

**LAW OF THE REPUBLIC OF INDONESIA
NUMBER 40 YEAR 2007
REGARDING
LIMITED LIABILITY COMPANY**

**BY GRACE OF GOD THE ALMIGHTY
THE PRESIDENT OF THE REPUBLIC OF INDONESIA,**

Considering:

- a. that national economy realized based on economic democracy by the principles of togetherness, justice-based efficiency, sustainability, environmentally conception, self-reliance along with preserving balance in advance and unity of the national economic, necessary to be supported by solid economic institutions in the framework of realize the people's welfare;
- b. that in the framework of better increasing the national economic development concurrently laying down of solid foundation for business communities in encountering the future of world economic developments and advancement of science and technology in globalization era, necessary to be supported by a law that ruling on limited liability company, which is capable of ensuring a conducive business climate;
- c. that limited liability company as one of the pillar of national economy development, necessary to be determined the legal foundation in order to more stimulate the national development, which is arranging as a collective business base on the familial principles;
- d. that Law Number 1 Year 1995 regarding limited liability company is deemed already unsuitable to developments of the law and necessity of public so that necessary to be replaced by a new law;
- e. that on the basis of considerations in letters a, b, c and d, it is necessary to enact a law regarding limited liability company;

In view of:

Article 5 sub-article (1), Article 20 and Article 33 of the Constitution of 1945;

With the Joint Approval of:
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA
AND
THE PRESIDENT OF THE REPUBLIC OF INDONESIA
DECIDES:

To Stipulate: **THE LAW REGARDING LIMITED LIABILITY COMPANY**

CHAPTER I GENERAL PROVISION

Article 1

In this Law the meaning of:

1. Limited Liability Company hereinafter called the company is a corporate body, which constitutes capital alliance, is established based on the agreement, undertakes business activity with the basic capital wholly divided into shares and fulfills the requirements that stipulated in this law along with its implementation rules.
2. Corporate organs are Shareholder General Meeting, Board of Executive Directors and Board of Commissioners.
3. Social and Environmental Responsibility is a company commitment in order to participation in sustainable economic development to enhance the quality of life and environmental beneficial, whether to self-company, local communities and the society in general.
4. General Meeting of Shareholders, hereinafter called RUPS is the corporate organ, which has authority not delegated to the Board of Executive Directors or Board of Commissioners in boundary that stipulated in this law and/or Articles of Association.
5. Board of Executive Directors is the corporate organ, which have authorized and responsible fully on management handling for the company in interests of the company, in accordance with the purpose and mean of the company as well as represent the company inside or outside the court in conform to the provisions of Articles of Association.
6. Board of Commissioners is the corporate organ, which is assigned to undertake general and/or special supervision in accordance with the Articles

of Association along with give as advice for the Board of Executive Directors.

7. Listed Company is a public company or company undertaking initial public offering of shares in accordance with the provisions of legislation in the field of capital market.
8. Public Company is a company fulfilling criteria for the quantity of share holders and amount of the deposited capital in accordance with the provisions of legislation in the field of capital market.
9. Merger is a legal action performed by a company or more to merge with another company that already existing, that result in the assets and liabilities of the Acquiree Company legally devolve upon the Acquirer Company and subsequently the legal status of the Acquiree Company ending by law.
10. Statutory merger is a legal action performed by two companies or more in order to consolidate by meant of establishing a new company that legally to obtain the assets and liabilities of the merging company and status of the Acquiree Company terminate by law.
11. Acquisition is a legal action performed by a corporate body or individual person to takeover shares of a company that result in its working a change management of the company mentioned.
12. Separation is a legal action performed by a company to separate business, that result in the whole assets and liabilities of the company legally devolve upon two companies or more or partly of the assets and liabilities of the company legally devolve upon one company or more.
13. Registered Mail is a letter addressed to the receiver and can be proven by evidence of receipt from the receiver, which is signed by mentioning the date of acceptance.
14. Newspaper is daily newspaper in Indonesian language which has national wide circulation.
15. Day is calendar day.
16. The Minister is a minister in charge of law and human right affairs.

Article 2

The company must have purpose and mean along with business activities not contradictory to the provision of legislation, public order and/or decency.

Article 3

- (1) Shareholders of the company shall not be responsible personally for binding agreement which is made on behalf of the company and loss of the company exceeding their owned shares.
- (2) The provision as meant in sub-article (1) is not applied when:
 - a. the requirements of the company as corporate body have not been fulfilled yet or are not fulfilled;
 - b. the shareholders directly or indirectly with badly-will utilized the company for personal interests;
 - c. the shareholders concerned are involved in against the law committed by the company; or
 - d. the shareholders concerned directly or indirectly by against the law use assets of the company which is result in the assets of the company to be come inadequate to settle liabilities of the company.

Article 4

Toward the company is applying this law, Articles of Association and provisions of other legislations.

Article 5

- (1) The company must have name and domicile in the territory of the Republic of Indonesia, which are determined in Articles of Association.
- (2) The company must have complete address in accordance with the its domicile.
- (3) In correspondence, announcement issued by the company, printed matters and deed in case of the company become as a party, the company is must mention the full name and complete address.

Article 6

The company is established for limited or unlimited period as stipulated in the Articles of Association.

CHAPTER II

ESTABLISHMENT, ARTICLES OF ASSOCIATION AND AMENDMENT TO ARTICLES OF ASSOCIATION, LIST OF COMPANY AND ANNOUNCEMENT

First Part
Establishment

Article 7

- (1) The company is established by 2 (two) persons or more with the notary deed, which is made in Indonesian language.
- (2) Every founder of the company obligates to take part of shares when the company is established.
- (3) The provision as meant sub-article (2) is not applied in the framework of statutory merger.
- (4) The company is obtaining the status of corporate body on the date when the company is issued by Decree of the Minister on legalization of corporate body.
- (5) After the company obtaining the status of corporate body and shareholder becomes less than 2 (two) persons, in period at the longest 6 (six) months counted since the condition mentioned, the shareholder concerned is obligate transferring in part of his/her shares to other person or the company to issue new share to other people.
- (6) In case of the period as meant in sub-article (5) already exceeding and the shareholders remaining less than 2 (two) persons, the shareholders is responsible personally for entire of engagement and losses of the company and based on application from the interesting party, the district court able to disperse the company mentioned.
- (7) The compulsory provision that the company is established by 2 (two) persons or over as meant in sub-article (1) and the provisions in sub-article (5) along with sub-article (6) shall not apply to:
 - a. the company whose shares are wholly owned by the state; or
 - b. the company which is managing stock exchange, clearing and underwriting institution, depositing and settlement institution and other institution as regulated in the law regarding capital market.

Article 8

- (1) The deed of establishment is containing Articles of Association and other information related to the establishment of the company.
- (2) The other information as meant in sub-article (1) to contain at least:
 - a. full name, place and date of birth, profession, domicile and citizenship of individual founder, or name, domicile and complete address along with number and date of the Decree of the Minister on legalization of corporate body belonging to the founder of the company;

- b. full name, place and date of birth, profession, domicile, citizenship of members of the Board of Executive Directors and Board of Commissioners appointed for the first time;
 - c. names of shareholders already taking part of shares, detail of quantity of shares and nominal value of shares already issued and deposited.
- (3) In composing the deed of establishment, the founder able to be represented by other people based on the letter of authorization.

Article 9

- (1) In order to obtain the Decree of the Minister on legalization of corporate body of the company as meant in Article 7 sub-article (4), the founders to submit an application collectively to the Minister, through network of information technology service of the corporate body administration system, in electronically by filling the filled form at least containing:
- a. name and domicile of the company;
 - b. a period of establishment the company;
 - c. purpose and mean along with business activities of the company;
 - d. the amount of basic capital, subscribed capital and paid in capital;
 - e. complete address of the company.
- (2) The filling of the filled form as meant in sub-article (1) must be preceded by submitting the name of company.
- (3) In case of the founder self not submitting an application as meant in sub-article (1) and (2), the founder only able to give authorization letter to the notary.
- (4) Further provisions on procedures for submitting and using the name of company shall be regulated by a government regulation.

Article 10

- (1) The application to obtain Decree of the Minister as meant in Article 9 sub-article (1) have be submitted to the Minister at the latest 60 (sixty) days counted since the date when the deed of establishment is signed, accompanied with information on supporting documents.
- (2) The provisions on supporting document as meant in sub-article (1) is regulated by the Regulation of the Minister.
- (3) In case of the filled-form as meant in Article 9 sub-article (1) and information on the supporting document as meant in sub-article (1) being already suitable to the provisions of legislation, the Minister directly to assert no-objection to the application concerned in electronically.

- (4) In case of the filled-form as meant in Article 9 sub-article (1) and information on the supporting document as meant in sub-article (1) being unsuitable to the provisions of legislation, the Minister directly to notify rejection along with the reason to the applicant in electronically.
- (5) At the latest period of 30 (thirty) days counted since the date when the statement of no-objection as meant in sub-article (3), the applicant concerned obligate to convey physically an application letter, enclose with supported documents.
- (6) In case all of the requirements as meant sub-article (5) have been fulfilled completely, at the latest 14 (fourteen) days, the Minister to issue the decree on legalization of corporate body of the company, which is signed electronically.
- (7) In case the requirement concerning the period and completeness of the supporting documents as meant in sub-article (5) is unfulfilled, the Minister directly notify that mentioned to the applicant in electronically and the statement of no-objection as meant in sub-article (1) becomes null and void.
- (8) In case the statement of no-objection being null and void, the applicant as meant in sub-article (5) able to submit again for obtaining the Decree of the Minister as meant in Article 9 sub-article (1).
- (9) In case the application for obtaining the Decree of the Minister being not submitted in the period as meant in sub-article (1), the deed of establishment becomes null since the period mentioned elapsed and the company which not yet obtaining the status of corporate body disperse legally and its settlement shall done by the founder.
- (10) The provision on the period as meant in sub-article (1) shall also be applied for re-submitting application.

Article 11

Further provisions on the submission of application for obtaining the decree of the Minister as meant in Article 7 sub-article (4) for certain regions where electronic network has not been available or cannot be used shall be regulated by a regulation of the Minister.

Article 12

- (1) Legal actions related to ownership of shares and its remittance by prospective founder before the company is established must be mentioned in the deed of establishment.

- (2) In case of the legal actions as meant in sub-article (1) being declare by non-authentic deed, the deed shall be affixed to the deed of establishment.
- (3) In the legal actions as meant in sub-article (1) being declare by the authentic deed, number, date and name along with domicile of the notary who is composing the authentic deed mentioned shall be inserted in the deed of establishment of the company.
- (4) In case of the provisions as meant in sub-article (1), (2) and (3) being unfulfilled, the legal actions mentioned not result in the right and obligation along with not bind the company.

Article 13

- (1) Legal actions which is done by prospective founder for interests the company that not yet established, shall bind the company after the company becomes a corporate body if the first shareholder general meeting (first RUPS) of the company firmly declare accepting or taking over all of the rights and obligations arising from the legal actions which done by the prospective founder or his/her proxy.
- (2) The first RUPS as meant in sub-article (1) must be implemented in a period at the latest 60 (sixty) days after the company obtain the status of corporate body.
- (3) The decision of RUPS as meant in sub-article (2) shall be legitimate if RUPS is attended by shareholders representing the whole shares having voting right and the decision is approved unanimously.
- (4) In case the RUPS being not implemented in the period as meant in sub-article (2) or RUPS unsuccessful to make the decision as meant in sub-article (3), every prospective founder taking the legal actions mentioned shall be responsible personally for entire consequence arising from the actions.
- (5) The approval of RUPS as meant in sub-article (2) shall not be required if the legal actions mentioned are taken or approved in writing by all of the prospective founders before the company is established.

Article 14

- (1) Legal actions on behalf of the company which is not yet obtaining the status of corporate body, only allow be taken by all of the members of the Board of Executive Directors together with all of the founders along

with all members of the Board of Commissioners of the company and all of them shall be responsible collectively for the legal actions.

