governance**, hereinafter referred to a GCG shall mean a certain process and structure which is used by the GMS (General Meeting of Shareholders), the Board of Commissioners and Directors to increase the business successfulness and company's accountability to materialize the value of shareholders in long term by taking into account the interest of the other stakeholders, based on the legislation and Code of Business Conduct.
14. **Independent Commissioner**, shall mean Member of Board of Commissioners originating from external party who has no Affiliate relations with the main shareholders. The other Member of Directors and/or the Member of the Board of Commissioners, and fulfilling the requirements as the Independent Commissioner as referred to in Financial Service Authority Regulation Number 33/POJK.04/2014 regarding Directors and the Board of Commissioners being the Issuer or Public Company, including amendments to the said regulation.



15. **Audit Committee**, shall mean committee established by the Board of Commissioners to help the implementation of task and function of the Board of Commissioners by giving professional and independent opinion to the relevant Board of Commissioners relating to the report and financial information delivered by the Directors to the Board of Commissioners and any other stakeholders as well as regarding effectiveness of the internal control of the Company.
16. **Annual Report**, shall mean accountability report on management by the Directors and accountability report on supervision by the Board of Commissioners within the period of 1 (one) fiscal year to the General Meeting of Shareholders (GMS) which is prepared based on the provision as referred to in the Company's Articles of Association and the prevailing legislation in the area of capital market.
17. **Company's Organ**, shall mean the General Meeting of Shareholders, Directors and Board of Commissioners.
18. **FSA**, shall mean Financial Service Authority as referred to in Law No.21 of 2011 regarding Financial Service Authority.
19. **Shareholder**, shall mean any individual or legal entity as the owner of at least 1 Company's share,



whose name is registered as owner of the relevant share in the Register of Company's Shareholders.

20. **Company**, shall mean PT Gunung Raja Paksi Tbk., the limited liability company which incorporation and articles of association are contained in the Articles of Association.
21. **Controlled Company**, shall mean Subsidiary.
22. **Joint Venture Company**, shall mean the company in which, directly or indirectly, there is shareholding by the Company or Subsidiary but its financial statement is not consolidated with the financial statement of the Company.
23. **Party**, shall mean any individual, company, joint venture, associate, or organized group.
24. **General Meeting of Shareholders**, hereinafter referred to as GMS, shall mean Company's Organ having the authority which is not given to the Directors or the Board of Commissioners in the threshold as determined in the prevailing legislation and/or Articles of Association abbreviated to GMS.
25. **Joint Meeting**, shall mean joint meeting between the Directors and Board of Commissioners of the Company as referred to in the Financial Service Authority regulation Number 33/POJK.04/2014 regarding Directors and Board of Commissioner of Issuer or



Public Company, including amendments to the said regulation.

26. **RJPP** shall mean Long Term Plan of the Company containing strategic plan covering the formula concerning purpose and target to achieve within the period of five years.
27. **RKAP** shall mean action plan and annual budget of the Company containing annual explanation of RJPP.
28. **Corporate Secretary**, shall mean supporting organ of the Directors which is in charge of preparing policy, planning and controlling the corporate communication, investor relations, as well as secretariat of Directors as referred to in the Financial Service Authority Regulation Number 35/POJK.04/2014 regarding Corporate Secretary of Issuer or Public Company, including amendments to the said regulation.
29. **Stakeholders**, shall mean the parties who have interest in the Company including shareholder of Company, Directors/Commissioners, Company's worker, authorized governmental authority, and public affected by the Company's business activity.
30. **Strategic**, shall mean a certain thing, condition or situation that may affect the value of Company and/or affect the value of securities of the Company

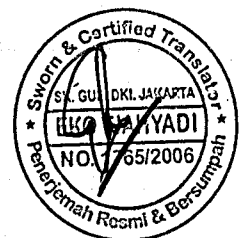


or decision of investor, or affect the act of Company to the Controlled Company.

31. **Affiliate Transaction**, shall mean transaction made by the Company or Controlled Company and the Affiliate of the Company or Affiliate of the member of Directors, member of the Board of Commissioners, or main shareholders of the Company. In this respect, the transaction shall mean activity in the framework of:

- 1) giving and/or obtaining loan;
- 2) obtaining, releasing, or using the assets including in the framework of securing;
- 3) obtaining, releasing, or using the service or securities of the Company or Controlled Company; or
- 4) entering into contract in relation to cavity as referred to in item 1), item 2), and item 3).

Which is made in one transaction or in a series of transaction for a certain purpose or activity; as set out in the Regulation of Bapepam-LK (Capital Market Supervisory Board - Financial Institution Number IX.E.1, Appendix to Decision of the Head of Bapepam (Capital Market Supervisory Board) and LK (Financial Institution) Number Kep-412/BL/2009, dated November 25, 2009 including amendments to the said regulation.



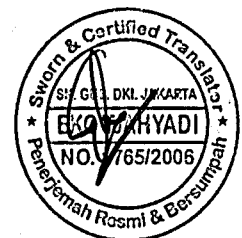
32. Material Transaction, shall be every:

- a. participation in corporate body, project, and/or certain business activity;
- b. purchase, sales, transfer, exchange of assets or business segment;
- c. lease of asset;
- d. lease of fund;
- e. pledging asset; and/or
- f. giving company's guarantee

with value of 20% (twenty percent) or more than Company's equity, which is made in one or in a series of transaction for a certain purpose or certain activity; which is carried out by the Company or Controlled Company as set out in the Regulation of Bapepam-LK (Capital Market Supervisory Board - Financial Institution) Number IX.E.2 regarding Material Transaction and Change of Main Business Activity. Appendix to Decision of the Head of Capital Market Supervisory Board (Bapepam) and Financial Institution (LK) Number Kep-614/BL/2011, dated November 28, 2011, including amendments to the said regulation.

1.4 Reference and Guidelines

A. Legal Basis



Law

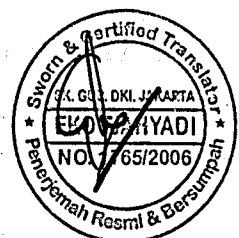
1. Law Number 40 of 2007 regarding Limited Liability Company;
2. Law Number 8 of 1995 regarding Capital Market;
3. Law number 8 of 1997 regarding Company's Document.

Regulation/Decree of Minister

1. All Decisions of Capital Market Supervisory Authority and/or implementing regulation of Law on Capital Market having relevance to the implementation of this Board Manual; and
2. All Decisions and/or Regulations of PT Bursa Efek Indonesia having relevance to the implementation of this Board Manual.

Regulation/Circular of Financial Service Authority

1. Regulation of Bapepam - LK (Capital Market Supervisory Board - Financial Institution) Number IX-E.1 regarding Affiliate Transaction and Conflict of Interest of Certain Transaction, Appendix to Decision of the Head of Bapepam (Capital Market Supervisory Board) and LK (Financial Institution) Number Kep-412/BL/2009, dated November 25, 2009;
2. Regulation of Bapepam - LK (Capital Market Supervisory Board - Financial Institution) Number IX.E.2 regarding Material Transaction



and Change of Main Business Activity, Appendix to Decision of the Head of Bapepam (Capital Market Supervisory Board) and LK (Financial Institution) Number Kep-614/BL/2011, dated November 28, 2011;

3. Regulation of the Financial Service Authority Number 33/POJK.04/2014 regarding Directors and the Board of Commissioners of Issuer or Public Company;
4. Regulation of Financial Service Authority Number 34/POJK.04/2014 regarding Committee for Nomination and Remuneration of Issuer or Public Company;
5. Regulation of Financial Service Authority Number 35/POJK.04/2014 regarding Secretary of Issuer or Public Company;
6. Regulation of Financial Service Authority Number 21/POJK.05/2015 regarding Application of Guidelines on Listed Company Governance;
7. Circular of Financial Service Authority Number 32/SEOJK.04/2015 regarding Guidelines on Listed Company Governance; and
8. Regulation of Financial Service Authority Number 29/POJK.04/2016 regarding Annual Report of Issuer or Public Company.

Internal Regulation of Company



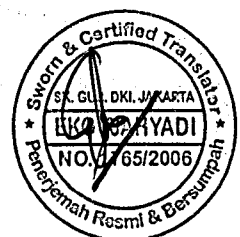
1. Deed of Incorporation of Company, namely Deed of Incorporation No.229 dated August 20, 1990;
 2. Deed of Change of Name to PT Gunung Raja Paksi No.25 dated June 6, 1991;
 3. Company's Articles of Association and any amendment thereto;
 4. Resolutions of General Meeting of Shareholders of the Company.
- B. Mentioning of various legislation and internal regulation of Company as referred to in item A shall also include every amendment, addendum and renewal of the various regulation.
- C. In addition to various regulations as already mentioned in item A, all legislations relating to the operation and business activity of the Company.

CHAPTER II DIRECTORS

2.1 Main Task of Directors

The Directors shall fulfill their main task namely managing Company, representing the Company either inside or outside the company, and entering into arrangements in the interest of the Company as set out in the Company's Articles of Association and the prevailing legislation to perform the aim and purpose of the Company.

2.2 threshold of Responsibility of Directors



The Directors shall fulfill their main task in good faith and with full accountability in the interest of attaining the aim and objective of the Company as set out in the Company's Articles of Association and the prevailing legislation.

The member of Directors shall be responsible jointly and severally for the loss of the Company caused by default or negligence of Members of Directors in performing their tasks.

The members of Directors shall not be liable to the Company, if they can prove:

1. The loss is not due to their default or negligence;
2. They already exercise their managerial function in good faith, accountable, and prudently for the interest of and according to the aim and objective of the Company;
3. They have no Conflict of Interest either directly or indirectly for managerial function causing the loss; and
4. They have taken the act to prevent the loss from arising or continuing.

2.3 Tasks of Directors

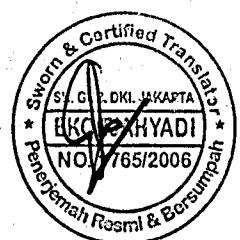
In addition to have main tasks, the Directors shall also have the tasks with Authority threshold distributed among



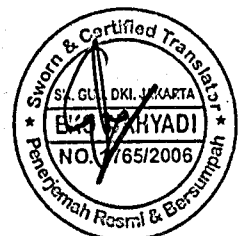
the Company's Organs as set out based on Company's Articles of Association and the prevailing legislation.

