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LAW OF THE REPUBLIC OF INDONESIA

NUMBER 40 OF 2007

ON

LIMITED LIABILITY COMPANY

BY THE GRACE OF THE ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that the national economy, which is implemented based on economic democracy with the principles of community, fair efficiency, sustainability, environmental awareness, independence, and safeguards for balanced progress and national economic unity, needs to be supported by a strong economic institution in the context of creating prosperity for community;
  - b. that in the context of increasing the national economic development and at the same time providing a strong foundation for the business world in facing the development of world economy and progress in science and technology in the coming globalization era, a support is needed to enact a law that regulates limited liability company which can assure the implementation of a favorable climate for the business world;

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- c. that a limited liability company as one of the national economic development pillars, needs to be given a legal ground in order to accelerate more of the national development composed as a mutual effort based on the principle of ; solidarity
- d. that Law No. 1 of 1995 on Limited Liability Company is considered no longer in accordance with the legal developments and needs of society, so that it is deemed necessary to be superseded with a new law;
- e. that based on the consideration as referred to in letter a, letter b, letter c, and letter d, it is necessary to establish a Law on Limited Liability Company ;

Noting : Article 5 paragraph (1), Article 20, and Article 33 of the 1945 Constitution of the Republic of Indonesia;

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With the Joint Approval of:

THE HOUSE OF REPRESENTATIVES

and

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

HAS DECIDED:

To enact: LAW ON LIMITED LIABILITY COMPANY

## CHAPTER I

### GENERAL PROVISIONS

#### Article 1

In this Law, the following terms shall have the following meanings:

1. Limited Liability Company, hereinafter referred to as the Company, means a legal entity that constitutes a capital alliance, established based on an agreement, in order to run business activities with the Company's Authorized Capital divided into shares and which satisfies the requirements as stipulated in this Law, and its implementation regulations.

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2. Company Organs means the General Meeting of Shareholders, the Board of Directors, and the Board of Commissioners.
3. Social and Environmental Responsibility means the commitment from Company to participate in the sustainable economic development, in order to improve the quality of life and the environment, which will be valuable for the Company itself, the local community, and the society in general.
4. The General Meeting of Shareholders, hereinafter referred to as RUPS, means the organ of the Company that has the authority not given to the Board of Directors or the Board of Commissioners, within limits as stipulated in this Law, and/or the articles of association.
5. The Board of Directors means the organ of the Company that has the authority and full responsibility to manage the Company for the interest of the Company, in accordance with the purposes and objectives of the Company as well as to represent the Company, either in or out the court in accordance with the provisions of the articles of association.
6. The Board of Commissioners and the organ of the Company that has the responsibility to conduct a general and/or specific supervision, in accordance with the articles of association, as well as providing advice for Board of Directors.

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7. Listed Company means a Public Company or a Company which exercise a public offering to shares, in accordance with the provisions and legislations in the field of capital market.
8. Public Company means a Company which fulfills the criteria of numbers of shareholders numbers and amount of paid-up capital in accordance with the provisions and legislations in the field of capital market.
9. Merger means a legal action taken by one or more Companies in order to merge with another existing Company, which causes the transfer of assets and liabilities of the merging Companies by operation of law, to the surviving Company and thereafter the legal entity status of the merging Company ceases by operation of law.
10. Consolidation means a legal action taken by two or more Companies to consolidate themselves by establishing a new Company, which by operation of law obtains the assets and liabilities from the consolidating Companies, and the legal entity status of the consolidating Companies ceases by operation of law.
11. Acquisition means a legal action conducted by a legal entity or an individual to acquire the shares of the Company, resulting in the transfer of control of such Company.
12. Separation means a legal action taken by a Company in order to separate its businesses, which causes all assets and liabilities of the

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Company legally transferred to 2 (two) or more Companies, or part of the assets and liabilities of the Company legally transferred to 1 (one) or more Companies.

13. Registered Mail means a letter which is addressed to a recipient evidenced by a signed and the date receipt from the recipient.
14. Newspaper means a daily newspaper in the Indonesian language with national circulation.
15. Day means a calendar day.
16. The minister means the minister whose tasks and responsibilities are in the field of law and human rights.

Article 2

The Company shall have a purpose and objectives as well as business activities that do not conflict with the legislative regulations, public order, and/or morality.

Article 3

- (1) The Company's Shareholders shall not be personally liable for agreements made on behalf of the Company, and are not liable for the Company's losses in excess of their prospective shareholding.
- (2) The provisions as referred to in paragraph (1) shall not apply if :

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- a. the requirements for the Company as a legal entity has not been or are not fulfilled;
- b. the relevant shareholders, either directly or indirectly, with bad faith, exploits the Company for their personal interest;
- c. the relevant shareholders are involved in illegal actions committed by the Company; or
- d. the relevant Shareholders, either directly or indirectly, illegally utilizes the assets of the Company, which result in the Company's assets become insufficient to settle the Company's debt.

Article 4

This Law, the articles of association of the Company, and provisions of other legislations shall apply to the Company.

Article 5

- (1) The Company shall have a name and domicile within the territory of the Republic of Indonesia, as determined in the articles of association.
- (2) The Company shall have a full address in accordance with its domicile.

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- (3) In correspondences, announcements published by the Company, printed materials, and deeds to which the Company is a party, the name and full address of the Company must be mentioned.

Article 6

The Company may be established within a limited period or unlimited period as stipulated in the articles of association.

CHAPTER II

THE ESTABLISHMENT, ARTICLES OF ASSOCIATION AND AMENDMENTS  
OF ARTICLES OF ASSOCIATION, REGISTRY OF COMPANY AND  
ANNOUNCEMENTS

Part 1

ESTABLISHMENT

Article 7

- (1) The Company shall be established by 2 (two) or more persons based on a notarial deed drawn up in the Indonesian language.
- (2) Each founder of the Company is obliged to subscribe shares upon the establishment of the Company.



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- (3) The provision as referred to in paragraph (2) does not apply in the context of Consolidation.
- (4) The Company obtains legal entity status on the date of the issuance of Ministerial Decree regarding the ratification of the Company's legal entity.
- (5) If after the Company obtains its legal entity status and the number of shareholders becomes less than 2 (two) persons, then within the period of not later than 6 (six) months as from such condition, the relevant shareholders are obliged to transfer part of their shares to other persons or the Company shall issue new shares to other persons.
- (6) In the event that the time period as referred to in paragraph (5) has exceeded, and there are still less than 2 (two) shareholders, the shareholders shall be personally liable for all agreements/legal relationship and the Company's loss, and upon the request of the interested party, the District Court may wind up the Company.
- (7) The provision which requires the Company to be established by 2 (two) or more persons as referred to in paragraph (1), and the provision on paragraph (5), as well as paragraph (6) do not apply to :
  - a. State Owned Limited Liability Company; or

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- b. Companies managing security exchange, clearing house and underwriting, custodian and settlement institution, and other institutions regulated in the Law on Capital Market.

Article 8

- (1) The deed of establishment shall set forth articles of association and other information related to the Company's establishment.
- (2) Other information as referred to in paragraph (1) shall contain at least:
  - a. full name, place and date of birth, occupation, residential, and nationality of the individual founder, or name, domicile, and full address, as well as the number and date of the Ministerial Decree regarding the ratification of legal entity founders of the Company;
  - b. full name, place and date of birth, occupation, residential, and nationality of the first members of the Board of Directors and the Board of Commissioners to be appointed.
  - c. the name of the shareholders who have subscribed the shares, detail of the number of shares, and nominal value of shares subscribed and paid-up.
- (3) In making the deed of establishment, the founder can be represented by other person by virtue of a Power of Attorney.

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Article 9

- (1) In order to obtain the Ministerial Decree regarding the ratification of the Company's legal entity as referred to in Article 7 paragraph (4), the founders shall jointly submit an application through an electronic legal entity administration system information technology services to the Minister by filling up the form which shall contain at least the following:
- a. The name and domicile of the Company;
  - b. The term of establishment of the Company;
  - c. The purpose and objective as well as business activities of the Company;
  - d. The amount of authorized capital, issued capital, and paid-up capital;
  - e. full address of the Company.
- (2) Filling in the form as referred to in paragraph (1) must be preceded by the submission of the Company's name.
- (3) In the event that the founders do not submit the application themselves as referred to in paragraph (1) and paragraph (2), the founder may only give power of attorney to a notary.

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- (4) Further provisions regarding the procedure of submission and use of the Company's name shall be stipulated by Government Regulation.

Article 10

- (1) The application to obtain the Ministerial Decree as referred to in Article 9 paragraph (1), shall be submitted to the Minister not later than 60 (sixty) days as of the signing date of the deed of establishment, complete with information on the supporting documents.
- (2) The provision regarding the supporting documents as referred to in paragraph (1) shall be stipulated by a Minister Regulation.
- (3) If the form as referred to in Article 9, paragraph (1) and the information on the supporting documents as referred to in paragraph (1) is in accordance with the provisions of the legislations, the Minister shall directly declare electronically that there is no objection to the relevant application.
- (4) If the form format as referred to in Article 9 paragraph (1) and the information on the supporting documents as referred to in paragraph (1) is not in accordance with the provisions of the legislations, the Minister shall directly notify electronically of the rejection and the reasons therefore.
- (5) Within the period not later than 30 (thirty) days as of the non-objection statement date as referred to in paragraph (3), the relevant applicant is

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obliged to physically submit an application letter with supporting documents attached.

- (6) If all requirements as referred to in paragraph (5) have been fully fulfilled not later than 14 (fourteen) days, the Minister shall issue a decree regarding the ratification of the Company as a legal entity which is signed electronically.
- (7) If the requirements regarding the period and the completeness of the supporting documents as referred to in paragraph (5) are not fulfilled, the Minister shall directly notify the matter to the applicant electronically, and the statement of no objection as referred to in paragraph (3) shall become null.
- (8) In the event that the statement of no objection is null, the applicant as referred to in paragraph (5) may re-submit an application in order to obtain the Decree from the Minister as referred to in Article 9, paragraph (1).
- (9) In the event that the application to obtain the Ministerial Decree is not submitted within the period as referred to in paragraph (1), the deed of establishment shall be void as from the lapse of such period and the Company which does not yet have legal entity status shall be dissolved by operation of law, and the settlement shall be conducted by the founders.

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- (10) The provision on the period as referred to in paragraph (1), shall also apply for a re-submission.

Article 11

Further provisions regarding submission of application to obtain the Ministerial Decree as referred to in Article 7 paragraph (4) for certain areas that do not yet have or cannot use electronic network, shall be regulated in a Ministerial Regulation.

Article 12

- (1) Legal actions relating to share ownership and to which payment is performed by a prospective founder prior the establishment of the Company, shall be stated in the deed of establishment.
- (2) In the event of legal actions as referred to in paragraph (1) are stated in a deed which is not an authentic deed, such deed shall be attached to the deed of establishment.
- (3) In the event of legal actions as referred to in paragraph (1) are stated in an authentic deed, the number, date and name as well as domicile of the Notary making such authentic deed shall be mentioned in the deed of establishment of the Company.

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- (4) In the event that the provisions as referred to in paragraph (1), (2), and (3) are not fulfilled, such legal actions shall not give rise to rights and obligations and shall not bind the Company.

Article 13

- (1) Legal acts performed by the prospective founders for the interest of a Company which has not yet been established, shall bind the Company after the Company becomes a legal entity if the first RUPS of the Company explicitly states that it accepts or takes over all rights and obligations arising from the legal acts conducted by the prospective founders or its attorney.
- (2) The first RUPS as referred to in paragraph (1) shall be conducted not later than 60 (sixty) days after the Company obtains the status of legal entity.
- (3) The resolution of the RUPS as referred to in paragraph (2) is valid if the RUPS is attended by the shareholders representing all shares with voting rights and the resolution is approved unanimously.
- (4) In the event that the RUPS is not held within the period as referred to in paragraph (2), or the RUPS fails to adopt the resolution as referred to in paragraph (3), each prospective founder exercising such legal actions shall be personally liable to the consequences arising.

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- (5) The RUPS approval as referred to in paragraph (2) will not be necessary if such legal actions are performed or approved in writing by all prospective founders prior the establishment of the Company.

Article 14

- (1) Legal actions on behalf of the Company which have not yet obtained the status of legal entity, may only be performed by all members of the Board of Directors together with all founders, as well as all members of the Board of Commissioners of the Company, and they will all be jointly and severally liable for such legal actions.
- (2) In the event that such legal actions as referred to in paragraph (1) are performed by the founders on behalf of the Company which has not yet obtained the status of legal entity, the relevant founders shall be responsible for such legal actions and the legal actions shall not bind the Company.
- (3) The legal actions as referred to in paragraph (1), by operation of law shall be the responsibility of the Company after the Company becomes a legal entity.
- (4) The legal actions as referred to in paragraph (2) shall only be bound and shall be the responsibility of the Company after such legal actions are approved by all shareholders in the RUPS attended by all shareholders of the Company.



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- (5) RUPS as referred to in paragraph (4) is the first RUPS which shall be held not later than 60 (sixty) days after the Company obtains its legal entity status.

Part Two

Articles of Association and Amendment of Articles of Association

Paragraph 1

Articles of Association

Article 15

- (1) Articles of association as referred to in Article 8 paragraph (1) shall contain at least:
- a. The name and domicile of the Company;
  - b. The purposes and objectives as well as the business activities of the Company;
  - c. The period of incorporation of the Company;
  - d. The amount of authorized capital, issued capital, and paid-up capital;

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- e. The number of shares, shares classification if any, including the number of shares for each classification, the rights attached to each share, and nominal value of each share;
  - f. The name of title or position and the number of members of the Board of Directors and the Board of Commissioners;
  - g. The determination of the place and procedures for holding a RUPS;
  - h. The procedures of appointment, replacement, and dismissal of the members of the Board of Directors and the Board of Commissioners;
  - i. The procedure for profit utilization and dividend distribution.
- (2) Apart from the provisions as referred to in paragraph (1), the articles of association may also contain other provisions which do not conflict with this Law.
- (3) The articles of association may not contain:
- a. provisions concerning receipt of fixed interest on shares; or
  - b. provisions concerning the grant of personal benefits to the founders or other parties.

Article 16

- (1) Companies may not use names which:

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- a. have been legally used by another Company or are in principle the same as the name of another Company;
  - b. conflict with public order and/or morality;
  - c. are the same as or similar to names of state institutions, government institutions, or international institutions, except with the permission of those concerned;
  - d. are not in accordance with the purpose and objective as well as business activities or only show the purpose and objective of the Company without its own name;
  - e. consist of figures or series of figures, characters or series of characters which do not formed words.
  - f. have the meaning as Company, legal entity, or civil association.
- (2) The name of the Company shall be preceded by the phrase "*Perseroan Terbatas*" (Limited Liability Company) or the abbreviation "PT".
- (3) In the case of a *Public Company* (Perseroan Terbuka), apart from the provisions referred to in paragraph (2) being applicable, the abbreviation "Tbk" shall be added at the end of the Company's name.
- (4) Further provisions regarding the procedures for the use of Company names shall be stipulated by Government Regulation.

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Article 17

- (1) The Company shall domicile in the city or regency within the territory of the Republic of Indonesia as stipulated in the articles of association.
- (2) The domicile referred to in paragraph (1) shall at the same time constitute the head office of the Company.

Article 18

- (1) The Company shall have purposes and objectives as well as business activities which are stated in the articles of association of the Company and in accordance with the provisions of legislations.

Paragraph 2

Amendments to the Articles of Association

Article 19

- (1) Amendments to the articles of association shall be determined by a RUPS.
- (2) Agenda on the amendments of the articles of association shall be clearly stated in notice to a RUPS.

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Article 20

- (1) Amendments to the articles of association of a Company that has been declared bankrupt, cannot be conducted except with the approval from the receiver.
- (2) Thereceiver's approval as referred to in paragraph (1) shall be attached in the application for approval and notification of amendments of the articles of association to the Minister.

Article 21

- (1) Certain amendments to the articles of association shall have the approval from the Minister.
- (2) Certain amendments to the articles of association as referred to in paragraph (1) shall contain the following:
  - a. name and/or domicile of the Company;
  - b. purposes and objectives as well as business activities of the Company;
  - c. period of incorporation of the Company;
  - d. amount of Authorized Capital,
  - e. reduction of issued and paid-up capital; and/or

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- f. change of the status of the Company from private company to Listed Company or otherwise.
- (3) Amendments the articles of association other than as referred to in paragraph (2) shall only need to be notified to the Minister.
- (4) The amendments to the articles of association as referred to in paragraph (2) and paragraph (3) shall be set forth or stated in the notarial deed and in the Indonesian language.
- (5) Amendments to the articles of association not drawn up in a notarial deed of minutes of meeting, shall be drawn up in a notarial deed not later than 30 (thirty) days as of the date of resolution of the RUPS.
- (6) An amendment to the articles of association may not be stated in a notarial deed upon the lapse of 30 (thirty) days as referred to in paragraph (5).
- (7) Application for the approval of the amendment to articles of association as referred to in paragraph (2) shall be submitted to the Minister, not later than 30 (thirty) days as of the date of the notarial deed containing the amendments of the articles of association.
- (8) The provision as referred to in paragraph (7), apply *mutatis mutandis* for the notification of the amendment to article of association to the Minister.

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- (9) After the lapse of 30 (thirty) days period as referred to in paragraph (7), the application for approval or the notification of the amendment of articles of association may not be submitted or delivered to the Minister.

Article 22

- (1) An application for approval of the amendment to articles of association regarding the extension of the period of incorporation of the Company as set forth in the articles of association, shall be submitted to the Minister not later than 60 (sixty) days prior to the period of incorporation of the Company becomes expire.
- (2) The Minister shall provide his approval to application for the extension of the period of incorporation as referred to in paragraph (1) not later than the last date of the Company's incorporation.

Article 23

- (1) Amendments to the articles of Association as referred to in Article 21 paragraph (2) shall take effect as of the issuance date of the Ministerial Decree regarding the approval of the amendment to the articles of association.
- (2) Amendments to the articles of association as referred to in Article 21 paragraph (3) shall take effect as of the issuance date of receipt of notification by the Minister of the amendment to articles of association.

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- (3) The provisions as referred to in paragraph (1) and paragraph (2) do not apply where this Law determines otherwise.

Article 24

- (1) The Company whose capital and number of shareholders fulfill the criteria of a Public Company in accordance with the provisions of the legislations in the field of capital market, shall amend its articles of association as referred to in Article 21 paragraph (2), letter f within the 30 (thirty) days period as of the fulfillment of the criteria.
- (2) The Board of Directors of the Company as referred to in paragraph (1) shall submit a registration statement in accordance with the provisions of legislations in the field of capital market.

Article 25

- (1) Amendment to the articles of association regarding the change of the status of the Company from Private Limited Company to Listed Company, shall take effect as of:
- a. The effective date of the registration statement submitted to the capital market supervisory agency for Public Company; or
  - b. Implementation of a public offering by a Company who submits the registration statement to the capital market supervisory agency, in



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order to exercise a public offering of shares in accordance with the provisions of legislations in the field of capital market.

- (2) In the event that the registration statement of the Company as referred to in paragraph (1) letter a does not come into effect, or the Company that has submitted a registration statement as referred to in paragraph (1) letter b fails to implement the public offering

of shares, the Company must amend its articles of association again within the period of 6 (six) months after the date of approval from the Minister.

Article 26

Amendment to the articles of association made in the framework of Merger or Acquisition, shall take effect as of:

- a. The date of approval from the Minister;
- b. A later date determined in the approval of the Minister; or
- c. Date of the receipt of notification on the amendment of articles of association from the Minister, or a later date determined in the deed of Merger or the deed of Acquisition.

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Article 27

Application for approval on the amendment of articles of association as referred to in Article 21 paragraph (2) shall be rejected if:

- a. it is contrary to the provisions regarding the procedures of the amendment of the articles of association;
- b. the contents of the amendments are contrary to the provisions of legislations, public order, and/or morality; or
- c. there is any objection from the creditor to the RUPS resolution regarding the reduction of capital.

Article 28

The provisions regarding the procedures of application submission to obtain the Ministerial Decree regarding the ratification of the Company's legal entity, and the objections as referred to in Article 9, Article 10, and Article 11, shall apply *mutatis mutandis* to the submission of an application for the approval of the amendment of the articles of association and objections thereto.