- (2) In case of the legal actions as meant in sub-article (1) being taken by founder on behalf of the company which is not yet obtaining the status of corporate body, the legal actions mentioned become responsibility of the founder concerned and not bind of the company.
- (3) The legal actions as meant in sub-article (1), by law to become responsibility of the company after the company become a corporate body.
- (4) The legal actions as meant in sub-article (2) only to bind and becomes responsibility of the company after the legal actions mentioned are approved by all of the shareholders in RUPS that attended by the whole shareholders of the company.
- (5) RUPS as meant in sub-article (4) is the first RUPS, which must be implemented at the latest 60 (sixty) days after the company obtain the status of corporate body.

Second Part

Articles of Association and Amendment to Articles of Association

Paragraph 1

Articles of Association

Article 15

- (1) The Articles of Association as meant in Article 8 sub-article (1) are contain at least:
 - a. name and domicile of the company;
 - b. goal and objective along with business activity of the company;
 - c. period of established the company;
 - d. the amount of basic capital, subscribed capital and paid in capital;
 - e. the number of shares, classification of shares, if any, along with the number of shares per classification, the rights affixing to every shares and nominal value of every shares;
 - f. position name and number of members the Board of Executive Directors and the Board of Commissioners;
 - g. stipulation of venue and procedures for the implementation of RUPS;
 - h. procedure of appointment, replacement and dismissal members of the Board of Executive Directors and the Board of Commissioners;

- i. procedures for utilization of profit and distribution of dividend.
- (2) Beside the provisions as meant in sub-article (1), the Articles of Association also can contain other provision which not contradictory to this law.
- (3) The Articles of Association cannot be allowed to contain:
 - a. provision on acceptance of fixed interest revenue from shares; and
 - b. provision on the granting of personal benefit to founder or other party.

Article 16

- (1) The company cannot be allowed use the name which:
 - a. has been used legitimately by other company or is basically the same as name of other company;
 - b. contradictory to the public order and/or decency;
 - c. is the same or resemble as name of state institution, government institution or international institution unless otherwise obtaining permit from the institution concerned;
 - d. is not suitable to goal and objective along with business activity or shows only the goal and objective of the company without self-name;
 - e. consists of figure or collection of figure, letter or combination of letters not composing word; or
 - f. have means as company, corporate body or civil alliance;
- (2) The name of company must be preceded by phrase "Limited Liability Company" or abbreviated of "PT".
- (3) In case of the listed company, besides applying the provision as meant in sub-article (2), to the end of the name of the company shall be supplemented abbreviation word of "Tbk".
- (4) Further provision on procedures of utilization the name of company is regulated by the Government Regulation.

Article 17

- (1) The company have domicile in the city or regency area in the territory of the Republic of Indonesia, which is determined in the Articles of Association.
- (2) The domicile as meant in sub-article (1) concurrently constitutes the head office of the company.

Article 18

The company must have goal and objective along with business activity that entered in the Articles of Association of the company conform to the provisions of legislation.

Paragraph 2

Amendment the Articles of Association

Article 19

- (1) Amendment to the Articles of Association is stipulation by the RUPS.
- (2) Agenda concerning amendment the Articles of Association is obligating entered clearly in invitation of the RUPS.

Article 20

- (1) Amendment the Articles of Association of company that already declared bankrupt is unable executed, unless otherwise approved by curator.
- (2) The approval of curator as meant in sub-article (1) is enclosed to application for approval or notification of amendment the Articles of Association to the Minister.

Article 21

- (1) The certain amendment to the Articles of Association must obtain an approval from the Minister.
- (2) The certain amendment to the Articles of Association as meant in sub-article (1) is including:
 - a. the names of company and/or domicile of the company;
 - b. goal and objective along with business activity of the company;
 - c. time-range of establishment the company;
 - d. the amount of basic capital;
 - e. reduction of subscribed capital and paid in capital, and/or
 - f. status of close corporation to become listed company or conversely.
- (3) Amendment the Articles of Association beside as meant in sub-article (2) is sufficient notified to the Minister.

- (4) Amendment the Articles of Association as meant in sub-article (2) and (3) is entered or declared in the notary deed in Indonesia language.
- (5) Amendment the Articles of Association which is not entered in the deed of minutes of meeting made by notary must declared in the notary deed at the latest 30 (thirty) days counted since the date of decision of RUPS.
- (6) The amendment to the Articles of Association may not be allowed in the notary deed after elapsing 30 (thirty) days period as meant sub-article (5).
- (7) Approval application of the amendment to the Articles of Association as meant in sub-article (2) is submitted to the Minister at the latest 30 (thirty) days counted since the date of the notary deed that containing amendment the Articles of Association.
- (8) The provision as meant in sub-article (7) is applied mutatis mutandis to notification of amendment the Articles of Association to the Minister.
- (9) After elapsing time limit 30 (thirty) days as meant in sub-article (7), application for approval or notification of amendment the Articles of Association cannot be submitted or conveyed to the Minister.

Article 22

- (1) An approval application of amendment the Articles of Association concerning the lengthening a period of establishment the company as stipulated in the Articles of Association must be submitted to the Minister at the latest 60 (sixty) days before a period of establishment the company terminate.
- (2) The Minister to issue an approval to the application for lengthening the period of establishment as meant in sub-article (1) at the latest on the date when the latest of establishment the company.

Article 23

- (1) Amendment the Articles of Association as meant in Article 21 sub-article (2) shall come into force since the date of issuance of Decree of the Minister concerning approval of amendment the Articles of Association.
- (2) Amendment the Articles of Association as meant in Article 21 sub-article (3) shall come into force since the date of issuance the acceptance letter of notification on amendment the Articles of Association by the Minister.
- (3) The provisions as meant in sub-article (1) and (2) is not applied, in case in this law stipulate the other.

Article 24

- (1) The company whose capital and shareholders that already fulfill the criteria as public company conform to the provision of legislation in the field of capital market obligate to amend the Articles of Association as meant in Article 21 sub-article (2) letter f in a period of 30 (thirty) days counted since the date when the criteria mentioned are fulfilled.
- (2) Board of Executive Directors of the company as meant in sub-article (1) obligate to submit the statement of registration in accordance with the provision of legislation in the field of capital market.

Article 25

- (1) The amendment to the Articles of Association concerning the status of close corporation change becomes the listed company come to apply since the date:
 - a. effective when the registration statement which is submitted to the supervisory institution in the field of capital market, in case for the public company; or
 - b. when the public offering is executed, in case for the company which is submitted the statement of registration to the supervisory institution in the field of capital market, to undertake public offering of shares in accordance with the provision of legislation in the field of capital market.
- (2) In case of the listing statement of the company as meant in sub-article (1) letter a, becoming ineffective or the company that already submitting the registration statement as meant in sub-article (1) letter b, not undertaking the public offering of shares, the company have to amend again the Articles of Association in a period of 6 (six) months after the date of approval of the Minister.

Article 26

Amendment the articles of association in the framework of Merger or Acquisition is applied since the date of:

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

Article 27

The approval application on amendment the Articles of Association as meant in Article 21 sub-article (2) is rejected if:

- a. contradictory against the provisions concerning procedure for the amendment to Articles of Association;
- b. the content of amendment contradictory against the provision of legislation, public order and/or decency; or
- c. availability the objection of creditor to decision of RUPS concerning reduction of capital.

Article 28

Provisions concerning procedures for submitting an application for obtaining Decree of the Minister on legalization of corporate body of the company and the objection as meant in Article 9, Article 10, and Article 11 shall apply mutatis mutandis to the submitting an application for approval of the amendment to the Articles of Association and its objection.

Third Part

List of Company and Announcement

Paragraph 1

List of Company

Article 29

- (1) List of company is provided by the Minister.
- (2) The list of company as meant in sub-article (1) shall enter the data concerning companies, which cover:
 - a. name and domicile, goal and objective along with business activity, establishment period and capitalization;
 - b. complete address of the company as meant in Article 5;
 - c. number and date of the establishment deed and Decree of the Minister concerning legalization of corporate body of the Company as meant in Article 7 sub-article (4);
 - d. number and date of the deed of amendment to the Articles of Association and approval of the Minister as meant in Article 23 sub-article (1);

- e. number and date of the amendment deed of the Articles of Association and date of acceptance of notification by the Minister as meant in Article 23 sub-article (2);
 - f. name and domicile of the notary who is making the establishment deed and amendment deed to the Articles of Association;
 - g. full name and address of shareholders, members of the Board of Executive Directors and members of the Board of Commissioners of the company;
 - h. number and date of deed of dissolution or number and date of the court decision concerning dissolution of the company that already notified to the Minister;
 - i. expiration of the status of corporate body of the company;
 - j. balance and profit/loss report of the accounting year concerned, for the company being subject to audit;
- (3) The company data as meant in sub-article (2) is included into the list of company at the same date on the date of:
- a. Decree of the Minister concerning legalization of corporate body of the Company, approval of the amendment to the Articles of Association needing approval;
 - b. acceptance of notification concerning amendment the Articles of Association that not necessary an approval; or
 - c. acceptance of notification concerning the change of company data, which is not constitute amendment to the Articles of Association.
- (4) The provisions as meant in sub-article (2) letter g concerning the full name and address of shareholders of the listed company is conform to the provisions of legislation in the field of capital market.
- (5) The list of company as meant in sub-article (1) is opened publicly.
- (6) Further provisions concerning the list of the company is regulated by the Regulation of the Minister.

Paragraph 2

Announcement

Article 30

- (1) The Minister to announce in the Supplement to State Gazette of the Republic of Indonesia:

- a. establishment deed of the company along with the Decree of the Minister as meant in Article 7 sub-article (4);
 - b. amendment deed the Articles of Association of the company along with the Decree of the Minister as meant in Article 21 sub-article (1);
 - c. amendment deed the Articles of Association, has been received its notification by the Minister.
- (2) The announcement as meant in sub-article (1) is implemented by the Minister at the latest 14 (fourteen) days counted since the date of its issuance the Decree of the Minister as meant in sub-article (1) letter a and letter b, or since the date of its received the notification as meant in sub-article (1) letter c.
- (3) Provisions on division of the governance affairs in the field of investment shall be regulated further by the Government Regulation.

CHAPTER III

CAPITAL AND SHARE

First Part

Capital

Article 31

- (1) The basic capital of company shall consist of the whole nominal value of shares.
- (2) The provision as meant in sub-article (1) is not close the possibility of legislation in the field of capital market to regulate the capital of company consisting of shares without nominal value.

Article 32

- (1) The basic capital of the company at the minimum is amounting to Rp. 50,000,000.00 (fifty million rupiahs).
- (2) Law that regulate the certain business activities able to stipulate the minimum amount of capital the company bigger than the provision on the basic capital as meant in sub-article (1).
- (3) Change in the amount of the basic capital as meant in sub-article (1), shall be stipulated by the Government Regulation.

Article 33

- (1) At the least, 25% (twenty five percent) of the basic capital as meant in Article 32 must be subscribed and paid in fully.
- (2) The fully subscribed capital and paid in capital as meant in sub-article (1), is proven by legitimate evidence of remittance.
- (3) Further issuance of share that performed of in every time to add the subscribed capital must be paid in fully.

Article 34

- (1) Depositing of share capital able to be remitted in the form of money and/or other forms.
- (2) In case the depositing of share capital being remitted in the other forms as meant in sub-article (1), evaluation for the remittance of share capital determined based on properly value that decided by the market price or by not-affiliated experts to the company.
- (3) Depositing of shares in the form of immovable goods must be announced in one newspaper or more in a period of 14 (fourteen) days after the establishment deed is signed or RUPS decides the remittance of the shares mentioned.

Article 35

- (1) Other shareholders and creditors whose having a claim to the company cannot exert their collecting rights as compensation of obligation for remittance the price of shares that already their taken, except approved by RUPS.
- (2) The collecting rights to the company as meant in sub-article (1), which can be compensated for the deposited share is collecting rights to the company, which arise because of:
 - a. the company has been received money or surrender of tangible or intangible goods, which can be valued by money;
 - b. the guarantor or underwriter of debt of the company has been paid up the debt of company in the amount of the guaranteeing or underwriting; or
 - c. the company become guarantor or underwriter the debt of third party and the company has received benefit in the form of money or goods, which can be valued by money that direct or indirect obviously.
- (3) The decision of RUPS as meant in sub-article (1) is legitimate if the decision made in accordance with provisions concerning summons to

meeting, quorum and the quantity of votes in order to amend the Articles of Association as regulated in this law and/or the Articles of Association.

