

**LAW OF THE REPUBLIC OF INDONESIA
NUMBER 40 OF 2007**

REGARDING

LIMITED LIABILITY COMPANIES

BY THE GRACE OF GOD ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. whereas the national economy which is organized based on economic democracy applying the principles of solidarity, efficiency based on justice, sustainability, environmental concepts, autonomy and by maintaining a balance between progress and national economic unity, needs to be supported by a solid economic system in the framework of realizing community welfare;
 - b. whereas in the framework of further enhancing national economic development and at the same time providing a solid basis for the business community to cope with world economic development as well as scientific and technological progress during the coming era of globalization, a law containing provisions on limited liability companies is deemed necessary to ensure the implementation of a conducive business environment;
 - c. whereas a limited liability company, as one of the pillars of national economic development, should be provided with a legal basis to further enhance national development, which is formulated as a collective business on the basis of amicable principles;
 - d. whereas Law No 1 of 1995 regarding Limited Liability Companies is considered to no longer conform to legal developments and the public's needs; it must therefore be replaced by a new law;
 - e. whereas based on the considerations as meant in point a, point b, point c, and point d, it is necessary to enact a Law regarding Limited Liability Companies;

In View of : Article 5 (1), Article 20, and Article 33 of the 1945 Constitution;

**With the joint approval of
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA
and
THE PRESIDENT OF THE REPUBLIC OF INDONESIA**

HEREBY DECIDES:

To Enact : **THE LAW REGARDING LIMITED LIABILITY COMPANIES.**

CHAPTER 1 GENERAL PROVISION

Article 1

In this Law, referred to as:

1. A Limited Liability Company, hereinafter referred to as a Company, is a legal entity constituting a capital association, established by virtue of an agreement, conducting business activities with authorized capital entirely divided into shares and complying with the requirements provided in this Law and its implementing regulations.
2. The Company's Organs are the General Meeting of Shareholders, Board of Directors, and Board of Commissioners.
3. The Social and Environmental Responsibility is a Company's commitment to participate in sustainable economic development in order to enhance the quality of life and the environment that benefits the Company itself, the local community, as well as society at large.
4. The General Meeting of Shareholders, hereinafter referred to as the GMS, is a Company organ having the authorities that are not delegated to the Board of Directors or the Board of Commissioners, within the limits provided in this Law and/or articles of association.
5. The Board of Directors is a Company organ that is authorized and fully responsible for the management of the Company for the Company's interests, in accordance with the Company's purposes and objectives, and represents the Company both in and out of the courts in accordance with the provisions of the articles of association.
6. The Board of Commissioner is a Company organ having the task of carrying out supervision in general and/or particular, in accordance with the articles of association, and to provide advice to the Board of Directors.
7. A Publicly Owned Company (*Perseroan Terbuka*) is a Public Company or a Company that carries out a public offering of shares in accordance with the laws and regulations in the field of capital markets.
8. A Public Company (*Perseroan Publik*) is a Company that meets the criteria on the number of shareholders and paid-up capital in accordance with the laws and regulations in the field of capital markets.
9. A Merger is a legal act performed by one Company or more to merge with another existing Company with the result that the assets and liabilities of the merging Company are transferred by law to the absorbing Company and subsequently the legal entity status of the merging Company extinguishes by law.
10. A Consolidation is a legal act performed by two or more Companies to consolidate by means of establishing a new Company, which by law acquires the assets and liabilities of the consolidating Companies and by law the legal entity status of the consolidating Companies extinguishes.

11. An Acquisition is a legal act performed by a legal entity or an individual person to acquire shares in a Company resulting in the transfer of control in that Company.
12. A Segregation (spin off) is a legal act performed by a Company to segregate its businesses with the result that all the assets and liabilities of the Company are transferred by law to 2 (two) or more Companies or a part of the assets and liabilities of the Company are transferred by law to 1 (one) or more Companies.
13. Registered Mail is mail addressed to the recipient which can be evidenced by an acknowledgment of receipt by the recipient signed and stating the date of receipt.
14. A Newspaper is a daily newspaper in the Indonesian language that is circulated nationally.
15. A Day is a calendar day.
16. The Minister is the minister who has tasks and responsibilities in the areas of law and human rights.

Article 2

A Company must have objectives and purposes as well as business activities that are not in contravention of the laws and regulations, public order, and/or decency.

Article 3

- (1) The Company's shareholders are not personally liable for contracts made on behalf of the Company and are not liable for the Company's losses in excess of the value of the shares they have subscribed to.
- (2) The provisions set out in paragraph (1) will not apply if:
 - a. the requirements for the Company to be a legal entity have not been or are not met;
 - b. the shareholders concerned directly or indirectly have in bad faith misused the Company for their own personal interests;
 - c. the shareholders concerned are involved in unlawful acts committed by the Company; or
 - d. the shareholders concerned directly or indirectly have unlawfully used the Company's assets, which has caused the Company's assets to become insufficient for the settlement of the Company's liabilities.

Article 4

A Limited Liability Company shall be governed by this Law, the Company's articles of association, and other prevailing laws and regulations.

Article 5

- (1) A Company has a name and domicile in the territory of the Republic of Indonesia as provided in the articles of association.
- (2) A Company has its full address in accordance with its domicile.
- (3) Correspondence, announcements issued by a Company, printed materials, and deeds to which the Company is a party, must state the Company's name and full address.

Article 6

A Company is established for a limited or unlimited term as specified in the articles of association.

CHAPTER II ESTABLISHMENT, ARTICLES OF ASSOCIATION AND AMENDMENTS TO ARTICLES OF ASSOCIATION, REGISTER OF COMPANIES AND ANNOUNCEMENT

Part One Establishment

Article 7

- (1) A Company is established by 2 (two) or more persons by virtue of a notarial deed drawn up in Bahasa Indonesia.
- (2) Each founder of a Company must subscribe to the shares at the time the Company is established.
- (3) The provisions set out in paragraph (2) will not apply in the case of a Consolidation.
- (4) A Company obtains legal entity status on the date of the issuance of the Minister's Decree regarding the legalization of the Company as a legal entity.
- (5) After a Company obtains legal entity status and if the shareholders become fewer than 2 (two) persons, at the latest 6 (six) months as from that event the concerned shareholder must transfer part of his/her shares to another person or the Company must issue new shares to another person.
- (6) Where the period provided in paragraph (5) has lapsed, if the shareholders remain fewer than 2 (two) persons, the shareholder will be personally liable for all of the Company's contracts and losses, and at the request of interested parties, the District Court may dissolve the Company.
- (7) The provisions which require a Company to be established by 2 (two) or more persons as set out in paragraph (1) above, and the provisions set out in paragraphs (5) and (6) above will not apply to:
 - a. State enterprises all of the shares of which are owned by the state; or

- b. Companies that operate a securities exchange, clearing and guarantee institutions, depository and settlement institutions, and other institutions provided in the Law regarding Capital Markets.

Article 8

- (1) The deed of establishment contains the articles of association and other information in relation to the establishment of a Company.
- (2) The other information as referred to in paragraph (1) must contain at least:
 - a. the full name, place and date of birth, occupation, residence and citizenship of the individual founder, or the name, place of domicile, full address as well as the number and date of the Minister's Decree on the legalization of the legal entity status of the Company's founder;
 - b. the full names, places and dates of birth, occupations, residences and citizenship of the first appointed members of the Board of Directors and the Board of Commissioners; and
 - c. the names of shareholders who have subscribed shares, the specification of the number of shares, and the total nominal value of the issued and paid up shares.
- (3) In the execution of the deed of establishment, a founder may be represented by other persons by virtue of a power of attorney.

Article 9

- (1) To obtain the Minister's Decree on the legalization of a Company's legal entity status as referred to in Article 7 paragraph (4), the founders will jointly submit an application to the Minister by means of the information technology services of the administration of legal entities, completing the data form that must contain at least:
 - a. the Company's name and place of domicile;
 - b. the term of the Company's establishment;
 - c. the Company's purposes and objectives;
 - d. the amount of authorized capital, issued capital, and paid-up capital;
 - e. the Company's full address.
- (2) Completion of the data 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 as referred to in paragraphs (1) and (2) in person, the founders may only give a power of attorney to a notary.
- (4) Further provisions with regard to the procedure for the submission and use of a Company's name will be regulated by Government Regulations.

Article 10

- (1) The application to obtain the Minister's Decree as referred to in Article 9 paragraph (1) must be submitted to the Minister at the latest 60 (sixty) days as of the execution of the deed of establishment, together with the information about the supporting documents.
- (2) Provisions with regard to the supporting documents as referred to in paragraph (1) will be regulated by a Minister's Regulation.
- (3) If the data form as referred to in Article 9 paragraph (1) and the information about the supporting documents as referred to in paragraph (1) conform to the prevailing laws and regulations, the Minister will immediately state no objection on the relevant application by electronic means.
- (4) If the data form as referred to in Article 9 paragraph (1) and the information about the supporting documents as referred to in paragraph (1) do not conform to the prevailing laws and regulations, the Minister will immediately convey its rejection and the reasons for it to the applicant by electronic means.
- (5) At the latest 30 (thirty) days as of the date of the statement of no objection as referred to in paragraph (3), the relevant applicant must physically submit the application letter together with the supporting documents.
- (6) If all the requirements as referred to in paragraph (5) are fully met, at the latest in 14 (fourteen) days, the Minister will issue a decree with regard to the legalization of the Company as a legal entity, signed electronically.
- (7) If the requirements regarding the time limit for and completeness of the supporting documents as referred to in paragraph (5) are not met, the Minister will notify the applicant by electronic means, and the statement of no objection as referred to in paragraph (3) will become void.
- (8) In the event that the statement of no objection becomes void, the applicant as referred to in paragraph (5) may re-submit the application to obtain the Minister's Decree as referred to in Article 9 paragraph (1).
- (9) In that the event that the application to obtain the Minister's Decree is not submitted within the time limit as set out in paragraph (1), the articles of association will become void as of the lapse of the time limit and a Company that has not yet obtained legal entity status will be dissolved by law and its resolution will be performed by the founders.
- (10) The provision on the time limit as set out in paragraph (1) is also applicable for re-submitting the application.

Article 11

Further provisions with regard to the submission of the application to obtain the Minister's Decree as referred to in Article 7 paragraph (4) for certain regions where electronic networks are not yet available or not serviceable, will be regulated by a Minister's Regulation.

Article 12

- (1) Legal acts related to the ownership and payment of shares by the founders before the Company is established must be stated in the deed of establishment.
- (2) In the event that the legal act as referred to in paragraph (1) is stated in a deed which is not an authentic deed, the respective deed must be attached to the deed of establishment.
- (3) In the event that the legal act as referred to in paragraph (1) is stated in an authentic deed, the number, date, name and place of domicile of the notary who drew up the respective authentic deed must be stated in the Company's deed of establishment.
- (4) In the event that the provisions as set out in paragraphs (1), (2) and (3) are not complied with, the respective legal act will not create any rights or obligations and will not bind the Company.

Article 13

- (1) Legal acts performed by the founders-to-be in the interests of a Company that has yet to been established, will bind the Company after the Company becomes a legal entity, if the Company's first GMS expressly states that it accepts or takes over all rights and obligations arising from the legal acts performed by the founders-to-be or their attorneys.
- (2) The first GMS as referred to in paragraph (1) must be held at the latest 60 (sixty) days after the Company obtains its legal entity status.
- (3) The resolutions of the GMS as referred to in paragraph (2) are valid if the GMS is attended by shareholders representing all shares with valid voting rights and the resolution is unanimously approved.
- (4) In the event that the GMS is not held within the time limit as set out in paragraph (2) or the GMS is unable to adopt the resolutions as referred to in paragraph (3), each of the founders-to-be who has performed the respective legal act will be held personally liable for any consequence that arise from it.
- (5) Approval from the GMS as referred to in paragraph (2) is not required if the legal act is performed or approved in writing by all the founders-to-be before the establishment of the Company.

Article 14

- (1) Legal act performed on behalf of a Company which has not obtained legal entity status, may only be performed by all the members of the Board of Directors jointly with all the founders and all the members of the Board of Commissioners of the Company and all of them will be jointly and severally held liable for that legal act.
- (2) In the event that a legal act as referred to in paragraph (1) is performed by a founder on behalf of a Company that has not obtained legal entity status, that legal act will become the liability of the relevant founder and will not bind the Company.
- (3) The legal act as referred to in paragraph (1) will by law become a liability of the Company after the Company becomes a legal entity.

- (4) The legal act as referred to in paragraph (2) only binds, and becomes the liability of, the Company after that legal act has been approved by all the shareholders in a GMS attended by all the shareholders of the Company.
- (5) The GMS as referred to in paragraph (4) is the first GMS which must be convened at the latest 60 (sixty) days after the Company obtains legal entity status.

Part Two
Articles of Association and
Amendments to Articles of Association

Paragraph 1
Articles of Association

Article 15

- (1) The articles of association as referred to in Article 8 paragraph (1) shall contain at least:
 - a. the Company's name and place of domicile;
 - b. the Company's purposes and objectives and business activities;
 - c. the term of the Company;
 - d. the amount of authorized capital, issued capital and paid-up capital;
 - e. the number of shares, the share classifications, if any, and the number of shares for each classification, the rights attached to each share, and the nominal value of each share;
 - f. the titles and numbers of members of the Board of Directors and the Board of Commissioners;
 - g. the provision on the place to convene and the procedure for holding a GMS;
 - h. the procedure for the appointment, replacement and discharge of members of the Board of Directors and the Board of Commissioners;
 - i. the procedure for profit utilization and the distribution of dividends.
- (2) In addition to the provisions as set out in paragraph (1), the articles of association may contain other provisions that do not contravene this Law.
- (3) The articles of association may not contain:
 - a. provision on receipt of fixed interest on shares; or
 - b. provision on the granting of personal benefits to the founders or other parties.

Article 16

- (1) A Company must not use a name which:
 - a. has been lawfully used by another Company or is similar to the name of another Company;
 - b. contravenes public order and/or decency;
 - c. is identical or similar to the name of a state agency, government agency, or international agency, except with their approval;
 - d. does not conform to the purposes and objectives and business activities of the Company, or only designates the purposes and objectives of the Company without having its own name;
 - e. consists of numbers, a set of figures, a letter or a set of letters that do not form any words; or
 - f. means a Company, a legal entity, or a civil enterprise (*persekutuan perdata*).
- (2) A Company's name must be preceded by the phrase "**Perseroan Terbatas**" or abbreviated "**PT**".
- (3) In the case of a Publicly Owned Company, in addition to the provisions as set out in paragraph (2), the abbreviation "**Tbk**" must be added after the end of the Company's name.
- (4) Further provisions with regard to the use of a Company's name will be regulated by Government Regulations.

Article 17

- (1) A Company must have its place of domicile in the area of a city or regency within the territory of the Republic of Indonesia, as specified in its articles of association.
- (2) The Company's place of domicile as referred to in paragraph (1) must also be the Company's head office.

Article 18

A Company must have purposes and objectives and business activities provided in the articles of association of the Company in accordance with the prevailing laws and regulations.

Paragraph 2 Amendments to the Articles of Association

Article 19

- (1) Amendments to the articles of association must be determined by the GMS.
- (2) The agenda concerning amendments to the articles of association must be clearly stated in

the notice of the GMS.

Article 20

- (1) The articles of association of a Company that has been declared bankrupt cannot be amended, except with approval from the receiver.
- (2) The approval of the receiver as referred to in paragraph (1) must be attached to the request for approval of, or the notification regarding, the amendment to the articles of association to the Minister.

Article 21

- (1) Certain amendments to the articles of association must obtain approval from the Minister.
- (2) The certain amendments to the articles of association as referred to in paragraph (1) cover:
 - a. the Company's name and/or place of domicile;
 - b. the Company's purposes and objectives and business activities;
 - c. the term of the Company;
 - d. the amount of authorized capital;
 - e. a reduction in the issued capital and paid-up capital; and/or
 - f. the status of the Company from a Private Company to a Publicly Owned Company or vice versa.
- (3) Amendments to the articles of association other than those as referred to in paragraph (2) need only be reported to the Minister.
- (4) Amendments to the articles of association as referred to in paragraphs (2) and (3) must be set out or stated in a notarial deed in Bahasa Indonesia.
- (5) Amendments to the articles of association that are not set out in a deed of minutes of meeting made before a notary must be stated in a notarial deed at the latest 30 (thirty) days as of the date of the resolutions of the GMS.
- (6) Amendments to the articles of association may not be drawn up in a notarial deed after the time limit of 30 (thirty) days as set out in paragraph (5) has lapsed.
- (7) A request for approval of an amendment to the articles of association as referred to in paragraph (2) must be submitted to the Minister at the latest 30 (thirty) days as of the date of the notarial deed setting out the amendment to the articles of association.
- (8) The provisions as set out in paragraph (7) will apply mutatis mutandis to the notification to the Minister of the amendment to the articles of association.
- (9) After the time limit of 30 (thirty) days as set out in paragraph (7) has expired, the request

for approval or the notification of amendment to the articles of association may not be submitted or made to the Minister.

Article 22

- (1) A request for the approval of an amendment to the articles of association in respect of the extension of the term of a Company as provided in the articles of association, must be submitted to the Minister at the latest 60 (sixty) days prior to the end of the term of the Company.
- (2) The Minister must approve the extension of the term as referred to in paragraph (1) at the latest on the last validity date of the Company's establishment.

Article 23

- (1) Amendments to the articles of association as referred to in Article 21 paragraph (2) will come into effect as of the issuance date of the Minister's Decree regarding the approval of the amendments to the articles of association.
- (2) Amendments to the articles of association as referred to in Article 21 paragraph (3) come into effect as of the issuance date of receipt by the Minister of the notification of the amendments to the articles of association.
- (3) The provisions as set out in paragraphs (1) and (2) will not apply in the event that this Law provides otherwise.

Article 24

- (1) A Company, whose capital and number of shareholders meet the criteria for a Public Company in accordance with the prevailing laws and regulations on capital markets, must amend its articles of association as provided in Article 21 paragraph (2) point "f" at the latest 30 (thirty) days as of the criteria being met.
- (2) The Board of Directors of the Company as referred to in paragraph (1) must submit a statement of registration in accordance with the provisions of the laws and regulations in the field of capital markets.

Article 25

- (1) The amendments to the articles of association in respect of the status of a closed Company becoming a Publicly Owned Company (*Perseroan Terbuka*) will come into effect:
 - a. for a Public Company (*Perseroan Publik*), as of the effective date the statement of registration submitted to the supervisory regulator in the field of capital market; or
 - b. for a Company that submits a statement of registration to the supervisory regulator in the field of capital markets for the purposes of a public offering of shares in accordance with the prevailing laws and regulations in the field of capital markets, as of the date of the public offering.
- (2) In the event that the statement of registration by the Company as referred to in paragraph

(1) a. above does not become effective or a Company that has submitted the statement of registration as referred to in paragraph (1) b. above does not make a public offering of shares, the Company must re-amend its articles of association at the latest 6 (six) months as of the date of the approval from the Minister.

Article 26

The amendment to the articles of association made in relation to a Merger or an Acquisition will come into effect as of:

- a. the date of the approval from the Minister;
- b. a later date stipulated in the approval from the Minister; or
- c. the date the notification of the articles of association is received by the Minister, or a later date stipulated in the deed of Merger or the deed of Acquisition.

Article 27

A request for approval of an amendment to the articles of association as referred to in Article 21 paragraph (2) must be rejected if:

- a. it is contrary to the provisions on the procedures for amending the articles of association;
- b. the contents of the amendment are contrary to the prevailing laws and regulations, public order and/or decency; or
- c. there are objections from creditors to a resolution of the GMS concerning a reduction in capital.

Article 28

The provisions on the procedure for the submission of a request to obtain the Minister's Decree regarding the legalization of the Company's legal entity status and the rejection as set out in Articles 9, 10 and 11 will apply mutatis mutandis to the submission of a request for approval of an amendment to the articles of association, and its rejection.