Part Three

Company Registry and Announcement

Paragraph 1

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Company Registry

Article 29

- (1) Company Registry shall be implemented by the Minister.
- (2) Company Registry as referred to in paragraph (1) shall contain data concerning the Company as follows:
  - a. name and domicile, purposes and objectives as well as the business activities, period of incorporation, and capitalization;
  - b. full address of the Company as referred to in Article 5;
  - c. number and date of the deed of establishment and the Ministerial Decree regarding ratification of the Company as a legal entity as referred to in Article 7 paragraph (4);
  - d. number and date of deed of amendment of the articles of association, and approval from the Minister as referred to in Article 23 paragraph (1);
  - e. number and date of deed of amendment of the articles of association, and the date of receipt of the notification by the Minister as referred to in Article 23 paragraph (2);
  - f. name and domicile of the notary who made the deed of establishment and deed of amendment of the articles of association;

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- g. full name and address of the shareholders, members of the Board of Directors, and members of the Board of Commissioners of the Company;
  - h. number and date of deed of winding up, or number and date of the court ruling on the winding up of the Company which has been informed to the Minister;
  - i. the expiry of the Company's status as a legal entity;
  - j. the balance sheet and profit and loss statement from the financial year concerned for the Company for which auditing is required.
- (3) Data of the Company as referred to in paragraph (2) shall be included into the Company Registry on the same date as the date of :
- a. the Ministerial Decree regarding the ratification of the Company's legal entity status, the approval for the amendment of the articles of association for which approval is necessary;
  - b. receipt of notification of the amendments to the articles of association for which approval is not necessary; or
  - c. receipt of notification of the amendments of the Company's data which do not constitute amendments of the articles of association.
- (4) The provision as referred to in paragraph (2) letter g, regarding full name and address of the shareholders of the Listed Company, in

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accordance with the provisions of the legislations in the field of capital market.

- (5) Company Registry as referred to in paragraph (1) shall be open for public.
- (6) Further provisions regarding Company Registry shall be regulated in a Ministerial Regulation.

Paragraph 2

Announcement

Article 30

- (1) The Minister shall announce in the Supplement to State Gazette of the Republic of Indonesia:
  - a. The deed of establishment of the Company and the Ministerial Decree as referred to in Article 7 paragraph (4);
  - b. The deed of amendment of the articles of association and the Ministerial Decree as referred to in Article 21 paragraph (1);
  - c. The deed of amendment of the articles of association, which notification has been received by the Minister.

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- (2) Announcement as referred to in paragraph (1) shall be conducted by the Minister within the period not later than 14 (fourteen) days as of the issuance date of Ministerial Decree as referred to in paragraph (1) letter a and letter b, or as of the receipt of notification as referred to in paragraph (1) letter c.
- (3) Further provisions regarding the procedures of announcement shall be conducted in accordance with the provisions of the legislations.

### CHAPTER III

#### CAPITAL AND SHARES

##### Part One

##### Capital

##### Article 31

- (1) Authorized Capital of the Company shall consist of total nominal value of shares.
- (2) The provision as referred to in paragraph (1) does not preclude the possibility of the legislative provisions in the field of capital market to regulate the Company's capital to consist of shares without nominal value.

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Article 32

- (1) Authorized capital of the Company shall be at least of Rp 50,000,000.00 (fifty million rupiahs).
- (2) Laws that regulate certain business activities can determine the minimum amount of the Company's capital which is higher than the provision of authorized capital as referred to in paragraph (1).
- (3) The change to the amount of authorized capital as referred to in paragraph (1), shall be stipulated with a Government Regulation.

Article 33

- (1) At least 25% (twenty five percent) of the authorized capital as referred to in Article 32 shall be issued and paid-up in full.
- (2) The capital issued and paid-up in full as referred to in paragraph (1) shall be proven by a valid payment evidence.
- (3) Further issuance of shares at any time to increase the issued capital must be paid-up in full.

Article 34

- (1) Payment of shares capital may be made in the form of money and/or in other forms.

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- (2) In the event that the share capital is paid up in some other forms as referred to in paragraph (1), the valuation on the share capital paid up shall be determined based on the reasonable value determined in accordance with the market price or by an independent expert.
- (3) Payment of share capital in the form of immovable asset must be announced in 1 (one) or more Newspapers within the period of 14 (fourteen) days after the signing of deed of establishment, or after the RUPS resolves such payment of share.

Article 35

- (1) Shareholders and other creditors having receivables against the Company, may not set off their receivables against the payment obligation to pay up the share price they have subscribed, except with the approval from the RUPS.
- (2) The receivables towards the Company as referred to in paragraph (1) that may be set off against the payment of share are receivables on claims towards the Company which arise out of :
  - a. The Company has received the money or the surrender of tangible or intangible goods which have a monetary value.
  - b. a party who becomes the guarantor of the Company's debt has paid the Company's debt in full, for the amount guaranteed; or



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- c. The Company becomes the guarantor of a third party's debt, and the Company has received benefits in the form of money or goods which have a monetary value, which the Company has in fact directly or indirectly received.
- (3) The RUPS resolution as referred to in paragraph (1) shall be valid if it is conducted in accordance with the provisions regarding notice of meeting, quorum, and number of votes to amend the articles of association as referred to in this Law and/or the articles of association.

Article 36

- (1) The Company shall not be allowed to issue shares, either to be owned by the Company itself or other Company, which shares are directly or indirectly owned by the Company.
- (2) The prohibition on shares ownership as referred to in paragraph (1) shall not be valid for shares ownership obtained based on transfer by operation of law, by grant, or by bequest.
- (3) The shares obtained as referred to in paragraph (2), shall be transferred to other party not prohibited from owning the shares in the Company within the period of 1 (one) year after the date of transfer.
- (4) In the event that the other Company as referred to in paragraph (1) is a securities company, the provisions of legislations in the field of capital market shall apply.

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Part Two

Capital Protection and the Company's Assets

Article 37

- (1) The Company may re-purchase the shares which have issued under the following conditions:
  - a. the re-purchase of shares shall not result in the net assets of the Company becomes less than the issued capital plus the statutory reserve that has been set aside; and
  - b. the amount of nominal value of all shares buy back by the Company and the pledge of shares or the fiduciary security on shares held by the Company itself, and/or other Company which shares are directly or indirectly owned by the Company does not exceed 10% (ten percent) from the amount of issued capital in the Company, except otherwise regulated in the legislation in the field of capital markets.
- (2) The backer-purchase of shares, either directly or indirectly, contrary with paragraph (1) is considered void by operation of law.
- (3) The Board of Directors shall be jointly and severally liable for the losses suffered by shareholders who have acted in good faith, resulting from

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the repurchase which is void by operation of law as referred to in paragraph (2).

- (4) The shares buy backed by the Company as referred to in paragraph (1) may only be possessed by the Company for not more than 3 (three) years.

Article 38

- (1) The repurchase of shares as referred to in Article 37 paragraph (1), or further transfer, may only be conducted based on approval from the RUPS, except otherwise stated in the legislations in the field of capital markets.
- (2) The resolution of RUPS containing the approval as referred to in paragraph (1) shall be valid if adopted in accordance with the provisions regarding notice of meeting, quorum, and approval on the number of votes to amend the articles of association as regulated in this Law and/or the articles of association.

Article 39

- (1) The RUPS may deliver to the Board of Directors the authority to approve the implementation of the RUPS resolution as referred to in Article 38 for the period of not more than 1 (one) year.

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- (2) The grant of authorization as referred to in paragraph (1) may be extended each time for the same period.
- (3) The grant of authorization as referred to in paragraph (1) at any time can be revoked by the RUPS.

Article 40

- (1) The shares possessed by the Company due to the repurchase, transfer by operation of law, grant or bequest, may not be used to cast votes in the RUPS, and shall not be counted in determining the number of quorum which must be achieved in accordance with this Law and/or the articles of association.
- (2) The shares as referred to in paragraph (1) shall have no rights to receive dividend.

Part Three

Capital Increase

Article 41

- (1) The increase of the Company's capital shall be conducted based on the approval of the RUPS.
- (2) The RUPS may transfer the authority to the Board of Commissioners in order to approve the implementation of the RUPS resolution as

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referred to in paragraph (1) for the period of not more than 1 (one) year.

- (3) The transfer of authority as referred to paragraph (2) may at any time be revoked by the RUPS.

Article 42

- (1) The resolution of the RUPS for the increase of authorized capital shall be valid if adopted by taking into account the requirements of quorum and the number of votes in favor of for the amendment of the articles of association in accordance with the provisions of this Law herein and/or the articles of association.
- (2) The RUPS resolution for the increase of issued and paid-up capital within the limits of the authorized capital shall be declared valid if the a quorum attending of more than  $\frac{1}{2}$  (one half) part of the total number of shares with voting rights and approved by  
  
more than  $\frac{1}{2}$  (one half) part of the total votes cast, unless larger number is determined in the articles of association.
- (3) The increase of capital as referred to in paragraph (2) shall be notified to the Minister to be recorded in the Company Registry.

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Article 43

- (1) All shares issued for the increase of capital shall first be offered to each shareholder in proportions to their share ownership for the same classification of shares.
- (2) In the event that the shares which will be issued for the capital increase constitute a classification of shares which have never been issued before, then all shareholders shall have the pre-emptive right to purchase such shares in accordance with the proportion of shares each of them owned.
- (3) The offer as referred to in paragraph (1) does not apply for the issuance of shares:
  - a. Addressed to the employees of the Company;
  - b. Addressed to bond holders and other securities which can be converted into shares, that were issued with the approval from the RUPS; or
  - c. conducted in the context of reorganization and/or restructuring with the approval from the RUPS.
- (4) In the event that the shareholders as referred to in paragraph (1) do not exercise their rights to purchase and pay in full the purchased shares within the period of 14 (fourteen) days as of the offering date,

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the Company may offer the remaining unsubscribed shares to a third party.

Part Four

Capital Reduction

Article 44

- (1) The resolution of the RUPS for the reduction of the Company's capital shall be valid if adopted by taking into account the requirements of quorum provisions and the numbers of votes in favor for the amendments to the articles of association in accordance with this Law and/or the articles of association.
- (2) The Board of Directors shall notify the resolution as referred to in paragraph (1) to all creditors by announcing it in 1 (one) or more Newspapers, within the period of not later than 7 (seven) days as of the date of the RUPS resolution.

Article 45

- (1) Within the period of 60 (sixty) days as of the date of the announcement as referred to in Article 44 paragraph (2), the creditors may submit a written objection to the resolution on the capital reduction , together with the reasons therefore to the Company , with a copy to the Minister.

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(2) Within the period of 30 (thirty) days as from the objection as referred to in paragraph (1) are received, the Company shall provide a written response to the objection received.

(3) In the event that the Company:

a. rejects the objection or fail to provide a settlement that the creditors agree to within the period of 30 (thirty) days as of the date of receipt of the Company's response; or

b. fails to give any response within the period of 60 (sixty) days as of the date the objection is submitted by the Company,

creditor may suit to the District Court whose jurisdiction covers the domicile of the Company.

Article 46

(1) The reduction of the capital of the Company constitutes the amendment of the articles of association which shall have an approval from the Minister.

(2) The Minister's approval as referred to in paragraph (1) shall be provided in the event that :

a. there is no written objection from the creditors within the period as referred to in Article 45 paragraph (1);



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- b. a settlement of the objection raised by the creditor is achieved; or
- c. the creditors' suit is rejected by the District Court based on the judgment which has obtained absolute legal force.

Article 47

- (1) The resolution of RUPS regarding the reduction of the issued and paid up capital of the Company shall be conducted by way of withdrawal of shares, or reducing the nominal value of the shares.
- (2) The withdrawal of shares as referred to in paragraph (1) may be carried out towards the shares which have been repurchased by the Company, or towards the shares having a classification which may be withdrawn.
- (3) The reduction in nominal value of the shares without repayment must be performed equally towards all shares from every classification of shares.
- (4) The equilibrium as referred to in paragraph (3) may be set aside subject to approval from all shareholders whose nominal values of shares are reduced.
- (5) In the event that there are more than 1 (one) share classification, the resolution of the RUPS regarding the reduction of capital may only be adopted subject to prior approval from all shareholders from each

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share classification whose rights are damaged by the RUPS resolution on such capital reduction.

Part Five

Shares

Article 48

- (1) The Company's shares shall be issued under the name of their owners.
- (2) The terms and conditions of shares ownership may be set forth in the articles of association by taking into account the requirements as stipulated by a competent authority in accordance with the provisions of the legislations.
- (3) In the event that the terms and conditions of shares ownership as referred to in paragraph (2) have been determined and are not fulfilled, then the party obtaining the ownership of the shares cannot exercise rights as a shareholder, and the shares shall not be counted in any quorum that must be achieved in accordance with the provisions of this Law herein and/or the articles of association.

Article 49

- (1) The value of shares shall be stated in Rupiah.
- (2) Shares without nominal value may not be issued.

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- (3) The provision as referred to in paragraph (2) shall not preclude the possibility for the arrangement of the issuance of shares without nominal value in the legislations in the field of capital markets.

Article 50

- (1) The Company's Board of Directors shall make and keep the shareholder register, which at least consist of :
- a. name and address of the shareholders;
  - b. amount, number, date of shares acquisition held by the shareholders; and the classification in the event that more than one classification of shares has been issued;
  - c. amount paid-up for each share;
  - d. name and address of individual or legal entity having a pledge over the shares or as the fiduciary guarantee of the fiduciary over shares, and the acquisition date of pledge on share or registration date of the fiduciary security;
  - e. description on the payment of shares in other form as referred to in Article 34 paragraph (2).
- (2) Apart from the shareholder register as referred to in paragraph (1), the Board of Directors shall make and keep a special register containing information regarding the shares of the members of the Board of

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Directors and the Board of Commissioners, together with their families, in the Company and/or other Company, as well as the date the acquisition of such shares.

- (3) In the shareholder register and in the special register as referred to in paragraph (1) and paragraph (2), every change of share ownership shall also be recorded.
- (4) The shareholder register and the special register as referred to in paragraph (1) and paragraph (2), shall be made available in the domicile of the Company, so that they can be seen by the shareholders.
- (5) In the event that the legislations in the field of capital markets do not stipulate otherwise, the provision as referred to in paragraph (1), paragraph (3), and paragraph (4) shall also apply to the Issuer.

Article 51

Shareholders shall be provided with the proof of shares ownership they own.

Article 52

- (1) Shares provide rights to their owners to :
  - a. attend and cast vote in the RUPS;

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- b. receive dividend payment and the remainder or assets from liquidation;
  - c. exercise other rights under this Law.
- (2) The provision as referred to in paragraph (1) shall take effect after the shares are recorded in the shareholder register under the name of the shareholders.
- (3) The provisions as referred to in paragraph (1), letter a and letter c, shall not apply for certain shares classification as stipulated in this Law.
- (4) Each share provides its owner indivisible right.
- (5) In the event that 1 (one) share is owned by more than 1 (one) person, the rights arising out of the shares shall be exercised by appointing 1 (one) person as their joint representative.

Article 53

- (1) Articles of association shall determine 1 (one) or more share classifications.
- (2) Each share in the same classification provides its holders the same rights.

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- (3) In the event that there are more than 1 (one) share classification, the articles of association shall determine one of them as ordinary shares.
- (4) Share classifications as referred to in paragraph (3) are, among others:
- a. shares with voting right or without voting right;
  - b. shares with special right to nominate member of the Board of Directors and/or member of the Board of Commissioners;
  - c. shares which after a certain period of time will be withdrawn or exchanged with other shares classification;
  - d. shares which provide rights to its owner to receive dividends firstly over the other shareholders from different shares classification for the distribution of dividend cumulatively or non-cumulatively;
  - e. shares which provide rights to its owner to receive allocation of the remainder of the Company's assets in liquidation firstly over the other shareholders with different shares classification.

Article 54

- (1) The articles of association may determine the fraction of the nominal value of share.

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- (2) The holders of a fraction of the nominal value of shares shall not be granted individual voting rights, except the holder of a fraction of the nominal value of share, either severally or jointly with another holder of a fraction of nominal value of share having the same classification of shares, have a nominal value equal to 1 (one) nominal share from such classification.
- (3) The provision as referred to in Article 52 paragraph (4) and paragraph (5) shall apply mutatis mutandis to the holders of fractions of the nominal value of shares.

Article 55

The articles of association of the Company shall determine the method of transfer of rights over shares in accordance with the provisions of the legislations.

Article 56

- (1) The transfer of rights over shares shall be conducted with a deed of transfer of right.
- (2) Deed of transfer of rights over shares as referred to in paragraph (1) or its copy shall be delivered to the Company in writing.
- (3) The Board of Directors shall register the transfer of rights over shares, date, and day of the transfer in the shareholder register or the

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special register as referred to in Article 50 paragraph (1) and paragraph (2), and shall notify the change of the composition of shareholders to the Minister, to be recorded in the Company Registry, not later than 30 (thirty) days as of the registration date of the transfer of right.

- (4) In the event that the notification as referred to in paragraph (3) has not been conducted, the Minister may reject the application for approval or the notification conducted based on the composition and the names of shareholders which have not yet been notified.
- (5) The provision regarding the procedures of transfer of rights over shares traded on the capital markets shall be regulated in the legislations in the field of capital markets.

Article 57

- (1) The articles of association may regulate requirements regarding the transfer of rights over share, as follows:
  - a. The obligation to offer pre-emptive rights to the shareholders with a certain classification or to other shareholders;
  - b. The obligation to obtain prior approval from the Company Organ; and/or



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- c. The obligation to obtain prior approval from the authorized institutions in accordance with the provisions of the legislations.
- (2) The requirements as referred to in paragraph (1) shall not apply in the event of transfer of rights over shares are caused by the transfer of rights by operation of law, unless the mandatory approval as referred to in paragraph (1) letter c is related to inheritance.

Article 58

- (1) In the event that the articles of association requires the selling shareholders to first offer their shares to the shareholders of certain classification of shares, or to other shareholders, and within the period of 30 (thirty) days as from the offering date the shareholders do not purchase the shares, then the selling shareholders may offer and sell their shares to a third party.
- (2) Each selling shareholder who is required to offer its shares as referred to in paragraph (1) shall have the right to withdraw the offering after the lapse of 30 (thirty) days period as referred to in paragraph (1).
- (3) The obligation to offer to the shareholder of certain classification of shares, or to other shareholders as referred to in paragraph (1) shall only apply once.

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Article 59

- (1) The granting of approval to the transfer of rights over shares which requires approval from the Company Organ or its rejection shall be given in writing within a period of not more than 90 (ninety) days as of the date the Company Organ receives the request for approval of transfer of rights over shares.
- (2) In the event that the period as referred to in paragraph (1) has lapsed, and the Company Organ fails to provide a written statement, then the Company Organ shall be deemed to approve the transfer of rights over shares.
- (3) In the event that the transfer of rights over shares is approved by the Company Organ, the transfer of rights shall be conducted in accordance with the provision as referred to in Article 56, and shall be implemented within a period of not more than 90 (ninety) days as of the date on which the approval is given.

Article 60

- (1) Shares are movable objects and give the rights as referred to Article 52 to their owner.
- (2) Shares can be encumbered by way of pledge or fiduciary security, unless otherwise stipulated in the articles of association.

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- (3) Pledge of shares or fiduciary security over shares registered in accordance with the provisions of legislations shall be recorded in the shareholder register and special register as referred to in Article 50.
- (4) Voting rights on shares encumbered with pledge or fiduciary security shall remain with the shareholders.

Article 61

- (1) Each shareholder shall have the right to file a suit against the Company to the District Court if they suffer losses due the action of the Company which is considered to be unfair and unreasonable as a result of a resolution of the RUPS, the Board of Directors, and/or the Board of Commissioners.
- (2) The suits as referred to in paragraph (1) shall be submitted to the District Court which jurisdiction covers the domicile of the Company.

Article 62

- (1) Each shareholder shall have the right to request the Company to purchase its shares with a reasonable price if the shareholder concerned does not agree with the action of the Company which harm the shareholders or the Company in the form of :

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- a. amendments to the articles of association;
  - b. the transfer or the encumbrance of the Company's assets, having a nominal value of more than 50% (fifty percent) of the net assets of the Company; or
  - c. Merger, Consolidation, Acquisition, or Separation.
- (2) In the event that the shares requested to be purchased as referred to in paragraph (1) exceeds the limit of the repurchase requirements by the Company as referred to in Article 37 paragraph (1) letter b, the Company shall endeavor that the remaining shares be purchased by a third party.

## CHAPTER V

### WORK PLAN, ANNUAL REPORT, AND THE USE OF PROFITS

#### Part One

#### Work Plan

#### Article 63

- (1) The Board of Directors shall prepare an annual work plan prior to the commencement of the coming financial year.

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- (2) The work plan as referred to in paragraph (1) shall also contain annual budget of the Company for the coming financial year.

Article 64

- (1) The work plan as referred to in Article 63 shall be delivered to the Board of Commissioners or the RUPS as stated in the articles of association.
- (2) The articles of association may determine the work plan delivered by the Board of Directors as referred to in paragraph (1) shall obtain the approval from the Board of Commissioners or the RUPS, unless determined otherwise in the legislations.
- (3) In the event that the articles of association determine that the work plan is subject to approval from the RUPS, such work plan shall first be reviewed by the Board of Commissioners.

Article 65

- (1) In the event that the Board of Directors fails to deliver the work plan as referred to in Article 64, the work plan from the previous year shall apply.
- (2) The work plan from the previous years shall also apply for the Company which work plan has not yet obtained approval as stated in the articles of association or the legislations.

