

Attachment

Decision of Chairman of of Capital  
Market and Financial Institutions  
Supervisory Agency (CMFISA)

Number : Kep-521/BL/2008

Date : December 12, 2008

**RULE NUMBER IX.E.1: TRANSACTION WITH AFFILIATED PARTIES AND  
CONFLICT OF INTEREST ON CERTAIN  
TRANSACTION**

1. In this rule, what is meant by:
  - a. A Company is an issuer that has conducted Equity Securities Public Offering or a Public Company.
  - b. A Controlled Company is a Company controlled either directly or indirectly by a Company.
  - c. Transaction is any activity or contract made for the purpose of providing or receiving loan, obtaining of, disposing or utilizing asset including for guarantee purposes,
  - d. Transaction with Affiliated Parties is any Transaction done by a Company with its affiliated parties.
  - e. Conflict of Interest is a difference between the economic interests of a Company and the personal economic interests of the director, commissioner, or the major shareholder of the Company in a Transaction that may inflict financial loss upon the Company because of unfair pricing.
  - f. Independent shareholders are a shareholder the shareholders who do not have any Conflict of Interest with respect to a particular Transaction and or who are not an affiliated Party of the director, the commissioner, or the substantial shareholders that have a Conflict of Interest on certain Transaction.
  - g. Employees are all personnel that receive wages and salary from a Company.
2. Affiliated Transaction
  - a. A Company that conducted Transaction with Affiliated Parties must perform disclosure information to Bapepam LK and announce that information to public no later than the end of 2<sup>nd</sup> (second) working days after the Transaction, which among other things, cover:

- 1). Description of the Transaction with Affiliated Parties, which at least include:
    - a). the object of the Transaction involved;
    - b). value of the Transaction involved;
    - c). the name of the parties conducting the Transaction and their relationship with the Company, and
    - d). The nature of the affiliated relation among the parties involved in the Transaction.
  - 2). A summary of independent appraisal report, which at least include:
    - a). the identities of the parties involved;
    - b). the appraisal object;
    - c). the objective of the appraisal;
    - d). assumption;
    - e). approach and appraisal procedures, and
    - f). conclusion and result.
  - 3). An explanation of justification and reason for such proposal of Transaction(s) as opposed to other similar Transaction(s) in which there would be no affiliated Parties involved (if any).
  - 4). The Company's plan, data and other information required in item c point 2) of this rule..
  - 5). A statement from commissioners and directors to declare that all significant information has been disclosed and such information is not misleading.
  - 6). A summary of any expert or independent consultant if deemed necessary.
- b. Transaction with Affiliated Parties below are exempted from requirement in item a of this rule:
- 1). The use of any facilities provided by a Company or a Controlled Company to the commissioner, directors and substantial shareholders who are also Employees, that is directly related to their responsibilities to the Company and is in accordance with the Company policy also has approved by shareholder in a Shareholders' General Meeting.

- 2). Transaction between a Company and its Employees, directors, commissioners as well as with the Employees, directors, commissioners of a Controlled Company, and Transaction between the Controlled Company and its Employees, directors, commissioners as well as with the Employees, directors, commissioners of the Controlling Company with the same terms, as long as such Transaction has been approved by Shareholders' General Meeting. Such Transaction also includes benefit provided by the Company or the Controlled Company to all its Employees, directors, commissioners which has the same terms according to a policy determined by the Company, and/or
- 3). Compensation, including salary, contributions to pension funds and or any other special benefit given to the commissioners, directors, and substantial shareholders who are also Employees, as long as the aggregate of such compensation is disclosed in periodic financial statement.

c. In the events that:

- 1). The value of Transaction with Affiliated Parties meet criteria of material Transaction as stated on rule number IX.E.2 and there is not a Conflict of Interest Transaction, the Company must comply with requirement on rule number IX.E.2 only.
- 2). The Transaction with Affiliated Parties is intended to take over an open company as stated on rule number IX.H.1, the Company must comply with requirement on this rule and requirement on rule number IX.H.1.

