

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 40 OF 2007
CONCERNING LIMITED LIABILITY COMPANY

Whereas:

- (a) Whereas the national economy, which is operated on a basis of economic democracy with principles of community, efficiency, justice, sustainability, environmental awareness, independence and safeguards for balanced progress and national economic unity, needs to be supported by firm economic institutions in the context of creating prosperity for society;
- (b) Whereas in the context of improving the development of the national economy and at the same time giving a firm basis for the business world in facing the developments in the world economy and progress in science and technology in the coming era of globalization, the support of a law regulating limited liability companies which can secure the operation of a conducive climate for the business world is deemed necessary;
- (c) Whereas limited liability companies as a pillar of national economic development need to be given a legal basis to spur on national development composed mutual enterprises on the basis of the principle of a family spirit;
- (d) Whereas the Law on Limited Liability Companies No. 1 of 1995 is viewed as no longer in accordance to legal developments and the needs of society and so needs to be replaced with a new law;
- (e) given the above in paragraphs a, b, c, and d, it is necessary to form a Law on Limited Liability Companies.

In view of: Article 5 paragraph (1), Article 20, and Article 33 of the 1945 Constitution

Chapter I - General Provisions

Article 1

In this Act, the following terms have the following meanings:

- (1) Limited Liability Company, hereinafter referred to as a Company, shall mean a legal entity which constitutes a capital venture established by virtue of an agreement, engaging in business

activities with an authorized capital that is divided into shares and which meets the requirements stipulated under this law and its implementing regulations.

- (2) Company Organ shall mean the General Meeting of Shareholders, the Directors, and Board of Commissioners.
- (3) Social and Environmental Responsibility shall mean a Company's commitment to take part in a sustainable economic development to improve the quality of life and environment, which will benefit the Company, as well as the local community and society in general.
- (4) General Meeting of Shareholders, hereinafter referred to as the GMS, shall mean the Company Organ which holds the authority that is not granted to the Directors or Board of Commissioners to the extent specified in this law and/or the Articles of Association.
- (5) Directors shall mean the Company Organ holding the full authority and responsibility to manage the Company in the interests of the Company in accordance to the Company's purposes and objectives and to represent the Company before and out of court in accordance to the provisions of the Articles of Association.
- (6) Board of Commissioners shall mean the Company Organ tasked to undertake supervision in general and/or in particular in accordance to the Articles of Association and to provide advice to the Directors.
- (7) Listed Company shall mean a Public Company or a Company that has undertaken a public offering of shares in accordance to the provisions of the laws and regulations on capital market.
- (8) Public Company shall mean a Company that has met the criteria in regard to the number of shareholders and amount of paid capital in accordance to the provisions of the law and regulation on capital market.
- (9) Merger shall mean the legal act executed by one or more Companies to merge with another existing Company rendering the assets and liabilities of the merging Companies legally assigned to the surviving Company and thereafter the merging Companies' status as legal entities shall cease by operation of the law.
- (10) Consolidation shall mean the legal act executed by two or more Companies to consolidate themselves by establishing a new Company which by law shall receive the assets and liabilities of the consolidating Companies and the legal entity status of the consolidating Companies shall thereupon ceases by operation of the law.
- (11) Acquisition shall mean a legal action executed by a legal entity or individual parties to acquire shares in a Company resulting in the assignment of the control over the Company.
- (12) Partitioning shall mean a legal action executed by a Company to separate the businesses that rendered all of the assets and liabilities of the Company to be legally transferred to two Companies or more or the legal transfer of part of the assets and liabilities of the Company to one Company or more.

- (13) Registered Mail shall mean a letter addressed to the recipient as evidenced by a signed and dated proof of receipt from the recipient.
- (14) Newspaper shall mean the daily newspaper published in the Indonesian language having national circulation.
- (15) Day shall mean calendar day.
- (16) Minister shall mean the minister whose tasks and responsibility includes the field of law and human rights.

Article 2

A Company must have an objective and purpose as well as business activities that are not contradictory to the provisions of the law and regulation, public order, and/or norm.

Article 3

- (1) The shareholders of the Company are not personally liable for any contract entered into on behalf of the Company and are not liable for the Company's losses in excess of the shares that they own.
- (2) The provisions as referred to in paragraph (1) will not apply in the event:
 - (a) the requirements for the Company to become a legal entity have not been or are not fulfilled;
 - (b) the shareholders concerned are directly or indirectly exploiting the Company with ill intent for his/her personal interest;
 - (c) the shareholders concerned are involved in the illegal acts committed by the Company;
or
 - (d) the shareholders concerned have directly or indirectly illegally used the Company's assets, rendering the Company's assets insufficient to settle the Company's debts.

Article 4

The Company is subject to this Law, the Articles of Association, and other provisions of the law and regulations.

Article 5

- (1) A Company shall have a name and domiciled within the territory of the Republic of Indonesia as specified in their Articles of Association.
- (2) A Company shall have a complete address in accordance to their domicile.
- (3) Correspondences and announcements issued by a Company, printed materials, and deeds to which the Company is a party shall bear the Company's full name and address.

Article 6

A Company may be established for a limited or unlimited period as specified in the Articles of Association.

Chapter II - Establishment, The Articles Of Association And Amendments Of The Articles Of Association, Register Of Companies And Announcements

SECTION ONE - ESTABLISHMENT

Article 7

- (1) A Company must be established by 2 (two) parties or more by virtue of a notarial deed drawn up in the Indonesian language.
- (2) Each founder of the Company must subscribe shares at the time of the Company's incorporation.
- (3) The provision as referred to in paragraph (2) shall not apply in the case of a Consolidation.
- (4) A Company shall obtain the status of a legal entity on date of issuance of the Ministerial Decree legalizing the Company as a legal entity.
- (5) In the event after a Company obtains the status of a legal entity the number of shareholders becomes less than 2 (two) parties, then no later than 6 (six) months as of the occurrence of such event the shareholder concerned must transfer part of the shares to other parties or the Company shall issue new shares to other parties.
- (6) In the event that there is still less than 2 (two) shareholders after the time period as referred to in paragraph (5) has lapsed, the shareholder shall be personally liable for all contractual

relationship and losses of the Company, and at the request of a party concerned, a district court may dissolve the Company.

- (7) The provision requiring a Company to be established by 2 (two) parties or more as referred to in paragraph (1), and the provisions in paragraphs (5) and (6) shall not apply to:
 - (a) A Company whose entire shares are owned by the State; or
 - (b) A Company who manages a stock exchange, clearing and security houses, depository and settlement agencies, and other institutions regulated under the Law on Capital Market.

Article 8

- (1) The deed of establishment must set forth the Articles of Association and other information relating to the establishment of the Company.
- (2) Other information as referred to in paragraph (1) must at least contain:
 - (a) the full name, date and place of birth, occupation, residence, and nationality of the founders of the company, or name, domicile and full address as well as the number and date of the Minister's Decree pertaining to the legalization of the Company's founders as legal entities;
 - (b) the full name, date and place of birth, occupation, residence, and nationality of the members of the Directors and Board of Commissioners who were first appointed;
 - (c) the names of shareholders who have subscribed shares, details of the amount of shares and the nominal value of the shares subscribed and paid up.
- (3) In drawing up the deed of establishment, the founders may be represented by other parties by virtue of a power of attorney.

Article 9

- (1) To obtain the Minister's Decree with regard to the legalization of the Company as a legal entity as referred to in Article 7 paragraph (4), the founders shall jointly submit an application to the Minister via the information technology services electronically through the legal entity administration system, by completing a form that shall contain at least:
 - (a) the Company's name and domicile;
 - (b) the Company's duration of establishment;
 - (c) the objective and purpose as well as the business activities of the Company;
 - (d) the amount of authorized capital, subscribed capital, and paid up capital;

- (e) the Company's full address.
- (2) The completion of the form as referred to in paragraph (1) must be preceded by applying for the Company's name.
- (3) In the event that the founders did not submit the application in person as referred to in paragraphs (1) and (2), the founders may grant a power of attorney only to a notary.
- (4) Further provisions pertaining to the procedures for application and the use of Company names shall be regulated under a Government Regulation.

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 no later than 60 (sixty) days as of the date on which the deed of establishment is signed, complete with information regarding the supporting documents.
- (2) Provisions regarding the supporting documents as referred to in paragraph (1) shall be regulated under a Ministerial Regulation.
- (3) In the event the application form as referred to in Article 9 paragraph (1) and the information regarding the supporting documents as referred to in paragraph (1) are already in accordance the provisions of the law and regulation, the Minister shall immediately declare no objection to the corresponding application by electronic means.
- (4) In the event the application form as referred to in Article 9 paragraph (1) and the information regarding the supporting documents as referred to in paragraph (1) are not in accordance with the provisions of the law and regulation, the Minister shall immediately notify the applicant regarding the rejection of the application and the reasons thereof by electronic means.
- (5) Within a period of no later than 30 (thirty) days as of the date of the declaration of no objection as referred to in paragraph (3), the corresponding applicant shall submit the physical application form enclosing the supporting documents.
- (6) In the event all of the requirements as referred to in paragraph (5) have been satisfied, then no later than 14 (fourteen) days thereafter the Minister shall issue an electronically signed decree legalizing the Company.
- (7) In the event the requirements pertaining to the time period and the requisite supporting documents as referred to in paragraph (5) have not been met, the Minister shall immediately provide an electronic notification to the applicant, and the statement of no objection as referred to in paragraph 3 shall 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) Failure to submit the application to obtain the Minister's Decree within the period as referred to in paragraph (1) shall render the deed of establishment void upon the lapse of such time period and a Company that has not yet obtain a legal entity status shall be dissolved by operation of the law and be wound up by the founders.
- (10) The provision regarding the time period as referred to in paragraph (1) shall also apply to re-submitted applications.

Article 11

Further provisions regarding the submission of applications to obtain the Minister's Decree as referred to in Article 7 paragraph (4) for certain regions that do not yet have access to electronic networks or where electronic networks cannot be used shall be regulated under a Minister Regulation.

Article 12

- (1) Legal acts relating to share ownership and deposit performed by prospective founders prior to the establishment of the Company must be recorded in the deed of establishment.
- (2) In the event that the legal acts as referred to by paragraph (1) are set forth in a deed other than an authentic deed, such deed shall be attached to the deed of establishment.
- (3) In the event that the legal acts as referred to by paragraph (1) are set forth in an authentic deed, the deed of establishment of the Company shall also state the number, date and name and domicile of the notary who drew up the authentic deed.
- (4) In the event that the provisions as referred to in paragraphs (1), (2), and (3) have not been met, such legal act shall not give rise to any rights and obligations and shall not bind the Company.

Article 13

- (1) The legal acts performed by the prospective founders in the interest of a Company that has not yet been established shall bind the Company as of the time the Company obtains its status as a

legal entity providing that the first GMS of the Company explicitly states its acceptance or adoption of all rights and obligations arising out of the legal acts performed by the prospective founders or their proxies.

- (2) The first GMS as referred to in paragraph (1) must be convened within a period of no later than 60 (sixty) days as of the time the Company obtains the status of a legal entity.
- (3) The A resolution of the GMS as referred to in paragraph (2) shall be deemed valid if all shareholders with voting rights attended the GMS and the resolutions were unanimously approved.
- (4) In the event that the GMS is not convened within the period as referred to in paragraph (2) or the GMS has not succeeded in adopting the resolution as referred to in paragraph (3), each of the prospective founders performing the legal acts shall be convened personally liable for any consequences arising from such legal acts.
- (5) The GMS approval as referred to in paragraph (2) will not be necessary if the legal act was performed by or has obtained the written approval from all of the prospective founders prior to the establishment of the Company.

Article 14

- (1) Any legal act on behalf of a Company that has not yet obtained the status of a legal entity may only be performed by all members of the Directors together with all of the founders and all of the members of the Board of Commissioners of the Company and all of them will be convened jointly and severally liable for such legal acts.
- (2) In the event that the legal acts as referred to in paragraph (1) are performed by the founders on behalf of a Company that has not yet obtained the status of a legal entity, the founders concerned shall be convened liable for such legal acts and the legal acts shall not bind the Company.
- (3) The legal acts as referred to in paragraph (1) shall by operation of the law become the responsibility of the Company after the Company obtains the status of a legal entity.
- (4) The legal act as referred to in paragraph (2) shall bind and become the liability of the Company after such legal acts have been approved by all of the shareholders through a GMS attended by all of the Company's shareholders.
- (5) The GMS as referred to in paragraph (4) shall be the first GMS that must be convened no later than 60 (sixty) days as of the time the Company obtains the status as a legal entity.

SECTION TWO - THE ARTICLES OF ASSOCIATION AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Paragraph 1 - The 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 domicile;
 - (b) the purposes and objectives and business of the Company;
 - (c) the Company's duration;
 - (d) the amount of the authorized capital, subscribed capital, and paid up capital;
 - (e) the number of shares, classifications of shares - if any - including the number of shares for each classification, the rights attached to each share and the nominal value of each share;
 - (f) the name, position and number of members of the Directors and Board of Commissioners;
 - (g) determination of the venue and procedure for convening a GMS;
 - (h) the procedures for the appointment, replacement, and dismissal of members of the Directors and Board of Commissioners;
 - (i) the procedures for the utilization of profits and distribution of dividends.
- (2) Other than the provisions as referred to in paragraph (1), the Articles of Association may also contain other provisions that are not contradictory to this Act.
- (3) The Articles of Association may not contain:
 - (a) provisions concerning receipt of fixed interest on shares; or
 - (b) provisions concerning the grant of personal benefits to the founders or other parties.