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Part One

Annual Report

Article 66

- (1) The Board of Directors shall submit an annual report to the RUPS after it has been reviewed by the Board of Commissioners, no later than 6 (six) months after the Company's accounting year ends.
- (2) The annual report as referred to in paragraph (1) shall at least contain the following :
  - a. financial statement which at least consists of the current balance sheet of the latest accounting year in comparison with the previous accounting year, profit and loss statement from the relevant accounting year, cash flows, report on the equity changes, and the record on such financial statement;
  - b. report on the Company's activities;
  - c. report on the implementation of Social and Environmental Responsibility;
  - d. details on issues which occurs during the accounting year which affecti the Company's activities;

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- e. report on supervisory duty that has been performed by the Board of Commissioners during the previous accounting year;
  - f. name of the members of the Board of Directors and Board of Commissioners;
  - g. salary and compensation for the members of Board of Directors, and salary or honorarium and compensation for the members of the Board of Commissioners of the Company for the previous year.
- (3) Financial statement as referred to in paragraph (2) letter a, shall be prepared based on the accounting standard.
- (4) The mandatory audited of Company's balance sheet and relevant profit and loss statement as referred to in paragraph (2) letter a, shall be submitted to the Minister in accordance with the provision of the regulation.

Article 67

- (1) Annual report as referred to in Article 66 paragraph (1) shall be signed by all members of the Board of Directors and Board of Commissioners during their service period at the relevant accounting year, and it shall be provided in the Company's office as of the date of notice for RUPS in order to be examined by the shareholders.

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- (2) In the event that there are any member of the Board of Directors or Board of Commissioners who fails to sign the annual report as referred to in paragraph (1), such relevant member shall specify the reasons in writing, or such reason shall be specified by the Board of Directors in a separate letter attached to the annual report.
- (3) In the event there are any member of the Board of Directors or Board of Commissioners who fail both to sign the annual report as referred to in paragraph (1) and to specify the reasons in writing, it shall be deemed that the relevant member has approved the annual report.

Article 68

- (1) The Board of Directors shall submit the annual report of the Company to be audited by a public accountant if :
- a. the activities of the Company is to collect and/or to manage the community's fund;
  - b. The Company issues a debt acknowledgement letter to the public;
  - c. The Company constitutes a Listed Company;
  - d. The Company constitutes a state- owned company;
  - e. The Company owns assets and/or business with the minimum value of Rp 50,000,000.,000.00 (fifty billion rupiahs).



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- f. It is obliged pursuant to the prevailing laws and regulations.
- (2) In the event the obligations as referred to in paragraph (1) fail to be fulfilled, the financial statement shall not be ratified by the RUPS.
- (3) The report on the audit result by the public accountant as referred to in paragraph (1) shall be submitted in writing to the RUPS through the Board of Directors.
- (4) The Balance Sheet and profit and loss statement from the financial statement as referred to in paragraph (1) letter a, letter b, and letter c after having obtained approval from the RUPS, shall be announced to public in 1 (one) Newspaper.
- (5) The announcement of Balance Sheet and profit and loss statement as referred to in paragraph (4) shall be performed no later than 7 (seven) days as of the date of ratification by the RUPS..
- (6) The reduction of the amount as referred to in paragraph (1) letter e, shall be further stipulated in a Government Regulation.

Article 69

- (1) The approval on annual report including the ratification of financial statement and the report on supervisory duty of the Board of Commissioners shall be performed by the RUPS.

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- (2) The resolution over the ratification on the financial statement and approval on the annual report as referred to in paragraph (1) shall be stipulated based on the provision as stated herein and/or the articles of association.
- (3) In the event that it is proven that the financial statement is inaccurate and incorrect, the members of the Board of Directors shall jointly or severally liable to the inflicted loss party.
- (4) The member of the Board of Directors and Board of Commissioners shall be fully discharged and released against any responsibility as referred to in paragraph (3) if it is proven that such condition is not resulted from their fault.

Part Three

Use of Net Earnings

Article 70

- (1) The Company shall allocate a certain amount from the net earnings of each accounting year for reserve fund.
- (2) The obligation to allocate the reserve fund as referred to in paragraph (1) shall apply if the Company possesses a positive profit balance.

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- (3) The allocation of net earnings as referred to in paragraph (1) shall be performed up to an amount of 20% (twenty percent) from issued and paid-up capital.
- (4) The reserve fund as referred to in paragraph (1) which has not yet reached the amount as referred to in paragraph (3) may only be utilized to cover the loss that cannot be covered by other reserves.

Article 71

- (1) The use of net earnings including the amount of allocation for reserve fund as referred to in Article 70 paragraph (1) shall be determined by the RUPS.
- (2) All net earnings after deduction for reserve fund as referred to in Article 70 paragraph (1) shall be distributed to the shareholders as dividend, except otherwise provided in the RUPS.
- (3) The dividend as referred to in paragraph (2) can only be distributed if the Company possesses a positive profit balance.

Article 72

- (1) The Company may distribute interim dividend before the end of Company's accounting book, as long as it is stipulated in the Company's articles of association.

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- (2) The distribution of interim dividend as referred to in paragraph (1) is applicable if the amount of the Company's net assets shall not less than issued and paid-up capital plus reserve fund.
- (3) The distribution of interim dividend as referred to in paragraph (2) shall not disrupt or cause the Company to become unable to fulfill its obligation to the creditors or disrupt the activities of the Company.
- (4) The distribution of interim dividend shall be determined based on the resolution of the Board of Directors after having obtained approval from the Board of Commissioners, with due observance to the provision as stated in paragraph (2) and paragraph (3).
- (5) In the event that after the accounting year ends the Company has apparently inflicted with loss, the interim dividend that has been distributed shall be returned by the shareholders to the Company.
- (6) In the event that the shareholders fail to return the interim dividend as referred to in paragraph (5), the Board of Directors and the Board of Commissioners shall be jointly responsible for the loss which inflicted by the Company.

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Article 73

- (1) Dividend which are left unclaimed after 5 (five) years as of the stipulation date for the payment of the previous dividend, shall be included in a special reserve fund.
- (2) RUPS shall stipulate the procedures to claim dividend which has been included into the special reserve fund as referred to in paragraph (1).
- (3) The dividend which has been included into the special reserve fund as referred to in paragraph (1) and remains unclaimed within the period of 10 (ten) years, shall become the property of the Company.

CHAPTER V

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Article 74

- (1) The Company having its business activities in the field of and/or related to natural resources, shall perform its Social and Environmental Responsibility.
- (2) Social and Environmental Responsibility as referred to in paragraph (1) shall constitute the obligation of the Company which is budgeted and calculated as the cost of the Company, implementation of which

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shall be performed with due observance to the appropriateness and fairness.

- (3) The Company which fails to perform its obligation as referred to in paragraph (1) shall be imposed with sanction in accordance with the provision of regulation.
- (4) Provision regarding Social and Environmental Responsibility shall be further regulated with a Government Regulation.

## CHAPTER VI

### GENERAL MEETING OF SHAREHOLDERS

#### Article 75

- (1) RUPS has the authority which is not conferred to the Board of Directors and the Board of Commissioners, with due observance to the limitation as stipulated herein and/or the articles of association.
- (2) During the RUPS, the shareholders shall have the right to receive explanation relating to the Company from the Board of Directors and/or the Board of Commissioners, as long as it is related to the agenda of such RUPS, and shall not in contrary with the interest of the Company.

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- (3) RUPS concerning other agenda shall not be entitled to adopt any resolution, except all present and/or represented shareholders in the RUPS agree with the proposed additional agenda.
- (4) Resolution on the additional agenda shall be approved unanimously.

Article 76

- (1) RUPS shall be convened at the domicile of the Company or at a location of business activities of the Company as stipulated in the articles of association.
- (2) RUPS of the Listed Company may be convened at the domicile of the stock exchange where the Company's shares are listed.
- (3) The location of RUPS as referred to in paragraph (1) and paragraph (2) shall be located within the territory of the Republic of Indonesia.
- (4) If all shareholders are present and/or represented in the RUPS, and they agree that the RUPS to be performed with a certain agenda, RUPS may be convened at any location with due observance to the provision as referred to in paragraph (3).
- (5) RUPS as referred to in paragraph (4) may adopt a resolution if such resolution is approved unanimously.

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Article 77

- (1) Other than the convention of RUPS as referred to in Article 76, the RUPS may also be convened by ways of teleconference, video conference, or other means of electronic which enables all of the RUPS participants to see, hear, and participate directly in the meeting.
- (2) Requirement on quorum and adoption of resolution shall be as provided stipulated herein and/or as regulated in the Company's articles of association.
- (3) The requirement as referred to in paragraph (2) shall be calculated based on the participation of the RUPS participant as referred to in paragraph (1).
- (4) Every convention of RUPS as referred to in paragraph (1) is subject to minutes of meeting, the preparation of which shall be approved and signed by all RUPS participant.

Article 78

- (1) RUPS shall consist of annual RUPS and other RUPS.
- (2) Annual RUPS shall be convened no later than 6 (six) months after the end of accounting year.



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- (3) All documents from the annual report of the Company as referred to in Article 66 paragraph (2) shall be submitted in the annual RUPS.
- (4) Other RUPS may be convened any time as deemed necessary for the interest of the Company.

Article 79

- (1) The Board of Directors shall convene annual RUPS as referred to in Article 78 paragraph (2), and other RUPS as referred to in Article 78 paragraph (4) with prior notice for such RUPS.
- (2) The convention of RUPS as referred to in paragraph (1) can be performed upon the request of:
  - a. 1 (one) person or more shareholders jointly represent 1/10 (one tenth) or more of the total shares with legal voting right, except the articles of association stipulates a less number; or
  - b. The Board of Commissioners.
- (3) The request as referred to in paragraph (2) shall be submitted to the Board of Directors with a Registered Mail specifying the reasons thereof.
- (4) The carbon copy of Registered Mail as referred to in paragraph (3), which is submitted by the shareholders, shall be submitted to the Board of Commissioners.

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- (5) The Board of Directors shall give notice for RUPS within the latest period of 15 (fifteen) after the request has been received.
- (6) In the event the Board of Directors fail to perform the notice for RUPS as referred to in paragraph (5),
  - a. request for RUPS as referred to in (2) letter a shall be re-submitted to the Board of Commissioners; or
  - b. Board of Commissioners shall perform call for RUPS themselves as referred to in paragraph (2) letter b.
- (7) The Board of Commissioners shall perform call for RUPS as referred to in paragraph (6) letter a, within the latest period of 15 (fifteen) days after the request has been received.
- (8) The RUPS which is convened by the Board of Directors based on the call for RUPS as referred to in paragraph (5), shall discuss the issues relating to the reasons as referred to in paragraph (3), and other agenda which is deemed necessary by the Board of Directors.
- (9) RUPS which is convened by the Board of Commissioners based on the call for RUPS as referred to in paragraph (6) letter b, and paragraph (7) shall only discuss the issues relating to the matters as referred to in paragraph (3).

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- (10) The convention of RUPS of Listed Company shall abide by this Law, as long as the applicable capital market regulations do not stipulate otherwise.

Article 80

- (1) In the event that the Board of Directors or the Board of Commissioners fail to perform the call for RUPS within the period as referred to in Article 79 paragraph (5), and paragraph (7), the shareholders requesting the RUPS may submit a request to the head of District Court, whose jurisdiction covers the domicile of the Company to grant permit to the shareholders to perform the call for RUPS themselves.
- (2) The head of District Court, after summoning and hearing of the applicant, the Board of Directors and/or the Board of Commissioners, shall grant the permit to convene RUPS if it is proven by the applicant in brief that the requirement has been fulfilled and the applicant has a reasonable interest for the convention of RUPS.
- (3) The order of the head of District Court as referred to paragraph (2) shall also contain the provisions regarding:
- a. form of RUPS, agenda of RUPS in accordance with the application of the shareholders, notice period for RUPS, quorum, and/or provision regarding the adoption of RUPS resolution, as well as

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the appointment of chairperson of meeting, in accordance with or without being abide by the provision of this Law or the articles of association; and/or

b. order which requires the Board of Directors and/or Board of Commissioners to present in the RUPS.

- (4) The head of the District Court shall refuse the application in the event that the applicant fails to prove in brief that the requirements have been fulfilled and such applicant has a reasonable interest for the convention of the RUPS.
- (5) The RUPS as referred to in paragraph (1) may only discuss the agenda as stipulated by the head of the District Court.
- (6) The order of head of the District Court regarding the grant of permit as referred to in paragraph (3) shall be final and binding.
- (7) In the event the order of head of the District Court refuse the application as referred to in paragraph (4), an appeal to the Supreme Court shall be the only procedure.
- (8) The provision as referred to in paragraph (1) shall apply for Issuer with due observance to the requirement of announcement regarding the convention of RUPS, and other requirements to convene RUPS as regulated under the prevailing capital market regulation.

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Article 81

- (1) The Board of Directors will notify the shareholders prior to the convention of RUPS.
- (2) In certain conditions, the notice for RUPS as referred to in paragraph (1) can be performed by the Board of Commissioners or the shareholders based on the order of the head of the District Court.

Article 82

- (1) The notice for RUPS shall be performed within the latest period of 14 (fourteen) days prior to the date of such RUPS, excluding the date of the notice and that of the Meeting.
- (2) The notice for RUPS shall be performed with Registered Mail and/or with an advertisement in a Newspaper.
- (3) The notice for RUPS shall specify the date, time, place, and meeting agenda and together with a notice that the materials to be dealt with at the Meeting are available at the Company's offices as from the date of the notice until the date of the Meeting.
- (4) The Company, upon request from the shareholders, shall provide the copy of materials as referred to in paragraph (3) free of charge.
- (5) In the event that the notice are not in accordance with the provision as referred to in paragraph (1) and paragraph (2), and the notice are

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not in accordance with the provision in paragraph (3), the RUPS resolution shall remain valid if all shareholders with legal voting right are present or represented in the RUPS, and such resolution is approved unanimously.

Article 83

- (1) For Listed Company, an announcement regarding the preparatory of notice for RUPS shall be provided prior to such notice, with due observance to the capital market regulation.
- (2) The announcement as referred to in paragraph (1) shall be provided within the latest period of 14 (fourteen) days prior to the notice for RUPS.

Article 84

- (1) Each issued share confer one voting right, except otherwise stipulated by the articles of association.
- (2) The voting right as referred to in paragraph (1) shall not valid for :
  - a. shares owned by the Company itself;
  - b. main shares of the Company that are owned by its subsidiaries, either directly or indirectly; or

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- c. shares of the Company which are owned by other Company which shares, either directly or indirectly, owned by the Company.

Article 85

- (1) The shareholders, either severally or represented based on a power of attorney, shall have the right to attend the RUPS and to use their voting rights in accordance with the number of shares they own.
- (2) The provision as referred to in paragraph (1) shall not apply for shareholders with no voting right.
- (3) During the voting, the votes cast by the shareholders shall apply for all shares they owned, and the shareholders shall have no right to cast vote to more than one proxy for a part number of shares it owned with a different vote.
- (4) During the voting, the members of Board of Directors, members of Board of Commissioners, and employees of the relevant Company are not allowed to act as a proxy of the shareholders as referred to in paragraph (1).
- (5) In the event of the presence of the shareholders in the RUPS, the power of attorney that has been granted shall not be valid in the meeting.

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- (6) The chairperson of meeting shall have the right to decide which person shall be entitled to attend the RUPS with due observance to the provision herein and the articles of association of the Company.
- (7) For Listed Company, the provision as referred to in paragraph (3) and paragraph (6) as well as the provision as stipulated under the capital market regulations shall apply.

Article 86

- (1) RUPS shall be lawful if more than  $\frac{1}{2}$  (one-half) from the total shares with voting right are present or represented, except the Law and/or articles of association stipulates a bigger number of quorum.
- (2) In the event the quorum as referred to in paragraph (1) is not sufficient, the notice for a second-meeting shall be made.
- (3) In the second notice of RUPS, it shall be mentioned that the first RUPS had been performed but failed to reach the quorum.
- (4) The second RUPS as referred to in paragraph (2) shall be valid and shall be entitled to adopt binding resolution if more than  $\frac{1}{3}$  (one-third) from the total shares with voting right are present or represented, except the Law and/or articles of association stipulates a bigger number of quorum.



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- (5) In the event the quorum of the second RUPS as referred to in paragraph (4) is not sufficient, the Company may request the head of the District Court, whose jurisdiction covers the domicile of the Company, to stipulate a quorum for the third RUPS.
- (6) The notice for third RUPS shall mention that the second RUPS had been performed but failed to reach the quorum and the third RUPS will be convened with a quorum as stipulated by the head of the District Court.
- (7) The order of the head of the District Court regarding the quorum for RUPS as referred to in paragraph (5) shall be final and binding.
- (8) Notice for the second and the third RUPS shall be performed within the latest period of 7 (seven) days prior to date of the second and the third RUPS.
- (9) The second and the third RUPS shall be convened within the soonest period of 10 (ten) days and the latest of 21 (twenty one) days after the previous RUPS is convened.

Article 87

- (1) The resolution of RUPS shall be taken based on mutual consensus.
- (2) In the event the resolution based on mutual consensus as referred to in paragraph (1) fails to reach, the resolution shall be valid if it is

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approved by more than  $\frac{1}{2}$  (one-half) from the total votes, except the Law and/or articles of association stipulates that the resolution shall be valid if it is approved by more number of affirmative vote.

Article 88

- (1) RUPS for the amendment to the articles of association can be convened if at least  $\frac{2}{3}$  (two-third) of the total shares issued with voting rights are present or represented and the resolutions thereof shall be valid if approved by more than  $\frac{2}{3}$  (two-third) of total votes cast at the meeting except the articles of association stipulates a bigger quorum and/or a provision regarding the adoption of resolution in the RUPS.
- (2) In the event the quorum as referred to in paragraph (1) is not sufficient, a second RUPS can be convened.
- (3) The second RUPS as referred to in paragraph (2) shall be valid and entitled to adopt a resolution if at least  $\frac{3}{5}$  (three-fifth) of the total shares issued with voting rights are present or represented and the resolutions thereof shall be valid if approved by more than  $\frac{2}{3}$  (two-third) of total votes cast at the meeting except the articles of association stipulates a bigger quorum and/or a provision regarding the adoption of resolution in the RUPS.

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- (4) The provision as referred to in Article 86 paragraph (5), paragraph (6), paragraph (7), paragraph (8), and paragraph (9), shall apply *mutatis mutandis* for the RUPS as referred to in paragraph (1).
- (5) The provision as referred to in paragraph (1), paragraph (2), and paragraph (3), regarding the quorum and the requirement on the adoption of resolution in RUPS shall also be applicable to Issuer, as long as the capital market regulations do not stipulate otherwise.

Article 89

- (1) RUPS to approve the Merger, Consolidation, Acquisition, or Separation, bankruptcy, extension of duration, and the liquidation of the Company can be convened if at least 3/4 (three-fourth) of the total shares issued with voting rights are present or represented and the resolutions thereof shall be valid if approved by more than 3/4 (three-fourth) of total votes cast at the meeting except the articles of association stipulates a bigger quorum and/or a provision regarding the adoption of resolution in the RUPS.
- (2) In the event that the attending quorum as referred to in paragraph (1) is not sufficient, a second RUPS can be convened.
- (3) The second RUPS as referred to in paragraph (2) shall be valid and entitled to adopt a resolution if at least 2/3 (two-third) of the total shares issued with voting rights are present or represented and the resolutions thereof shall be valid if approved by more than 3/4

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(three-fourth) of total votes cast at the meeting except the articles of association stipulates a bigger quorum and/or a provision regarding the adoption of resolution in the RUPS.

- (4) The provision as referred to in Article 86 paragraph (5), paragraph (6), paragraph (7), paragraph (8), and paragraph (9), shall apply *mutatis mutandis* for the RUPS as referred to in paragraph (1).
- (5) The provision as referred to in paragraph (1), paragraph (2), and paragraph (3), regarding the quorum and the requirement on the adoption of resolution in RUPS shall also be applicable to Issuer, as long as the capital market regulations do not stipulate otherwise..

Article 90

- (1) Minutes of meeting for each RUPS shall be made, the minutes of which RUPS shall be signed by the chairperson of the meeting, and at least 1 (one) shareholder shall be appointed by and from among those present .
- (2) The signatory as referred to in paragraph (1) shall not be required if the minutes of RUPS is made in a notarial deed.

Article 91

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Shareholders may also adopt binding resolution without convening RUPS provided that all shareholders with affirmative vote give their approval in writing by signing the relevant proposal.

CHAPTER VII

BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

Part One

Board of Directors

Article 92

- (1) The Board of Directors shall perform its duty to manage the Company for the interest of the Company in the pursuit of its purposes and objectives.
- (2) The Board of Directors shall have the authority to manage the Company as referred to in paragraph (1) in accordance with the policy which is considered accurate, and shall be in accordance with the provision as regulated under in this Law and/or the articles of association.
- (3) The Board of Directors of the Company shall consist of 1 (one) member of the Board of Directors or more.

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- (4) The Company which engages in mobilizing public funds, issuing debt instrument or an Listed Company shall have a minimum of 2 (two) members of Board of Directors.
- (5) In the event the Board of Directors consists of 2 (two) members of the Board of Directors or more, the distribution of duty and authority among the members of the Board of Directors shall be determined based on the RUPS resolution.
- (6) In the event the RUPS as referred to in paragraph (5) does not determine the distribution of duty and authority of the members of the Board of Directors, such distribution shall be stipulated based on the resolution of the Board of Directors.