Third Part Register of Companies and Announcement

Paragraph 1 Register of Companies

Article 29

- (1) The Register of Companies is maintained by the Minister.
- (2) The Register of Companies as referred to in paragraph (1) contains data on Companies, including:
 - a. names and places of domicile, purposes and objectives and business activities,

- term of establishment, and capital structure;
- b. full addresses of Companies as provided in Article 5;
 - c. numbers and dates of deeds of establishment and the Minister's Decrees regarding the legalization of the Companies' legal entity status as provided in Article 7 paragraph (3);
 - d. numbers and dates of deeds of amendment to the articles of association and their approvals from the Minister as provided in Article 23 paragraph (1);
 - e. numbers and dates of deeds of amendment to the articles of association and the dates of receipt by the Minister of the notifications as provided in Article 23 paragraph (2);
 - f. names and places of domicile of the notaries that drew up the deeds of establishment and the deeds of amendment to the articles of association;
 - g. full names and addresses of Companies' shareholders, members of the Boards of Directors and members of the Boards of Commissioners;
 - h. numbers and dates of deeds of dissolution or numbers and dates of court decisions regarding dissolutions of Companies that have been reported to the Minister;
 - i. expirations of Companies' legal entity status;
 - j. balance sheets and profit and loss statements for the corresponding financial years of Companies that must be audited;
- (3) The data on Companies as set out in paragraph (2) are to be entered into the register of Companies on the same date as the date of:
- a. the Minister's Decree regarding the legalization of the Company's legal entity status, approval of amendments to the articles of association that require approval;
 - b. receipt of the notification of amendments to the articles of association that do not require approval; or
 - c. receipt of the notification of amendments to a Company's data that are not amendments to the articles of association.
- (4) The provisions as set out in paragraph (2) g. regarding the names and addresses of shareholders in a Publicly Owned Company must comply with the prevailing laws and regulations in the field of capital markets.
- (5) The register of Companies as referred to in paragraph (1) is open to the public.
- (6) Further provisions on the register of Companies will be provided in Ministerial Regulations.

Paragraph 2
Announcements

Article 30

- (1) The Minister will announce in the Supplements to the State Gazette of the Republic of Indonesia:
 - a. the deeds of establishment of Companies and the Minister's Decree as provided in Article 7 paragraph (4);
 - b. the deeds of amendments to the articles of association of Companies and the Minister's Decree as provided in Article 21 paragraph(1);
 - c. the deeds of amendments to the articles of association of which notifications have been received by the Minister.
- (2) The announcement as referred to in paragraph (1) must be made by the Minister at the latest within 14 (fourteen) days of the date of issuance of the Ministerial Decree referred to in paragraph (1) a. and b. above or the receipt of the notification referred to in paragraph (1) c above.
- (3) Further provisions on the procedure for the announcement must comply with the prevailing laws and regulations.

CHAPTER III
CAPITAL AND SHARES

Part One
Capital

Article 31

- (1) The authorized capital of a Company consists of the whole nominal value of the shares.
- (2) The provision set out in paragraph (1) does not preclude the possibility of capital markets legislation providing that the authorized capital of a Company consists of shares without a nominal value.

Article 32

- (1) A Company's authorized capital shall amount to at least Rp 50,000,000.00 (fifty million rupiahs).
- (2) The laws governing certain business sectors may determine a minimum amount of a Company's authorized capital which is greater than in the provision regarding authorized capital as set out in paragraph (1).
- (3) Changes in the minimum amount of authorized capital as set out in paragraph (1) shall be stipulated by Government Regulations.

Article 33

- (1) At least 25% (twenty-five percent) of the authorized capital provided in Article 32 must be issued and paid up in full.
- (2) Evidence of capital having been issued and paid up in full as provided in paragraph (1) must be provided by valid evidence of payment.
- (3) Any further issuance of shares, made to increase the issued capital, must be paid in full.

Article 34

- (1) Payment for shares may be made in the form of money and/or in other forms.
- (2) If payment for shares is made in other forms as provided in paragraph (1), the valuation of the payment of share capital must be determined based on a fair value established according to the market value or by an expert that is unaffiliated to the Company.
- (3) Payment for shares in the form of immovable assets must be announced in 1 (one) or more Newspapers, at the latest within 14 (fourteen) days after the deed of establishment is signed or after the GMS resolves on that payment of shares.

Article 35

- (1) Shareholders and other creditors having claims against a Company cannot offset their right to collect compensation against their obligation to pay for shares that they have subscribed for, unless it is approved by the GMS.
- (2) The right to collect from a Company as referred to in paragraph (1) which may be offset against payment for shares are the right to collect arising from claims against the Company arising from:
 - a. the Company having received money or tangible goods or intangible goods that can be valued in money;
 - b. a party being a guarantor or surety for the Company's debts having paid in full the Company's debts in the amount guaranteed or secured; or
 - c. the Company being a guarantor or surety for a third party and the Company having received the benefit in the form of money or goods that can be valued in money directly or indirectly which have in fact been received by the Company.
- (3) A resolution of the GMS as provided for in paragraph (1) will be valid if adopted in accordance with the provisions on the notice of a meeting, quorum, and votes for an amendment to the articles of association as provided in this Law and/or the articles of association.

Article 36

- (1) A Company is prohibited from issuing shares to be owned by itself or to be owned by another company whose shares are directly or indirectly owned by the Company.

- (2) The prohibition against owning shares as provided in paragraph (1) does not apply to share ownership acquired by virtue of a transfer by law, grant, or testament (will).
- (3) Shares acquired by virtue of the provisions as referred to in paragraph (2) must be transferred to a party who is not prohibited from owning shares in the Company, within a period of 1 (one) year after the date of acquisition.
- (4) In the event that the other Company as referred to in paragraph (1) is a securities company, the capital markets regulations will apply.

Part Two
Protection of Company's
Capital and Assets

Article 37

- (1) A company may repurchase shares issued, provided that:
 - a. the share repurchase does not cause the Company's net assets to become less than the issued capital and the statutory reserve that have been allocated; and
 - b. the total nominal value of all shares repurchased by the Company and the pledge of shares or the fiduciary security over shares held by the Company itself and/or another Company the shares of which are directly or indirectly owned by the Company must not exceed 10% (ten percent) of the Company's issued capital, unless provided otherwise by capital markets regulations.
- (2) A repurchase of shares, either directly or indirectly, which is contrary to paragraph (1) is void by law.
- (3) The Board of Directors is jointly and severally liable for all losses suffered by a shareholder who acted in good faith, arising as a result of the voiding of a repurchase of shares as referred to in paragraph (2).
- (4) Shares repurchased by the Company as provided in paragraph (1) may only be held by the Company for a maximum of 3 (three) years.

Article 38

- (1) A share repurchase as referred to in Article 30 paragraph (1) or its further transfer may only be conducted with approval from the GMS, unless provided otherwise by capital markets regulations.
- (2) The resolution of the GMS that contains the approval as referred to in paragraph (1) is valid if adopted in accordance with the provisions on the notice of a meeting, quorum, and votes for amendments to the articles of association as provided in this Law and/or the articles of association.

Article 39

- (1) The GMS may delegate the authority to approve the implementation of the resolution of the GMS as referred to in Article 38 to the Board of Commissioners, for a maximum period of 1 (one) year.

- (2) The delegation of authority as referred to in paragraph (1) may on each occasion be extended for the same duration.
- (3) The delegation of authority as referred to in paragraph (1) may be withdrawn at any time by the GMS.

Article 40

- (1) Shares held by the Company as a result of a share repurchase, transfer by virtue of law, grant, or testament, cannot be used to cast votes in the GMS and will not be counted in determining the quorum that must be reached according to the provisions of this Law and/or the articles of association.
- (2) The shares referred to in paragraph (1) shall bear no entitlement to receive dividends.

Part Three Increase in Capital

Article 41

- (1) A Company's capital may only be increased based on a resolution of the GMS.
- (2) The GMS may delegate the authority to approve the implementation of the resolution of the GMS as referred to in paragraph (1) to the Board of Commissioners, for a maximum period of 1 (one) year.
- (3) The delegation of authority as referred to in paragraph (2) may be withdrawn at any time by the GMS.

Article 42

- (1) The resolution of the GMS to increase the authorized capital shall be valid if adopted in accordance with the requirements for a quorum and the number of affirmative votes for an amendment to the articles of association as provided in this Law and/or the articles of association.
- (2) A resolution of the GMS to increase the issued and paid up capital within the limit of the authorized capital shall be valid if adopted in a meeting with a quorum of more than ½ (one half) of the total number of shares having valid voting rights and approved by more than ½ (one half) of the total votes present at the meeting, unless a greater number is required by the articles of association.
- (3) The increase in capital as referred to in paragraph (2) must be reported to the Minister for registration in the register of Companies.

Article 43

- (1) Any shares issued to increase capital, must first be offered to each of the shareholders in proportion to their share ownership for the same classification of shares.
- (2) If the shares to be issued to increase capital are shares in a classification that have never

been issued before, all shareholders shall have the priority right to purchase in proportion to their share ownerships.

- (3) The offer as referred to in paragraph (1) shall not apply if the issuance of shares:
 - a. is offered to the Company's employees;
 - b. is offered to holders of bonds or other securities convertible to shares, which have been issued with the approval of the GMS;.
 - c. is undertaken in relation to a reorganization or restructuring which has been approved by the GMS.
- (4) In the event that the shareholders as referred to in paragraph (1) do not exercise their rights to purchase and pay in full for the purchased shares within a period of 14 (fourteen) days as of the date of the offer, the Company may offer the remaining unsubscribed shares to third parties.

Part Four Reduction in Capital

Article 44

- (1) A resolution of the GMS to reduce the Company's capital shall be valid if adopted in accordance with the requirements for a quorum and the number of affirmative votes for an amendment to the articles of association as provided in this Law and/or the articles of association.
- (2) The Board of Directors must report the resolution as referred to in paragraph (1) to all creditors and announce it in 1 (one) or more Newspapers at the latest within 7 (seven) days as of the date of the resolution of the GMS.

Article 45

- (1) Within a period of 60 (sixty) days as of the date of the announcement as referred to in Article 44 paragraph (2), the creditors may submit their objections to the resolution on the reduction in capital in writing, together with the reasons for them to the Company, with a copy to the Minister.
- (2) Within 30 (thirty) days of the objections as referred to in paragraph (1) being received, the Company must respond with regard to the objections submitted in writing.
- (3) In the event that the Company:
 - a. rejects the objection or fails to provide a settlement agreeable to the creditors within a period of 30 (thirty) days as of the date on which the Company's response is received, or
 - b. does not provide any response within a period of 60 (sixty) days as of the date on which the objection is submitted to the Company, the creditors may file a lawsuit in a district court the jurisdiction of which covers the Company's place of domicile.

Article 46

- (1) A reduction in capital is an amendment to the articles of association that must be approved by the Minister.
- (2) The approval from the Minister as referred to in paragraph (1) shall be given if:
 - a. there are no objections in writing from creditors within the time period provided in Article 45 paragraph (1);
 - b. a settlement has been reached on the objection raised by the creditors; or
 - c. the creditors' lawsuit has obtained a final and binding ruling from the court.

Article 47

- (1) A resolution of the GMS on a reduction in the issued and paid up capital shall be implemented by way of a redemption of shares or reduction in the nominal value of shares.
- (2) The redemption of shares as referred to in paragraph (1) shall be applied to shares repurchased by the Company or to shares in redeemable classifications.
- (3) A reduction in the nominal value of shares without repayment must apply in proportion to all shares in each classification.
- (4) The proportionality as meant in paragraph (3) may be exempted with the approval of all shareholders the nominal value of whose shares is to be reduced.
- (5) In the event that there is more than 1 (one) classification of shares, the resolution of the GMS to reduce the capital may only be adopted upon prior approval from all shareholders of each classification of shares whose rights are harmed by the resolution of the GMS on the reduction in capital.

Part Five Shares

Article 48

- (1) The Company's shares must be issued in the owner's name.
- (2) The requirements for share ownership may be provided in the articles of association with due observance of the requirements provided by the relevant authorities in accordance with the prevailing laws and regulations.
- (3) In the event that the requirements for share ownership as referred to in paragraph (2) are stipulated but not fulfilled, the parties acquiring ownership of the share may not exercise their rights as shareholders and the shares will not be counted in determining the quorum that must be reached according to the provisions of this Law and/or the articles of association.

Article 49

- (1) The value of shares must be stated in Rupiah currency.
- (2) Shares without a nominal value may not be issued.
- (3) The provision set out in paragraph (2) does not preclude the possibility of providing for the issuance of shares without a nominal value in capital markets regulations.

Article 50

- (1) The Board of Directors must maintain and keep a register of shareholders, which contains at least:
 - a. the names and addresses of the shareholders;
 - b. the amounts, numbers, and dates of acquisition of the shares owned by each shareholder and the classifications of the shares if more than one classification of shares is issued;
 - c. the amount paid up for each share;
 - d. the names and addresses of individuals or legal entities having pledge rights over shares or being the beneficiaries of fiduciary security over the shares and the dates of acquisition of the pledge rights or the dates of registration of the fiduciary security; and
 - e. information on the payment of shares in other forms as referred to in Article 34 paragraph (2).
- (2) In addition to the register of shareholders as referred to in paragraph (1), the Board of Directors of the Company must maintain and keep a special register containing information on the ownership of shares by the members of the Board of Directors and the Board of Commissioners and their family members in the Company and/or in other companies and the dates of acquisition of the shares.
- (3) Every change of ownership of shares must also be recorded in the register of shareholders and the special register referred to in paragraphs (1) and (2).
- (4) The register of shareholders and the special register referred to in paragraphs (1) and (2) must be made available at the Company's place of domicile to enable the shareholders to see them.
- (5) Unless otherwise provided in the capital markets regulations, the provisions as set out in paragraphs (1), (3) and (4) also apply to Publicly Owned Companies.

Article 51

Shareholders must be provided evidence of ownership of their shares.

Article 52

- (1) A share gives its owner the right:

- a. to attend and to vote in the GMS;
 - b. to receive payments of dividends and assets remaining after liquidation; and
 - c. to exercise other rights based on this Law.
- (2) The provision set out in paragraph (1) shall come into effect after the share is recorded in the register of shareholders under the owner's name.
 - (3) The provisions as set out in paragraph (1) a. and c. shall not apply to certain classifications of shares as stipulated by this Law.
 - (4) Each share gives an indivisible right to its owner.
 - (5) In the event that 1 (one) share is owned by more than 1 (one) person, the rights arising from the share may only be exercised by appointing 1 (one) person as their joint representative.

Article 53

- (1) The articles of association shall stipulate 1 (one) or more classifications of shares.
- (2) Shares of the same classification shall provide the same rights to their holders.
- (3) In the event that there is more than 1 (one) classification of shares, the articles of association must stipulate 1 (one) of them as common shares.
- (4) The classifications of shares as referred to in paragraphs (3) are among others:
 - a. shares with voting rights or without voting rights;
 - b. shares with special rights to nominate members of the Board of Directors and/or members of the Board of Commissioners;
 - c. shares which after a certain period of time are redeemable or exchangeable for another classification of shares;
 - d. shares which grant the holders a preferred right to receive cumulative or non-cumulative dividends, prior to the holders of other classifications of shares;
 - e. shares which grant the holders a preferred right to receive assets remaining after the Company's liquidation, prior to the holders of other classifications of shares.

Article 54

- (1) The articles of association may determine fractions of the nominal value of share.
- (2) The holder of a fraction of the nominal value of a share shall not be given an individual voting right, unless the holder of a fraction of the nominal value of a share, either individually or jointly with other holders of fractions of the nominal value of a share of the same classification, owns the nominal value of 1 (one) share of that classification.

- (3) The provisions set out in Article 52 paragraph (4) will apply mutatis mutandis to the holders of fractions of the nominal value of a share.

Article 55

The articles of association of a Company shall provide the method for the transfer of shares in accordance with the prevailing laws and regulations.

Article 56

- (1) A transfer of rights over shares shall be carried out by way of a deed of transfer.
- (2) The deed of transfer as referred to in paragraph (1) or a copy of it must be submitted in writing to the Company.
- (3) The Board of Directors must record the transfer of rights over shares, the date and the day of the transfer of rights in the register of shareholders or in the special register as referred to in Article 50 paragraphs (1) and (2) and must notify the Minister of the change in the composition of shareholders for registration in the register of Companies at the latest 30 (thirty) days as of the date of the recording of the transfer of rights.
- (4) If the notification as referred to in paragraph (3) is not provided, the Minister must reject any requests for approval or notifications submitted based on the composition and names of shareholders of which he have not been notified to the Minister.
- (5) The provision regarding the method of transferring shares traded in the capital markets will be provided in the capital markets regulations.

Article 57

- (1) The articles of association may provide the requirements for transferring rights over shares, namely:
 - a. the obligation to first offer them to a certain classification of shareholders or other shareholders;
 - b. the obligation to obtain prior approval from a Company organ; and/or
 - c. the obligation to obtain prior approval from the relevant authorities in accordance with the laws and regulations.
- (2) The requirements as referred to in paragraph (1) shall not apply to the transfer of rights over shares caused by a transfer of rights by law, unless the obligation referred to in paragraph (1) c. relates to an inheritance.

Article 58

- (1) In the event that the articles of association require the selling shareholder to first offer his shares to a certain classification of shareholders or other shareholders, and no shareholders purchase the shares within a-period of 30 (thirty) days as of the offer date, the selling shareholder may offer and sell his shares to a third party.

- (2) Each of the selling shareholders that is required to offer his shares as provided in paragraph (1) is entitled to withdraw the offer after the lapse of the 30 (thirty) day period provided in paragraph (1).
- (3) The requirement to offer shares to a certain classification of shareholders or other shareholders as provided in paragraph (1) is applicable 1 time (once) only.

Article 59

- (1) The approval or rejection of a transfer of shares which requires approval from a Company Organ, or its rejection, must be provided in writing at the latest 90 (ninety) days as of the date of receipt by the Company Organ of the request for approval of the transfer of rights.
- (2) In the event that the time limit as set out in paragraph (1) has lapsed and the Company Organ has not yet provided a statement in writing, the Company Organ shall be deemed to have approved the transfer of shares.
- (3) In the event that the transfer of shares is approved by the Company Organ, it must be implemented in accordance with the provisions of Article 56 and within at the latest 90 (ninety) days as of the date on which the approval is given.

Article 60

- (1) Shares are movable goods and give the rights provided in Article 52 to their owners.
- (2) Shares can be collateralized by way of a pledge or a fiduciary security unless provided otherwise in the articles of association.
- (3) A pledge of shares or a fiduciary security over shares that has been registered in accordance with the laws and regulations must be recorded in the register of shareholders and the special register referred to in Article 50.
- (4) Voting rights attached to shares collateralized with a pledge or a fiduciary security shall remain with the shareholders.

Article 61

- (1) Each shareholder shall be entitled to file a lawsuit against the Company in the District Court, if the shareholder suffers losses caused by the Company's actions which are considered unfair and unreasonable as a consequence of a resolution of the GMS, or a decision of the Board of Directors and/or the Board of Commissioners.
- (2) A lawsuit as referred to in paragraph (2) must be filed in the District Court whose jurisdiction covers the Company's place of domicile.

Article 62

- (1) Shareholders shall be entitled to require the Company to purchase their shares at a reasonable price, if the shareholders did not approve a Company action which has incurred losses to the shareholders or the Company, namely:

- a. an amendment to the articles of association;
 - b. the transfer, or encumbrance of the Company's assets that have a value of more than 50% (fifty percents) of the Company's net assets; or
 - c. the Merger, Consolidation, Acquisition, or Segregation of the Company.
- (2) If the shares required to be purchased as referred to in paragraph (1) exceed the limit of the provision on the re-purchase of shares by a Company as set out in Article 37 paragraph (1) b., the Company must make an effort to have the remaining shares purchased by a third party.

CHAPTER IV WORK PLAN, ANNUAL REPORT AND UTILIZATION OF PROFITS

Part One Work Plan

Article 63

- (1) The Board of Directors must prepare an annual work plan prior to the commencement of the next financial year.
- (2) The annual work plan as referred to in paragraph (1) must also include the Company's annual budget for the next financial year.

Article 64

- (1) The annual work plan as referred to in Article 63 must be submitted to the Board of Commissioners or the GMS as provided in the articles of association.
- (2) The articles of association may provide that the work plan submitted by the Board Directors as provided in paragraph (1) must obtain approval from the Board of Commissioners or the GMS, unless provided otherwise in the prevailing laws and regulations.
- (3) In the event that the articles of association provide that the work plan must obtain approval from the GMS, the work plan must be reviewed first by the Board of Commissioners.

Article 65

- (1) If the Board of Directors does not submit the work plan as provided in Article 64, the work plan for the previous year will be used.
- (2) The work plan for the previous year must also be used by a Company whose work plan has not yet obtained approval as provided in the articles of association or the prevailing laws and regulations.

