

Annual General Meeting of Shareholders

Day/Date : Friday, April 27, 2018
Time : 13.30 Jakarta Time
Location : Ballroom Hotel Four Seasons
Jalan Jend. Gatot Subroto Kav. 18,
Jakarta



Telkom AGMS Agenda

- 1** Approval of the Company's Annual Report for financial year 2017, including the Board of Commissioners' Supervisory Report
- 2** Ratification of the Company's financial statements, and Partnership and Community Development Program (*Program Kemitraan dan Bina lingkungan*) Annual Report for financial year 2017 and the acquittal and discharge of all members of the Board of Directors and the Board of Commissioners
- 3** Appropriation of the Company's net income for financial year 2017
- 4** Determination of *tantiem* for financial year 2017 and salary, honorarium and other allowance for members of the Board of Directors and the Board of Commissioners for year 2018
- 5** Appointment of a Public Accounting Firm to audit the Company's financial statements for financial year 2018, including audit of internal control over financial reporting and appointment of a Public Accounting Firm to audit the financial statement of the Partnership and Community Development Program for financial year 2018
- 6** Approval on the Transfer of Treasury Stock through Withdrawal by way of Capital Reduction
- 7** Amendment of the Company's Article of Association
- 8** Ratification of Minister of State-Owned Enterprise Regulation Number PER-03/MBU/08/2017 and Number PER-04/MBU/09/2017 about State Owned Enterprise Partnership Guidance (TBC)
- 9** Changes in Composition of The Board of The Company



Agenda 1

Approval of the Company's Annual Report for financial year 2017, including the Board of Commissioners' Supervisory Report



Agenda 1

Approval of the Company's Annual Report for financial year 2017, including the Board of Commissioners' Supervisory Report

Laws & Regulations

- Article 18 paragraph 9 Company's Article of Assicoations.
- Article 23 Paragraph (1) Law No.19 Year 2003 regarding State Owned Enterprise.
- Article 69 Law No.40 Year 2007 regarding Limited Liability Company.

Penjelasan

- The Annual Report including the Board of Commissioners Supervisory Actions Reports, Company's Consolidated Financial Statements as well as Annual Report on the Partnership and Community Development Program of the financial year of 2017 to be validated in the 2018 Annual General Meeting of the Shareholders is available and can be retrieved from the company's website (www.telkom.co.id) and Indonesia Stock Exchange's website (www.idx.co.id) on the day of invitation release.
- Company's Consolidated Financial Statements for the financial year ended on DeCember 31, 2016 is audited by Public Accountant Firm of Purwantono, Sungkoro dan Surja. The auditor's report with formal opinion "present fairly in all material respects" in accordance with Auditor report No. RPC-5841/PSS/2018 tanggal March 12, 2018.



Agenda 2

Ratification of the Company's financial statements, and Partnership and Community Development Program (Program Kemitraan dan Bina lingkungan) Annual Report for financial year 2017 and the acquittal and discharge of all members of the Board of Directors and the Board of Commissioners



Agenda 2

Ratification of the Company's financial statements, and Partnership and Community Development Program (Program Kemitraan dan Bina lingkungan) Annual Report for financial year 2017 and the acquittal and discharge of all members of the Board of Directors and the Board of Commissioners

Landasan Hukum dan Regulasi

- Article 18 Paragraph (2) Minister of State Owned Enterprises Regulation No. PER-09/MBU/07/2015 regarding the Partnership and Community Development Program of State owned Enterprises.

Penjelasan

- The Annual report on the Partnership and Community Development Program for the financial year ended on December 31, 2016 is audited by Public Accountant Firm of Purwantono, Sungkoro dan Surja with opinion "present fairly in all material respects" in accordance with Auditor report No. RPC-5841/PSS/2018 dated January 24, 2018.



Agenda 3

Appropriation of the Company's net income for financial year 2017



Agenda 3

Appropriation of the Company's net income for the 2017 financial year

Landasan Hukum dan Regulasi

- Article 26 of Company's Article of Association.
- Article 70 and 71 Law No.40 Year 2007 concerning Limited Liabilities Companies

Penjelasan

Net profit of Telkom for the financial year of 2016 will be allocated as follows:

1. Dividends for the Shareholders.
2. Retained Earnings in order support the Company's investment activities.



Agenda 4

Determination of tantiem for financial year 2017 and salary, honorarium and other allowance for members of the Board of Directors and the Board of Commissioner for year 2018



Agenda 4

Determination of tantiem for financial year 2017 and salary, honorarium and other allowance for members of the Board of Directors and the Board of Commissioner for year 2018

Landasan Hukum dan Regulasi

- Article 11 paragraph 19 and article 14 paragraph 30 Company's Article of Associations.
- Article 96 and Article 113 Law No. 40 Year 2007 regarding Limited Liabilities Companies
- Minister of State Owned Enterprises Regulation No.PER-04/MBU/2014 regarding Guidelines for Income Determination of the Board of Directors, the Board of Commissioners and the Board of Supervisory of State-Owned Enterprises which partially changed by the SOE Minister regulation No. PER-02/MBU/06/2016 and SOE Minister regulation No. PER-01/MBU/06/2017.

Penjelasan

- In accordance with Company's Article of Association, salary/honorarium and allowance for the member of the Board of Directors and the Board of Commissioners shall be determined by the General Meeting of Shareholders, where the authority of the General Meeting of Shareholders regarding the determinations of Board of Directors salary and other allowance can be delegated to the Board of Commissioners.
- As State owned enterprises, determination of the compensation of the Board of Directors and Board of Commissioners is to align with Minister of State Owned Enterprises Regulation No.PER-04/MBU/2014 which partially changed by the SOE minister regulation No.2/MBU/06/2016 and SOE Minister regulation No. PER-01/MBU/06/2017. In accordance with the regulation, determination of the compensation in the form of salary/honorarium, allowance and fixed facilities also tantiem/performance based incentive which is variable must considering business's size, complexity, inflation, financial condition, general compensation in similar industry and other relevant factors, as long as not contradicted with the prevailing laws and regulations.