Article 93

- (1) Those who can be appointed as the members of the Board of Directors shall be individual who has the capability in performing legal action, except within the period of 5 (five) years prior to his appointment he/she :
  - a. had been declared bankrupt;
  - b. being the member of the Board of Directors or the member of Board of Commissioners who have been adjudicated to have caused the bankruptcy of a Company; or

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- c. had been sentenced for a criminal offense which caused financial loss to the state and/or relating to financial sector.
- (2) The requirement as referred to in paragraph (1) shall not avoid the possibility for a relevant technical institution to stipulate an additional requirement based on the regulation.
- (3) Compliance to the requirement as referred to in paragraph (1) and paragraph (2) shall be proven with a letter kept by the Company.

Article 94

- (1) Members of the Board of Directors shall be appointed by the RUPS.
- (2) The appointment of members of the Board of Directors shall be firstly conducted by the founder as stipulated in the deed of establishment as referred to in Article 8 paragraph (2) letter b.
- (3) Members of the Board of Directors shall be appointed for a certain period and may be re-appointed.
- (4) Articles of association shall regulate the procedures to appoint, replace, and dismiss members of the Board of Directors, and may also regulate the procedures to nominate the members of the Board of Directors.
- (5) RUPS resolution regarding the appointment, replacement, and dismissal of the members of the Board of Directors shall also

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stipulate the effective date of such appointment, replacement, and dismissal.

- (6) In the event that the RUPS does not stipulate the effective date of appointment, replacement, and dismissal of the members of the Board of Directors, then the aforementioned shall be effective as of the closing of RUPS.
- (7) In the event of appointment, replacement, and dismissal of the members of the Board of Directors, the Board of Directors shall notify the change of members of the Board of Directors to the Minister to be registered in the Company Registry, within the latest period of 30 (thirty) days as of the resolution date of the RUPS.
- (8) In the event the notification as referred to in paragraph (7) has not been performed, the Minister shall refuse each submitted application or the submitted notification submitted to the Minister that has not been registered in the Company Registry.
- (9) The notification as referred to in paragraph (8) shall be excluded from the notification submitted by the new Board of Directors regarding his/her own appointment.

Article 95

- (1) The appointment of the Board of Directors which is not in accordance with the requirement as stipulated in Article 93 shall be, by law,



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nullified as of the other members of the Board of Directors or Board of Commissioners acknowledges the non-compliance of such requirement.

- (2) Within the latest period of 7 (seven) days as of the acknowledgement, other members of the Board of Directors or the Board of Commissioners shall announce the annulment of the appointment of the relevant Board of Directors in a Newspaper and shall notify the Minister to be registered in the Company Registry.
- (3) Legal action that has been taken for and on behalf of the Company by the members of the Board of Directors as referred to in paragraph (1) prior to the annulment of appointment, shall remain binding and become the responsibility of the Company.
- (4) Legal action that is taken for and on behalf of the Company conducted by the members of the Board of Directors as referred to in paragraph (1) after the annulment of the appointment, shall be invalid and shall be the personal responsibility of the member of the relevant Board of Directors.
- (5) The provision as referred to in paragraph (3) shall not reduce the responsibility of the members of the relevant Board of Directors against the Company's loss as referred to in Article 97 and Article 104.

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- (1) The provision regarding the amount of salary and remuneration of the members of the Board of Directors shall be determined based on the resolution of RUPS.
- (2) The authority of RUPS as referred to in paragraph (1), may be conferred to the Board of Commissioners.
- (3) In the event the authority of RUPS is conferred to the Board of Commissioners as referred to in paragraph (2), the amount of salary and remuneration as referred to in paragraph (1) shall be determined based on the resolution of the Meeting of the Board of Commissioners.

Article 97

- (1) The Board of Directors shall be responsible for the management of the Company as referred to in Article 92 paragraph (1).
- (2) The management as referred to in paragraph (1) shall be performed by each member of the Board of Directors with good faith and full responsibility.
- (3) Each member of the Board of Directors shall be fully and personally liable over the loss of the Company if it resulted from its fault or negligent in performing its duties, in accordance with the provision as referred to in paragraph (2) in accordance with the provision as referred to in paragraph (2).

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- (4) In the event the Board of Directors consist of 2 (two) members or more, the responsibility as referred to in paragraph (3) shall jointly responsible, apply to each member of the Board of Directors .
- (5) A member of the Board of Directors shall not be liable for the loss as referred to in paragraph (3) if it is proven that:
- a. such loss is not resulted from its fault or negligence;
  - b. it has performed the management of the Company with good faith and prudence for the interest of the Company in the pursuit of its purposes and objectives;
  - c. there is no conflict of interest, either directly or indirectly over the management that result to the loss; and
  - d. it has taken a precaution measure to avoid the loss.
- (6) On behalf of the Company, the shareholders representing at least 1/10 (one-tenth) from the total number of shares with voting right, may submit a claim to a District Court against member of the Board of Directors which causes loss to the Company due to their fault or negligence.
- (7) The provision as referred to in paragraph (5) shall not reduce the right of the other members of the Board of Directors and/or members of

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the Board of Commissioners to submit a claim on behalf of the Company.

Article 98

- (1) The Board of Directors shall represent the Company, in or outside the courts of justice.
- (2) In the event the Board of Directors consists of more than 1 (one) person, each member of the Board of Directors is authorized to represent the Company unless stipulated otherwise in the article of association.
- (3) The authority of the member of Board of Directors to represent the Company as referred to in paragraph (1) shall be unlimited and unconditional, except otherwise stated in this Law, articles of association, or the resolution of RUPS.
- (4) The resolution of RUPS as referred to in paragraph (3) shall not contravene with the provision of this Law herein and/or the articles of association of the Company.

Article 99

- (1) Members of the Board of Directors shall have no authority to represent the Company if:

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- a. there is a proceeding in the court between the Company and the relevant member of the Board of Directors; or
  - b. the relevant member of the Board of Directors has interest detrimental to the Company.
- (2) In the event that there is a condition as referred to in paragraph (1), the Company shall be represented by :
- a. other members of the Board of Directors, who has no interest detrimental to the Company;
  - b. the Board of Commissioners in the event that all of the members of the Board of Directors have interest detrimental to the Company; or
  - c. other party appointed by the RUPS, in the event that all of the members of the Board of Directors or the Board of Commissioners have interest detrimental to the Company.

Article 100

- (1) The Board of Directors shall:
- a. establish and maintain a register of shareholders, special register, minutes of RUPS and minutes of the Board of Directors meeting;

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- b. prepare an annual report as referred to in Article 66 and financial document of the Company as stipulated under the Law on Company Documentation; and
  - c. maintain all lists, minutes, and financial document of the Company as referred to in letter a, and letter b, and other Company's documents.
- (2) All lists, minutes, financial document of the Company, other Company's documents as referred to in paragraph (1) shall be kept in the domicile of the Company.
- (3) Based on a written request from the shareholders, the Board of Directors shall grant a permit to the shareholders to examine the register of shareholders, the special register, the minutes of RUPS, as referred to in paragraph (1) and the annual report, as well as to receive a copy of minutes of RUPS and a copy of annual report.
- (4) The provision as referred to in paragraph (3) shall not preclude the possibility that the capital market regulation stipulate otherwise.

Article 101

- (1) Members of the Board of Directors shall submit report to the Company regarding the shares of the Company or other Company owned by the relevant members of the Board of Directors and/or their families, to be further registered in the special register.

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- (2) Any member of the Board of Directors who fails to perform its obligation as referred to in paragraph (1), and causes loss to the Company, shall be personally liable against such loss.

Article 102

- (1) The Board of Directors shall request the RUPS approval to :

- a. transfer the Company's assets; or
- b. secure the Company's assets.

which constitutes of more than 50% (fifty percent) from the total net assets of the Company in 1 (one) transaction or more, either separate or inter-related.

- (2) The transaction as referred to in paragraph (1) letter (a) shall be the transfer of the Company's net assets which occurs within the period of 1 (one) accounting year or other longer period as stated in the articles of association of the Company.
- (3) The provision as referred to in paragraph (1), shall not apply to the action to transfer or secure the Company's assets, which is performed by the Board of Directors as the implementation of the Company's business activities in accordance with the articles of association.

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- (4) The legal action as referred to in paragraph (1) shall remain binding for the Company even though without any approval from the RUPS, as long as the other party has a good faith in conducting such legal action.
- (5) The provision on quorum and/or the adoption of resolution of RUPS as referred to in Article 89, shall apply *mutatis mutandis* for RUPS resolution to approve the action of the Board of Directors as referred to in paragraph (1).

Article 103

The Board of Directors may, in writing, grant a power of attorney to 1 (one) of the Company's employee or more or to any other person for and on behalf of the Company to perform a certain legal action as described in the Power of Attorney.

Article 104

- (1) The Board of Directors shall have no authority to file a request on bankruptcy to the Commercial Court over the Company itself, without having obtained prior approval from RUPS, without prejudice to the provision as stipulated under the Law on Bankruptcy and Suspension of Debt Payment Obligation.



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- (2) In the event a bankruptcy as referred to in paragraph (1) occurs due to the fault or negligence of the Board of Directors, and the assets are not sufficient to pay all of the Company's obligations in connection with such bankruptcy, each member of the Board of Directors, shall jointly and severally liable to all obligations which are remain unpaid from the bankruptcy assets.
- (3) The liability as referred to in paragraph (2) shall also apply for members of the Board of Directors who due to their fault and negligence holding positions in such Board of Directors, within the period of 5 (five) years prior to the bankruptcy statement.
- (4) A member of the Board of Directors shall not be liable over the bankruptcy of the Company as referred to in paragraph (2) if it is proven that:
- a. such bankruptcy is not resulted from its fault or negligence;
  - b. it has conducted the management of the Company with good faith, prudent, and fully responsible in the pursuit of its purposes and objectives;
  - c. there is no conflict of interest, either directly or indirectly over the management of the Company; and
  - d. it has taken a precaution measure to avoid the bankruptcy.

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- (5) The provision as referred to in paragraph (2), paragraph (3), and paragraph (4) shall also apply to the Board of Directors of the Company which declared bankrupt based on the third party's filing.

Article 105

- (1) A member of the Board of Directors may be at any time dismissed based on the resolution of RUPS by specifying the reasons.
- (2) The resolution to dismiss the member of the Board of Directors as referred to in paragraph (1), shall be adopted after the relevant member has been given an opportunity to defend itself in the RUPS.
- (3) In the event the resolution to dismiss the member of the Board of Directors as referred to in paragraph (2) is adopted without convening RUPS as referred to in Article 91, the relevant member of the Board of Directors shall be first notified regarding the plan of dismissal, and shall be given opportunity to defend itself prior to the resolution regarding such dismissal.
- (4) The opportunity to defend as referred to in paragraph (2) shall not be deemed necessary in the event that the relevant member of the Board of Directors show no objection against such dismissal.
- (5) The dismissal of the member of the Board of Directors shall be effective as of:

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- a. the closing of RUPS as referred to in paragraph (1);
- b. resolution date as referred to in paragraph (3);
- c. other date determined in the resolution of RUPS as referred to in paragraph (1); or
- d. other date determined in the resolution as referred to in paragraph (3).

Article 106

- (1) A member of the Board of Directors can be temporarily suspended by the Board of Commissioners by specifying the reasons.
- (2) The temporary suspension as referred to in paragraph (1), shall be notified in writing to the relevant member of the Board of Directors.
- (3) The suspended member of the Board of Directors as referred to in paragraph (1) shall have not authority to carry its duty as referred to in Article 92 paragraph (1), Article 98 paragraph (1).
- (4) Within the latest period of 30 (thirty) days as of the date of suspension, RUPS shall be convened.
- (5) In the RUPS as referred to in paragraph (4), the relevant member of the Board of Directors shall be given an opportunity to defend itself.

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- (6) RUPS shall revoke or confirm the resolution regarding such suspension.
- (7) In the event the RUPS confirms the resolution on suspension, the relevant members of the Board of Directors will be permanently dismissed.
- (8) If within the period of 30 (thirty) days after the elapse of RUPS as referred to in paragraph (4) failed to be convened, or the RUPS fails to adopt any resolution, then the suspension shall be declared void.
- (9) For Listed Company, the capital market regulation shall apply to the RUPS as referred to in paragraph (4) and paragraph (8),

Article 107

The following matter shall be regulated in the articles of association:

- a. procedures of resignation of a member of the Board of Directors;
- b. procedures to fill the vacant position as a member of the Board of Directors;
- c. other party which has authority to perform the management and represent the Company in the event of disability or suspension of all members of the Board of Directors.

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Part Two

Board of Commissioners

Article 108

- (1) The Board of Commissioners shall conduct supervision over the management policy, the implementation of the management in general, either regarding the Company or its business, and provides advice to the Board of Directors.
- (2) Supervision and advice as referred to in paragraph (1) shall be conducted for the interest of the Company, and shall be in accordance with the purpose and objective of the Company.
- (3) The Board of Commissioners shall consist of 1 (one) member or more.
- (4) The Board of Commissioners which consists of more than 1 (one) members shall constitute a committee, and each member of the Board of Commissioners cannot act severally provided that it shall be in accordance with the resolution of the Board of Commissioners.
- (5) The Company which engages in mobilizing public funds, issuing debt instrument or an Issuer shall have a minimum of 2 (two) members of Board of Commissioners.

Article 109

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- (1) The Company having its business activities based on then sharia principle, other than having a Board of Commissioners, shall have Sharia Supervisory Board.
- (2) The Sharia Supervisory Board as referred to in paragraph (1), shall consist of 1 (one) or more sharia experts, appointed by the RUPS based on the recommendation of the Indonesian Ulama Council (*Majelis Ulama Indonesia*).
- (3) The Sharia Supervisory Board as referred to in paragraph (1) shall have the duty to provide advice and suggestions to the Board of Directors, as well as to supervise the activities of the Company in order to comply with the sharia principles.

Article 110

- (1) Those who are eligible to be appointed as a member of the Board of Commissioners shall be an individual who is capable in performing legal action, except within the period of 5 (five) years prior to his appointment he/she:
  - a. has been declared bankrupt;
  - c. is the member of the Board of Directors or the member of Board of Commissioners who have been adjudicated to have caused the bankruptcy of a Company; or

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- d. has been sentenced for a criminal offense which caused financial loss to the state and/or relating to financial sector.
- (2) The requirement as referred to in paragraph (1) shall not avoid the possibility for a relevant technical institution to stipulate an additional requirement based on the regulation.
- (3) Compliance to the requirement as referred to in paragraph (1) and paragraph (2) shall be proven with a letter kept by the Company.

Article 111

- (1) Members of the Board of Commissioners shall be appointed by RUPS.
- (2) The appointment of members of the Board of Commissioners shall be firstly conducted by the founder as stipulated in the deed of establishment as referred to in Article 8 paragraph (2) letter b.
- (3) Members of the Board of Directors shall be appointed for a certain period and may be re-appointed.
- (4) Articles of association shall regulate the procedures to appoint, replace, and dismiss the members of the Board of Commissioners, and may also regulate the procedures to nominate the members of the Board of Commissioners.
- (5) RUPS resolution regarding the appointment, replacement, and dismissal of the members of the Board of Commissioners shall also

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stipulate the effective date of such appointment, replacement, and dismissal

- (6) In the event the RUPS does not stipulate the effective date of appointment, replacement, and dismissal of the members of the Board of Commissioners, then the aforementioned shall be effective as of the closing of RUPS.
- (7) In the event of appointment, replacement, and dismissal of the members of the Board of Commissioners, the Board of Directors shall notify the change of members of the Board of Directors to the Minister to be registered in the Company Registry, within the latest period of 30 (thirty) days as of the resolution date of the RUPS.
- (8) In the event the notification as referred to in paragraph (7) has not been performed, the Minister shall refuse the notification regarding the change of Board of Commissioners composition which is submitted to the Minister by the Board of Directors.

Article 112

- (1) The appointment of the Board of Commissioners which is not in accordance with the requirement as stipulated in Article 110 paragraph (1) and paragraph (2) shall be, by law, null as of the other members of the Board of Commissioners or Board of Directors acknowledges the non-compliance of such requirement.



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- (2) Within the latest period of 7 (seven) days as of the acknowledgement, Board of Directors shall announce the annulment of the appointment of the relevant Board of Commissioners in a Newspaper and shall notify the Minister to be registered in the Company Registry.
- (3) Legal action that has been taken by the members of the Board of Commissioners for and on behalf of the Board of Commissioners as referred to in paragraph (1) prior to the annulment of appointment, shall remain binding and shall become the Company's liability.
- (4) The provision as referred to in paragraph (2) shall not reduce the responsibility of the members of the relevant Board of Commissioners against the Company's loss as referred to in Article 114 and Article 115.

Article 113

The provision regarding the amount of salary or honorarium and remuneration of the members of the Board of Commissioners shall be stipulated by RUPS.

Article 114

- (1) The Board of Commissioners shall be responsible to supervise the Company as referred to in Article 108 paragraph (1).

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- (2) Each member of the Board of Commissioners shall with good faith, prudent and full of responsibility to perform his supervisory duty and provide advices to the Board of Directors as referred to in Article 108 paragraph (1) for the interest of the Company and shall be in accordance with the purpose and objective of the Company.
- (3) Each member of the Board of Commissioners shall also be personally liable for the loss suffered by the Company if it resulted from its fault or negligent in performing its duties, in accordance with the provision as referred to in paragraph (2).
- (4) In the event the Board of Commissioners consist of 2 (two) members or more, the responsibility as referred to in paragraph (3) shall jointly and severally apply to each member of the Board of Commissioners
- (5) A member of the Board of Directors shall not be liable for the loss as referred to in paragraph (3) if it is proven that:
  - a. it has performed the supervisory duty with good faith and prudent principle for the interest of the Company and in accordance with its purpose and objective.;
  - b. it has no, either directly or indirectly, personal interest to the Board of Directors' management over the Company's which causing the Company's loss; and

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- c. it has provide advice to the Board of Directors in order to prevent the occurrence or continuity of such loss.
- (6) On behalf of the Company, the shareholders representing at least 1/10 (one-tenth) from the total number of shares with voting right, may submit a claim to a District Court against member of the Board of Commissioners which causes loss to the Company due to their fault or negligence.

Article 115

- (1) In the event of the occurrence of bankruptcy which resulted from fault or negligence of the Board of Commissioners with respect to its supervisory duty in relation to the management conducted by the Board of Directors, and the assets of the Company are not sufficient to pay all Company's obligations due to the bankruptcy, each member of the Board of Commissioners shall jointly and severally together with the Board of Directors for the payment of such obligation.
- (2) The liability as referred to in paragraph (1) shall also apply for the members of the Board of Commissioners who has no longer served

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in his position for 5 (five) years prior to the order of bankruptcy is declared.

(3) Members of the Board of Commissioners shall not liable for the Company's bankruptcy as referred to in paragraph (1) if it is proven that :

- a. the loss is not resulted from its fault or negligence;
- b. it has conducted the management over the Company with good faith and prudent principle for the interest of the Company in accordance with its purpose and objective; and
- c. it has no, either directly or indirectly, personal interest to the Board of Directors' management over the Company's which causing the Company's loss; and
- d. it has provided advice to the Board of Directors in order to prevent the occurrence of such loss.

Article 116

The Board of Commissioners shall:

- a. prepare a minute of meeting of the Board of Commissioners and keep the copy thereof;

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- b. report to the Company regarding its and/or its relative's shares ownership in the Company and other Companies; and
- c. submit a report to RUPS regarding the supervisory duty which has been performed within the previous accounting year.

Article 117

- (1) The granting of authority to the Board of Commissioners in order to provide approval or assistance to the Board of Directors in taking a specific legal action may be stipulated in the articles of association.
- (2) In the event the articles of association stipulates the requirement for the grant of authority as referred to in paragraph (1) without the approval or assistance of the Board of Commissioners, the legal action shall remain valid and binding to the Company as long as the other parties who take such legal action show good faith.

Article 118

- (1) Based on the articles of association or the resolution of RUPS, the Board of Commissioners may perform the management over the Company in a certain condition for a certain period.
- (2) The Board of Commissioners which in a certain condition and for a certain period performs the management as referred to in paragraph (1), all provisions regarding right, authority, and obligation of the

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Board of Directors over the Company and the third party shall apply.

Article 119

The provision regarding the dismissal of a member of the Board of Directors as referred to in Article 105 shall apply *mutatis mutandis* for the dismissal of a member of the Board of Commissioners.

Article 120

- (1) Articles of association of the Company may stipulate regarding 1 (one) person or more of independent commissioner, and 1 (one) person for representative commissioner.
- (2) Independent commissioner as referred to in paragraph (1) shall be appointed based on the resolution of RUPS from the party which has no affiliation with the main shareholders, Board of Directors and/or other member of Board of Commissioners.
- (3) The Representative commissioner as referred to in paragraph (1) constitutes a member of Board of Commissioners which is appointed based on the resolution of the Board of Commissioners meeting.
- (4) Duties and authorities of the representative commissioner shall be stipulated in the Company's articles of association, provided that it

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shall not contravene with the duties and authorities of the Board of Commissioners, and it shall not reduce the management duties performed by the Board of Directors.

Article 121

- (1) In performing its supervisory duties as referred to in Article 108, the Board of Commissioners may establish a committee, the members of which consisting of one or more of the Board of Commissioners.
- (2) The committee as referred to in paragraph (1) shall be responsible to the Board of Commissioners.