Part Two Annual Reports

Article 66

- (1) The Board of Directors shall submit the annual report which has been reviewed by the Board of Commissioners to the GMS, at the latest within 6 (six) months after the Company's financial year ends.
- (2) The annual report referred to in paragraph (1) shall contain at least:
 - a. a financial report, consisting of at least the balance sheet for the previous financial year in comparison to the earlier financial year, the profit and loss statement of the relevant financial year, the cash flow statement, and the statement of changes in equity, and the notes about the financial report;
 - b. a report on the Company's activities;
 - c. a report on the implementation of Corporate Social and Environmental Responsibility;
 - d. details of problems arising during the financial year which have affected the Company's business activities;
 - e. a report on the supervisory tasks that have been performed by the Board of Commissioners during the previous financial year;
 - f. the names of the members of the Board of Directors and the Board of Commissioners; and
 - g. the salaries and other allowances of the members of the Board of Directors and the salaries or honoraria and allowances of the members of the Board of Commissioners for the previous year.
- (3) The financial report as set out in paragraph (2) a. must be made in accordance with financial accounting standards.
- (4) The balance sheet and the profit and loss statement of the relevant financial year as set out in paragraph (2) a. of companies which are required to be audited must be submitted to the Minister in accordance with the prevailing laws and regulations.

Article 67

- (1) The annual report as referred to in Article 66 paragraph (1) must be signed by all the members of the Board of Directors and all the members of the Board of Commissioners incumbent in the relevant year and it must be made available in the Company's offices as of the date of the notice of the GMS, to be examined by shareholders.
- (2) If a member of the Board of Directors or Board of Commissioners does not sign the annual report as referred to in paragraph (1), the relevant person must state the reasons in writing, or the reasons must be provided by the Board of Directors in a separate letter attached to the annual report.

- (3) If a member of the Board of Directors or Board of Commissioners does not sign the annual report as referred to in paragraph (1) and does not provide the reasons in writing, the relevant person shall be deemed to have accepted the contents of the annual report.

Article 68

- (1) The Board of Directors must deliver the Company's financial report to be audited by a public accountant if:
 - a. the Company's business activities are related to the mobilization and/or use of public funds;
 - b. the Company issues promissory notes to the public;
 - c. the Company is a Publicly Owned Company (*Perseroan Terbuka*) .
 - d. the Company is a state owned company (*Persero*);
 - e. the Company's assets and/or total business turnover reach a minimum value of Rp.50,000,000,000 (fifty billion Rupiah); or
 - f. it is required by the prevailing laws and regulations.
- (2) If the obligation as set out in paragraph (1) is not complied with, the financial report may not be ratified by the GMS.
- (3) The results of the public accountant's audit as referred to in paragraph (1) shall be submitted in writing to the GMS through the Board of Directors.
- (4) The balance sheet and the profit and loss statement in the financial report as referred to in paragraph (1) a., b., and c., must be published in 1 (one) Newspaper, after ratification by the GMS.
- (5) The balance sheet and the profit and loss statement must be published as referred to in paragraph (4) within 7 (seven) days at the latest after being ratified by the GMS.
- (6) Any reductions in the value as provided in paragraph (1) e. will be stipulated in a Government Regulation.

Article 69

- (1) The annual report, including ratification of the financial statements and the report on supervisory tasks delivered by the Board of Commissioners, must be approved by the GMS.
- (2) The Resolutions on the ratification of financial statements and the approval of the annual report as referred to in paragraph (1) are to be adopted in accordance with the provisions of this Law and/or the articles of association.
- (3) If the financial statements that are made available turn out to be incorrect and/or misleading, the members of the Board of Directors and the members of the Board of

Commissioners shall be held jointly and severally liable to the parties who suffer losses.

- (4) The members of the Board of Directors and Board of Commissioners shall be released from liability as referred to in paragraph (3) if it is proved that they were not at fault.

Part Two Utilization of Profits

Article 70

- (1) The Company must allocate a certain amount of its net profits as a reserve fund each financial year.
- (2) The obligation to allocate a reserve as provided in paragraph (1) will apply if the Company has a positive profit balance.
- (3) The allocation of the net profits as provided in paragraph (1) is to be carried out until the reserve fund reaches at least 20% (twenty percent) of the issued and paid up capital.
- (4). A reserve fund as referred to in paragraph (3) which has not reached the amount provided in paragraph (2), may only be used to cover losses which cannot be covered by other reserves.

Article 71

- (1) The utilization of net profits, including the determination of the allocated amount for the reserve fund as provided in Article 70 paragraph (1) must be resolved by the GMS.
- (2) All net profits after deducting the allocation for the reserve fund as provided in Article 70 paragraph (1) must be distributed to shareholders as dividends, unless otherwise provided in the GMS.
- (3) The dividends referred to in paragraph (2) may only be distributed if the Company has a positive profit balance.

Article 72

- (1) A Company may distribute interim dividends before the Company's financial year ends, provided that it is stipulated in the articles of association of the Company.
- (2) The distribution of interim dividends as provided in paragraph (1) may be carried out if the Company's net assets will not be reduced to less than the total issued and paid up capital and the statutory reserve.
- (3) The distribution of interim dividends as provided in paragraph (1) may not hamper, or prevent the Company's ability to fulfill, its obligations to creditors or interfere with the Company's activities.
- (4) The distribution of interim dividends must be determined by a resolution of the Board of Directors with approval from the Board of Commissioners, with due observance of the provisions in paragraphs (2) and (3).

- (5) If the Company suffers a loss after the end of the financial year, the shareholders must return the distributed interim dividends to the Company.
- (6) The Boards of Directors and Boards of Commissioners shall be held jointly and severally liable for the Company's losses in case the shareholders are unable to return the interim dividends as provided in paragraph (5).

Article 73

- (1) Dividends that are not claimed after the lapse of 5 (five) years as of the fixed date for the payment of the previous dividend, must be placed in a special reserve.
- (2) The GMS shall provide the procedure for claiming the dividends that have been placed in the special reserve as set out in paragraph (1).
- (3) Dividends that have been placed in a special reserve as set out in paragraph (1) and have not been claimed within 10 (ten) years shall belong to the Company.

CHAPTER V CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Article 74

- (1) A Company that conducts business activities in the field of and/or related to natural resources must implement Corporate Social and Environmental Responsibility.
- (2) Corporate Social and Environmental Responsibility as referred to in paragraph (1) is an obligation of the Company that is budgeted and calculated as a cost to the Company, which must be implemented with due regard for appropriateness and fairness.
- (3) A Company that does not implement Corporate Social and Environmental Responsibility as provided in paragraph (1) will be liable to sanctions in accordance with the laws and regulations.
- (4) Further provisions on Corporate Social and Environmental Responsibility will be regulated by Government Regulations.

CHAPTER VI GENERAL MEETING OF SHAREHOLDERS

Article 75

- (1) The GMS has all the authorities that are not given to the Board of Directors or Board of Commissioners within the limits provided in this Law and/or the articles of association.
- (2) In the forum of a GMS, the shareholders are entitled to obtain all information relating to the Company from the Board of Directors and Board of Commissioners as long as the information is related to the agenda of the meeting and does not harm the interests of the Company.
- (3) A GMS with a miscellaneous agenda item shall not be entitled to adopt resolutions, unless all the shareholders are present and/or represented in the GMS and approve the addition to the meeting's agenda.

- (4) The resolution on the supplementary agenda item must be approved unanimously.

Article 76

- (1) The GMS must be held at the Company's place of domicile or at the place where the Company conducts its main business activities as provided in the articles of association.
- (2) The GMS of a Publicly Owned Company may be held at the place of domicile of the stock exchange where the Company's shares are listed.
- (3) The venue of the GMS as referred to in paragraphs (1) and (2) must be located within the territory of the Republic of Indonesia.
- (4) If all shareholders are present and/or represented in a GMS and all shareholders agree that the GMS will have a certain agenda, the GMS may be held anywhere subject to the provision set out in paragraph (3).
- (5) The GMS as referred to in paragraph (4) may adopt resolutions if the resolutions are approved unanimously.

Article 77

- (1) Besides holding the GMS as provided in Article 76, the GMS may also be held through the medium of a teleconference, videoconference or other electronic medium that enables all participants in the GMS to view and hear each other directly and to participate in the meeting.
- (2) The requirements for the quorum and voting shall be as provided in this Law and/or as provided in the articles of association of the Company.
- (3) The requirements referred to in paragraph (2) shall be calculated based on the participation of participants in the GMS as referred to in paragraph (1).
- (4) Minutes of each GMS held as provided in paragraph (1), must be made, approved and signed by all participants in the GMS.

Article 78

- (1) The GMS consists of the Annual GMS and other GMS.
- (2) The annual GMS must be held at the latest 6 (six) months after the end of each financial year.
- (3) In the annual GMS, all the Company's documents concerning the annual reports as referred to in Article 66 paragraph (2) must be submitted.
- (4) Another GMS may be held at anytime, if deemed necessary, for the interest of the Company.

Article 79

- (1) The Board of Directors shall hold the annual GMS as provided in Article 78 paragraph (2) and any other GMS as provided in Article 78 paragraph (4) by issuing a prior summons to the GMS.
- (2) The GMS as referred to in paragraph (1) may be held at the request of:
 - a. 1 (one) or more shareholders jointly representing 1/10 (one-tenth) or more of the total number of shares having valid voting rights, unless the articles of association provide for a smaller number; or
 - b. the Board of Commissioners.
- (3) The request as referred to in paragraph (2) and the reasons for it must be submitted to the Board of Directors by registered mail.
- (4) A copy of the registered mail as referred to in paragraph (3) submitted by the shareholders must be submitted to the Board of Commissioners.
- (5) The Board of Directors must issue a summons for the GMS within 15 (fifteen) days at the latest, as of the date of receipt of the request to convene the GMS.
- (6) If the Board of Directors does not issue a summons for the GMS as provided in paragraph (5),
 - a. the request to hold the GMS as referred to in paragraph (2) a. must be resubmitted to the Board of Commissioners; or
 - b. the Board of Commissioners shall call for the GMS as referred to in paragraph (2) b.
- (7) The Board of Commissioners must issue a summons for the GMS as referred to in paragraph (6) a. at the latest in 15 (fifteen) days as of the date of receipt of the request to convene the GMS.
- (8) The GMS convened by the Board of Directors pursuant to the summons to the GMS as referred to in paragraph (5) must discuss matters relating to the reasons for it referred to in paragraph (3) and other agenda items as deemed necessary by the Board of Directors.
- (9) The GMS convened by the Board of Commissioners pursuant to the summons to the GMS as referred to in paragraph (6) b. and paragraph (7) must only discuss matters relating to the reasons referred to in paragraph (3).
- (10) The convening of a Publicly Owned Company's GMS is subject to this Law, to the extent that the prevailing laws and regulations concerning capital markets do not provide otherwise.

Article 80

- (1) In the event that the Board of Directors or Board of Commissioners does not convene the GMS within the period provided in Article 79 paragraphs (5) and (7), the shareholders requesting the GMS may submit a request to the chairman of the district court the jurisdiction of which covers the Company's place of domicile to grant permission to the

applicants to call for an annual GMS by themselves.

- (2) The chairman of the district court, after summoning and hearing the applicants, the Board of Directors and/or the Board of Commissioners, shall grant permission to hold the GMS, if the applicants can briefly prove that the requirements have been met and the applicants have a reasonable interest in convening the GMS.
- (3) The ruling of the chairman of the district court as referred to in paragraph (2) must include a ruling in respect of:
 - a. the form of the GMS, the agenda of the GMS according to the shareholder's request, the time limit for issuing notice of the GMS, the quorum, and/or the provisions on the requirements for adopting resolution of the GMS, and the appointment of the chairman of meeting, in accordance with or without being bound by the provisions of this Law or the articles of association; and/or
 - b. an order to require the Board of Directors and/or the Board of Commissioners to attend the GMS.
- (4) The chairman of the district court will reject the request if the applicants are unable to prove briefly that the requirements have been met and that the applicants have a reasonable interest in convening the GMS.
- (5) The GMS as referred to in paragraph (1) may only discuss the agenda of the meeting as stipulated by the chairman of the district court.
- (6) The stipulation by the chairman of the district court on the granting of permission as referred to in paragraph (3) shall be final and have permanent legal force.
- (7) In the event that the chairman of the district court rules to reject the request as referred to in paragraph (4), the only remedy available shall be an appeal to the Supreme Court.
- (8) The provision set out in paragraph (1) shall also apply to Publicly Owned Companies subject to the requirement for announcing the GMS and other requirements for convening the GMS as provided in the prevailing laws and regulations on capital markets.

Article 81

- (1) To convene the GMS, the Board of Directors must issue a summons to the shareholders.
- (2) In certain cases, summons for the GMS as referred to in paragraph (1) may be issued by the Board of Commissioners or the shareholders based on a ruling of the chairman of the district court.

Article 82

- (1) The summons for the GMS must be issued at least 14 (fourteen) days prior to the date on which the meeting is to be held, excluding the date of the summons and the date of the GMS.
- (2) The summons for the GMS must be served by registered mail and/or advertisements in the Newspapers.

- (3) The summons for the GMS must state the date, time, venue and agenda of the meeting, together with a note that the materials to be discussed in the GMS are available at the Company's office as of the date of the notice of the GMS until the date on which the GMS is held.
- (4) The Company is required to provide copies of the materials referred to in paragraph (3) to the shareholders free of charge, if requested.
- (5) In the event that the summons does not comply with the provisions of paragraphs (1) and (2), or the summons does not conform to the provisions of paragraph (3), the resolutions of the GMS will remain valid if all the shareholders with voting rights are present or represented in the GMS and the resolutions are approved unanimously.

Article 83

- (1) For a Publicly Owned Company, prior to issuing the summons to the GMS, an announcement of the summons to the GMS must be published with due observance of prevailing laws and regulations on capital markets.
- (2) The announcement as referred to in paragraph (1) must be published at least 14 (fourteen) days prior to the summons for the GMS.

Article 84

- (1) Unless otherwise stipulated in the articles of association, each issued share shall entitle its owner to cast one vote.
- (2) The voting right as provided in paragraph (1) shall not apply to:
 - a. Company shares that are owned by the Company itself;
 - b. a parent company's shares that are directly or indirectly owned by its subsidiary;
or
 - c. Company shares that are controlled by another Company whose shares are directly or indirectly owned by the Company.

Article 85

- (1) Shareholders, either themselves or represented by virtue of a power of attorney, shall be entitled to attend the GMS and exercise their voting rights proportionally to the total shares they own.
- (2) The provision set out in paragraph (1) shall not apply to holders of non-voting shares.
- (3) In the voting, the votes cast by the shareholders will be applicable to all the shares they own and the shareholders will not be entitled to grant powers of attorney to more than one attorney for some of the total shares they own to cast a different vote.
- (4) In the voting, members of the Board of Directors, the Board of Commissioners and the employees may not act as attorneys of the shareholders as referred to in paragraph (1).

- (5) In the event that the shareholders attend the GMS in person, a power of attorney already granted will not be valid for that meeting.
- (6) The chairman of the meeting shall be entitled to determine which persons are entitled to attend the GMS, with due observance of the provisions of this Law and the articles of association of the Company.
- (7) For Publicly Owned Companies, in addition to the provisions set out in paragraphs (3) and (6), the prevailing laws and regulations in the area of capital markets will also apply.

Article 86

- (1) A GMS may be held if more than $\frac{1}{2}$ (one half) of the total shares with valid voting rights are present or represented in the GMS, unless a higher quorum is stipulated in this Law and/or the articles of association.
- (2) In the event that the quorum as provided in paragraph (1) is not reached, a summons for a second GMS may be issued.
- (3) The summons for a second GMS must indicate that the first GMS was held and that the quorum was not reached.
- (4) The second GMS as referred to in paragraph (2) shall be valid and may adopt resolutions if at least $\frac{1}{3}$ (one third) of the total shares with valid voting rights are present or represented in the GMS, unless the articles of association provide a higher number for the quorum.
- (5) In the event that the quorum for the second GMS as provided in paragraph (4) is not reached, the Company may request the chairman of the district court whose jurisdiction covers the Company's place of domicile to determine the quorum for a third GMS.
- (6) The summons for the third GMS must indicate that the second GMS was held and the quorum was not reached, and the third GMS shall be held with a quorum determined by the chairman of the district court.
- (7) The ruling handed down by the chairman of the district court in respect of the quorum for a GMS as referred to in paragraph (5) shall be final and have permanent and binding legal force.
- (8) The summons for the second and third GMS must be issued at least 7 (seven) days prior to the second or the third GMS.
- (9) The second and the third GMS must be held within 10 (ten days) at the earliest and 21 (twenty-one) days at the latest, following the preceding GMS.

Article 87

- (1) Resolutions of the GMS must be adopted based on deliberation to reach a consensus.
- (2) In the event that no resolution based on deliberation to reach a consensus as referred to in paragraph (1) is reached, the resolution will be valid if approved by more than $\frac{1}{2}$ (one

half) of the total votes cast, unless the Law and/or the articles of association provide that the resolution will only be valid if approved by a greater number of affirmative votes.

Article 88

- (1) The GMS to amend the articles of association may be held if at least $\frac{2}{3}$ (two-thirds) of the total shares with valid voting rights are present or represented in the GMS, and resolutions shall be valid if approved by at least $\frac{2}{3}$ (two-thirds) of the total votes cast, unless the articles of association provide a greater number for the quorum and/or a further requirements for adopting resolutions of the GMS.
- (2) In the event that the quorum as provided in paragraph (1) is not reached, a second GMS may be held.
- (3) The second GMS as referred to in paragraph (2) shall be valid and may adopt resolutions if at least $\frac{3}{5}$ (three-fifths) of the total shares with valid voting rights are present or represented in the GMS, and the resolution shall be valid if approved by at least $\frac{2}{3}$ (two-thirds) of the total votes cast, unless the articles of association provide a greater quorum and/or further requirements for adopting resolutions of the GMS.
- (4) The provisions as set out in Article 86 paragraphs (5), (6), (7), (8) and (9) will apply mutatis mutandis to the convening of the GMS referred to in paragraph (1).
- (5) The provisions set out in paragraphs (1), (2), and (3) regarding the quorum and the requirements for adopting resolutions of the GMS will also apply to Publicly Owned Companies to the extent they are not provided otherwise in the prevailing laws and regulations on capital markets.

Article 89

- (1) The GMS to approve the Merger, Consolidation, Acquisition, or Segregation of a company, the submission of an application for the company to be declared bankrupt, the extension of its term of establishment, or the dissolution of the company may be held if at least $\frac{3}{4}$ (three-fourths) of the total number of shares with valid voting rights are present or represented in the GMS, and the resolution shall be valid if approved by at least $\frac{3}{4}$ (three-fourths) of the total votes cast, unless the articles of association provide a further requirements for adopting resolutions in the GMS.
- (2) In the event that the quorum as provided in paragraph (1) is not reached, a second GMS may be held.
- (3) The second GMS as referred to in paragraph (2) shall be valid and may adopt resolutions if at least $\frac{2}{3}$ (two-thirds) of the total shares with valid voting rights are present or represented in the GMS, and the resolutions shall be valid if approved by at least $\frac{3}{4}$ (three-fourths) of the total votes cast, unless the articles of association provide a greater number for the quorum of attendance and/or further requirements for adopting resolutions in the GMS.
- (4) The provisions set out in Article 86 paragraphs (5), (6), (7), (8) and (9) will apply mutatis mutandis to the holding of the GMS as referred to in paragraph (1).
- (5) The provisions set out in paragraphs (1), (2), and (3) regarding the quorum and the

requirements for adopting resolutions of the GMS will also apply to Public Owned Companies to the extent they are not provided otherwise in the prevailing laws and regulations on capital market.

Article 90

- (1) Minutes of each GMS must be drawn up and signed by the chairman of the meeting and at least 1 (one) shareholder appointed from among and by the participants at the GMS.
- (2) The signatures as referred to in paragraph (1) shall not be required if the minutes of the GMS are drawn up in the form of a notarial deed.

Article 91

The shareholders may also adopt binding resolutions outside a GMS provided that all the shareholders with voting rights approve them in writing by signing the proposal.