Article 36

- (1) The company is prohibited to issue the shares whether for self-owned or owned by other company, whose shares have been owned by the company directly or indirectly.
- (2) The provision concerning prohibition of share ownership as meant in sub-article (1) is not applied against the ownership of shares which obtained based on the transfer by law, grant or testament grant.
- (3) The shares which obtained on the basis of provision as meant in sub-article (2), in the period of one year since the date of gain must be transferred to other party who is not prohibited to own share in the company.
- (4) In case of the other company as meant in sub-article (1) constitute the securities company, is applying the provisions of legislation in the field of capital market.

Second Part

Protection of Capital and Asset of Company

Article 37

- (1) The company able to re-purchase of shares that already issued with the provision that:
 - a. buying-back of shares mentioned does not cause the net assets of company to become smaller than the amount of the subscribed capital added legal reserve that already set aside; and
 - b. total nominal value of the whole shares which bought-back by the company and pawn of shares or fiduciary guarantee of shares held by the self-company and/or other companies whose shares are owned directly or indirectly by the company does not exceed 10% (ten percent) of the amount of subscribed capital in the company, unless otherwise regulated in the legislation in the field of capital market.
- (2) The re-purchasing of shares directly or indirectly contradictory to the provision in sub-article (1) is become null and void by law.

- (3) Board of Executive Directors is responsible collectively for loss sustained by shareholders having goodwill, which result from the re-purchase which is null and void by law as meant in sub-article (2).
- (4) The shares which is re-purchased by the company as meant in sub-article (1) only can be controlled by the company at the longest for 3 (three) years.

Article 38

- (1) The buying-back of shares as meant in Article 37 sub-article (1) or further transfer thereof only can be allowed on the basis of approval of RUPS, unless otherwise stipulated in the legislation in the field of capital market.
- (2) The decision of RUPS as meant in sub-article (1) is legitimate if the decision made in accordance with provisions concerning summons to meeting, quorum and the quantity of votes in order to amendment the Articles of Association as regulated in this law and/or the Articles of Association.

Article 39

- (1) RUPS able to delegate authority to the Board of Commissioners in order to approve the implementation of decision the RUPS as meant in Article 38 for a period at the longest 1 (one) year.
- (2) The delegation of the authority as meant in sub-article (1) on every time can be extended as the same period.
- (3) The delegation authority as meant in sub-article (1) at anytime able to be expropriated back by RUPS.

Article 40

- (1) Shares controlled by the company because of the re-purchase, transfer by law, grant or testament grant cannot be used for voting in RUPS and shall not be counted in determine the total of quorum, which must be achieved in accordance with the provisions of this law and/or the Articles of Association.
- (2) The shares as meant in sub-article (1) are not having the right to obtain of dividend.

Third Part

Addition of Capital

Article 41

- (1) Addition of capital to the company is implemented based on the approval of RUPS.
- (2) RUPS able to delegate authority to the Board of Commissioners in order to approve the implementation of decision of the RUPS as meant in sub-article (1) for a period at the longest 1 (one) year.
- (3) The delegation authority as meant in sub-article (2) at anytime able to be expropriated back by RUPS.

Article 42

- (1) The decision of RUPS for addition of basic capital is legitimate if the decision made by observing the requirement for quorum and number of votes approving in order to amend the Articles of Association conform to the provisions in this law and/or the Articles of Association.
- (2) The decision of RUPS for addition of subscribed capital and paid in capital in the limit of the basic capital is legitimate if implemented with attendance quorum exceeding 1/2 (one second) part of the whole voting shares and approved by over 1/2 (one second) part of the whole votes shares issued, except stipulates bigger in the Articles of Association.
- (3) The addition of capital as meant in sub-article (2) is obligate notified to the Minister for recording in the list of company.

Article 43

- (1) The whole shares that issued for addition capital must be offered previously to every shareholder balanced with the share ownership for the same share classification.
- (2) In the event of the shares will be issued for addition capital constitute the share which its classification not yet issued, the parties who have right to purchase the shares previously are all of shareholders in accordance with the proportion of shares which their owned.
- (3) The offering as meant in sub-article (1) is not applied in case of the issuance of shares:
 - a. directed to the employees of the company;
 - b. directed to the holders of other bonds or securities convertible into shares, which have been issued by approval of RUPS; or

- c. performed in the framework of re-organization and/or restructuring that already approved by RUPS.
- (4) In case of the shareholders as meant in sub-article (1) not utilize their right to buy and pay off their purchased shares in period of 14 (fourteen) days counted since the date of the offering, the Company can offer the remainder of the shares to the third party.

Fourth Part

Decrease of Capital

Article 44

- (1) The decision of RUPS to decrease capital of the company is legitimate if implemented by observing the requirement for quorum and number of votes approving to amend the Articles of Association conform to the provisions in this law and/or the Articles of Association.
- (2) The Board of Executive Directors obligate to notify the decision as meant in sub-article (1) to all of creditors by announcing it in one newspaper or more in the period at the longest 7 (seven) days counted since the date of decision of RUPS.

Article 45

- (1) In the period of 60 (sixty) days counted since the date of the announcement as meant in Article 44 sub-article (1), creditors able to institute the objection in writing, accompanied by their reasons, to the company with regards to the decision to reduce the capital, with a copy to the Minister.
- (2) In the period of 30 (thirty) days counted since the date of received of the objection as meant in sub-article (1), the company obligate to convey answer in writing to the submitted objection.
- (3) In case of the company:
 - a. refuse the objection or not giving solution agreed by creditors in the period of 30 (thirty) days counted since the date of received of the answer by the company; or
 - b. not responding in the period of 60 (sixty) days counted since the date of objection submitted to the company,the creditors can file lawsuit to the district court whose jurisdiction covers the domicile of the company.

Article 46

- (1) Reduction of capital the company shall constitute amendment to the Articles of Association, which must obtain approval from the Minister.
- (2) The approval of the Minister as meant in sub-article (1) is bestowed in case of:
 - a. unavailable in writing objection from the creditors in the period as meant in Article 45 sub-article (1);
 - b. already achieved settlement for the objection which is submitted by creditor; or
 - c. the lawsuit of the creditors is refused by the court on the basis of fixed decision legally.

Article 47

- (1) The decision of RUPS concerning reduction of the subscribed capital and paid in capital is implemented by withdrawal of shares or lowering the nominal value of shares.
- (2) The withdrawal of shares as meant in sub-article (1) is applied to the shares that already bought back by the company or shares with classification able to be taken back.
- (3) The lowering of the nominal value of shares without repayment must be performed proportionally toward the whole shares on every share classification.
- (4) The proportionally as meant in sub-article (3) able to exception by approval of the whole shareholders having the nominal value of their shares deducted.
- (5) In case of the share classification being more than 1 (one), the decision of RUPS on reduction of capital only can be allow after obtain approval previously from the whole shareholders of every share classification whose right is inflict detriment by the decision of RUPS on the capital decrease mentioned.

Fifth Part

Share

Article 48

- (1) Share of the company is issued on behalf of their owners.
- (2) Requirements for share ownership able to be stipulated in the Articles of Association by observing the requirements that stipulated by the authorized institution conform to the provisions of legislation.

- (3) In case of the requirements for share ownership as meant in sub-article (2) being already stipulated and unfulfilled, the parties whose obtain the share ownership mentioned unable to exercise right as shareholders and the shares mentioned not be counted in quorum, which must be achieved conform to the provisions of this law and/or the Articles of Association.

Article 49

- (1) The value of shares must be entered in the currency of Rupiah.
- (2) Share without nominal value cannot be issued.
- (3) The provisions as meant in sub-article (2) is not close the possibility to regulate the issuance of shares without nominal value in the legislation in the field of capital market.

Article 50

- (1) The Board of Executive Directors of the company obligates to establish and keep the list of shareholders, which contain at the least:
 - a. names and addresses of shareholders;
 - b. quantity, number, date of get hold of shares owned by shareholders and its classifications in case of the issued shares being more than one classification;
 - c. the amount of remitted to every share;
 - d. names and addresses of individuals or corporate body having mortgage right of shares or as recipients of fiduciary guarantee of shares and date of gain of the mortgage right or date of registration of the fiduciary guarantee mentioned;
 - e. information remittance of shares in the other forms as meant in Article 34 sub-article (2).
- (2) Besides the list of shareholders as meant in sub-article (1), the Board of Executive Directors of the company obligate to establish and keep a special list containing information concerning shares belonging to members of the Board of executive Directors and Board of Commissioners along with their families in the company and/or other companies as well as the date of acquired of the shares.
- (3) In the list of shareholders and special list as meant in sub-article (1) and sub-article (2), also be recorded on every change in ownership of share.

- (4) The list of shareholders and special list as meant in sub-article (1) and sub-article (2) is provided in domicile of the company so that the shareholders can see them.
- (5) In case the legislation in the field of capital market not regulating the other, the provisions as meant in sub-article (1), sub-article (3) and sub-article (4) is also applying to the Listed Company.

Article 51

The shareholders are given evidence of share ownership for their owned shares.

Article 52

- (1) Shares are giving a right to their ownership to:
 - a. attend and cast a vote in the RUPS;
 - b. receives payment of dividends and remainder from proceeds of liquidation;
 - c. implement the other rights on the basis of this law.
- (2) The provision in this sub-article (1) is applied after the shares are recorded in the list of shareholder on behalf of their owners.
- (3) The provision in this sub-article (1) letter a, and letter c is not apply to the certain share classifications as stipulated in this law.
- (4) Every share is giving indivisible right to the owner.
- (5) In case of one share being owned by more than 1 (one) person, the right arising from the share mentioned will be used by appointing any of the persons as collective representative.

Article 53

- (1) The Articles of Association to stipulate 1 (one) classification of share or more.
- (2) Every share in the same classification is giving the same right to the holder.
- (3) In case the classification of share being more than 1 (one), the Articles of Association to stipulate any of the classification as common share.
- (4) The classification of share as meant in sub-article (3), among other things:
 - a. share with voting right or without voting right;

- b. share with special right to nominate members of the Board of Executive Directors and/or Board of Commissioners;
- c. share that after certain period elapse, expropriated back or replaced by other share classification;
- d. share giving right to the holder to receive dividend earlier than holders of other share classification from the sharing of dividends cumulatively or non-cumulatively;
- e. share giving right to the holder to receive dividend earlier than holders of other classification of share the allocation of remaining of assets the company in liquidation.

Article 54

- (1) The Articles of Association able to stipulate fraction of nominal value of shares.
- (2) Fraction holders of nominal value of the shares is not to be given the right of individual voting, except holder of the fraction of nominal value of shares whether individually or jointly with other holders of the fraction of nominal value of the shares belonging to the same classification has nominal value as much as one nominal share of the classification mentioned.
- (3) The provisions as meant in Article 52 sub-article (4) and sub-article (5) is apply mutatis mutandis to holders of fraction of nominal value of the shares.

Article 55

In the Articles of Association of the company, is stipulated the procedures for transferring right of share in accordance with the provisions of legislation.

Article 56

- (1) Transference of the right of share is implemented by the deed of transfer of right.
- (2) The deed of transfer of right as meant in sub-article (1) or copy thereof is conveyed in writing to the company.
- (3) The Board of Executive Directors is obligate to record the transfer of right of share, date and day on the transfer of right mentioned in the list of shareholders or special list as meant in Article 50 sub-article (1) and sub-article (2) and notify the change in structure of shareholders to the Minister for recorded in the list of the company at the latest 30 (thirty) days counted since the date of recording of transfer of the right.

- (4) In case of the notification as meant in sub-article (3) is not yet implemented, the Minister to refuse application of approval or notification performed on the basis of the structure and names of shareholders, which have not been notified yet mentioned.
- (5) Provisions concerning procedures for the transfer of shares traded on the capital market regulated in the legislation in the field of capital market.

