CHAPTER I

THE BOARD OF COMMISSIONERS

A. THE COMPOSITION OF THE BOARD OF COMMISSIONERS

1. The Composition of the Board of Commissioners

   a. The Board of Commissioners consists of at least 2 (two) members, one individual among them will be appointed as the President Commissioner, and if required one individual among them may be appointed as the Vice President Commissioner;

   b. The Board of Commissioners consists of the Commissioners and the Independent Commissioners, the total number of Independent Commissioners must be at least 30% (thirty percent) of the total number of the entire members of the Board of Commissioners.

2. The Term of Office of the Board of Commissioners

   a. The term of office of the members of the Board of Commissioners is stipulated 5 (five) years and may be reappointed for 1 (one) more term of office.

   b. The members of the Board of Commissioners will be provided with honorarium and allowances/facilities including bonus royalty, and retirement benefits, the type and amount of which are stipulated by the GMS with due observance of the provisions of the prevailing laws and regulations.

B. THE MEMBERSHIP OF THE BOARD OF COMMISSIONERS

1. The Appointment of the Board of Commissioners

   a. The Members of the Board of Commissioners will be appointed and dismissed by the GMS.

   b. The Members of the Board of Commissioners will be appointed from the candidates nominated by the Shareholders and the nomination aforesaid is binding towards the GMS.

   c. The proposal for the appointment of the Board of Commissioners to the GMS will be carried out with due observance of the recommendation from the Board of Commissioners. In giving the recommendation, the Board of Commissioners may observe the input from the Nomination and Remuneration Committee, if any.

   d. The newly appointed Members of the Board of Commissioners must be given the introduction program and competence improvement.

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

2. If according to the assessment of the Minister of State-Owned Enterprises (the Minister of BUMN), there is an urgent condition, then, the Minister of BUMN may appoint a temporary member of the Board of Commissioners without the assessment process, guided by the prevailing laws and regulations.

3. The termination of the Office of the Members of the Board of Commissioners

   a. The office of a member of the Board of Commissioners will end if:

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(i) He passed away;

(ii) His term office has ended;

(iii) He is dismissed based on the GMS;

(iv) He is declared of being bankrupt by the commercial court which has already had permanent legal force or he is put under guardianship based on a court decision; or

(v) He no longer fulfills the requirements as a member of the Board of Commissioners based on the Articles of Association and other laws and regulations.

b. The provisions as stated in point 3.a.(v) above, including but not limited to concurrently serving in a prohibited office and the resignation.

c. The appointment for the members of the Board of Commissioners who did not fulfill the requirements as stated in Point 3.a.(v) above, will be null and void starting as of the time the other members of the Board of Commissioners or the Board of Directors are aware of the non-fulfillment of the requirements aforesaid, based on valid evidence, and to the relevant member of the Board of Commissioners will be notified in writing with due observance of the laws and regulations.

d. For the members of the Board of Commissioners who is resigning before or after the end of his term of office, unless due to his demise, then, the relevant individual will remain responsible for their actions which accountability have not yet been accepted by the GMS.

4. The Dismissal of the Members of the Board of Commissioners

a. The members of the Board of Commissioners at any time may be dismissed based on the resolution of the GMS by stating the reasons thereof.

b. The reasons for the dismissal of a member of the Board of Commissioners as mentioned above will be carried out if based on the facts, the relevant members of the Board of Commissioners, among others:

(i) Does not perform his duties properly;

(ii) Violates the provisions of the Articles of Association and/or the prevailing laws and regulations;

(iii) Is involved in an action which is inflicting losses to the Company and/or the state;

(iv) Commits an action violating the ethic and/or the decency which should be honored as a member of the Board of Commissioners;

(v) Has been stipulated as the suspect or the accused by the authorities in an action which is inflicting losses to the Company and/or the state finance;

(vi) Is convicted of being guilty with the court decision which has already had permanent legal force;

(vii) Resigns.

c. In addition to the reasons for dismissal above, the member of the Board of Commissioners may be dismissed by the GMS based on other reasons considered appropriate by the GMS

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for the interests and objectives of the Company.

d. The resolution for the dismissal may be temporary or permanent in nature, in accordance with the resolution of the GMS, due to the reasons as referred to in point b (i), (ii), (iii), (iv) and point c, which is adopted after the relevant individual is given the opportunity to defend himself in the GMS, based on the provisions of the Articles of Association and the prevailing laws and regulations.

e. The permanent dismissal due to the reason as referred to in point b (iii) and (vi) constitutes dishonorable discharge.

f. Among the members of the Board of Commissioners and/or between the members of the Board of Commissioners and the members of the Board of Directors are prohibited to have family relationship up to the third degree, both according to a straight line and side line, including a relationship arising from a marriage. In the event that there is any of such condition, then, the GMS will be authorized to dismiss one of the individual among them.

g. The proposal for the dismissal of the Board of Commissioners to the GMS will be carried out with due observance of the recommendation from the Board of Commissioners. In providing recommendation, the Board of Commissioners may observe the input from the Nomination and Remuneration Committee, if any;

h. The dismissal of the Board of Commissioners will be carried out based on the provisions of the Articles of Association as well as the prevailing legislations.