The Directors shall be required to:

1. procure and guarantee the implementation of business and activity of the Company according to the aim and objective as well as its business activity;
2. prepare in due time the Long-Term Plan of the Company, Action Plan and Budget of the Company, and amendment thereto as well as deliver the same to the Board of Commissioners for approval from the Board of Commissioners;
3. give explanation to the Board of Commissioners regarding the Long Term Plan of the Company and Action Plan and Budget of the Company;
4. make a Register of Shareholders, Special Register and Minutes of Meeting of the Directors;
5. prepare the Annual Report as the manifestation of responsibility of management of Company, as well as financial document of the Company as referred to in Law on Company's Document;
6. prepare the Financial Statement based on Financial Accounting Standard and deliver the same to Public Accountant for audit;
7. deliver the Annual Report including Financial Statement to the General Meeting of Shareholders for approval and ratification;



8. give explanation to the General Meeting of Shareholders regarding the Annual Report;
9. deliver Balance Sheet and Income Statement ratified by the General Meeting of Shareholders to the Minister who is in charge of Law and Human Rights pursuant to legislation.
10. maintain the Register of Shareholders, Special Register, Minutes of General Meeting of Shareholders, Minutes of Meeting of the Board of Commissioners and Minutes of Meeting of Directors, Annual Report and financial document of the Company and any other Company's documents;
11. keep in the Company's domicile, the Register of Shareholders, Special Register, Minutes of General Meeting of Shareholders, Minutes Meeting of Board of Commissioners and Minutes of Meeting of Directors, Annual Report and financial document of the Company and any other Company's documents.
12. prepare the accounting system according to Financial Accounting Standard and based on principles of internal control, especially the separation of function of management, recording, maintenance and supervision;
13. give periodic report according to the way and time according to the prevailing regulation, as well as

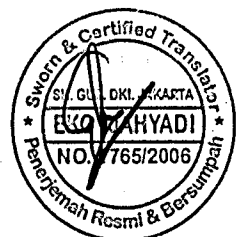


any other report each time if so requested by the Board of Commissioners;

14. prepare the composition of Company's organization furnished with its detail and tasks;
15. give explanation regarding anything asked or requested by the member of Board of Commissioners;
16. prepare and establish the Company's organization structure;
17. perform any other obligations according to terms and conditions as set out in this Articles of Association and those as stipulated by the General Meeting of Shareholders based on legislation;
18. prepare together with the Board of Commissioners:
 - i) Guidelines binding every member of Directors and the Board of Commissioners according to the prevailing regulation and legislation;
 - ii) Code of Conduct effective for all Directors and effective for all members of Directors and members of the Board of Commissioners, workers/employees, as well as organ support owned by the Company, according to the prevailing regulation and legislation.

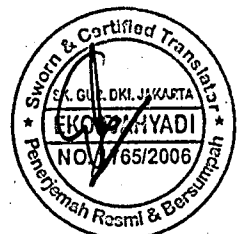
2.4 Rights and Authorities of Directors

In performing their tasks:



The Directors shall be authorized to stipulate policy on Company's management consisting of:

1. Arranging the delegation of authority of the Directors to represent the Company inside or outside the Court to one or more member(s) of Directors who is/are specially appointed for that purpose or to one or some worker(s) of the Company either severally or jointly or to any other person and arranging the delegation of authority of Directors to represent the Company to the Branch Manager or head of representative in the home country or overseas.
2. Arranging the provisions regarding Company's employment including stipulation of salary, pension, or old age security and other income to Company's workers based on the prevailing legislation and resolution of the General Meeting of Shareholders;
3. Appointing and discharging the Company's worker based on Company's employment and the prevailing regulation and legislation;
4. Appointing and discharging the Company's Secretary;
5. Taking any act and any other deeds regarding management or ownership of Company's assets, binding the Company to the other party and/or the other party to the Company, as well as representing the Company inside and outside the Court regarding



anything and any event with threshold as set out in the legislation, Articles of Association and/or Resolution of the General Meeting of Shareholders.

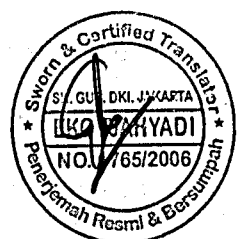
6. In the framework of supporting the effectiveness of implementation of task and responsibility, the Directors may establish the committee.

2.5 Delegation of Authority

The Directors shall be authorized to represent the Company either inside or outside the court as well as take any act and deed either regarding management or regarding ownership as well as bind the Company to the other party and/or the other party to the Company, with threshold according to the provisions as contained in Articles of Association. The President Director and the other one Director shall be entitled and authorized to act for and on behalf of the Directors as well as represent the Company either inside or outside the Court.

In case the President Director is absent or indisposed due to any reason whatsoever, which is not necessarily proven to any third party, then 3 members of Directors acting jointly shall be entitled and authorized to act for and on behalf of the Directors as well as represent the Company.

Granting of Power for Certain Act



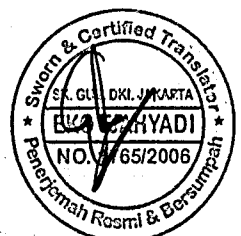
The Directors shall, for certain act at their own responsibility, also be entitled to appoint one or more person(s) as their representative or proxy, by giving to him/her/them the authority for certain act, as set out in power of attorney.

Delivery of information of the Company which is Material to the Public

The delivery of information of the Company which is material to the public including but without limitation to statement containing the prediction regarding income, profit or loss, capital expenditure, dividend, equity structure, statement regarding the plan and purpose of management for activity in the future, as well as financial condition in the future affected by the Company's activity shall be made according to provisions and procedures based on regulation issued by the capital market supervisory authority.

2.6 Independence and Ethics of Directors

The implementation of managerial task of the Company shall be performed by maintaining independence as well as ethics of position of Directors according to the principle of Good Corporate Governance, in order that the Directors may act professionally and independently for the interest of the Company in its entirety in reference

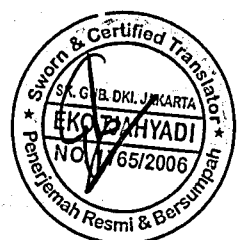


to Articles of Association and the prevailing regulation and legislation.

27. Stipulation of Policy on Company's Management

The policy on Company's management shall be a decision or act which is taken by the Directors in performing, directing and controlling the activity, or resolving a certain problem relating to business activity of the Company. In stipulating the said policy the Directors shall fulfill the following provisions:

1. Policy which is corporation strategy in nature such as in the area of investment, finance and human resources, shall be resolved through Meeting of Directors.
2. Policy which is operational strategy in nature shall be resolved by the Meeting of Directors.
3. In making policy or resolution of a certain problem that arises, every Director shall consider the following points:
 - a. Good faith.
 - b. National consideration.
 - c. Information adequacy.
 - d. Adequate investigation toward the existing problem as well as various possibility of resolution thereto as well as positive and negative impact for the Company.



- e. The policy is taken based on consideration solely for the best interest of the Company.
- f. Coordinating with the other Director, especially for a certain policy that shall give impact to the task and authority as well as policy of the other related Director.

2.8 Distribution of Task and Authority of Member of Directors

In the framework of Company's management by the Directors, then it is necessary to make distribution of tasks among the Member of Directors for efficient and effective implementation. Every member of Directors shall be fully responsible jointly and severally for the loss of the Company caused by the default or negligence of member of Directors in performing their tasks. However, this responsibility shall become the personal responsibility of member of Directors if in performing the said managerial function, the member of Directors demonstrates bad faith, commits default or negligence in performing his/her tasks, thereby causing loss to the Company.

Stipulation of Distribution of Task and Authority of Member of Directors

Distribution of task and authority of managerial function among the members of Directors shall be stipulated based on resolution of GMS (General Meeting of Shareholders).



In case the GMS (General Meeting of Shareholders) does not stipulate the distribution of task and authority of members of Directors, then the distribution of task and authority shall be stipulated based on resolution of Directors.

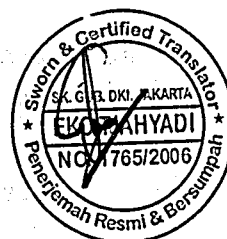
1. Resolution of Directors regarding the distribution of task shall be in accordance to function of each Director as follows:

a. Function of President Director shall be presiding the company management by:

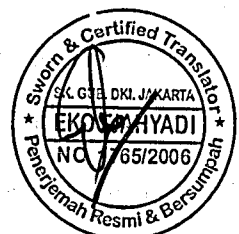
- 1) Determining the direction of Company through establishment of Vision, Mission and Strategy of the Company.
- 2) Coordinating the achievement of Vision, Mission and Strategy of the Company through establishment of RJPP and RKAP.
- 3) Ensuring the implementation of RJPP and RKAP through policy on supervision of Company management and compliance with the legislation.

b. Function of Director of Finance shall be as follows:

- 1) Describing the Vision, Mission and Strategy of Company into the directorate strategy that becomes his/her task responsibility.



- 2) Preparing the RJPP and RKAP of his/her directorate according to strategy as stipulated to support the achievement of Vision, Mission and Strategy of Company.
- 3) Ensuring the implementation of RJPP and RKAP of directorate through periodic monitoring and review toward his/her directorate operation.
- 4) Leading and ensuring that the financial management activity of the Company is implemented according to the prevailing standard.
- 5) Leading and ensuring the preparation and control over the financial investment portfolio of the Company.
- 6) Ensuring the implementation of risk management activity in relation to policy in the area of finance, investment management and accounting.
- 7) Leading the monitoring and evaluation of Company's and Subsidiary's performance to ensure the integration and harmony between the direction and target of the Company and Subsidiary and RJPP and RKAP of the Company.



8) Leading and ensuring the maintenance of Company's income.

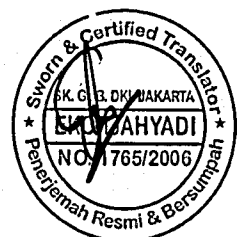
c. Function of Director of Operation shall be as follows:

- 1) Describing the Vision, Mission and Strategy of Company into the directorate strategy that becomes his/her scope of responsibility.
- 2) Preparing the RJPP and RKAP of his/her directorate according to strategy as stipulated to support the achievement of Vision, Mission and Strategy of Company.
- 3) Ensuring the implementation of RJPP and RKAP of his/her directorate through periodic monitoring and review toward his/her directorate operation.
- 4) Ensuring the implementation of risk management activity, quality, health, safety and environment as well as performance within the Company's environment.
- 5) Leading and ensuring the business development activity of the Company.
- 6) Ensuring the Company's production unit.

d. Function of Technical Director shall be as follows:



- 1) Describing the Vision, Mission and Strategy of Company into directorate strategy that becomes his/her scope of responsibility.
- 2) Preparing the RJPP and RKAP of his/her directorate according to strategy as stipulated to support the achievement of Vision, Mission and Strategy of Company.
- 3) Ensuring the implementation of RJPP and RKAP of directorate through periodic monitoring and review toward his/her directorate operation.
- 4) Leading and ensuring the information and communication technology management of the Company.
- 5) Ensuring the availability of management system, procedure and work instruction to ensure the availability of guidelines on operation of Company's business activity.
- 6) Leading the development risk management system, quality, health safety and environment as well as



performance within Company's environment.