Article 16

- (1) A Company may not use names which:
 - (a) have been validly used by another Company or contain similarity in principle with the name of another Company;
 - (b) contradicts public order and/or the norm;
 - (c) are identical or contain similarity with the names of state institutions, government agencies, or international institutions, unless it is used with the permission of those concerned;

- (d) are not in line with the objective and purpose and business activities or merely indicate the objective and purpose of the Company by forgoing a name identification;
 - (e) contains meaning defining a Company, legal entity, or civil association.
- (2) The name of the Company must be preceded with the phrase “Perseroan Terbatas” (Limited Liability Company) or the abbreviation PT.
 - (3) In the case of a Public Company, other than being subjected to the provisions set forth in paragraph (2), the abbreviation Tbk must be added at the end of the Company’s name.
 - (4) Further provisions regarding the procedures for the use of Company names shall be regulated under a Government Regulation.

Article 17

- (1) A Company shall be domiciled at the municipal or regency area within the territory of the Republic of Indonesia as specified in the Articles of Association.
- (2) The place of domicile as referred to in paragraph (1) shall also constitute the Company’s head office.

Article 18

A Company must state its objective and purpose and business in the Articles of Association of a Company in accordance to the provisions of the law and regulation.

Paragraph 2 - Amendments to the Articles of Association

Article 19

- (1) Amendments to the Articles of Association must be determined by a GMS.
- (2) Agenda items regarding amendments of the Articles of Association must be clearly stated in invitations to a GMS.

Article 20

- (1) The Articles of Association of a Company which has been declared bankrupt cannot be amended except with the consent of the curator.

- (2) The curator's consent as referred to in paragraph (1) must be attached to the application to the Minister for approval of notification of the amendment of the Articles of Association.

Article 21

- (1) Certain amendments to the Articles of Association must obtain the Minister's approval
- (2) Amendments to the Articles of Association as referred to in paragraph (1) shall include:
 - (a) the Company's name and/or domicile;
 - (b) the Company's objective and purpose and business activities;
 - (c) the Company's duration;
 - (d) the amount of the authorized capital;
 - (e) a reduction of the subscribed and paid up capital; and/or
 - (f) a change in the Company's status from a private company to become a Public Company or vice versa.
- (3) It shall be sufficient to inform the Minister of amendments to the Articles of Association other than those as referred to in paragraph (2).
- (4) Amendments to the Articles of Association as referred to in paragraphs (2) and (3) shall be set forth and declared in a notarial deed drawn up in the Indonesian language.
- (5) Amendments to the Articles of Association that are not set forth in the deed of minutes of meeting drawn up by a notary must be set forth in a notarial deed no later than 30 (thirty) days as of the date of the resolution of the GMS.
- (6) Amendments to the Articles of Association may not be set forth in a notarial deed after the lapse of the 30 (thirty) days period as referred to in paragraph (5).
- (7) Application to obtain an approval for the amendment to the Articles of Association as referred to in paragraph (2) must be submitted to the Minister no later than 30 (thirty) days as of the date of the notarial deed containing the amendment to the Articles of Association.
- (8) The provisions as referred to in paragraph (7) shall apply mutatis mutandis to the notification of the amendments to the Articles of Association to the Minister.
- (9) The application to obtain an approval or notification of the amendments to the Articles of Association may not be submitted or submitted to the Minister after the lapse of the 30 (thirty) days period as referred to in paragraph (7).

Article 22

- (1) An application to obtain an approval for the amendments to the Articles of Association with regard to extension of the duration of the Company as determined in the Articles of Association must be submitted to the Minister no later than 60 (sixty) days before the expiry of the Company's duration.
- (2) The Minister shall grant his/her approval for the duration extension request as referred to in paragraph (1) no later than the date when the Company's duration expires.

Article 23

- (1) Amendments to the Articles of Association as referred to in Article 21 paragraph (2) shall enter into effect on the date when the Minister's Decree approving the amendments to the Articles of Association is issued.
- (2) The amendments to the Articles of Association as referred to in Article 21 paragraph (3) shall enter into effect on the date when the receipt for the notification of the amendment to the Articles of Association is issued by the Minister.
- (3) The provisions as referred to in paragraphs (1) and (2) will not apply in the event this law determines otherwise.

Article 24

- (1) A Company whose capital and number of shareholders have met the criteria to become a Public Company in accordance to the provisions of the law and regulation on capital market shall amend its the Articles of Association as referred to in Article 21 paragraph (2) subparagraph f within a period of 30 (thirty) days as of the time it meets such criteria.
- (2) The Directors of a Company as referred to in paragraph (1) must submit a listing statement in accordance to the provisions of the law and regulation on capital market.

Article 25

- (1) Amendments to the Articles of Association pertaining to the change in a Company's status from a private company to a Public Company shall enter into effect on:
 - (a) the effective date when the listing statement is submitted to the capital market supervisory agency for a Public Company; or

- (b) the time a public offer was made for the Company submitting the listing statement to the capital market supervisory agency to undertake a public offer of its shares in accordance to the provisions of the law and regulation on capital market.
- (2) In the event that the listing statement of a Company as referred to in paragraph (1) subparagraph a is rendered ineffective or a Company that has submitted the listing statement as referred to in paragraph (1) subparagraph b has not performed the public offering of shares, the Company must then amend its the Articles of Association again within a period of 6 (six) months as of the date of the Minister's approval.

Article 26

Amendments to the Articles of Association drawn up in the context of a Merger or Acquisition shall enter into effect on:

- (a) the date of the Minister's approval;
- (b) subsequently determined in the Minister's approval; or
- (c) the date of receipt of the notification of the amendment of the Articles of Association by the Minister, or a later date as determined in the deed of Merger or the deed of Acquisition.

Article 27

The application to obtain an approval for the amendments to the Articles of Association as referred to in Article 21 paragraph (2) shall be denied if:

- (a) it is contradictory to the provisions regarding the procedures for the amendment of the Articles of Association;
- (b) the contents of the amendment are contradictory to the provisions of the law and regulation, public order, and/or norm; or
- (c) there is any objection from a creditor against the resolution of the GMS regarding the reduction in capital.

Article 28

Provisions concerning the procedure for submitting applications to obtain a Decree of the Minister with regard to the legalization of a Company as a legal entity, and objections thereto as referred to in

Article 9, Article 10, and Article 11 shall apply mutatis mutandis on the submission of applications to obtain an approval for amendments to the Articles of Association and any objections thereto.

SECTION THREE - COMPANY REGISTER AND ANNOUNCEMENTS

Paragraph 1 - Company Register

Article 29

- (1) The Company Register shall be managed by the Minister.
- (2) The Company Register as referred to in paragraph (1) shall contain data concerning Companies, covering:
 - (a) name and domicile, objective and purpose and business activities, duration, and capital;
 - (b) the Company's full address as referred to in Article 5;
 - (c) the number and date of the deed of establishment and the Minister's Decree concerning the legalization of the Company as a legal entity as referred to in Article 7 paragraph (4);
 - (d) the number and date of deeds of amendment to the Articles of Association and the Minister's approval as referred to in Article 23 paragraph (1);
 - (e) the number and date of deeds of amendment to the Articles of Association and the date of the Minister's receipt of notification as referred to in Article 23 paragraph (2);
 - (f) the name and domicile of the notaries who draws up the deed of establishment and the deeds of amendment to the Articles of Association;
 - (g) the full name and address of the Company's shareholders, members of the Directors and members of the Board of Commissioners;
 - (h) the number and date of the deed of dissolution or number and date of the order of the court concerning the dissolution of the Company that has been notified to the Minister;
 - (i) the expiry of the Company's status as a legal entity;
 - (j) the balance sheet and profit and loss statement for the relevant financial year with respect to Companies that are subjected to the mandatory requirement of going through an audit process.
- (3) The Company's data as referred to in paragraph (2) shall be entered in the Company Register on the same date as the date of:

- (a) the Decree of the Minister regarding the legalization of the Company as a legal entity, or the approval for the amendments to the Articles of Association which requires an approval;
 - (b) the receipt of the notification on the amendments to the Articles of Association which do not require an approval; or
 - (c) the receipt of notification of changes in the Company's data which do not constitute an amendment to the Articles of Association.
- (4) The provisions as referred to in paragraph (2) subparagraph g with regard to the name and address of the Public Companies' shareholders shall be in accordance to the provisions of the law and regulation on capital market.
- (5) The Company Register as referred to in paragraph (1) shall be open to the public.
- (6) Further provisions regarding the Company Register shall be stipulated under a Ministerial Regulation.

Paragraph 2 - Announcements

Article 30

- (1) The Minister shall announce in the Supplement to the State Gazette of the Republic of Indonesia:
- (a) deed of establishment of the Company together with the Minister's Decrees as referred to in Article 7 paragraph (4);
 - (b) deeds of amendment to the Articles of Association of a Company together with the Minister's Decrees as referred to in Article 21 paragraph (1);
 - (c) deeds of amendment to the Articles of Association for which notification has been received by the Minister.
- (2) The announcements as referred to in paragraph (1) shall be made by the Minister no later than 14 (fourteen) days as of the date of the issuance of the Minister's Decrees as referred to in paragraph (1) subparagraphs a and b or as of the receipt of the notification as referred to in paragraph (1) subparagraph c.
- (3) Further provisions regarding the procedure for announcements shall be carried out in accordance to the provisions of the law and regulation.

Chapter III - Capital And Shares

SECTION ONE - CAPITAL

Article 31

- (1) The Companies' authorized capital shall consist of the total nominal value of its shares.
- (2) The provision as referred to in paragraph (1) shall not close off the possibility of legislative provisions on capital market to regulate that the capital consist of Companies having shares without nominal value.

Article 32

- (1) The Companies' authorized capital shall be at least Rp. 50.000.000 (fifty million Rupiah).
- (2) Statutes regulating certain business activities may determine a minimum capital for Companies that is greater than that stipulated under paragraph (1).
- (3) Changes in the amount of authorized capital as referred to in paragraph (1) must be stipulated under a Government Regulation.

Article 33

- (1) At least 25% (twenty five percent) of the authorized capital as referred to in Article 32 must be subscribed and paid up in full.
- (2) The capital subscribed and paid up in full as referred to in paragraph (1) shall be evidenced by a valid proof of deposit.
- (3) Further issuance of shares executed from time to time to increase the subscribed capital must be paid up in full.

Article 34

- (1) Payment deposit for the Company's capital may be made in cash and/or other forms of payment.
- (2) In the event that the Company's capital is deposited in forms other than those referred to in paragraph (1), the value of the payment deposit for the Company's capital shall be evaluated based on a reasonable value as stipulated in accordance to the market price or by an expert who is not affiliated with the Company.
- (3) Deposit payment of the shares made in the form of immovable property must be announced in 1 (one) Newspaper or more within a period of 14 (fourteen) days as of the time the deed of establishment is signed or after the GMS resolved to deposit payment for such shares.

Article 35

- (1) Shareholders and other creditors who have filed claims against a Company may not use its right of claim as compensation for their obligation to deposit payment for the price of the shares that they have subscribed, unless it is done with the GMS' approval.
- (2) The right to collect payment from the Company as referred to in paragraph (1) that may be set off against payment deposit for the shares are the right to collect payments for receivables from the Company incurred due to:
 - (a) the Company having received money or surrendering tangible or intangible goods that have monetary value;
 - (b) a guarantor or provides collateral to secure the Company's debt have fully settled the Company's debt equal to the secured or guaranteed amount; or
 - (c) the Company acted as a guarantor or collateral provider for a third party's debt and the Company has gained benefits in the form of money or goods that have a monetary value and either directly or indirectly has been received by the Company.
- (3) The resolution of the GMS as referred to in paragraph (1) shall be deemed valid if adopted in accordance to the provisions regarding meeting invitations, quorum, and number of votes to amend the Articles of Association as regulated under this law and/or the Articles of Association.

Article 36

- (1) The Company shall be prohibited from issuing shares to be owned by the Company itself or by some other Company that are directly or indirectly owned by the Company.
- (2) The share ownership restriction as referred to in paragraph (1) shall not apply to ownership of shares obtained by virtue of a transfer according to the law, by virtue of a grant, or by virtue of an inheritance grant.
- (3) Shares obtained under the provisions referred to in paragraph (2) must within 1 (one) year as of the date of acquisition be assigned to other parties who are not prohibited from holding shares in the Company.
- (4) In the event that the other Companies referred to in paragraph (1) are securities companies, then the provisions under the law and regulation on capital market shall apply.

SECTION TWO - PROTECTION OF COMPANIES' CAPITAL AND ASSETS

Article 37

- (1) Companies may re-purchase issued shares provided that:
 - (a) the re-purchase of shares does not cause the net assets of the Company to become less than the subscribed capital plus the mandatory reserves set aside; and
 - (b) the total nominal value of all the shares re-purchase by the Company and any pledge of shares or fiduciary security over shares convened by the Company itself or by some other Company whose shares are directly or indirectly owned by the Company does not exceed 10% (ten percent) of the total amount of capital subscribed in the Company unless otherwise provided in the law and regulation on capital market.
- (2) Direct or indirect re-purchases of shares which are contrary to paragraph (1) shall be deemed as void by operation of the law.
- (3) The Directors shall be jointly and severally liable for losses suffered by shareholders in good faith incurred as a result of re-purchases which are void by operation of the law as referred to in paragraph (2).
- (4) Shares re-purchased by Companies as referred to in paragraph (1) may only be possessed by Companies for no later than 3 (three) years.

Article 38

- (1) The re-purchase of shares as referred to in Article 37 paragraph (1) or their subsequent transfer may only be done by virtue of the GMS' approval, unless stipulated otherwise under the law and regulation on capital market.
- (2) The resolution of the GMS setting forth the consent as referred to in paragraph (1) shall be deemed valid if adopted in accordance to the provisions regarding meeting invitations, quorum, and number of approving votes to amend the Articles of Association as provided under this law and/or the Articles of Association.