3. Transaction with Conflict of Interest

- a. Transaction with Conflict of Interest is any Transaction done by the Company or Controlled Company that its director, commissioner and/or substantial shareholder have a Conflict of Interest.
- b. Transaction with Conflict of Interest must first be approved by independent shareholders or their authorized representative in Shareholders' General Meeting as described in this rule. Such approval must be confirmed in the form of notarized deeds.
- c. Transaction with Conflict of Interest below are exempted from requirement referred to in item b of this rule:

- 1). The Transaction has been existed before the Company conducts a public offering and this relationship and its continuing nature have been fully disclosed in the initial offering prospectus.
- 2). The relationship and type of Transaction that has occurred after the public offering comply with requirement in this rule, with the condition that term and condition of the Transaction will not inflict loss to Company.
- 3). Sale Transaction that is done by Company through an open auction.
- 4). The use of any facilities provided by a Company or a Controlled Company to the commissioner, director and substantial shareholders who are also Employees, that is directly related to their responsibilities to the Company and is in accordance with the Company policy also has approved by shareholder in a Shareholders' General Meeting.
- 5). Transaction between a Company and its Employees, directors, commissioners as well as with the Employees, directors, commissioners of a Controlled Company, and Transaction between the Controlled Company and its Employees, directors, commissioners as well as with the Employees, directors, commissioners of the Controlling Company with the same terms as long as such Transaction has been approved by Shareholders' General Meeting. Such transactions also include benefit provided by the Company or the Controlled Company to all its Employees, directors, commissioners which has the same terms according to a policy determined by the Company.
- 6). Compensation, including salary, contributions to pension funds and or any other special benefit given to the commissioners, directors, and substantial shareholders who are also Employees, as long as the aggregate of such compensation is disclosed in periodic financial statement.
- 7). The value of such Transaction is less than 0.5% (zero point five percent) of Company's paid in capital as long as the amount of 0.5% (zero point five percent) of Company's paid in capital is no more than Rp.5.000.000.000 (five billion rupiah).

- 8). Transaction that is carried out in order to implement rule and regulation, or court order.
- d. Announcement of a Shareholders' General Meeting
    - 1). The announcement of a general meeting shareholders to approve a Transaction with Conflict of Interest, must cover information required in item f of this rule and be announced as described in item m of this rule.
    - 2). A copy of announcement document referred to in item 1) above, must be submitted to Bapepam LK no later than 2<sup>nd</sup> (second) working days after the publication.
  - e. The Company must submit document to Bapepam LK at the same time with announcement of Shareholders' General Meeting, which at least covers:
    - 1). Information regarding the Transaction as described in item f of this rule,
    - 2). Appraisal report, with condition that the period between the date of appraisal report and the date of Shareholders' General Meeting is no more than 6 (six) months.
    - 3). Data of Company that will be purchased or divested, if the object of Transaction is share, which at least covers:
      - a). audited financial statement for last 2 (two) years, in succession;
      - b). capital structure;
      - c). management structure;if the above-mentioned data are not yet available for Bapepam LK and public.
    - 4). A statement from commissioners and directors to declare that all significant information has been disclosed and such information is not misleading.
    - 5). A summary of any expert or independent consultant, if any.
  - f. Information regarding plan of Transaction with Conflict of Interest and Shareholders' General Meeting that must be disclosed as required in item d of this rule includes:
    - 1). A description of the Transaction, which at least covers:
      - a). object of the Transaction involved;