- 7) Ensuring the preparation of security system of production process.

e. Function of Director of Human Resources shall be as follows:

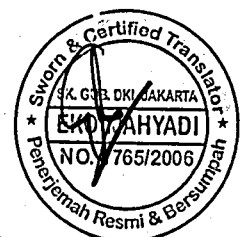
- 1) Describing the Vision, Mission and Strategy of Company into the strategy of directorate that becomes his/her scope of responsibility.
- 2) Preparing the RJPP and RKAP of his/her directorate according to strategy as stipulated to support the achievement of Vision, Mission and Strategy of Company.
- 3) Ensuring the implementation of RJPP (Long Term Plan of Company) and RKPP of directorate through periodic monitoring and review toward the operation of his/her directorate.
- 4) Directing and leading the Development of system and procedure for human resources management of the Company.
- 5) Controlling the implementation and procedure for human resources management of the Company.



- 6) Ensuring the implementation of risk management relating to policy in the area of human resources management and general affairs and Corporate Social Responsibility program.
- 7) Ensuring the development of human resources system in Subsidiary.

f. Function of Director for Legal Affairs and Compliance shall be as follows:

- 1) Describing Vision, Mission and Company's Strategy into the directorate strategy that becomes his/her scope of responsibility.
- 2) Preparing RJPP and RKAP of his/her directorate according to strategy as stipulated to support the achievement of Vision, Mission and Strategy of Company.
- 3) Ensuring the implementation of RJPP and RKAP of directorate through periodic monitoring and review toward his/her directorate operation.
- 4) Ensuring the implementation of risk management activity relating to policy in legal and compliance sector.



- 5) Leading and ensuring the Company's activity according to the prevailing legislation and Company regulation.
 - 6) Leading and ensuring the implementation of service management and resolution of any matter of legal affairs can be made according to legislation.
 - 7) Ensuring the implementation of service management and resolution of any matter in legal affairs in Subsidiary.
2. Stipulation of distribution of task and authority among the members of Directors shall further be set out in the Resolution of Directors.

Distribution of Task and Authority in the Stipulation of Resolution of Directors

The Directors shall stipulate the distribution of task and authority in respect of stipulation and signing of Resolution of Directors in 2 categories to the extent that it has been approved in the Meeting of Directors, as follows:

1. The Resolution of Directors relating to corporate act shall be signed at least by the President Director on behalf of the Directors.



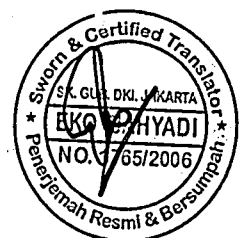
2. The Resolution of Directors which is operational in nature in the respective directorates can be signed by the relevant Director on behalf of the Directors, by first being acknowledged by the other member of Directors and in line with RKAP and RJPP of the Company..

2.9 Vacancy of Position of Directors

In case the GMS (General Meeting of Shareholders) determines the nomenclature of position for Member of Directors, then the position shall be declared to be vacant, in case of any of the following events:

- a. Resignation.
- b. Demise.
- c. Expiry of term of office.
- d. Discharge based on resolution of GMS (General Meeting of Shareholders).
- e. No longer fulfilling requirements as Member of Directors based on the terms and conditions as referred to in Articles of Association and legislation, including but without limitation to double function which is prohibited.

If there is one or more Member(s) of Directors (not President Director) caused by the reason as mentioned above, then the Board of Commissioners shall appoint and stipulate the other one of Members of Director as acting



officer (PLT) to perform the work of Member of Directors which is vacant by the same power and authority. The position of Directors shall also be considered to be vacant if the total Members of Directors are less than 2 (two) persons.

2.11 Meeting of Directors

The Meeting of Directors can be convened by the mechanism and quorum of attendance and resolution as set out in the Company's Articles of Association.

The Meeting of Directors can be convened at any time if:

- a. Deemed necessary by one or more member(s) of Directors;
- b. At written request from one or more member(s) of the Board of Commissioners; or
- c. At the written request from 1 or more shareholder(s) jointly representing 1/10 or more that total shares with voting right.
- d. **Anything that needs Decision Making through the Meeting of Directors**

Directors shall set out anything that requires decision making through Meeting of Directors as follows:

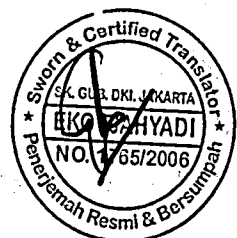
1. Stipulating and changing the logo of Company;
2. Stipulating the organization structure 1 level below the Directors;



3. Appointing and/or discharging the Company's Secretary and/or Head of Internal Audit Unit;
4. Borrowing or lending money on behalf of the Company with value exceeding the total limit as stipulated in the Authority threshold;
5. Obtaining and/or selling/transferring and/or securing, pledging or mortgaging all or the most part assets of the Company (asses) either one transaction and/or some transactions, with value exceeding the limit amount as stipulated in Authority threshold;
6. Taking any other act or deed regarding arrangement or ownership of assets of the Company, binding the Company with the other party and/or the other party with the Company, as well as representing the Company inside and outside the court regarding anything and any event with threshold as set out in the legislation, Articles of Association, Authority threshold and/or Resolution of GMS (General Meeting of Shareholders).

e. Schedule and Agenda of Meeting

1. The Directors shall convene the Meeting of Directors periodically at least once in one month.



2. The Directors shall schedule the Meeting of Directors for the subsequent year before expiry of fiscal year.
3. The Corporate Secretary shall be responsible for arranging the implementation of Meeting of Directors.
4. Summons to the Meeting of Directors shall be made by the President Director and if the President Director is indisposed then the summons to the meeting can be made by the other Director according to the provision in delegation of authority of Directors.
5. Summons to the Meeting of Directors shall be served in writing, either directly against issue a adequate receipt, registered post, courier service, telex, facsimile, or electronic mail (e-mail) to the members of Directors within not later than 5 (five) working days before convening the meeting excluding the dated of summons and the date of meeting or within the shorter period in case of emergency. If the meeting is already scheduled based on resolution of the previous Meeting of Directors or the Meeting of Directors is attended by all members of Directors, no prior summons shall not be required.



6. The summons to the Meeting of Directors shall contain agenda of meeting, date, time and venue of meeting.

f. Venue of Meeting

The Meeting of Directors shall be convened in the Company's Domicile or elsewhere within the territory of the Republic of Indonesia or in the place where the Company runs its business activity.

g. Preparation of Meeting

1. Corporate Secretary shall prepare invitation and meeting materials as well as distribute the same to each Director. The meeting invitation shall be distributed to the meeting participants within not later than 5 (three) (sic) days before convening the meeting.
2. If the meeting invites the other party, the Corporate Secretary shall serve the invitation or notice to the concerned party.
3. Each Director shall prepare meeting materials and materials/documents according to the function of his/her directorate for distribution upon the meeting.
4. Upon the Meeting of Directors which is already scheduled, the meeting materials shall be distributed to the meeting participants within



not later than 5 (five) days before the meeting is convened. If the meeting is convened beyond the schedule as already prepared, the meeting materials shall be distributed within not later than prior to convening the meeting.

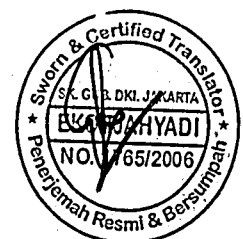
5. The Corporate Secretary shall be entitled to appoint any worker to help and maintain the smooth implementation of the meeting.

h. Attendance in Meeting

1. All Meetings of Directors shall be chaired by the President Director, if the President Director is absent or indisposed, then one of the Directors so appointed in writing by the President Director shall chair the Meeting of Directors.
2. In case the President Director does not make any appointment, then one of Directors who is the longest to hold the position as member of Directors shall chair the Meeting of Directors.
3. In case the Director who is the longest to hold the position as member of Directors is more than 1 (one) person, then the Director who is the oldest shall act as chairperson of Meeting of Directors.



4. A member of Directors can be represented in the Meeting of Directors only by the other member of Directors by virtue of power of attorney. A member of Directors can only represent the other one member of the Directors.
 5. Any member of Directors who is unable to attend a Meeting of Director may file his/her opinion in writing and signed, and then delivered to the President Director or member of Directors presiding over the Meeting of Directors, regarding whether or not he/she supports or does not support the thing to be discussed and this opinion shall be considered as lawful vote in the Meeting of Directors.
 6. Attendance of meeting of Directors in the Meeting of Directors shall be contained in the Annual Report of the Company.
- i. **Adoption of Resolution of the Meeting of Directors**
1. The Meeting of Directors shall be lawful and entitled to adopt binding resolution if attended and/or represented by more than 1/2 (half) of total members of Directors.
 2. If there is more than one proposal, then re-voting shall be made so that one of the



proposals obtains vote of more than 1/2 (half) portion of total votes already cast.

3. The resolution of Meeting of Directors shall be adopted by deliberation, failing which, the resolution shall be adopted by voting based on affirmative votes of more than 1/2 (half) portion of total votes already cast in the relevant meeting.
4. In the Meeting of Directors, every Director shall be entitled to cast 1 (one) vote and additional 1 (one) vote for every other Director he/she legally represents in he said meeting.
5. Blank vote (abstain) shall be considered approving the proposal field in the meeting. The unlawful vote shall be considered uncast and negligible in counting the total votes already cast in the meeting.
6. The voting regarding person shall be made by sealed and unsigned ballot, while the voting regarding the other matter shall be made verbally, unless stipulated otherwise by the chairperson of Meeting without objection based on majority votes who are present;
7. The Resolution of Meeting of Directors shall be delivered formally by the Corporate Secretary

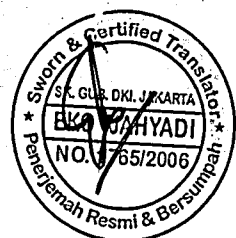


to the level of organization under the Directors that relate to the said resolution, to a maximum of 7 (seven) days as of the Meeting of Directors is convened.

j. Dissenting Opinion

Dissenting Opinion shall be set out as follows:

1. Any Dissenting Opinion shall be contained in the resolution of meeting and the Directors who have dissenting opinion shall express the reason for the dissenting opinion to the said resolution.
2. The Dissenting Opinion does not mean giving the right to the relevant Director not to perform the meeting resolution. Despite of dissenting opinion, but all Directors shall remain liable to comply with and perform the meeting resolution.
3. The Directors shall jointly and severally be fully responsible personally if proven to be guilty or negligent in performing their tasks in the interest of and business of Company, unless the Director who has dissenting opinion can prove that he/she has taken the act to prevent the said loss from occurring or continuing.



4. The dissenting opinion as contained in the resolution and the minutes of meeting can become evidence that the relevant Director has taken the act to prevent the said loss from occurring or continuing by disagreeing with the said meeting resolution. It means that the relevant Director shall be kept harmless from lawsuit for the occurrence or continuation of the loss as the implementation result of meeting resolution.