Article 39

- (1) The GMS may assign the authority to approve to 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 assignment of authority as referred to in paragraph (1) may be extended each for the same period.
- (3) The assignment of authority as referred to in paragraph (1) may be withdrawn by the GMS from time to time.

Article 40

- (1) Shares controlled by a Company due to buy back, transfer in accordance to the law, grant, or by inheritance grant may not be used to cast votes in the GMS and shall not be taken into account in determining the quorum required under the provisions of this law and/or the Articles of Association.
- (2) The shares as referred to in paragraph (1) shall not entitled to any distribution of dividends.

SECTION THREE - CAPITAL INCREASE

Article 41

- (1) Increase of the Company' capital may be done by virtue of the GMS' approval.

- (2) The GMS may assign the authority to approve the implementation of the GMS' approval as referred to in paragraph (1) to the Board of Commissioners for a maximum period of 1 (one) year.
- (3) The transfer of authority as referred to in paragraph (2) may be withdrawn by the GMS from time to time.

Article 42

- (1) The resolution of the GMS to increase the authorized capital shall be deemed valid if adopted in observance of the quorum and approving votes requirements to amend the Articles of Association in accordance to the provisions under this law and/or the Articles of Association.
- (2) The GMS approval to increase the subscribed and paid up capital within the authorized capital limits shall be deemed valid if adopted based on an attendance quorum of more than ½ (half) of the total shares having voting rights and approving votes from more than ½ (half) of the total votes cast, unless a greater number is determined in the Articles of Association.
- (3) The capital increase as referred to in paragraph (2) must be notified to the Minister so that they can be recorded in the Company Register.

Article 43

- (1) All shares issued for the capital increase must first be offered to each shareholders in proportion to their share ownership for the same share classifications.
- (2) In the event that the shares to be issued for the capital increase constitutes share classifications that have never been issued before, a pre-emptive right to buy shall be granted to all of the shareholders in proportion to the shares that they respectively own.
- (3) The offer as referred to in paragraph (1) shall not apply in cases where the share issuance is:
 - (a) directed to the Company's employees;
 - (b) directed to the holders of bonds or other share convertible securities, which have been issued with the consent of the GMS; or
 - (c) done within the context of reorganization and/or restructuring with the consent of the GMS.
- (4) In the event that the shareholders as referred to in paragraph (1) failed to exercise their right to purchase and pay in full 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 the third parties.

SECTION FOUR - REDUCTIONS IN CAPITAL

Article 44

- (1) The A resolution of the GMS to reduce the Company's capital shall be deemed valid if it is adopted in observance of the quorum requirements and the required number of approving votes to amend the Articles of Association in accordance to the provisions under this law and/or the Articles of Association.
- (2) The Directors must provide a notification to all of the creditors regarding the resolution referred to in paragraph (1) by announcing it in 1 (one) Newspaper or more within a period of no later than 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 file a written objection against the resolution to reduce capital along with the reasons thereof to the Company, with copies to the Minister.
- (2) Within a period of 30 (thirty) days as of the time of receipt of the objections referred to in paragraph (1), the Company must provide a written response on the objections that have been submitted.
- (3) In the event the Company:
 - (a) rejects the objection or does not provide a settlement which the creditors agree to within a period of 30 (thirty) days as of the date when the Company's answer is received; or
 - (b) does not give a response within the period of 60 (sixty) days as of the date when the objection is submitted to the Company; then the creditors may file suit with the district court whose jurisdiction covers the Company's domicile.

Article 46

- (1) The reduction in the Company's capital constitutes an amendment of the Articles of Association which must have the Minister's approval.
- (2) The Minister's approval as referred to in paragraph (1) shall be granted if:
 - (a) there is no written objection from the creditors during the period as referred to in Article 45 paragraph (1);
 - (b) the objections submitted by the creditors have been resolved; or

- (c) the creditors' claim is denied by the court of justice by virtue of a judgment that has obtained absolute legal effect.

Article 47

- (1) The A resolution of the GMS concerning reductions in subscribed and paid up capital shall be executed by means of the withdrawal of shares or a reduction in the nominal value of shares.
- (2) The withdrawal of shares as referred to in paragraph (1) may be carried out on shares that have been bought back by the Company or against shares classified as being able to be withdrawn.
- (3) Reductions in the nominal value of shares without repayment must be carried out in proportion on all shares from every share classification.
- (4) The proportionality as referred to in paragraph (3) may be exempted by virtue of an approval from all of the shareholders whose shares' nominal value has been reduced.
- (5) In the event there is more than 1 (one) share classification, the resolution of the GMS concerning the reduction in capital may only be adopted after obtaining the prior consent of all of the shareholders from each share classifications whose rights will be diminished by the resolution of the GMS concerning the reduction in capital.

SECTION FIVE - SHARES

Article 48

- (1) The Companies' shares shall be issued in the name of their owner.
- (2) Share ownership requirements may be determined in the Articles of Association in observance of the requirements stipulated by the authorized agency in accordance to the provisions of the law and regulation.
- (3) In the event that share ownership requirements as referred to in paragraph (2) have been determined and are not met, then the party who have obtained ownership over the said shares may not exercise their rights as shareholders and the shares shall not be taken into account in any quorum required to be achieved in the provisions under this law and/or the Articles of Association.

Article 49

- (1) The value of the shares must be stated in rupiah.
- (2) Shares without any nominal value cannot be issued.
- (3) The provisions as referred to in paragraph (2) shall not close off the possibility of the issuance of shares without any nominal value as regulated under the law and regulation on capital market.

Article 50

- (1) The Company's Directors must establish and maintain the register of shareholders, containing at least:
 - (a) shareholders' names and addresses;
 - (b) the number, serial number, and date of acquisition of shares conveyed by shareholders and their classification in the event that more than one share classifications has been issued;
 - (c) the amount paid up on every share;
 - (d) the name and address of an individual or legal entity who holds right of pledge over the shares or is the recipient of fiduciary security over the shares along with the date of acquisition of the pledge or registration of the fiduciary security;
 - (e) information of the payment of shares made in forms other than those referred to in Article 34 paragraph (2).
- (2) Other than the register of shareholders as referred to in paragraph (1), the Company's Directors must establish and maintain a special register which contains information on shares owned by members of the Directors and Board of Commissioners along with their families in the Company and/or in other Companies and the date when such shares were obtained.
- (3) Changes of share ownership must also be recorded in the register of shareholders and special register as referred to in paragraphs (1) and (2).
- (4) The register of shareholders and special register as referred to in paragraphs (1) and (2) must be made available in the Company's domicile so that they can be viewed by the shareholders.
- (5) In the event the law and regulation on capital market do not stipulate otherwise, the provisions as referred to in paragraphs (1), (3) and (4) shall also apply to Public Companies.

Article 51

The shareholders shall be given proof of share ownership for each share that they hold.

Article 52

- (1) Each share shall grant to their owners the right to:
 - (a) attend and cast votes in the GMS;
 - (b) receive payment of dividends and the balance of assets from liquidation;
 - (c) exercise other rights by virtue of this Law.
- (2) The provisions as referred to in paragraph (1) shall apply after the shares are recorded in the register of shareholders under the name of the shareholder.
- (3) The provisions as referred to in paragraph (1) subparagraphs a and c shall not apply to certain classifications of shares as stipulated under this Law.
- (4) Each share shall grant to its owner non-dividable rights.
- (5) In the event that 1 (one) share is owned by more than 1 (one) party, rights incurred from the shares shall be exercised by appointing 1 (one) party as their joint representative.

Article 53

- (1) The Articles of Association shall determine 1 (one) share classification or more.
- (2) Each share that belongs in the same classification shall grant to its holders the same rights.
- (3) In the event of there being more than 1 (one) share classification, the Articles of Association shall appoint one party amongst themselves as ordinary shares.
- (4) The share classifications as referred to in paragraph (3) are, amongst others:
 - (a) shares with or without voting rights;
 - (b) shares with special rights to nominate members of the Directors and/or members of the Board of Commissioners;
 - (c) shares that will be withdrawn after a certain period of time or exchanged for other share classification;
 - (d) shares that grant to their holder priority rights over holders of other shares classifications to receive the cumulative or non-cumulative distribution of dividends;
 - (e) shares that grant to their holders priority rights over holders of other shares classifications to receive distribution of the remaining assets of the liquidated Company.

Article 54

- (1) The Articles of Association may determine the fraction of the nominal value of a share.
- (2) Holders of a fraction of the nominal value of a share shall not be granted individual voting rights unless the holder of a fraction of the nominal value of a share individually or jointly with another holder of a fraction of the nominal value of a share in the same share classification having a nominal value equal to 1 (one) nominal share in that classification.
- (3) The provisions as referred to in Article 52 paragraphs (4) and (5) shall apply mutatis mutandis to the holders of the fractions of the nominal value of shares.

Article 55

The Articles of Association of a Company shall specify the method to transfer the rights over shares that is in accordance to the provisions of the law and regulation.

Article 56

- (1) Rights over shares shall be transferred by virtue of a deed of transfer of rights.
- (2) The deeds of transfer of rights as referred to in paragraph (1) or a copy thereof shall be submitted to the Company in writing.
- (3) The Directors shall record the transfer of rights over shares, along with the date and day of such transfer in the register of shareholders or in the special register as referred to in Article 50 paragraphs (1) and (2) and notify the changes in the shareholder composition to the Minister to be recorded in the Company register no later than 30 (thirty) days as of the date of recordal of the transfer of rights.
- (4) In the event the notification as referred to in paragraph (3) is not made, the Minister shall deny the application to obtain an approval or notifications made based on the compositions and names of shareholders for which notification have not been submitted.
- (5) Provisions concerning the procedure for transfer of rights over shares traded in the capital market shall be stipulated under the law and regulation on capital market.

Article 57

- (1) The Articles of Association may contain conditions for the transfers of rights, namely:

- (a) the mandatory requirement to made the first offer to the shareholders with specific classification or other shareholders;
 - (b) the mandatory requirement to obtain a prior approval from the Company's Organs; and/or
 - (c) the mandatory requirement to obtain a prior approval from the authorized agency in accordance to the provisions of the law and regulation.
- (2) The conditions referred to in paragraph (1) shall not apply to transfers of shares caused by the assignment of rights under the law, with the exception of the mandatory requirement as referred to in paragraph (1) subparagraph c pertaining to inheritance.

Article 58

- (1) In the event the Articles of Association require that the selling shareholders first offer their shares to holders of shares with particular classification or other shareholders, and such shareholders have not made the purchase within a period of 30 (thirty) days as of the date of the offer, the selling shareholder may offer and sell the shares to Third Parties.
- (2) Each selling shareholder required to offer its shares as referred to in paragraph (1) shall be entitled to withdraw the said offer after the lapse of the 30 (thirty) days period as referred to in paragraph (1).
- (3) The mandatory requirement to made an offer to holders of share in a particular classification or to other shareholders as referred to in paragraph (1) shall only apply once.

Article 59

- (1) The grant or denial of the request to obtain an approval for the transfer of rights over the shares which require the approval of the Company's Organ must be provided in writing within a period of no later than 90 (ninety) days as of the date of receipt of the request for approval for the transfer of rights by the Company's Organ.
- (2) In the event the period as referred to in paragraph (1) has lapsed and the Company's Organ has not provided a written statement, the Company's Organ shall be deemed to have approved the transfer of rights over the shares.
- (3) In the event the transfer of rights over shares is approved by the Company's Organ, the transfer of rights must be carried out in accordance to the provisions as referred to in Article 56 and must be carried out no later than 90 (ninety) days as of the date on which the approval is granted.

Article 60

- (1) The shares constitute a moveable property and confer the rights as referred to in Article 52 to their owner.
- (2) Shares may be provided as securities in the form of a pledge or fiduciary security providing that the Articles of Association do not specify otherwise.
- (3) Pledges of shares or fiduciary security over the shares registered in accordance to the provisions of the law and regulation must be recorded in the register of shareholders and the special register as referred to in Article 50.
- (4) Voting rights over the shares provided as securities in the form of a pledge or fiduciary security shall continue to be conveyed by the shareholder.

Article 61

- (1) Each shareholder is entitled to file suit against the Company in the district court if the shareholder has been harmed by any action of the Company considered unfair and unreasonable as a result of a resolution of the GMS, Directors and/or Board of Commissioners.
- (2) The suits as referred to in paragraph (1) must be filed with the district court whose jurisdiction covers the Company's domicile.

Article 62

- (1) Each shareholder is entitled to request the Company that the shareholder's shares be bought at a fair price if the shareholder concerned does not approve of actions by the Company which harm that shareholder or the Company, in the form of:
 - (a) amendments of the Articles of Association;
 - (b) assignment or securing of assets of the Company which have a value of more than 50% (fifty per cent) of the Company's net assets; or
 - (c) Merger, Consolidation, Acquisition, or Partitioning.
- (2) In the event that the shares requested to be bought as referred to in paragraph (1) exceeds the limit on re-purchase of shares by the Company as referred to in Article 37 paragraph (1) subparagraph b, the Company must made an effort to that the remaining shares be bought by a Third Party.

Chapter IV - Work Plans, Annual Reports, And Use Of Profits

SECTION ONE - WORK PLANS

Article 63

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

Article 64

- (1) The work plans as referred to in Article 63 shall be submitted to the Board of Commissioners or GMS as specified in the Articles of Association.
- (2) The Articles of Association may specify whether the work plan submitted by the Directors as referred to in paragraph (1) must obtain the approval of the Board of Commissioners or the GMS, unless specified otherwise under the law and regulation.
- (3) In the event that the Articles of Association specify that the work plan must obtain the GMS approval, the work plan must first be studied by the Board of Commissioners.