5. The Resignation of the Board of Commissioners

a. A member of the Board of Commissioners will be entitled to resign from his office before the end of his term of office by notifying in writing regarding his intention aforesaid to the Company.

b. The Company will be obliged to convene the GMS to resolve on the application for the resignation of a member of the Board of Commissioners within a period of at the latest 90 (ninety) days after the receipt of the resignation letter.

c. The Company will be obliged to carry out information disclosure to the public and submit it to the Financial Services Authority at the latest 2 (two) working days after the receipt of application for resignation of a member of the Board of Commissioners and the result of the convening of the GMS as mentioned above.

d. Before the effective date of the resignation, the relevant member of the Board of Commissioners will continue to be responsible for settling his duties and authorities in accordance with the Articles of Association and the prevailing laws and regulations unless stipulated otherwise by the resolution of the Board of Commissioners based on fair considerations.

e. Towards the resigning member of the Board of Commissioners mentioned above will continue to be able to be requested his accountability as a member of the Board of Commissioners starting as of the appointment of the relevant individual up to the date of approval of his resignation in the GMS and such actions are accepted by the GMS.

f. The discharge of liabilities of the resigning member of the Board of Commissioners will be given after the Annual GMS discharges him.

g. In the event that the resigning of the member of the Board of Commissioners resulted in the

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

6. The Vacant Office of the Board of Commissioners

   a. If at any time, due to any reason whatsoever, on or more offices of the members of the Board of Commissioners are vacant:

      (i) The GMS must be convened to fill in the vacant offices aforesaid if it causes the members of the Board of Commissioners to be less than 2 (two) individuals, one of whom is the President Commissioner or the vacant office is as the President Commissioner;

      (ii) The GMS as referred to in point (i) above is convened at the latest 90 (ninety) days after the occurrence of the vacant offices.

   b. If at any time, due to any reason whatsoever, the entire members of the Board of Commissioners of the Company are vacant, then, for the time being, the Dwiwarna A Series shareholder may appoint the acting official as the member of the Board of Commissioners to carry out the work of the Board of Commissioners with the same authorities, provided that within a period of at the latest 90 (ninety) days after the occurrence of the vacancy, must be convened the GMS to fill in the vacant office of the Board of Commissioners aforesaid.

C. PRESIDENT COMMISSIONER

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

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

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

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relationship among the Commissioners.

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

D. THE INDEPENDENT COMMISSIONER

1. The Independent Commissioner constitutes a member of the Board of Commissioners who is not affiliated with the Board of Directors, other members of the Board of Commissioners, and the Controlling Shareholders, as well as free from business relationship or other relationship which can affect his capability to act or to solely act for the interest of the Company.

2. The Independent Commissioner has basic responsibility to encourage the application of Good Corporate Governance in the Company through the empowerment of the Board of Commissioners in order to be able to carry out the supervisory duties and the providing of advices to the Board of Directors effectively and to further provide added value to the Company.

a. The Duties of the Independent Commissioner

(i) Warrant the transparency and openness of the financial statement of the Company;

(ii) Fair treatment towards the minority Shareholders and other Stakeholders;

(iii) Disclose the transactions containing conflict of interest in a properly and fairly;

(iv) Ensure the compliance of the Company to the prevailing legislations and regulations;

(v) Warrant the accountability of the organs of the Company

b. The Authorities of the Independent Commissioner

(i) Chair the Audit Committee and other Committees.

(ii) The Independent Committee who has occupied the office for 2 (two) periods of term of office may be reappointed on the subsequent period to the extent that the Independent Commissioner aforesaid declares himself to remain independent to the GMS and it must be disclosed in the Annual Report.

(iii) In the event that the Independent Commissioner occupies the office on the Audit Committee, the relevant Independent Commissioner may only be reappointed on the Audit Committee for another 1 (one) period of subsequent term of office on the Audit Committee.

(iv) Based on the rational and prudential considerations, will be entitled to express an opinion different from that of other members of the Board of Commissioners and it must be recorded in the Minutes of Meeting of the Board of Commissioners and the different opinion which is material in nature must be included in the annual report.

c. The Responsibilities of the Independent Commissioner

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

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(i) Ensure that the Company has effective business strategy, including to monitor the schedule, budget and effectiveness of the strategy aforesaid;

(ii) Ensure that the Company appoints the executives and the professional managers;

(iii) Ensure that the Company has information, control system, and audit system which are working properly;

(iv) Ensure that the Company complies with the laws and the prevailing legislations and the values stipulated by the Company in carrying out its operation;

(v) Ensure the risks and crisis potentials are always identified and managed properly;

(vi) Ensure the GCG principles and practices are complied with and applied properly.

