

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

L. THE COMMITTEES OF THE BOARD OF DIRECTORS

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

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

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



1. Ethic Related to Exemplary Action

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

2. Compliance Ethic Towards Laws and Regulations

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

3. Ethic Related to Information Disclosure

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

4. Ethic Related to the Opportunities of the Company

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

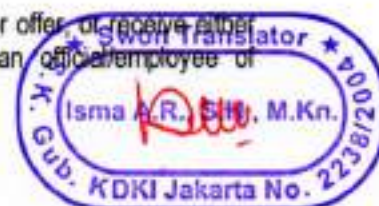
- a. Take business opportunities of the Company for the interest of his own, his family, his business group, and/or other parties.
- b. Use the assets of the Company, the information of the Company or his position as a member of the Board of Directors for his personal interest outside the provisions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

5. Business Ethic and Anti-Corruption

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

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

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



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

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

6. Ethic Related to Conflict of Interest

The Related Party covers:

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

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

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



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

N. CONFIDENTIALITY AND INFORMATION DISCLOSURE

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

O. THE INTRODUCTION PROGRAM AND COMPETENCE IMPROVEMENT

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