Article 65

- (1) In the event that the Directors failed to submit a work plan as referred to in Article 64, the work plan for the previous year shall be put into effect.
- (2) The work plan for the previous year shall also apply to Companies whose work plan has not yet obtained the approval as referred to in the Articles of Association or the law and regulation.

SECTION TWO - ANNUAL REPORTS

Article 66

- (1) Directors shall deliver annual reports to GMS after they have been studied by the Board of Commissioners within a period of no later than 6 (six) months after the Company's financial year ends.

- (2) The annual reports as referred to in paragraph (1) must contain at least:
 - (a) a financial report consisting of at least the last balance sheet for the financial year most recently ended in comparison to the previous financial year, a profit and loss statement for the relevant financial year, a cash flow report, and a report on changes in equity, and notes on the said financial report;
 - (b) a report on the Company's activities;
 - (c) a report on the implementation of Social and Environmental Responsibility;
 - (d) details of the problems which arose during the financial year that influenced the Company's business activities;
 - (e) a report on the supervision duty performed by the Board of Commissioners during the most recent financial year;
 - (f) the names of the members of the Directors and members of the Board of Commissioners;
 - (g) salaries and allowances for members of the Directors and salaries or honorarium and allowances for members of the Board of Commissioners of the Company for the year just ended.
- (3) The financial report as referred to in paragraph (2) subparagraph a shall be prepared in accordance to the financial accounting standards.
- (4) With respect to Companies that must be audited, the balance sheet and profit and loss statement for the financial year concerned as referred to in paragraph (2) subparagraph a must be submitted to the Minister in accordance to the provisions of the law and regulation.

Article 67

- (1) The annual report as referred to in Article 66 paragraph (1) shall be signed by all members of the Directors and all members of the Board of Commissioners serving in the financial year concerned and shall be made available at the Company's office as of the date of the summon for the GMS to be examined by the shareholders.
- (2) In the event that members of the Directors or members of the Board of Commissioners who has not signed the annual report as referred to in paragraph (1), those concerned must state their reasons in writing, or the Directors shall state such reasons in a separate letter enclosed with the annual report.
- (3) In the event members of the Directors or members of the Board of Commissioners who has not signed the annual report as referred to in paragraph (1) failed to provide any written

reasons thereof, those concerned will be deemed to have approved the contents of the annual report.

Article 68

- (1) The Directors must deliver the Company's financial report to a public accountant to be audited if:
 - (a) the Company's business is to collect and/or manage the public's funds;
 - (b) the Company issues an acknowledgements of indebtedness to the public;
 - (c) the Company is a Public Company;
 - (d) the Company is a state-owned liability company;
 - (e) the Company has assets and/or a business turnover worth at least Rp. 50.000.000.000 (fifty billion Rupiah); or
 - (f) it is mandatory under the law and regulation.
- (2) In the event that the obligation as referred to in paragraph (1) is not fulfilled, the financial report shall not be ratified by the GMS.
- (3) The report on the audit result done by the public accountant as referred to in paragraph (1) shall be submitted to the GMS in writing by the Directors.
- (4) The balance sheet and profit and loss statement from the financial report as referred to paragraph (1) subparagraphs a, b, and c shall be published in 1 (one) Newspaper after obtaining the ratification of the GMS.
- (5) Publication of the balance sheet and profit and loss statement as referred to in paragraph (4) shall be done no later than 7 (seven) days as of they have been ratified by the GMS.
- (6) Reduction of the value as referred to in paragraph (1) subparagraph e shall be regulated under a Government Regulation.

Article 69

- (1) Approval of annual reports including legalization of financial statements and report on the implementation of supervisory duties by the Board of Commissioners shall be issued by the GMS.
- (2) Resolutions on the ratification of the financial reports and approval of the annual reports as referred to in paragraph (1) shall be determined by virtue of the provisions under this law and/or the Articles of Association.

- (3) In the event that the financial report that has been made available is inaccurate and/or misleading, members of the Directors and members of the Board of Commissioners shall convened jointly and severally liable to the parties who have suffered detrimental effects from such inaccuracy/misleading information.
- (4) Members of the Directors and members of the Board of Commissioners shall be released from the liability as referred to in paragraph (3) if it is proven that the situation was not attributed to their fault.

SECTION THREE - UTILIZATION OF PROFITS

Article 70

- (1) The Company shall allocate a certain amount of the net profits every financial year as a reserve.
- (2) The mandatory requirement to allocate a reserve as referred to in paragraph (1) shall apply only if the Company has a positive balance of profits.
- (3) The allocation of net profit as referred to in paragraph (1) shall be made until the reserve reached at least 20% (twenty percent) of the total subscribed and paid up capital.
- (4) The reserve as referred to in paragraph (3) that has not yet reached the amount referred to in paragraph (2) may only be used to cover losses that cannot be settled by other reserves.

Article 71

- (1) The utilization of net profits including the determination of the allocated amount for the reserves as referred to in Article 70 paragraph (1) shall be decided by the GMS.
- (2) The total net profit deducted by the allocation for the reserves as referred to in Article 70 paragraph (1) shall be distributed to the shareholders as dividends, unless it is stipulated otherwise in the GMS.
- (3) The dividends as referred to in paragraph (2) may only be distributed if the Company has a positive balance of profits.

Article 72

- (1) The Company may distribute interim dividends prior to the end of the Company's financial year providing that it is provided in the Articles of Association of a Company.
- (2) The distribution of the interim dividends as referred to in paragraph (1) may only be distributed if the Company's total net assets will not become less than the total subscribed and paid up capital plus the mandatory reserve.
- (3) The distribution of interim dividends as referred to in paragraph (2) should not disrupt or render the Company unable to fulfill its obligations to creditors or disrupt the Company's activities.
- (4) The distribution of interim dividends shall be determined by virtue of a resolution of the Directors after obtaining the consent of the Board of Commissioners in observance of the provisions of paragraphs (2) and (3).
- (5) In the event that after the financial year ends it transpired that the Company has suffered losses, the interim dividends that have been distributed must be returned to the Company by the shareholders.
- (6) The Directors and Board of Commissioners shall be jointly and severally responsible for the Company's losses in the event that the shareholders failed to return the interim dividends as referred to in paragraph (5).

Article 73

- (1) Dividends that were not taken after 5 (five) years as of the date determined for the payment of dividends shall be deposited in a special reserve.
- (2) The GMS shall regulate the procedure for the collection of dividends that have been entered into the special reserve as referred to in paragraph (1).
- (3) Dividends that have been placed in the special reserve as referred to in paragraph (1) and has not been taken within a period of 10 (ten) years shall become the property of the Company.

Chapter V - Social And Environmental Responsibility

Article 74

- (1) The Company engaging business in the field of and/or in relation to natural resources must implement its Social and Environmental Responsibility.
- (2) The Social and Environmental Responsibility as referred to in paragraph (1) constitutes an obligation of the Company that is budgeted for and calculated as the Company's expense, for which implementation shall be done in observance of the principles of decency and fairness.
- (3) The Company who has not performed their obligation as referred to in paragraph (1) shall be liable to be subjected under sanctions in accordance to the provisions of the law and regulation.
- (4) Further provisions regarding Social and Environmental Responsibility shall be regulated under a Government Regulation.

Chapter VI - The General Meeting Of Shareholders

Article 75

- (1) The GMS shall hold the authority that is not given to the Directors or Board of Commissioners within the limitation specified under this law and/or the Articles of Association.
- (2) In the GMS, shareholders shall be entitled to obtain information relating to the Company from the Directors and/or Board of Commissioners in so far as it is linked to the agenda items and is not contradictory to the Company's interests.
- (3) The GMS shall not be entitled to adopt resolutions on other agenda item, unless all of the shareholders are present and/or represented in the GMS and consented to the addition of an agenda item.
- (4) Resolutions on items added to the agenda must be unanimously approved.

Article 76

- (1) The GMS shall be convened at the Company's domicile or at the place where the Company operates its main business as specified in the Articles of Association.
- (2) The GMS for Public Companies shall be convened at the 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) In the event all of the shareholders are present and/or represented in the GMS and all the shareholders agree to convene a GMS with a particular agenda, the GMS may be convened at any place in observance of the provisions referred to in paragraph (3).
- (5) The GMS as referred to in paragraph (4) may adopt resolutions in the event such resolutions have been unanimously agreed.

Article 77

- (1) In addition to the convening of GMS as referred to in Article 76, the GMS may also be convened via teleconference, video conference, or other electronic media which enables all of the GMS participants to directly see and hear each other and participate in the meeting.
- (2) The requirements for quorums and the requirements for the adoption of resolutions shall be as provided under this law and/or as provided under the Articles of Association of a Company.
- (3) The requirements as referred to in paragraph (2) shall be calculated based on the participation of the GMS participants as referred to in paragraph (1).
- (4) Minutes of meeting shall be prepared for every GMS convened as referred to in paragraph (1) that are approved and signed by all of the GMS participants.

Article 78

- (1) GMS consist of Annual GMS and other GMS.
- (2) The annual GMS shall be convened within a period of no later than 6 (six) months after the end of the financial year.
- (3) During the annual GMS, all documents from the Company's annual report must be submitted as referred to in Article 66 paragraph (2).
- (4) Other GMS may be convened at any time based on the need for the Company's interests.

Article 79

- (1) The Directors shall convene the annual GMS as referred to in Article 78 paragraph (2) and the other GMS as referred to in Article 78 paragraph (4) with the GMS invitations first.
- (2) GMS may be convened as referred to in paragraph (1) at the request of:
 - (a) 1 (one) shareholder or more jointly representing 1/10 (one tenth) or more of the total number of shares with voting rights, unless the Articles of Association stipulates a smaller number; or
 - (b) the Board of Commissioners.
- (3) The request as referred to in paragraph (2) shall be submitted to the Directors via Registered Mail along with the reasons therefor.
- (4) The Registered Mail as referred to in paragraph (3) shall be submitted to the shareholder with copies to the Board of Commissioners.
- (5) The Directors shall summon the GMS within no later than 15 (fifteen) days as of the date of receipt of the request to convene the GMS.
- (6) In the event the Directors have not issued the summon for the GMS as referred to in paragraph (5):
 - (a) the request for the convening of the GMS as referred to in paragraph (2) subparagraph a shall be re-submitted to the Board of Commissioners; or
 - (b) the Board of Commissioners shall summon the GMS as referred to in paragraph (2) subparagraph b.
- (7) The Board of Commissioners shall issue a summon for the GMS as referred to in paragraph 6 subparagraph a within no later than 15 (fifteen) days as of the date of receipt of the request to convene the GMS.
- (8) The GMS convened by the Directors on the basis of the summon for the GMS as referred to in paragraph (5) shall discuss matters relating to the basis as referred to in paragraph (3) and other agenda items deemed necessary by the GMS.
- (9) The GMS convened by the Board of Commissioners on the basis of the summon for the GMS as referred to in paragraph (6) subparagraph b and paragraph (7) shall only discuss matters relating to the basis as referred to in paragraph (3).
- (10) The convening of GMS of Public Companies shall be subject to the provisions of this law in so far as the provisions of the law and regulation on capital market do not determine otherwise.

Article 80

- (1) In the event that the Directors or Board of Commissioners did not issue the summon for the GMS within the period as referred to in Article 79 paragraphs (5) and (7), the shareholder who requested that a GMS be convened may submit a request to the Chairman of the District Court having jurisdiction over the Company's domicile to issue a ruling allowing the applicant to issue a summon for the GMS himself/herself.
- (2) Having summoned and heard the applicant, the Directors and/or the Board of Commissioners, the Chairman of the District Court shall issue a ruling granting permission to convene the GMS in the event the applicant can provide clear evidence that the requirements have been fulfilled and the applicant holds a reasonable interest for the convening of the GMS.
- (3) The ruling of the chairman of the district court as referred to in paragraph (2) shall also contain provisions regarding:
 - (a) the form of the GMS, agenda of the GMS in accordance to the shareholder's request, the period for the summon to the GMS, quorum of attendance, and/ or provisions on the requirements for the adoption of the A resolution of the GMS, and the designation of the chairperson for the meeting, in accordance to or without being bound by the provisions of this law and/or the Articles of Association; and/or
 - (b) an instruction requiring the Directors and/or Board of Commissioners to attend the GMS.
- (4) The Chairperson of the District Court shall deny the application in the event that the applicant is unable to provide clear evidence that the requirements have been fulfilled and the applicant holds a reasonable interest in the convening of the GMS.
- (5) The GMS as referred to in paragraph (1) may only discuss the agenda items of the meeting as determined by the Chairman of the District Court.
- (6) The ruling of the Chairman of the District Court with regard to the granting of permission as referred to in paragraph (3) shall be final and holds permanent legal effect.
- (7) In the event that the ruling from the Chairman of the District Court denies the request as referred to in paragraph (4), the only legal measure that can be taken is to file a final appeal.
- (8) The provisions as referred to in paragraph (1) shall also apply to Public Companies in observance of the requirements for the GMS summon and other requirements for the convening of the GMS as stipulated under the law and regulation on capital market.

Article 81

- (1) The Directors shall summon the shareholders before convening of the GMS.

- (2) In certain cases, the summon for the GMS as referred to in paragraph (1) may be issued by the Board of Commissioners or the shareholders by virtue of a ruling of the chairman of the district court.