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

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

F. THE DUTIES, RESPONSIBILITIES, AND AUTHORITIES

1. The Board of Commissioners will be assigned to carry out the supervision towards the management policies, the running of the management in general, pertaining both to the Company and the businesses of the Company which are carried out by the Board of Directors, and to provide advices to the Board of Directors, including the supervision towards the implementation of Long Term Plan of the Company, the Annual Work and Budget Plan of the Company as well as the provisions of the Articles of Association and the Resolutions of the GMS, as well as the laws and regulations, for the interests of the Company, in accordance with the purposes and objectives of the Company.

2. The Board of Commissioners has the authorities to:

   a. Examine the books, letters, as well as other documents, examine the cash for verification purposes, and other securities, and examine the assets of the Company;

   b. Enter the premises, buildings, and offices used by the Company;

   c. Demand explanation from the Board of Directors and/or other officials regarding any issues relating to the management of the Company;

   d. Be informed of any policies and actions which have been and will be taken by the Board of Directors;

   e. Demand the Board of Directors and/or other officials under the Board of Directors, with the acknowledgement of the Board of Directors, to attend the meeting of the Board of Commissioners, whereas for the demand or support of activities, other than the meeting to be convened, with due regards to the professionalism, ethics, interests of the Company and the organs of the Company;

   f. Appoint and dismiss a Secretary of the Board of Commissioners;

   g. Suspend a member of the Board of Directors in accordance with the provisions of the Articles of Association of the Company;

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h. Establish the Audit Committee, the Remuneration and Nomination Committee, the Risk Monitoring Committee, and other committees, if considered necessary with due regards to the capabilities of the Company;

i. Utilize the expert staff for certain matters and in certain period at the expense of the Company, if considered necessary;

j. Carry out the management actions of the Company in certain conditions for certain period in accordance with the provisions of the Articles of Association;

k. Approve the appointment and dismissal of the Corporate Secretary and/or the Head of Internal Supervisory Unit;

l. Analyze and carry out review over the annual report prepared by the Board of Directors as well as execute the annual report aforesaid;

m. Attend the meeting of the Board of Directors and provide insights towards the matters being discussed;

n. Exercise other supervisory authorities to the extent they are not contradictory to the laws and regulations, the Articles of Association, and/or the resolutions of the GMS;

o. In the framework of carrying out the supervisory function, the members of the Board of Commissioners during working hours or at other agreed time, collectively or individually, with or without prior notification to the Board of Directors, with due regards to the professionalism, the interests of the Company, the public, as well as the organs, has right of access, including but not limited to the buildings and locations of or other utilized places controlled by the Subsidiary Companies of the Company and has the right to examine the books, letters of evidence, reports, and stocks of goods, and examine the cash position (for verification purposes) and other collaterals, and to be informed of any actions which are taken by the Board of Directors of the Subsidiary Companies based on the principles of information disclosure, with due observance of the confidentiality of the Company, as well as may provide advices to the Subsidiary Companies related to the policies/actions which have been decided and which will be taken by the Board of Directors of the Subsidiary Companies, whether requested or not.

3. In relation to the duties and authorities above, the Board of Commissioners will be entitled to receive income stipulated by the GMS, with the provisions:

   a. The Type of Income

      1) Honorarium;

      2) Allowances, which are consisting of:

         i. Religious holiday allowance;

         ii. Transportation allowance;

         iii. Retirement insurance.

      3) Facilities, which are consisting of:

         i. Health facilities;

ii. Legal assistance facilities.

4) Bonus Royalty/Performance Incentives, in the case of Bonus Royalty, it can be provided with addition in the form of Long Term Appreciation (Long Term Incentive/LTI)

b. The details, amount, types, and procedures for the providing of income for the members of the Board of Commissioners, including their changes, adhering to the provisions in the laws and regulations, the Articles of Association as well as the Company regulation.

4. In relation to the duties and authorities of the Board of Commissioners as referred to in point 2 (two) above, then, the Board of Commissioners will be obliged to:

a. Provide advices to the Board of Directors in carrying out the management of the Company;

b. Give opinions and approval over Long Term Plan of the Company, the Annual Work and Budget Plan of the Company as well as other work plans prepared by the Board of Directors, in accordance with the provisions of the Articles of Association and the provisions of the prevailing laws and regulations;

c. Keep up with the development of the activities of the Company, provide opinions and advices to the GMS regarding every issue considered important for the management of the Company;

d. Report to the Dwiwarna A Series Shareholder if there is any tendency of declining performance of the Company;

e. Propose to the GMS, the appointment of Public Accountant who will carry out the audit over the books of the Company;

f. Analyze and review the periodic report and the annual report prepared by the Board of Directors as well as execute the annual report;