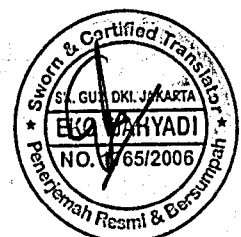
k. Minutes of Meeting

1. Minutes of Meeting of Directors shall be made for every Meeting of Directors containing anything which is discussed and resolved in the meeting including but without limitation to follow up of the previous resolution of Meeting of Directors in relation to the same discussion agenda upon implementation of the Meeting of Directors, opinions developing in the meeting including dissenting opinion, meeting dynamicity, as well as the reason for non-attendance of Member of Directors if any.
2. Every member of Directors shall be entitled to receive copy of the Minutes of Meeting of Directors, regardless whether or not the



relevant Member of Directors attends the Meeting of Directors.

3. The Draft of minutes of Meeting of Directors shall have been distributed to the member of Directors immediately after the implementation of Meeting of Directors.
4. Within the period of 7 (seven) calendar days as of the date of receipt draft of the minutes of meeting, any member of Directors who is present and/or represented in the relevant Meeting of Directors shall confirm his/her agreement or objection and proposal of improvement thereof, on anything as contained in the minutes of Meeting of Directors to the chairperson of Meeting of Directors, as long as the point which is improved needs to be made since the draft of minutes shall not reflect the existing meeting resolution.
5. If the objection and/or proposal of improvement to the minutes of meeting is not received within the said period of time, then it can be concluded that there is no objection and/or improvement to the relevant minutes of Meeting of Directors.
6. The original minutes of every Meeting of Directors which is already signed by the



meeting participants, shall be subject to bookbinding in the annual compilation and stored by the Corporate Secretary and shall be available if so requested by every Member of Board of Commissioners and Members of Directors.

7. The Minutes of Meeting shall describe the meeting process. It is important to be able to see the decision making process and can at the same time become the legal document to determine the accountability of the result of a certain meeting resolution. In this respect the minutes of Meeting shall at least contain:

- (i) Place, date and time of meeting.
- (ii) Discussed Agenda.
- (iii) Attendance List as signed by every meeting participant.
- (iv) Duration of meeting.
- (v) Evaluation on follow up of the previous meeting result (if any).
- (vi) Various opinions as contained in the meeting and who will raise the same.
- (vii) Decision making process
- (viii) Adopted resolution.



- (ix) Declaration of dissenting opinion to the meeting resolution in case of no unanimous opinion (dissenting opinion).
 - (x) Signature of ratification of minutes of meeting.
8. Minutes of meeting shall be enclosed with power of attorney which is given especially by the Director who is not present to the other Director (if any).
 9. Corporate Secretary or any other officer so appointed by the President Director shall have the task to make and administrate as well as distribute the minutes of meeting.
 10. In case the meeting is not attended by Corporate Secretary or any other officer so appointed by the President Director; the minutes of meeting shall be made by one of Directors so appointed from those who are present.
 11. The Procedure for preparation of minutes of Meeting of Directors shall be as follows:
 - (i) During the course of meeting, the Corporate Secretary or any other officer so appointed by the President Director shall prepare the minutes of meeting.



- (ii) Immediately after closing of meeting, the Corporate Secretary or any other officer so appointed by the President Director shall complete the preparation/making of draft of minutes of meeting.
- (iii) The Corporate Secretary or any other officer so appointed by the President Director shall distribute the draft of minutes of meeting immediately after closing of meeting to the Directors for correction or approval.
- (iv) The Director shall receive and review the minutes of meeting and if he/she agrees, then he/she shall affix signature in the minutes of meeting and resend the minutes of meeting to the Corporate Secretary or any other officer so appointed by the President Director.
- (v) In case of any correction, the Director shall give correction for improvement by the Corporate Secretary or any other officer so appointed by the President Director the Correction shall be given within not later than 7 (seven) calendar



days after receipt of draft of minutes of meeting.

(vi) The Corporate Secretary or any other officer so appointed by the President Director shall revise the minutes of meeting and distribute the minutes of meeting already revised for signature by all members of Directors who are present.

(vii) The Minutes of Meeting shall be delivered to the chairperson of Meeting of Directors for signing together with all Members of Director who are present in the Meeting.

(viii) In case there is member of Directors who does not sign the Meeting result, the concerned member shall mention his/her reason in writing in the separate letter which is attached to the Minutes of Meeting.

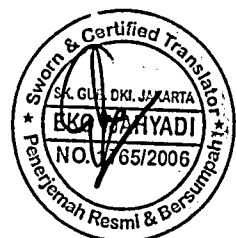
(ix) The Corporate Secretary shall deliver the meeting result to the related parties for follow up.

1. Documentation and Confidentiality of Meeting



1. The Corporate Secretary or any other officer so appointed by the President Director shall administrate the original minutes of meeting and give the copy thereof to all Members of Directors.
2. If so requested, the copy of minutes of meeting can be given to the Board of Commissioners for acknowledgment.
3. Any information/resolution discussed in the Meeting of Directors shall be confidential in nature, until the due time the Directors shall give the information/resolution to public/related party. If so required the Directors may consult regarding the confidentiality of information in the said meeting with the Board of Commissioners or to the consultant/independent supporting profession so appointed by the Directors.
4. Any party who knows about the information/resolution in the Meeting of Directors shall keep confidential the information/resolution of Meeting of Directors and shall not disclose the same to any party whomsoever without approval of the Directors.

2.12 Secretary



Corporate Secretary shall have the function as drafter of the policy, planner and controller of corporate communication activity, institutional relations, investor relations and secretariat of Directors. The Task of Corporate Secretary shall be among others consist of:

1. Controlling the communication strategic management to build image of the Company.
2. Acting as representative of company and liaison officer between the Company and all Stakeholders in communicating the Company's activity accurately and timely, including providing service to public on every information as needed by investor relating to the condition of Company.
3. Controlling the deliver information on Company's performance and corporate action to capital market authority, exchange authority, investor, analyst and any other market actors.
4. Controlling the implementation of mechanism management in the disclosure of information internally or externally according to the interest of the Company and the need of shareholders as well as the other parties relating to the Company.
5. Delivering Annual Report of the Company and Periodic Financial Statement to capital market authority and exchange authority.



6. Coordinating the implementation of Meeting of Directors and General Meeting of Shareholders as well as controlling the secretariat administration of the Directors.
7. Administrating as well as storing the Company's document, among others the Register of Shareholders, Special Register as well as minutes of Meeting of Directors or minutes of General Meeting of Shareholders.
8. Following the capital market development especially the prevailing regulations in the capital market sector.
9. Giving input to the Directors of the Company to comply with the Law in capital market sector and its implementing regulation.
10. Providing service to public on every information as needed by the investor relating to Company's condition.
11. As liaison between the Company and capital market supervisory authority and public.
12. Ensuring that the Company complies with the regulation regarding transparency requirement in line with the application of the principles of Good Corporate Governance.

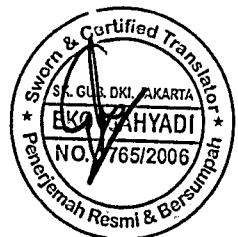
2.13 Internal Auditor



To ensure the effective internal control system, the President Director shall structurally be assisted by Internal Auditor, accounting officer and all components in the Company.

The Internal Auditor shall have the function and responsibility as contained in the reference of organization and work procedure as ratified by the Directors.

The further description regarding the task and function of Internal Auditor shall be set out in Internal Audit Charter as already revised and stipulated by virtue of decision of Directors after obtaining approval of the Board of Commissioners.



CHAPTER III BOARD OF COMMISSIONERS

3.1 Tasks of the Board of Commissioners

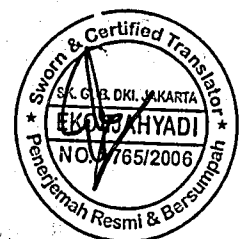
The Board of Commissioners shall constitute council and every Member of the Board of Commissioners cannot act severally, but based on resolution of the Board of Commissioners, so all acts of the Board of Commissioners shall be collegial in nature.

The task of President Commissioner shall be acting as coordinator of all members of the Board of Commissioners.

The Board of Commissioners shall have the task of supervising the policy on management, management in general, either concerning the Company or business of the Company performed by the Directors, and give advice to Directors including supervision toward the implementation of RJPP of Company, RKAP of Company as well as terms and conditions of Articles of Association and Resolution of General Meeting of Shareholders, as well as the prevailing legislation, interest of Company and in accordance with the aim and objective of the Company.

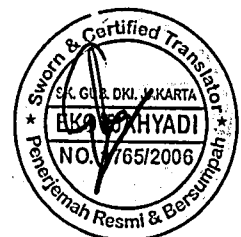
The Board of Commissioner shall be required to:

1. Give advice to the Directors in performing Company's management;
2. Studying over and reviewing as well as signing the Long Term Plan of the Company and Action Plan and Budget of Company as prepared by the Directors,



according to the terms and conditions of this Articles of Association;

3. Studying over and reviewing the period report and annual report as prepared by the Directors as well as signing the Annual Report;
4. Giving explanation, opinion and suggestion to the General Meeting of Shareholders regarding the Annual Report, if so requested;
5. Preparing the annual work program and put into the Action Plan and Budget of the Company;
6. Establishing the Audit Committee;
7. Proposing Public Accountant to the General Meeting of Shareholders;
8. Drawing up minutes of meeting of the Board of Commissioners and maintaining the copy thereof;
9. Reporting to the Company regarding his/her shareholding and/or his/her family in the Company and the other Company;
10. Giving report regarding supervisory task as already performed during the last fiscal year to the General Meeting of Shareholders;
11. Performing any other obligations in the framework of supervisory task and advice granting, as long as not in contravention of the legislation, Articles of Association, and/or Resolution of the General Meeting of Shareholders;



12. Preparing together with the Directors:

1. Guidelines binding every member of Board of Commissioners and Directors, according to the prevailing legislation;
2. Prevailing Code of Conduct to all Board of Commissioners that applies to all members of the Board of Commissioners and members of Directors, workers/employees, as well as supporting organ owned by the Company, pursuant to the prevailing legislation.

3.2 Responsibility threshold of Board of Commissioners

Every Member of Board of Commissioners shall be required in good faith and accountably fulfill his/her tasks for the interest of business and objective of the Company.

The Member of Board of Commissioners shall be responsible jointly and severally for the loss of the Company caused by the default or negligence of the member of the Board of Commissioners in performing his/her tasks.

The member of Board of Commissioners shall not be liable to the company, if he/she can prove:

1. The loss is not due to his/her default or negligence;
2. He/she has conducted supervision in a good faith, full accountability, and prudence for the interest



and according to the aim and objective of the Company;

3. He/she has no conflict of interest either directly or indirectly on supervisory act causing loss; and
4. He/she has taken any act to prevent the loss from arising or continuing.

3.4 Vacancy of Position of Board of Commissioners

Vacancy of Position of Board of Commissioners shall be in case of any of the following events:

1. Total members of Board of Commissioners are less than 2 (two) persons.
2. The position of President Commissioner is vacant.
3. Position of Independent Commissioner is less than 30% (thirty percent) of total Board of Commissioners or not fulfilling provisions in capital market sector.

