

shall be as referred to in paragraph 8 letter a, unless determined otherwise by the GMS.

18. Members of the Board of Directors shall not concurrently serve other office which may cause conflict of interests and things which are prohibited by the prevailing laws and regulations.
19. For any members of the Board of Directors who resign prior to the expiry of their term of office, the relevant person shall remain responsible for his actions of which the responsibilities have not yet been accepted by the Annual GMS.

DUTIES AND POWERS OF THE BOARD OF DIRECTORS

Article 16

1. The main duties of the Board of Directors are:
 - a. To operate and responsible for the management of the Company for the interests of and in accordance with the purposes and objectives of the Company stipulated in the Articles of Association, and lead the management of the Company.
 - b. To maintain and manage the Company's assets;
2. The Board of Directors shall be fully responsible for the performance of their duties for the interests of the Company in order to achieve the Company's purposes and objectives.
3. Each member of the Board of Directors shall be required to perform their duties in good faith and with full responsibility with due observance of the prevailing laws and regulations.

4. The Board of Directors shall convene the Annual GMS and other GMS as stipulated by the laws and regulations and the Articles of Association.
5. In order to support the effectiveness of performance of its duties and responsibilities as meant in the paragraph 1 above, the Board of Directors may establish a Committee.

If a Committee is established, the Board of Directors shall make evaluation on the Committee's performance at the end of financial year.

6. The Board of Directors shall be entitled to representing the Company before and outside the Court in all respects and events; both the management and the ownership, binding the Company with other parties and other parties with the Company.
7. The following actions of the Board of Directors shall obtain the written approval from the Board of Commissioners:
 - a. To dispose and sell immovable assets of the Company which exceed a certain amount determined by the Board of Commissioners.
 - b. To enter into a management contract which is effective for a period of more than 3 (three) years.
 - c. To determine the organizational structure of 1 (one) level below the level of the Board of Directors;
 - d. To take part either partly or entirely in other companies or entities or establish a new Company which is not within the purpose of redeeming the receivables with due observance of the prevailing laws and regulations;

- e. To dispose either part or all of the Company's participation in other companies or entities within the purpose of other than redeeming the receivables.
 - f. Any Action to assign, including to sell, to waive the rights to collect and/or not to collect of:
 - 1) The principle of the bad receivables which have been written off for the purpose of credit settlement, either in whole or in part;
 - 2) The difference between the bad principle receivables amount to the assignment value including sale or with the value of the waiver of rights;

shall be executed based on the policy of the Board of Directors which has been approved by the Board of Commissioners and within the ceiling (limit) of the written-off receivables that has been determined by the General Meetings of Shareholders which shall remain applicable until the determination of the new ceiling (limit) by the General Meetings of Shareholder.
 - g. Any other action in the form of optimization of the assets including the Company's receivables accounts by taking into account of the provision in Article 19 paragraph 6.
8. Any legal actions to transfer and dispose the rights over the Company's assets more than 50% (fifty percent) of the Company's net worth, within 1 (one) financial year for 1 (one) or more transaction, either independent or related transactions, and any legal actions to collateralize the Company's assets more than 50% (fifty percent) of the Company's net worth, in 1 (one) or more transactions, either independent or related transactions, shall obtain approval from the GMS under the following conditions:

- a. The meeting shall be attended by the Shareholders and/or their legitimate proxies/representatives representing at least $\frac{3}{4}$ (three-fourths) of the total shares having valid voting rights issued by the Company and such resolution of the GMS shall be valid if approved by more than $\frac{3}{4}$ (three-fourths) of the total shares having voting rights cast in the GMS.
 - b. In case of the quorum as referred to in letter a of this paragraph is not reached, the second GMS may be convened, provided that the second GMS shall be valid and entitled to adopting any resolutions if attended by Shareholders and/or their legitimate proxies/representatives representing at least $\frac{2}{3}$ (two thirds) of the total shares having valid voting rights issued by the Company and such resolution of the second GMS shall be valid if approved by more than $\frac{3}{4}$ (three-fourths) of the total shares having voting rights cast in the GMS; and
 - c. In case of the quorum as referred to in letter b of this paragraph is not reached, the third GMS may be convened if attended by shareholders and/or legitimate proxies / representatives of shareholders of shares having valid voting rights in accordance with the quorum stipulated by the Financial Service Authority upon the Company's request and such resolutions of the third GMS shall be valid if approved by shareholders having valid voting rights in accordance with total of minimum affirmative votes stipulated by Financial Service Authority based on the Company's request.
9. In connection with the main duties of the Board of Directors as referred to in paragraph 1:
- a. The Board of Directors shall be obligated to:

- 1) manage and undertake the business implementation and Company's activities in accordance with the purposes and objectives as well as its line of the business;
- 2) prepare the Business Plan and annual budget of the Company and submit them to the Board of Commissioners no later than 30 (thirty) days prior to the subsequent financial year to obtain approval from the Board of Commissioners;
- 3) Prepare long-term plan of the Company for Board of Commissioners' approval;
- 4) Organize and maintain bookkeeping and administration of the Company in accordance with the common practice for a company.
- 5) Create internal controlling principle-based accounting system particularly division of management, records, filing and supervision;
- 6) Provide accountabilities and furnish any particular concerning the Company's condition and operation of the Company's activities report including financial statement both in terms of annual report and in the form of any other periodical report according to the method and time as provided in the Articles of Association, at any time requested by the Board of Commissioners.
- 7) Prepare Company's organizational structure together with the job description.
- 8) Submit the Balance Sheet and Income Statement approved by the GMS to the Minister of Law and Human

Rights of the Republic of Indonesia in compliance with the laws and regulations.