Article 82

- (1) Summons for the GMS shall be issued within a period of no later than 14 (fourteen) days prior to the date of convening of the GMS, without taking into account the date of the invitation and the date of the GMS.
- (2) Invitations to the GMS may be issued by Registered Mail and/or by an advertisement in Newspapers.
- (3) Invitations to the GMS must state the date, time, place, and agenda items, accompanied by a notice that the materials to be discussed in the GMS will be available in the Company's offices from the dated on which the invitation to the GMS is issued to the date on which the GMS is held.
- (4) The Company must provide the shareholders free copies of the materials to be discussed as referred to in paragraph (3) upon request.
- (5) In the event that the summon is not in accordance to the provisions as referred to in paragraphs (1) and (2), and the summon is not in accordance to paragraph (3), the A resolution of the GMS will remain valid if all of the shareholders with voting rights are present or represented in the GMS and the resolution is unanimously approved.

Article 83

- (1) With respect to Public Companies, prior to the issuance of the summon for a GMS an announcement that a summon shall be issued for a GMS shall be made in observance of the provisions of the law and regulation on capital market.
- (2) The announcements as referred to in paragraph (1) shall be issued within a period of no later than 14 (fourteen) days prior to the invitation to the GMS.

Article 84

- (1) Each issued share shall hold one vote, unless the Articles of Association stipulate otherwise.
- (2) The vote as referred to in paragraph (1) shall not apply to:

- (a) shares in the Company that are controlled by the Company;
- (b) shares in a parent Company that is directly or indirectly controlled by its subsidiary; or
- (c) shares in the Company controlled by another Company whose shares are directly or indirectly owned by the Company.

Article 85

- (1) The shareholders, either directly or represented by a proxy by virtue of a power of attorney, shall be entitled to attend GMS and use their votes in accordance to the number of shares that they hold.
- (2) The provision as referred to in paragraph (1) shall not apply to the holders of shares without voting rights.
- (3) During the voting process, the votes cast by the shareholders shall apply to all shares that they hold and the shareholders shall not be permitted to grant a power of attorney to more than one proxy with respect to a portion of the shares that they hold with different votes.
- (4) In the voting process, members of the Directors, members of the Board of Commissioners, and employees of the relevant Company shall be prohibited from acting as proxies of the shareholders as referred to in paragraph (1).
- (5) In the event that shareholders attend the GMS in person, the power of attorney that they have granted will not be valid for such meeting.
- (6) The chairperson of the meeting shall be entitled to determine who is entitled to be present in the GMS in observance of the provisions of this law and the Articles of Association of a Company.
- (7) Other than the provisions as referred to in paragraphs (3) and (6), the provisions of the law and regulation on capital market shall also apply to Public Companies.

Article 86

- (1) The GMS may be convened if more than $\frac{1}{2}$ (half) of the total number of shares with voting rights are present or represented in the GMS, unless the Law and/or the Articles of Association stipulate a greater number of quorum.
- (2) In the event the quorum as referred to in paragraph (1) is not met, a summon for a second GMS may be issued.
- (3) The summon for the second GMS must state that the first GMS was convened but failed to meet the required quorum.

- (4) The second GMS as referred to in paragraph (2) shall be deemed valid and entitled to adopt resolutions if at least 1/3 (one third) of the total number of shares with voting rights are present or represented in the GMS, unless the Law and/or the Articles of Association stipulate a greater number of quorum.
- (5) In the event that the quorum for the second GMS as referred to in paragraph (4) is not met, the Company may request to the Chairman of the District Court having jurisdiction over the Company's domicile to determine the quorum for a third GMS at the request of the Company.
- (6) The summon for the third GMS must state that the second GMS was convened but failed to meet the quorum and that a third GMS will be convened subject to a quorum requirement determined by the Chairman of the District Court.
- (7) The ruling of the Chairman of the District Court with regard to the GMS quorum as referred to in paragraph (5) shall be final and possess permanent legal strength.
- (8) Invitations to the second and third GMS shall be issued within a period of no later than 7 (seven) days prior to the second and third GMS.
- (9) The second and third GMS shall be convened no sooner than 10 (ten) days and no later than 21 (twenty one) days after the preceding GMS.

Article 87

- (1) The A resolution of the GMS shall be adopted on the basis of deliberation to reach a consensus.
- (2) In the event that resolutions on the basis of deliberation to reach a consensus as referred to in paragraph (1) cannot be achieved, the resolutions shall be deemed valid if it is approved by more than ½ (half) of the number of votes cast unless the Law and/or the Articles of Association stipulate that the resolutions will be deemed valid if it is approved by a majority approving votes.

Article 88

- (1) The GMS to amend the Articles of Association may be convened if the meeting was attended or represented by at least 2/3 (two thirds) of the total number of shares with voting rights and the resolutions will be deemed valid if they are approved by at least 2/3 (two thirds) of the number of votes cast unless the Articles of Association stipulate a greater attendance quorum requirement and/or stipulation pertaining to the adoption of the resolution of the GMSs.

- (2) In the event the attendance quorum as referred to in paragraph (1) is not achieved, a second GMS may be convened.
- (3) The second GMS as referred to in paragraph (2) shall be deemed valid and entitled to adopt resolutions if the GMS meeting is attended or represented by at least $3/5$ (three fifths) of the total number of shares with voting rights and the resolution shall be deemed valid if it is approved by at least $2/3$ (two thirds) of the number of votes cast unless the Articles of Association specify a greater attendance quorum and/or stipulation pertaining to the adoption of the resolution of the GMSs.
- (4) The provisions as referred to in Article 86 paragraphs (5), (6), (7), (8), and (9) shall apply mutatis mutandis to the GMS as referred to in paragraph (1).
- (5) The provisions as referred to in paragraphs (1), (2), and (3) with regard to the attendance quorum and the stipulation pertaining to the requirements for the adoption of the A resolution of the GMS shall also apply to Public Companies in so far as the law and regulation on capital market does not stipulate otherwise.

Article 89

- (1) The GMS to approve Mergers, Consolidations, Acquisitions, or Partitioning, to file a petition for the Company to be declared bankrupt or to extend its duration, and to dissolve the Company, may only be convened if the meeting is attended or represented by at least $3/4$ (three quarters) of the total number of shares with voting rights and the resolution shall be deemed valid if it is approved by at least $3/4$ (three quarters) of the number of votes cast, unless the Articles of Association specify a greater attendance quorum and/or stipulation pertaining to the requirements for the adoption of a resolution of the GMSs.
- (2) In the event that the attendance quorum as referred to in paragraph (1) cannot be achieved, a second GMS may be held.
- (3) The second GMS as referred to in paragraph (2) shall be deemed valid and entitled to adopt resolutions if the meeting is attended or represented by at least $2/3$ (two thirds) of the total number of votes with voting rights and the resolution shall be deemed valid if it is approved by at least $3/4$ (three quarters) of the number of votes cast, unless the Articles of Association stipulate a greater attendance quorum and/or stipulation pertaining to the requirements for the adoption of the resolution of the GMSs.
- (4) The provisions as referred to in Article 86 paragraphs (5), (6), (7), (8), and (9) shall apply mutatis mutandis to the GMS as referred to in paragraph (1).

- (5) The provisions as referred to in paragraphs (1), (2), and (3) with regard to the attendance quorum and/or stipulations pertaining to the requirements for the adoption of a resolution of the GMSs shall also apply to Public Companies in so far as the law and regulation on capital market does not stipulate otherwise.

Article 90

- (1) Minutes of the GSM must be drawn for each of the GSM convened and signed by the chairperson of the meeting and at least 1 (one) shareholder appointed by and from among the participants in the GSM.
- (2) The signature as referred to in paragraph (1) shall not be required if the minutes of GSM are set forth in a notarial deed.

Article 91

The shareholders may also adopt binding resolutions in lieu of a GSM providing that all shareholders with voting rights approve them in writing by signing the relevant proposal.

Chapter VII - Directors And Board Of Commissioners

SECTION ONE - DIRECTORS

Article 92

- (1) The Directors shall manage the Company for the interest of the Companies and in accordance to the Company's objective and purposes.
- (2) The Directors shall be authorized to carry out the management activities as referred to in paragraph (1) in accordance to the appropriate policy within the scope specified under this law and/or the Articles of Association.
- (3) The Company's Directors shall comprise of 1 (one) member of the Directors or more.

- (4) A Company whose business is related to the collection of and/or management of the public's funds, a Company that issues a debt instrument to the public, or a Public Company must have at least 2 (two) Directors.
- (5) In the event that the Directors consists of 2 (two) or more members of the Directors, the distribution of managerial tasks and authority between the members of the Directors shall be determined by a resolution of the GMS.
- (6) In the event that the GMS as referred to in paragraph (5) do not provide any determination, then the distribution of duties and authorities of the members of the Directors shall be determined by virtue of a resolution of the Directors.

Article 93

- (1) Those who may be appointed as members of the Directors are individuals who are capable of performing legal actions, except those who within a period of 5 (five) years prior to their appointment have:
 - (a) been declared bankrupt;
 - (b) become members of the Directors or the Board of Commissioners that was declared to be at fault in causing a Company to be declared bankrupt;
 - (c) been sentenced for crimes that caused the state to suffer losses and/or in relation to the finance sector.
- (2) The provisions on the requirements as referred to in paragraph (1) will not reduce the possibility for an authorized technical agency to determine additional requirements pursuant to the law and regulation.
- (3) Fulfillment of the requirements as referred to in paragraphs (1) and (2) shall be evidenced by a letter to be maintained by the Company.

Article 94

- (1) Members of the Directors shall be appointed by the GMS.
- (2) Members of the Directors shall be initially appointed by the founders in the deed of establishment as referred to in Article 8 paragraph (2) subparagraph b.
- (3) Members of the Directors shall be appointed for a certain period and may be re- appointed.
- (4) The Articles of Association shall regulate the procedures for appointment, replacement and dismissal of members of the Directors and may also regulate the procedures for nominating members of the Directors.

- (5) The resolution of the GMSs pertaining to the appointment, replacement, and dismissal of the members of the Directors shall also determine the commencement of the appointment, replacement or dismissal.
- (6) In the event that no determination was made by the GMS in regard to the time of commencement of the appointment, replacement or dismissal of members of the Directors, then such appointment, replacement or dismissal shall be deemed to have entered into effect as of the closing of the GMS.
- (7) In the event of an appointment, replacement or dismissal of members of the Directors, the Directors must provide a notification to the Minister within a period of no later than 30 (thirty) days regarding the change in the members of the Directors to be recorded in the Company Register as of the date the said resolution of the GMS.
- (8) In the event the notification as referred to in paragraph (7) has not been made, the Minister shall deny any application submitted or notification submitted to the Minister by a Director that has not yet been recorded in the Company Register.
- (9) The notification as referred to in paragraph (8) shall not include the notification submitted by a new Director of its own appointment.

Article 95

- (1) Appointments of members of the Directors who have not met the requirements as referred to in Article 92 shall be deemed to be void by operation of the law as of the time other members of the Directors or the Board of Commissioners came to learn of such unmet requirements.
- (2) Within a period of no later than 7 (seven) days from as of the time it becomes known, other members of the Directors or the Board of Commissioners must publish the annulment of the appointment of the relevant member of the Directors in a Newspaper and provide a notification to the Minister to be recorded in the Company Register.
- (3) Legal actions performed for and on behalf of the Company by members of the Directors as referred to in paragraph (1) before his/her appointment is annulled shall continue to bind the Company and becomes the liability of the Company.
- (4) Legal actions performed for and on behalf of the Company by members of the Directors as referred to in paragraph (1) after his/her appointment is annulled shall be deemed void and the relevant member of the Directors shall be held personally liable.
- (5) The provisions referred to in paragraph (3) shall not reduce the liability of the relevant member of the Directors over the losses suffered by the Company as referred to in Article 97 and Article 104.

Article 96

- (1) Provisions regarding the amount of the salary and allowances for members of the Directors shall be determined by a resolution of the GMS.
- (2) The authority of the GMS as referred to in paragraph (1) may be delegated to the Board of Commissioners.
- (3) In the event that the authority of the GMS as referred to in paragraph (2) is delegated to the Board of Commissioners, the amount of the salary and allowances as referred to in paragraph (1) shall be determined by a resolution of a meeting of the Board of Commissioners.

Article 97

- (1) The Directors shall be responsible for the management of the Company as referred to in Article 92 paragraph (1).
- (2) The management duties as referred to in paragraph (1) shall be performed by each member of the Directors in good faith and responsibly.
- (3) Each member of the Directors shall fully held personally liable for the Company's losses if the Director has erroneously or negligently performed his/her duties in accordance to the provisions as referred to in paragraph (2).
- (4) In the event that the Directors comprise of 2 (two) directors or more, the liability as referred to in paragraph (3) shall constitute the joint and several liability of each member of the Directors.
- (5) Members of the Directors cannot be held liable for the losses referred to in paragraph (3) if they are able to prove that:
 - (a) the losses are not caused by their mistake or negligence;
 - (b) they have performed their management duties in good faith and prudently in the interests of and in accordance to the objective and purposes of the Company;
 - (c) they do not have any conflict of interest either directly or indirectly in the act of management that caused the losses; and
 - (d) they have taken actions to mitigate such losses from occurring or continuing.
- (6) Shareholders representing at least 1/10 (one tenth) of the total number of shares with voting rights may on behalf of the Company file suit with the district court against the members of the Directors whose mistake or negligence caused the Company to suffer losses.
- (7) The provision as referred to in paragraph (5) will not reduce the right of other members of the Directors and/or members of the Board of Commissioners to file a suit on behalf of the Company.

Article 98

- (1) The Directors shall represent the Company before and out of the court of justice.
- (2) In the event that the Directors comprise of more than 1 (one) director, then each member of the Directors shall have the authority to represent the Company unless the Articles of Association stipulate otherwise.
- (3) The authority of the Directors to represent the Company as referred to in paragraph (1) shall be unlimited and unconditional unless stipulated otherwise in this Law, the Articles of Association or a resolution of the GMS.
- (4) The resolution of the GMS as referred to in paragraph (3) cannot contradict the provisions of this law and/or the Articles of Association of a Company.