The position of member of the Board of Commissioners shall be vacant, in case of any of the following events:

1. Resignation.
2. Demise.
3. Expiry of term of office.
4. Discharge based on resolution of GMS (General Meeting of Shareholders).
5. No longer fulfilling the requirements as Member of the Board of Commissioners based on the Articles of



Association and legislation, including but without limitation to double function which is prohibited.

6. Especially for Independent Commissioner, he/she is no longer fulfilling requirements as Independent Commissioner as set out in provisions in capital market sector.

Especially for position of President Commissioner which is vacant, the position of position which is vacant shall be filled in through the Meeting of Board of Commissioners, and further it shall be determined by the GMS (General Meeting of Shareholders).

3.6 Authority of Board of Commissioners

In performing the tasks, the Board of Commissioners shall be authorized to:

1. See the books, letters and any other documents, review the cash for purpose of verification, and other commercial papers and check the assets of the Company;
2. Enter the premise, building and office used by the Company;
3. Ask for explanation from the Directors and/or any other officer regarding any problem relating to Company management;
4. Know any policy and act as already and to be performed by the Directors;



5. Ask the Directors and/or any other officer under the Directors with knowledge of the Directors to attend the meeting of the Board of Commissioners;
6. Appoint and terminate for temporarily the Secretary of the Board of Commissioners if deemed necessary;
7. Terminate for temporarily the members of Directors according to provisions of this Articles of Association;
8. Establish the Committees other than the Audit Committee if deemed necessary by taking into account the capacity of the Company;
9. Use expert for certain thing and within certain period of time at the cost of the Company, if deemed necessary;
10. Take any managerial act of the Company in certain condition for the certain period of time according to provisions of this Articles of Association and the prevailing legislation;
11. Attend the Meeting of Directors and give viewpoints about the discussed materials;
12. Perform any other supervisory authority as long as not in contravention of the legislation, Articles of Association and/or resolution of the General Meeting of Shareholders.



3.7 Independence and Ethic of Position of Board of Commissioners

The implementation of supervisory task of the Company shall be made by maintaining independence and ethic of the position of the Board of Commissioners according to the principle of Good corporate Governance, in order that the Board of Commissioners can act professionally and independently for the interest of the Company in its entirety in reference to Articles of Association and the prevailing legislation.

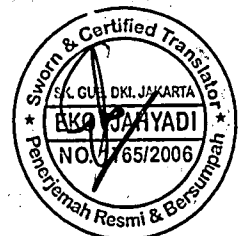
3.8 Meeting of the Board of Commissioners

The Meeting of Board of Commissioners shall be the meeting attended by the members of Board of Commissioners or by inviting the other party which is needed.

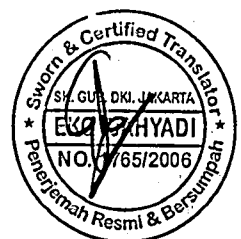
The Meeting of Board of Commissioners can be convened at any time if deemed necessary by one or more member(s) of the Board of Commissioners or at written request from the Directors or at the request of 1 or more shareholder(s) jointly representing 1/10 portion of more of total shares as already paid up by the Company with lawful voting right.

1. Schedule and Agenda of Meeting

- a. The secretary of the Board of Commissioners shall have the task of administrating the Meeting of the Board of Commissioners.



- b. The Board of Commissioners shall schedule the Meeting of the Board of Commissioners for the following year before expiry of the fiscal year.
- c. The Meeting of the Board of Commissioners shall be convened at least once in 2 (two) months.
- d. Summons to the meeting of the Board of Commissioners shall be made by the President Commissioner, in case the President Commissioner is indisposed, which is not necessarily proven to any party whomsoever, the summons to the Meeting of the Board of Commissioners shall be made by the Vice President Commissioner. In case the Vice President Commissioner is indisposed, which is not necessarily proven to any party whomsoever, the summons to the meeting shall be made by one of members of the Board of Commissioners.
- e. The summons to the Meeting of the Board of Commissioners shall be served in writing, either directly against issue an adequate receipt, registered post, courier service, telex, facsimile, or electronic mail (e-mail) to the members of the Board of Commissioners within not later than 5 (five) working days before the time when the meeting is convened



excluding the date of summons and the date of meeting or within shorter period of time in case of emergency. If the meeting is already scheduled based on the previous resolution of Meeting of the Board of Commissioners, no prior summons shall be required.

- f. Invitation/summons to the Meeting of the Board of Commissioners shall contain meeting agenda, date, time and venue of meeting.

2. Venue of Meeting

The Meeting of the Board of Commissioners shall be convened in the Company's domicile, elsewhere within the territory of the Republic of Indonesia or in the place where the Company runs its business activity.

3. Meeting Preparation

- a. The Secretary of the Board of Commissioners shall prepare invitation and meeting materials and deliver the same to each Member of the Board of Commissioner. The Invitation of meeting shall be served to the participants within not later than 5 (three) (sic) days prior to the convening the meeting.
- b. If the meeting invites the other party, the Secretary of the Board of Commissioners shall



serve invitation or notice to the concerned party.

- c. The Member of Board of Commissioners shall receive invitation containing meeting agenda and meeting materials.
- d. In the Meeting of the Board of Commissioners which is already scheduled, the meeting materials shall be delivered to meeting participants within not later than 5 (five) days prior to convening the meeting. If the meeting is convened beyond the schedule as already prepared, the meeting material shall be delivered at the latest prior to the meeting.
- e. The secretary of the Board of Commissioners can ask the other party's favor to help and maintain for smooth implementation of the meeting.

4. Attendance in Meeting

- a. The Meeting of the Board of Commissioners shall be chaired by the President Commissioner. If the President Commissioner is absent or indisposed, which is not necessarily proven to any third party, then the Meeting shall be chaired by one of members of the Board of



Commissioners so selected by and among those who are present in the said Meeting.

b. One member of the Board of Commissioners can only be represented in the Meeting of the Board of Commissioners by the other member of the Board of Commissioners by virtue of power of attorney.

c. The attendance of members of Board of Commissioners in the meeting shall be contained in the annual report of the Company.

5. Adoption of Resolution in the Meeting of Board of Commissioners

a. The Meeting of Board of Commissioners shall be lawful and entitled to adopt binding resolution if attended and/or represented by more than $\frac{1}{2}$ (half) of total members of the Board of Commissioners.

b. Resolution of the Meeting of the Board of Commissioners shall be adopted by deliberation, failing which, the resolution shall be adopted by voting based on affirmative votes of more than $\frac{1}{2}$ (half) portion of total lawful votes already cast in the relevant meeting.

c. In the Meeting of the Board of Commissioners, every member of the Board of Commissioners



shall be entitled to cast 1 (one) vote and additional 1 (one) vote for the other member of the Board of Commissioners he/she represents lawfully in the said meeting.

- d. Blank vote (abstain) shall be considered approving the proposal raised in the meeting. Any unlawful vote shall be considered uncast and negligible in determining the total votes already cast in the meeting.
- e. Voting on a person shall be made in sealed and unsigned ballot, while voting regarding the other matter shall be made verbally, unless stipulated otherwise by the Chairperson of Meeting without objection based on majority votes who are present.

6. Dissenting Opinion

- a. Any Dissenting Opinion shall be contained in the resolution of meeting and the members of the Board of Commissioners who have dissenting opinion shall express the reason for the dissenting opinion to the said resolution.
- b. The Dissenting Opinion does not mean giving the right to the relevant Members of the Board of Commissioners not to perform the meeting resolution. Despite of dissenting opinion, but

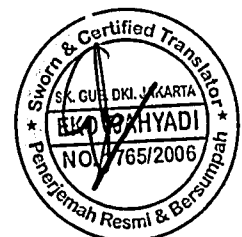


all Members of the Board of Commissioners shall remain liable to comply with and perform the meeting resolution.

- c. The Board of Commissioners shall jointly and severally be fully responsible personally if proven to be guilty or negligent in performing their tasks in the interest of and business of Company, unless the Member of the Board of Commissioners who has dissenting opinion can prove that he/she has taken the act to prevent the said loss from occurring or continuing.
- d. The dissenting opinion as contained in the resolution and the minutes of meeting can become evidence that the relevant Member of the Board of Commissioners has taken the act to prevent the said loss from occurring or continuing by disagreeing with the said meeting resolution. It means that the relevant Member of the Board of Commissioners shall be kept harmless from lawsuit for the occurrence or continuation of the loss as the implementation result of meeting resolution.

7. Minutes of Meeting

- a. Minutes of Meeting of the Board of Commissioners shall be made for every Meeting



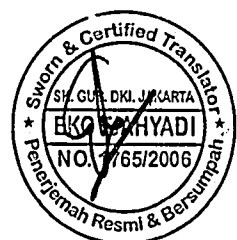
of the Board of Commissioners containing including but without limitation to follow up of the previous resolution of Meeting of the Board of Commissioners in relation to the same discussion agenda upon implementation of the Meeting of the Board of Commissioners, opinions developing in the meeting including dissenting opinion, if any, resolution/conclusion of meeting, and reason for non-attendance of Member of the Board of Commissioners, if any.

- b. Every member of Board of Commissioners shall be entitled to receive copy of the Minutes of Meeting of the Board of Commissioners, regardless whether or not the relevant Member of the Board of Commissioners attends the Meeting of the Board of Commissioners.
- c. The Draft of minutes of Meeting of the Board of Commissioners shall have been distributed to the member of the Board of Commissioners within not later than 3 (three) working days as of implementation of the Meeting of the Board of Commissioners.
- d. Within the period of 7 (seven) calendar days as of the date of delivery of minutes of meeting, any member of the Board of Commissioners who is present and/or represented in the relevant



Meeting of Board of Commissioners shall confirm his/her agreement or objection and proposal of improvement on anything as contained in the minutes of Meeting of the Board of Commissioners to the chairperson of Meeting of the Board of Commissioners, as long as the point which is improved needs to be made since the draft of minutes shall not reflect the existing meeting resolution.