- 9) Announce the balance sheet and income statement approved by the GMS in 2 (two) daily newspapers in Indonesian language and have national circulation.
 - 10) Perform any other obligation pursuant to the provisions set out in this Articles of Association and resolutions of the GMS as well as the prevailing laws and regulations.
- b. The Board of Directors shall be entitled and authorized among others, the following:
- 1) To determine the policy both in directing and managing the Company;
 - 2) To stipulate the provisions on Company's Personnel affairs including determination of salary, pension or old age allowance and any other income for the Company's employees.
 - 3) To appoint and dismiss the Company's employee based on the Company's employment regulations;
 - 4) To manage the delegation of authority of the Board of Directors to represent the Company within and outside the Court to a member or several members of the Board of Directors specifically appointed for that purpose or to one employee or several employees of the Company both severally and jointly or to any other entities;
 - 5) To write off bad debt principle which thereafter shall be reported to the Board of Commissioners.
 - 6) To perform any other actions both in terms of management and ownership pursuant to the provisions further set out by the meeting of the Board of

Commissioners with due observance of the prevailing laws and regulations.

- 7) To no longer collect any receivables account in the form of interest, penalty and/or expenses for restructuring and/or credit settlement which thereafter shall be reported to the Board of Commissioners.
10. In order to perform any legal action in the form of transaction causing conflict of interests between personal economical interest of the Board of Directors, Board of Commissioners and Shareholders for the interest of Company's economical conditions, the Board of Directors shall obtain approval from the GMS as stipulated in the Articles of Association and with due observance of the prevailing laws and regulations of Capital Market.
11. The management policy shall be stipulated in the Board of Directors Meeting.
12. a. In order to execute policy as referred to in paragraph 11, the President Director shall be entitled and authorized for and on behalf of the Board of Directors to represent the Company.
b. In the event that the President Director is not available or unavailable to attend due to any reason whatsoever, which impediment no evidence to third parties is required, the Vice President Director shall be entitled and authorized for and on behalf of the Board of Directors. In the event that the Vice President is not available or unavailable to attend due to any reasons whatsoever, then 1 (one) member of the Board of Directors determined by the resolutions of the

Board of Directors shall be authorized for and on behalf of the Board of Directors to represent the Company.

- c. In case of there is no resolution of the Board of Directors as referred to in point b letter b of this paragraph, 2 (two) other members of the Board of Directors shall be entitled and authorized for and on behalf of the Board of Directors to represent the Company.
13. The Board of Directors shall for certain action also be entitled to appoint a person or more as their representative(s) or proxy(ies) by conferring upon him/her/them the authority set forth in a power of attorney.
14. Distribution of duties and authorities of each member of the Board of Directors shall be determined by the GMS. In the event that the GMS does not stipulate so, the distribution of duties and authorities amongst the members of the Board of Directors shall be determined under the meeting resolution of the Board of Directors.
15. A member of the Board of Directors shall not be authorized to represent the Company if:
- a. There is a case before the Court between the Company and relevant member of the Board of Directors; or
 - b. The relevant member of Board of Directors has a conflict of interest with the Company;
16. In the event of condition as referred to in paragraph 15, those entitled to represent the Company shall be:
- a. Other members of the Board of Directors who do not have any conflict of interest with the Company;

- b. Board of Commissioners if all members of the Board of Directors have conflict of interest with the Company;
 - c. Other parties appointed by the GMS in the event if all members of the Board of Directors or the Board of Commissioners have conflict of interest with the Company;
17. A member of Board of Directors who is resigned prior to the expiry of his/her term of office shall remain responsible for his/her actions until the relevant accountability is properly accepted by the Annual GMS.

MEETING OF THE BOARD OF DIRECTORS

Article 17

1. The Board of Directors shall convene a meeting of the Board of Directors periodically at least 1 (once) a month, and at any time if deemed necessary upon the written request by one or more members of the Board of Directors or upon the written request of the Board of Commissioners.
2. The Board of Directors shall convene a meeting of the Board of Directors together with the Board of Commissioners periodically at least 1 (once) in every 4 (four) months.
3. A notice for a Meeting of the Board of Directors shall be served by a member of Board of Directors who is authorized to represent the Board of Directors in accordance with the provisions of Article 16 of this Articles of Association.
4. a. Notice for a Meeting of the Board of Directors shall be served in writing and delivered to each member of the Board of Directors with a sufficient receipt or by a Note,