Article 57

- (1) In the Articles of Association able to be regulated concerning the requirements for the transfer of right of shares, namely:
 - a. the obligation to offer previously to the shareholders with certain classification or other shareholders;
 - b. the obligation to obtain previously an approval from the organ of company; and/or
 - c. the obligation to obtain previously an approval from the authorized institution conform to the provisions of legislation.
- (2) The requirements as meant in sub-article (1) is not applied in case the transfer of right on shares resulted from transfer of right by law, except to the compulsory as meant in sub-article (1) letter c with regards to heritage.

Article 58

- (1) In case of the Articles of Association to require the selling shareholders previously offer their shares to certain classification shareholders or other shareholders, and in a period of 30 (thirty) days counted since the date of the offering, obviously none of the shareholders mentioned buying, so the selling shareholders can offer and sell their shares to third party.
- (2) Every selling shareholder who is required to offer the shares as meant in sub-article (1) have the right to take back the offering mentioned, after elapses of period 30 (thirty) days as meant in sub-article (1).
- (3) The obligation to offer to certain classification shareholder or other shareholders as meant in sub-article (1) is only effective once.

Article 59

- (1) The approval of the transfer of right of share which is need an approval from the corporate organ or its rejection assigned in writing of period

at the longest 90 (ninety) days counted since the date of the corporate organ receipt of request for approving the transfer of right mentioned.

- (2) In case of the period as meant in sub-article (1) already elapse and the corporate organ not to issue the written statement, the corporate organ is deemed approving the transfer of right of shares mentioned.
- (3) In case the transfer of right of shares being approved by the corporate organ, the transfer of the right have to be implemented in accordance with the provision as meant in Article 56 and executed in period at the longest 90 (ninety) days counted since the date when the approval is bestowed.

Article 60

- (1) The shares constitute movable goods and give the right as meant in Article 52 to their owners.
- (2) Shares able to be guaranteed by pawn or fiduciary guarantee unless otherwise stipulated in the Articles of Association.
- (3) The pawn of shares or fiduciary guarantee for shares that already registered in accordance with the provisions of legislation obligate recorded in the list of shareholders and special list as meant in Article 50.
- (4) The voting right of shares under guarantee by pawn or fiduciary guarantees is remain in exist to the shareholders.

Article 61

- (1) Every shareholder is entitle to file lawsuit against the Corporate to the district court if the shareholder inflicted a loss by the action of Corporate that deemed unfair and without properly reason as a result the decision of RUPS, Board of Executive Directors and/or Board of Commissioner.
- (2) The lawsuit as meant in sub-article (1) is submitted to the district court whose jurisdiction involve domicile of the Corporate.

Article 62

- (1) Every shareholder has the right to ask the Corporate in order that to their shares sold at a reasonable price if the shareholder concerned disapproved the action of corporate which inflicts a loss to the shareholder or the Corporate, in the form of:
 - a. amendment to the Articles of Association;

- b. transfer or guaranty of asset the Corporate which having a value of exceeding 50% (fifty percent) of the net asset of Corporate; or
 - c. Merger, Statutory merger, Acquisition or Separation.
- (2) In case of the shares requested for the purchase as meant in sub-article (1), exceed the limit of the provision on re-purchase of shares by the Corporate as meant in Article 37 sub-article (1) letter b, the Corporate obligate to efforts so that the remainder of the shares is purchased by the third party.

CHAPTER IV
WORK PROGRAM, ANNUAL REPORT AND
UTILIZATION OF PROFIT

First Part

Work Program

Article 63

- (1) The Board of Executive Directors to compose annual work program before upcoming of the accounting-year is started.
- (2) The work program as meant in sub-article (1) is also containing annual budget of the company for the upcoming accounting-year.

Article 64

- (1) The work program as meant in Article 63 shall be conveyed to the Board of Commissioners or RUPS as stipulated in the Articles of Association.
- (2) The Articles of Association able to stipulate that the work program conveyed by the Board of Executive Directors as meant in sub-article (1) must obtain an approval of the Board of Commissioners or RUPS unless otherwise stipulated in the legislation.
- (3) In case the Articles of Association stipulating that the work program must obtain an approval from RUPS, the work program mentioned must be analyzed previously by the Board of Commissioners.

Article 65

- (1) In case of the Board of Executive Directors not convey the work program as meant in sub-article 64, the work program of the previous year is applied.

- (2) The work program of the previous year is also apply to the Companies whose work program has not obtain the approval as stipulated in the Articles of Association or legislation.

Second Part
Annual Report

Article 66

- (1) The Board of Executive Directors to convey annual report to the RUPS after analyzed by the Board of Commissioners in the period at the latest 6 (six) months after accounting-year of the company is end.
- (2) The annual report as meant in sub-article (1) must be containing at least:
- a. financial statement consist of at the least final balance of the accounting-year recently in the comparison with previous accounting-year, profit-loss report of the accounting year concerned, cash flow report and report on change in equity along with records of the financial statement mentioned;
 - b. report on the company activity;
 - c. report concerning implementation of social and environmental responsibility;
 - d. the problems detail which cause to influence on business activity of the company during the accounting-year;
 - e. report concerning supervisory task already implemented by the Board of Commissioners during the recently passed accounting-year;
 - f. names of members the Board of Executive Directors and Board of Commissioners;
 - g. salaries and allowances of members of the Board of Executive Directors, and salaries or honoraria of members of the Board of Commissioners for the recently passed year.
- (3) The financial statement as meant in sub-article (2) letter a, is organized based on the financial accountancy standard.
- (4) The balance and profit-loss report of the accounting-year as meant in sub-article (2) letter a, for companies which must be audited, is conveyed to the Minister in accordance with the provision of legislation.

Article 67

- (1) The annual report as meant in Article 66 sub-article (1) is signed by the whole members of the Board of Executive Directors and the Board of Commissioners who are assuming in the accounting-year concerned, and provided in head office of the company since the date of invitation of RUPS in order to examined by the shareholders.
- (2) In case of available that the members of the Board of Executive Directors or the Board of Commissioners not signing the annual report as meant in sub-article (1), the members concerned must assert their reason in writing or the reason mentioned is declared by the Board of Executive Directors in a separate letter affixed to the annual report.
- (3) In case of available that the members of the Board of Executive Directors or the Board of Commissioners not signing the annual report as meant in sub-article (1) and not reveal their reasons in writing, the members concerned is deemed already approve the content of the annual report.

Article 68

- (1) The Board of Executive Directors obligates to convey the financial statement of the company to the public accountant for audited if:
 - a. business activity of the company to accumulate and/or manage the public funds;
 - b. the company issues debentures to the public;
 - c. the company constitute listed company;
 - d. the company constitute state-limited liability company;
 - e. the company has asset and/or the business circulation value at the least Rp. 50,000,000,000.00 (fifty billion rupiahs); or
 - f. obligated by the legislation.
- (2) In case of the obligation as meant in sub-article (1) unfulfilled, the financial statement is not ratified by RUPS.
- (3) Report on the result audit of public accountant as meant in sub-article (1) is conveyed in writing to RUPS through the Board of Executive Directors.
- (4) Balance and profit-loss report of the financial statement as meant in sub-article (1) letter a, letter b and letter c after obtaining legalization from RUPS is announced in one newspaper.

- (5) Announcement of the balance and profit-loss report as meant in sub-article (4) shall be done at the latest 7 (seven) days after obtaining legalization from the RUPS.
- (6) Decrease of the amount of value as meant in sub-article (1) letter e, stipulated by the Government Regulation.

Article 69

- (1) Approval of annual report, including legalization of financial statement along with report on supervisory tasks of the Board of Commissioners is performed by RUPS.
- (2) The decision of legalization of financial statement and approval of annual report as meant in sub-article (1) is stipulated based on the provisions in this law and/or the Articles of Association.
- (3) In case the financial statement is provided obviously untrue and/or mislead, the members of the Board of Executive Directors and Board of Commissioners shall be accountable collectively to the party inflict a financial loss.
- (4) Members of the Board of Executive Directors and Board of Commissioners shall be released from the responsibility as meant in sub-article (1) if the condition mentioned is proven not attributable of their mistake.

Third Part

Utilization of Profit

Article 70

- (1) The company obligate set apart a certain amount of the net profit on every accounting year for reserves.
- (2) The obligation to set apart for reserves as meant in sub-article (1) is applied if the company has positive retained earnings.
- (3) Appropriation of net profit as meant in sub-article (1) shall be done until the reserves account achieve at least 20% (twenty percent) of the amount of the subscribed capital and paid in capital.
- (4) The reserves as meant in sub-article (1), which have not yet achieve the amount as meant in sub-article (3) only able to be used for offsetting the loss, which cannot be fulfilled by other reserves.

Article 71

- (1) Utilization of net profit, including the determination of amount of setting aside for reserves as meant in Article 70 sub-article (1) is decided by RUPS.
- (2) The whole net profit, after deducted by the amount of set apart for reserves as meant in Article 70 sub-article (1) is allotted to shareholders as dividends, unless otherwise stipulated in the RUPS.
- (3) The dividends as meant in sub-article (2) only allows be distributed if the company has a positive retained earnings.

Article 72

- (1) The company able to allot interim dividend before the accounting year of the company end as long as it is already regulated in the Articles of Association of the company.
- (2) Allocation of the interim dividend as meant in sub-article (1) able to be done if the amount of net asset of the company does not become smaller than the amount of the subscribed capital and paid in capital added legal reserve.
- (3) Allocation of the interim dividend as meant in sub-article (2) may not affect or cause the company to be unable to fulfill its liabilities to creditors or affect activities of the company.
- (4) Allocation of the interim dividend is decided based on the decision of the Board of Executive Directors after obtain an approval of the Board of Commissioners, with to observe the provisions in sub-article (1) and sub-article (3).
- (5) In case of the company after the accounting year ends, obviously suffer from loss, the interim dividend that already distributed must be returned by shareholders to the company.
- (6) The Board of Executive Directors and Board of Commissioners is accountable collectively for the loss of the company, in case of the shareholders unable to return the interim dividend as meant in sub-article (5).

Article 73

- (1) Dividends which are not taken after 5 (five) years since the date of stipulated for payments of dividends is elapse, entered into the special reserves.

- (2) RUPS to arrange the procedures for taking dividends that already included in the special reserves as meant in sub-article (1).
- (3) Dividends that already included in the special reserves as meant in sub-article (1) and not taken in 10 (ten) years shall become a right of the company.

CHAPTER V

SOCIAL RESPONSIBILITY AND ENVIRONMENT

Article 74

- (1) The companies which are undertaking of their business activities in the field of and/or related to the natural resources obligate to perform corporate social responsibility.
- (2) Corporate social responsibility and environmental as meant in sub-article (1) is constitute an obligation of the company, which budgeted and calculated as a cost of the company, that its implementation thereof executed with to observe the values of fitness and properly.
- (3) The company that not to implement the obligation as meant in sub-article (1) is imposed the sanction in pursuance of the provisions of legislation.
- (4) Further provision concerning the social and environmental responsibility is regulated by the Government Regulation.

CHAPTER VI

GENERAL MEETING OF SHAREHOLDERS

Article 75

- (1) RUPS have the authority not delegated to the Board of Executive Directors or the Board of Commissioners, in the limit of stipulated in this law and/or the Articles of Association.
- (2) In the forum of RUPS, every shareholder have the right to obtain information related to the company from the Board of Executive Directors or the Board of Commissioners as long as related to the agenda of the meeting and not contradictory of interest of the company.
- (3) RUPS in the agenda of various other things is not having the right to make decision, except all of the shareholders be present at and/or

represented in the RUPS and approve the addition to agenda of the meeting.

- (4) The decision on supplemented agenda of meeting must be approved unanimously.

