

regarding the propositions submitted and all of them sign the said approval.

- b. The resolution taken in such manner shall have the equal legal forces with all resolutions lawfully made in the Board of Directors Meeting.

21. In the event that a member of the Board of Directors is unable to attend the meeting physically, then the said members of the Board of Directors may attend the meeting through teleconference media, video conference, or other electronic media facilities.

22. Each member of the Board of Directors who is personally in any way whatsoever, either directly or indirectly, has interest in a transaction, contract or a proposed contract in which matter the Company is a party, must declared in the Board of Directors Meeting and accordingly has no right to cast a vote concerning the matters in relation to the such transaction or contract.

## **THE BOARD OF COMMISSIONERS**

### **Article 14**

- 1. a. Supervisory to the Company shall be carried out by the Board of Commissioners which total number of members

shall adjusted to the requirement of the Company, comprising of at least 3 (three) members, and at the maximum the same as the total numbers of members of the Board of Directors, one member among them is appointed as the President Commissioner, and if necessary one member among them may be appointed as the Deputy President Commissioner.

- b. The Board of Commissioners comprises of Commissioner(s) and Independent Commissioner(s). The total number of the Independent Commissioner shall be pursuant to the prevailing provision and laws and regulations.
2. The Board of Commissioners shall constitute a council and each member of the Board of Commissioners shall no act individually, but it must be based on resolution of the Board of Commissioners.
3. The member of the Board of Commissioners is required to comply with the following provisions:
  - a. The Companies Law;
  - b. The Laws and regulations in the field of Capital Market; and
  - c. Other laws and regulations including any regulations related to the Company's business activity.

4. Those who can be appointed as a member of the Board of Commissioners is an individual who fulfill the qualifications at the time of his/her appointment and during his/her tenure of the office:
- a. Having good characters, morals, and integrity;
  - b. Legally competent;
  - c. Within the period of 5 (five) years prior to the appointment and during the tenure of office has:
    - a. Never been declared bankrupt;
    - b. Never become a member of the Board of Directors and/or the Board of Commissioners who once convicted of causing a company to be declared bankrupt;
    - c. Never been convicted for any criminal offenses that result financial loss to the state and/or with related to the financial sector; and
    - d. Never become a member of the Board of Directors and/or the Board of Commissioners while holding his/her the tenure of office:
      - a) Failed to conduct an annual GMS;
      - b) His/her accountability report as a member of the Board of Directors and/or the Board of Commissioners was once rejected by GMS or failed to provide accountability report as a member of the Board of Directors and/or the Board of Commissioners to the GMS; and

- c) Caused a company which obtains the license and approval from or registered at the Financial Service Authority, fail to fulfill its obligation to submit the annual reports and/or financial statements to the Financial Service Authority.
  - d. Committed to comply with the laws and regulations;
  - e. Have knowledge and/or expertise in the area required by the Company; and
  - f. Fulfill other requirements as specified to in paragraph (3) of this Article.
- 5. The fulfillment of requirements as referred to in paragraph (4) of this Article shall be incorporated into a statement letter signed by the candidate of the member of the Board of Commissioners and such letter must be submitted to the Company. Such statement letter shall be examined and documented by the Company.
- 6. The Company shall be obligated to hold a GMS to replace the unqualified members of the Board of Commissioners.
- 7. The appointment of unqualified members of the Board of Commissioners as stated in paragraph (3) of this Article shall be legally void since the other members of the Board of Commissioners or the Board of Directors become aware of the

non-fulfillment of such requirement, support by a lawful evidence, and the unqualified members of the Board of Commissioners shall be given a notice in writing with due observance of the prevailing laws.