- e. If the objection and/or proposal of improvement is not received within the said period of time, then it can be concluded that there is no objection and/or improvement to the relevant minutes of Meeting of the Board of Commissioners.
- f. The original minutes of every Meeting of the Board of Commissioners shall be subject to bookbinding in the annual compilation and stored by the Corporate and shall be available if so requested by every Member of Board of Commissioners and Directors.
- g. The Minutes of Meeting shall describe the meeting process. It is important to be able to see the decision making process and can at the same time become the legal document to determine the accountability of the result of a



certain meeting resolution. In this respect the minutes of Meeting shall at least contain:

- 1) Place, date and time of meeting.
- 2) Discussed Agenda.
- 3) Attendance List as signed by every meeting participant.
- 4) Duration of meeting.
- 5) Evaluation on follow up of the previous meeting result (if any).
- 6) Various opinions as contained in the meeting and who will raise the same.
- 7) Decision making process.
- 8) Adopted resolution.
- 9) Declaration of dissenting opinion to the meeting resolution in case of no unanimous opinion (dissenting opinion).
- 10) Signature of ratification of minutes of meeting.

h. Minutes of meeting shall be enclosed with power of attorney which is given especially by the Member of the Board of Commissioners who is not present to the other Member of the Board of Commissioners (if any).

i. The Secretary of the Board of Commissioners or any other officer so appointed by the President Commissioner shall have the task to make and

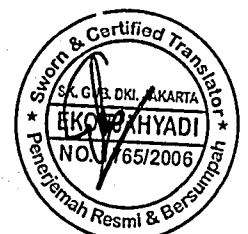


administrate as well as distribute the minutes of meeting.

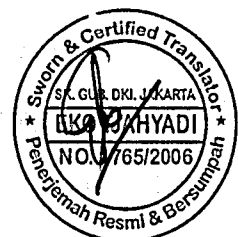
j. In case the meeting is not attended by the Secretary of the Board of Commissioners or any other officer so appointed by the President Commissioner; the minutes of meeting shall be made by one of members of the Board of Commissioners so appointed from those who are present.

k. The Procedure for preparation of minutes of Meeting of the Board of Commissioners shall be as follows:

- 1) Secretary of the Board of Commissioners or any other officer so appointed by the Board of Commissioners shall record all questions, opinions, and any other particulars during the course of meeting, as the material to prepare the minutes of meeting.
- 2) Immediately after closing of meeting, the Secretary of the Board of Commissioners or any other officer so appointed by the Board of Commissioners shall complete the preparation of the draft of minutes of meeting.



- 3) Secretary of the Board of Commissioners or any other officer so appointed by the Board of Commissioners shall distribute the draft of minutes of meeting to the Members of the Board of Commissioners within not later than 3 (three) working days after the meeting for correction or approval.
- 4) The Member of Board of Commissioners shall receive and learn the draft of minutes of meeting. If the minutes of meeting is approved, the Member of Board of Commissioners needs signature in the draft of minutes of meeting, and resend the same to the Secretary of the Board of Commissioners or the other officer so appointed by the Board of Commissioners.
- 5) In case of correction, the Member of the Board of Commissioners may deliver the correction to the Secretary of the Board of Commissioners or any other officer so appointed by the Board of Commissioners within not later than 7 (seven) calendar days after receipt of the draft of minutes of Meeting.



- 6) Secretary of the Board of Commissioners or the other officer so appointed by the Board of Commissioners shall improve the minutes of meeting and distribute the minutes of meeting as already improved to obtain approval/initial of the Member of the Board of Commissioners.
- 7) The Minutes of Meeting shall be delivered to the chairperson of Meeting of the Board of Commissioners for signing together with all Members of the Board of Commissioners who are present in the Meeting.
- 8) In case there is any member of the Board of Commissioners who does not sign the Meeting result, the concerned person shall mention the reason thereof in writing in a separate letter as attached to the minutes of Meeting.
- 9) Secretary of the Board of Commissioners shall deliver the meeting result to the related parties for follow-up.

8. Documentation and Confidentiality of Meeting

- a. the Secretary of the Board of Commissioners or any other officer so appointed by the President Commissioner shall administrate the original



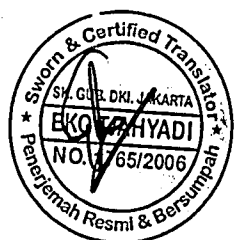
minutes of meeting and give copy thereof to all Members of the Board of Commissioners.

- b. Copy of minutes of Meeting of the Board of Commissioners shall also be delivered to Corporate Secretary to be administrated as legal document of Company.
- c. Every information or resolution discussed in the Meeting of the Board of Commissioners shall be internal and confidential in nature unless those that shall expressly be publicized.
- d. Every party who knows the information or resolution in the Meeting of the Board of Commissioners shall keep confidential the information or resolution of the said Meeting of Board of Commissioners, and shall not disclose the same to any party whomsoever without approval of the Board of Commissioners.

9. Result of Resolution of the Board of Commissioners

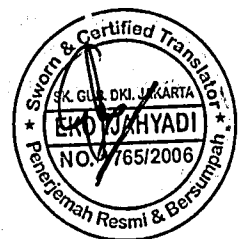
The Board of Commissioners shall immediately notify the Resolution of the Board of Commissioners relating to the act of the Directors that requires approval of the Board of Commissioners within not later than 7 (seven) days after signing of the Minutes of Meeting of the Board of Commissioners.

3.9 Joint Meeting



Terms and conditions of Joint Meeting

1. The Joint Meeting shall constitute the form of supervision of the Board of Commissioners as set out in the Company's Articles of Association and serve at the same time as media of coordination between the Directors and the Board of Commissioners in the framework of discussing periodic reports of the Directors and discuss the business condition and prospect as well as national policy giving impact to the Company's performance and give response, records and advice as contained in the Minutes of Meeting.
2. The Joint Meeting shall be convened periodically at least once in 4 (four) months.
3. The Board of Commissioners together with the Directors shall schedule the Joint Meeting for the subsequent year before expiry of the fiscal year.
4. In the Joint Meeting as already scheduled, the meeting materials shall be distributed to the participants within not later than 5 (five) days prior to the meeting. If the meeting is convened beyond the schedule as already prepared, the meeting materials shall be distributed at the latest before the meeting.
5. The Joint Meeting shall be convened at the proposal of the Board of Commissioners or Directors, by taking into account the provisions on summons to the



Meeting which is effective in the summons to the Meeting of Directors and the Meeting of Board of Commissioners.

6. The Joint Meeting shall be attended by the Member of the Board of Commissioners, Members of Directors, Secretary of the Board of Commissioners, Corporate Secretary or any other officer so assigned by the President Commissioner/President Director and may invite resource persons from inside or outside the Company, unless for special meetings which shall only be attended by the members of the Board of Commissioners and Members of Directors.
7. The Joint Meeting can be convened to follow up the suggestion of problem or complaint from the Stakeholders including suggestion for resolution as required.
8. The Joint Meeting shall also constitute the form of supervision toward the implementation of evaluation on follow up of the previous resolution of the Joint Meeting including discussion/review on proposal of the Directors and direction/resolution of the GMS (General Meeting of Shareholders) relating to the proposal of Directors.
9. The attendance of members of the Board of Commissioners in the meeting shall be disclosed in the annual report of the Company.



Quorum of the Joint Meeting

1. Quorum of Joint Meeting shall be fulfilled if attended by at least (i) President Commissioner and Independent Commissioner who also serves as Chairperson of the Audit Committee; and (ii) President Director and one Director who is in charge of or supervising the sector that becomes the discussion agenda of the Joint Meeting.
2. In case the President Commissioner is indisposed, he/she can be represented by the other member of Commissioner provided that the total members of Commissioners who are present in the Joint Meeting shall be more than one person.
3. In case the President Director is indisposed, he/she can be represented by the other Director other than the Directors who is in charge of or supervising the sector that becomes the discussion agenda of the Joint Meeting. For avoidance of doubt, the total Directors who are present in the Joint Meeting shall be more than one person.

3.10 Committees of Board of Commissioners

1. The Board of Commissioners shall, in supporting the effective implementation of the tasks and responsibilities, establish the Audit Committee and can establish the other committee.



2. The Audit Committee shall be established by and report to the Board of Commissioners in supporting the implementation of task and function of the Board of Commissioners, by giving professional and independent opinion to the Board of Commissioners relating to the financial statement and information as delivered by the Directors to the Board of Commissioners and the other stakeholders as well as concerning the internal effective control of the Company, as set out in the Audit Committee Charter. The Audit Committee shall be chaired by the Independent Commissioner.
3. The Board of Commissioners shall, in performing nomination and remuneration function, establish Nomination and Remuneration Committee to help performing the function and task of the Board of Commissioners relating to nomination and remuneration to the members of Directors and members of the Board of Commissioners, as set out in the Nomination and Remuneration Committee Charter. The Nomination and Remuneration Committee shall be chaired by the Independent Commissioner.
4. The Board of Commissioners may establish the other committee whose names and objective shall be adjusted to the need of the Board of Commissioners, which is independent in nature either in the



implementation of its task or in the reporting and shall report to the Board of Commissioners. The other committee shall work collectively in performing its tasks assisting the Board of Commissioners. The other Committee shall consist of chairperson, originating from the member of the Board of Commissioners, and member.

5. The Board of Commissioners shall conduct evaluation to the committee's performance assisting the implementation of its tasks and responsibilities annually using the method as stipulated by the Board of Commissioners.

3.11 Secretary of the Board of Commissioners

The Board of Commissioners may establish or appoint the Secretary of the Board of Commissioners. In case the Board of Commissioners establish or appoint the Secretary the Board of Commissioners shall have the tasks as follows:

1. Assisting the Board of Commissioners in performing its tasks as follows:
 - a. Preparing the meeting, including briefing sheet of the Board of Commissioners;
 - b. Making minutes of Meeting of the Board of Commissioners;



- c. Administrating the document of the Board of Commissioners, either incoming letter, outgoing letter, minutes of meeting or any other documents;
- d. Preparing the draft of Action Plan and Budget of the Board of Commissioners;
- e. Preparing the draft of reports of the Board of Commissioners;
- f. Ensuring that the documents of activities from item a until item f shall maintained appropriately.

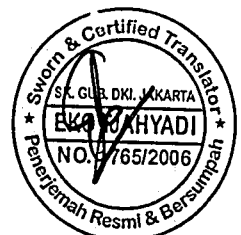
2. As the chairperson of Secretariat, it shall perform the other tasks as follows:

- a. Ensuring that the Board of Commissioners shall comply with the legislation and adopt the principles of Good Corporate Governance;
- b. Giving information as needed by the Board of Commissioners periodically and/or at any time if so requested;
- c. Coordinating the members of Committee, if necessary for smooth implementation of the task of Board of Commissioners;
- d. As liaison officer of the Board of Commissioners and the other party.



3.12 Evaluation of Performance of the Board of Commissioners and Members of the Board of Commissioners

1. Evaluation of performance of the Board of Commissioners shall be carried out by each member of the Board of Commissioners through the self-assessment mechanism based on criteria of evaluation relating to the implementation of task and responsibility of the Board of Commissioner.
2. The evaluation of performance of the Board of Commissioners shall be carried out annually.
3. The criteria of evaluation of the performance of the Board of Commissioners shall be based on the following points:
 - a. Effective implementation of the action plan of the committees under the Board of Commissioners.
 - b. The implementation process of task and responsibility by the member of the Board of Commissioners;
 - c. Application of Good Corporate Governance by the members of the Board of Commissioners; and
 - d. Compliance with the prevailing regulation.
4. The Board of Commissioners shall prepare the self-assessment policy to assess the performance of the Board of Commissioners and the members of the Board of Commissioners, including setting out about the



aim and objective of the assessment, implementation time periodically, parameter or criteria of the assessment which is used.