Article 76

- (1) RUPS is provided in domicile of the company or in place where the company undertakes of the main business activity as stipulated in the Articles of Association.
- (2) RUPS of listed company able to be provided in domicile of stock exchange where the shares of company are listed.
- (3) The site of RUPS as meant in sub-article (1) and sub-article (2) must be located in the territory of the Republic of Indonesia.
- (4) If in the RUPS are present and/or represented all of the shareholders and approve that the implementation of RUPS with certain agenda, RUPS able to be provided wherever with to observe the provision as meant in sub-article (3).
- (5) RUPS as meant in sub-article (4) able to make decision in case the decision is approved unanimously.

Article 77

- (1) Besides the organization of RUPS as meant in Article 76, RUPS also able to be implemented through teleconference media, video conference or other electronic media enable all of the participants of RUPS to see mutually and directly listen along with participation in the meeting.
- (2) Requirements for quorum and decision making are the requirements as regulated in this law and/or regulated in the Articles of Association of the company.
- (3) The requirements as meant in sub-article (2) is counted based on the participation of members of RUPS as meant in sub-article (1).
- (4) On every implementation of RUPS as meant in sub-article (1), must be made the minutes of meeting that approved and signed by all of the participants of RUPS.

Article 78

- (1) RUPS is consisting of annual RUPS and other RUPS.
- (2) Annual RUPS is obligate provided in a period at the latest 6 (six) months after the accounting year ends.

- (3) In annual RUPS, must be submitted the whole documents of annual report of the company as meant in Article 66 sub-article (2).
- (4) Other RUPS able to be held at anytime based on the necessity for interests of the company.

Article 79

- (1) The Board of Executive Director to organize the annual RUPS as meant in Article 78 sub-article (2) and other RUPS as meant in Article 78 sub-article (4), which is preceded with the summoning of RUPS.
- (2) The organization of RUPS as meant in sub-article (1) able to be implemented on the basis of request:
 - a. 1 (one) shareholder or more, collectively represent of 1/10 (one tenth) or over of the whole voting shares, except the Articles of Association stipulates smaller; or
 - b. the Board of Commissioners;
- (3) The request as meant in sub-article (2) is submitted to the Board of Executive Directors by the registered mail, accompanied by their reason.
- (4) The registered mail as meant in sub-article (3) which is conveyed by the shareholders and its copy conveyed to the Board of Commissioners.
- (5) The Board of Executive Directors obligate to summon of RUPS at the latest 15 (fifteen) days counted since the date of the request for organizing RUPS is received.
- (6) In case of the Board of Executive Directors not implement the summons of RUPS as meant in sub-article (5),
 - a. the request for organizing RUPS as meant in sub-article (2) letter a is submitted again to the Board of Commissioners; or
 - b. the Board of Commissioners themselves summons of RUPS as meant in sub-article (2) letter b;
- (7) The Board of Commissioners obligate summons RUPS as meant in sub-article (6) letter a, in a period at the latest 15 (fifteen) days counted since the date of the request for organizing RUPS is received.
- (8) RUPS which is organized by the Board of Executive Directors based on the summons of RUPS as meant in sub-article (5) to talk about the issues related to the reason as meant in sub-article (3) and other meeting agendas that deemed necessary by the Board of Executive Directors.
- (9) RUPS which is organized by the Board of Commissioners based on the summons of RUPS as meant in sub-article (6) letter b and sub-article

- (7) only discuss the issues related to the reason as meant in sub-article (3).
- (10) The implementation of RUPS of listed company to abide by the provisions of this law, as long as the provisions of legislation in the field of capital market are not stipulated other.

Article 80

- (1) In case the Board of Executive Directors or Board of Commissioners not implement the summons of RUPS in the period as meant in Article 79 sub-article (5) and sub-article (7), the shareholders who is requesting for implementation of RUPS able to submit an application to the chairman of district court whose jurisdiction involve domicile of the company, to stipulate the bestowing of permit to the applicant-self to summon of RUPS mentioned.
- (2) Chairman of the District Court, after summoning and listening to bear witness of applicants, the Board of Executive Directors and/or Board of Commissioners to make a decision for the bestowing of permit, in order to organize RUPS if a clear-cut case of the applicants convincingly proved that the requirements have been fulfilled and the applicants have interests in properly for implemented RUPS.
- (3) The decree of the Chairman of the District Court as meant in sub-article (2) also contains the provisions concerning:
- a. the shape of RUPS, agenda of RUPS in pursuance of application the shareholders, period a summons of RUPS, quorum of attendance and/or provisions on requirements for making decision of RUPS, along with appointment the chairman of meeting in accordance with or without legally bound to the provisions of this law or the Articles of Association; and/or
 - b. compulsory order to the Board of Executive Directors and/or Board of Commissioners be present at RUPS;
- (4) Chairman of the District Court to refuse an application in case the applicant being unable to prove a clear-cut case convincingly that the requirements have been fulfilled and the applicants have interests in properly for implemented RUPS.
- (5) RUPS as meant in sub-article (1) only allow talking about agenda of the meeting as decided by the Chairman of the District Court.
- (6) The decision of the Chairman of the District Court concerning the bestowing of permit as meant in sub-article (3) is in final decision and legally fixed.

- (7) In case of the Chairman of the District Court refuse the application as meant in sub-article (4), the legal action which able to be submitted only appeals to the Supreme Court.
- (8) The provision as meant in sub-article (1) is also apply to the listed companies with to observe the requirements for announcement of RUPS and other requirements for organizing RUPS as regulated in the legislation in the field of capital market.

Article 81

- (1) The Board of Executive Directors is implementing the summons to shareholders before provide of RUPS.
- (2) In certain cases, the summons of RUPS as meant in sub-article (1) able to be done by the Board of Commissioners or shareholders based on the decision of the Chairman of the District Court.

Article 82

- (1) The summons of RUPS is implemented in period at the latest 14 (fourteen) days before the date of RUPS implemented, without calculate the date of summons and date of RUPS.
- (2) The summons of RUPS is implemented by registered mail and/or advertisement in the newspaper.
- (3) In the summons of RUPS is entered the date, time, venue and agenda of meeting, accompanied by notification that substances to be discussed in RUPS are available in the office of the company since the date of summons of RUPS up to and including the date of RUPS provided.
- (4) The company obligates to provide copies of the substances as meant in sub-article (3) to the shareholders in free of charge, if requested.
- (5) In case of the summoning is not suitable to the provisions as meant in sub-article (1) and sub-article (2) and the summons being not suitable to the provision of sub-article (3), decision of RUPS remain legitimate if the whole shareholders who have voting right be present at or represented in RUPS and the decision mentioned shall be approved unanimously.

Article 83

- (1) For the listed company before summons of RUPS shall be done obligate preceded by the announcement on provided summons of RUPS, with to observe the legislations in the field of capital market.

- (2) The announcement as meant in sub-article (1) implemented in period at the latest 14 (fourteen) days before summons of RUPS.

Article 84

- (1) Every share which is issued have one of voting right, except otherwise stipulated in the Articles of Association.
- (2) The voting right as meant in sub-article (1) is not applied for:
 - a. shares of company which are controlled by the subsidiary company
 - b. underlying stock of the company which are controlled by the subsidiary company in directly or indirectly; or
 - c. shares of company which are controlled by the other company in directly or indirectly already owned by the company.

Article 85

- (1) The shareholders whether themselves or represented based on the authorize letter have the right to attend of RUPS and use their voting right conform to the total of their owned shares.
- (2) The provision as meant in sub-article (1) is not applied to the shareholders of share without voting right.
- (3) In the voting right, the shareholder to cast a vote is applied for whole of their owned shares and shareholders not have the right to delegate more than a proxy for apart from the total of their owned shares with differential vote.
- (4) In the voting right, members of the Board of Executive Directors, members of Board of Commissioners and employee of the company concerned is prohibited to act as the proxy from shareholders as meant in sub-article (1).
- (5) In case of the self-shareholders present in the RUPS, the authorize letter that already delegated is not applied for the meeting mentioned.
- (6) The chairman of meeting have the right to define who is has a right to present in RUPS, with to observe the provisions in this law and the Articles of Association of the company.
- (7) Toward Listed Company beside of applied the provisions as meant in sub-article (3) and sub-article (6) is also applied the provisions of legislation in the field of capital market.

Article 86

- (1) RUPS is able to be implemented if in the RUPS more than $\frac{1}{2}$ (one second) part from total of the whole voting share are present or represented, except otherwise the law and/or the Articles of Association to define bigger than the amount of quorum.
- (2) In case the quorum as meant in sub-article (1) is not achieved, so able to be implemented second summons of RUPS.
- (3) In second summons of RUPS must be mentioned that the first RUPS has been implemented and not achieved the quorum.
- (4) The second of RUPS as meant in sub-article (2) is legitimate and have the right to make decision if in the RUPS at the least $\frac{1}{3}$ (one third) part from total of the whole voting share are present or represented, except otherwise the Articles of Association to define bigger than the amount of quorum.
- (5) In case in the second quorum of RUPS as meant in sub-article (4) is not achieved the company able to submit an application to the Chairman of District Court whose jurisdiction involve domicile of the company, as application of the company so that decided the third quorum of RUPS.
- (6) Third summons of RUPS must be mentioned that the second RUPS has been implemented and not achieved the quorum and third of RUPS will be implemented with quorum that already decided by the Chairman of District Court.
- (7) Decision of the Chairman of District Court concerning quorum of RUPS as meant in sub-article (5) is in final decision and legally fixed.
- (8) Second and third summons of RUPS implemented in period at the latest 7 (seven) days before the second and third of RUPS is persisted.
- (9) Second and third of RUPS implemented in period at the fastest 10 (ten) days and at the latest 21 (twenty one) days after proceed of RUPS is persisted.

Article 87

- (1) Decision of RUPS is making based on the deliberate to achieve consensus.
- (2) In case the decision of RUPS based on the deliberate to achieve consensus as meant in sub-article (1) not achieved, the decision is legitimate if approved more than $\frac{1}{2}$ (one second) part from total vote that released, except otherwise the law and/or the Articles of Association to decide that the decision is legitimate if approved by the bigger of total agree vote.

Article 88

- (1) RUPS to amend the Articles of Association able to be implemented if in the meeting at the least $\frac{2}{3}$ (two second) part from the whole voting share present or represented in RUPS, and the decision is legitimate if approved at the least $\frac{2}{3}$ (two second) part from the released of total vote, except otherwise the Articles of Association to decide that quorum of presence and/or provision on making decision of RUPS is larger.
- (2) In case in the quorum of presence as meant in sub-article (1) is not achieved, able to be implemented of second RUPS.
- (3) The second RUPS as meant in sub-article (2) legitimate and have right to make decision if in the meeting at the least $\frac{3}{5}$ (three fifth) part from total the whole voting share present or represented in RUPS, and the decision is legitimate if approved at the least $\frac{2}{3}$ (two third) part from the released of total vote, except otherwise the Articles of Association to decide that quorum of presence and/or provision on making decision of RUPS is larger.
- (4) The provisions as meant in Article 86 sub-article (5), sub-article (6), sub-article (7), sub-article (8) and sub-article (9) mutatis mutandis applied for RUPS as meant in sub-article (1).
- (5) The provisions as meant in sub-article (1), sub-article (2), and sub-article (3) concerning quorum of presence and provision on requirement of taking decision of RUPS also applied to the Listed Company as long as otherwise not regulated in the legislation in the field of capital market.

Article 89

- (1) RUPS in order to approve the Merger, Statutory merger, Acquisition, or Separation, submitting an application so that the company declared bankrupt, extension in a period of establishment the company, and Dissolution of Company able to be implemented if in the meeting at the least $\frac{3}{4}$ (three fourth) part from the whole voting share present or represented in RUPS, and the decision is legitimate if approved at the least $\frac{3}{4}$ (three fourth) part from the released of total vote, except otherwise the Articles of Association to decide that quorum of presence and/or provision on requirement for taking decision of RUPS is larger.
- (2) In case in the quorum of presence as meant in sub-article (1) is not achieved, able to be implemented of second RUPS.
- (3) The second RUPS as meant in sub-article (2) legitimate and have the right to make decision if in the meeting at the least $\frac{2}{3}$ (two third) part

from total the whole voting share present or represented in RUPS, and the decision is legitimate if approved at the least 2/3 (three fourth) part from the released of total vote, except the Articles of Association to decide the quorum of presence and/or provision on requirement for taking decision of RUPS is larger.