Article 99

- (1) Members of the Directors are not authorized to represent Companies in the event:
 - (a) There is a court case between the Company versus the relevant members of the Directors; or
 - (b) the relevant members of the Directors have interests that are in conflict with the Company's interests.
- (2) In such circumstances as are as referred to in paragraph (1), the parties who shall be entitled to represent the Company are:
 - (a) other members of the Directors who do not have any conflicting interests with the Company;
 - (b) the Board of Commissioners, in the event that all members of the Directors have conflicting interests with the Company; or
 - (c) other parties appointed by the GMS, in the event all members of the Directors or all members of the Board of Commissioners have conflicting interests with the Company.

Article 100

- (1) The Directors shall:
 - (a) establish a register of shareholders, special register, draw up the minutes of the GMS and the minutes of the Directors' meetings;
 - (b) prepare the annual report as referred to in Article 66 and the Company's financial documents as referred to in the Law on Corporate Documents; and

- (c) maintain all of the registers, minutes and financial documents of the Company as referred to in subparagraphs a and b and other documents of the Company.
- (2) All registers and minutes, and the Company's financial documents and other documents of the Company as referred to in paragraph (1) shall be kept at the Company's domicile.
- (3) At the written request of a shareholder, the Directors shall grant the shareholder a permission to examine the register of shareholders, special register, and minutes of GMS as referred to in paragraph (1) and the annual report and to obtain copies of the minutes of GMS and copies of the annual report.
- (4) The provisions as referred to in paragraph (3) shall not close off the possibility for the law and regulation on capital market to stipulate otherwise.

Article 101

- (1) Members of the Directors shall submit a report to the Company with regard to the shares owned by the relevant members of the Directors and/or his/her family in the Company and other Companies to be recorded in the special register.
- (2) Members of the Directors who failed to fulfill the obligation as referred to in paragraph (1) and caused the Company to suffer losses shall be held personally liable for such losses suffered by the Company.

Article 102

- (1) The Directors must obtain the GMS' approval to:
 - (a) transfer the Company's assets; or
 - (b) provide the Company's assets as securities to guarantee a debt; which constitutes more than 50% (fifty percent) of the Company's net assets in 1 (one) or more transactions, be it interrelated or individual transactions.
- (2) The transactions as referred to in paragraph (1) subparagraph a shall mean the transactions to transfer the Company's net assets taking place within a period of 1 (one) financial year or more as stipulated under the Articles of Association of a Company.
- (3) The provisions as referred to in paragraph (1) shall not apply to the act of assigning or providing the Company's assets as security within the context of the Company's business operation in accordance to its Articles of Association.

- (4) The legal actions as referred to in paragraph (1) that have not obtained the approval of the GMS shall continue to bind the Company in so far as the counter party in such legal act is acting in good faith.
- (5) Provisions regarding the quorum and/or provisions regarding the adoption of a resolution of the GMS as referred to in Article 89 shall apply mutatis mutandis to a resolution of the GMS approving the actions of the Directors as referred to in paragraph (1).

Article 103

The Directors may grant a written authorization to 1 (one) employee of the Company or more or to another party to perform specific legal actions as described in the power of attorney for and on behalf of the Company.

Article 104

- (1) The Directors shall not be authorized to file any bankruptcy petition against its own Company with the Commercial Court before obtaining a GMS approval, without prejudice to the provisions stipulated under the Law on Bankruptcy and Debt Moratorium.
- (2) In the event the bankruptcy as referred to in paragraph (1) occurred due to the fault or negligence of the Directors and the estate of the bankrupt Company is insufficient to pay the entire liability of the bankrupt Company, each member of the Directors shall be held jointly and severally liable for the entire balance of obligations that have not been settled by the bankrupt estate.
- (3) The liability as referred to in paragraph (2) shall also apply to members of the Directors who are at fault or negligent and served as members of the Directors in the last 5 (five) years period before the declaration of bankruptcy is issued.
- (4) Members of the Directors shall not be held liable for the bankruptcy of the Company as referred to in paragraph (2) if they can prove that:
 - (a) the bankruptcy was not attributed to their fault or negligence;
 - (b) they have performed their management duties in good faith, prudently and responsibly for the interests of the Company and in accordance to the Company's objective and purposes;
 - (c) they do not have any direct or indirect conflict of interest in the management duties performed; and
 - (d) they have taken action to mitigate such bankruptcy from taking place.

- (5) The provisions as referred to in paragraphs (2), (3), and (4) shall also apply to the Directors of a Company that have been declared bankrupt based on the claims filed by a third party.

Article 105

- (1) Members of the Directors may be dismissed at any time by virtue of a resolution of the GMS stating the reason thereof.
- (2) The resolutions to dismiss members of the Directors as referred to in paragraph (1) shall be adopted after the relevant directors have been provided the opportunity to defend themselves in the GMS.
- (3) In the event that a resolution to dismiss a member of a Directors as referred to in paragraph (2) is adopted by means of a resolution in lieu of a GMS in accordance to the provisions as referred to in Article 91, the relevant members of the Directors shall first be notified of the planned dismissal and be given the opportunity to defend himself/herself before the resolution for dismissal is adopted.
- (4) The provision of the opportunity to defend themselves as referred to in paragraph (2) shall not be deemed necessary in the event that the director concerned has no objection to the dismissal.
- (5) The dismissal of members of the Directors shall enter into effect as of:
 - (a) the closing of the GMS as referred to in paragraph (1);
 - (b) the date of the resolution as referred to in paragraph (3);
 - (c) some other date determined in the resolution of the GMS as referred to in paragraph (1);
 - (d) some other date determined in the resolution of the GMS as referred to in paragraph (3).

Article 106

- (1) The Board of Commissioners may suspend a member of the Directors by providing the reasons thereof.
- (2) The relevant member of the Directors shall be notified of the suspension as referred to in paragraph (1) in writing.
- (3) A member of the Directors who has been suspended as referred to in paragraph (1) does not have any authority to carry out the tasks as referred to in Article 92 paragraph (1) and Article 98 paragraph (1).

- (4) Within a period of no later than 30 (thirty) days as of the date of the suspension, a GMS must be convened.
- (5) The relevant member of the Directors shall be given the opportunity to defend himself/herself in the GMS as referred to in paragraph (4).
- (6) The GMS shall confirm or revoke the resolution for suspension.
- (7) In the event that the GMS confirm the resolution for such suspension, the member of the Directors shall be dismissed.
- (8) In the event the period of 30 (thirty) days has lapsed and the GMS as referred to in paragraph (4) has not been convened or the GMS has not been able to adopt a resolution, the suspension shall be deemed as void.
- (9) With respect to Public Companies, the provisions of the law and regulation on capital market shall apply to the convening of GMS as referred to in paragraphs (6) and (7).

Article 107

The Articles of Association shall set forth provisions pertaining to:

- (a) procedures for the resignation of members of the Directors;
- (b) procedures for completing the vacant Director positions; and
- (c) parties having the authority to undertake the management of and represent the Company in the event all of the members of the Directors are unable to do so or have been suspended.

SECTION TWO - BOARD OF COMMISSIONERS

Article 108

- (1) The Board of Commissioners shall undertake supervision of the management policies, the act of management in general, with regard to both the Company and the Company's business, and provide advice to the Directors.
- (2) The act of supervision and provision of advice as referred to in paragraph (1) shall be carried out in the Company's interests and in accordance to the Company's objective and purposes.
- (3) The Board of Commissioners shall consist of 1 (one) member or more.
- (4) The Board of Commissioners consisting of more than 1 (one) member shall constitute a council and no member of the Board of Commissioners may act independently but rather by virtue of a resolution of the Board of Commissioners.

- (5) Companies whose business activities are related to the collection and/or management of public funds, Companies issuing debt instruments to the public, and Public Companies must have at least 2 (two) members in their Board of Commissioners.

Article 109

- (1) In addition to the Board of Commissioners, companies engaging in a business that is based on the sharia principle must have a Sharia Supervisory Board.
- (2) The Sharia Supervisory Boards as referred to in paragraph (1) shall consist of one or more sharia experts appointed by the GMS based on the recommendation of the Indonesian Council of Ulema.
- (3) The Sharia Supervisory Boards as referred to in paragraph (1) shall provide advice and recommendations to the Directors and supervise the Company's activities to ensure that they are in accordance to the sharia principles.

Article 110

- (1) The parties who are qualified to become members of the Board of Commissioners are individuals who are capable of performing legal actions, unless in the past 5 (five) years prior to their appointment they were once:
 - (a) declared bankrupt;
 - (b) members of the Directors or Board of Commissioners who were declared to be at fault in causing the Company to be declared bankrupt; or
 - (c) sentenced for crimes that have caused the state to suffer financial losses and/ or losses relating to the financial sector.
- (2) The requirements referred to in paragraph (1) shall not lessen the prospect of the competent technical agency to stipulate additional requirements under the law and regulation.
- (3) Fulfillment of the requirements as referred to in paragraphs (1) and (2) shall be evidenced by a letter kept by the Company.

Article 111

- (1) Members of the Board of Commissioners shall be appointed by the GMS.

- (2) Initially, the appointment of members of the Board of Commissioners shall be done by the founders as set forth in the deed of establishment as referred to in Article 8 paragraph (2) subparagraph b.
- (3) Members of the Board of Commissioners shall be appointed for a definite period and may be reappointed.
- (4) The Articles of Association shall set forth the procedures for the appointment, replacement, and dismissal of members of the Board of Commissioners and may also regulate matters pertaining to the nomination of the candidate members of the Board of Commissioners.
- (5) A resolution of the GMS regulating the appointment, replacement, and dismissal of members of the Board of Commissioners shall also determine the time of commencement for such appointment, replacement and dismissal.
- (6) In the event no determination is made by the GMS in regard to the time of commencement for the appointment, replacement or dismissal of members of the Directors, then such appointment, replacement or dismissal shall commence as of the closing of the GMS.
- (7) In the event of an appointment, replacement or dismissal of members of the Directors, the Directors shall provide a notification to the Minister of such change to be recorded in the Company Register within a period of no later than 30 (thirty) days as of the date of the resolution of the GMS.
- (8) In the event that the notification as referred to in paragraph (7) has not been made, the Minister shall deny any further notification concerning any changes in the composition of the Board of Commissioners submitted by the Directors to the Minister.

Article 112

- (1) The appointment of members of the Board of Commissioners that have not met the requirements as referred to in Article 110 paragraphs (1) and (2) shall be deemed as void by operation of the law as of the time other members of the Board of Commissioners or the Directors learn of the unmet requirements.
- (2) Within a period of no later than 7 (seven) days as of the time it becomes known, the Directors shall announce the annulment of the appointment of the member of the Board of Commissioners concerned in the Newspaper and provide a notification to the Minister to be recorded in the Company Register.
- (3) The legal acts performed by the member of the Board of Commissioners as referred to in paragraph (1) for and on behalf of the Board of Commissioners prior to the annulment of his/her appointment shall remain binding to and constitutes the liability of the Company.

- (4) The provision as referred to in paragraph (2) shall not reduce the responsibility of the relevant members of the Board of Commissioners over the losses borne by the Company as referred to in Article 114 and Article 115.

Article 113

Provisions pertaining to the amount of salaries or honorarium and allowances for members of the Board of Commissioners shall be determined by GMS.

Article 114

- (1) The Board of Commissioners shall be responsible for the supervision of the Company as referred to in Article 108 paragraph (1).
- (2) Each member of the Board of Commissioners shall perform in good faith, prudently, and responsibly the tasks of supervising and providing advice to the Directors as referred to in Article 108 paragraph (1) in the interests of the Company and in accordance to the Company's objective and purposes.
- (3) Each member of the Board of Commissioners shall be held personally liable for the Company's losses if the relevant Commissioner has erroneously or negligently performed the tasks as referred to in paragraph (2).
- (4) In the event the Board of Commissioners consists of 2 (two) or more Commissioners, each member of the Board of Commissioners shall be held severally and jointly responsible for the liability as referred to in paragraph (3).
- (5) Members of the Board of Commissioners cannot be held liable for the losses as referred to in paragraph (3) if they can prove that:
 - (a) they have performed their supervisory duties in good faith, prudently and responsibly for the interests of the Company and in accordance to the Company's objective and purposes;
 - (b) they do not have any conflict of interest either directly or indirectly in the act of management of the Directors that caused the losses; and
 - (c) they have provided advice to the Directors to mitigate the losses from occurring or continuing.
- (6) Shareholders representing at least 1/10 (one tenth) of the total number of shares with voting rights may file a claim with the district court on behalf of the Company against members of

the Board of Commissioners who due to their fault or negligence have caused the Company to suffer losses.

Article 115

- (1) In the event of a bankruptcy due to the fault or negligence of the Board of Commissioners in performing its supervisory duties over the management duties carried out by the Directors and the assets of the Company is not sufficient to settle the Company's obligations due to the bankruptcy, then each member of the Board of Commissioners shall be held jointly and severally liable along with the members of the Directors with respect to the outstanding obligations.
- (2) The liability as referred to in paragraph (1) shall also apply to members of the Board of Commissioners who have ceased to be in office within a period of 5 (five) years prior to the issuance of the ruling declaring the Company's bankruptcy.
- (3) Members of the Board of Commissioners cannot be held liable for the bankruptcy of the Company as referred to in paragraph (1) if they can prove that:
 - (a) the bankruptcy was not attributed to their fault or negligence;
 - (b) they have performed their management duties in good faith, prudently and responsibly for the interests of the Company and in accordance to the Company's objective and purposes;
 - (c) they do not have any direct or indirect conflict of interest in the management duties performed by the Directors that caused the bankruptcy; and
 - (d) they have provided advice to the Directors to mitigate such bankruptcy from taking place.