- b). value of the Transaction involved;
  - c). name of the Parties conducting the Transaction and their relationship with the Company, and
  - d). nature of the Conflict of Interest among the Parties involved in the Transaction.
- 2). A summary of appraisal report, which at least includes:
    - a). identities of the parties involved;
    - b). appraisal object;
    - c). objective of the appraisal;
    - d). assumption;
    - e). approach and appraisal procedures, and
    - f). appraisal result.
  - 3). Date, time and location of the Shareholders' General Meeting.
  - 4). Description about the next Shareholders' General Meeting that will be conducted if the quorum of independent shareholders does not attain in the first meeting, statement on vote requirement in the Transaction plan and number of vote that meet requirement in this rule to approve the Transaction.
  - 5). An explanation of the justification and reason for such Transaction as opposed to other similar Transaction in which there would be no Conflict of Interest.
  - 6). The Company's plan, data, and other information required in item h and item i of this rule.
  - 7). A statement from commissioners and directors to declare that all significant information has been disclosed and such information is not misleading.
  - 8). A summary of any expert's or independent consultant's report if deemed necessary by Bapepam LK.
- g. In the event that there is a change or addition information as described in item f, the information must be announce no later than 2 (two) working days before the Shareholders' General Meeting.
  - h. In the event of material Transaction and or changing of main business activity, the Company must comply with requirement in this rule and also comply with requirement on rule number IX.E.2.

- i. In the event of Open Company Take Over that contains Conflict of Interest, the Company has to comply with requirements as stated in this rule and requirements as stated on rule number IX.E.2.
- j. Prior to Shareholders' General Meeting, the Company must provide statement forms with adequate stamps to be signed by Independent Shareholders, which at least states:
  - 1). individual who signs the stamped statement form is truly an Independent Shareholder, and
  - 2). if, in future, it is proven that the statement is false, the individual who signed the stamped statement form could be sanctioned based on existing rules and regulations.
- k. First and second Shareholders' General Meeting
  - 1). A Transaction which has a Conflict of Interest may be conducted if it has been approved by Independent Shareholders in a Shareholders' General Meeting.
  - 2). The first and second Shareholders' General Meeting referred to in item k point 1 of this rule must be conducted in accordance with requirements in this rule and rule number IX.J.1.

Independent Shareholders' votes may be given directly by the independent shareholders or by their authorized representatives.
  - 3). A third meeting must be conducted in accordance with rule number IX.J.1, provided that:
    - a). The announcements to the public are in compliance with item m of this rule.
    - b). The location of the meeting and the proxy procedures have been conducted by considering the interests of Independent Shareholders.
  - 4). Approval of the Transaction in the third meeting requires approval by Independent Shareholders representing more than 50% of shares owned by Independent Shareholders in attendance.
- l. If a Transaction subject to approval as required in item b does not obtain approval from Independent Shareholders as specified in item k, the Transaction may not be resubmitted in less than 12 (twelve) months from the date on which it was rejected.

- m. Announcements and invitations to Shareholders' General Meeting that are required for the above-mentioned meetings are as follow:
- 1). the announcement period and invitation to Shareholders' General Meeting must be conducted in accordance with rule number IX.J.1. Such announcement must contain information as required in item f. Invitation must be sent by registered mail or fax to the address of shareholders in addition to an invitation published in a newspaper. Such invitation must cover information required in item f and
  - 2). the second and third meeting, must be conducted in accordance with following requirements:
    - a). Time period of second and third Shareholders' General Meeting must comply with rule number IX.J.1.
    - b). The invitation must be announced in 2 (two) Indonesian newspaper, one of which has national wide circulation and the other has circulation in the Company location, with the announcement that a quorum was not attained in the first or second meeting.
- n. The Company must submit the report of result of Transaction with Conflict of Interest to Bapepam LK no later than 2<sup>nd</sup> (second) working days after the Transaction date.
4. By no means undermining criminal stipulation in capital market, Bapepam LK may impose sanction on any violations of this rule, as well as on any Person that causes the violation to occur.

Enacted in : Jakarta  
Date : December, 12, 2008  
Chairman of Capital Market and Financial  
Institution Supervisory Agency  
Signed  
**A. Fuad Rahmany**  
NIP. 060063058

Based on the original documents  
Head of General Affair Division

Signed

**Prasetyo Wahyu Adi Suryo**  
NIP 060076008