- (4) The provisions as meant in Article 86 sub-article (5), sub-article (6), sub-article (7), sub-article (8) and sub-article (9) mutatis mutandis applied for RUPS as meant in sub-article (1).
- (5) The provisions as meant in sub-article (1), sub-article (2), and sub-article (3) concerning quorum of presence and provision on requirement of taking decision of RUPS also applied to the Listed Company as long as otherwise not regulated in the legislation in the field of capital market.

Article 90

- (1) In every implementation of RUPS is obligate to made and signed the minute of meeting by the chairman of meeting and at the least 1 (one) person of shareholder who appointed from and by participant of RUPS.
- (2) The signature as meant in sub-article (1) is not required if the minute of meeting of RUPS mentioned made by the notary deed.

Article 91

The shareholders also able to make a bind decision outside of RUPS with requirement the whole shareholders who have voting right are approve in writing with to sign the proposal concerned.

CHAPTER VII

BOARD OF EXECUTIVE DIRECTORS AND BOARD OF COMMISSIONERS

First Part

Board of Executive Directors

Article 92

- (1) Board of Executive Directors to undertake the managerial handling of company in order to interest of company and in pursuance of the purpose and mean of the company.

- (2) Board of Executive Directors have authority to undertake the managerial handling as meant in sub-article (1) conforms to the policy deemed appropriate in the limit that stipulated in this law and/or the Articles of Association.
- (3) The Board of Executive Directors is consisting 1 (one) person member or more.
- (4) The company that its business activity related to collect and/or manage the public fund, the company issues the confession of debenture to the public, or Listed Company obligate at the least having 2 (two) person members of the Board of Executive Directors.
- (5) In case the Board of Executive Directors consist of 2 (two) members or more, distribution of task and authority of managerial handling between the members stipulated based on the decision of RUPS.
- (6) In case of the RUPS as meant in sub-article (5) not define, so the distribution of task and authority between the members is stipulated based on the decision of the Board of Executive Directors.

Article 93

- (1) The one who able to be appointed become member of the Board of Executive Directors is individual which capable to perform legal act, except in period of 5 (five) years before his/her appointed ever:
 - a. declared bankrupt;
 - b. become member of the Board of Executive Directors or Board of Commissioners that declared guilty inducing of the company declared bankrupt; or
 - c. punished because to commit the criminal act that inflict a financial loss of the state and/or relating to the financial sector;
- (2) The provision of requirement as meant in sub-article (1) is not lessening possibility of the authoritative of technical institution to stipulate a supplementary requirement based on the legislation.
- (3) Fulfillment the requirement as meant in sub-article (1) and sub-article (2) proved with the letter which is saved by the company.

Article 94

- (1) Member of the Board of Executive Directors is appointed by the RUPS.
- (2) For the first time appointment of member the Board of Executive Directors is performed by founder in the founding deed as meant in Article 8 sub-article (2) letter b.

- (3) Member of the Board of Executive Director is appointed in certain period and able to be appointed again.
- (4) The Articles of Association settle in the procedure of appointment, replacement and discharge of member the Board of Executive Directors, and also able to arrange on procedure of nomination member of the Board of Executive Directors.
- (5) The decision of RUPS concerning appointment, replacement and discharge of member the Board of Executive Directors, also stipulate moment at the beginning of its appointment, replacement and discharge mentioned.
- (6) In case of RUPS not stipulate when the beginning of applied the appointment, replacement and discharge of member the Board of Executive Directors mentioned is beginning applied since its RUPS closed.
- (7) In case of occur the appointment, replacement and discharge of member, the Board of Executive Directors obligate to notify the change of member the Board of Executive Directors to the Minister in order to recorded in the company register in period at the latest 30 (thirty) days counted since the date of RUPS decision mentioned.
- (8) In case of notification as meant in sub-article (7) not yet implemented, the Minister refuse every submitted application or notification conveyed by the Board of Executive Directors which is not yet recorded in the company register.
- (9) The notification as meant in sub-article (8) is not including notification that conveyed by newly Board of Executive Directors on appointment of oneself personally.

Article 95

- (1) Appointment of the Board of Executive Directors which unfulfilled the requirement as meant in Article 93 is null and void by law, since at the moment of other member the Board of Executive Directors or Board of Commissioners to know that its requirement mentioned is unfulfilled.
- (2) In period at the latest 7 (seven) days counted since ascertained, other member the Board of Executive Directors or Board of Commissioners have to announce its annulled of appointment the member mentioned in the newspaper and notify to the Minister in order to recorded in the company register.

- (3) Legal action has been performed for and on behalf of the company by member of the Board of Executive Directors as meant in sub-article (1) before oneself appointment is annulled, remain bind and become responsible of the company.
- (4) Legal action that performed for and on behalf of the company by member of the Board of Executive Directors as meant in sub-article (1) after the appointment annulled is unlawful and become individual responsibility of member the Board of Executive Directors concerned.
- (5) The provision as meant in sub-article (3) is not lessening responsible of member of the Board of Executive Directors concerned against detriment of company as meant in Article 97 and Article 104.

Article 96

- (1) Provision concerning amount salary and allowance of member the Board of Executive Directors stipulated based on the decision of RUPS.
- (2) The authority of RUPS as meant in sub-article (1), able to be delegated to the Board of Commissioners.
- (3) In case the authority of RUPS delegated to the Board of Commissioners as meant in sub-article (2), amount salary and allowance as meant in sub-article (1) stipulated based on the meeting decision of the Board of Commissioners.

Article 97

- (1) The Board of Executive Directors is responsible on the managerial handling of company as meant in Article 92 sub-article (1).
- (2) The management handling as meant in sub-article (1) have to be performed every member the Board of Executive Directors with the good will and full responsibility.
- (3) Every member the Board of Executive Directors full responsible in personal on detriment the company if personally concerned guilty or negligent to perform the task in pursuance of the provision as meant in sub-article (2).
- (4) In case the Board of Executive Directors consist of 2 (two) members or more, the responsible as meant in sub-article (3) is applied in collective responsible for every member the Board of Executive Directors.

- (5) Member the Board of Executive Directors unable to be responsible on detriment as meant in sub-article (3) if able to prove that:
 - a. detriment mentioned not cause of personally guilty or negligence;
 - b. already perform the leadership with the good will and prudently in order to interest and in accordance with the purpose and mean of company;
 - c. not have conflict of interest whether direct or indirect on the managerial handling which result in detriment; and
 - d. already taking measures to prevent arise and sustained of detriment mentioned.
- (6) On behalf of the company, shareholders who represent at the least 1/10 (one tenth) part from the whole voting share able to submit prosecute through the district court against member of the Board of Executive Directors that cause of personally guilty or negligence rise to detriment of the company.
- (7) The provision as meant in sub-article (5) is not lessening the right other member of the Board of Executive Directors or Board of Commissioners in order to prosecute on behalf of the company.

Article 98

- (1) The Board of Executive Director is represent company whether in side or out side the court.
- (2) In case member the Board of Executive Directors consist of exceeding a (one) person, who authoritative to represent the company is every member the Board of Executive Directors, except otherwise stipulated in the Articles of Association.
- (3) Authority of the Board of Executive Director for represent of company as meant in sub-article (1) is unlimited and unconditional, except otherwise stipulated in this law, the Articles of Association or the decision of RUPS.
- (4) The decision of RUPS as meant in sub-article (3) is not allow contradictory to the provisions of this law and/or the Articles of Association the company.

Article 99

- (1) Member the Board of Executive Director is not having authoritative to represent the company if:
 - a. occur the case in the court between company and member the Board of Executive Director mentioned; or

- b. member the Board of Executive Director concerned have conflict of interest to the company.
- (2) In case the condition as meant in sub-article (1) is available, who have the right to represent the company:
- a. other member the Board of Executive Director who is not have conflict of interest to the company;
 - b. the Board of Commissioners in case the whole member the Board of Executive Director have conflict of interest to the company; or
 - c. other party that appointed by RUPS in case the whole member the Board of Executive Director or Board of Commissioners have conflict of interest to the company.

Article 100

- (1) The Board of Executive Directors is obligated:
- a. to create the list of shareholders, special list, minutes of RUPS and minutes of meeting of the Board of Executive Directors;
 - b. to make the annual reports as meant in Article 66 and financial document of the company as meant in the Law regarding Documents of Company; and
 - c. to maintain the whole lists, minutes and financial documents of the company as meant in letter a and letter b and other documents of Company.
- (2) The whole lists, minutes and financial documents of the company and other documents of company as meant in sub-article (1) are saved in domicile of the company.
- (3) Because of written application of shareholders, the Board of Executive Directors to issue permit to the shareholders in order to examine the list of shareholders, special list, minutes of RUPS as meant in sub-article (1) and annual reports along with to acquire copy of minutes of RUPS and copy of annual reports.
- (4) The provision as meant in sub-article (3) not close the possibility that the legislation in the field of capital market is stipulates otherwise.

Article 101

- (1) Members of the Board of Executive Directors obligate to report to the company concerning shares owned by the members concerned and/or their families in the company and other companies furthermore recorded in the special list.

- (2) Members of the Board of Executive Directors who unfulfilling the obligation as meant in sub-article (1) and inflicting detriment to the company is responsible personally on detriment of the company mentioned.

Article 102

- (1) The Board of Executive Directors obligates to request approval from RUPS in order to:
 - a. transfer the company assets; or
 - b. use the company assets as debt guarantee;which constitute exceeding 50% (fifty percent) of the total net assets of the company in one transaction or more, whether their related to each other or not.
- (2) The transaction as meant in sub-article (1) letter a is the transaction of transfer the net assets of company that occur in period of accounting year or longer period as regulated in the Articles of Association of the company.
- (3) The provision as meant in sub-article (1) is not apply against the action of transfer or pedging for the company assets that implemented by the Board of Executive Directors as implementation business activity of the company conform to its Articles of Association.
- (4) The legal action as meant in sub-article (1), without approval of RUPS, remains binding the company as long the other party in the legal action mentioned has goodwill.
- (5) The provision on quorum of attendance and/or provision on the taking decision of RUPS as meant in Article 89 mutatis mutandis is apply for decision of RUPS in order to approve the action of the Board of Executive Directors as meant in sub-article (1).

Article 103

The Board of Executive Directors able to proxy in writing to 1 (one) employee of the company or more or other persons to act for and on behalf of the company to perform the certain legal action as explained in the letter of authority.

Article 104

- (1) The Board of Executive Directors is unauthorized to submit application of bankruptcy for the self-company to the Court Of Commerce before

acquire an approval of RUPS, without reducing the provision as regulated in the law regarding Bankruptcy and Deferment of Obligation for Debt Payment.

- (2) In case of bankruptcy as meant in sub-article (1) is happening because of guiltiness or negligence of the Board of Executive Directors and bankrupt assets not adequate to pay the whole liabilities of the company in the bankruptcy mentioned, every member of the Board of Executive Directors shall be responsible collectively for whole liabilities, which are unpaid off by the bankrupt assets mentioned.
- (3) The responsibility as meant in sub-article (2) also apply to be guilty and negligent members of the Board of Executive Directors ever occupy as members of the Board of Executive Directors in 5 (five) years before the decision of bankrupt declaration is uttered.
- (4) Members of the Board of Executive Directors is not be responsible for bankruptcy of the company as meant in sub-article (2) if able to prove that:
 - a. the bankruptcy mentioned is not cause of personally guilty or negligence;
 - b. already perform the leadership with the good will, prudently and in a full sense of responsibility for interest and in accordance with the purpose and mean of company;
 - c. not have conflict of interest whether direct or indirect on the action of managerial handling which is performed; and
 - d. already take measure in order to prevent its happen of bankruptcy.
- (5) The provision as meant in sub-article (2), sub-article (3) and sub-article (4) also apply to the Board of Executive Directors of the company that declared bankrupt based on the lawsuit of third party.