CHAPTER VII BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

Part One Board of Directors

Article 92

- (1) The Board of Directors carries out the management of the Company for the Company's interests in accordance with the Company's purposes and objectives.
- (2) The Board of Directors is authorized to carry out the management as referred to in paragraph (1) in accordance with the policies that are considered appropriate within the limits provided in this Law and/or the articles of association.
- (3) The Board of Directors of a Company shall consist of 1 (one) or more members.
- (4) A Company the business activities of which are related to the mobilization and/or use of public funds, a Company that issues promissory notes to the public or a Publicly Owned Company must have at least 2 (two) members of the Board of Directors.
- (5) In the event that the Board of Directors consists of 2 (two) or more members, the assignment of management tasks and authorities among the members must be stipulated on the basis of a resolution of the GMS.
- (6) In the event that the GMS as referred to in paragraph (5) does not resolve such a stipulation, the assignment of management tasks and authorities of the members must be stipulated on the basis of a resolution of the Board of Directors.

Article 93

- (1) Persons eligible to become members of the Board of Directors shall be individuals capable of conducting legal acts, unless within a period of 5 (five) years prior to their appointment:

- a. they have been declared bankrupt;
 - b. they have been members of a Board of Directors or Board of Commissioners found at fault in causing a Company to be declared bankrupt; or
 - c. they have been sentenced for committing a crime causing losses to the state finances and/or related to the financial sector.
- (2) The provisions on the requirements set out in paragraph (1) shall be without prejudice to the possibility that an authorized technical department may stipulate additional requirements based on the prevailing laws and regulations.
 - (3) Fulfillment of the requirements as provided in paragraphs (1) and (2) must be evidenced by documents maintained by the Company.

Article 94

- (1) Members of the Board of Directors shall be appointed by the GMS.
- (2) Initially, the members of the Board of Directors shall be appointed by the founders in the deed of establishment as provided in Article 8 paragraph (2) b.
- (3) Members of the Board of Directors shall be appointed for a specified term and may be re-appointed.
- (4) The articles of association shall provide the procedures for the appointment, replacement, and discharge of members the Board of Directors and may also provide the procedures for the nomination of members the Board of Directors.
- (5) The resolutions of the GMS on the appointment, replacement, and discharge of members of the Board of Directors may also stipulate when the appointment, replacement, or discharge will come into effect.
- (6) In the event that the GMS does not determine the effective date of the appointment, replacement, or discharge of a member of the Board of Directors, the appointment, replacement, or discharge of the members of the Board of Directors will come into effect as of closing of the GMS.
- (7) In the event of the appointment, replacement, or discharge of a member of the Board of Directors, the Board of Directors must notify the Minister to record the changes to the members of the Board of Directors in the register of Companies at the latest 30 (thirty) days as of the date of the GMS resolution.
- (8) In the event that the notification as referred to in paragraph (7) has not been conveyed, the Minister will reject any request submitted or notification conveyed to the Minister by the Board of Directors that has not been recorded in the register of Companies.
- (9) The notification referred to in paragraph (8) does not include the notification conveyed by the new Board of Directors, of its own appointment.

Article 95

- (1) The appointment of an unqualified member of the Board of Directors as set out in Article 93 will be void by law as of another member of the Board of Directors or the Board of Commissioners becoming aware of the non-fulfillment of the requirements.
- (2) At the latest 7 (seven) days as of its discovery, another member of the Board of Directors or the Board of Commissioners must publish the annulment of the appointment of the relevant member of the Board of Directors in the Newspapers and notify the Minister for it to be recorded in the register of Companies.
- (3) Legal acts performed by the member of the Board of Directors for and on behalf of the Company as referred to in paragraph (1) prior to the annulment of his/her appointment shall remain binding and become a liability of the Company.
- (4) Legal acts performed for and on behalf of the Company by a member of the Board of Directors referred to in paragraph (1) after the annulment of his/her appointment shall be deemed invalid and a liability of the relevant member of the Board of Directors him/herself.
- (5) The provision as set out in paragraph (3) shall not prejudice the liability of the member of the Board of Directors for the Company's losses as referred to in Articles 97 and 104.

Article 96

- (1) The GMS will stipulate the provisions on the amounts of the salaries and allowances of the members of the Board of Directors.
- (2) The authority of the GMS as provided in paragraph (1) may be delegated to the Board of Commissioners.
- (3) In the event that the authority of the GMS referred to in paragraph (2) is delegated to the Board of Commissioners, the amounts of the salaries and allowances as referred to in paragraph (1) will be stipulated in a resolution of a meeting of the Board of Commissioners.

Article 97

- (1) The Board of Directors is responsible for the management of the Company as provided in Article 92 paragraph (1).
- (2) The management referred to in paragraph (1) must be carried out by each member of the Board of Directors in good faith and with full responsibility.
- (3) Each member of the Board of Directors will be held personally liable for any Company losses, if the relevant person is found at fault or negligent in carrying out his duties in accordance with the provision set out in paragraph (2).
- (4) In the event that the Board of Directors consists of 2 (two) or more members, the liability referred to in paragraph (3) will apply jointly and severally to each of the members.
- (5) A member of the Board of Directors cannot be held liable for the loss referred to in paragraph (3) if he can prove that:

- a. the loss was not incurred because of his fault or negligence;
 - b. he/she has managed in good faith and with due care in the Company's best interest and in accordance with the Company's purposes and objectives;
 - c. he/she has no conflict of interest, either directly or indirectly, in the management that caused the loss;
 - d. he/she took measures to prevent the loss from occurring or continuing.
- (6) On behalf of the Company, shareholders representing at least 1/10 (one-tenth) of the total shares with valid voting rights may file a lawsuit in the district court against a member of the Board of Directors who due to his mistake or negligence has caused the Company to suffer a loss.
- (7) The provision set out in paragraph (5) shall not prejudice the right of other members of the Board of Directors and/or members of the Board of Commissioners to file a lawsuit on behalf of the Company.

Article 98

- (1) The Board of Directors represents the Company both in and outside of the courts.
- (2) In the event that the membership of the Board of Directors consists of more than 1 (one) person, each member of the Board of Directors shall be authorized to represent the Company, unless stipulated otherwise in the articles of association.
- (3) The authority of the Board of Directors to represent the Company as provided in paragraph (1) shall be unlimited and unconditional, unless otherwise provided in this Law, the articles of association, or resolutions of the GMS.
- (4) The resolutions of the GMS referred to in paragraph (3) must not contradict this Law and/or the articles of association of the Company.

Article 99

- (1) A member of the Board of Directors shall not be authorized to represent the Company in the following events:
- a. there is a court case between the Company and the relevant member of the Board of Directors;
 - b. the relevant member of the Board of Directors has a conflict of interest with the Company.
- (2) In the event of circumstances as referred to in paragraph (1), the persons entitled to represent the Company shall be:
- a. another member of the Board of Directors who has no conflict of interest with the Company;
 - b. the Board of Commissioners, if all the members of the Board of Directors have a

conflict of interest with the Company; or

- c. another party designated by the GMS in the event that all the members of the Board of Directors or the Board of Commissioner have a conflict of interest with the Company.

Article 100

- (1) The Board of Directors is responsible for:
 - a. compiling the register of shareholders, the special register, the minutes of the GMS, and the minutes of meetings of the Board of Directors;
 - b. preparing the annual reports referred to in Article 66 and the financial documents of the Company as provided in the Law on Corporate Documents; and
 - c. maintaining all the Company's lists, minutes, and financial documents as referred to in a. and b. above and other Company documents.
- (2) All the Company's lists, minutes, financial documents, and other Company documents referred to in paragraph (1) must be kept at the Company's place of domicile.
- (3) At the written request of the shareholders, the Board of Directors may give permission to the shareholders to inspect the register of shareholders, the special register, the minutes of the GMS as referred to in paragraph (1) and the annual reports and to obtain copies of the minutes of the GMS and copies of the annual reports.
- (4) The provision set out in paragraph (3) shall not preclude capital markets regulations providing otherwise.

Article 101

- (1) Members of the Board of Directors must report to the Company their and/or their family members' ownership of shares in the Company or in other companies to be recorded in the special register.
- (2) Any member of the Board of Directors who fails to comply with the obligation provided in paragraph (1) and causes a loss to the Company, shall be held personally liable for the Company's loss.

Article 102

- (1) The Board of Directors must obtain approval from the GMS to:
 - a. transfer Company assets; or
 - b. put up Company assets as security for a loan;which constitute more than 50% (fifty percent) of the Company's total net assets in 1 (one) or more related or unrelated transactions.
- (2) The transaction referred to in paragraph (1) a. means any transaction by which the

Company's net assets are transferred within a period of 1 (one) financial year or another longer period as provided by the articles of association of the Company.

- (3) The provisions set out in paragraph (1) shall not apply to the transfer or encumbrance of the Company's assets by the Board of Directors as an implementation of the Company's business activities according to its articles of association.
- (4) A legal act as referred to in paragraph (1) carried out without approval from the GMS will remain binding on the Company to the extent that the other party in that legal act acted in good faith.
- (5) The provisions regarding the quorum and/or the requirements for adopting resolutions of the GMS as set out in Article 89 will apply mutatis mutandis to resolutions of the GMS approving the acts of the Board of Directors referred to in paragraph (1).

Article 103

The Board of Directors may grant a power of attorney in writing to 1 (one) or more Company employees or other persons to perform for and on behalf of the Company the certain legal acts specified in the power of attorney.

Article 104

- (1) The Board of Directors shall not be authorized to file a bankruptcy petition on behalf of the Company itself in the Commercial Court before obtaining approval from the GMS, without prejudice to the provisions set out in the Law on Bankruptcy and the Suspension of Payment Obligations.
- (2) In the event that the bankruptcy referred to in paragraph (1) occurs due to a fault or the negligence of the Board of Directors and the Company's bankruptcy assets are inadequate to settle all of the Company's liabilities caused by the bankruptcy, each member of the Board of Directors shall be held jointly and severally liable for all the outstanding liabilities of the bankruptcy assets.
- (3) The liability provided in paragraph (2) will also apply to members of the Board of Directors found to be at fault or negligent who were members of the Board of Directors during a 5 (five) year period prior to bankruptcy being declared.
- (4) A member of the Board of Directors shall not be held liable for the Company's bankruptcy as referred to in paragraph (2) if he/she can prove that:
 - a. the bankruptcy was not due to his/her fault or negligence;
 - b. he/she has managed in good faith and with due care in the Company's best interests and in accordance with the Company's purposes and objectives;
 - c. he/she has no conflict of interest, either directly or indirectly in the management action that caused the loss;
 - d. he/she took measures to prevent the bankruptcy from occurring.
- (5) The provision set out in paragraphs (2), (3) and (4) will also apply to the Board of

Directors of a Company that is declared bankrupt following a petition from a third party.

Article 105

- (1) Members of the Board of Directors may be discharged at any time based on a resolution of the GMS stating the reasons.
- (2) The resolution to discharge a member of the Board of Directors as referred to in paragraph (1) shall be adopted only after the person has been provided an opportunity to defend himself in the GMS.
- (3) In the event that the resolution to discharge a member of the Board of Directors referred to in paragraph (2) is adopted by a resolution outside a GMS in accordance with the provisions as set out in Article 91, the relevant member of the Board of Directors must be given prior notice of the plan to discharge him, and be provided an opportunity to defend himself before the resolution on his discharge is adopted.
- (4) It is not required to provide an opportunity to defend as referred to in paragraph (2) if the person has no objection to the discharge.
- (5) The discharge of a member of the Board of Directors shall be effective as of:
 - a. the close of the GMS referred to in paragraph (1)
 - b. the date of the resolution referred to in paragraph (3);
 - c. another date stipulated in the resolution of the GMS referred to in paragraph (1);
 - d. another date stipulated in the resolution referred to in paragraph (3)

Article 106

- (1) Members of the Board of Directors may be temporarily suspended by the Board of Commissioners with the reasons being stated.
- (2) The temporary suspension referred to in paragraph (1) must be conveyed in writing to the relevant member of the Board of Directors.
- (3) The temporarily suspended member of the Board of Directors as provided in paragraph (1) shall not be authorized to carry out the tasks as referred to in Article 92 paragraph (1) and Article 98 paragraph (1).
- (4) Within at the latest 30 (thirty) days following the date of the temporary suspension, a GMS must be held.
- (5) In the GMS referred to in paragraph (4) the relevant member of the Board of Directors must be provided an opportunity to defend him/herself.
- (6) The GMS may revoke or confirm the resolution on the temporary suspension.
- (7) If the GMS confirms the resolution on the temporary suspension, the relevant member of the Board of Directors shall be permanently discharged.

- (8) If the period of 30 (thirty) days lapses without the GMS referred to in paragraph (4) being held, or the GMS is unable to adopt a resolution, the temporary suspension shall become void.
- (9) In respect of a Publicly Owned Company, the prevailing laws and regulations in the area of capital markets shall apply to the holding of the GMS as referred to in paragraphs (6) and (7).

Article 107

The articles of association must contain provisions regarding:

- a. the procedure for the resignation of a member of the Board of Directors;
- b. the procedure for filling a vacant position in the membership of the Board of Directors;
- c. the party authorized to manage and represent the Company in the event that all the members of the Board of Directors are absent or temporarily suspended.

Part Two Board of Commissioners

Article 108

- (1) The Board of Commissioners supervises management policies, the general performance of management, both in respect of the Company and the Company's business, and provides advice to the Board of Directors.
- (2) The supervision and advice as referred to in paragraph (1) must be provided in the Company's best interests in accordance with the Company's purposes and objectives.
- (3) The Board of Commissioners shall consist of 1 (one) or more members.
- (4) A Board of Commissioners consisting of more than 1 (one) member shall constitute a council and no member of the Board of Commissioners may act on his/her own behalf, but only based on a resolution of the Board of Commissioners.
- (5) A Company the business activities of which are related to mobilizing and/or managing public funds, a Company that issues promissory notes to the public, or a Publicly Owned Company, must have at least 2 (two) members of the Board of Commissioners.

Article 109

- (1) A Company conducting business activities under *syariah* principles must have a *Syariah Supervisory Board*, in addition to the Board of Commissioners.
- (2) The *Syariah Supervisory Board* as referred to in paragraph (1) shall consist of one or more *syariah* experts, appointed by the GMS with a recommendation from the Indonesian Council of Religious Scholars (*Majelis Ulama Indonesia – MUI*).
- (3) The duties of the *Syariah Supervisory Board* as referred to in paragraph (1) are to provide advice and recommendations to the Board of Directors and supervise the Company's

activities in order to ensure compliance with the *syariah* principles.

Article 110

- (1) Persons eligible to become members of the Board of Commissioners are individuals capable of performing legal acts, unless within a period of 5 (five) years prior to their appointment:
 - a. they have been declared bankrupt;
 - b. they became members of a Board of Directors or Board of Commissioners found at fault in causing a Company to be declared bankrupt; or
 - c. they have been sentenced for committing a crime incurring losses to state finances and/or related to the financial sector.
- (2) The provisions on the requirements set out in paragraph (1) shall be without prejudice to the possibility that an authorized technical department may stipulate additional requirements based on the prevailing laws and regulations.
- (3) Fulfillment of the requirements provided in paragraphs (1) and (2) must be evidenced by documents maintained by the Company.

Article 111

- (1) Members of the Board of Commissioners shall be appointed by the GMS.
- (2) Initially, the members of the Board of Commissioners shall be appointed by the founders in the deed of establishment as provided in Article 8 paragraph (2) b.
- (3) Members of the Board of Commissioners shall be appointed for a specified term and may be re-appointed.
- (4) The articles of association shall provide the procedure for the appointment, replacement, and discharge of members the Board of Commissioners and may also provide the procedure for the nomination of members the Board of Commissioners.
- (5) The resolutions of the GMS on the appointment, replacement, and discharge of members of the Board of Commissioners may also stipulate when their appointment, replacement, or discharge will come into effect.
- (6) In the event that the GMS does not determine the effective date of the appointment, replacement, or discharge of a member of the Board of Commissioners, his/her appointment, replacement, or discharge will come into effect as of the closing of the GMS.
- (7) In the event that the appointment, replacement, or discharge of a member of the Board of Commissioners takes place, the Board of Directors is required to notify the Minister to record it in the register of Companies within at the latest 30 (thirty) days as of the date of the relevant GMS resolution.
- (8) In the event that notification as referred to in paragraph (7) has not been provided, the

Minister will reject any further notification of the amendments to the composition of the Board of Commissioners conveyed to the Minister by the Board of Directors.

Article 112

- (1) The appointment of unqualified members of the Board of Commissioners as set out in Article 110 paragraphs (1) and (2) shall be void by law as of another member of the Board of Commissioners or the Board of Directors becoming aware of the non-fulfillment of the requirements.
- (2) Within at the latest 7 (seven) days of its being discovered, the Board of Directors must announce the annulment of the appointment of the relevant member of the Board of Commissioners in the Newspaper and notify the Minister to be recorded in the register of Companies.
- (3) Legal acts performed by the member of the Board of Directors referred to in paragraph (1) for and on behalf of the Board of Commissioners prior to the annulment of his appointment shall remain binding and become a liability of the Company.
- (4) The provisions as set out in paragraph (2) shall not prejudice the liability of the member of the Board of Commissioners for the Company's losses as referred to in Articles 114 and 115.

Article 113

The GMS shall resolve provisions on the amounts of the salaries or honoraria and allowances of the members of the Board of Commissioners.

Article 114

- (1) The Board of Commissioners shall be responsible for the supervision of the Company as provided in Article 108 paragraph (1).
- (2) Each member of the Board of Commissioners must carry out the tasks of supervising and providing advice to the Board of Directors as provided in Article 108 paragraph (1) in good faith, with due care and responsibility, for the best interests of the Company in accordance with the Company's purposes and objectives.
- (3) Each member of the Board of Commissioners will be held personally liable for the Company's loss, if the relevant person is found to be at fault or negligent in carrying out his tasks as provided in paragraph (2).
- (4) In the event that the Board of Commissioners consists of 2 (two) or more members, the liability as referred-to in paragraph (3) shall apply jointly and severally to each of the members.
- (5) A member of the Board of Commissioners shall not be held liable for a loss as referred to in paragraph (3) if he/she can prove that:
 - a. he has performed his/her supervision in good faith and with due care for the Company's best interests and in accordance with the Company's purposes and objectives

- b. he/she has no personal interest, either directly or indirectly in the management of the Board of Directors that caused the loss;
 - c. he/she provided advice to the Board of Directors to prevent the loss from occurring or continuing.
- (6) On behalf of the Company, the shareholders representing at least 1/10 (one-tenth) of the total shares with valid voting rights may file a lawsuit in the district court against a member of the Board of Commissioners who due to his fault or negligence has incurred a loss to the Company.

Article 115

- (1) In the event that the bankruptcy is caused by the fault or negligence of the Board of Commissioners in supervising the management performed the Board of Directors and the Company's assets are inadequate to settle all the Company's liabilities as a result of the bankruptcy, each member of the Board of Commissioners shall be held jointly and severally liable together with the members of the Board of Directors for the outstanding liabilities.
- (2) The liability provided in paragraph (1) shall also apply to members of the Board of Commissioners who have been discharged from office within a period of 5 (five) years prior to the bankruptcy being declared.
- (3) A member of the Board of Commissioners shall not be held liable for the Company's bankruptcy as referred to in paragraph (1) if he/she can prove that:
- a. the bankruptcy was not due to his fault or negligence;
 - b. he has performed his/her supervision in good faith and with due care for the Company's best interests and in accordance with the Company's purposes and objectives;
 - c. he/she has no personal interest, either directly or indirectly in the management of the Board of Directors that caused the loss;
 - d. he/she provided advice to the Board of Directors to prevent the bankruptcy from occurring.

Article 116

The Board of Commissioners is required to:

- a. prepare the minutes of meetings of the Board of Commissioners and keep copies;
- b. report to the Company with regard to their and/or their family members' ownership of shares in the Company or in other Companies; and
- c. provide reports on the supervisory tasks performed during the previous financial year to the GMS .

Article 117

- (1) The articles of association may provide the granting of authority to the Board of Commissioners to approve or assist the Board of Director in performing certain legal acts.
- (2) In the event that the articles of association provide the requirements for the granting of approval or assistance as referred to in paragraph (1), then without the approval or assistance by the Board of Commissioners, a legal act will remain binding on the Company to the extent the other party in that legal act was acting in good faith. .

Article 118

- (1) By virtue of the articles of association or a resolution of the GMS, the Board of Commissioners may carry out management actions regarding the Company under certain circumstances for a fixed period of time.
- (2) The Board of Commissioners which under certain circumstances for a fixed period of time perform management actions as referred to in paragraph (1), shall apply all the provisions on the rights, authorities, and obligations of the Board of Directors related to the Company and third parties.