g. Provide explanation, opinion, and advices to the GMS regarding the Annual Report, if accepted;

h. Prepare the minutes of meeting of the Board of Commissioners and keep the official copy of which;

i. Report to the Company regarding his share ownership and/or his family to the Company aforesaid and other Company;

j. Provide report regarding the supervisory duties which have been performed during the recently elapsed financial year to the GMS;

k. Provide explanation regarding any matters inquired about or requested by the Dwiwarna A Series shareholder with due observance of the laws and regulations, particularly those applicable in the Capital Market sector;

l. Carry out other obligations in the framework of supervisory duties and the providing of advices, to the extent they are not contradictory to the laws and regulations, the articles of association, and/or the resolutions of the GMS.

5. Every member of the Board of Commissioners will be jointly and severally liable for the losses of the Company caused by the fault or negligence of the members of the Board of Commissioners in performing his duties.

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6. The member of the Board of Commissioners cannot be demanded for his accountability for the losses of the Company if he can prove:

   a. Such losses aforesaid are not due to his fault or negligence;

   b. He has performed supervision in good faith and prudential manner for the interests and in accordance with the purposes and objectives of the Company;

   c. He does not have any conflict of interest, either directly or indirectly, over the management actions of the Board of Directors resulting in the losses; and

   d. Has taken actions, including provide advices to the Board of Directors which are given formally and which can be proven, either in writing or by means of other media, to prevent the arising of and the continuance of such losses.

7. In certain conditions, the Board of Commissioners will be obliged to convene the annual GMS and other GMS in accordance with his authorities as stipulated in the laws and regulations and the Articles of Association.

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

1. General Principles

a. Any resolution of the Board of Commissioners is adopted in the meeting of the Board of Commissioners or the resolution in lieu of the meeting of the Board of Commissioners.

b. The Board of Commissioners will be obliged to convene the meeting at least 1 (one) time in a month.

c. The Board of Commissioners will be obliged to convene the joint meeting with the Board of Directors periodically at least 1 (one) time in 3 (three) months.

d. The materials for the meeting as referred to in letter c. above, particularly for the meeting discussing the quarterly financial statement, will be delivered by the Board of Directors at the latest 5 (five) working days prior to the convening of the meeting supplemented by the evidence of delivery of documents.

e. The mechanism for the convening of the Meeting of the Board of Commissioners, among others, such as the summoning for the meeting, the venue of the meeting, the quorum, the mechanism for the adoption of resolution, the minutes of meeting, etc., will be entirely referring to the provisions in the Articles of Association of the Company.

f. For good administration, for every member of the Board of Commissioners who are prevented from attending in the meeting of the Board of Commissioners, is implored to grant special power of attorney to other member of the Board of Commissioners.

g. Every resolution of the meeting of the Board of Commissioners which has been convened in accordance with the provisions in the Articles of Association constitutes the resolution of the Board of Commissioners as a council and therefore is binding every member of the Board of Commissioners.

h. If in the adoption of resolution which is carried out by means of voting, there is any difference of opinion or dissenting opinion, then, the dissenting opinion from the member of the Board of Commissioners or other member of the Board of Commissioners granted with power of attorney by him who is present in the adoption of resolution aforesaid, it must be stated in the minutes of meeting along with the reasons for such dissenting opinion aforesaid.

i. Every resolution of the meeting of the Board of Commissioners with the Board of Directors as referred to in letter c above, which has been convened in accordance with the provisions in the Articles of Association constitutes a binding resolution which is binding every member of the Board of Commissioners and the members of the Board of Directors.

j. The process for the adoption of resolution in the meeting of the Board of Commissioners either the meeting of the Board of Commissioners itself or the joint meeting with the Board of Directors related to the input/instruction from the stakeholders, will be carried out swiftly and wisely (not rigid) as well as putting forward the interest of the Company, with due regards to the prudential principles, and compliance towards the prevailing laws and regulations.

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

a. The summoning for the Meeting of the Board of Commissioners must be carried out by the President Commissioner. In the event that the President Commissioner is impeded or not available, then, the summoning for the meeting will be carried out by the Vice President Commissioner or by one of the members of the Board of Commissioners.

b. The summoning for the Meeting of the Board of Commissioners will be given or delivered directly by means of written letter or by means of electronic media which at least contains the agenda, the date, the time, and the venue of the meeting, to every member of the Board of Commissioners, at the latest 5 (five) days prior to the convening of the meeting, excluding the date of the summoning and the date of the meeting, or within a shorter period in urgent condition.

c. The summoning as referred to in letter b above will not be required for meetings which have been scheduled based on the resolution of the Meeting of the Board of Commissioners convened previously.

d. The Meeting of the Board of Commissioners will be convened at the place of domicile of the Company or at other places within the territory of the Republic of Indonesia or at the place of business activities of the Company.