Article 105

- (1) Members of the Board of Executive Directors able to be discharged at anytime based on the decision of RUPS by mention of its reason.
- (2) The decision to retire the members of the Board of Executive Directors as meant in sub-article (1) is made after the member mentioned bestowed opportunity to defend oneself in RUPS.
- (3) In case the decision to retire members of the Board of Executive Directors as meant in sub-article (2) implemented by a decision outside RUPS conform to the provision as meant in Article 91, the members mentioned is notified previously concerning the plan of discharge and given opportunity to defend oneself before made the decision of discharge.

- (4) The bestowing of opportunity to defend oneself as meant in sub-article (2) is not needed in case the members concerned no objection to the discharge mentioned.
- (5) Discharge of members the Board of Executive Directors is applied since:
 - a. its closed of RUPS as meant in sub-article (1);
 - b. the date of the decision as meant in sub-article (3);
 - c. other date that stipulated in the decision of RUPS as meant in sub-article (1); or
 - d. other date that stipulated in the decision as meant in sub-article (3).

Article 106

- (1) Members of the Board of Executive Directors able to be discharged temporarily by the Board of Commissioners with to mention its reason.
- (2) The temporarily discharge as meant in sub-article (1) is notified in writing to the members of the Board of Executive Directors concerned.
- (3) Temporarily discharge of members the Board of Executive Directors as meant in sub-article (1) is not be authorized to perform the tasks as meant in Article 92 sub-article (1) and Article 98 sub-article (1).
- (4) In period at the latest 30 (thirty) days after the date of the temporarily discharge, the RUPS have to be implemented.
- (5) In RUPS as meant in sub-article (4), the member of the Board of Executive Directors concerned is bestowed opportunity in order to self pleading.
- (6) RUPS is revoke or affirm the decision on the temporarily discharge mentioned.
- (7) In case of RUPS affirmation the decision on the temporarily discharge, the members of Board of Executive Directors concerned is retired for hereafter.
- (8) In case of the period 30 (thirty) days already elapse of RUPS as meant in sub-article (4) not implemented, or unable to make decision, the temporarily discharge mentioned is become cancelled.
- (9) For the listed companies, the implementation of RUPS as meant in sub-article (4) and sub-article (8) is prevail the provisions of legislation in the field of capital market.

Article 107

In the Articles of Association is regulated the provisions concerning:

- a. procedures for retirement of members of the Board of Executive Directors;
- b. procedures for filling in the vacant position of members of the Board of Executive Directors; and
- c. party who have authorize to undertake managerial handling and represent the company in case the whole members of the Board of Executive Directors is deterred or dismissed temporarily.

Second Part

Board of Commissioners

Article 108

- (1) The Board of Commissioners to perform supervision on the managerial policies, implementation of management in general, whether on the company or business of the company and bestow advice to the Board of Executive Directors.
- (2) The supervision and bestowing of advice as meant in sub-article (1) is implemented for interest and appropriate for the purpose and mean of the company.
- (3) The Board of Commissioners is consisting of one member or more.
- (4) The Board of Commissioners consisting of more than one member constitutes the assembly and every member of the Board of Commissioners unable take action personally except for based on the decision of the Board of Commissioners.
- (5) The company that its business activity related to collect and/or manage the public fund, the company issues the confession of debenture to the public, or Listed Company obligate at the least having 2 (two) person members of the Board of Commissioners.

Article 109

- (1) The company which to undertake business activity based on the Syariah principles besides have the Board of Commissioners obligate to possess the Syariah Supervisory Council.
- (2) The Syariah Supervisory Council as meant in sub-article (1) consists of a syariah expert or more, appointed by RUPS on the basis of recommendation of the Indonesian Ulama Council.

- (3) The Syariah Supervisory Council as meant in sub-article (1) in charge to bestow advice and recommendations to the Board of Executive Directors along with supervise activity of the company so as to conform to the Syariah principles.

Article 110

- (1) The one who able to be appointed become members of the Board of Commissioners is individual which capable to perform legal act, except in period of 5 (five) years before his/her appointed ever:
 - a. declared bankrupt;
 - b. become member of the Board of Executive Directors or Board of Commissioners that declared guilty inducing of the company declared bankrupt; or
 - c. punished because to commit the criminal act that inflict a financial loss of the state and/or relating to the financial sector.
- (2) The provision of the requirements as meant in sub-article (1) is not lessening possibility of the authoritative of technical institution to stipulate a supplementary requirement based on the legislation.
- (3) Fulfillment the requirement as meant in sub-article (1) and sub-article (2) proved with the letter which is saved by the company.

Article 111

- (1) Members of the Board of Commissioners are appointed by RUPS.
- (2) For the first time appointment of member the Board of Commissioners is performed by founder in the founding deed as meant in Article 8 sub-article (2) letter b.
- (3) Member of the Board of Commissioners is appointed in certain period and able to be appointed again.
- (4) The Articles of Association settle in the procedure of appointment, replacement and discharge of member the Board of Commissioners, and also able to arrange on procedure of nomination member of the Board of Executive Directors.
- (5) The decision of RUPS concerning appointment, replacement and discharge of member the Board of Commissioners, also stipulate moment at the beginning of its appointment, replacement and discharge mentioned.

- (6) In case of RUPS not stipulate when the beginning of applied the appointment, replacement and discharge of member the Board of Commissioners mentioned is beginning applied since its RUPS closed.
- (7) In case of occur the appointment, replacement and discharge of member the Board of Commissioners, so the Board of Executive Directors obligate to notify the change of member mentioned to the Minister in order to recorded in the company register in period at the latest 30 (thirty) days counted since the date of RUPS decision mentioned.
- (8) In case of the notification as meant in sub-article (7) being not yet conveyed, the Minister shall turn down every notification about the change in composition of the Board of Commissioners submitted to the Minister by the Board of Executive Directors.
- (8) In case of notification as meant in sub-article (7) not yet implemented, the Minister refuse every notification that submitted by the Board of Executive Directors concerning the change in structure the Board of Commissioners further.

Article 112

- (1) Appointment of the Board of Commissioners which unfulfilled the requirement as meant in Article 110 sub-article (1) and (2) is null and void by law, since at the moment of other member the Board of Commissioners or the Board of Executive Directors to know that its requirement mentioned is unfulfilled.
- (2) In period at the latest 7 (seven) days counted since known, the Board of Executive Directors have to announce its annulled of the appointment of the members of Board of Commissioners concerned in the newspaper and notify to the Minister in order to recorded in the company register.
- (3) Legal action has been performed for and on behalf of the company by member of the Board of Commissioners as meant in sub-article (1) before their appointment is annulled; remains bind and become responsible of the company.
- (4) The provision as meant in sub-article (2) is not lessening responsible of member of the Board of Commissioners concerned against detriment of company as meant in Article 114 and Article 115.

Article 113

The provision relating to salaries or honoraria and allowances of members of the Board of Commissioners is stipulated by RUPS.

Article 114

- (1) The Board of Commissioners is responsible on supervision to the company as meant in Article 108 sub-article (1).
- (2) Every member of the Board of Commissioners obligate to perform the supervisory tasks and bestowing advice with goodwill, prudentially and responsible to the Board of Executive Directors as meant in Article 108 sub-article (1) in order to interest of the company and conform to the goal and objective of the company.
- (3) Every member of the Board of Commissioners shall be responsible personally for the corporate loss if the relevant is guilty or negligent to perform the task in pursuance of the provision as meant in sub-article (2).
- (4) In case the Board of Commissioners consist of 2 (two) members or more, the responsible as meant in sub-article (3) is applied in collective responsible for every member the Board of Commissioners.
- (5) Member the Board of Commissioners unable to be responsible on detriment as meant in sub-article (3) if able to prove that:
 - a. already perform the supervisory with the good will and prudently in order to interest and conform to the purpose and mean of company;
 - b. not have conflict of interest whether direct or indirect on the managerial handling of the Board of Executive Directors which result in detriment; and
 - c. already to bestow advice to the Board of Executive Directors in order to prevent arise and sustainable of detriment mentioned.
- (6) On behalf of the company, shareholders who represent at the least 1/10 (one tenth) part from the whole voting share able to submit prosecute through the district court against member of the Board of Executive Directors that cause of personally guilty or negligence rise to detriment of the company.

Article 115

- (1) In case of the bankruptcy is happening because of guilt or negligence of the Board of Commissioners in supervisory against the managerial handling that perform by the Board of Executive Directors, and assets of the company not adequate to pay the whole liabilities of the company result from the bankruptcy mentioned, every member of the Board of Commissioners is responsible collectively with the Board of Executive Directors for the liabilities which unpaid off.
- (2) The responsibility as meant in sub-article (1) also apply to member of the Board of Commissioners, who have not occupied in 5 (five) years before the decision of bankrupt declaration is uttered.
- (3) Members of the Board of Commissioners are not able to be requested the responsibility for bankruptcy of the company as meant in sub-article (2) if able to prove that:
 - a. the bankruptcy mentioned is not cause of personally guilty or negligence;
 - b. already perform the supervisory task with the good will and prudently for interest and conform to the purpose and mean of company;
 - c. not have conflict of interest whether direct or indirect on the action of managerial handling by the Board of Executive Directors which result in the bankruptcy; and
 - d. already to bestow advice to the Board of Executive Directors in order to prevent the bankruptcy is happening.

Article 116

The Board of Commissioners is obliged to:

- a. to generate the minutes of meeting the Board of Commissioners and maintain on file its copy;
- b. report to the company concerning their share ownership or share ownership of their families in the company and other companies; and
- c. to compose the report to RUPS relating to the supervisory tasks that already performed during accounting year that recent elapse.

Article 117

- (1) In the Articles of Association able to be stipulated delegation of authority to the Board of Commissioners to bestow an approval or

assistance to the Board of Executive Directors to perform the certain legal actions.

- (2) In case the Articles of Association stipulate the requirements for bestowing of approval or assistance as meant in sub-article (1), without approval or assistance of the Board of Commissioners, the legal action remain binding the company as long as the other party in the legal action mentioned has goodwill.

Article 118

- (1) The based on the Articles of Association or decision of RUPS, the Board of Commissioners able to undertake the managerial handling of company in the certain condition for certain period.
- (2) The Board of Commissioners in certain situation for certain period to undertake the managerial handling as meant in sub-article (1), is prevailing all of the provisions on rights, authority and obligations the Board of Executive Directors to the company and the third party.

Article 119

The provision concerning discharge of members of the Board of Executive Directors as meant in Article 105 is prevailing mutatis mutandis for the discharge of members of the Board of Commissioners.

Article 120

- (1) The Articles of Association of company able to regulate availability 1 (one) person Independent of Commissioner or more and 1 (one) person Delegate of Commissioner.
- (2) The Independent of Commissioner as meant in sub-article (1) appointed based on the decision of RUPS from party unaffiliated with the main shareholders, members of the Board of Executive Directors and/or other members of the Board of Commissioners.
- (3) The Delegate of Commissioner as meant in sub-article (1) constitute member of the Board of Commissioners appointed based on the decision of meeting the Board of Executive Directors.
- (4) The tasks and authority of the Delegate of Commissioner stipulated in Articles of Association of the company with the provision do not contradictory to the tasks and authority of the Board of Commissioners and do not lessen the managerial handling of tasks that performed by the Board of Executive Directors.

Article 121

- (1) In perform the supervisory tasks as meant in Article 108, the Board of Commissioners able to establish a committee that who their member is a person or more members of the Board of Commissioners.
- (2) The committee as meant in sub-article (1) responsible to the Board of Commissioners.

**CHAPTER VIII
MERGER, STATUTORY MERGER, ACQUISITION
AND SEPARATION**

Article 122

- (1) Merging and statutory merger result in the company which to merge or consolidate oneself is terminated by law.
- (2) The company to an end as meant in sub-article (1) is happen without undertaking liquidation previously.
- (3) In case of the company to an end as meant in sub-article (2), then
 - a. assets and liabilities of company which merge or consolidate oneself legally devolve upon the acquirer company of merger or the company as result of statutory merger;
 - b. the shareholders of acquiree company or consolidate company is legally become shareholders of the acquirer company of merger or the company as result of statutory merger; and
 - c. the company which merge or consolidate oneself is terminated by law counted since the date when the merger or statutory merger come to prevail.