5. The self-assessment policy which is already prepared and expressed through the Annual Report of the Company.
6. The Assessment of the performance of the Board of Commissioners and the Members of the Board of Commissioners shall be discussed and resolved in the Meeting of the Board of Commissioners and contained in the minutes of Meeting of the Board of Commissioners.
7. The delivery of report of performance of the Board of Commissioners and Members of the Board of Commissioners in the report of implementation of supervisory task of the Board of Commissioners to the Shareholders in the GMS (General Meeting of Shareholders) for evaluation.
8. Result of assessment of the performance of the Board of Commissioners and Members of the Board of Commissioners shall be the one that determines the remuneration scheme and granting of incentive to the Members of Board of Commissioners, and shall become the basis of consideration for the Shareholders through GMS (General Meeting of Shareholders) to



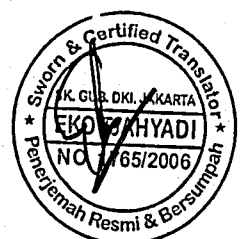
terminate or reappoint the relevant Members of the Board of Commissioners.

3.15 Values

1. Transparency
2. Integrity
3. Innovation

3.16 Working Hours of the Board of Commissioners.

1. The Board of Commissioners shall provide the time which is sufficient to perform its tasks and responsibilities optimally.
2. The Board of Commissioners shall be present at least upon the Meeting of the Board of Commissioners and upon the Meeting of Committee in which the Member of Board of Commissioners has become the member of the said Committee.



CHAPTER IV WORK PROCEDURE FOR RELATIONS BETWEEN THE
DIRECTORS AND BOARD OF COMMISSIONERS

4.1 Basic Principle

Good work relations between the Directors and the Board of Commissioners shall constitute one of important things in order that each of the Company's Organ can work according its tasks, authorities and responsibilities effectively and efficiently.

The work procedure for relations between the Directors and the Board of Commissioners shall be made by firmly holding the following principles:

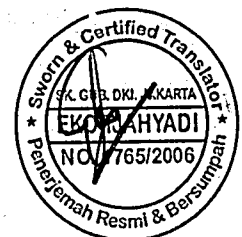
1. Directors and the Board of Commissioners shall, in performing their tasks, shall always prioritize the interest of the Company and in line with the aim and objective of the Company and shall act in good faith, prudently, and accountably.
2. The Directors and the Board of Commissioners shall mutually respect their tasks, responsibilities and authorities according to legislation and Articles of Association of Company by also taking into account their respective Authority Threshold (Appendix 1).
3. The Board of Commissioners shall be entitled to obtain access to Information of company timely and fully.



4. The Directors shall be responsible for ensuring that the information regarding the Company shall be given to the Board of Commissioners timely and fully.
5. Every work relations between the Directors and the Board of Commissioners shall constitute the relationship which is institutional formal in nature, in the meaning that it shall always be based on standard mechanism or correspondence which is accountable.
6. Correspondence between the Directors and the Board of Commissioners shall use format of letter containing explanation of the aim and objective of the said letter.
7. Every work relation which is informal in nature can be made by each Member of the Board of Commissioners and Directors, but having no force of law prior to decision through lawful mechanism according to the legislation and Articles of Association of the Company.

4.2 Act of Directors that shall Obtain Written Approval of the Board of Commissioners

1. Procedure relating to the Act of Directors that shall obtain Written Approval from the Board of Commissioners.



The Board Manual shall set out the approval application mechanism filed by the Directors to the Board of Commissioners with general procedure as follows:

- a. Directors shall give written application for the activity that requires written approval from the Board of Commissioners.
- b. The Board of Commissioners shall make evaluation and analysis on activity materials that require written approval and may, if deemed necessary, ask for additional explanation and/or discussion with the Directors.
- c. The Board of Commissioners shall give written resolution on proposal material of the Directors within not later than 30 (thirty) calendar days after receipt in full by the Board of Commissioners of the application or explanation and documents.

2. Act of Directors that shall obtain written approval from the Board of Commissioners

a. Approval of RJPP and Amendment thereto

RJPP shall include evaluation on the previous implementation of RJPP, recent position of the Company, assumptions that are used in the



preparation of RJPP, formulation regarding vision, mission, cultural values of the company, target to attain by the Company within the period of five years, as well as policy and strategy to achieve it. The RJPP shall become reference for the Directors in preparing the RKAP and carry out the operational activity of the Company for five years to come.

b. The approval of RKAP and Amendment thereto

RKAP shall constitute annual description of RJPP. RKAP shall be prepared as the reference to the Directors in managing the Company and achieving target that has been stipulated within the period of one year to come.

The RKAP contains the annual action plan together with cost budget for the implementation of the said action plan, that shall be delivered by the Directors to the Board of Commissioners for approval before commencement of fiscal year to come.

c. Approval of Annual Report

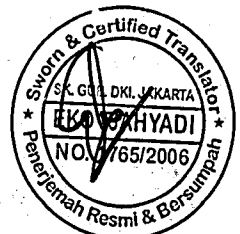
Directors shall prepare the Annual Report as the manifestation of Company management responsibility, and the Board of Commissioners shall prepare the report of supervisory task during the last fiscal year as the



manifestation of Supervisory responsibility to the Company. The Draft of Annual Report shall be reviewed by the Board of Commissioners for delivery to the GMS (General Meeting of Shareholders) for approval and ratification within the period of not later than 4 (four) months after expiry of the fiscal year of the Company.

- d. **Borrowing or lending money on behalf of the Company, with value of more than the limit amount as stipulated in the Authority Threshold.**

It shall in this case include receiving and/or giving medium/long term loan, it shall also include giving short/medium/long term loan which is not operational in nature. The medium/long term loan shall be the obligation of the Company to the bank or any other financial institution which settlement is predicted to be made within the period of more than one normal operation cycle of the Company or due date within the period of more than 12 (twelve) months after the date of report of financial position. Meanwhile, the short/medium/long term loan which is not operational in nature shall be loan granting



activity to Joint Venture Company, Affiliate or any other party to finance the investment activity. The loan to the Subsidiary shall sufficiently be reported to the Board of Commissioners.

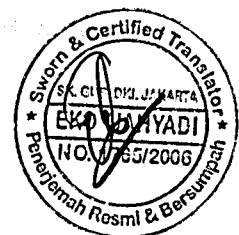
e. Incorporating Subsidiary and/or Joint Venture Company, either in the home country or overseas, with value exceeding limit amount as stipulated in the Authority threshold

The incorporation of Subsidiary and/or Joint Venture Company shall be the act of Company together with the other one or more partner(s) of Shareholders aiming at establishing a new corporate body and further making capital participation for the first time to the new corporate body as subscribed and paid up capital.

The Scope of provisions of Board Manual relating to the incorporation of this Subsidiary and/or Joint Venture Company shall also include incorporation of subsidiary and/or Joint Venture Company performed by the Subsidiary.

f. Acting as Corporate Guarantor

The guaranteeing shall constitute the activity of the Company as guarantor on liability of



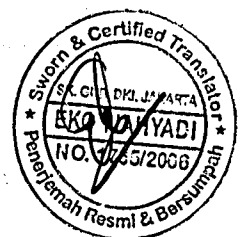
Subsidiary, Joint Venture Company or Affiliate Company, or any other party (relating to transaction of Subsidiary, Joint Venture Company, the said affiliate company) in one transaction or some transaction which are connecting to each other. Those that are not included into guaranteeing activity shall be guaranteeing made by the Company as common act to support the main business activity of the Company.

- g. Selling properties or assets belonging to the Company in the form of immovable goods with value of more than limit amount as stipulated in the Authority threshold.

In this case the immovable goods shall be land, building and combination between land and building.

- h. Obtaining and/or selling/transferring and/or answering for, pledging or guarantee all or the most part of properties of the Company (assets) either in one transaction or some transaction, with value of more than amount limit as stipulated in the Authority threshold.

By Company's assets shall mean: 1) land, 2) building, 3) combination between land and building, 4) material and inventory, including



machinery and equipment, motorized vehicle, stationery, and dead stock inventory, and/or 5) operating assets.

Those not included into the definition of Company's assets shall mean assets nor recorded as stock, namely MRO (Material Repair Operation).

Selling/assigning of Company's assets shall mean every act of assigning in the form of release of rights of ownership/control over the assets belonging to the Company, which writing-off shall first be made, by receiving payment in the form of money or in the form of exchange for the other assets or other way allowed by the prevailing legislation.

Mortgaging, pledging or securing the Company's assets shall mean the act of causing the assets belonging to the Company to be collateral of Company's liability to the third party (creditor).

Material and Inventory

- The definition of material and inventory shall mean those as referred to in the internal relating to write-off and handover of material and/or inventory prevailing within the Company.

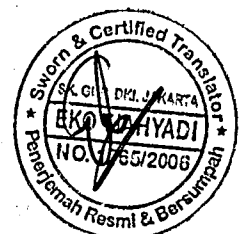


- The value which is used as basis for write-off over the material and inventory shall mean the acquisition value of the said fixed assets.
- The value shall mean combination value of some object of material and inventory to be written off and handed over in 1 (one) proposal of write-off.
- The activity of write-off and handover of the material and inventory shall be made for 1 (one) proposal in 1 (one) year.

The Directors shall give report to the Board of Commissioners regarding result of inventory of material and inventory to be written off and handed over in the end of the first semester annually.

i. Approval to Open Branch office or Representative Office Elsewhere Outside the Territory of the Republic of Indonesia

In the process of approval of the Board of Commissioners relating to the incorporation of branch office/representative office of the Company, Directors give explanation which shall at least contain: 1) aim and objective of the establishment of the branch office/



representative office of the Company, 2)
research related to bookkeeping of branch
office/representative office of the Company.

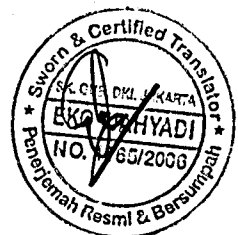
- j. Writing off from bookkeeping the delinquent receivables and dead stock inventory in the value exceeding the limit as stipulated in Authority threshold.

The write-off of delinquent receivables shall mean the act to write-off the delinquent receivables and/or the act not to collect any more the delinquent receivables which implementation shall further be set out in the internal procedure relating to write-off of delinquent receivables within the Company.

- k. Proposing the Company's Representative to become the prospective Member of Directors and the Board of Commissioners in Subsidiary having Significant Contribution

Significant Contribution shall mean contribution of Subsidiary to the Company's income. Meanwhile the strategic value shall mean the value of Company's assets if compared to the value of Company's assets.