e. In addition to the Meeting of the Board of Commissioners convened with physical attendance, the Meeting of the Board of Commissioners may also be convened by means of teleconference media, video conference or other electronic media facilities in accordance with the prevailing provisions.

f. In the meeting of the Board of Commissioners convened by means of video conference connection or other similar communication facilities, must be drawn up the minutes of meeting in writing and circulated to the entire members of the Board of Commissioners who participate for examination and approval.

g. The Meeting of the Board of Commissioners will be chaired by the President Commissioner, in the event that the President Commissioner is prevented from attending, the meeting will be chaired by the Vice President Commissioner or an appointed Member of the Board of Commissioners.

h. In the event that the President Commissioner did not make any appointment, then a member of the Board of Commissioners with the longest serving period as a member of the Board of Commissioners will act as the chairman of the meeting of the Board of Commissioners.

i. In the event that the members of the Board of Commissioners with the longest serving period

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

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

3. The Mechanism for the Adoption of Resolution

a. All resolutions in the meeting of the Board of Commissioners are adopted by means of deliberation to reach a consensus.

b. The Meeting of the Board of Commissioners will be valid and entitled to adopt binding resolutions only if more than ½ (one-half) of the total number of members of the Board of Commissioners are present or represented in the meeting.

c. If the resolution based on deliberation to reach a consensus cannot be achieved, then, the resolution must be adopted by means of voting based on the affirmative votes of more than ½ (one-half) of the total number of votes validly cast in the relevant meeting.

d. In the case of a tie between the affirmative votes and the dissenting votes, then, the resolution of the Meeting of the Board of Commissioners will be the same as the opinion of the principal/chairman of the Meeting of the Board of Commissioners by continue observing the provisions regarding the accountability as referred to in the Articles of Association of the Company, unless concerning an individual, the adoption of resolution of the Meeting will be carried out by means of closed election.

e. Every member of the Board of Commissioners will be entitled to cast 1 (one) vote and in addition 1 (one) other vote for the member of the Board of Commissioners whom he represented (if he was represented by virtue of power of attorney).

f. The voting concerning an individual will be carried out by means of unsigned folded ballots, whereas voting concerning other matters will be carried out orally, unless the Chairman of the Meeting stipulates otherwise without any objection based on the majority votes of those present.

g. Every member of the Board of Commissioners who is present or represented in the meeting must give or cast vote.

h. In the event that a member of the Board of Commissioners did not cast vote (abstain), then, the relevant member of the Board of Commissioners aforesaid will be considered approving the result of the resolution of the Meeting of the Board of Commissioners and will also be responsible for the result of the resolution of the meeting.

i. Invalid votes will be considered non-existent and will not be taken into account in determining the total number of votes cast in the meeting.

j. The resolution may also be adopted outside the meeting of the Board of Commissioners provided that all members of the Board of Commissioners have been notified regarding the proposal for the relevant resolution and all members of the Board of Commissioners give their approvals regarding the presented proposal as well as execute the approval aforesaid, which resolution will have the same force as a resolution lawfully adopted in the meeting of the Board of Commissioners.

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

4. The Minutes of Meeting of the Board of Commissioners

a. In every meeting of the Board of Commissioners must be drawn up the minutes of meeting containing the matters being discussed (including statement of disapproval/dissenting opinion of the members of the Board of Commissioners), if any, and matters which are resolved must be entered into the annual report.

b. The minutes of meeting as referred to in letter a above must be set out in the Minutes of Meeting drawn up by an individual present in the meeting who is appointed by the Chairman of the Meeting, and then, it is executed by the entire members of the Board of Commissioners who are present and will be delivered to the entire members of the Board of Commissioners.

c. The Minutes of the Meeting of the Board of Commissioners with the Board of Directors must be set out in the Minutes of Meeting. The Minutes of Meeting must be drawn up by an individual present in the meeting who is appointed by the Chairman of the Meeting, and then, executed by the entire members of the Board of Commissioners and the members of the Board of Directors who are present at the latest 20 (twenty) working days after the end of the meeting, containing at least: (i) date of convening of the meeting; (ii) the venue for the convening of the meeting; (iii) the subject matter of the discussion; and (iv) the resolution of the meeting.

d. In the event that there is any member of the Board of Commissioners and/or member of the Board of Directors who did not execute the result of the meeting as referred to in letter b and letter c above, the relevant individual will be obliged to state his reasons in writing in a separate letter which is attached to the minutes of meeting.

e. The minutes as referred to in letter b. and letter c. above must be documented by the Company.

f. The Minutes of Meeting of the Board of Commissioners constitute the valid evidence for the members of the Board of Commissioners and for the third parties or other parties related to the resolution adopted in the relevant Meeting.

H. THE REPORTING OF THE BOARD OF COMMISSIONERS

1. The Board of Commissioners will be obliged to provide report regarding the supervision which has been performed during the recently lapsed financial year to the GMS.