Article 119

The provisions on the discharge of members of the Board of Directors as set out in Article 105 will apply mutatis mutandis to the discharge of members of the Board of Commissioners.

Article 120

- (1) The articles of association of the Company may provide for the existence of 1 (one) or more Independent Commissioners, and 1 (one) Delegate Commissioner.
- (2) An Independent Commissioner as referred to in paragraph (1) shall be appointed by a resolution of the GMS `from a party unaffiliated to the majority shareholders, members of the Board of Directors and/or other members of the Board of Commissioners.
- (3) A Delegate Commissioner as referred to in paragraph (1) shall be a member of the Board of Commissioners designated based on a resolution of a meeting of the Board of Commissioners.
- (4) The tasks and authorities of the Delegate Commissioner shall be stipulated in the articles of association of the Company provided they do not contradict the tasks and authorities of the Board of Commissioners and do not prejudice the management tasks carried out by the Board of Directors.

Article 121

- (1) In carrying out the supervisory tasks as referred to in Article 108, the Board of Commissioners may form a committee, of which one or more members is a member of the Board of Commissioners.
- (2) The committee referred to in paragraph (1) shall be responsible to the Board of

Commissioners.

CHAPTER VIII
MERGER, CONSOLIDATION, ACQUISITION, AND SEGREGATION

Article 122

- (1) A Company Merger and Consolidation shall result in the merging or consolidating companies being wound-up by the operation of law.
- (2) The winding up of the Companies as referred to in paragraph (1) shall take place without a prior liquidation process.
- (3) In the event that a Company is wound-up as provided in paragraph (2),
 - a. the assets and liabilities of the merging or consolidating Company shall be transferred by law to the surviving Company or to the Company established as a result of the Consolidation;
 - b. the shareholders of the merging or consolidating Company, by law shall become the shareholders of the surviving Company or the Company established as a result of the Consolidation; and
 - c. the merging or consolidating Company shall be wound-up by law as of the date the Merger or the Consolidation comes into effect.

Article 123

- (1) The Boards of Directors of the merging Company and the surviving Company must draw up a plan for the Merger.
- (2) The Merger plan as referred to in paragraph (1) must contain at least the following:
 - a. the name and place of domicile of each Company planning to conduct the Merger;
 - b. the reasons for and an explanation from the Board of Directors of each Company planning to conduct the Merger and the requirements for the Merger;
 - c. the procedure for the valuation and conversion of the merging Company's shares into the shares of the surviving Company;
 - d. a draft of the amendments to the articles of association of the surviving Company, if any;
 - e. the financial report as referred to in Article 66 paragraph (2) a. covering the last 3 (three) financial years of each Company intending to conduct the Merger;
 - f. the plan for continuing or winding up the business activities of the Companies planning to conduct the Merger;
 - g. a pro forma balance sheet of the surviving Company following accounting principles generally accepted in Indonesia;

- h. the settlement procedures for the status, rights and obligations of the members of the Board of Directors, the Board of Commissioners and the employees of each of the Companies planning to conduct the Merger;
 - i. the procedure for the settlement of the rights and obligations of the merging Company in relation to third parties;
 - j. the procedure for the settlement of the rights of the shareholders who do not approve the Merger of the Companies;
 - k. the names of the members of the Board of Directors and the Board of Commissioners, and the salaries, honoraria, and allowances of the members of the Board of Directors and the Board of Commissioners of the surviving Company;
 - l. the estimated time period for conducting the Merger;
 - m. a report on the condition, development, and results achieved by each Company that plans to conduct the Merger;
 - n. the main activities of each Company that plans to conduct the Merger and changes made during the current financial year;
 - o. details of any problems which have arisen during the current financial year affecting the activities of each Company conducting the Merger;
- (3) After obtaining approval from the Board of Commissioners of each Company, the Merger plan as referred to in paragraph (2) must be submitted to the respective GMS for approval.
- (4) In addition to the applicability of the provisions of this Law, certain Companies planning to conduct a Merger must obtain prior approval from the relevant authorities in accordance with the prevailing laws and regulations.
- (5) The provisions as set out in paragraphs (1) to (4) will also apply to Publicly Owned Companies unless otherwise stipulated in the capital markets legislation.

Article 124

The provisions as set out in Article 123 shall apply mutatis mutandis to Companies planning to consolidate.

Article 125

- (1) An Acquisition shall be carried out by way of acquiring the Company's issued and/or to be issued shares, through the Board of Directors of the Company or directly from the shareholders.
- (2) An acquisition may be carried out by a legal entity or by an individual.
- (3) An acquisition as referred to in paragraph (1) is an acquisition of shares that results in the

transfer of control over the Company.

- (4) If the acquisition is conducted by a legal entity in the form of a Limited Liability Company, the Board of Directors must have as a basis a GMS resolution which meets the quorum and the provisions on the requirements for adopting resolutions in the GMS as set out in Article 89, before performing the legal act of acquisition.
- (5) If the Acquisition is conducted through the Board of Directors, the acquiring party must convey its intention to conduct the Acquisition to the Board of Directors of the acquired Company.
- (6) With approvals from the respective Boards of Commissioners, the Boards of Directors of the acquired Company and the acquiring Company must draw up an Acquisition plan containing at least:
 - a. the names and places of domicile of the acquiring Company and the acquired Company;
 - b. the reasons for and an explanation from the Board of Directors of the acquiring Company and the Board of Directors of the acquired Company;
 - c. the financial report as referred to in Article 66 paragraph (2) a. for the last financial year of the acquiring Company and the acquired Company;
 - d. the procedure for the valuation and conversion of the acquired Company's shares against the exchanging shares, if the payment of the Acquisition is made in the form of shares;
 - e. the number of shares acquired;
 - f. the availability of funds;
 - g. the pro forma consolidated balance sheet of the acquiring Company after the Acquisition, prepared pursuant to the accounting standards generally accepted in Indonesia;
 - h. the settlement procedure for the rights of the shareholders who do not approve the Acquisition;
 - i. settlement of the status, rights and obligations of the members of the Board of Directors, the Board of Commissioners and employees of the acquired Company;
 - j. the estimated time period needed for carrying out the Acquisition, including the term of the power of attorney to transfer shares from the shareholders to the Board of Directors;
 - k. the draft amendments to the articles of association of the Company due to the Acquisition, if any.
- (7) If the shares are acquired directly from the shareholders, the provisions as set out in paragraphs (5) and (6) will not be applicable.

- (8) The acquisition of shares as referred to in paragraph (7) must be subject to the provisions of the articles of association of the acquired Company with regard to the transfer of rights over shares and agreements entered into by the Company with other parties.

Article 126

- (1) The legal act of the Merger, Consolidation, Acquisition or Segregation must be made with due consideration of the best interests of:
- a. the Company, minority shareholders, employees of the Company;
 - b. the creditors and other business partners of the Company; and
 - c. the public and fair business competition.
- (2) Shareholders who do not approve the resolution of the GMS in respect of a Merger, Consolidation, Acquisition or Segregation as referred to in paragraph (1) may only exercise their rights as provided in Article 62.
- (3) The exercise of rights as referred to in paragraph (2) shall not delay the Merger, Consolidation, Acquisition or Segregation process.

Article 127

- (1) Resolutions of the GMS on a Merger, Consolidation, Acquisition or Segregation shall be valid if adopted in accordance with the provisions of Article 87 paragraph (1) and Article 89.
- (2) The Board of Directors of a Company planning to conduct a Merger, Consolidation, Acquisition or Segregation must publish their brief plan in at least 1 (one) Newspaper and announce it in writing to the employees of the Company planning to conduct the Merger, Consolidation, Acquisition or Segregation at least 30 (thirty) days prior to the summons to the GMS.
- (3) The announcement as referred to in paragraph (2) must also contain a notice that interested parties may obtain the Merger, Consolidation, Acquisition or Segregation plan from the Company's office from the date of the announcement until the date the GMS is held.
- (4) The creditors may submit an objection to the Company within at the latest 14 (fourteen) days after the announcement, as provided in paragraph (2), of the Merger, Consolidation, Acquisition or Segregation plan.
- (5) If the creditors do not file any objection within the period as provided in paragraph (4), the creditors will be deemed to have approved the Merger, Consolidation, Acquisition or Segregation.
- (6) If the creditors' objection as referred to in paragraph (4) cannot be satisfied by the Board of Directors by the date of the GMS, the objection must be conveyed to the GMS for settlement.
- (7) If a settlement as referred to in paragraph (6) cannot be achieved, the Merger, Consolidation, Acquisition or Segregation cannot proceed.

- (8) The provisions as set out in paragraphs (2), (4), (5), (6) and (7) will apply mutatis mutandis to the announcement of the Acquisition of shares which is conducted directly from shareholders of the Company as referred to in Article 125.

Article 128

- (1) A Merger, Consolidation, Acquisition or Segregation plan which has been approved by the GMS must be drawn up in a deed of Merger, Consolidation, Acquisition or Segregation, before a notary in Bahasa Indonesia.
- (2) The deed of acquisition of shares acquired directly from shareholders must be restated in a notarial deed in Bahasa Indonesia.
- (3) The deed of Consolidation as referred to in paragraph (1) shall be the basis for drawing up the deed of establishment of the Company resulting from the Consolidation.

Article 129

- (1) A copy of the Company's deed of merger shall be attached to:
- a. the request for approval from the Minister as referred to in Article 21 paragraph (1); or
 - b. the notification letter addressed to the Minister with regard to the amendment to the articles of association as referred to in Article 21 paragraph (3).
- (2) If a Merger of Companies is not followed by an amendment to the articles of association, a copy of the deed of Merger must be provided to the Minister to be recorded in the register of Companies.

Article 130

A copy of the deed of Consolidation must be attached to the application for the Ministerial Decree on the legalization of the legal entity status of the Company resulting from the Consolidation as provided in Article 7 paragraph (4).

Article 131

- (1) A copy of the deed of Acquisition of the Company must be attached to the notification provided to the Minister regarding amendments to the articles of association as referred to in Article 21 paragraph (3).
- (2) If the Acquisition of shares is carried out directly from the shareholders, a copy of the deed of transfer of rights over shares must be attached to the notification provided to the Minister on the amendments to the composition of shareholders.

Article 132

The provisions set out in Articles 29 and 30 also apply to a Merger, Consolidation, Acquisition or Segregation.

Article 133

- (1) The Board of Directors of the surviving Company or the Board of Directors of the Company resulting from Consolidation must publish the result of the Merger or the Consolidation in 1 (one) or more Newspaper, within at the latest in 30 (thirty) days as of the effective date of the Merger or Consolidation.
- (2) The provision as set out in paragraph (1) shall also apply to the Board of Directors of the Company the shares of which are acquired.

Article 134

Further provisions on Mergers, Consolidations, Acquisitions or Segregation will be regulated by Government Regulations.

Article 135

- (1) A Segregation may be carried out by way of:
 - a. Pure Segregation; or
 - b. Non-pure Segregation (spinoff).
- (2) Pure Segregation as referred to in paragraph (2) a. above results in the transfer by law of all the Company's assets and liabilities to 2 (two) or more other Companies, receiving the transfer and the segregated Company is dissolved by the operation of law.
- (3) Non-pure Segregation (spinoff) as referred to in paragraph (2) b. above results in the transfer by law of some part of the Company's assets and liabilities to 1 (one) or more other Companies receiving the transfer and the segregated Company continues in **existence**.

Article 136

Further provisions on Segregation will be regulated by Government Regulations.

Article 137

The provisions as set out in Chapter VIII will also apply to Publicly Owned Companies, unless stipulated otherwise by the prevailing capital markets legislation.

CHAPTER IX INVESTIGATION OF A COMPANY

Article 138

- (1) The investigation of a Company may be carried out with the purpose of obtaining data or information if there is a suspicion that:
 - a. the Company has committed an unlawful act which harms the shareholders or third parties; or

- b. a member of the Board of Directors or the Board of Commissioners has committed an unlawful act which harms the Company or the shareholders or third parties.
- (2) The investigation as referred to in paragraph (1) must be carried out by way of filing a written application together with the reasons for it in the district court with jurisdiction over the Company's place of domicile.
 - (3) The application as referred to in paragraph (2) may be submitted by:
 - a. 1 (one) or more shareholder representing at least 1/10 (one-tenth) of the total shares with valid voting rights;
 - b. other parties which under the prevailing laws and regulations, the articles of association of the Company or an agreement with the Company are authorized to submit an application for an investigation; or
 - c. the public prosecutor's office, in the public interest .
 - (4) The application as referred to in paragraph (3) a. is submitted after the applicant has first applied to the Company in a GMS for the data or information but the Company has not provided the requested data or information.
 - (5) The application for Company data or information or for an investigation to obtain the data or information must be based on reasonable grounds and be submitted in good faith.
 - (6) The provisions as set out in paragraph (2), paragraph (3) a. above, and paragraph (4) above will not preclude the possibility of capital markets legislation providing otherwise.

Article 139

- (1) The chairman of the district court may reject or approve the application referred to in Article 138.
- (2) The chairman of the district court as referred to in paragraph (1) will reject the application if it is not based on reasonable grounds and/or is not made in good faith.
- (3) If the request is approved, the chairman of the district court shall issue an order for the investigation and appointment of not more than 3 (three) experts to carry out the investigation for the purpose of obtaining the required data or information.
- (4) No member of the Board of Directors, Board of Commissioners, employee or public accountant appointed by the Company may be appointed as an expert as referred to in paragraph (3).
- (5) The experts as referred to in paragraph (3) shall be entitled to examine all documents and assets of the Company deemed necessary by the experts so that they become known.
- (6) All the members of the Board of Directors, Board of Commissioners, and all the employees of the Company must provide all the information needed for the investigation.
- (7) The experts as referred to in paragraph (3) shall be required to maintain the

confidentiality of the results of the investigation.

Article 140

- (1) A report containing the results of the investigation must be submitted by the experts as referred to in Article 139 to the chairman of the district court within the period stipulated in the court order for the investigation which must be no later than 90 (ninety) days as of the date of the appointment of the experts.
- (2) The chairman of the district court shall provide a copy of the report containing the results of the investigation to the applicant and the relevant Company at the latest 14 (fourteen) days as of the date on which the report containing the results of the investigation is received.

Article 141

- (1) If the application for an investigation is approved, the chairman of the district court shall determine the maximum amount of the investigation costs.
- (2) The investigation costs as referred to in paragraph (1) must be paid by the Company.
- (3) At the request of the Company, the chairman of the district court may order the reimbursement of all or part of the investigation costs as referred to in paragraph (2) to the applicant, the members of the Board of Directors, and/or the Board of Commissioners.

CHAPTER X DISSOLUTION, LIQUIDATION, AND EXPIRATION OF THE COMPANY'S LEGAL ENTITY STATUS

Article 142

- (1) A Company shall be dissolved for the following reasons:
 - a. based on a resolution of the GMS;
 - b. due to the expiry of its term of establishment as provided in the articles of association;
 - c. based on a court order;
 - d. by the revocation of its bankruptcy status through a commercial court order having permanent and binding legal force, the Company's bankruptcy assets being insufficient to settle the bankruptcy costs;
 - e. the bankruptcy assets of a Company declared bankrupt, are in a state of insolvency as provided in the Law on Bankruptcy and Suspension of Payment Obligations; or
 - f. due to the revocation of the Company's business license, the Company is required to carry out its liquidation in accordance with the laws and regulations.
- (2) In the event that a Company is dissolved as referred to in paragraph (1),

- a. it must be followed by liquidation performed by a liquidator or receiver; and
 - b. the Company may not perform any legal act, unless required for the settlement of all the company's matters in respect of the liquidation;
- (3) In the event that the dissolution is based on a resolution of the GMS; the expiry of its term of establishment as provided in the articles of association or the revocation of its bankruptcy status through a commercial court order and the GMS does not appoint a liquidator, the Board of Directors shall act as the liquidators.
 - (4) In the event that a Company is dissolved by the revocation of its bankruptcy status as referred to in paragraph (1) b., the commercial court must also order the discharge of the receiver with due observance of the provisions of the Law on Bankruptcy and Suspension of Payment Obligations.
 - (5) In the event that the provisions as set out in paragraph (2) b. above are contravened, members of the board of Directors, the Board of Commissioners, and the Company shall be held jointly and severally liable.
 - (6) The provisions regarding the appointment, temporary suspension, discharge, authority, duties, liabilities and supervision of the Board of Directors shall apply mutatis mutandis to the liquidator.

Article 143

- (1) The dissolution of a Company shall not cause the Company to lose its legal entity status until the liquidation process has been completed and the discharging of the liquidator's responsibilities has been acknowledged by the GMS or the court.
- (2) As of its dissolution, each outgoing letter of the Company must bear the wording "in liquidation" after the Company's name.

Article 144

- (1) The Board of Directors, the Board of Commissioners, or 1 (one) or more shareholders representing at least 1/10 (one-tenth) of the total shares with voting rights, may submit a proposal for the dissolution of the Company to the GMS.
- (2) The resolution of the GMS on the dissolution of the Company shall be valid if adopted in accordance with the provisions set out in Article 87 paragraph (1) and Article 89.
- (3) The dissolution of the Company shall commence at the time stipulated in the resolution of the GMS.

Article 145

- (1) The dissolution of a Company shall occur by law upon the expiration of the Company's term of establishment as provided in the articles of association.
- (2) Within at the latest 30 (thirty) days after the expiration of the Company's term of establishment, the GMS must appoint a liquidator.

- (3) The Board of Directors must not perform any new legal act on behalf of the Company after the expiration of the Company's term of establishment as provided in the articles of association.

Article 146

- (1) The district court may dissolve a company at:
 - a. the request of the public prosecutor's office on the grounds that the Company has violated the public interest or the Company has committed an act in breach of the laws and regulations;
 - b. the request of interested parties on the grounds that there are legal flaws in the Company's deed of establishment;
 - c. the request of the shareholders, the Board of Directors or the Board of Commissioners on the grounds that the Company is not in a condition to continue its operations.
- (2) The court order must include the appointment of a liquidator.

Article 147

- (1) At the latest 30 (thirty) days as of the date of the dissolution of the Company, the liquidators must notify:
 - a. all creditors of the dissolution of the Company by announcing the dissolution of the Company in the Newspapers and the State Gazette of the Republic of Indonesia; and
 - b. the Minister of the dissolution of the Company for it to be recorded in the company register that the Company is in liquidation.
- (2) The announcement to the creditors in the Newspaper and the State Gazette of the Republic of Indonesia as provided in paragraph (1) a. must contain:
 - a. the dissolution of the Company and its legal basis;
 - b. the name and address of the liquidator;
 - c. the procedure for submitting claims; and
 - d. the time limit for submitting the claims.
- (3) The time limit for submitting claims as referred to in paragraph (2) d. above shall be 60 (sixty) days as of the date of the announcement as referred to in paragraph (1).
- (4) The notification to the Minister as provided in paragraph (1) b. above must be accompanied by the following evidence:
 - a. the legal basis for the dissolution of the Company; and

- b. the notification to the creditors published in the Newspaper as provided in paragraph (1) a. above.

Article 148

- (1) In the event that the notification to creditors and the Minister as provided in Article 147 has not been provided, the dissolution of the Company shall not be effective for third parties.
- (2) In the event that the liquidator has neglected to provide the notifications as referred to in paragraph (1), the liquidator shall be held jointly and severally liable with the Company for any losses suffered by third parties.

Article 149

- (1) The duties of a liquidator in the settlement of the assets of a Company in the liquidation process shall cover:
 - a. recording and collecting the assets and debts of the Company;
 - b. publishing the plan for the distribution of assets resulting from the liquidation in the Newspapers and the State Gazette of the Republic of Indonesia;
 - c. making payments to creditors;
 - d. making payments from the remaining liquidation assets to the shareholders; and
 - e. other acts required for the settlement of the assets.
- (2) In the event that the liquidator estimates that the Company's debts are greater than the Company's assets, the liquidator is required to apply for the Company to be declared bankrupt, unless the prevailing laws and regulations provide otherwise, and all creditors whose identities and addresses are known, agree to settle outside of bankruptcy.
- (3) Creditors may submit objections to the plan to distribute the assets resulting from liquidation at the latest within 60 (sixty) days as of the date of the announcement as referred to in paragraph (1) b.
- (4) In the event that an objection submitted as provided in paragraph (3) is rejected by the liquidator, the creditors may file a lawsuit in the district court at the latest within 60 (sixty) days as of the date of the rejection.