CHAPTER VIII

MERGER, DISSOLVING, TAKING OVER, AND SEPARATION

Article 122

- (1) Merger and Consolidation shall cause the merging or consolidating Company to legally dissolve.
- (2) The dissolution of the Company as referred to in paragraph (1) may occur without any prior liquidation performed.
- (3) In the event of the Company dissolution as referred to in paragraph (2),

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- a. assets and liabilities of the merging or consolidating Company shall be legally transferred to the surviving Company, and the Company resulting from the Consolidation;
- b. the shareholders of the merging and consolidating Company shall, by law, be the shareholders of the Company receiving the Merger or the Company resulting from the Consolidating as well; and
- c. the Merging or the Consolidating Company shall be legally dissolved as of the effective date of such Merger or Consolidation.

Article 123

- (1) Both the Board of Directors of the merging Company and the surviving Company, shall prepare the Merger plan.
- (2) The Merger plan as referred to in paragraph (1) shall at least consist of
  - a. name and domicile of each Company;
  - b. the reasons and as explanations from the Board of Directors of the Company which will perform the Merger, and the Merger requirements;



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- c. procedures of evaluation and conversion of the shares of the merging Company to the surviving Company, if any;
- d. plan of articles of association amendment of the surviving Company ,if any;
- e. financial statement as referred to in Article 66 paragraph (2) letter a, which cover the last 3 (three) accounting year from each of the Consolidating Company;
- f. further plan or termination of business activities of the Company which will perform the Merger;
- g. *pro forma* Balance Sheet of the surviving Company in accordance with the prevailing accounting principle in Indonesia;
- h. settlement procedures of the status, rights and obligations of the member of the Board of Directors, the Board of Commissioners, and employees of the merging Company;
- i. settlement procedures of the rights and obligations of the Company that will perform the Merger with a third party.
- j. settlement procedures of the rights of shareholders who are disagree with the Company's Merger;

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- k. name of members of the Board of Directors and Board of Commissioners of the surviving Company as well as their salary, honorarium, and remuneration;
  - l. time estimation related to the performance of Merger ;
  - m. report on the condition, progress, and achievement from each Company that will perform the Merger;
  - n. main business activity of each Company which will perform the Merger, and any changes occur during the current accounting year; and
  - o. detail of issues arising during the current accounting year which are affecting the Company's activity which will perform the Merger.
- (3) Merger Plan as referred to in paragraph (2) after having obtained approval from the Board of Commissioners of each Company shall be submitted to respective RUPS for approval.
- (4) Other regulation than the provision of this law shall also apply for certain Company which will perform a Merger other provided that it shall be required to obtain prior approval from the relevant institution in accordance with prevailing regulation.

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- (5) The provision as referred to in paragraph (1) to paragraph (4) shall also apply to Open Companies, as long as the prevailing capital market regulation do not stipulate otherwise.

Article 124

The provision as referred to in Article 123 shall apply *mutatis mutandis* for the Consolidating Company.

Article 125

- (1) The Acquisition shall be conducted by way of acquiring the shares issued or to be issued by the Company from the Board of Directors of the Company or directly from the shareholders.
- (2) The Acquisition may be conducted by a legal entity or an individual.
- (3) The Acquisition as referred to in paragraph (1) constitutes the Acquisition of shares that cause the change of control over the Company.
- (4) In the event the Acquisition is conducted by a legal entity in the form of a Company, such Acquisition shall be based on the resolution of RUPS that meet the quorum and the provision regarding the adoption of the resolution in such RUPS as referred to in Article 89.

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- (5) In the event the Acquisition is conducted through the Board of Directors, the acquiring party shall submit to the target Company regarding its intention to perform the Acquisition.
- (6) The Board of Directors of the target Company and the acquiring Company with subject to the approval from their respective Board of Commissioners, shall prepare Acquisition Plan which shall at least contain the followings:
- a. name and domicile of the acquiring Company and the target Company;
  - b. reasons and explanations from the Board of Directors of the acquiring Company that will perform the, and the Board of Directors of the target Company.
  - c. financial statement as referred to in Article 66 paragraph (2) letter a for the current accounting year of the acquiring Company and the target Company.
  - d. procedures of shares evaluation and conversion from the target Company over its replacing shares, if the payment of Acquisition is conducted with in the form of shares;
  - e. number of shares to be acquired;
  - f. preparedness of funding;

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- g. *pro forma* consolidation balance sheet of the target Company, provided that the proposed Acquisition is in accordance with the prevailing accounting principle in Indonesia.
  - h. settlement procedures on the shareholders rights which e disagree with the Acquisition;
  - i. settlement procedures, on the status, rights and obligations of the members of the Board of Directors, Board of Commissioners, and employees of the target Company;
  - j. time estimation related to the performance of Acquisition, including the period of the assignment of shares from the shareholders to the Company's Board of Directors;
  - k. plan of amendment to the articles of association of the Company resulting from the Acquisition, if any.
- (7) In the event the Acquisition of shares is conducted directly from the shareholders, the provision as referred to in paragraph (5) and paragraph (6) shall not be applicable.
- (8) The Acquisition as referred to in paragraph (7) shall be conducted in accordance with the provision of articles of association of the target Company regarding the transfer of right on shares, and the agreement that has been made between the Company and other party.

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Article 126

- (1) Merger, Consolidation, Acquisition, or Separation, shall be in the observance to the interests of:
  - a. Company, minority shareholders, employees of the Company;
  - b. Creditors, other business partners of the Company; and
  - c. Community and fair competition in performing business.
- (2) The shareholders who disagree with the resolution of RUPS regarding the Merger, Consolidation, Acquisition, or Separation as referred to in paragraph (1), shall only use their rights as referred to in Article 62.
- (3) The exercise of rights as referred to in paragraph (2) shall not disrupt the process of Merger, Consolidation, Acquisition, and Separation.

Article 127

- (1) The resolution of RUPS regarding the Merger, Consolidation, Acquisition, and Separation shall be valid if it is adopted in accordance with the provision of Article 87 paragraph (1) and Article 89.
- (2) The Board of Directors of the Company which will perform the Merger, Consolidation, Acquisition, and Separation, shall announce the

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summary of such plan at least in 1 (one) Newspaper, and shall announce it in writing to the employees of the Company that will perform the Merger, Consolidation, Acquisition, and Separation within the latest period of 30 (thirty) days prior to the notice for RUPS.

- (3) The announcement as referred to in paragraph (2) shall also contain a notification that the relevant party may obtain the plan of Merger, Consolidation, Acquisition, and Separation in the Company's office, as of the announcement date to the date of the RUPS.
- (4) Creditors may submit an objection to the Company within the latest period of 14 (fourteen) days as of the announcement as referred to in paragraph (2) regarding the Merger, Consolidation, Acquisition, and Separation in accordance with such scheme.
- (5) If within the period as referred to in paragraph (4), the creditors show no objection, the creditors shall be deemed to agree with the Merger, Consolidation, Acquisition, and Separation.
- (6) In the case the Board of Directors fail to settle the creditors' objection as referred to in paragraph (4) until the date of RUPS, such objection shall be declared in the RUPS in order to seek for settlement.

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- (7) To the extent that the settlement as referred to in paragraph (6) has not been obtained, the Merger, Consolidation, Acquisition, and Separation cannot be performed.
- (8) The provision as referred to in paragraph (2), paragraph (4), paragraph (5), paragraph (6), and paragraph (7), shall apply *mutatis mutandis* for the announcement in connection to the Acquisition which is exercised directly from the shareholders of the Company as referred to in Article 125.

Article 128

- (1) The plan of Merger, Consolidation, Acquisition, and Separation which has been approved by the RUPS shall be set forth into the deed of Merger, Consolidation, Acquisition, and Separation which is drawn up before the notary in the Indonesian language.
- (2) Deed of Acquisition which is executed directly from the shareholders shall be stated into a notarial deed with in the Indonesian language.
- (3) Deed of Consolidation as referred to in paragraph (1) shall be the basis for the drawing up of deed of establishment of the Company which results from the Consolidation.

Article 129

- (1) The copy of the deed of Merger of the Company shall be attached to:



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- a. the application to obtain approval from the Minister as referred to in Article 21 paragraph (1); or
  - b. the notification to the Minister regarding the amendment to articles of association as referred to in Article 21 paragraph (3).
- (2) In the event the Merger is not followed with the amendment of articles of association, the copy of deed of Merger shall be submitted to the Minister to be registered in the Company Registry.

Article 130

The copy of deed of Merger shall be enclosed with the application for obtaining the Ministerial Decree regarding the ratification of the Company's status as legal entity which results from the Consolidation as referred to in Article 7 paragraph (4).

Article 131

- (1) The copy of the Acquisition deed shall be attached with the notification to the Minister regarding the amendment of articles of association as referred to in Article 21 paragraph (3).

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- (2) In the event the Acquisition is exercised directly from the shareholders, the copy of deed of transfer regarding the rights of share shall be attached with the notification to the Minister regarding the amendment of shareholders composition.

Article 132

The provision as referred to in Article 29 and Article 30 shall also be applied for the Merger, Consolidation, Acquisition, or Separation.

Article 133

- (1) The Board of Directors of the surviving Company, Board of Directors of the consolidating Company, shall announce the result of such Consolidation or Merger in 1 (one) Newspaper or more, within the latest period of 30 (thirty) days as of the effective date of the Merger or Consolidation.
- (2) The provision as referred to in paragraph (1) shall also apply to the Board of Directors of the Company which shares are acquired.

Article 134

Implementing provision regarding the Merger, Consolidation or Acquisition of the Company shall be further regulated with a Government Regulation.

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Article 135

(1) The separation can be conducted by ways of:

- a. Pure Separation; or
- b. Non-pure Separation.

(2) Pure Separation as referred to in paragraph (1) letter a shall cause all of the Company's assets and liabilities to be legally transferred to 2 (two) other Companies or more which receive such transfer, and the Company that performs the Separation shall be, by law, dissolved.

(3) Non-pure Separation as referred to in paragraph (1) letter b shall cause the part of the Company's assets and liabilities to be legally transferred to 1 (one) Company or more which receiving the transfer, and the Company performing the Separation shall remain exist.

Article 136

Implementing provision regarding the Separation of the Company shall be further regulated with a Government Regulation.

Article 137

In the event the capital market regulations do not stipulate otherwise, the provision as referred to in Chapter VIII shall also be applicable for Open Companies.

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## CHAPTER IX

### INSPECTION ON COMPANY

#### Article 138

- (1) Inspection over the Company may be performed with the purpose to obtain data or explanation in the event that there are suspicions concerning the following:
  - a. the Company has taken an illegal action which may cause adverse effect to the shareholders or the third party; or
  - b. the members of the Board of Directors or the Board of Commissioners has taken an illegal action that may cause adverse effect to the Company or shareholders or the third parties.
- (2) Inspection as referred to in paragraph (1) shall be performed by submitting an application in writing together with the reasons to the District Court which jurisdiction covering the domicile of the Company.
- (3) The application as referred to in paragraph (2) shall be submitted by :
  - a. 1 (one) shareholder or more which representing at least 1/10 (one-tenth) of the total number of shares with voting rights;

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- b. Other parties which based on the regulation, articles of association of the Company or an agreement with the Company have been given authority to submit the application for inspection; or
  - c. Prosecutor's office for public interest.
- (4) The application as referred to in paragraph (3) letter a shall be submitted after having requested the Company to provide the data or information in the RUPS, and the Company does not provide such data and information.
- (5) The application to obtain data and information of the Company or application for inspection to obtain data and information shall be on the basis of a reasonable reason and with good faith.
- (6) The provision as referred to in paragraph (2), paragraph (3) letter a, and paragraph (4), shall not preclude the possibility of the capital market regulation to stipulate otherwise.

Article 139

- (1) The head of the District Court may refuse or accept the application as referred to in Article 138.

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- (2) The head of the District Court as referred to in paragraph (1) shall refuse such application if it is not based on a reasonable reason and/or not performed in good faith.
- (3) In the event such application is accepted, the head of the District Court shall issue the order regarding the inspection and shall appoint the maximum number of 3 (three) experts to conduct the inspection for the purpose of obtaining the necessary data or information.
- (4) Each member of Board of Directors, member of Board of Commissioners, employee of the Company, consultant, and public accountant who have been appointed by the Company shall not be appointed as an expert as referred to paragraph (3).
- (5) The expert as referred to in paragraph (3) is entitled to inspect all documents and assets of the Company which are deemed necessary by such.
- (6) Each member of the Board of Directors, member of Board of Commissioners, all employees of the Company shall provide all information required for the inspection.
- (7) Expert as referred to in paragraph (3) shall keep the secrecy of the inspection result.

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- (1) The report of inspection result shall be submitted by the expert as referred to in Article 139 to the head of the District Court within the period as stated in the court order which is not later than 90 (ninety) days as of the appointment date of such expert.
- (2) The head of District Court shall provide the copy of inspection result report to the applicant and the relevant Company within the latest period of 14 (fourteen) days as of the receipt date of such report

Article 141

- (1) In the event the application to perform the inspection is granted, the head of district court shall determine the maximum cost in relation to the inspection.
- (2) Inspection cost as referred to in paragraph (1) shall be paid by the Company.
- (3) The head of the District Court on the application of the Company can encumber the compensation for all or part of the inspection cost as referred to in paragraph (2) to the applicant, members of the Board of Directors, and/or members of Board of Commissioners.

CHAPTER X

DISSOLUTION, LIQUIDATION, AND THE TERMINATION OF COMPANY'S  
STATUS AS LEGAL ENTITY

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Article 142

(1) Liquidation of the Company occurs:

- a. Based on the resolution of RUPS;
- b. Due to the termination of the Company's duration as stipulated in the articles of association.
- c. based on the court order;
- d. Due to the revoked bankruptcy statement based on binding order of the commercial court, and the bankrupt assets of the Company is not sufficient to pay the bankruptcy cost;
- e. Due to the condition that the bankrupt assets of the Company has been declared in the condition of insolvency as regulated in the Law regarding Bankruptcy and the Suspension of Debt Payment; or
- f. Due to the revocation of the Company's business permit, so that the Company shall conduct liquidation in accordance with prevailing regulation.

(2) In the event the Company's dissolution as referred to in paragraph (1) occurs:



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- a. such dissolution shall be followed with a liquidation conducted by a liquidator or curator; and
  - b. the Company is incapable to conduct any legal action, except it is required to settle all of the Company's business for the purpose of liquidation.
- (3) In the event the dissolution occurs based on the resolution of RUPS, the duration as set forth in the articles of association shall end, or by the revocation of the bankruptcy based on the order of the commercial court and the RUPS does not appoint any liquidator, the Board of Directors shall act as the liquidator.
- (4) In the event the Company's dissolution occurs upon the revocation of bankruptcy as referred to in paragraph (1) letter d, the commercial court shall, at the same time, decide the curator's termination with due observance to the provision as stated in the Law regarding Bankruptcy and Suspension of Debt Payment Obligation.
- (5) In the event the provision as referred to in paragraph (2) letter d is violated, the members of the Board of Directors, the members of Board of Commissioners, and the Company shall jointly liable.
- (6) The provision regarding the appointment, suspension, dismissal, authority, obligation, responsibility, and supervision over the member of the Board of Directors shall apply *mutatis mutandis* to liquidator.

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Article 143

- (1) The Company's dissolution shall not cause the Company to lose its status as legal entity until the completion of liquidation and the report of the liquidator is accepted by the RUPS or by the court.
- (2) As of the dissolution, the title "in liquidation" shall be attached on each outgoing letter of the Company.

Article 144

- (1) Boar of Directors, Board of Commissioners or 1 (one) or more shareholder representing at least 1/10 (one-tenth) from the total number of shares with voting right, may submit a proposal regarding the Company's dissolution to the RUPS.
- (2) RUPS resolution regarding the Company's dissolution, shall be valid if it is taken in accordance with the provision as referred to in Article 87 paragraph (1) and Article 89.
- (3) The Company's dissolution shall be effective as of the date of RUPS resolution stipulating such matter.

Article 145

- (1) The Company's dissolution shall legally occur if the Company's duration as stipulated in the articles of association has elapsed.

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- (2) Within the latest period of 30 (thirty) days after the Company's duration has elapsed, RUPS shall determine the appointment of liquidator.
- (3) The Board of Directors shall not take any new legal action on behalf of the Company after the Company's duration as stated in the articles of association has elapsed.

Article 146

- (1) The District Court can dissolve the Company upon the request from:
  - a. Prosecutor's office, based on the reason that the Company has violated the public interest or the Company has committed an action that which violating the regulation;
  - b. relevant party, based on the reason that the deed of establishment is found to be defect;
  - c. the shareholders, Board of Directors, or the Board of Commissioners, based on the reason that it is no longer possible to run the Company.

- (2) In the court order, an appointment of liquidator shall also be stated.

Article 147

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- (1) Within the latest period of 30 (thirty) days as of the Company's dissolution, liquidator shall be obliged to notify :
  - a. all creditors regarding the Company's dissolution, by way of announcing the Company's dissolution in a Newspaper and in the State Gazette of the Republic of Indonesia; and
  - b. the Company's dissolution to the Minister to be registered in the Company Registry that the Company is in liquidation.
- (2) Notification to liquidator in a Newspaper and in the State Gazette of the Republic of Indonesia as referred to in paragraph (1) letter a shall consist :
  - a. the Company's dissolution and its legal basis;
  - b. name and address of the liquidator;
  - c. procedures to submit the claim; and
  - d. period for submitting the claim.
- (3) Term for submitting a claim for payment as referred to in paragraph (2) letter d shall be 60 (sixty) days as of the announcement date as referred to in paragraph (1).
- (4) Notification to the Minister as referred to in paragraph (1) letter b shall be enclosed with the evidences of:

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- a. legal basis of the Company's dissolution; and
- b. notification to creditor in a Newspaper as referred to in paragraph (1) letter a.

Article 148

- (1) In the event the notification to creditor and the Minister as referred to in Article 147 has not been implemented, the Company's dissolution shall no longer be valid for the third party.
- (2) In the event of the negligence of the liquidator to perform the notification as referred to in paragraph (1), the liquidator shall jointly and severally with the Company be liable to the loss suffered by the third party.

Article 149

- (1) Liquidator's obligation in performing settlement of the Company's assets during the process of liquidation shall cover the implementation of:
  - a. registration and collecting of the Company's assets and liabilities;
  - b. announcement in a Newspaper and in the State Gazette of the Republic of Indonesia regarding the plan of assets distribution concerning the liquidation result;

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- c. payment to creditors;
  - d. payment of the remaining assets to all shareholders; and
  - e. other measures that are necessary for the purpose of implementing the assets settlement.
- (2) In the event the liquidator estimates that the Company's liabilities is bigger than the Company's assets, the liquidator shall be obliged to submit a request regarding the Company's bankruptcy, except otherwise stated by the regulation, and all creditors whose identities and addressed are known, shall agree that the settlement to be performed outside the court.
- (3) Creditors may submit an objection over the plan to distribute the Company's assets resulting from the liquidation within the latest period of 60 (sixty) days as of the announcement date as referred to in paragraph (1) letter b.
- (4) In the event the submission of objection as referred to in paragraph (3) is rejected by liquidator, creditors may submit a claim to the District Court within the latest period of 60 (sixty) days as of the rejection date.

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- (1) Creditors submitting a claim of payment in accordance with the period as referred to in Article 147 paragraph (3) and have been rejected by the liquidators, may submit an claim to the District Court within the latest period of 60 (sixty) days as of the rejection date.
- (2) Creditors which have not submitted a claim of payment may submit such matter through the District Court within the period of 2 (two) years as of the Company's dissolution is announced as referred to in Article 147 paragraph (1).
- (3) A claim submitted by creditors as referred to in paragraph (2) may be performed in the event that there are remaining assets as a result from liquidation which allocated for the shareholders.
- (4) In the event the remaining assets resulting from the liquidation has been divided to the shareholders, and there is a receivable to creditor as referred to paragraph (2), the District Court shall instruct the liquidator to recollect the remaining assets which has been divided to the shareholders.
- (5) The shareholders shall return the remaining assets resulting from liquidation as referred to in paragraph (4) in proportional with the amount received over the amount of receivable.

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- (1) In the event the liquidator is unable to perform its obligation as referred to in Article 149, based on the request of the relevant party or based on the request of the Prosecutor's office, the head of the District Court may appoint new liquidators and dismiss the current liquidators.
- (2) The termination of liquidator as referred to in paragraph (1), shall be implemented after the relevant is summoned for his information to hear.

Article 152

- (1) Liquidator shall be responsible to the RUPS or the District Court appointing him over the liquidation of the Company.
- (2) Receiver shall be responsible to the supervisory judge over the Company's liquidation.
- (3) Liquidator shall notify the Minister and announce the final result of the liquidation process in a Newspaper after the RUPS gives full acquittal and discharges the liquidator, or after the court has received the appointed liquidator's report.
- (4) The provision as referred to in paragraph (3) shall also apply for receiver whose report has been received by the supervisory judge.