8. Within a period of no later than 2 (two) working days as of it becomes known that the appointment of member of the Board of Commissioners does not comply with the requirement, the members of the Board of Directors shall publish the annulment of the appointment of the relevant member of the Board of the Commissioners in a media with due observance of laws and regulations in the field of Capital Market, and notify The Minister no later than 7 (seven) days to be recorded accordingly pursuant to laws and regulations.
9. Legal action performed for and on behalf of the Company by the unqualified member of the Board of Commissioners before his/her/their annulment as a member of the Board of Commissioners remain binding on and become the responsibility of the Company.
10. Legal action performed for and on behalf of the Company by unqualified member of Board of Commissioners after his/her/their annulment as a member of the Board of Commissioners shall be unlawful and becomes personal

responsibility of the unqualified member of the Board of Commissioners.

11. In addition to comply with the criteria as referred to in paragraph (3) and paragraph (4), appointment of the members of the Board of Commissioners shall be carried out by considering integrity, dedication, understanding on the issue of the company management relating to one of managerial function, has sufficient knowledge in the Company's line of business and able to provide sufficient time to perform her/his duties as well as other requirements based on laws and regulations.

12. The Members of the Board of Commissioners shall be appointed and dismissed by GMS, such GMS shall be attended by Series A Dwiwarna Shareholder and the Meeting resolution thereof must be approved by Series A Dwiwarna Shareholder. The members of the Board of Commissioners shall be appointed by GMS from the candidate appointed by Series A Dwiwarna Shareholder, such appointment shall bind GMS.

13. The GMS resolution on the appointment and dismissal of the members of the Board of Commissioners shall also specify the effective date of the appointment and dismissal. In the event that GMS do not specify the effective date, then, the effective

date of the appointment and dismissal of the said member of the Board of Commissioners shall be as of the closing of GMS who appoint or dismiss his/her/their appointment with due observance of laws and regulations.

14.a. The members of the Board of Commissioners shall be appointed for the period of time as from the date stipulated by GMS that decide his/her/their appointment until the closing date of the 5<sup>th</sup> (fifth) Annual GMS after the date of his/her/their appointment, provided that it will not exceed 5 (five) years, with due observance of laws including the regulations in the field of Capital Market, but without prejudice to the right of GMS to dismiss the Board of Commissioners at any time before his/her/their tenure of office expires.

b. After the expiration of his/her/their tenure of office, the member of the Board of Commissioners can be reappointed by GMS for another one term of office.

15. GMS any time may dismiss members of the Board of Commissioners by stating the reasons thereof.

16. The reason of dismissal of members of the Board of Commissioners as referred to in paragraph (15) shall be made

based on facts that the member of the Board of Commissioners concerned among others:

- a. Fails to perform his/her duties;
- b. Violate the provision of Articles of Association and/or laws and regulations;
- c. Involves in any action that may harm the Company and/or the State;
- d. Commit any action violate ethics and/or decency which should be respected as member of the Board of Commissioners;
- e. Is declare being guilty based upon the judgement of the Court having the permanent legal forces;
- f. Resigns.

17. In addition to the reason of dismissal of the member of the Board of Commissioners as referred to in paragraph (16) letter a through letter f, the member of the Board of Commissioners may be dismissed by GMS based on other reasons considered proper by GMS for the interest and purposes of Company.

18. The decision to dismiss on the grounds as referred to in paragraph (16) letter a, letter b, letter c, letter d and paragraph (17), shall be taken after the member concerned is given the opportunity to defend himself/herself in the GMS .



19. Dismissal by the reason as referred to in paragraph (16) letter c and letter e is a dishonorable dismissal.

20. Among the members of the Board of Commissioners and between members of the Board of Commissioners and members of the Board of Directors are not allowed to have a family relationship existing between or among them up to the third degree, either by the straight-line or side-line or relationship emerged due to martial relationship.

21. In the event condition as referred to in paragraph (20) occurs, GMS is authorized to dismiss one of them.

22. The Distribution of roles and responsibility among the members of the Board of Commissioners shall be stipulated by themselves, and for the smooth operations of their duties, the Board of Commissioners may be assisted by a Secretary of the Board of Commissioners appointed by the Board of Commissioners.