2. The Board of Commissioners has the obligation to research and give responses to the GMS over the periodic report and the Annual Report prepared by the Board of Directors and execute the Annual Report aforesaid.

3. The Board of Commissioners will be obliged to report to the Company regarding the share ownership of their own and/or their families in the relevant Company and other companies, including every change on it.

4. The Board of Commissioners must ensure that the Annual Report of the Company has contained the information regarding the identities, the main works, the offices of the Board of Commissioners in other companies, including the meetings held in one financial year (the internal meeting or the joint meeting with the Board of Directors), as well as the honorarium, the facilities, and/or other

allowances received from the relevant Company.

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

1. The Work Ethic related to the Exemplary

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

2. The Compliance Ethic Towards the Laws and Regulations

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

3. The Ethic Related to Information Disclosure and Confidentiality

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

4. The Ethic Related to the Opportunity of the Company

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

   a. Take business opportunity of the Company for the interest of his own, his family, his business group and/or other parties.

   b. Use the assets of the Company, the information of the Company or his position as a Member of the Board of Commissioners for his personal interest outside the provisions of the laws and regulations as well as the prevailing provisions of the Company.

   c. Compete with the Company, which is using the inside knowledge/information to obtain profit for the interest of other than the interest of the Company.

   d. Gain personal profit from the activities of the Company, other than the salary and facilities received as a member of the Board of Commissioners of the Company, stipulated by the GMS.

   e. Take business transaction opportunity with the parties whose funds are suspected to derive from money laundering activities. Therefore, comprehensive understanding regarding who, how and the reputation of the prospective working partner aforesaid is very crucial. In addition, there is a reference from the third party who will also provide additional information.

5. The Business Ethic and Anti-Corruption

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

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

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but not limited to:

a. The member of the Board of Commissioners is prohibited to give or offer, or receive either directly or indirectly, anything valuable to a customer or an official/employee of government institution to influence or as a reward for anything which has been done and other actions in accordance with the prevailing laws and regulations.

b. Is prohibited to give an expression of gratitude in business activities, such as gift, donation or entertainment, which is given in a certain condition which could be considered as the giving of gratification and/or inappropriate action.

6. The Ethic Related to Conflict of Interest

a. A transaction requiring the written approval of the Board of Commissioners will be considered as containing conflict of interest if the relevant member of the Board of Commissioners has a relationship with the Related Party. The Related Party as referred previously covers:

(i) The Party having family relationship due to marriage and lineage up to the second degree (including in-laws) both horizontal and vertical with the members of the Board of Commissioners; or

(ii) The Company or the entity in which the relevant member of the Board of Commissioners or his family (as referred to in point i above) occupies the office as the Commissioner (in the case of other than limited liability company, other equivalent position) or constitutes the controlling shareholder (in the case of other than limited liability company, other equivalent position) or constitutes the main shareholder (in the case of other than limited liability company, other equivalent position).

b. In the event that the relevant member of the Board of Commissioners is involved in a Transaction with Conflict of Interest, the relevant member of the Board of Commissioners aforesaid must disclose it, and will not act as the chairman in a Meeting of the Board of Commissioners which resolves the Transaction with Conflict of Interest aforesaid and will not be permitted to participate in carrying out the voting for the resolution to resolve on approving or disapproving a transaction which must obtain written approval of the Board of Commissioners which is proposed by the Board of Directors. Thus therefore, at the time such matter is discussed in the GMS, then, the GMS will be chaired by other members of the Board of Commissioners having no conflict of interest and who are appointed by the Board of Commissioners. However, if the entire members of the Board of Commissioners have conflict of interest, then, the GMS will be chaired by the President Director or by other member of the Board of Directors having no Conflict of Interest, and if there is not any member of the Board of Directors fulfilling the requirements, then, the GMS will be chaired by a non-controlling (minority) shareholder appointed by the shareholders who are present in the GMS.

c. In addition, may also be classified as the Related Party is a company or an entity who is included in a business group in which the relevant member of the Board of Commissioners and his family (as referred to in letter a above) occupies the office as the Commissioner in one of the company or entity in the business group aforesaid.

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

J. THE SUPPORTING ORGANS OF THE BOARD OF COMMISSIONERS

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1. The Supporting Organs of the Board of Commissioners consist of the Committees of the Board of Commissioners and the Secretary of the Board of Commissioners.

2. The Board of Commissioners will be entitled to form, change and stipulate the membership of the Supporting Organs of the Board of Commissioners in accordance with the needs and will continue to rely on the provisions of the laws and regulations.

3. The Board of Commissioners may form committees and, if considered necessary, may use experts for a certain period of time at the expense of the Company.