Article 150

- (1) Creditors who file their claims within the period as provided in Article 147 paragraph (3), and subsequently are denied by the liquidators, may file a lawsuit in the district court at the latest 60 (sixty) days as of the date of rejection.
- (2) Creditors who have not filed their claims, may file their claims in the district court within a period of 2 (two) years as of the date on which the dissolution of the Company is announced as provided in Article 147 paragraph (1).

- (3) Claims of creditors as referred to in paragraph (2) may be filed if liquidation assets remain and have been allocated to the shareholders.
- (4) If the remaining liquidation assets have been distributed to the shareholders and there is a creditor's claim as provided in paragraph (2), the district court will order the liquidator to recover the remaining liquidation assets that have been distributed to the shareholders.
- (5) The shareholders must return the remaining liquidation assets as referred to in paragraph (4) in the same proportion as the amount they received to the total amount of the claim.

Article 151

- (1) In the event that the liquidator is unable to perform his duties as provided in Article 149, at the request of the interested parties or at the request of the public prosecutor's office, the chairman of the district court may appoint a new liquidator and discharge the previous liquidator.
- (2) The discharge of the liquidator as provided in paragraph (1) shall be done after the relevant person has been summoned for a hearing.

Article 152

- (1) The liquidator shall be responsible to the GMS or to the court that appointed him/her for carrying out the liquidation of the Company.
- (2) The receiver shall be responsible to the supervisory judge for carrying out the liquidation of the Company.
- (3) The liquidator must notify the Minister and publish the final results of the liquidation process in the Newspaper after the GMS has discharged and acquitted the liquidator or after the court accepts the accountability report of the liquidator appointed by it.
- (4) The provisions set out in paragraph (3) shall also apply to a receiver whose accountability report has been accepted by the supervisory judge.
- (5) The Minister shall record the expiration of the Company's legal entity status and remove the Company's name from the Companies Registry, after the provisions as set out in paragraphs (3) and (4) have been met.
- (6) The provisions as set out in paragraph (5) shall also apply to the expiration of a Company's legal entity status due to a Merger, Consolidation, or Segregation.
- (7) The notification and announcement as provided in paragraphs (3) and (4) above must be made within 30 (thirty) days at the latest as of the date upon which the accountability report of the liquidator or the receiver is accepted by the GMS, the court or the supervisory judge.
- (8) The Minister shall announce the expiration of the Company's legal entity status in the State Gazette of the Republic of Indonesia.

CHAPTER X COSTS

Article 153

Provisions regarding costs for:

- a. obtaining approval to use a Company's name;
- b. obtaining a decree on the legalization of a Company's legal entity status;
- c. obtaining a decree approving an amendment to the articles of association;
- d. obtaining information about a Company's data in the Register of Companies;
- e. obligatory publication under this Law in the State Gazette of the Republic of Indonesia and the Supplement to the State Gazette of the Republic of Indonesia; and.
- f. obtaining a copy of the Minister's Decree regarding the legalization of a Company's legal entity status or approval of amendments to the articles of association.

will be regulated by Government Regulations.

CHAPTER XII MISCELLANEOUS PROVISIONS

Article 154

- (1) The provisions of this Law apply to Publicly Owned Companies if not provided otherwise in capital market regulations.
- (2) The capital market regulations that provide any exceptions to the provisions of this Law must not conflict with the legal principles regarding Companies under this Law.

Article 155

The provisions on the liabilities of the Board of Directors and/or Board of Commissioners regarding their being at fault or negligent as set out in this Law are without prejudice to the provisions set out in the Penal Law.

Article 156

- (1) In the framework of implementing and developing this Law, a team of experts to monitor the company law will be established.
- (2) Members of the team as referred to in paragraph (1) will consist of elements from the following:
 - a. the government;
 - b. experts/academics;

- c. the professions; and
 - d. entrepreneurs.
- (3) The expert team is authorized to review the deeds of establishment and amendments to the articles of association obtained at the team's own initiative, or at the request of any relevant parties, and to provide their opinions on the results of their review to the Minister.
- (4) Further provisions on the authority, organizational structure and working procedures of the expert team will be regulated by a Ministerial Regulations.

CHAPTER XIII TRANSITIONAL PROVISIONS

Article 157

- (1) The Articles of Association of Companies that have obtained legal entity status or amendments to articles of association which have been approved by or reported to the Minister and registered in the company register before this Law comes into effect, will remain valid if they are not contrary to this Law.
- (2) The Articles of Association of Companies that have not obtained legal entity status or amendments to articles of association which have not been approved by or reported to the Minister at the time this Law came into effect, must be adjusted to the provisions of this Law.
- (3) Companies that have obtained legal entity status under the laws and regulations must adjust their articles of association to the provisions of this Law, within a period of 1 (one) year as from the time this Law comes into effect.
- (4) A Company that does not adjust its articles of association within the period as provided in paragraph (3) may be dissolved by a decision of the district court at the request of the public prosecutor's office or a party concerned.

Article 158

At the time this Law comes into effect, Companies that do not meet the requirements as provided in Article 36 must be adjusted to the provisions of this Law, within a period of 1 (one) year.

CHAPTER XIV CLOSING PROVISIONS

Article 159

Implementing regulations of Law Number 1 of 1995 on Limited Liability Companies are declared to remain in effect as long as they are not contrary to, or have not been replaced by new provisions under this Law.

Article 160

As of the date upon which this Law comes into effect, Law Number 1 of 1995 on Limited Liability Companies (State Gazette of the Republic of Indonesia of 1995 Number 13, Supplement to the State Gazette of the Republic of Indonesia Number 3587) is revoked and declared no longer valid.

Article 161

This Law comes into effect as of the date of its enactment.

For public cognizance, this Law is promulgated by publishing it in the State Gazette of the Republic of Indonesia.

Ratified in Jakarta
On 16 August 2007
THE PRESIDENT OF
THE REPUBLIC OF INDONESIA,

signed

DR. H. SUSILO BAMBANG YUDHOYONO

Enacted in Jakarta
On 16 August 2007
THE MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

signed

ANDI MATTALATTA

**STATE GAZETTE OF THE REPUBLIC OF INDONESIA 2007
NUMBER 106**

**ELUCIDATION
OF
LAW NO. 40/2007
REGARDING
LIMITED LIABILITY COMPANIES**

I. GENERAL

National economic development carried out on the basis of economic democracy according to the principles of togetherness, justice-based efficiency, sustainability, the environmental perspective, independence as well as preservation of the balance of the national economy's growth and unity aims to achieve the prosperity of the people. The increase in national economic development needs to be supported by a law on limited liability companies to assure a conducive business environment. The law regarding limited liability companies was previously regulated by Law No. 1 of 1995 regarding Limited Liability Companies, replacing legislation which originated from the colonial era. However, given current development, the provisions of the previous law are deemed to no longer conform to developments in the law and the public's needs due to the rapid growth of economy, technology and information especially in the era of globalization. In addition, the increase in the public's demand for fast service, legal certainty and the increase in the business community according to the principles of good corporate governance require the improvement of Law No. 1 of 1995 regarding Limited Liability Companies.

Law No. 40 of 2007 accommodates various provisions regarding companies whether by the addition of new provisions, improvement, perfection or preservation of previous provisions deemed to remain relevant. In order to further clarify the nature of limited liability companies, this Law confirms that a limited liability company is a legal entity of an capital association, established by virtue of an agreement, to undertake business activities, which has authorized capital divided entirely into shares and complies with the requirements stipulated in this Law and its implementing regulations.

In the framework of fulfilling the public's demand for fast service, this Law stipulates procedures for:

1. submitting applications for and the granting of legalization of legal entity status;
2. submitting applications for and the notification of approval of amendments to the articles of association;
3. conveying and receiving notification of amendments to the articles of association and/or other changes to information (data),

by means of the information technology services of the administration of legal entities system, despite the possibility of continuing to use a manual system under certain circumstances.

In connection with the application for the legalization of a Company's legal entity status, the Law confirms that the right to submit the application lies with the founders collectively, and can be exercised on their own or delegated to a notary.

The deed of establishment of the Company which has been legalized and information (data) regarding amendments to the articles of association which have been approved and/or notified to the Minister are registered in the company register and published in the Supplement to the State Gazette by the Minister. The requirement in this Law concerning the granting of legal entity status, approval and/or receipt of notification of amendments to the articles of association and other information (data) on amendments is not related to the Law on the Registration of Companies.

In order to further clarify and confirm the provisions concerning Company Organs, this Law modifies the provisions on the arrangement of General Meetings of Shareholders (GMS) by making use of technological developments. Accordingly, the GMS can be held by means of electronic media, such as teleconferencing, video-conferencing or the use of other electronic media devices.

This Law also clarifies and confirms the duties and responsibilities of the Board of Directors and Board of Commissioners. The Law also provides rules on independent and delegate commissioners.

In line with developments in syariah-based business activities, the Law requires Company undertaking business activities on the basis of Syariah principles to have a Syariah Supervisory Council in addition to a Board of Commissioners. The duties of the Syariah Supervisory Council are to give advice and recommendations to the Board of Directors and supervise the activities of the Company so as to keep it in line with Syariah principles.

In this Law, the provision on the capital structure of a Company remains unchanged, namely consisting of authorized capital, issued capital and paid-up capital. However, the amount of the authorized capital of a company has changed to become at least Rp.50,000,000.00 (fifty million rupiahs), while the issued capital must be paid up in full. In principle, a Company can still re-purchase the shares it issues but the Company can only hold the shares for no longer than 3 (three) years. With regard to the use of profit, the Law confirms that a Company can distribute profits and set aside compulsory reserves if the Company has a positive balance.

The Law provides for Corporate Social and Environmental Responsibility with a view to realizing sustainable economic development to enhance the quality of life and the environment which is beneficial to the Company, local communities and the public in general. This requirement is intended to support the establishment of a harmonious and balanced relationship between the Company and the environment, the values, norms and culture of local communities which is suitable to them, such that a Company whose business activities are in the field of and/or related to natural resources must implement Corporate Social and Environmental Responsibility. In order to implement this obligation, activities related to Corporate Social and Environmental Responsibility must be budgeted and accounted for as a corporate cost, while adhering to the principles of fairness and appropriateness. These activities must be included in the annual report of the Company. If a Company does not implement Corporate Social and Environmental Responsibility, the Company will be liable to the sanctions provided in the prevailing laws and regulations.

The Law confirms the provisions on the dissolution, liquidation and termination of the Company's legal entity status with due observance of the provisions in the Law on Bankruptcy and Suspension of Payment Obligations.

In the framework of implementing and developing this Law, a company law monitoring team will be established with the task of providing input to the Minister with regard to the Company. To assure the credibility of the team, members of the team will comprise various elements of the government, experts/academics, professions and business communities.

With a comprehensive ruling on various aspects of the Company, this Law is expected to meet the public's demand for law and provide better legal certainty, especially for the business community.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Paragraph (1)

The provision of this paragraph confirms the nature of a Company whereby the liability of shareholders is limited to payment for all their shares and does not include their personal assets.

Paragraph (2)

In certain cases, it is possible that the limited liability nature ceases to exist if matters referred to in this paragraph are proved.

The limited liability of shareholders ceases to exist if it is proved that, among other things, the personal assets of the shareholders are mixed with the assets of the Company, such that the Company is established merely as a means for the shareholders to fulfill their personal purposes as meant in item b. and item d.

Article 4

The enactment of this Law, the articles of association of a Company and provisions of other laws and regulations must not reduce the obligation of the Company to abide by the principles of goodwill, appropriateness, fairness and good corporate governance in the operations of the Company.

The 'provisions of other laws and regulations' mean all regulations relating to the existence and operations of a Company, including the implementing regulations, and among others, regulations pertaining to banking, insurance and financial institutions.

If the provisions of the articles of association contradict this Law, the provisions of this Law shall apply.

Article 5

The domicile of a Company also serves as the head office of the Company.

The Company must have an address according to its domicile which must be described in, among others, its correspondence and the Company must be contactable at this address.

Article 6

If a Company is established for a definite term, the term must be clearly stated, e.g. 10 (ten) years, 20 (twenty) years, 35 (thirty five) years, etc. The same also applies if the Company is established for an indefinite term; this description must be clearly provided in the articles of association.

Article 7

Paragraph (1)

'Persons' mean individuals, either Indonesian or foreign citizens or Indonesian or foreign legal entities.

The provision of this paragraph confirms the applicable principles under this Law that as a legal entity, a Company is established by virtue of an agreement such that it has more than 1 (one) shareholder.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

In the case of consolidation, all the assets and liabilities of the consolidating companies will be included into the capital of the Company resulting from the consolidation and founders will not subscribe for shares; so that the shareholders of the Company resulting from the consolidation are the consolidating companies and the shareholders of the Company resulting from the consolidation are the shareholders of the consolidating companies.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Contracts and losses of the Company which constitute the personal liability of the shareholders are contracts and losses occurring after the six-month period elapses.

‘Interested parties’ means prosecutors in the case of public interests, shareholders, the Board of Directors, the Board of Commissioners, employees of the Company, creditors and/or other stakeholders.

Paragraph (7)

Due to their specific status and nature, the requirements for the number of founders of these Companies as referred to in this paragraph are to be regulated in a separate regulation.

Letter a

‘*Persero*’ is a state-owned enterprise in the form of a limited liability company whose capital is divided into shares and is regulated by the Law regarding State-Owned Enterprises.

Letter b

Sufficiently clear.

Article 8

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Letter a

In the establishment of a Company, the citizenship of founders must be clearly specified. Basically, Indonesia’s legal entities in the form of a limited liability company are established by Indonesian citizens or Indonesian legal entities. However, foreign citizens or legal entities are given the opportunity to establish Indonesian legal entities in the form of a limited-liability company provided that it is permissible under the law regulating the business line of the Company, or the establishment of the Company is regulated by a specific law.

If the founders are foreign legal entities, the number and date of the legal entity’s approval of the founders is a document of the same kind, such as a

certificate of incorporation.

If the founders are state or regional legal entities, a Government Regulation regarding the participation of the state or region in the Company is needed.

Letter b

Sufficiently clear.

Letter c

‘Subscribed shares’ means the number of shares subscribed by the shareholders at the establishment of the Company.

In the case of a remittance (payment) exceeding the nominal value such that it causes a difference between the value of the actual payment and the nominal value, the difference is recorded in the financial statement as a premium.

Paragraph (3)

Sufficiently clear.

Article 9

Paragraph (1)

‘Information technology services of the administration of legal entities’ are types of service provided to the public for the legalization of a Company as a legal entity.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 10

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

‘immediately’ means at the same time as the submitted application is received.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

‘Electronic signature’ is a signature affixed or attached to the electronic data by the authorized official proving the authenticity of the data in the form of an electronic picture of the authorized official’s signature, which is made through computer media.

Paragraph (7)

See the elucidation of paragraph (3).

Paragraph (8)

The application referred to in this paragraph is not subject to additional costs.

Paragraph (9)

Sufficiently clear.

Paragraph (10)

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Paragraph (1)

‘Legal act’ means, among others, a legal act performed by a nominated founder with another party, which will be considered against the ownership and payment of shares of the nominated founder in the Company.

Paragraph (2)

‘Affixed’ means unification of documents by way of affixing or tailoring the documents as an integral part of the deed of establishment.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 13

Paragraph (1)

The provision of this paragraph provides the procedures needed for transferring to the Company the rights and/or obligations of the founders arising from their legal acts prior to the establishment of the Company through a specific acceptance or take over of rights and obligations arising from the legal acts.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 14

Paragraph (1)

A ‘legal act on behalf of the Company’ is a legal act specifying the Company as a party or an interested party in the legal act.

The provision is intended to confirm that members of the Board of Directors cannot perform legal acts on behalf of a Company which does not yet have its legal entity status, without the approval of all the founders, other members of the Board of Directors and the Board of Commissioners.

Paragraph (2)

‘The liability of the founder and do not bind the Company’ means the liability of the founder performing the act personally and the Company is not responsible for the legal act of the founder.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

‘Attended’ means attended in person or represented by a power of attorney.

Paragraph (5)

Sufficiently clear.

Article 15

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

See the elucidation of Article 6.

Letter d

Sufficiently clear.

Letter e

Sufficiently clear.

Letter f

Sufficiently clear.

Letter g

Sufficiently clear.

Letter h

‘The procedures for appointing’ means the procedures for selection, among others, oral selection or by sealed letter and selection of a candidate individually or as a package.

Letter i

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 16

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

If the abbreviation ‘Tbk’ is not used, the Company is a closed company.

Paragraph (4)

Sufficiently clear.

Article 17

Paragraph (1)

The provision of paragraph (1) does not prevent a Company having its domicile in a village or sub-district provided that the articles of association specify the name of the city or regency of the village or sub-district. For example, PT A is domiciled in Bojongsari Village, Pandaan Sub-District, Pasuruan Regency.

Paragraph (2)

Sufficiently clear.

Article 18

The purposes and objectives must be the core business of the Company.

Business activities must be the activities conducted by the Company in the framework of achieving its purposes and objectives, which must be clearly stated in the articles of association, and the details must not contradict the articles of association.

Article 19

Sufficiently clear.

Article 20

Paragraph (1)

Approval from the receiver must be obtained for a resolution to amend the articles of association to be passed. This is meant to avoid the possibility of disapproval of the receiver, thus causing the resolution on the amendment to the articles of association to be nullified.

Paragraph (2)

Sufficiently clear.

Article 21

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

See elucidation on Article 6

Letter d

Sufficiently clear.

Letter e

Sufficiently clear.

Letter f

The amendment to the articles of association on the status of the Company from that of a private Company to a Publicly Owned Company , or vice versa, covers the amendment to all the provisions of the articles of association so that the approval from the Minister is granted for the amendment of all the articles of association.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

“Amendments must be stated in a notarial deed” means they must be in the form of a deed of statement of resolutions of the meeting or a deed of amendments to the articles of association.

Paragraph (6)

Sufficiently clear.

Paragraph (7)

Sufficiently clear.

Paragraph (8)

Sufficiently clear.

Paragraph (9)

In the event that the application is still submitted, the Minister must reject the application or notification.

Article 22

Paragraph (1)

The provision in this paragraph shall not prejudice the provision as meant in Article 21 paragraph (7).

For example:

A limited liability company is established for 50 (fifty) years and will expire on November 15, 2007, in accordance with the provision as referred to in Article 22 paragraph (1) if the term of the Company’s establishment will be extended, an

application for approval of the amendment to the articles of association regarding the extension of the term must have been submitted to the Minister not later than by September 15, 2007.

If the GMS made a resolution to extend the term on August 1, 2007 and this was stated in a Notarial deed on August 7, 2007, the application must have been submitted to the Minister by not later than September 7, 2007.

If the GMS for the extension of the term was held on August 20, 2007, the extension of the term must be stated in the Notarial deed and the application must have been submitted to the Minister by not later than September 15, 2007 in accordance with the provision of Article 22 paragraph (1).

Paragraph (2)

Sufficiently clear.

Article 23

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

“This law provides otherwise” means, among other things, as meant in Article 25 and Article 26 of this law providing the requirements which must be fulfilled before the effectiveness of the Minister’s decree or the later date determined in a Minister’s Decree, containing delay requirements, which must be fulfilled first or by the later date.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Letter a

Sufficiently clear.

Letter b

“The later date stipulated” means the date after the date of the approval from the Minister.

Letter c

“The later date stipulated in a deed of Merger or Acquisition” means the date already agreed by the parties and the date after the date of receipt of the notification of the amendment to the articles of association by the Minister.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

“Amendments to a Company’s data” means, among other things, data about the transfer of rights to shares, replacement of members of the Board of Directors and Board of Commissioners, dissolution of the Company.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Paragraph (1)

Sufficiently clear.

Paragraph (2)

“Certain business activities” means, among other things, banking, insurance or freight forwarding businesses.

Paragraph (3)

The provision of this paragraph is needed to anticipate changes in economic conditions.

Article 33

Paragraph (1)

Sufficiently clear.

Paragraph (2)

“Valid evidence of payment” means, among other things, evidence of payments made by the shareholders into a bank account in the name of the Company, data from the financial statement already audited by an accountant, or a Company’s balance sheet signed by the Board of Directors and the Board of Commissioners.

Paragraph (3)

This provision affirms that the payment of shares must not be realized by means of installments.