23. If at any time and by any reason whatsoever there is one or more members of the Board of Commissioners vacant:

- a. GMS shall be convened to fulfill the vacant position if such vacancy causing the total number of members of the Board of Commissioners is less than 3 (three) members which one

of them is President Commissioners or the vacant position is President Commissioner.

- b. GMS as referred to in letter a shall be convened within no later than 90 (ninety) days from the date of such vacancy as referred to in letter a.

24.If at any time due to any reason all members of the Board of Commissioners are vacant, temporarily Series A Dwiwarna Shareholder may appointed an executive member of the Board of Commissioners to carry out the duty of the Board of Commissioners with the same authorities, provided that within no later than 90 (ninety) days after the vacant, GMS must be convened to fulfill the vacant position in the Board of Commissioners.

- 25.a. A member of the Board of Commissioners may resign from his/her position prior to expiration of his/her tenure of office by serving notice in writing on his/her intention to the Company;
- b. The Company shall be obligated to convene GMS to decide on the resignation of the member of the Board of Commissioners no later than 90 (ninety) days after resignation letter is received by the Company;
- c. The Company must disclose the information to the public and notify the Financial Service Authority within the latest

2 (two) working days after the receipt of resignation letter of member of the Board of Commissioners as referred to in letter a of this paragraph and the result of the performance of GMS as referred to in letter b;

- d. Prior the resignation takes effect, the said member of the Board of Commissioners shall be obliged to perform his/her duties and responsibilities pursuant to Articles of Association and laws and regulations;
- e. The resigning member of the Board of Commissioners as mentioned hereinabove remains able to be held responsible of his/her accountability as a member of the Board of Commissioners until the date of GMS approve his/her resignation.
- f. The member of the Board of Commissioners shall only be discharge of his/her responsibility after the Annual GMS granted full release of discharge.
- g. In the event that the resigning member of the Board of Commissioners causing the total number of members of the Board of Commissioners to be less than 3 (three) members, such resignation is valid if it has been stipulated by GMS and GMS has appointed a new member of the Board of Commissioners, to comply with the requirement of minimum members of the Board of Commissioners.

26. The position of member of the Board of Commissioners is automatically expired if:

- a. His/her resignation become effective as referred to in paragraph (25) letter b;
- b. His/her pass away;
- c. His/her tenure of office is ended;
- d. He/she is dismissed based on the resolution of GMS; or
- e. Declared bankrupt by a Commercial Court which has permanent legal force or place under guardianship by a court decision;
- f. No longer comply with the requirements as a member of the Board of Commissioners based on this Articles of Association and other laws and regulations.

27. The provision as referred to in paragraph (26) letter f includes but not limited to prohibition to have a double-position.

28. For the member of the Board of Commissioners who resign prior to or after his/her tenure of office is expired, except due to pass away, the said member of the Board of Commissioner shall be obligated to submit accountability for their actions, of which has not been received by GMS.

29. The member of the Board of Commissioners is prohibited to hold a double positions as:

- a. A Member of the Board of Directors at State-Owned Enterprise, Regional-Owned Enterprise, Private-Owned Enterprise;
- b. A member of the Board of Political party, member of the House of Representatives, Regional Representatives Council, the 1<sup>st</sup> Level of Regional House of Representatives, and the 2<sup>nd</sup> Level of Regional House of Representatives and/or Regional head /Deputy Regional Head;
- c. Other positions pursuant to the provision in laws and regulations; and/or
- d. Other positions that may cause conflict of interest.

30. The member of the Board of Commissioners shall be awarded with honorarium and allowances/facilities including the tantieme and post-tenure of office benefit, which type and amount of which shall be stipulated by GMS by taking into account of the provision of laws and regulations.

## **DUTIES, POWERS AND OBLIGATIONS OF THE BOARD OF COMMISSIONERS**

### **Article 15**

- 1. The Board of Commissioners shall exercise its duties to supervise over management policies, general management, the Company's business performed by the Board of Directors as