4. The Committees within the Board of Commissioners consist of the Audit Committee, the Nomination and Remuneration Committee, the Planning and Risk Evaluation and Monitoring Committee, or other committees other than the committees contained in this Board Manual, if considered necessary, with due observance of the provisions of the prevailing laws and regulations as well as the capability of the Company in order to assist the Board of Commissioners in the field of activity of the Company which is requiring specific monitoring.

5. The guidelines for the performance of work (charter) for the supporting organs of the Board of Commissioners aforesaid will be regulated and stipulated separately in a separate Resolution of the Board of Commissioners.

6. To assist the smooth performance of its duties, the Board of Commissioners, at the expense of the Company, will be entitled to receive the assistance of the Secretary of the Board of Commissioners who carries out the administrative and secretarial duties related to the entire activities of the members of the Board of Commissioners, to ensure the duties of the Commissioners have been carried out and all information required by the Commissioners have been made available and other duties as stipulated in the prevailing laws and regulations.

   a. **Main Function**

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

   b. **Requirements**

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

      1) Understand the management, supervisory and fostering system of the Company;

      2) Has good integrity;

      3) Understand the secretarial function;

      4) Has the capability to communicate and coordinate appropriately;

   c. **Term of Service:**

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

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K. CONFIDENTIALITY

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

2. The disclosure of important information of the Company to other party is set out in the Annual Report and the Financial Statement of the Company in accordance with the laws and regulations.

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

L. THE INTRODUCTION PROGRAM AND COMPETENCE IMPROVEMENT

1. The Introduction Program of the Board of Commissioners

   a. For the newly appointed members of the Board of Commissioners will be given the introduction program to give them understanding regarding any aspects related to the roles and responsibilities of the Board of Commissioners as well as to synchronize the perception regarding the implementation of GCG in the Company, therefore, the new Board of Commissioners can immediately adjust and give contribution to the Company.

   b. The implementation of the introduction program aforesaid will become the responsibility of the Corporate Secretary or anyone who carries out the function as the corporate secretary.

   c. The materials of the introduction program will at least contain the following matters:

      1) The introduction regarding the Company including the vision, mission, strategy, performance, financial condition, risks and latest condition of the Company;

      2) The comprehension regarding the telecommunication industry, including the knowledge regarding the products of the Company;

      3) The comprehension regarding the regulation and policies of the government, particularly towards telecommunication industry;

      4) The comprehension regarding the financial aspect (financial literacy), particularly related to the audit of the financial statement, including, but not limited to the balance sheet, the profit and loss statement, the cash flow report, and the statement of changes in equity, as well as the report over the financial statement of State-Owned Enterprises and public companies.

      5) The implementation of GCG principles in the Company, the integrated Governance, Risk & Compliance (GRC), and the whistleblowing system, including the prevailing ethic and norms within the Company;

      6) The knowledge related to the prevailing Environmental, Social, and Governance (ESG) and sustainability reporting in the Company based on the provisions of the laws and regulations and the Articles of Association;

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7) The sharing session with the policy makers and the regulator;

8) The knowledge related to the state finance law and the prevention of corruption criminal offenses;

9) The roles, duties, and responsibilities of the Board of Commissioners and the Board of Directors, including the Internal Audit and the Committees, as well as other supporting organs;

10) The introduction with the management level and visit to each Unit of the Company;

11) The Team Building will engage the entire members of the Board of Commissioners, both the newly appointed and those who have previously occupied the office, with the objective of materializing team cohesiveness and cooperation as the Board of Commissioners.

d. The materials for the introduction program as referred to in point c above must firstly observe the instruction of the Board of Directors and by considering the advices of the Board of Commissioners.

e. At the latest 3 (three) months after the implementation of the introduction program, the Corporate Secretary or anyone performing the corporate secretary function will be obliged to carry out evaluation towards the implementation of the introduction program aforesaid.

2. The Competence Improvement

a. The provisions regarding the competence improvement program for the Board of Commissioners are as following:

1) The competence improvement program will be carried out in framework of improving work effectiveness of the Board of Commissioners;

2) Every member of the Board of Commissioners attending the competence improvement program, such as seminars and/or training, will be required to give presentation to other members of the Board of Commissioners in the framework of sharing information and knowledge;

3) The relevant member of the Board of Commissioners will be responsible for drawing report regarding the implementation of the competence improvement program. The report aforesaid will be delivered to the Board of Commissioners.

b. The competence improvement programs which can be carried out are among others:

1) The knowledge related to the corporate legal principles and the laws and regulations related to the business activities of the Company, as well as the internal control system;

2) The knowledge related to the Policies of the government related to the strategic environment of the Company, the core business of the Company, and the latest development of the industry of the Company;

3) The knowledge related to the strategic management and its formula;

4) The knowledge related to the risk management;

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

M. THE PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS

1. General Policies

   a. The Board of Commissioners will prepare and deliver to the Dwiwarna A Series Shareholder, the Key Performance Indicator (KPI) document for the Board of Commissioners in a collegial manner.

   b. The Board of Commissioners, in preparing KPI, will observe and consider the assessment parameter, both in the form of numeral indicator and narrative format as well as the evaluation related to:

      i. The application of Good Corporate Governance;

      ii. The Aspiration of the Dwiwarna A Series Shareholder;

      iii. The stipulation of absolute target for RKAP and KPI;

      iv. The provisions of the legislations.

   c. The Board of Commissioners will be obliged to deliver the quarterly report on the progress of KPI realization to the Dwiwarna A Series Shareholder.