Article 34

Paragraph (1)

In general, shares must be paid for in money. However, it is possible for shares to be paid for in other forms of either tangible or intangible goods, which can be valued in money and actually received by the Company. Payment for shares in forms other than money must be accompanied by details stating the value or price, kind, status, domicile and other data deemed necessary for clarity of the payment.

Paragraph (2)

The fair value of the payment for the share capital is determined according to the market value. If the market value is not available, the fair value is determined on the basis of an evaluation technique which is most suitable to the nature of the payment, according to the relevant and best information.

“Non-affiliated expert” means an expert not having:

- a. a family relationship by marriage or descendent up to the second degree, horizontally or vertically, with employees, any members of the Board of Directors, Board of Commissioners or shareholders of the Company;
- b. a relationship with the Company due to similarity of one or more members of the Board of Directors or Board of Commissioners;
- c. a controlling relationship with the Company, directly or indirectly; and/or
- d. shares in the Company amounting to 20% (twenty percent) or more.

Paragraph (3)

The announcement of the payment for shares in the form of intangible goods in a newspaper is intended to make it known publicly and provide an opportunity to an interested party to raise his/her objection to the delivery of the goods as a share capital remittance, e.g. the goods are known not to belong to the payer.

Article 35

Paragraph (1)

Approval from the GMS as meant in this paragraph is needed to affirm that compensation only can be realized with approval from the GMS because, by the approval of the compensation, a preemptive right of other shareholders to acquire new shares is automatically relinquished.

Paragraph (2)

According to the provision of this paragraph, interests and fines which are already owed but due because the company has not actually received them, cannot be compensated for by payment in shares.

Letter a

Sufficiently clear.

Letter b

What is intended in this provision is that the parties becoming guarantors or underwriters of the Company's debt have paid in full the company's debt so that they have the collecting rights of the Company.

Letter c

This provision refers to the obligation to pay debts by the Company in its position as a guarantor or underwriter becoming null and the collecting right of a creditor is compensated for with payment in shares issued by the Company.

Paragraph (3)

Sufficiently clear.

Article 36

Paragraph (1)

In principle, the issuance of shares is an effort to accumulate capital so that the obligation to pay shares should be charged to another party. For certainty, this article stipulates that the Company must not issue shares to be owned by itself.

The prohibition also includes cross holding, which occurs if the Company has shares issued by other Companies having shares in the Company directly or indirectly.

Direct cross holding means the first Company has shares in the second company without ownership in one or more "intermediate companies" and conversely, the second Company has shares in the first Company.

Indirect cross holding means the ownership of the first Company of shares in the second Company through ownership in one or more "intermediate Companies" and conversely the second Company has shares in the first Company.

Paragraph (2)

Share ownership causing share ownership by the Company itself or share ownership by cross holding is not prohibited if the share ownership is obtained on the basis of the transfer by law, grant or testament because there is no share issuance requiring payment of funds from the other party so that it does not violate the prohibiting provision as meant in paragraph (1).

Paragraph (3)

Sufficiently clear.

Paragraph (4)

A “securities company” means a company as meant in the Investment Law.

Article 37

Paragraph (1)

A repurchase of the company’s shares does not cause a reduction in capital, unless the shares are withdrawn again.

Letter a

“Net assets” means all a Company’s assets minus all the Company’s liabilities in accordance with the latest financial statement ratified by the GMS in the last 6 (six) months.

Letter b

Sufficiently clear.

Paragraph (2)

Sufficiently clear

Paragraph (3)

Sufficiently clear

Paragraph (4)

The provision of the three-year period in this paragraph is intended to enable the Company to determine whether the shares will be sold or taken back by means of a capital reduction.

Article 38

Sufficiently clear.

Article 39

Paragraph (1)

“The implementation” means stipulation of the time, share repurchase mechanism and the total shares to be repurchased, excluding issues which become the duties of the Board of Directors in repurchasing shares, such as making payments, keeping share certificates and recording them in the list of shareholders.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Paragraph (1)

“A company’s capital” means its authorized capital, issued capital and paid-up capital.

Paragraph (2)

“The implementation” in this paragraph means the stipulation of the time, the mechanism for and the total increase in the capital not exceeding the maximum limits stipulated by the GMS, excluding issues which become the duties of the Board of Directors in increasing shares, such as receiving payments for shares and recording them in the list of shareholders.

Paragraph (3)

Sufficiently clear.

Article 42

Paragraph (1)

Sufficiently clear.

Paragraph (2)

“The total number of shares having valid voting rights” means the quantity of all voting shares already issued by the Company.

“Unless a greater number is required by the articles of association” means the quorum stipulated in the articles of association is higher than the quorum stipulated in this paragraph.

Paragraph (3)

Sufficiently clear.

Article 43

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Letter a

“Shares offered to the Company’s employees” means, among other things, shares issued in the framework of an employee stock option program (ESOP) of the Company with all the rights and obligations attached to the shares.

Letter b

Sufficiently clear.

Letter c

“Re-organization and/or restructuring” means, among other things, a merger, consolidation, acquisition, or compensation for receivables or segregation.

Paragraph (4)

“The fourteen-day period” includes the period for shareholders to acquire shares from other shareholders not using their rights.

Article 44

Paragraph (1)

“to reduce the Company’s capital ” means a reduction in the authorized capital, issued capital and paid-up capital.

The issued and paid-up capital can be reduced by means of redeeming shares already issued for cancellation or by lowering the nominal value of shares.

Paragraph (2)

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Paragraph (1)

“Redemption of shares” means that the shares are withdrawn from circulation for the reduction in the issued capital and paid-up capital.

Paragraph (2)

A redemption of shares is a redemption of shares which causes the shares to be taken out of circulation

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 48

Paragraph (1)

What is meant by this provision is that the Company is only permitted to issue shares to the owners, and the Company may not issue bearer shares.

Paragraph (2)

The relevant authorities are the agencies which according to the law are authorized to supervise Company business activities in a certain field; for example Bank Indonesia is authorized to supervise companies in the banking sector, the Minister of Energy and Minerals is authorized to supervise companies in the energy and mining sector.

Paragraph (3)

‘May not exercise their rights as shareholders’, refers to rights such as the right to be registered in the shareholders register, the right to attend and to vote in the GMS, or the right to receive a dividend.

Article 49

Sufficiently clear.

Article 50

Paragraph (1)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

The amount paid up must be at least the same as the total nominal value of the shares.

Letter d

Sufficiently clear.

Letter e

Sufficiently clear.

Paragraph (2)

“A special register” means one of the sources of information regarding the share ownership and interests of members of the Board of Directors and Board of Commissioners of the Company in the relevant Company or in any other Company, so that any possibility of conflict of interest can be minimized.

Family members are wives or husbands and their children.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

‘Unless otherwise provided’ does not mean that a Publicly Owned Company is not obligated to prepare a shareholders register and special register, but the prevailing laws and regulation on capital markets can determine the criteria for information which must be included in the shareholders register and special register.

Article 51

The type of evidence of share ownership is to be determined in the Articles of Association according to the need.

Article 52

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

According to this provision, shareholders are not permitted to divide the rights of one share at will.

Paragraph (5)

Sufficiently clear.

Article 53

Paragraph (1)

A classification of Shares is a classification of shares based on shared nature.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Common shares are shares that have voting rights to adopt resolutions in the GMS regarding all matters related to management of the Company, the right to receive dividends and receive assets remaining after liquidation.

The voting rights possessed by holders of common shares can also be possessed by holders of other classifications of shares.

Paragraph (4)

The various classifications of shares do not always show that the classifications are independent, separate from one another, but can be a combination of 2 (two) or more classifications of shares.

Article 54

Paragraph (1)

A fraction of a share is only possible if it is regulated in the articles of association.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Paragraph (1)

“A deed” means either a deed made before a notary or a privately made deed.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

“Notify the Minister of a change in the composition of shareholders”, includes notification of a change in the composition of shareholders as a result of an inheritance, Acquisition or Segregation.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 57

Paragraph (1)

Sufficiently clear

Paragraph (2)

“Transfer of rights by law” includes, among others, the transfer of rights as a result of an inheritance or a Merger, Consolidation or Segregation.

Article 58

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

What is meant by “applicable 1 time (once) only” is that the articles of association of the Company cannot include a requirement to offer shares more than once before offering the shares to a third party.

Article 59

Sufficiently clear.

Article 60

Paragraph (1)

Ownership of shares as movable goods grants rights in *rem* to the owner. The rights can be sustained against any person.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The provision is intended to enable the Company or other interested parties to acknowledge the status of the shares.

Paragraph (4)

The provision re-affirms the legal principle that the transfer of voting rights cannot be separated from the ownership of shares. Otherwise, other rights besides voting rights can be arranged in an agreement between the shareholder and the collateral holders.

Article 61

Paragraph (1)

In principle, the lawsuit contains a request to the Company to cease the detrimental actions and take certain measures to overcome the consequences that have already occurred and to prevent similar actions in the future.

Paragraph (2)

Sufficiently clear.

Article 62

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

Company's net assets are the net assets according to the latest balance sheet, which has been ratified for the last 6 (six) months.

Letter c

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Article 63

Sufficiently clear.

Article 64

Paragraph (1)

Sufficiently clear.

Paragraph (2)

What is meant by 'unless provided otherwise in the prevailing the laws and regulations' is that if the prevailing laws and regulations determine , that the work plan is approved by the GMS, the articles of association cannot regulate that the work plan is to be approved by the Board of Commissioners or vice versa. Also, if the prevailing laws and regulations regulate that the work plan must be approved by the Board of Commissioners or GMS, the articles of association cannot determine that it is sufficient for the work plan to be conveyed by the Board of Directors to the Board of Commissioners or GMS.

Paragraph (3)

Sufficiently clear.

Article 65

Sufficiently clear.

Article 66

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Letter a

Sufficiently clear.

Letter b

A report on the Company's activities includes a report on the outcomes or performance of the Company.

Letter c

Sufficiently clear.

Letter d

Details of problems include disputes or court cases involving the Company.

Letter e

Sufficiently clear.

Letter f

Sufficiently clear.

Letter g

Sufficiently clear.

Paragraph (3)

A financial accounting standard is a standard determined by the Indonesian Accountants Professional Organization recognized by the Government of the Republic of Indonesia.

Paragraph (4)

Sufficiently clear.

Article 67

Paragraph (1)

What is meant by ‘signing of the annual report’ is acknowledgement of accountability by the members of the Board of Directors and members of the Board of Commissioners in conducting their duties.

In the event that the annual report of the Company must be audited by a public accountant, the annual report to be audited is the annual report containing the audited financial statement.

Paragraph (2)

A reason in writing is to be used by the GMS as one of their considerations when evaluating the report.

If a member of the Board of Directors or the Board of Commissioners does not provide his/her reasons, because, among others, the member has passed away, the reason is to be declared by the Board of Directors in a separate letter attached to the annual report.

Paragraph (3)

Sufficiently clear.

Article 68

Paragraph (1)

The obligation to audit the financial report by a public accountant depends on the nature of the Company.

The obligation to have the financial report audited by an external supervisor is acceptable given the assumption that the public’s trust must be satisfied. This also applies to a Company which expects to raise funds from the capital markets for financing.

Letter a

What is meant by ‘the Company’s business activities are related to the mobilization and / or use of public funds’, includes, among others, banks, insurance companies and mutual fund companies.

Letter b

Promissory notes include, among others, bonds

Letter c

Sufficiently clear.

Letter d

See elucidation of Article 7 (7) letter a.

Letter e

Sufficiently clear.

Letter f

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

The purpose of publication is for accountability to the public and transparency.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Article 69

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The financial statement must reflect the actual condition of the assets, liabilities, capital and business proceeds of the Company. The Board of Directors and Board of Commissioners are fully responsible for the accuracy/truth of the content of the Company's financial statement.

Paragraph (4)

Sufficiently clear.

Article 70

Paragraph (1)

Net profit is profit of the current year after the deduction of tax.

Paragraph (2)

Positive profit balance is net profit of the Company of the current year, which covers the losses of the Company accumulated from the previous financial years.

Paragraph (3)

The Company sets up a statutory reserve fund and other reserve funds. The reserve fund as meant in paragraph (1) is a statutory reserves fund. Statutory reserves are certain amounts that must be set aside by the Company every financial year, which are used to cover possible future losses of the Company. Obligatory reserves need not always be in the form of cash, but can also be other kinds of assets which can be disbursed easily and cannot be distributed as dividends. 'Other reserves' are reserves excluding the obligatory reserves, which can be used for various purposes of the Company, such as business expansion, dividends, social and other purposes.

The provision requiring the reserve fund to amount to at least 20% (twenty percent) of the issued and paid up capital is deemed to be a proper amount for the obligatory reserves.

Paragraph (4)

Sufficiently clear.

Article 71

Paragraph (1)

A decision of the GMS as meant in this paragraph must satisfy the interests of the Company and be reasonable.

The decision of the GMS can determine the net profit to be used in part or entirely for the distribution of dividends to the shareholders, reserve funds and/or other allocations, such as gratuities (*tantieme*) paid to the members of the Board of Directors and Board of Commissioners as well as a bonus for employees.

Any gratuity (*tantieme*) or bonus related to the Company's performance is to be budgeted and calculated as a cost.

Paragraph (2)

Net profit is the total amount of net assets in the current financial year after the deduction of accumulated losses of the Company from the previous financial year.

Paragraph (3)

If the net profit of the Company in the current financial year does not cover the accumulated losses of the Company from the previous financial year, the Company may not distribute a dividend because the Company still has a negative net profit balance.

Article 72

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

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

The interim dividend which has been distributed is Rp 1,000 (one thousand Rupiah) per share. However, the company suffers a loss and does not have a positive profit balance so that no dividend can be distributed. Therefore, the amount which must be returned is Rp 1,000 (one thousand Rupiah) per share.

If the company suffers a loss but has retained earnings and a positive profit balance such that, for example, GMS determines a dividend in the amount of Rp 200 (two hundred Rupiah) per share, the share which must be returned is Rp 1,000 (one thousand Rupiah) minus Rp 200 (two hundred Rupiah), or Rp 800 (eight hundred Rupiah).

Paragraph (6)

Sufficiently clear.

Article 73

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Claiming a dividend means the total nominal value of the dividend, excluding interest.

Paragraph (3)

The total amount of dividends which have not been collected and become rights of the company will be recorded under the Company's miscellaneous income.

Article 74

Paragraph (1)

This provision aims to establish a harmonious, balanced and appropriate corporate relationship with the environment, the values, norms and culture of the local communities.

'A Company that conducts business activities in the field of natural resources' is a company which whose businesses activities involve managing and utilizing natural resources.

'A Company that conducts business activities related to natural resources' is a company which does not manage or utilize natural resources but conducts business activities which may have an impact on the function of potential natural resources.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

'Will be liable to sanctions in accordance with the prevailing laws and regulations' means he/she will be liable to any sanctions provided under the related prevailing laws and regulations.

Paragraph (4)

Sufficiently clear.

Article 75

Paragraph (1)

Sufficiently clear.

Paragraph (2)

The provision in this paragraph is related to the right of shareholders to obtain information related to the agenda of the meeting, without reducing the right of the shareholders to obtain other information related to the rights of shareholders provided under this Law, among others the right of shareholders to see the shareholders register and special register as referred to in Article 50 paragraph (4), as well as the right to obtain materials for the meeting after a summons to the GMS as referred to in Article 82 paragraph (3) and (4).

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 76

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

‘The provision set out in paragraph (3)’ is that the GMS must be held within the territory of the Republic of Indonesia.

Paragraph (5)

Sufficiently clear.

Article 77

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

‘Approved and signed’ means approved and signed either physically or electronically.

Article 78

Paragraph (1)

‘Other GMS’ in practice means a so-called extraordinary GMS.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 79

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

‘The reason for convening a GMS’ is, among others because the Board of Directors do not convene an annual GMS until the determined date or term of members of the Board of Directors and/or members of the Board of Commissioners will expire.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear

Paragraph (6)

Sufficiently clear.

Paragraph (7)

Sufficiently clear.

Paragraph (8)

Sufficiently clear.

Paragraph (9)

Sufficiently clear.

Paragraph (10)

Sufficiently clear.

Article 80

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

‘The ruling of the chairman of the district court regarding the quorum and provisions on the requirements for adopting resolution of the GMS’ only applies to the third GMS. The quorum and provisions on the requirements for adopting resolutions of the GMS for the first and second GMS refer to the provisions of Article 86, Article 87, Article 88, and Article 89 or the articles of association of the Company.

‘The form of GMS’ is the annual or other GMS.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

‘Final and have permanent and binding legal force’ means that the ruling cannot be appealed, appealed to, or re-considered (*peninjauan kembali*) by the Supreme Court. This provision is to avoid the postponement of the GMS.

Paragraph (7)

The possible legal act which can be attempted if the court rejects the request is only an appeal to the Supreme Court; a re-consideration (*peninjauan kembali*) by the Supreme Court cannot be attempted.

Paragraph (8)

Sufficiently clear.

Article 81

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Summoning the GMS is an obligation of the Board of Directors. However, the Board of Commissioners may summon the GMS if the Board of Directors did not convene the GMS as stipulated in Article 79 paragraph (6), the Board of Directors is absent or there is a conflict of interest between the Board of Directors and the Company.

Article 82

Paragraph (1)

‘The 14 (fourteen) day period’ is the minimum period for summoning to a meeting. Therefore, the articles of association cannot determine a period shorter than 14 (fourteen) days, except for the second or third meeting in accordance with the provisions of this Law.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 83

Paragraph (1)

The announcement is intended to provide an opportunity for shareholders to recommend to the Board of Executive Directors any addition to the agenda of the GMS.

Paragraph (2)

Sufficiently clear.

Article 84

Paragraph (1)

‘Unless otherwise stipulated in the articles of association’ means in the event that the articles of association issue a share without the right to vote. If the articles of association do not determine such issues, every share issued is deemed to have one vote.

Paragraph (2)

Under this provision, shares owned by the Company, directly or indirectly, will have no voting rights and will not be counted in determining the quorum.

Letter a

‘Owned by the Company itself’ means that it is owned whether because of an ownership relationship, re-purchase, or a pledge.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Article 85

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The provision in this paragraph is a manifestation of the principle of deliberation to reach a consensus recognized under this Law. Therefore, split vote is not permitted.

For a Publicly Owned Company, different votes issued by custodian banks or securities companies representing shareholders in mutual funds do not constitute a split vote as meant in this paragraph.

Paragraph (4)

In determining the quorum for the GMS, shares of shareholders represented by members of the Board of Directors, members of the Board of Commissioners and employees of the Company as proxies are counted, but are not entitled to vote as proxies of the shareholders.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Paragraph (7)

Sufficiently clear.

Article 86

Paragraph (1)

A waiver of the provision of this paragraph is only possible for matters regulated under this Law. The articles of association cannot determine a quorum which is less than that regulated under this Law.

Paragraph (2)

If the quorum for the first GMS is not reached, the meeting must still be opened and then closed and the minutes of the meeting will state that the first GMS could not be continued because a quorum was not reached and consequently, a second GMS can be summoned.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

If the quorum for the second GMS is not reached, the GMS must still be opened and then closed and the minutes of the GMS will state that the second GMS could not be continued because a quorum was not reached and consequently, a request to the head of the district court to rule on the quorum for the third GMS can be submitted

Paragraph (6)

If the chairman of the district court is absent, the ruling can be made by other officials representing the head of the district court.

Paragraph (7)

‘Be final and have permanent and binding legal force’ means that the ruling cannot be appealed, appealed to the Supreme Court or re-considered by the Supreme Court.

Paragraph (8)

Sufficiently clear.

Paragraph (9)

Sufficiently clear.

Article 87

Paragraph (1)

‘Deliberation to reach a consensus’ means that it is the result of an agreement approved by the shareholders present or represented in the GMS.

Paragraph (2)

‘Approved by more than ½ (one half)’ means that the proposal on the agenda of the meeting must be approved by more than ½ (one half) of the total votes cast. If there are 3 (three) proposals or candidates and none of them obtain a vote of more than ½ (one half), voting on the 2 (two) proposals or candidates with the highest votes must be repeated so that one of the proposals or candidates obtains more than ½ (one half) of the votes.

Article 88

Sufficiently clear.

Article 89

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

‘A greater number for the quorum and/or further requirements for adopting resolutions in the GMS’ means greater than the number specified in this paragraph but not greater than the provision of paragraph (1).