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- (5) The Minister shall register the end of the Company's status as legal entity and omit the Company's name from the Company Registry, after the provision as referred to in paragraph (3) and paragraph (4) have been fulfilled.
- (6) The provision as referred to in paragraph (5) shall also apply for the termination of the Company's status as legal entity due to Merger, Consolidation, or Separation.
- (7) The notification and announcement as referred to in paragraph (3) and paragraph (4) shall be performed within the latest period of 30 (thirty) days as of the date of the liquidator's or curator's report, is received by the RUPS, the court or by the supervisory judge.
- (8) The Minister shall announce the termination of the Company's status as legal entity in the State Gazette of the Republic of Indonesia.

## CHAPTER XI

### COST

#### Article 153

Provision regarding the cost for:

- a. obtaining approval to use the Company's name;
- b. obtaining the ratification of the Company's status as legal entity;

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- c. obtaining the approval on the amendment of articles of association;
- d. obtaining information on the data of the Company stated in the Company registry;
- e. the announcement which is obliged pursuant to this Law, the State Gazette of the Republic of Indonesia, and in the Supplement to State Gazette of the Republic of Indonesia; and
- f. obtaining the copy of the Ministerial Decree regarding ratification of the Company's status as legal entity, or approval for the amendment of the Company's articles of association shall be regulated with Government Regulation.

CHAPTER XII

MISCELLANEOUS

Article 154

- (1) The provision of this Law shall also apply for the Open Company to the extent that the prevailing capital market regulation do not stipulate otherwise.
- (2) The capital market regulation which excludes the provision of this Law, shall not contravene with the legal principle of Company as stipulated herein.

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Article 155

The provision regarding the responsibility of the Board of Directors and/or the Board of Commissioners over the mistakes and negligence that are regulated in this Law herein shall not reduce the provision as regulated in the Law regarding Criminal Law.

Article 156

- (1) In order to implement and develop this Law herein, an expert team on Corporation Law shall be established.
- (2) The team membership as referred to in paragraph (1) shall consist of the following elements:
  - a. government;
  - b. expert/alumni;
  - c. profession; and
  - d. business world.
- (3) The expert team shall have the authority to examine the establishment deed and the amendment of articles of association obtained on the self-initiative from the team or on the requisition from the relevant party, as well as to provide opinion for the result of such examination to the Minister.

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- (4) Further provision regarding the authority, organization structure and the methodology of the expert team shall be regulated by the Ministerial Regulation.

CHAPTER XIII

OTHER PROVISIONS

Article 157

- (1) Articles of association of the Company that has obtained its legal entity status and the amendment to articles of association that has been approved or reported to the Minister and registered in the Company Registry before the application of this Law herein, will remain applicable if it is not in contrary with this Law herein.
- (2) Articles of association of the Company that has obtained its legal entity status, or which amendment to articles of association has not been approved or reported to the Minister upon the effective of this Law, shall be obligatory be adjusted with this Law herein.
- (3) The Company that has obtained its legal entity status based on the legislation, shall adjust its articles of association based on the provision of this Law herein within the period of 1 (one) year as of the effective date of this Law herein.

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- (4) The Company that fails to adjust its articles of association within the period as referred to in paragraph (3), can be liquidated based on the decision of the District Court upon the requisition from the Attorney's General office or the relevant party.

Article 158

Upon the effective date of this Law, the Company that fails to comply with the requirements as referred to in Article 36 within the period of 1 (one) year, shall be adjusted to the provision of this Law .

CHAPTER XIV

CLOSING PROVISIONS

Article 159

The implementing regulations of Law Number 1 of 1995 regarding Limited Liability Company shall remain effective, so long as not in contrary with or has not been superseded with the new implementing regulations based on this Law.

Article 160

Upon the effective date of this Law, the Law Number 1 of 1995 regarding Limited Liability Company (the State Gazette of the Republic of Indonesia of 1995 Number 13, Supplement to State Gazette of the Republic of Indonesia Number 3587), is revoked and shall no longer be in effect.

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Article 161

This Law shall apply as of the date of its enactment.

For public cognizance, it is hereby ordered that this Law be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

On August 16, 2007

PRESIDENT OF THE REPUBLIC OF INDONESIA

*signed*

SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta

On August 16, 2007

THE MINISTER OF LAW AND HUMAN RIGHTS

OF THE REPUBLIC OF INDONESIA

*Signed*

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Republic of Indonesia*

ANDI MATTALLATA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2007

NUMBER 106

ELUCIDATION OF  
LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 40 OF 2007  
ON  
LIMITED LIABILITY COMPANIES

I. GENERAL

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The national economy, which is operated on a basis of economic democracy with principles of community, efficiency, justice, sustainability, environmental awareness, independence and safeguards for balanced progress and national economic unity has the aim of creating prosperity for society. Increasing development of the national economy needs the support of an act regulating limited liability companies which can secure a conducive climate for the business world. To date limited liability companies have been governed by the Limited Liability Companies Law No. 1 of 1995, which replaced legislative regulations originated from the colonial period. However, in their development, the provisions in that Law are viewed as no longer complying with legal developments and the needs of society because the economic situation and progress in science, technology, and information are developing so swiftly, particularly in the era of globalisation. Besides, the increase in demand from society for quick service, legal certainty and the demand for development of the business world in accordance with principles of good corporate governance demand the improvement of the Limited Liability Companies Law No. 1 of 1995.

This Law accommodates various provisions concerning Companies, both in the form of the addition of new provisions, the improvement of others and the keeping of old provisions evaluated as still relevant. To further clarify the essence of Companies, this Law makes explicit that a Company is a legal entity which constitutes an alliance of capital established pursuant to a contract in order to carry on business activities with an authorised capital all of which is divided into shares and which fulfils the requirements stipulated in this Law and its implementing regulations.

In the context of complying with society's demand for swift service, the Law provides procedures for the electronic:

1. submission of applications for and the granting of ratification of legal entity status;
2. submission of applications for and the granting of approval for the amendment of articles of association;



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3. delivery of notifications and receipt of notifications of amendments to articles of association and/or notification of and receipt of notification of other changes to data

by legal entity administration system information technology services besides manual systems still being possible in certain circumstances.

With regard to applications for ratification of Companies as legal entities, it is made explicit that such applications constitute the authority of the founders jointly which they can exercise themselves or they can empower a notary to exercise.

A Company's deed of establishment which has been ratified and deed of amendment of the articles of association which has been approved and/or notified to the Minister must be recorded in the register of Companies and announced in the Supplement to the State Gazette of the Republic of Indonesia made by the Minister. In the matter of grants of status as a legal entity, approvals and/or receipts of notification of amendments to the articles of association, and changes to other data, this Law has not connection with the Mandatory Company Registration Law.

To further clarify and make explicit provisions involving Company Organs, this Law amends provisions involving the holding of General Meetings of Shareholders (RUPS) by using technological developments. Thus, an RUPS can be held by electronic media such as teleconferences, video conferences, or other electronic media facilities. This Law also clarifies and makes explicit the tasks and responsibilities of the Board of Directors and Board of Commissioners. This Law provides for independent and delegated commissioners.

In accordance with the development of business activities based on sharia principles, this Law obliges Companies doing business on the basis of sharia principles to have a Sharia Supervisory Board as well as a Board of Commissioners. The Sharia Supervisory Board's task

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will be to give the Board of Directors advice and suggestions and to supervise the Company's activities so that they will be in accordance with sharia principles.

The provisions in this Law regarding Companies' capital structure remain the same, i.e., it consists of authorised capital, subscribed capital, and paid-up capital. However, Companies' authorised capital has been changed to be at least Rp. 50,000,000 (fifty million rupiah), while there is an obligation to fully pay up subscribed capital. With regard to buying back shares issued by the Company, it can be done in principle with the proviso of a 3 (three)-year time limit for the Company to own shares which it has bought back. Especially for the use of profits, this Law makes explicit that the Company may allocate profits and set aside the mandatory reserve if the Company has a positive profit balance.

This Law provides for Environmental and Social Responsibility aimed at creating sustainable economic development in order to improve the quality of life and environment, which will be beneficial for the Company itself, the local community and society in general. This provision is intended to support the ties of Company relationships which are harmonious, balanced and in accordance with the environment, values, norms and culture of the local community, and so it stipulates that Companies whose business activities are in the field of and/or related to natural resources must put into practice Environmental and Social Responsibility. In order to carry out this obligation of Companies, the Environmental and Social Responsibility activities must be budgeted for and calculated as Company costs to be performed with due attention to decency and fairness. Such activities must feature in Companies' annual reports. If a Company does not put into practice Environmental and Social Responsibility, the Company involved will be liable to sanctions in accordance with the provisions of legislative regulations.

This Law makes explicit provisions with regard to the winding-up,

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liquidation and expiry of the Company's status as a legal entity with due attention to the provisions in the Bankruptcy and Suspension of Payments Law.

In the context of the implementation and development of this Law, a team of company law review experts will be formed whose task will be to give input to the Minister in relation to Companies. To ensure the credibility of this team of experts, the membership of the team will consist of various elements from the government, academics, the professions, and the business world.

As a comprehensive regulation which covers various aspects of Companies, it is to be hoped that this Law will meet society's demands of the law and give further legal certainty for the business world in particular.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Self-explanatory

Article 3

Paragraph (1)

The provisions in this paragraph make explicit the character of a Company that shareholders are only liable for the amount paid up on all of the shares they own and it does not cover their personal assets.

Paragraph (2)

In certain circumstances it is not impossible for limited liability to be eliminated if it is proved that the matters stated in this paragraph have occurred.

It is possible for shareholders' liability in the amount of all the shares they own to be eliminated if it is proven

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that, among others, there has been a mixing of the shareholder's personal assets and the Company's assets so that the Company was established purely as a tool to be used by the shareholder to reach his personal aims as contemplated in subparagraphs a and d.

Article 4

The fact that this Law, their articles of association and the provisions of other legislative regulations apply to Companies does not detract from the obligation of each Company to comply with the principles of good faith, decency, and fairness and the principle of good corporate governance in running the Company.

"Other legislative regulations" means all legislative regulations related to the existence and running of Companies, including their implementing regulations, among others banking, insurance and financial institution regulations.

In the event that there is found to be any conflict between the articles of association and this Law, this Law prevails.

Article 5

The Company's domicile also constitutes the Company's head office.

The Company must have an address in accordance with its domicile which must be mentioned in, amongst others, correspondence, and at which the Company can be contacted.

Article 6

If the Company is established for a limited period, the length of that period must be explicitly stated; for example, 10 (ten) years, 20 (twenty) years, 35 (thirty-five) years, and so on. Similarly, if the Company is established for an unlimited period, this must be explicitly stated in the articles of association.

Article 7

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Paragraph (1)

"Person" means an individual Indonesian or foreign citizen or an Indonesian or foreign legal entity. The provision in this paragraph makes explicit the principle effective under this Act that basically as legal entities, Companies must be established pursuant to a contract and therefore they must have more than 1 (one) shareholder.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
In the event that a Consolidation of all of the assets and liabilities of a consolidating Company become the capital of the Company resulting from the Consolidation and the founders do not subscribe shares, the founders of the Company resulting from the Consolidation are the consolidating Companies and the names of the shareholders of the Company resulting from the Consolidation are the names of the shareholders of the consolidating Companies.

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Paragraph (6)  
The legal relationships and losses of the Company for which shareholders are personally liable are legal relationships and losses which arise after the 6 (six) months have passed. "Party concerned" means the public prosecutor's office in the public interest, the shareholder, the Board of Directors, the Board of Commissioners, the Company's employees, creditors and/or other stakeholders.

Paragraph (7)

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Because of their special status and characteristics, the requirement for the number of founders for the Companies contemplated in this paragraph are provided for in separate legislative regulations.

Letter a

“State Limited Liability Company” means a business entity belonging to the State in the form of a Company whose capital is divided into shares as provided for in the State Owned Enterprises Act.

Letter b

Self-explanatory

Article 8

Paragraph (1)

Self-explanatory

Paragraph (2)

Letter a

In establishing a Company clarity with regard to the nationality of the founders is necessary. Basically, Indonesian legal entities in the form of a Company must be established by Indonesian citizens or Indonesian legal entities. Nevertheless, foreign citizens or foreign legal entities are given the opportunity to establish Indonesian legal entities in the form of Companies in so far as the statute regulating the Company's field of business allows or the establishment of the Company is provided for by a separate statute.

In the event that the founders are foreign legal entities, the number and date of ratification of the founder legal entity is that of the document equivalent thereto, such as a certificate of incorporation.

In the event that a founder is a State or Regional legal

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entity, then a Government Regulation regarding investment in the Company or a Bye-Law regarding regional investment in the Company is necessary.

Letter b

Self-explanatory

Letter c

"Subscribed shares" means the number of shares subscribed by the shareholders at the time of the establishment of the Company.

If the amount paid up exceeds the nominal value so as to give rise to a difference between the value actually paid and the nominal value, the difference must be recorded in the financial reports as a share premium.

Paragraph (3)

Self-explanatory

Article 9

Paragraph (1)

"Legal entity administration system information technology services" means the services rendered to the public in the process of ratifying the Company as a legal entity.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 10

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Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
In this provision "directly" means at the same time as the submission of the application is received.

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Paragraph (6)  
"Signed electronically" means a signature which is affixed to or included in electronic data by the authorised official and proves the authenticity of the data in the form of an electronic picture of the authorised official's signature made by medium of a computer.

Paragraph (7)  
See the elucidation of paragraph (3)

Paragraph (8)  
The application contemplated in this paragraph will not be subject to any additional charge.

Paragraph (9)  
Self-explanatory

Paragraph (10)  
Self-explanatory



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Self-explanatory

Article 12 Paragraph (1)

In this provision "legal acts" means among others legal acts performed by the prospective founders with other persons which will be considered with the ownership and paying up of the prospective founders' shares in the Company.

Paragraph (2)

"Attached" means uniting the document made by means of attaching and sewing the document as a unity with the deed of establishment.

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 13 Paragraph (1)

This provision provides procedures which must be followed to transfer to a Company the rights and/or obligations which arise out of acts of the prospective founders performed before the Company is established by means of explicit acceptance or taking over of the rights and obligations arising out of the legal acts.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

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Paragraph (5)  
Self-explanatory

Article 14  
Paragraph (1)

“Legal act on behalf of the Company” means a legal act where the Company is stated to be a party to the legal act or where the Company is stated to be a party with an interest in the legal act.

This provision is intended to make explicit that the members of the Board of Directors may not perform legal acts on behalf of a Company which has not yet obtained the status of a legal entity without the approval of all of the founders, the other members of the Board of Directors and the members of the Board of Commissioners.

Paragraph (2)  
“The founders concerned shall be liable for such legal acts and the legal acts shall not be binding on the Company” means the founders who perform the act will be personally liable therefor and the Company will not be liable for the legal act performed by the founders.

Paragraph (3)  
Self-explanatory

Paragraph (4)  
“Attended” means the shareholders are present in person or represented on the basis of a power of attorney.

Paragraph (5)  
Self-explanatory

Article 15  
Paragraph (1)

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Letter a  
Self-explanatory

Letter b  
Self-explanatory

Letter c  
See the elucidation of Article 6

Letter d  
Self-explanatory

Letter e  
Self-explanatory

Letter f  
Self-explanatory

Letter g  
Self-explanatory

Letter h  
"The procedures for the appointment" includes procedures for election, among others oral election or elections by folded ballot papers and election of candidates individually or as a package.

Letter i  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

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Article 16

Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
In the event that no abbreviation "Tbk" is written, it means that the Company is a private Company.

Paragraph (4)  
Self-explanatory

Article 17

Paragraph (1)  
The provision in paragraph (1) does not close off the possibility of a Company being domiciled in a village (*desa*) or subdistrict (*kecamatan*) provided the articles of association state the name of the city (*kota*) or regency (*kabupaten*) of the village or subdistrict. For example: PT A is domiciled in Bojongsari Village, Pandaan Subdistrict, Pasuruan Regency.

Paragraph (2)  
Self-explanatory

Article 18

The purpose and objective constitute the Company's primary business.

The business activities constitute the activities performed by the Company in the context of achieving its purpose and objective, which must be clearly detailed in the articles of association, and such details may not conflict with the articles of association.

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Article 19

Self-explanatory

Article 20

Paragraph (1)

The curator's consent must be given before the resolution to amend the articles of association is adopted. This is intended to avoid the possibility of refusal by the curator resulting in the resolution to amend the articles of association becoming void.

Paragraph (2)

Self-explanatory

Article 21

Paragraph (1)

Self-explanatory

Paragraph (2)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

See the elucidation of Article 6

Letter d

Self-explanatory

Letter e

Self-explanatory

Letter f

Amendments to the articles of association for a change of the Company's status from private company to Public

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Company or vice versa involve amendments to the whole of the provisions of the articles of association and so the Minister's approval will be given to amendment of the whole of the articles of association.

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Paragraph (5)  
"Must be stated in a notarial deed" means it must be in the form of a deed of declaration of resolutions of meeting or deed of amendment to the articles of association.

Paragraph (6)  
Self-explanatory

Paragraph (7)  
Self-explanatory

Paragraph (8)  
Self-explanatory

Paragraph (9)  
In the event of the application still being submitted, the Minister must refuse the application or notification.

Article 22

Paragraph (1)  
The provisions in this paragraph do not detract from the provisions contemplated in Article 21 paragraph (7). Example: A Company was established for a period of 50 (fifty) years and will expire on 15 November 2007 in accordance with the provisions contemplated in Article 22 paragraph (1). If the Company's period of incorporation is

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to be extended, the application for approval of the amendment to the articles of association with regard to the extension of the period must be submitted to the Minister no later than on 15 September 2007.

In the event that the RUPS adopts the resolution to extend the period on 1 August 2007 and it is declared in a Notarial deed on 7 August 2007, the application must be submitted to the Minister no later than on 7 September 2007.

In the event that the RUPS for the extension of the period is held on 20 August 2007, the extension of the period must be declared in a Notarial deed and the application must be submitted to the Minister no later than on 15 September 2007 in accordance with the provision contemplated in Article 22 paragraph (1).

Paragraph (2)  
Self-explanatory

Article 23  
Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
"This Law determines otherwise" means amongst others as contemplated in Articles 25 and 26 of this Law which provide for conditions which must be fulfilled before the Minister's Decree comes into effect or where a later date is determined in the Minister's Decree, which contains a condition precedent which must be fulfilled first or a later date.

Article 24  
Self-explanatory

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Article 25

Self-explanatory

Article 26

Letter a

Self-explanatory

Letter b

"A later date determined" means a date after the date of the Minister's approval.

Letter c

"A later date determined in the deed of Merger or the deed of Acquisition" means the date which the parties have agreed on and which is later than the date of the Minister's receipt of the notification of the amendment to the articles of association.

Article 27

Self-explanatory

Article 28

Self-explanatory

Article 29

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Letter a

Self-explanatory

Letter b

Self-explanatory



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Letter c

“Changes in the Company’s data” means amongst others data concerning transfers of rights over shares, the replacement of members of the Board of Directors and Board of Commissioners, or the winding up of the Company.

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Paragraph (6)  
Self-explanatory

Article 30  
Self-explanatory

Article 31  
Self-explanatory

Article 32  
Paragraph (1)  
Self-explanatory

Paragraph (2)  
“Certain business activities” means amongst others banking, insurance or freight forwarding business.

Paragraph (3)  
The provisions in this paragraph are necessary to anticipate changes in the economic situation.

Article 33  
Paragraph (1)  
Self-explanatory

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Paragraph (2)

"Lawful evidence of deposit" means, amongst others, evidence of deposit by the shareholders into a bank account under the name of the Company, data from financial reports audited by an accountant, or the Company's balance sheet signed by the Board of Directors and Board of Commissioners.

Paragraph (3)

This provision makes explicit that it is not possible to pay up shares by means of installments.

Article 34

Paragraph (1)

In general shares will be paid up in the form of money. Nevertheless, the possibility is not closed off that shares will be paid up in some other form, whether tangible or intangible goods, which have a monetary value and which are in fact received by the Company.

The paying up of shares in some other form apart from money must be accompanied by details giving the value or price, type or kind, status, domicile etc. as considered necessary for the sake of clarity regarding such paying up.

Paragraph (2)

The reasonable value shall be determined in accordance with the market value. If no market value is available, the reasonable value will be specified based on appraisal techniques most suitable to the characteristics of the payment based on the best relevant information.

"An expert not affiliated" means an expert who does not have:

- a. a family relationship because of marriage or descent up to the second degree, horizontally or vertically, with any of the Company's officers, members of the Board of Directors,

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- members of the Board of Commissioners, or shareholders;
- b. b. a relationship with the Company because of one or members of the Board of Directors or Board of Commissioners being the same;
- c. c. a direct or indirect controlling relationship with the Company;
- d. shares in the Company in the amount of 20% (twenty per cent) or more.

Paragraph (3)

The intent of the announcement of the paying up of shares in the form of immoveable property in a Newspaper is that it be publicly known and an opportunity be given to interested parties to submit any objection to the surrender of such property to pay up share capital if, for example, it becomes known that the property does not belong to the payor.

Article 35

Paragraph (1)

The need for the consent of a RUPS as contemplated in this paragraph is to make explicit that setting off can only be done with the consent of the RUPS because by consenting to the setting off, the other shareholders' right to priority in subscribing new shares is automatically waived.