Implementation on filing of request in relation to the act of Directors shall further be set out in resolution of directors regarding



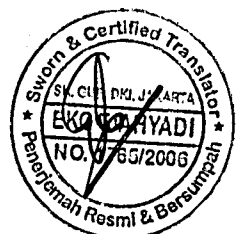
nomination committee for the board of management of subsidiary.

1. Taking any acts which are included into material transaction as stipulated by the legislation in the area of capital market with value as stipulated in the Authority threshold, except the acts are included into material transaction which is excluded by the legislation in the Capital Market.

If the Company conducts Affiliate Transaction that shall be publicized to public through a certain transparency of information in newspapers according to the prevailing legislation, then the Company shall first obtain approval from the Board of Commissioners before making the said Affiliate Transaction.

In the approval process of the Board of Commissioners relating to the Affiliate Transaction that shall be publicized, the Directors shall give explanation which shall at least contain: 1) reason for the Affiliate Transaction, and 2) impact of the Affiliate Transaction to the Company.

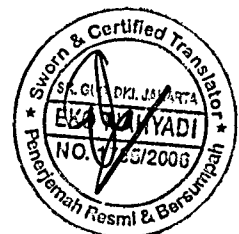
4.4 Act of Directors that shall obtain approval of GMS (General Meeting of Shareholders)



1. The procedure for requesting the act of Directors that require approval of GMS (General Meeting of Shareholders)

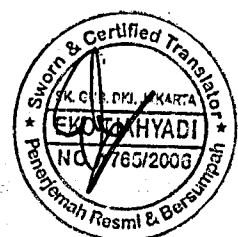
The procedure for requesting the approval of the act of Directors that require approval of GMS (General Meeting of Shareholders) shall be as follows:

- a. The Directors shall submit written application regarding the plan on implementation of GMS (General Meeting of Shareholders) to ask for approval relating to the act of Directors to the Board of Commissioners.
 - b. After obtaining written approval from the Board of Commissioners regarding the plan on convening the GMS (General Meeting of Shareholders), the Directors shall use the procedure for convening the GMS (General Meeting of Shareholders) according to regulation of FSA (Financial Service Authority) regarding the procedure for convening the GMS (General Meeting of Shareholders) of issuer.
2. The act of Directors that shall obtain Approval of GMS (General Meeting of Shareholders)
 - a. Approval to assign the Company's assets being more than 50% of total net assets (equity) of the Company in one transaction or more, whether

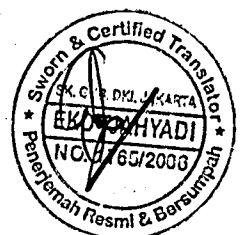


relating to each other or not, and the said transaction is transaction of transfer of net assets of the Company occurring within the period of 1 fiscal year.

- b. The approval to cause to be the loan collateral the Company's assets being more than 50% of total net assets (equity) of the Company in one transaction of more, whether or not relating to each other, and the transaction shall be transaction of transfer of net assets of the Company occurring within the period of 1 fiscal year.
- c. The legal action to make Material Transaction, Affiliate Transaction, and certain Conflict of Interest Transaction as referred to in the legislation in the area of Capital Market that requires approval from the GMS (General Meeting of Shareholders) of the Company under the terms and conditions as set out in the legislation in Capital Market Sector.
- d. Making amalgamation, merger, takeover, separation and dissolution of Subsidiary and the Joint Venture Company by taking into account the provisions in Capital Market Sector.



- e. Making capital participation, relinquishing the capital participation including change of capital structure in the other Company, Subsidiary, and Joint Venture Company which is not in the framework of recovering receivables by taking into account the provisions in Capital Market Sector.
- f. Borrowing or lending money on behalf of the Company, with value exceeding total limit as stipulated in Authority threshold.
- g. Incorporating Subsidiary and/or Joint Venture Company either in the home country or overseas, with value of exceeding the total limit as stipulated in the Authority threshold.
- h. Selling properties or assets belonging to Company in the form of immovable goods with value of exceeding the total limit as stipulated in the Authority threshold.
- i. Obtaining and/or selling/transferring and/or mortgaging, pledging or securing all or the most part of properties of the Company (assets) either in one transaction and/or some transactions, with value of more than total limit as stipulated in the Authority threshold.
- j. Writing off from the bookkeeping the delinquent receivables and dead stock inventory in the



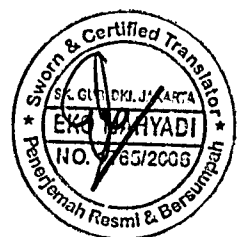
value exceeding the limit as stipulated within Authority threshold.

4.8 Report of Implementation of Company Management

In the Company's Articles of Association, the Directors shall be obligated to among others giving responsibility and information regarding the condition and management of the company in the form of report of Company's activity including Financial Statement, in the form of Annual Report or periodic report according to the way and time as stipulated in the prevailing legislation and/or if so required at any time by the Board of Commissioners.

Report of Company's activity shall be among others relating to:

1. Steel business, among others price, supply material;
2. Business development;
3. Project progress;
4. Assets;
5. Performance achievement;
6. Human Resources;
7. Information Technology;
8. Subsidiary management;
9. Policy on health and occupational safety;
10. Risk management policy;
11. Action plan of corporation;



12. Audit findings of Internal Auditor; and
13. Company Shares Development (GGRP).

The Board of Commissioners may give response on report given by the Directors regarding Company development and report its task implementation result to the shareholders according to the prevailing legislation.

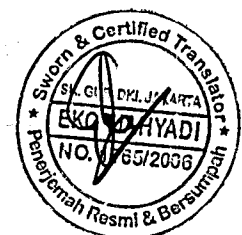
4.7 GMS Approval Granting Mechanism

The GMS approval granting shall be made through forum to Adopt Resolution of General Meeting of Shareholders with quorum as set out in the Company's Articles of Association or the prevailing legislation.

4.8 Proposal of Appointment of Public Accountant to GMS (General Meeting of Shareholders)

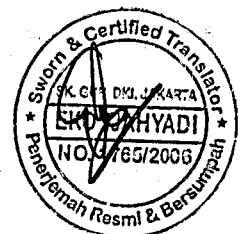
The Board of Commissioners shall be responsible for proposing Public Accountant Office to GMS (General Meeting of Shareholders) to be assigned to perform audit of financial statement of the Company for the current year and report the same to the subsequent GMS (General Meeting of Shareholders). The Directors shall help the Board of Commissioners in the implementation of procurement of Public Accountant Office until entering into contract according to the legislation.

1. The Board of Commissioners shall be assisted by the Audit Committee in making research to the candidate



for Public Accountant Office to be proposed in the
GMS (General Meeting of Shareholders).

2. The Audit Committee proposes three candidates for
Public Accountant Office to the Board of
Commissioners which is prepared based on sequence of
rating of assessment result.
3. The Board of Commissioners shall determine Public
Accountant Office to be proposed to GMS (General
Meeting of Shareholders).
4. The Board of Commissioners shall propose the Public
Accountant Office to GMS (General Meeting of
Shareholders) to audit the annual financial
statement and ask delegation of authority and power
to GMS (General Meeting of Shareholders in
determining the amount of service value of the said
Public Accountant Office.
5. If the GMS (General Meeting of Shareholders)
receives proposal of the Board of Commissioners, the
GMS (General Meeting of Shareholders shall stipulate
the Public Accountant Office proposed by the Board
of Commissioners. If the GMS (General Meeting of
Shareholders) refuses, the GMS (General Meeting of
Shareholders) shall stipulate the Public Accountant
Office.



CHAPTER V CLOSING

5.1 Effectiveness of Board Manual

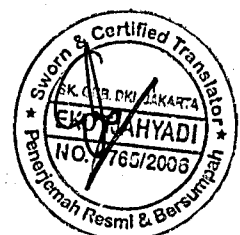
This Board Manual shall be prepared as work guidelines of the Directors and Board of Commissioners which is already agreed and stipulated jointly, in order to be able to perform their tasks and responsibilities efficiently, effectively, transparently, competently, independently, and accountably so as to be accepted by all concerned parties and in reference to the prevailing legislation. The Board of Commissioners and Directors shall be responsible for ratifying the Board Manual.

5.2 Dissemination of Board Manual

The Company shall disseminate the Board Manual sustainably. The sustainable dissemination activity shall be made to the new and existing Members of Directors and members of the Board of Commissioners. The dissemination shall be focused on understanding, awareness and need to apply the Good Corporate Governance consistently through introductory program for the Member of Directors and Member of the Board of Commissioners.

5.3 Evaluation and Review of Board Manual

The Company shall make periodic evaluation or according to the need to know and measure conformance of the Board Manual to the prevailing legislation or business dynamicity that occurs. The Evaluation of Board Manual of



the Company shall be performed by the Corporate Secretary and Secretary of the Board of Commissioner, and coordinating with the Internal Auditor.



APPENDIX 1

Approval of Threshold of Authority of Directors

PT Gunung Raja Paksi Tbk.

No.	Action	Value	Approval	Notes
1	a. Borrowing or lending money on behalf of PT Gunung Raja Paksi Tbk. b. Taking any other act and deed regarding management or ownership of Company's assets, binding the Company to the other party and/or the other party to PT Gunung Raja Paksi Tbk., and representing PT Gunung Raja Paksi Tbk. either inside or outside the court regarding anything and any event	< 1 billion	President Director and a Director	
		1 billion – 10 billion	Majority of members of Directors	
		> 10 billion – 10% of total Equity of PT Gunung Raja Paksi Tbk	Board of Commissioners	With exception of acts (transaction) being the daily business activity of PT Gunung Raja Paksi Tbk
		> 10% of total Equity of PT Gunung Rajay Paksi Tbk	General Meeting of Shareholders	
2	Acquiring and/or selling/transferring and/or mortgaging, pledging or securing all or the most part of assets of PT Gunung Raja Paksi Tbk (assets)	<500 million	President Director and a Director	
		500 million – 1 billion	Majority members of Directors	
		>1 billion – 10% of Total Equity of PT Gunung Raja Paksi Tbk	Board of Commissioners	With exception to any acts (transactions) being the daily business activity



				of PT Gunung Raja Paksi Tbk.
		>10% of Total Equity of PT Gunung Raja Paksi Tbk.	General Meeting of Shareholders (GMS)	
3	a. Incorporating subsidiary and/or joint venture company, either in the home country of overseas.	≤10% of Total Equity of PT Gunung Raja Paksi Tbk	Board of Commissioners	
	b. Selling properties or assets belonging to the Company in the form of immovable goods.	> 10% of Total Equity of PT Gunung Rajay Paksi Tbk	General Meeting of Shareholders (GMS)	
	c. Writing off from the booking the delinquent receivables and dead stock inventory			

I, Eko Tjahyadi, Sworn & Certified Translator and team, hereby declare that this document is an English translation of a document prepared in Indonesian language. In translating this document an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. However differences may occur in translation and if they do the original text has precedence in law.

Jakarta, May 6, 2020