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 90

Paragraph (1)

The signing by the chairman of the meeting and at least 1 (one) shareholder appointed from among and by the participants at the GMS is intended to ensure the certainty and truth of the minutes of the GMS.

Paragraph (2)

Sufficiently clear.

Article 91

‘Adopt resolutions outside a GMS’ means a so called circular resolution in practice.

This method of adopting a resolution is conducted without convening the GMS physically, but the decision is made by sending the written proposal to be resolved to all the shareholders and the proposal is must be approved in writing by all the shareholders.

A ‘binding resolution’ is a resolution which has the same legal power as a resolution of the GMS.

Article 92

Paragraph (1)

This provision assigns the Board of Directors to manage the Company, including among other things, the day to day management of the Company.

Paragraph (2)

‘The policies that are considered appropriate’ means policies, which among other things are based on expertise, opportunities and what is customary in similar businesses.

Paragraph (3)

Sufficiently clear

Paragraph (4)

Sufficiently clear

Paragraph (5)

Sufficiently clear

Paragraph (6)

The Board of Directors as the organ which manages the Company understands clearly the needs of the Company. Therefore, if the GMS does not determine the duties and authorities of the members of the Board of Directors, it is reasonable that they will be determined by the Board of Directors itself.

Article 93

Paragraph (1)

The 5 (five) year period starts from the date upon which he/she is declared to be at fault under a court ruling with permanent and binding legal force which causes the Company to be declared bankrupt, or if he/she is sentenced, starts from the date upon which he/she completed the sentenced.

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

‘The financial sector’ includes, among others, banks and non-bank financial

institutions, capital markets and other sectors related to the collection and management of public funds.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

‘A document’ is a statement letter made by a candidate for the Board of Directors regarding the requirement as meant in paragraph (1) and letter from the authorized agency in relation to the requirements as meant in paragraph (2).

Article 94

Paragraph (1)

The authority of the GMS cannot be delegated to other Company’s organs or other parties.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The requirements for the appointment of members of the Board of Directors for a ‘specified term’ is intended so that the members of the Board of Directors whose term of office has expired will not automatically continue in their position unless they are re-appointed under a GMS resolution. For example, for a term of 3 (three) or 5 (five) years as of the date of appointment, as of the expiry of the term, the former members of the Board of Directors are no longer entitled to act for and on behalf of the Company, unless they are re-appointed by the GMS.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Paragraph (7)

‘Changes to the members of the Board of Directors’ includes any changes because of the

re-appointment of the members of the Board of Directors.

Paragraph (8)

A 'request' is a request for approval of the amendments to the articles of association as meant in Article 21 paragraph (2).

The "notification" is notification regarding the amendment to the articles of association as meant in Article 21 paragraph (3) and regarding other Company data, which must be notified to the Minister in accordance with the provisions of this Law.

Paragraph (9)

Sufficiently clear.

Article 95

Paragraph (1)

The appointment of a member of the Board of Directors will become void by law when other members of the Board of Directors or the Board of Commissioners become aware of the violation of the provision in Article 93 based on valid evidence, and at that time the relevant member of the Board of Directors must be notified in writing.

Paragraph (2)

"Other members of the Board of Directors" are members of the Board of Directors other than those whose appointments are void and are authorized to represent the Board of Directors in accordance with the articles of association. If there are none, the Board of Commissioner will arrange the publication.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 96

Paragraph (1)

The "amounts of the salaries and allowances of members of the Board of Directors" means the amount of salary and allowances of each member of the Board of

Directors.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 97

Paragraph (1)

Sufficiently clear.

Paragraph (2)

“Full responsibility” means taking due care of the Company thoroughly and diligently.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Letter d

“Taking measures to prevent the loss from occurring or continuing” also includes measures to obtain information regarding the management action which may cause losses, such as through a meeting of the Board of Directors.

Paragraph (6)

If an action of the Board of Directors causes the Company to suffer losses, the qualified shareholders as governed in this paragraph can represent the Company to file a claim or lawsuit against the Board of Directors in court.

Paragraph (7)

The lawsuit filed by the Board of Commissioners is for the purposes of the Board of Commissioners carrying out its supervisory function over the management of the Company conducted by the Board of Directors; in filing the lawsuit, the Board of Commissioners does not have to act together with the other members of the Board of Directors and this authority of the Board of Commissioners shall not be limited only to a case where all the members of the Board of Directors have a conflict of interest.

Article 98

Paragraph (1)

Sufficiently clear.

Paragraph (2)

This Law basically adopts a collegial representative system, which means that each member of the Board of Directors is authorized to represent the Company. However, for the interests of the Company, the articles of association can stipulate that the Company is represented by certain members of the Board of Directors.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

“Must not contradict this Law” means, for example, that the GMS cannot resolve that the Board of Directors can put up as collateral or transfer most of the Company’s assets based only on the approval of the Board of Commissioners or the GMS with a quorum of less than $\frac{3}{4}$ (three fourths).

“Must not contradict the articles of association” means, for example, the GMS resolves that to borrow money in the amount of more than Rp. 1,000,000,000.00 (one billion rupiahs), the Board of Directors must obtain approval from the Board of Commissioners.

The GMS is not authorized to resolve that for borrowing money exceeding Rp. 500,000,000.00 (five hundred million rupiahs), the Board of Directors must obtain approval from the Board of Commissioners without first amending the provision of the articles of association.

Article 99

Sufficiently clear.

Article 100

Paragraph (1)

Letter a

The register of shareholders and the special register are in accordance with the provision of Article 50.

Minutes of the GMS and minutes of meetings of the Board of Directors must contain any matters discussed and decided in each meeting.

Letter b

Sufficiently clear.

Letter c

“Other corporate documents” are, among others, minutes of meetings of the Board of Commissioners, or corporate licenses.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 101

Any gain of and change to the share ownership must be reported. The report of the Board of Directors on this matter is to be recorded in the special register as governed in Article 50 paragraph (2).

For “their family members”, see the elucidation of Article 50 paragraph (2).

Article 102

Paragraph (1)

“The company assets” are all goods, movable or immovable, tangible or intangible, belonging to the company.

“In one or more related or unrelated transactions” is one or more transactions which in total exceed 50% (fifty percent).

Valuation of the 50% (fifty percent) of the net assets is based on the book value according to the latest balance ratified by a GMS.

Paragraph (2)

Unlike an asset transfer transaction, there is no time restriction on an encumbrance of the Company’s assets as security for a loan as provided in paragraph (1) letter b, but if the total Company assets are put up as security for a certain period it must be complied with.

Paragraph (3)

“Transfer of or encumbrance of the Company’s assets as security” is, for example, the sale of a house by a real estate company, sale of securities between banks, and sale of inventory by a distribution or trading company.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 103

“A Power of attorney” is a particular authorization for a certain action stated in a power of attorney.

Article 104

To prove the fault or negligence of a member of the Board of Directors, a lawsuit is filed in a commercial court in accordance with the provision of the Law on Bankruptcy and Suspensions of Payment.

Article 105

Paragraph (1)

The GMS resolution to dismiss a member of the Board of Directors can be adopted for the reason that the relevant member is no longer qualified to be a member of the Board of Directors as stipulated in this Law, such as having committed an action which caused a loss to the Company or for any other reason deemed appropriate by the GMS.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The defense as meant in this provision must be provided in writing.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Article 106

Paragraph (1)

Considering that the dismissal of members of the Board of Directors by the GMS will take some time, while the Company's interest cannot be delayed, the Board of Commissioners, as the supervisory organ, is authorized to temporarily suspend the member of the Board of Directors.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

The GMS is preceded by a notice of the GMS from the Company organ that temporarily suspended the member of the Board of Directors.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Paragraph (7)

Sufficiently clear.

Paragraph (8)

Sufficiently clear.

Paragraph (9)

Sufficiently clear.

Article 107

Letter a

The procedure for the resignation of a member of the Board of Directors as regulated in the articles of association is by submitting a resignation request with a certain time limit. After that time limit, the member of the Board of Directors may quit from his position without having to obtain approval from the GMS.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Article 108

Paragraph (1)

Sufficiently clear.

Paragraph (2)

“The company’s best interests in accordance with the Company’s purposes and objectives” means that the supervision and advice from the Board of Commissioners is not for a certain party or group, but for the total interest of the Company in accordance with the Company’s purposes and objectives.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Unlike the Board of Directors, in which every member of the Board of Directors may act individually in performing the tasks of the Board of Directors, members of the Board of Commissioners cannot act individually in performing the tasks of the Board of Commissioners, unless it is based on a decision of the Board of Commissioners.

Paragraph (5)

A Company the business activities of which include mobilizing and/or managing public

funds, a Company that issues promissory notes to the public, or a Publicly Owned Company requires supervision by a larger number of members of the Board of Commissioners because they are related to the interests of the public.

Article 109

Sufficiently clear.

Article 110

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

See elucidation Article 93 (1) letter c.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

A document is a written statement made by candidate members of the Board of Commissioners in relation to the requirements in paragraph (1) and documents from the relevant institution in relation to the requirements in paragraph (2).

Articles 111

Sufficiently clear.

Article 112

Paragraph (1)

“Another member of the Board of Commissioners” means another member of the Board of Commissioners besides the member of the Board of Commissioners whose appointment is void by law.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 113

Sufficiently clear.

Article 114

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The provision in this paragraph confirms that if a member of the Board of Commissioners was at fault or negligent in performing his/her duties and this caused a loss to the company because of its management by the Board of Directors, the member of the Board of Commissioners will also be responsible to the extent of his/her fault and/or negligence.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Article 115

Sufficiently clear.

Article 116

Letter a

The minutes of the Board of Commissioners meeting must contain everything discussed and resolved at the meeting.

“Copies” are copies of the minutes of the Board of Commissioners meeting because the originals are kept by the Board of Directors as meant in Article 100.

Letter b

Every change in the ownership of shares must also be reported.

For the meaning of “their family members”, please see the elucidation of Article 50 paragraph (2).

Letter c

The reports of the Board of Commissioners regarding this issue are to be recorded in the special register as meant in Article 50 paragraph (2).

Article 117

Paragraph (1)

“To approve” means approval in writing from the Board of Commissioners.

“To assist” means the action of the Board of Commissioners to accompany the Board of Directors in performing certain legal acts.

The approval or assistance of the Board of Commissioners given to the Board of Directors in performing certain legal acts as meant in this paragraph does not constitute acts of management.

Paragraph (2)

“A legal act will remain binding on the Company” means that a legal act performed without the approval by the Board of Commissioners as required by the provisions of the articles of association will remain binding on the Company, unless it can be proved that the other party in that legal act was not acting in good faith. The provision as referred to in this paragraph may give rise to personal liability of the members of the Board of Directors in accordance with the provisions of this Law.

Article 118

Paragraph (1)

The intention of this provision is to provide authorization to the Board of Commissioners to handle the management of the company, in the event that the members of the Board of Directors are absent.

“Under certain circumstances” are among others, the conditions as meant in Article 99

paragraph (2) letter b and Article 107 letter c.

Paragraph (2)

Sufficiently clear.

Article 119

Sufficiently clear.

Article 120

Paragraph (1)

Sufficiently clear.

Paragraph (2)

According to the code of good corporate governance, an Independent Commissioner is a commissioner from an external party.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 121

Paragraph (1)

The “committee” means, among others, the audit committee, the remuneration committee or the nomination committee.

Paragraph (2)

Sufficiently clear.

Article 122

Sufficiently clear.

Article 123

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

In the procedures for converting shares, the reasonable price of shares of the merging companies and reasonable price of the company receiving the merger are stipulated to determine the share exchange ratio for the share conversion.

Letter d

In this case, the draft amendment to the articles of association will only be required as part of the recommendation if the merger changes the articles of association.

Letter e

'The Last 3 Financial Years of the company' is the book which cover the whole 36 (thirty six) months.

Letter f

Sufficiently clear.

Letter g

Sufficiently clear.

Letter h

Sufficiently clear.

Letter i

Sufficiently clear.

Letter j

Sufficiently clear.

Letter k

Sufficiently clear.

Letter l

Sufficiently clear.

Letter m

Sufficiently clear.

Letter n

Sufficiently clear.

Letter o

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

‘Certain companies’ are companies having special businesses, among others, bank financial institutions and non-bank financial institutions.

‘Relevant authorities’ is among others Bank Indonesia in the merger of a banking company.

Paragraph (5)

Sufficiently clear.

Article 124

Sufficiently clear.

Article 125

Paragraph (1)

The acquisition as meant in this Article does not reduce the provision as meant in Article 7.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

‘The Acquiring Party’ means a company, other legal entity which is not a company, or individuals.

Paragraph (6)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Letter d

In the share conversion procedures, the reasonable price for shares of the acquired companies and reasonable price for the shares being exchanged are stipulated to determine the share exchange ratio for the share conversion.

Letter e

Sufficiently clear.

Letter f

Sufficiently clear.

Letter g

Sufficiently clear.

Letter h

Sufficiently clear.

Letter i

Sufficiently clear.

Letter j

Sufficiently clear.

Letter k

Sufficiently clear.

Paragraph (7)

The acquisition of shares of another company directly from the shareholders does not necessarily need to be preceded by preparing a draft acquisition but it can be directly processed through negotiation or agreement between the party who will acquire the shares and the shareholders while observing the articles of association of the acquired company.

Paragraph (8)

Sufficiently clear.

Article 126

Paragraph (1)

This provision emphasizes that a merger, consolidation, acquisition or segregation cannot be performed if it will be detrimental to certain parties' interests.

Subsequently, various kinds of monopoly and monopsony which are detrimental to the public must be avoided in the merger, consolidation, acquisition or segregation.

Paragraph (2)

Shareholders who do not agree to the consolidation, acquisition or segregation are entitled to ask the company to purchase their shares in accordance with the reasonable price for shares of the company as meant in the elucidation of Article 123 paragraph (2) letter c and Article 125 paragraph (6) letter d.

Paragraph (3)

Sufficiently clear.

Article 127

Paragraph (1)

Sufficiently clear.

Paragraph (2)

The announcement is intended to provide an opportunity to the related parties to understand the plan and raise objections if it is detrimental to their interests.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Paragraph (7)

Sufficiently clear.

Paragraph (8)

Sufficiently clear.

Article 128

Sufficiently clear.

Article 129

Sufficiently clear.

Article 130

Sufficiently clear.

Article 131

Sufficiently clear.

Article 132

Sufficiently clear.

Article 133

The announcement is intended to inform the interested third party to acknowledge that

the merger, consolidation or acquisition has been performed.

In this case, the announcement must be posted no later than 30 (thirty) days as of the date of:

- a. approval from the Minister with regard to the amendments to the articles of association, in the case of a merger;
- b. the Minister's receipt of the notification of the amendments to the articles of association as meant in Article 21 paragraph (3) or without attaching the amendments to the articles of association;
- c. legalization from the Minister of the deed of establishment of the company in the case of a consolidation.

Article 134

Sufficiently clear.

Article 135

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

'Non-pure Segregation' is well known as a spin off.

Paragraph (2)

'The transfer by law' is a transfer on the basis of general title and therefore, it does not need a deed of transfer.

Paragraph (3)

Sufficiently clear.

Article 136

Sufficiently clear.

Article 137

Sufficiently clear.

Article 138

Paragraph (1)

Prior to submitting the application for an investigation of the company, the applicant

must have requested the required data or information directly from the company. If the company refuses or does not fulfill the request, this provision provides actions which can be used by the applicant.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Article 139

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

An 'expert' means someone having expertise in the field which will be audited.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

'All documents' are all books, notes and letters related to the activities of the company.

Paragraph (6)

Sufficiently clear.

Paragraph (7)

Sufficiently clear.

Article 140

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Based on the report containing the results of the investigation in this paragraph, the applicant may determine the further stance of the company.

Article 141

Paragraph (1)

The Chairman of the District Court will stipulate the investigation costs for the investigator based on the expertise level of the investigator and financial capability of the company as well as the scope of the company.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The reimbursement of compensation for all or part of the investigation is stipulated by the court considering the investigation's results.

Article 142

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

Sufficiently clear.

Letter d

Sufficiently clear.

Letter e

Sufficiently clear.

Letter f

‘The revocation of the Company’s business license so that the Company is required to carry out its liquidation’ is a provision which will not enable the company to continue its business in other fields after the business license is revoked, for instance, a banking business license, an insurance business license.

Paragraph (2)

Different from the dissolution of a company as the result of a merger or consolidation, which do not need to be followed by liquidation, the dissolution of a company based on the provision in paragraph (1) must always be followed by liquidation.

Letter a

‘Liquidation performed by a receiver’ is liquidation, which is particularly performed in the event that the company is dissolved on the basis of the provision of paragraph (1) letter e.

Letter b

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

By appointing liquidator, this does not mean that members of the Board of Directors and Board of Commissioners are dismissed unless the GMS dismiss them.

The party authorized to suspend and supervise the liquidator is the Board of Commissioners in accordance with the provisions in the articles of association.

Article 143

Paragraph (1)

Since the dissolved company is still recognized as a legal entity, the company can be declared bankrupt and the liquidator subsequently replaced by a receiver.

The declaration of bankruptcy does not change the status of a company already dissolved and therefore the company must be liquidated.

Paragraph (2)

Sufficiently clear.

Article 144

Sufficiently clear.

Article 145

Sufficiently clear.

Article 146

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

Sufficiently clear.

Letter c

‘On the grounds that the Company is not in a condition to continue its operations’ includes among others:

- a. the company has not undertaken business activities (non-active) for three years or more, which is proved by notification conveyed to the tax authority;
- b. if most of the addresses of the shareholders are unknown even though they have been summoned through advertisements in newspaper, so that the GMS cannot be convened;
- c. if the balance of share ownership in the company of which the GMS is unable to issue legitimate decisions, e.g. 2 (two) shareholders respectively own 50% (fifty percent) of the shares; or
- d. the company’s assets have been reduced such that the company cannot

continue its business activities with the existing assets.

Paragraph (2)

Sufficiently clear.

Article 147

Paragraph (1)

The 30 (thirty) day period is counted as from the date of:

- a. dissolution by the GMS if the company is dissolved by the GMS; or
- b. a legally binding court ruling if the company is dissolved based on a court ruling.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

The 60 (sixty) day period is counted from the date of the last announcement to creditors; for example, if the announcement in the newspapers is published on 1 July 2007, the announcement in the State Gazette of the Republic of Indonesia should be on 3 July 2007, and the date of the last announcement will be 3 July 2007.

Paragraph (4)

Sufficiently clear.

Article 148

Sufficiently clear.

Article 149

Paragraph (1)

Letter a

Sufficiently clear.

Letter b

‘The plan for the distribution of assets resulting from the liquidation’ includes the detailed amounts of the liabilities and the terms of payment.

Letter c

Sufficiently clear.

Letter d

Sufficiently clear.

Letter e

‘Other acts required for the settlement of the assets’ are among others, submission of an application for bankruptcy because the liabilities of the company are worth more than the corporate assets.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 150

Sufficiently clear.

Article 151

Sufficiently clear.

Article 152

Paragraph (1)

‘The liquidator shall be responsible’ means that the liquidator must provide an accountability report on the liquidation which has been conducted.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Paragraph (7)

Sufficiently clear.

Paragraph (8)

Sufficiently clear.

Article 153

Sufficiently clear.

Article 154

Paragraph (1)

Principally, the provisions in this law are applicable to a company undertaking certain activities in the capital markets sector, such as Listed Companies or stock exchanges. However, considering that the activities of the company are of a different nature from the company in general, it is necessary to provide an opportunity for a specific regulation governing the company.

The specific regulation will govern, among other things, the capital remittance system, matters related to the repurchase of the company's shares and voting rights as well as the commencement of the GMS.

Paragraph (2)

'The legal principles regarding Companies' means the legal principles related to the nature of a company and the organs of a company.

Article 155

Sufficiently clear.

Article 156

Sufficiently clear.

Article 157

Paragraph (1)

Sufficiently clear.

Paragraph.(2)

Sufficiently clear.

Paragraph (3)

‘Companies that have obtained legal entity status under the laws and regulations’ are companies having the status of a legal entity and established under the Code of Commerce and Law No. 1 of 1995 regarding Limited Liability Companies.

Paragraph (4)

Sufficiently clear.

Article 158

Based on this provision, the share ownership by another company must have been transferred to other parties subject to the prohibition as meant in Article 36 within 1 (one) year as of the enactment of this law.

Article 159

Sufficiently clear.

Article 160

Sufficiently clear.

Article 161

Sufficiently clear.