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

   a. The Board of Commissioners has the Self-Assessment policy to assess the performance of the Board of Commissioners. The Self-Assessment of the Board of Commissioners constitutes a guideline which is used as the form of accountability over the assessment on the performance of the Board of Commissioners in a collegial manner. The relevant Self-Assessment will be carried out by each member of the Board of Commissioners to assess the implementation of the performance of the Board of Commissioners in a collegial manner, and does not assess the individual performance of each member of the Board of Commissioners. With the presence of this Self-Assessment, it is anticipated that each member of the Board of Commissioners can contribute to improve the performance of the Board of Commissioners in a sustainable manner.

   b. The Self-Assessment of the members of the Board of Commissioners will be carried out y the Committee carrying out the Nomination and Remuneration function chaired by one of the Members of the Board of Commissioners.

   c. In the Self-Assessment, the policy aforesaid may cover assessment activities which are carried out along with their purposes and objectives, the time for the periodic implementation, and the assessment benchmark or criteria used in accordance with the recommendation provided by the nomination and remuneration function.

   d. The Sell-Assessment policy to assess the performance of the Board of Commissioners will be disclosed through the Annual Report.

N. CONCURRENT SERVING OF THE BOARD OF COMMISSIONERS

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

2. A member of the Board of Commissioners of the Company will be prohibited to concurrently serve as:

   a. A member of the Board of Commissioners of BUMN, unless based on specific assignment from the Minister;

   b. A member of the Board of Directors or other office in BUMN, Regional Government-Owned Enterprise, Privately Owned Enterprise prohibited to be concurrently served as a member of the Board of Commissioners of the Company which could give rise to conflict of interest with the Company;

   c. A member of the Board of Directors or the Board of Commissioners in other company with the criteria:

      1) Existing in the same relevant market;

      2) Has close relationship in the sector and or type of business; or

      3) Other company aforesaid together with the Company can control the market segment of certain goods and/or services;

      which could give rise to the occurrence of monopoly practices and/or unfair business competition.

   d. The management of political party, a member of the House of People's Representatives, the Regional Representatives Board, the House of People's Representatives of the First Level Region, and the House of People's Representatives of the Second Level Region and//or the head of the region/the deputy head of the region;

   e. Becoming a candidate/member of the House of People's Representatives, the Regional Representatives Board, the House of People's Representatives of the First Level Region, and the House of People's Representatives of the Second Level Region and//or the head of the region/the deputy head of the region;

   f. Other office which could give rise to conflict of interest; and/or

   g. Other offices in accordance with the provisions of laws and regulations.

3. The member of the Board of Commissioners who is concurrently serving as referred to in point 2 above, his term of office as a member of the Board of Commissioners ends starting as of the occurrence of the concurrent serving.

4. The member of the Board of Commissioners whose term of office ended as referred to in point 3 above, shall notify to the Company in writing in relation to the occurrence of concurrent serving supplemented by the supporting documents.

5. Within a period of at the latest 7 (seven) days starting as of the concurrent serving becomes known, the member of the Board of Commissioners, or the member of the Board of Directors, must deliver notification to Dwiwarna A Series Shareholder related to the concurrent serving aforesaid, afterward will be carried out the dismissal determination process at the closest GMS.

6. The member of the Board of Commissioners shall deliver to Dwiwarna A Series Shareholder in the event that there is any share ownership and concurrent serving other than the concurrent serving prohibited in this provision in other company.

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7. The legal action performed for and on behalf of the Company by the member of the Board of Commissioners after the expiry of his term of office by the operation of law as referred to in point 3 will be invalid and will become the personal liability of the relevant member of the Board of Commissioners.

8. The provisions as referred to in point 7 will not prejudice to liabilities of the relevant member of the Board of Commissioners towards the losses of the Company caused by the fault or negligence of the relevant member of the Board of Commissioners in carrying out his duties, if the members of the Board of Commissioners consist of 2 (two) or more members of the Board of Commissioners, the liabilities as referred to in this point 8, will be applicable as a jointly and severally liability for every member of the Board of Commissioners.

9. Other matters related to the follow-up over the occurrence of the concurrent serving of office including the rights and obligations related to the dismissal of the relevant member of the Board of Commissioners, will adhere to the provision contained in the laws and regulations, the Articles of Association, and the Company regulations.

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