Paragraph (2)

By the provision in this paragraph, interest and penalties which are owed and even due and payable cannot be set off to pay up shares because they are not actually received by the Company.

Letter a

Self-explanatory

Letter b

The meaning in this paragraph is that the party serving

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as the underwriter or guarantor of the Company's debt has satisfied the Company's debt and so has a receivable against the Company.

Letter c

The meaning in this paragraph is that the Company's obligation to pay a debt in its capacity as underwriter or guarantor to eliminate the creditor's receivable may be set off against the paying up of shares issued by the Company.

Paragraph (3)

Self-explanatory

Article 36

Paragraph (1)

In principle, the issuance of shares is an endeavour to raise capital and so the obligation to pay up shares should be charged to some other party. For the sake of certainty, this Article specifies that Companies are not allowed to issue shares for themselves to own.

This prohibition also includes a prohibition on cross-holdings which occur if a Company owns shares issued by some other Company which directly or indirectly owns shares in that Company.

The definition of direct cross-holding is if the first Company owns shares in a second Company without any ownership in one or more "intermediate Companies" and in reverse the second Company owns shares in the first Company.

The definition of indirect cross-holding is the ownership by the first Company of shares in a second Company via ownership in one or more "intermediate Companies" and in reverse the second Company owns shares in the first

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Company.

Paragraph (2)

Share ownership which results in the ownership of shares by the Company itself or ownership of shares by means of cross-holdings is not prohibited if the ownership of shares was obtained by transfers by operation of law, by grant, or by bequest because in such cases there was no issuance of shares needed to funds to be paid up from another party and so they do not breach the prohibition contemplated in paragraph (1).

Paragraph (3)

Self-explanatory

Paragraph (4)

"Securities company" has the meaning defined in the Capital Markets Law.

Article 37

Paragraph (1)

Re-purchases of shares by Companies must not cause reductions in capital unless the shares are withdrawn.

Letter a

"Net assets" means all of the Company's assets minus all of the Company's obligations according to the most recent financial report ratified by the RUPS within the last 6 (six) months.

Letter b

Self-explanatory

Paragraph (2)

Self-explanatory

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Paragraph (3)  
Self-explanatory

Paragraph (4)  
The intent of the provision of the 3 (three)-year period in this paragraph is that the Company may specify whether the shares will be sold or withdrawn by means of a reduction in capital.

Article 38  
Self-explanatory

Article 39  
Paragraph (1)  
“Implementation” means the determination of the time and procedure for the re-purchase of shares and the number of shares to be re-purchased, but does not include matters which are the task of the Board of Directors in re-purchasing shares, such as making payments, storing the share certificates, and making a record in the register of shareholders.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Article 40  
Self-explanatory

Article 41  
Paragraph (1)  
“Companies’ capital” means authorised capital, subscribed capital, and paid up capital.

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Paragraph (2)

In this paragraph "implementation" means the determination of the time of, procedure for, and amount of the increase in capital, which must not exceed the maximum limit determined by the RUPS, but does not include matters which are the task of the Board of Directors in increases in capital, such as receiving the amounts paid up for the shares and making a record in the register of shareholders.

Paragraph (3)

Self-explanatory

Article 42

Paragraph (1)

Self-explanatory

Paragraph (2)

In this paragraph "the shares with voting rights" means the total number of shares with voting rights issued by the Company.

"Unless larger numbers are determined in the articles of association" means the quorum determined in the articles of association may be higher than the quorum determined in this paragraph.

Paragraph (3)

Self-explanatory

Article 43

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

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Paragraph (3)

Letter a

"Shares directed to the Company's employees" means amongst others shares issued in the context of an ESOP (employee stocks option program) of the Company with all the rights and obligations attaching thereto.

Letter b

Self-explanatory

Letter c

"Reorganisation or restructuring" means amongst others Mergers, Consolidations, and Acquisitions, setting off of receivables, or a Demerger.

Paragraph (4)

The meaning of "Period of 14 (fourteen) days" includes the deadline for shareholders to subscribe the shares of other shareholders who do not exercise their rights.

Article 44

Paragraph (1)

"Reduce the Company's capital" means reduction of the authorised capital, subscribed capital, and paid up capital. Reductions in subscribed and paid up capital may occur by means of withdrawal of shares already issued for deletion or by means of a reduction in the nominal value of shares.

Paragraph (2)

Self-explanatory

Article 45

Paragraph (1)

Self-explanatory

Paragraph (2)



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Self-explanatory

Paragraph (3)  
Self-explanatory

Article 46  
Self-explanatory

Article 47

Paragraph (1)  
“Withdrawal of shares” implies that the shares are withdrawn from circulation in the context of a reduction in the subscribed and paid up capital.

Paragraph (2)  
“Withdrawal of shares” means the withdrawal of shares with the result of the removal of the shares from circulation.

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Article 48

Paragraph (1)  
The intent of this provision is that Companies are only allowed to issue shares under the name of their owner and Companies may not issue endorsable shares.

Paragraph (2)  
“Authorised agency” means the agency authorised by virtue of a statute to supervise Companies doing business in a particular field, for example, Bank Indonesia is authorised to

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supervise Companies in the field of banking, and the Minister of Energy and Mineral Resources is authorised to supervise Companies in the field of energy and mining.

Paragraph (3)

"May not exercise rights as shareholder" means, for example, the right to be recorded in the register of shareholders, the rights to attend and cast votes in RUPS, or the right to receive allocated dividends.

Article 49

Self-explanatory

Article 50

Paragraph (1)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

"Amount paid up" means an amount which is at least equal to the nominal value of the share.

Letter d

Self-explanatory

Letter e

Self-explanatory

Paragraph (2)

"Special register" means a source of information regarding the size of the ownership and interest of the members of the Company's Board of Directors and Board of Commissioners in the Company concerned or in other Companies so that any conflict of interest which may arise can be kept as small as

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possible.

"Their families" means their spouses and children.

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Paragraph (5)  
"Not providing otherwise" does not mean that there is no obligation to compile a register of shareholders and special register for Public Companies, but rather that legislative regulations in the field of capital markets may determine criteria for data which must be entered in the register of shareholders and special register.

Article 51  
Arrangements for the form of proof of ownership of shares shall be determined in the articles of association in accordance with need.

Article 52  
Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Under this provision, the shareholders are not allowed to divide up the rights over 1 (one) share at their own will.

Paragraph (5)

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Self-explanatory

Article 53

Paragraph (1)

"Classifications of shares" means the grouping of shares based on the same characteristics.

Paragraph (2)

Self-explanatory

Paragraph (3)

"Ordinary shares" means shares with the right to vote to adopt resolutions in RUPS regarding all matters related to the management of the Company, the right to receive dividends allocated, and the right to receive the remainder of assets in liquidation.

The voting rights owned by holders of ordinary shares may also be owned by holders of shares with other classifications.

Paragraph (4)

The various types of classification of shares do not always show that the classifications are each independent and separate from one another, but may constitute a merger of 2 (two) or more classifications.

Article 54

Paragraph (1)

Fractions of shares will only be possible if provided for in the articles of association.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

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Article 55

Self-explanatory

Article 56

Paragraph (1)

"Deed" means a deed made before a notary or an unnotarised deed.

Paragraph (2)

Self-explanatory

Paragraph (3)

"Inform the minister of the change in the composition of shareholders" also includes changes in the composition of shareholders because of inheritance, Acquisition or Demerger.

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Article 57

Paragraph (1)

Self-explanatory

Paragraph (2)

"Assignment of rights by operation of law" means amongst others assignment of rights by inheritance or assignment of rights as a result of Merger, Consolidation or Demerger.

Article 58

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

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Paragraph (3)

"Shall only apply once" means that the Company's articles of association may not specify offering the shares more than once before offering them to third parties.

Article 59

Self-explanatory

Article 60

Self-explanatory

Article 61

Paragraph (1)

Suits filed must basically contain a request that the Company cease the harmful action and take specific steps to deal with the consequences which have already arisen and to prevent similar action at a later date.

Paragraph (2)

Self-explanatory

Article 62

Paragraph (1)

Letter a

Self-explanatory

Letter b

"Net assets" means the net assets according to the latest balance sheet ratified within the last 6 (six) months.

Letter c

Self-explanatory

Paragraph (2)

Self-explanatory

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Article 63

Self-explanatory

Article 64

Paragraph (1)

Self-explanatory

Paragraph (2)

“Unless specified otherwise in legislative regulations” means if the legislative regulations specify that approval of the work plan must be given by the RUPS, the articles of association cannot specify that the work plan must be approved by the Board of Commissioners or vice versa. Similarly, if legislative regulations specify that the work plan must obtain the approval of the Board of Commissioners or the RUPS, the articles of association cannot specify that it would be sufficient for the work plan to be delivered to the Board of Commissioners or RUPS by the Board of Directors.

Article 65

Self-explanatory

Article 66

Paragraph (1)

Self-explanatory

Paragraph (2)

Letter a

Self-explanatory

Letter b

“A report on the Company’s activities” includes a report on the Company’s results or performance.

Letter c

Self-explanatory

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Letter d

“Details of problems” includes disputes or cases involving the Company.

Letter e

Self-explanatory

Letter f

Self-explanatory

Letter g

Self-explanatory

Paragraph (3)

“Financial accounting standards” means the standards established by the Indonesian Organisation of Accounting Professionals recognised by the Government of the Republic of Indonesia.

Paragraph (4)

Self-explanatory

Article 67

Paragraph (1)

“Signature of the annual report” is a form of accountability of the members of the Board of Directors and members of the Board of Commissioners in the performance of their duties.

In the event that it is mandatory for the Company’s financial report to be audited by a public accountant, the annual report meant is the annual report containing the audited financial report.

Paragraph (2)

“Reasons therefore in writing” means that the RUPS can use it as material for consideration in evaluating the report. Where members of the Board of Directors and members of the Board of Commissioners do not give any reasons because among others the



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person concerned has died, the reason shall be stated by the Board of Directors in a separate letter attached to the annual report.

Paragraph (3)  
Self-explanatory

Article 68

Paragraph (1)

The obligation to deliver the financial report to a public accountant for auditing arises from the nature of the Company concerned.

The obligation to deliver the financial report for external supervision is upheld on the assumption that public confidence must not be disappointed, and similarly for Companies which for their financing hope for funds from the capital markets.

Letter a

"The Company's business to collect and/or manage the public's funds" means among others banks, insurance companies, and mutual funds.

Letter b

"Acknowledgements of indebtedness" means among others bonds.

Letter c

Self-explanatory

Letter d

See elucidation of Article 7 paragraph (7)

Letter d

Self-explanatory

Letter f

Self-explanatory

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Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Paragraph (4)  
The intent of publication is in the context of accountability and transparency to the public.

Paragraph (5)  
Self-explanatory

Paragraph (6)  
Self-explanatory

Article 69

Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
The financial reports produced must reflect the actual situation of the assets, liabilities, capital and business proceeds of the Company. The Board of Directors and Board of Commissioners are fully liable for the accuracy of the contents of the Company's financial reports.

Paragraph (4)  
Self-explanatory

Article 70

"Net profits" means earnings for the current year minus taxes. "Positive balance of profits" means the Company's net profits in the current

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financial year have covered the Company's accumulated losses from previous financial years.

The Company shall form a mandatory reserve and other reserves. The reserve contemplated in paragraph (1) is the mandatory reserve.

The mandatory reserve is a certain amount which must be set aside by the Company each financial year and used to cover the Company's possible future losses.

The mandatory reserve need not always be in the form of cash, but may take the form of other assets which are easily liquidated and cannot be allocated as dividends.

"Other reserves" means reserves beyond the mandatory reserve which may be used for various needs of the Company, for example for business expansion, allocation of dividends, social purposes and so forth.

The provision that at least 20% (twenty percent) of the subscribed and paid up capital is considered a suitable amount for the mandatory reserve.

Article 71

Paragraph (1)

The RUPS resolution in this paragraph must give due attention to the Company's interests and fairness.

The RUPS resolution may determine that part or all of the net profits be used for the allocation of dividends to the shareholders, the reserves, and/or other allocations such as profit sharing incentives (tantieme) for members of the Board of Directors and Board of Governors, and bonuses for employees.

The giving of incentives and bonuses related to the Company's performance must be budgeted for and calculated as costs.

Paragraph (2)

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"All net profits" means the grand total of net profits for the financial year concerned after deduction of the Company's accumulated losses from previous financial years.

Paragraph (3)

In the event that the Company's net profits in the current financial year do not cover the whole of the Company's accumulated losses from previous financial years, the Company may not allocate dividends because the Company still has a negative balance of net profits.

Article 72

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

An example of interim dividends which must be returned would be as follows:

An interim dividend of Rp. 1,000 (one thousand rupiah) per share is allocated. The Company suffers losses and does not have a positive balance of profits and so there is no dividend to be allocated. Therefore Rp. 1,000 (one thousand rupiah) per share must be returned.

If the Company suffers losses, but the Company has retained earnings and a positive balance of profits, the RUPS may determine, for example, a dividend of Rp. 200 (two hundred rupiah) per share.

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Therefore, each share must return Rp. 1,000 (one thousand rupiah) minus Rp. 200 (two hundred rupiah), i.e., Rp. 800 (eight hundred rupiah).

Paragraph (6)  
Self-explanatory

Article 73

Paragraph (1)  
Self-explanatory

Paragraph (2)  
The collection of dividends contemplated is the nominal amount of the dividends not including interest.

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Paragraph (3)

The amount of the dividends not collected and becoming the right of the Company shall be booked in the post for the Company's other income.

Article 74

Paragraph (1)

This provision is directed towards creating Company relationships which are harmonious, balanced and in accordance with the environment, values, norms and culture of the local community.

"Companies doing business in the field of natural resources" means Companies whose business is managing and exploiting natural resources.

"Companies doing business in relation to natural resources" means Companies who do not manage and do not exploit natural resources but whose business activities have an impact on the functional capacity of natural resources.

Paragraph (2)

Self-explanatory

Paragraph (3)

"Liable to sanctions in accordance with the provisions of legislative regulations" means liable to all forms of sanction provided for in the relevant legislative regulations.

Paragraph (4)

Self-explanatory

Article 75

Paragraph (1)

Self-explanatory

Paragraph (2)

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The provision in this paragraph is intended to regard the shareholders' right to obtain information in relation to agenda items without prejudice to the shareholders' right to obtain other information in relation to the shareholders' rights provided for in this Law, among others, the shareholders' right to see the register of shareholders and special register contemplated in Article 50 paragraph (4) and the shareholders' right to obtain the materials for the meeting immediately after the invitation to the RUPS contemplated in Article 82 paragraphs (3) and (4).

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Article 76

Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Paragraph (4)  
"The condition contemplated in paragraph (3)" means that the RUPS must be held within the territory of the Republic of Indonesia.

Paragraph (5)  
Self-explanatory

Article 77

Paragraph (1)  
Self-explanatory

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Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Paragraph (4)  
"Approved and signed" means approved and signed physically or by electronic means.

Article 78

Paragraph (1)  
"Other RUPS" means what is common practice known as an extraordinary RUPS.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Article 79

Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
"Reason which serves as the basis for the request for the RUPS to be held" means amongst others because the Board of Directors has not held the annual RUPS in accordance with the deadline specified or the period of office of the members of the Board of Directors and/or members of the Board of Commissioners is about to expire.



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Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Paragraph (6)  
Self-explanatory

Paragraph (7)  
Self-explanatory

Paragraph (8)  
Self-explanatory

Paragraph (9)  
Self-explanatory

Paragraph (10)  
Self-explanatory

Article 80

Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
“Court order with regard to the quorum to be present and provisions for the adoption of RUPS resolutions” particularly applies to third RUPS, while for first and second RUPS, the provisions contemplated in Articles 86, 87, 88, and 89 or the Company’s articles of association apply to the provisions on the quorum to be present and the requirements for the adoption of resolutions.

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"Form of RUPS" means the annual or other RUPS.

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Paragraph (6)  
"Shall be final in nature and have absolute legal effect" means that no appeal, cassation or civil review can be lodged against the court order. The intent of this provision is that the implementation of the RUPS is not delayed.

Paragraph (7)  
The only legal avenue possible if the court order refuses the application is cassation, while civil review is not possible.

Paragraph (8)  
Self-explanatory

Article 81

Paragraph (1)  
Self-explanatory

Paragraph (2)  
Invitations to the RUPS are an obligation of the Board of Directors. Invitations to the RUPS may be issued by the Board of Commissioners in the event among others that the Board of Directors does not convene the RUPS as specified in Article 79 paragraph (6), in the event that the Board of Directors is prevented from doing so or there is a conflict of interests between the Board of Directors and the Company.

Article 82

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Paragraph (1)

The “period of 14 (fourteen) days” is the minimum period for invitations to a meeting. Therefore, the articles of association may not specify a period of less than 14 (fourteen) days except for the second or third meeting in accordance with the provisions of this Law.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Article 83

Paragraph (1)

The announcement is intended to give shareholders the opportunity to propose additions to the RUPS agenda to the Board of Directors.

Paragraph (2)

Self-explanatory

Article 84

Paragraph (1)

“Unless the articles of association determine otherwise” means if the articles of association issue a share without a vote.

In the event that the articles of association do not so determine, it may be assumed that each share issued carries one vote.

Paragraph (2)

By this provision, shares in the Company which are directly or

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indirectly controlled by the Company do not carry a vote and are not counted in determining the quorum.

Letter a

"Controlled by the Company itself" means controlled by ownership, re-purchase, or pledge.

Letter b

Self-explanatory

Letter c

Self-explanatory

Article 85

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

The provision in this paragraph constitutes a realisation of the principle of mutual deliberation to reach a consensus acknowledged in this Law. Therefore, split voting is not allowed.

For Public Companies, the different votes cast by custodian banks or stock companies representing shareholders in mutual funds does not constitute different votes as contemplated in this paragraph.

Paragraph (4)

In determining the quorum for the RUPS, the shares of shareholders represented by members of the Board of Directors, members of the Board of Commissioners, and employees of the Company as proxies will be included in the count, but in voting they will not have the right to vote as proxies for shareholders.

Paragraph (5)

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Self-explanatory

Paragraph (6)

Self-explanatory

Paragraph (7)

Self-explanatory

Article 86

Paragraph (1)

Deviation from the provisions in this paragraph is only possible in the events specified in this Law. Articles of Association are not permitted to specify a smaller quorum than the quorum specified by this Act.

Paragraph (2)

In the event that the quorum for the first RUPS is not achieved, the meeting must still be opened and then closed with minutes being made that explain that the first RUPS could not proceed because the quorum was not achieved and furthermore an invitation to a second RUPS may be issued.

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

In the event that the quorum for the second RUPS is not achieved, the meeting must still be opened and then closed with minutes being made that explain that the second RUPS could not proceed because the quorum was not achieved and furthermore an application may be filed with the Chief Judge of the District Court to determine the quorum for a third RUPS.

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Paragraph (6)

In the event that the Chief Judge of the District Court is prevented, the determination shall be made by another official representing the Chief Judge.

Paragraph (7)

"Shall be final and have absolute legal effect" means that no appeal, cassation, or civil review may be filed against the determination.

Paragraph (8)

Self-explanatory

Paragraph (9)

Self-explanatory

Article 87

Paragraph (1)

"Deliberation to reach a consensus" means the result of an agreement approved by the shareholders present or represented in a RUPS.

Paragraph (2)

"Approved by more than ½ (one half)" means that the proposal on the agenda item must be approved by more than ½ (one half) of the number of votes cast. If there are 3 (three) proposals or candidates and none of them receives more than ½ (one half) of the votes, voting on the 2 (two) proposals or candidates who obtained the most votes must be repeated so that one of the proposals or candidates will obtain more than ½ (one half) of the votes.

Article 88

Self-explanatory

Article 89

Paragraph (1)

Self-explanatory

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Paragraph (2)  
Self-explanatory

Paragraph (3)  
“A quorum to be present and/or provisions concerning requirements for the adoption of second RUPS resolutions which are higher” means higher than those intended by this paragraph but not higher than those intended by paragraph (1).

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Article 90

Paragraph (1)  
The signature by the chair of the meeting and at least 1 (one) shareholder appointed by and from the participants in the RUPS is intended to ensure the certainty and accuracy of the contents of the RUPS minutes.

Paragraph (2)  
Self-explanatory

Article 91

“Adopt resolutions outside RUPS” means what is known in practice as circular resolutions.

Such resolutions shall be adopted without a RUPS being held physically, but the resolutions shall be adopted by means of sending in writing the proposal to be resolved upon to all shareholders and the proposal shall be approved in writing by all of the shareholders. “Binding resolutions” means resolutions which have the same legal force as RUPS resolutions.

Article 92

Paragraph (1)

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This provision gives Boards of Directors the task of managing Companies, which among others covers the day-to-day management of the Company.

Paragraph (2)

"Any policy that seems appropriate" means policies which among others are based on expertise, opportunities available, and customary in the world of similar businesses.

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Paragraph (6)

The Board of Directors as the Company organ which manages the Company clearly understands the Company's management needs. Therefore, if the RUPS does not determine any division of tasks and authority of members of the Board of Directors, it would be reasonable for this determination to be made by the Board of Directors itself.

Article 93

Paragraph (1)

The period of 5 (five) years shall be calculated from when the person concerned is declared to be at fault on the basis of a court decision which has absolute legal effect making the Company bankrupt or if sentenced as from when he/she finishes serving his/her sentence.

