

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

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

D. THE MAIN DUTIES OF THE BOARD OF DIRECTORS

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



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

E. THE DUTIES, RESPONSIBILITIES, AND AUTHORITIES

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



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



regulations;

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



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

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

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

G. INDEPENDENCE OF THE BOARD OF DIRECTORS

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