Article 116

The Board of Commissioners shall:

- (a) prepare the minutes of the Board of Commissioners' meetings and keep the copies thereof;
- (b) submit a report to the Company regarding their share ownership and/or the shares owned by their families in the Company and other Companies; and
- (c) provide report on the supervisory duties performed by them during the most recent financial year to the GMS.

Article 117

- (1) The Articles of Association may determine the grant of authority to the Board of Commissioners to approve or provide assistance to the Directors in performing certain legal actions.
- (2) In the event the Articles of Association stipulate the requirements for the grant of the approval or assistance as referred to in paragraph (1), then in the absence of such approval or assistance from the Board of Commissioners, the legal action shall remain binding to the Company providing that the counter party in such legal action is acting in good faith.

Article 118

- (1) Based on the Articles of Association or the resolution of the GMS, the Board of Commissioners may manage a Company under particular circumstances for a specific period.
- (2) The Board of Commissioners who is undertaking the management duties under particular circumstances for a specific period as referred to in paragraph (1) shall be subject to all of the provisions pertaining to the rights, authority and obligations of the Directors to the Company and third parties.

Article 119

Provisions pertaining to the dismissal of members of the Directors as referred to in Article 105 shall apply mutatis mutandis to the dismissal of members of the Board of Commissioners.

Article 120

- (1) The Articles of Association of a Company may determine that there will be 1 (one) or more independent commissioners and 1 (one) envoy commissioner.
- (2) The independent commissioners as referred to in paragraph (1) shall be appointed by virtue of a resolution of the GMS from candidates who are not affiliated with the main shareholders, members of the Directors and/or other members of the Board of Commissioners.
- (3) The envoy commissioner as referred to in paragraph (1) shall be a member of the Board of Commissioners appointed on the basis of a resolution of a meeting of the Board of Commissioners.

- (4) The tasks and authority of the envoy commissioner shall be determined in the Articles of Association of a Company providing that they are not contradictory to the tasks and authority of the Board of Commissioners and will not reduce the management duties performed by the Directors.

Article 121

- (1) In carrying out their supervisory duties as referred to in Article 108, the Board of Commissioners may form a committee whose members consist of one or more members of the Board of Commissioners.
- (2) The committee as referred to in paragraph (1) shall report to the Board of Commissioners.

Chapter VIII - Mergers, Consolidations, Acquisitions, And Mergers

Article 122

- (1) Mergers and Consolidations shall cause the existence of the merging or consolidating Company to end by operation of the law.
- (2) The end of existence of the Company as referred to in paragraph (1) shall occur without having to first undergo the liquidation process.
- (3) In the event a Company's existence ends as referred to in paragraph (2),
 - (a) the assets and liabilities of the merging or consolidating Company shall be assigned by law to the surviving Company or the consolidated Company;
 - (b) shareholders of the merging or consolidating Company shall by operation of the law become the shareholders of the surviving or consolidated Company;
 - (c) the merging or consolidated Company shall expire by operation of the law as of the time the Merger or Consolidation comes into effect.

Article 123

- (1) The Directors of the merging Company and surviving Company shall prepare a Merger proposal.
- (2) The Merger proposal as referred to in paragraph (1) shall contain at least:
 - (a) the name and domicile of each of the Company involved in the Merger;
 - (b) the reasons and explanations of the Directors of the Companies involved in the Merger and the Merger requirements;
 - (c) procedures of evaluation and conversion of shares in the merging Company into the shares of the surviving Company;
 - (d) the draft of amendment to the Articles of Association of the surviving Company;
 - (e) the financial reports as referred to in Article 66 paragraph (2) subparagraph (a) covering the past 3 (three) financial years from each of the Companies involved in the Merger;
 - (f) the proposal for the continuance or termination of the business activities of the Companies in the Merger;
 - (g) a pro forma balance sheet of the surviving Company in accordance to generally prevailing accounting principles in Indonesia;
 - (h) method of settlement of the status, rights and obligations of the members of the Directors, Board of Commissioners and employees of the merging Company;
 - (i) method of settlement of the rights and obligations of the merging Company against third parties;
 - (j) method of settlement of the rights of shareholders who do not approve of the Company's merger;
 - (k) names of the members of the Directors and Board of Commissioners and the wages, honorarium, and allowances for members of the Directors and Board of Commissioners of the surviving Company;
 - (l) estimated period of implementation of the Merger;
 - (m) report on the circumstances, development and results achieved of each Company involved in the Merger;
 - (n) the main activities of each Company in the Merger and changes that have occurred in the current financial year; and
 - (o) details of the problems arising during the ongoing financial year affecting the activities of the Merging Companies.
- (3) The Merger proposal as referred to in paragraph (2) after having been approved by the Board of Commissioners of each Company shall be submitted to the GMS of each Company for their approval.

- (4) In addition to the provisions under this Law, certain Companies involved in the Mergers will also require the prior approval of the competent government agencies in accordance to the provisions of the law and regulation.
- (5) The provisions as referred to in paragraphs (1) to (4) shall also apply to Public Companies in so far as it is not stipulated otherwise under the law and regulation on capital market.

Article 124

The provisions as referred to in Article 123 shall also apply mutatis mutandis to consolidating Companies.

Article 125

- (1) Acquisitions shall be carried out by means of acquisition of shares already issued and/or to be issued by the Company through the Company's Directors or directly through the shareholders.
- (2) Acquisitions may be done by legal entities or individuals.
- (3) The acquisitions as referred to in paragraph (1) shall mean acquisition of shares that caused the transfer of control over a Company.
- (4) Acquisitions made by legal entities in the form of a Company, the Directors before performing the legal action of acquisition must obtain the approval of the GMS by virtue of a resolution adopted by a GMS that satisfies the quorum requirement and the conditions for the adoption of a GMS resolution as referred to in Article 89.
- (5) In the event that the Acquisition is carried out through the Directors, the acquiring party must present its intention to perform the Acquisition to the Directors of the Company that will be subjected to the acquisition.
- (6) The Directors of the Company to be acquired and the acquiring Company shall with the approval of their respective Board of Commissioners prepare an Acquisition proposal that will contain at least:
 - (a) the name and domicile of the acquiring Company and the Company to be acquired;
 - (b) the reasons and explanations of the Directors of the acquiring Company and the Directors to be acquired;
 - (c) the financial reports as referred to in Article 66 paragraph (2) subparagraph a for the most recent financial year of the acquiring Company and the Company to be acquired;

- (d) procedures for valuation and conversion of shares of the Company to be acquired into the shares of the acquiring company in the event payment for the acquisition will be made in the form of share conversion;
 - (e) the number of shares to be acquired;
 - (f) availability funding;
 - (g) the pro forma consolidated balance sheet of the acquiring Company after the Acquisition compiled in accordance to accounting principles generally applying in Indonesia;
 - (h) the method of settlement of the rights of shareholders who do not approve of the Acquisition;
 - (i) the method of settlement of the status, rights and obligations of members of the Directors, Board of Commissioners, and employees of the Company to be acquired;
 - (j) the estimated period of implementation of the Acquisition, including the period for the granting of authorization to transfer the shares from the shareholders to the Company's Directors;
 - (k) the draft amendment to the Articles of Association of the surviving Company in the Acquisition.
- (7) The provisions as referred to in paragraphs (5) and (6) shall not apply to the shares that have been acquired directly from the shareholders.
- (8) The acquisition of shares as referred to in paragraph (7) shall be subject to the provisions of the Articles of Association of the Company to be acquired in regard to the transfer of rights over shares and contracts entered by the Company with other parties.

Article 126

- (1) The legal act of Merger, Consolidation, Acquisition and Merger must observe the interests of:
 - (a) the Company, minority shareholders, employees of the Company;
 - (b) creditors and other business partners of the Company; and
 - (c) the public and the principles of fair business competition.
- (2) Shareholders who do not approve of the resolution of the GMS on the Merger, Consolidation, Acquisition, or Partitioning as referred to in paragraph (1) may only exercise their rights as referred to in Article 62.
- (3) The exercise of rights as referred to in paragraph (2) will not halt the process of implementation of the Merger, Consolidation, Acquisition, or Partitioning.

Article 127

- (1) A resolution of the GMS on the Merger, Consolidation, Acquisition, or Partitioning shall be deemed valid if it is adopted in accordance to the provisions of Article 87 paragraph (1) and Article 89.
- (2) The Directors of the Companies involved in the Merger, Consolidation, Acquisition, or Partitioning must publish a summary of the proposal in at least 1 (one) Newspaper and publish it in writing to the employees of the Company involved in the Merger, Consolidation, Acquisition, or Partitioning no later than 30 (thirty) days before issuing the invitations for the GMS.
- (3) The publication as referred to in paragraph (2) must also contain a notification that the interested parties may obtain the proposal for the Merger, Consolidation, Acquisition, or Merger at the Company's office as of the date of its publication until the date on which the GMS will be convened.
- (4) The creditors may submit objections to the Company within a period of no later than 14 (fourteen) days as of the time of the publication as referred to in paragraph (2) with regard to the Merger, Consolidation, Acquisition, or Partitioning in accordance to the proposal.
- (5) If within the period as referred to in paragraph (4) no creditors have submitted any objection, the creditors will be deemed to have approved the Merger, Consolidation, Acquisition, or Partitioning.
- (6) In the event that a creditor's objection as referred to in paragraph (4) cannot be resolved by the Directors as of the date on which the GMS is convened, the objection must be presented in a GMS to be resolved.
- (7) Until the resolution as referred to in paragraph (6) is achieved, the Merger, Consolidation, Acquisition, or Partitioning cannot be executed.
- (8) The provisions as referred to in paragraphs (2), (4), (5), (6), and (7) shall apply mutatis mutandis to the publication in the context of the acquisition of shares that are done directly from the shareholders of the Company as referred to in Article 125.

Article 128

- (1) Proposals of Merger, Consolidation, Acquisition, or Partitioning approved by the GMS shall be set forth in a deed of Merger, Consolidation, Acquisition, or Partitioning drawn before a notary in the Indonesian language.
- (2) Deeds of acquisition of shares that are acquired directly from the shareholders must be set forth in a notarial deed drawn in the Indonesian language.

- (3) The deeds of consolidation as referred to in paragraph (1) shall serve as the basis in preparing the deed of establishment of the Company resulting from the Consolidation.

Article 129

- (1) A copy of the deed of Merger of the Companies shall enclose:
 - (a) the request submitted to obtain the approval of the Minister as referred to in Article 21 paragraph (1); or
 - (b) the submission of the notification to the Minister regarding the amendment of the Articles of Association as referred to in Article 21 paragraph (3).
- (2) In the event the Merger of Companies is not accompanied by an amendment to the Articles of Association, a copy of the deed of Merger must be submitted to the Minister to be recorded in the Company Register.

Article 130

A copy of the deed of Consolidation shall enclose the application submitted to obtain a Decree of the Minister with regard to legalization of the Company resulting from the Consolidation as a legal entity as referred to in Article 7 paragraph (3).

Article 131

- (1) A copy of the deed of Acquisition of Company must be enclosed to the submission of the notification to the Minister in regard to the amendment to the Articles of Association as referred to in Article 21 paragraph (3).
- (2) In the event of an Acquisition of shares that is done directly from the shareholders, a copy of the deed of transfer of rights over the shares must be enclosed with the notification submitted to the Minister concerning the change of composition of shareholders.

Article 132

The provisions as referred to in Article 29 and Article 30 shall also apply to Mergers, Consolidations, or Acquisitions of Companies.

Article 133

- (1) The Directors of a surviving Company in the Merger or the Directors of a Company resulting from a Consolidation must publish the result of the Merger or Consolidation in 1 (one) or more Newspapers within no later than 30 (thirty) days as of the date the Merger or Acquisition comes into effect.
- (2) The provisions as referred to in paragraph (1) shall also apply to the Directors of Companies whose shares are acquired.

Article 134

Further provisions with regard to Mergers, Consolidations, and Acquisitions of Companies shall be regulated under a Government Regulation.

Article 135

- (1) Mergers may be carried out by means of:
 - (a) a pure Merger; or
 - (b) a partial Merger.
- (2) A pure merger as referred to in paragraph (1) subparagraph a shall cause all of the assets and liabilities of the Company to be assigned by operation of the law to 2 (two) or more other recipient Companies and the merging Company's business shall expire by operation of the law.
- (3) A partial Merger as referred to in paragraph (1) subparagraph b shall cause part of the assets and liabilities of the Company to be assigned by operation of the law to one or more other recipient Companies but the merging Company shall continue to exist.

Article 136

Further provisions with regard to the Mergers shall be regulated under a Government Regulation.

Article 137

In the event that the law and regulation on capital market do not stipulate otherwise, the provisions as referred to in Chapter VIII shall also apply to Public Companies.

Chapter IX - Company Audit

Article 138

- (1) Companies may be audited with the purpose of obtaining data or information in the event there is suspicion that:
 - (a) the Company has committed acts violating the law and are detrimental to the shareholders or third parties; or
 - (b) members of the Directors or Board of Commissioners committing acts violating the law and are detrimental to the Company or shareholders or third parties.
- (2) The audit as referred to in paragraph (1) shall be carried out by submitting a petition in writing together with the reasons therefor to the district court whose jurisdiction covers the Company's domicile.
- (3) The petition as referred to in paragraph (2) may be submitted by:
 - (a) 1 (one) or more shareholders representing at least 1/10 (one tenth) of the total number of shares with voting rights;
 - (b) other parties who are authorized to submit a petition for an audit in accordance to the law and regulation, the Articles of Association of a Company, or agreements with the Company;
 - (c) the public prosecutors' office in the public interest.
- (4) The petition as referred to in paragraph (3) subparagraph a must be submitted after the petitioner have requested the Company for the data or information in a GMS and the Company failed to provide the data or information.
- (5) Petitions to obtain the data or information concerning a Company or petitions for an audit to obtain the data or information must be based on reasonable grounds and good faith.
- (6) The provisions as referred to in paragraph (2), paragraph (3) subparagraph a, and paragraph (4) shall not close off the possibility for the law and regulation on capital market to determine otherwise.