Agenda 5

Appointment of a Public Accounting Firm to audit the Company's financial statements for the 2018 financial year, including audit of internal control over financial reporting and appointment of a Public Accounting Firm to audit the financial statement of the Partnership and Community Development Program for the 2018 financial year



Agenda 5

Appointment of a Public Accounting Firm to audit the Company's financial statements for the 2018 financial year, including audit of internal control over financial reporting and appointment of a Public Accounting Firm to audit the financial statement of the Partnership and Community Development Program for the 2018 financial year

Landasan Hukum dan Regulasi

- Article 21 paragraph 2 letter c Company's Article of Associations.
- Article 31 paragraph 1 SOE Minister's regulation No. PER-01/MBU/2011 regarding Implementations of Good Corporate Governance on State Owned Company

Penjelasan

In accordance with Company's Article of Association, the Annual General Meeting of Shareholders determines the Public Accountant Firm that has been registered in the Indonesia Financial Service Authority (OJK) to audit on going Company Report based on proposal from Board of Commissioners or conferral of power on the Board of Commissioners to determine Public Accountant Firm.



Agenda 6

Approval on the Transfer of Treasury Shares by Withdrawal by
Reducing Capital



Agenda 6

Approval on the Transfer of Treasury Shares through Withdrawal by Reducing Capital

Landasan Hukum dan Regulasi

- Article 17 Indonesia Financial Service Authority (OJK) Regulation No. 30/POJK.04/2017 regarding Buyback of Issued Share by Listed Company.
- Article 44 Law No. 40 /2007 regarding Limited Liability Company

Penjelasan

Based on Article 44 of the Company Law and Article 17 of Indonesia Financial Service Authority (OJK) Regulation No. 30/POJK.04/2017 regarding Buy Back of Shares Issued by Public Companies, transfer of Treasury Stock through withdrawal by way of capital reduction requires GMS approval. The capital reduction intends to reduce issued and paid-up capital, and authorized capital, but not to reduce Company's total equity



Agenda 7

Changes in Company's Article of Association



Agenda 7

Changes in Company's Article of Association

Landasan Hukum dan Regulasi

- Article 19 Law No. 40/2007 regarding Limited Liability Company
- Article 28 Company's Article of Association.

Penjelasan

Amendment of Article of Association which are:

1. amendment of Article 4 on Capital as the consequence of 6th item of the agenda; and
2. amendment of other provision in the Company's Article of Association.

The 7th item of the agenda is based on Article 28 Paragraph 2 of the Company's Article of Association, Article 19 of the Company Law and Article 29A paragraph b of OJK Regulation Number 10/POJK.04/2017 regarding amendment of Financial Service Authority Regulation Number 32/POJK.04/2014 regarding Planning and Implementation of Listed Company General Meeting of Shareholder, wherein the amendment of the Company's article of association requires GMS approval



Agenda 8

Ratification of Minister of State-Owned Enterprise Regulation
Number PER-03/MBU/08/2017 and Number PER-
04/MBU/09/2017 about State Owned Company Partnership
Guidance



Agenda 8

Ratification of Minister of State-Owned Enterprise Regulation Number PER-03/MBU/08/2017 and Number PER-04/MBU/09/2017 about State Owned Company Partnership Guidance (TBC)

Landasan Hukum dan Regulasi

- Minister of State-Owned Enterprise Regulation Number PER-03/MBU/08/2017 jo. Minister of State-Owned Enterprise Regulation Number PER-04/MBU/09/2017 about State Owned Company Partnership Guidance.

Penjelasan

As a State Owned Enterprise, Telkom have to adopt Minister of State-Owned Enterprise Regulation Number PER-03/MBU/08/2017 jo. Minister of State-Owned Enterprise Regulation Number PER-04/MBU/09/2017 about State Owned Company Partnership Guidance that can be done by GMS Ratification.



Agenda 9

Changes in Composition of The Board of The Company



Agenda 9

Changes in Composition of The Board of The Company

Landasan Hukum dan Regulasi

- Article 11 paragraph 10 dan article 14 paragraph 12 Company's Article of Association.
- Article 16 paragraph (4) and Article 28 paragraph (3) Law No.19 Year 2003 regarding State Owned Enterprise.
- Article 105 (1) and Article 111 (1) Law No.40 Year 2007 regarding Limited Liabilities Companies.
- Financial Service Authority Regulation No.33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Company.
- Minister of State Owned Enterprises Regulation No.PER-03/MBU/02/2015 regarding Conditions, Appointment and Discharge of the Board of Directors of State Owned Enterprises Change of the Member of the Board of Commissioners and/or Board of Directors of the Company.
- Minister of State Owned Enterprises Regulation No.PER-02/MBU/02/2015 regarding Condition, Appointment and Discharge of the Board of Commissioners and Board of Supervisory of State Owned Enterprises.

Penjelasan

- As State Owned Enterprises and in accordance with Company's Article of Association, holders of Serial A Dwiwarna shares hold the right to nominate, appoint and terminate the members of the Board of Directors and/or Board of Commissioners.
- Currently, the Company has not received the list of the proposed nominees for members of the Board of Commissioners and Directors, therefore the Company cannot provide the names of the candidates for the proxy.

