

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

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

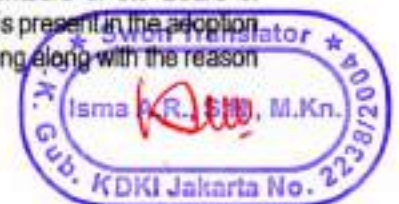
**1. Forum for the Adoption of Resolution/Approval**

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

**2. Mechanism for the Adoption of Resolution/Approval**

**a. Meeting of the Board of Directors**

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



of such dissenting opinion.

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

**b. The Executive Committee (Joint Approval)**

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

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

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

**d. Compliance Review over Approval Authority**

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





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

## K. REPORTING AND ACCOUNTABILITY

### 1. Report delivered Annually:

#### a. Annual Report

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