Article 139

- (1) The chairman of the district court may deny or grant the petition as referred to in Article 138.
- (2) The Chairman of the district court as referred to in paragraph (1) shall deny the petition if it is not based on reasonable grounds and/or is not made in good faith.

- (3) In the event that the petition is granted, the chairman of the district court shall issue an order for the audit and appoint at least 3 (three) experts to carry out the audit with the purpose of obtaining the data or information required.
- (4) Member of the Directors, member of the Board of Commissioners, employee of the Company, consultant, or public accountant appointed by the Company cannot be appointed as an expert as referred to in paragraph (3).
- (5) The experts as referred to in paragraph (3) are entitled to inspect all documents and assets of the Company as they deem necessary.
- (6) Each member of the Directors, member of the Board of Commissioners, and all employees of the Company must provide all of the information deemed necessary to enable the audit to be carried out.
- (7) The experts as referred to in paragraph (3) must keep confidential the results of the audit that they have carried out.

Article 140

- (1) Reports on the outcome of the audit shall be submitted to the chairman of the district court by the experts as referred to in Article 139 within the period as stipulated in the ruling for the audit 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 copies of the report on the outcome of the audit to the petitioner and the relevant Company within a period of no later than 14 (fourteen) days as of the date when the report regarding the outcome of the audit is received.

Article 141

- (1) In the event the petition for an audit is granted, the Chairman of the district court shall determine the maximum cost of the audit.
- (2) The cost of audit as referred to in paragraph (1) shall be borne by the Company.
- (3) The chairman of the district court may at the request of the Company to request the petitioner, the members of the Directors, and/or the members of the Board of Commissioners to reimburse all or part of the cost of the audit as referred to in paragraph (2)

Chapter X - Dissolution, Liquidation And Expiration Of The Status Of A Company As A Legal Entity

Article 142

- (1) A Company shall be dissolved:
 - (a) by virtue of a Resolution of the GMS;
 - (b) due to the expiration of the duration stipulated in the Articles of Association;
 - (c) by virtue of a ruling;
 - (d) upon revocation of the bankruptcy status by virtue of a decision of the commercial court that has obtained a permanent legal strength, the Company's estate being insufficient to pay the cost of the bankruptcy process;
 - (e) because the estate of a Company which has been declared bankrupt is insolvent as regulated under the Law on Bankruptcy and Debt Moratorium; or
 - (f) because the Company's business permit has been revoked so as to require the Company to be liquidated in accordance to the provisions of the law and regulation.
- (2) In the event of a dissolution of a Company as referred to in paragraph (1),:
 - (a) it must be followed by a liquidation carried out by a liquidator or a curator; and
 - (b) the Company is not capable of performing any legal action except where it is necessary to settle all of the Company's affairs in the context of liquidation.
- (3) In the event of a dissolution of a Company by virtue of a Resolution of the GMS, expiration of the duration stipulated in the Articles of Association or the revocation of the bankruptcy status by virtue of a ruling of the commercial court and no appointment for a liquidator is set forth in the resolution of the GMS, the Directors shall act as liquidator.
- (4) In the event of a dissolution of a Company or the revocation of the bankruptcy status as referred to in paragraph (1) subparagraph d, the commercial court shall simultaneously decide on the dismissal of the curator in observance of the provisions in the Law on Bankruptcy and Debt Moratorium.
- (5) In the event of any breach to the provision as referred to in paragraph (2) subparagraph b, members of the Directors, members of the Board of Commissioners, and the Company shall be held jointly and severally liable.
- (6) Provisions concerning the appointment, suspension, dismissal, authority, obligations, liability, and supervision of the Directors shall apply mutatis mutandis to the liquidator.

Article 143

- (1) The dissolution of a Company will not cause the Company to lose its status as a legal entity until the liquidation is completed and the liquidator's accountability has been accepted by the GMS or the court.
- (2) As of the commencement of the dissolution process, each letter issued by the Company must include the term in liquidation following the name of the Company.

Article 144

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

Article 145

- (1) The Company shall be dissolved by operation of the law if the period of its incorporation as stipulated in the Articles of Association expires.
- (2) Within a period of no later than 30 (thirty) days after the expiration of the Company's duration the GMS shall determine the appointment of a liquidator.
- (3) The Directors may not perform any new legal actions on behalf of the Company after the expiry of the Company's duration as determined in the Articles of Association.

Article 146

- (1) The district court may dissolve the Company based on:
 - (a) a petition from the public prosecutors' office on the grounds that the Company has violated the public interest or the Company has committed actions that violate the law and regulation;

- (b) a petition from the interested parties on the grounds that the deed of establishment contains legal defect;
 - (c) a petition from the shareholders, the Directors, or the Board of Commissioners on the grounds that it is not possible for the Company to resume operation.
- (2) The ruling shall stipulate the appointment of a liquidator.

Article 147

- (1) Within a period of no later than 30 (thirty) days as of the date of dissolution of the Company, the liquidator shall notify:
- (a) all creditors of the dissolution of the Company by means of an announcement of the Company's dissolution in a Newspaper and the State Gazette of the Republic of Indonesia; and
 - (b) the Minister regarding the dissolution of the Company to be recorded in the Company Register that the Company is in liquidation.
- (2) The notification to the creditors in the Newspaper and the State Gazette of the Republic of Indonesia as referred to in paragraph (1) subparagraph a shall contain:
- (a) the dissolution of the Company and the legal basis thereof;
 - (b) the liquidator's name and address;
 - (c) the procedure to file claims; and
 - (d) the period to submit claims.
- (3) The period to submit claims as referred to in paragraph (2) subparagraph d 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 referred to in paragraph (1) subparagraph b shall enclose evidences of:
- (a) the legal basis for the dissolution of the Company; and
 - (b) notification to the creditors in a Newspaper as referred to in paragraph (1) subparagraph a.

Article 148

- (1) In the event that the notification to creditors and the Minister as referred to in Article 147 has not yet been given, the dissolution of the Company will not apply to Third Parties.

- (2) In the event that the liquidator fails to make the notification as referred to in paragraph (1), the liquidator shall be jointly and severally liable with the Company for any losses suffered by Third Parties.

Article 149

- (1) A liquidator's obligation in settling the assets of a Company in the liquidation process shall comprise:
 - (a) the recordal and announcement of the Company's assets and debts;
 - (b) announcement in a Newspaper and the State Gazette of the Republic of Indonesia with regard to the plan to distribute the assets resulting from the liquidation;
 - (c) payment to the creditors;
 - (d) payment of the remaining assets resulted from the liquidation to shareholders; and
 - (e) other actions deemed necessary in settling the assets.
- (2) In the event a liquidator estimates that a Company's debts will be greater than the Company's assets, the liquidator shall file a bankruptcy petition bankruptcy of the Company, unless it is stipulated otherwise under the law and regulation, and all creditors whose identity and address are known must approve any settlement made in lieu of the bankruptcy process.
- (3) The creditors may file an objection against the proposed division of the assets resulting from the liquidation within a period of no later than 60 (sixty) days as of the date of the announcement as referred to in paragraph (1) subparagraph b.
- (4) In the event an objection as referred to in paragraph (3) is denied by the liquidator, the creditor may file a claim against the District Court within a period of no later than 60 (sixty) days as of the date of the rejection.

Article 150

- (1) Creditors who have submitted their bills within the period as referred to in Article 147 paragraph (3) and then denied by the liquidator may file a claim with the District Court within a period of no later than 60 (sixty) days as of the date of denial.
- (2) Creditors who have not yet submitted their bills may submit them via the District Court within a period of 2 (two) years as of the announcement of the dissolution of the Company as referred to in Article 147 paragraph (1).
- (3) Bills may be submitted by the creditors referred to in paragraph (2) in the event of any remaining assets resulted from the liquidation allocated to shareholders.

- (4) In the event that the remaining assets have been divided among the shareholders and the creditors' bills as referred to in paragraph (2), the District Court shall instruct the liquidator to retrieve the remaining assets resulting from the liquidation that have already been divided among the shareholders.
- (5) The shareholders must return the remaining assets resulted from the liquidation as referred to in paragraph (4) in proportion between the amount received and the amount of the bill.

Article 151

- (1) In the event the liquidator failed to perform its obligations as referred to in Article 149, then at the petition of the interested parties or at the request of the public prosecutors' office, the Chairman of the District Court may appoint a new liquidator and dismiss the old liquidator.
- (2) The dismissal of the liquidator as referred to in paragraph (1) shall be done after the parties concerned has been summoned to provide their information.

Article 152

- (1) The liquidators shall be held accountable to the GMS or the court appointing them with respect to the liquidation of the Company.
- (2) The curators shall be held accountable to the supervising judge for the liquidation of the Company.
- (3) The liquidators shall provide a notification to the Minister and announce the final outcome of the liquidation process in the Newspaper after the GMS provides the liquidator with an acquit et de charge or after the court accepts the accountability report of the appointed liquidator.
- (4) The provision as referred to in paragraph (3) shall also apply to curators whose accountability report has been accepted by the supervising judge.
- (5) The Minister shall record the expiry of a Company's status as a legal entity and remove the Company's name from the Company Register after the provisions as referred to in paragraphs (3) and (4) have been met.
- (6) The provision as referred to in paragraph (5) shall also apply to the expiry of a Company's status as a legal entity due to a Merger, Consolidation, or Partitioning.
- (7) The notification and announcement as referred to in paragraphs (3) and (4) shall be made within no later than (30) thirty days as of the date when the liquidator's or curator's accountability is accepted by the GMS, court, or supervising judge.

- (8) The Minister shall announce the expiry of the Company's status as a legal entity in the State Gazette of the Republic of Indonesia.

Chapter XI - Fees

Article 153

Provisions regarding the fees for:

- (a) obtaining the approval for the use of a Company name;
- (b) obtaining a decree ratifying a Company as a legal entity;
- (c) obtaining a decree approving the amendments to the Articles of Association;
- (d) obtaining information concerning the Company data in Company Register;
- (e) the announcements in the State Gazette of the Republic of Indonesia and the Supplement to the State Gazette of the Republic of Indonesia as mandated under this Law; and
- (f) obtaining copies of Decrees of the Minister regarding the legalization of the Company as a legal entity or approving the amendments to the Articles of Association of a Company; shall be regulated under a Government Regulation.

Chapter XII - Other Provisions

Article 154

- (1) The provisions of this law shall apply to Public Companies in the event it is not stipulated otherwise under the law and regulation on capital market.
- (2) The law and regulation on capital market shall be exempted from the provisions of this law and may not violate the basic principles of the Company law set forth in this Law.

Article 155

Provisions regarding the liability of Directors and/or Board of Commissioners for their faults or negligence stipulated under this law shall not reduce the provisions stipulated in the Penal Code.

Article 156

- (1) In the context of implementation and development of this Law, a team of experts shall be formed to monitor the Company law.
- (2) Members of the team as referred to in paragraph (1) shall consist of elements from:
 - (a) government;
 - (b) experts/academicians;
 - (c) professionals; and
 - (d) the business community.
- (3) The team of experts shall have the authority to review the deed of establishment and amendments to the Articles of Association obtained based on its own initiative from the team or at the request of interested parties, and to provide an opinion on the outcome of such review to the Minister.
- (4) Further provisions regarding the authority, organizational composition and working methods of the team of experts shall be regulated under a Ministerial Regulation.

Chapter XIII - Transitory Provisions

Article 157

- (1) The Articles of Association of a Company that have already obtained the status of a legal entity and amendments to the Articles of Association that have been approved by and reported to the Minister and registered in the Company Register before this law enters into effect shall remain to be in effect providing that they are not contradictory to this Act.
- (2) The Articles of Association of a company that has not yet obtained the status of a legal entity and the amendments thereof that have not yet been approved by or reported to the Minister at the time this law comes into force must be adjusted so as to conform to this Law.
- (3) Companies that have already obtained the status as legal entities under the law and regulation shall within 1 (one) year as of the time this law comes into effect adjust their Articles of Association so as to conform to the provisions of this Act.
- (4) Companies that have not adjusted their Articles of Association within the period as referred to in paragraph (3) may be dissolved by virtue of a decision of the district court at the request of the public prosecutors' office or the interested parties.

Article 158

At the time when this law comes into effect, the Companies that have not fulfilled the provisions as referred to in Article 36 must made the necessary adjustments so as to conform to the provisions of this law within a period of 1 (one) year.

Chapter XIV - Closing Provisions

Article 159

The implementing regulations of the Law on Limited Liability Companies No. 1 of 1995 are declared still in effect in so far as they do not contradict or have not been replaced by the new regulations under this Law.

Article 160

As of the time this law comes into effect, the Law on Limited Liability Companies No. 1 of 1995 (Statute Book of the Republic of Indonesia 1995 No. 13, Supplement to the Statute Book of the Republic of Indonesia No. 3587) shall be revoked and declared to be no longer in effect.

Article 161

This law shall enter into effect on the date of its enactment. In order for all parties to take cognizance thereof, it is instructed that the enactment of this law be announced in the State Gazette of the Republic of Indonesia.