Letter a

Self-explanatory



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Letter b  
Self-explanatory

Letter c  
"Finance sector" means among others bank and non-bank financial institutions, capital markets, and other sectors related to the collection and management of the public's funds.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
"Letter" means a declaration made by the prospective member of the Board of Directors concerned in relation to the requirements of paragraph (1) and a letter from the authorised agency in relation to the requirements in paragraph (2).

Article 94

Paragraph (1)  
The authority of the RUPS may not be delegated to other Company Organs or other parties.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
The requirement of appointment of the members of Boards of Directors for "a certain period" is intended so that members of the Board of Directors whose period of office has expired do not automatically continue in their original position unless re-appointed by a RUPS resolution. For example, for a period of 3 (three) years or 5 (five) years from the date of appointment, and then as from the expiry of that period, the ex-members of the Board of Directors concerned are no longer entitled to act for and on behalf of the Company except after being re-appointed by the RUPS.

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Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Paragraph (6)  
Self-explanatory

Paragraph (7)  
"Change in the members of the Board of Directors" includes changes because of the re-appointment of the members of the Board of Directors.

Paragraph (8)  
"Application" means applications for approval of amendments to the articles of association as contemplated in Article 21 paragraph (2).

"Notification" means notification of amendments to the articles of association as contemplated in Article 21 paragraph (3) and notifications concerning other Company data which must be notified to the Minister in accordance with the provisions of this Law.

Paragraph (9)  
Self-explanatory

Article 95

Paragraph (1)  
The appointment of the member of the Board of Directors shall be void by operation of law as from when the breach of the provisions contemplated in Article 93 becomes known to the other members of the Board of Directors or the Board of Commissioners based on lawful evidence and the member of the Board of Directors concerned shall be informed thereof in writing when it becomes known.

Paragraph (2)  
"Another member of the Board of Directors" means a member of the

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Board of Directors beyond the member of the Board of Directors whose appointment is void and who has the authority to represent the Board of Directors in accordance with the articles of association. If there is no such member of the Board of Directors, the Board of Commissioners shall make the announcement.

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Article 96

Paragraph (1)  
"The amount of the salary and allowances for members of the Board of Directors" means the amount of the salary and allowances for each member of the Board of Directors.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Article 97

Paragraph (1)  
Self-explanatory

Paragraph (2)  
"Full liability" means giving the Company meticulous and dedicated attention.

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Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Letter a

Self-explanatory

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

"Took action to prevent the losses from arising or continuing" also includes steps to obtain information about actions of management which could cause losses, among others through the forum of meetings of the Board of Directors.

Paragraph (6)

In the event that the actions of the Board of Directors cause losses to the Company, the shareholders who fulfil the conditions stipulated in this paragraph may represent the Company to file suit or claims through the courts.

Paragraph (7)

Suits submitted by the Board of Commissioners come within the task of the Board of Commissioners to perform the functions of supervision of management of the Company by the Board of Directors. To file suit the Board of Commissioners does not need to act jointly with the other members of the Board of Directors and the authority of the Board of Commissioners is not limited to the case where all of the members of the Board of Directors have a conflict of interest.

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Article 98

Paragraph (1)

Self-explanatory

Paragraph (2)

This Law basically follows a collegial representative system, which means that each member of the Board of Directors has the authority to represent the Company. Nevertheless in the interests of the Company, the articles of association may determine that the Company be represented by a particular member of the Board of Directors.

Paragraph (3)

Self-explanatory

Paragraph (4)

“May not be contrary to this Law” means, for example, that the RUPS does not have the authority to decide that it is sufficient for the Board of Directors in encumbering or transferring a majority of the Company’s assets to have the approval of the Board of Commissioners or the approval of a RUPS with a quorum of less than  $\frac{3}{4}$  (three quarters).

“May not be contrary to the articles of association” means, for example, that the articles of association may determine that to borrow sums above Rp 1,000,000,000 (one billion Rupiah), the Board of Directors must have the approval of the Board of Commissioners, in which case the RUPS does not have the authority to adopt a resolution that for loans of sums above Rp 500,000,000 (five hundred million Rupiah) the Board of Directors must obtain the approval of the Board of Commissioners without first amending the provisions of the articles of association.

Article 99

Sufficiently Clear

Article 100

Paragraph (1)

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Letter a

The register of shareholders and special register must be in accordance with the provisions contemplated in Article 50.

The minutes of RUPS and meetings of the Board of Directors shall contain all proceedings and resolutions in a meeting.

Letter b

Self-explanatory

Letter c

"Others of the Company's documents" means among others minutes of meetings of the Board of Commissioners, and the Company's permits.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 101

Any acquisition and change in share ownership must be reported. Reports of Boards of Directors with regard to this issue must be recorded in the special register contemplated in Article 50 paragraph (2).

For the meaning of "his/her family", see the elucidation of Article 50 paragraph (2).

Article 102

Paragraph (1)

"Company assets" means all moveable and immoveable tangible and intangible goods belonging to the Company. "In 1 (one) or more separate or inter-related transactions" means one or more

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transactions which cumulatively result in the passing of the 50% (fifty percent) threshold.

The evaluation of more than 50% (fifty percent) of net assets shall be based on the book value according to the most recent balance sheet ratified by the RUPS.

Paragraph (2)

Unlike transactions for the assignment of assets, transactions securing Company assets for debts as contemplated in paragraph (1) Letter b are not limited in time but attention must be given to the amount of Company assets still secured within a particular period.

Paragraph (3)

"Actions assigning or using as security Company assets" means for example the sale of houses by a real estate business, the sale of interbank negotiable instruments and the sale of inventory by distribution or trading companies.

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Article 103

"Power of attorney" means a special power of attorney for specific actions mentioned in the power of attorney.

Article 104

To prove the fault or negligence of the Board of Directors, a suit must be submitted to the commercial court in accordance with the provisions in the Bankruptcy and Suspension of Payments Law.

Article 105

Paragraph (1)

RUPS resolutions to dismiss members of Boards of Directors may be

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made on the grounds that the Director concerned no longer fulfils the requirements as member of the Board of Directors determined in this Law, among others by committing actions damaging to the Company or for some other reason judged appropriate by the RUPS.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
The defence in this paragraph shall be made in writing.

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Article 106

Paragraph (1)  
Bearing in mind that the dismissal of members of Boards of Directors by RUPS takes time to implement, while the Company's interests may not admit of any delay, the Board of Commissioners as the supervisory organ is naturally given the authority to suspend.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Paragraph (4)  
The RUPS shall be preceded by an invitation to the RUPS made by the Company Organ that suspended the Director.



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Paragraph (5)  
Self-explanatory

Paragraph (6)  
Self-explanatory

Paragraph (7)  
Self-explanatory

Paragraph (8)  
Self-explanatory

Paragraph (9)  
Self-explanatory

Article 107

Letter a  
The procedures for resignation of members of the Board of Directors provided in the articles of association shall be by submitting an application to resign which must be submitted within a certain period of time. When the period of time has expired, the member of the Board of Directors concerned shall cease to serve in his position without any RUPS approval being necessary.

Letter b  
Self-explanatory

Letter c  
Self-explanatory

Article 108

Paragraph (1)  
Self-explanatory

Paragraph (2)  
"In the Company's interests and in accordance with the Company's

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purpose and objectives" means that the supervision and giving advice by Boards of Commissioners shall not be in the interest of certain parties or groups but in the interest of the Company as a whole and in accordance with the Company's purpose and objectives.

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Unlike a Board of Directors, which makes it possible for each member of the Board of Directors to act alone in carrying out the tasks of the Board of Directors, each member of a Board of Commissioners may not act alone in carrying out the tasks of the Board of Commissioners except on the basis of a resolution of the Board of Commissioners.

Paragraph (5)  
Companies whose business activities are related to the collection and/or management of the public's funds, Companies who issue acknowledgements of indebtedness to the public, and Public Companies need supervision by a greater number of members of the Board of Commissioners because they involve the interests of the public.

Article 109  
Self-explanatory

Article 110  
Paragraph (1)  
Letter a  
Self-explanatory  
  
Letter b  
Self-explanatory  
  
Letter c

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See the elucidation of Article 93 paragraph (1) subparagraph c.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
"Letter" means a statement made by the prospective member of the Board of Commissioners concerned in relation to the requirements of paragraph (1) and a letter from the authorised agency in relation to the requirements of paragraph (2).

Article 111  
Self-explanatory

Article 112  
Paragraph (1)  
"The other members of the Board of Commissioners" means members of the Board of Commissioners beyond the members of the Board of Commissioners whose appointment has been nullified.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Article 113  
Self-explanatory

Article 114

Paragraph (1)

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Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
The provisions in this paragraph affirm that if the Board of Commissioners is at fault or negligent in performing its duties and so causes losses to the Company because of the management carried out by the Board of Directors, the members of the Board of Commissioners shall share in the liability to the extent of their fault or negligence.

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Paragraph (6)  
Self-explanatory

Article 115  
Self-explanatory

Article 116  
Letter a  
Minutes of meetings of Boards of Commissioners shall contain all proceedings and resolutions of the meeting.

Letter b  
Any such change in share ownership shall also be reported. For the meaning of "their families" see the elucidation of Article 50 paragraph (2).

Letter c  
The report of the Board of Commissioners regarding this matter

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shall be recorded in the special register contemplated in Article 50 paragraph (2).

Article 117

Paragraph (1)

"Give approval" means give written approval from the Board of Commissioners.

"Assistance" means the action by the Board of Commissioners of accompanying the Board of Directors in performing particular actions.

The granting of approval or assistance to the Board of Directors by the Board of Commissioners in the performance of certain legal actions as contemplated in this paragraph does not constitute actions of management.

Paragraph (2)

"The legal action shall still be binding on the Company" means legal actions performed without the approval of the Board of Commissioners in accordance with the provisions of the articles of association shall still be binding on the Company unless it can be proven that the other party is not acting in good faith. The provision contemplated in this paragraph may waive the personal liability of the members of the Board of Directors in accordance with the provisions of this Act.

Article 118

Paragraph (1)

This provision is intended to give the Board of Commissioners authority to carry out the management of the Company in the event that there is no Board of Directors.

"In specified situations" means among others the situations contemplated in Article 99 paragraph (2) Letter b and Article 107 Letter c.

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Paragraph (2)  
Self-explanatory

Article 119  
Self-explanatory

Article 120  
Paragraph (1)  
Self-explanatory

Paragraph (2)  
The Independent Commissioners in the code of good corporate governance are "external Commissioners".

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Article 121  
Paragraph (1)  
"Committees" means amongst others an audit committee, remuneration committee, and nomination committee.

Paragraph (2)  
Self-explanatory

Article 122  
Self-explanatory

Article 123  
Paragraph (1)  
Self-explanatory

Paragraph (2)

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Letter a  
Self-explanatory

Letter b  
Self-explanatory

Letter c  
The procedures for conversion of shares shall stipulate a fair price for the shares in the merging Company and a fair price for the shares in the surviving Company to determine a ratio for the exchange of shares in the context of conversion of shares.

Letter d  
The draft amendment of the articles of association in this matter is only mandatory as part of the proposal if the Merger will cause amendments to the articles of association.

Letter e  
"The last 3 (three) financial years of each of the Companies" means those which in all cover 36 (thirty-six) months.

Letter f  
Self-explanatory

Letter g  
Self-explanatory

Letter h  
Self-explanatory

Letter i  
Self-explanatory

Letter j  
Self-explanatory

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Letter k  
Self-explanatory

Letter l  
Self-explanatory

Letter m  
Self-explanatory

Letter n  
Self-explanatory

Letter o  
Self-explanatory

Paragraph 3  
Self-explanatory

Paragraph 4  
"Certain Companies" means Companies which have special lines of business, among others, bank and non-bank financial institutions.

"Relevant government agencies" means, among others, Bank Indonesia for Mergers of banking companies.

Paragraph 5  
Self-explanatory

Article 124  
Self-explanatory

Article 125  
Paragraph (1)  
The Acquisitions contemplated in this Article do not prejudice the provisions contemplated in Article 7.



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Paragraph (2)  
Self-explanatory

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Paragraph (5)  
"Acquiring party" means the Company, other non-Company legal entity, or individual.

Paragraph (6)  
Letter a  
Self-explanatory

Letter b  
Self-explanatory

Letter c  
Self-explanatory

Letter d  
The procedure for conversion of shares shall determine a fair price for the shares of the Company to be acquired and a fair price for the exchange shares to determine a ratio for the exchange of shares in the context of the conversion of shares.

Letter e  
Self-explanatory

Letter f  
Self-explanatory

Letter g

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Self-explanatory

Letter h

Self-explanatory

Letter i

Self-explanatory

Letter j

Self-explanatory

Letter k

Self-explanatory

Paragraph (7)

The Acquisition of shares of other Companies directly from shareholders need not be preceded by making a draft Acquisition, but shall be done directly through negotiation and agreement by the acquiring party and the shareholder subject to the articles of association of the Company to be acquired.

Paragraph (8)

Self-explanatory

Article 126

Paragraph (1)

This provision makes explicit that no Merger, Consolidation, Acquisition, or Demerger can be done if it will harm the interests of the parties specified.

Furthermore, in Mergers, Consolidations, Acquisitions, or Demergers the possibility of a monopoly or monopsony occurring in various forms detrimental to the public must be avoided.

Paragraph (2)

Shareholders who do not agree with the Merger, Consolidation,

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Acquisition, or Demerger are entitled to ask the Company that their shares be bought at a fair price for the shares from the Company as contemplated in Article 123 paragraph (2) subparagraph c and Article 125 paragraph (6) subparagraph d.

Paragraph (3)  
Self-explanatory

Article 127

Paragraph (1)  
Self-explanatory

Paragraph (2)  
Publication is intended to give the parties concerned the opportunity to find out about the plan and submit objections if they feel their interests will be harmed.

Paragraph (3)  
Self-explanatory

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Paragraph (6)  
Self-explanatory

Paragraph (7)  
Self-explanatory

Paragraph (8)  
Self-explanatory

Article 128

Self-explanatory

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Article 129  
Self-explanatory

Article 130  
Self-explanatory

Article 131  
Self-explanatory

Article 132  
Self-explanatory

Article 133  
The publication is intended for interested third parties to know that the Merger, Consolidation, or Acquisition has taken place.

In this case the publication must be made within a period of not more than 30 (thirty) days as from the date of:

- a. the approval of the Minister for the amendment to the articles of association in the event of a Merger;
- b. receipt by the Minister of notification in the event of an amendment of the articles of association as contemplated in Article 21 paragraph (3) or where there is no accompanying amendment of the articles of association;
- c. ratification by the Minister of the deed of establishment of the Company in the event of a Consolidation.

Article 134  
Self-explanatory

Article 135  
Paragraph (1)  
Letter a  
Self-explanatory  
  
Letter b

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"A partial Demerger" is commonly called a spin-off.

Paragraph (2)

"Pass by operation of law" means pass by general title so that no deed of assignment is necessary.

Paragraph (3)

Self-explanatory

Article 136

Self-explanatory

Article 137

Self-explanatory

Article 138

Paragraph (1)

Before filing a petition for inspection of a Company, the petitioner must have asked the Company directly with regard to the data or information needed. In the event that the Company refuses or does not pay any attention to the request, this provision gives a remedy which can be followed by the petitioner.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Paragraph (6)

Self-explanatory

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Article 139

Paragraph (1)  
Self-explanatory

Paragraph (2)  
Self-explanatory

Paragraph (3)  
"Expert" means a person with expertise in the field to be inspected.

Paragraph (4)  
Self-explanatory

Paragraph (5)  
"All documents" means all books, records, and letters related to the Company's activities.

Paragraph (6)  
Self-explanatory

Paragraph (7)  
Self-explanatory

Article 140

Paragraph (1)  
Self-explanatory

Paragraph (2)  
The petitioner may determine further action against the Company on the basis of the report on the outcome of the inspection.

Article 141

Paragraph (1)  
In determining the cost of inspection for the inspectors, the Chief

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Judge shall base it on the inspectors' level of expertise and the ability to pay of the Company and the scope of the Company.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Charging the contemplated reimbursement of costs shall be determined by the court with due attention to the outcome of the inspection.

Article 142

Paragraph (1)  
Letter a  
Self-explanatory

Letter b  
Self-explanatory

Letter c  
Self-explanatory

Letter d  
Self-explanatory

Letter e  
Self-explanatory

Letter f  
"The revocation of the Company's business permits such that the Company must enter into liquidation" means there are provisions which do not allow the Company to do business in other fields after its business permits have been revoked, such as in banking business permits or insurance business permits.

Paragraph (2)

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Unlike the winding up of a Company as a result of a Merger and Consolidation, which need not be followed by liquidation, the winding up of a Company under the provisions of paragraph (1) must always be followed by liquidation.

Letter a

“Liquidation by a curator” means liquidation specially carried out in the case of Companies wound up under the provision of paragraph (1) Letter e.

Letter b

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Paragraph (6)

The appointment of a liquidator does not mean that the members of the Board of Directors and Board of Commissioners are dismissed, unless the RUPS dismisses them.

Those with the authority to suspend liquidators and supervise them are members of Boards of Commissioners in accordance with the provisions in the articles of association.

Article 143

Paragraph (1)

Because Companies which are being wound up are still acknowledged as legal entities, such Companies may be declared bankrupt and the liquidator will then be replaced by



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a curator.

A declaration of bankruptcy will not alter the status of a Company which is being wound up and therefore the Company must be liquidated.

Paragraph (2)  
Self-explanatory

Article 144  
Self-explanatory

Article 145  
Self-explanatory

Article 146  
Paragraph (1)  
Letter a  
Self-explanatory

Letter b  
Self-explanatory

Letter c  
"The grounds that it is not possible for the Company to continue" means, amongst others:  
a. the Company has been doing any business (has been non active) for 3 (three) or more years, as proven by notification delivered to the taxation authorities;  
  
The addresses of most of the shareholders are not known despite invitation through advertisement in a Newspaper and so the RUPS cannot be held;  
b. the ratio of shareholdings in the Company is such that the RUPS cannot adopt lawful resolutions, for example, because 2 (two) factions of shareholders each has 50%

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(fifty percent) of the shares; or

- c. the Company's assets have declined to such an extent that the Company can no longer continue in business with its existing assets.

Paragraph (2)  
Self-explanatory

Article 147

Paragraph (1)  
The calculation of the 30 (thirty)-day period shall run from the date of:  
a. the winding up by the RUPS when the Company is wound up by the RUPS; or  
b. the court order which has obtained absolute legal effect when the Company is wound up pursuant to a court order.

Paragraph (2)  
Self-explanatory

Paragraph (3)  
Calculation of the 60 (sixty)-day period shall run from the date of the latest announcement notifying creditors, for example if the announcement in a Newspaper is on 1 July 2007, while the announcement in the State Gazette of the Republic of Indonesia is on 3 July 2007, the date of the latest announcement would be 3 July 2007.

Paragraph (4)  
Self-explanatory

Paragraph (5)  
Self-explanatory

Article 148

Self-explanatory

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Article 149

Paragraph (1)

Letter a

Self-explanatory

Letter b

"In the plan for division of the assets resulting from the liquidation" includes a breakdown of the size of debts and the plan for their payment.

Letter c

Self-explanatory

Letter d

Self-explanatory

Letter e

"Other action necessary in the implementation of the settlement of assets" means among others filing a petition for bankruptcy because the Company's debts are greater than the Company's assets.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Article 150

Self-explanatory

Article 151

Self-explanatory

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Article 152

Paragraph (1)

“Liquidators shall be accountable” means liquidators must give an accountability report on the liquidation they have carried out.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Paragraph (5)

Self-explanatory

Paragraph (6)

Self-explanatory

Paragraph (7)

Self-explanatory

Paragraph (8)

Self-explanatory

Article 153

Self-explanatory

Article 154

Paragraph (1)

Basically the provisions in this Act apply to Companies doing certain businesses in the field of capital markets, such as Public Companies or stock exchanges. However, bearing in mind that such Companies have particular characteristics which are different from those of Companies in general, it is necessary to leave open the possibility of special arrangements for such Companies.

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These special arrangements are with regard to, amongst others, the system for paying up capital, matters related to buying back shares in Companies, and voting rights and convening of RUPS.

Paragraph (2)

“Basic principles of Company law” means the basic legal principles related to the essence of Companies and Company Organs.

Article 155

Self-explanatory

Article 156

Self-explanatory

Article 157

Paragraph (1)

Self-explanatory

Paragraph (2)

Self-explanatory

Paragraph (3)

“Companies which have already obtained the status of legal entities under legislative regulations” means Companies with the status of legal entity which were established on the basis of Commercial Code and the Limited Liability Companies Act No. 1 of 1995.

Paragraph (5)

Self-explanatory

Article 158

Under this provision, ownership of shares by such other Companies must be assigned to other parties not subject to the prohibitions contemplated in Article 36 within a period of 1 (one) year as from the coming into effect of this Act.

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Article 159  
Self-explanatory

Article 160  
Self-explanatory

Article 161  
Self-explanatory

SUPPLEMENT TO STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
NUMBER 4756

*Unofficial Translation*

*Presidential Logo*