Article 123

- (1) The Board of Executive Directors of the company who plan to merge and receive the merger to formalize the draft of merger.
- (2) The draft of merger as meant in sub-article (1) is containing at the least:
 - a. names and domicile of every company who plan the merging;
 - b. reasons along with elucidation of the Board of Executive Directors who plan the merging of companies and requirements of merger;
 - c. valuation procedures and conversion of shares the merging companies into shares of the company receiving the merger;

- d. draft amendment of statute of the company receiving the merger, in case available;
 - e. the financial statement as meant in Article 66 sub-article (2) letter a, that involve the last 3 (three) accounting years for every company who plan the merging;
 - f. plan for the continuation or termination of business activities of the company who plan the merging;
 - g. proforma balance of the company receiving the merger in accordance with the common accountancy principles that prevailing in Indonesia;
 - h. settlement system of status, rights and liabilities of members of the Board of Executive Directors, Board of Commissioners and employees of the company that will be merger;
 - i. settlement method of rights and liabilities of the company which have planning to merge to the third party;
 - j. settlement method of rights the shareholders who disagree against the merger of company;
 - k. names of members of the Board of Executive Directors and the Board of Commissioners along with salaries, honoraria and allowances for the members of the Board of Executive Directors and the Board of Commissioners of the company who accept the merger;
 - l. estimation period of settlement the merger;
 - m. report concerning condition, progress and result achieved from every company that will be merge;
 - n. the main activity of every merging company and change during in the current accounting year; and
 - o. detail of problems that emerge during in the current accounting year, which influence activity of the company that will be merge.
- (3) Draft of merger as meant in sub-article (2), after acquire an approval of the Board of Commissioners of every company, submitted to RUPS of the respective companies to obtain an approval.
- (4) For the certain company that will be merger besides prevail the provisions in this law, it is necessary to obtain an approval previously from the related institution in accordance with the provisions of legislation.

- (5) The provision as meant in sub-article (1) up to and including sub-article (4) is also prevailing to Listed Companies as far as unless otherwise regulated in the legislation in the field of capital market.

Article 124

The provision as meant in Article 123 is prevailing mutatis mutandis to the companies that will be to merge.

Article 125

- (1) Acquisition implemented in a way takeover of shares that already issued and/or to be issued by the company through the Board of Executive Directors of company or directly from the shareholders.
- (2) The acquisition able to be implemented by corporate body or individual.
- (3) The acquisition as meant in sub-article (1) is takeover of shares that result in the change of control over the company mentioned.
- (4) In case the acquisition being executed by corporate body in the form of Limited Liability Company, the Board of Executive Directors before perform a legal action the acquisition must be based on decision of RUPS that fulfill the quorum of attendance and provisions on the requirement for making decision of RUPS as meant in Article 89.
- (5) In case the acquisition being performed through the Board of Executive Directors, the parties that will be taking over the company to submit their intention to perform takeover to the Board of Executive Directors of the company, which will be taken over.
- (6) The Board of Executive Directors of Acquiree Company and the Acquirer Company with an approval of the Board of Commissioners of the respective companies, to formulate the draft of acquisition at the least containing of:
 - a. names and domicile of the Acquirer Company and the Acquiree Company;
 - b. reason along with clarification of the Board of Executive Directors of the Acquirer Company and Board of Executive Directors of the Acquiree Company;
 - c. the financial statement as meant in Article 66 sub-article (2) letter a for the last accounting years, belonging to the Acquirer Company and the Acquiree Company;

- d. procedures for assessment and conversion of shares from the Acquiree Company against it exchange shares if the payment of acquisition performed by shares;
 - e. the quantity of shares will be taken over;
 - f. readiness of funding;
 - g. pro-forma consolidated balance of the Acquirer Company after the acquisition, which is formulated in accordance with the common accountancy principles that prevailing in Indonesia;
 - h. settlement method of rights the shareholders who disagree against the acquisition;
 - i. settlement system of status, rights and liabilities of members of the Board of Executive Directors, Board of Commissioners and employees of the Acquiree Company;
 - j. estimation period of settlement the acquisition, including the period of authorization on transfer of shares from shareholders to the Board of Executive Directors of the company;
 - k. draft amendment to the articles of association of the company resulting from the acquisition, if available.
- (7) In case the acquisition of shares performed directly from shareholders, the provision as meant in sub-article (5) and in sub-article (6) is not prevailing.
- (8) The acquisition of shares as meant in sub-article (7) obligate to observe the provisions of articles of association of the company that will be taken over concerning the transfer of rights to shares and agreement that already made by the company with other party.

Article 126

- (1) The legal action of Merger, Statutory merger, Acquisition or Separation is obligate to observe interest of:
- a. the company, minority shareholders, employees of the company;
 - b. creditors and other business partners of the company; and
 - c. the public and fair competition in undertaking business;
- (2) The shareholders who disagreeing against decision of RUPS concerning Merger, Statutory merger, Acquisition or Separation as meant in sub-article (1) only allow using their right as meant in Article 62.

- (3) Implementation of the right as meant in sub-article (2) shall not discontinue the Merger, Statutory merger, Acquisition or Separation.

Article 127

- (1) The decision of RUPS concerning Merger, Statutory merger, Acquisition or Separation is legitimate if the decision taken in accordance with the provisions as meant in Article 87 sub-article (1) and Article 89.
- (2) The Board of Executive Directors of the company that will be perform of Merger, Statutory merger, Acquisition or Separation obligate to announce summary of the draft at the minimum in one newspaper and announce in writing to the employees of company that will be perform of Merger, Statutory merger, Acquisition or Separation in period at the latest 30 (thirty) days before the summons of RUPS.
- (3) The announcement as meant in sub-article (2) also contain notification that the interesting parties able to obtain draft Merger, Statutory merger, Acquisition or Separation in office of the company since the date of announcement up to the date of enforcement of RUPS.
- (4) Creditors able to convey objection to the company in period at the latest 14 (fourteen) days after the date of announcement as meant in sub-article (2) with regard to the Merger, Statutory merger, Acquisition or Separation in accordance with the draft.
- (5) If in the period as meant in sub-article (4), the creditors not convey objection the creditor shall be deemed approving the merger, statutory merger, acquisition or separation.
- (6) In case of objection the creditor as meant in sub-article (4) up to and including the date of RUPS implemented is unable settled by the Board of Executive Directors, the objection mentioned must be forwarded in RUPS for obtain the settlement.
- (7) As long as the settlement as meant in sub-article (6) is not yet achieved, the merger, statutory merger, acquisition or separation unable to be implemented.
- (8) The provisions as meant in sub-article (2) and sub-article (4) sub-article (5), sub-article (6) and sub-article (7) is prevailing mutatis mutandis for announcement in the framework takeover of shares that executed direct from shareholders in the company as meant in Article 125.

Article 128

- (1) Draft of Merger, Statutory merger, Acquisition or Separation that already approved by RUPS poured into the deed of merger, statutory merger, acquisition or separation, which is made in front of notary in Indonesia language.
- (2) The deed of acquisition of shares that executed direct from shareholders is obligate declared by the notary in Indonesia language.
- (3) The deed of statutory merger as meant in sub-article (1) becomes the basis for making deed of establishment of the company resultant from the statutory merger.

Article 129

- (1) Duplication deed of merger of the company shall be enclosed to:
 - a. the submitting application to obtain approval of the Minister as meant in Article 21 sub-article (1); or
 - b. the conveying notification to the Minister on amendment of Articles of Association as meant in Article 21 sub-article (3).
- (2) In case of the merger of company being not accompanied by amendment of Articles of Association, the duplication deed of merger must be conveyed to the Minister for recorded in the list of company.

Article 130

Duplication the deed of statutory merger shall be enclosed to the submitting application to obtain a decree of the Minister of Finance on legalization of corporate body of the company resultant from the statutory merger as meant in Article 7 sub-article (4).

Article 131

- (1) Duplication the deed of company acquisition obligate enclosed to the conveying of notification to the Minister on amendment of Articles of Association as meant in Article 21 sub-article (3).
- (2) In case the takeover of shares that executed directly from shareholders in the company, the duplication of deed of the transfer of rights to shares obligate enclosed to the conveying of notification to the Minister concerning the change composition of shareholders.

Article 132

The provision as meant in Article 29 and Article 30 is also prevailing to Merger, Statutory merger, Acquisition or Separation.

Article 133

- (1) The Board of Executive Directors of the company receiving the merger or the Board of Executive Directors resulting from the liquidation obligate to announce the result of merger or liquidation in one newspaper or more in period at the latest 30 (thirty) days counted since its affective date of the Merger or Liquidation.
- (2) The provision as meant in sub-article (1) also applied to the Board of Executive Directors of the company whose shares are taken over.

Article 134

Further provision concerning Merger, Liquidation or Acquisition shall be regulated by the Government Regulation.

Article 135

- (1) Separation able to be implemented by means:
 - a. pure separation; or
 - b. impure separation.
- (2) The pure-separation as meant in sub-article (1) letter a, to result in the whole assets and liabilities of the company legally devolve upon 2 (two) other company or more of the acquirer company and the company that perform separation of business mentioned is terminated by law.
- (3) The impure separation as meant in sub-article (1) letter b, to result in part of assets and liabilities of the company legally devolve upon 1 (one) other company or more of the acquirer company and the company which perform Separation mentioned remains in existence.

Article 136

A further provision concerning the Separation is regulated by the Government Regulation.

Article 137

In case of legislation in the field of capital market not regulating the other, the provision as meant in Chapter VIII is also prevailing to the Listed Companies.

CHAPTER IX
AUDIT TO THE COMPANY

Article 138

- (1) Audit against the company able to be implemented for the purpose to obtain data or information in case a find the allegedly that:
 - a. the company to commit unlawful action inflicting a financial loss to shareholders or the third party; or
 - b. members of the Board of Executive Directors or Board of Commissioners to commit unlawful action inflicting a financial loss to the company or shareholders or the third party.
- (2) The audit as meant in sub-article (1) to be implemented by submitting an application in writing along with its reason to the district court whose jurisdiction involve the domicile of company.
- (3) The application as meant in sub-article (2) able to be submitted by:
 - a. 1 (one) shareholder or more to represent at the least 1/10 (one tenth) part from the total voting shares;
 - b. other party based on the legislation, Articles of Association of the company or agreement with companies, bestowed the authority to submit an application for audit; or
 - c. the public prosecutor for public interests.
- (4) The application as meant in sub-article (3) letter a, to be submitted after previously the applicant inquire data or information to the company in RUPS and the company not allow the data or information mentioned.
- (5) The application to obtain the data or information with regard to the company or application for audit to obtain the data or information must be based on the rational reason and goodwill.
- (6) The provision as meant in sub-article (2), sub-article (3) letter a, and sub-article (4) is not close the possibility of legislation in the field of capital market to stipulate the other.

Article 139

- (1) Chairman of the District Court able to refuse or allow the application as meant in Article 138.

- (2) The Chairman of the District Court as meant in sub-article (1) refuse the application if the application mentioned is not based on the rational reason and/or not performed with the goodwill.
- (3) In case the application is allowed, the Chairman of the District Court to issue the stipulation of audit and appoint at the maximum 3 (three) expert to perform the audit with the purpose to obtain the required data or information.
- (4) Every member of the Board of Executive Directors, member of the Board of Commissioners, employee of the company, consultant and the public accountant that already appointed by the company is unable appointed as the experts as meant in sub-article (3).
- (5) The experts as meant in sub-article (3) are having the rights to audit all documents and assets of the company deemed necessary by the experts mentioned to be known.
- (6) Every member of the Board of Executive Directors, member of the Board of Commissioners, employee of the company obligate to give the entire clarification that required for executing the audit.
- (7) The experts as meant in sub-article (3) obligate to keep secret the results of audit that already performed.

Article 140

- (1) The report of audit result shall be conveyed by the experts as meant in Article 139 to the Chairman of the District Court in the period as stipulated in the court stipulation for audit at the latest 90 (ninety) days counted since the date of appointment of the experts mentioned.
- (2) The Chairman of the District Court to give a copy the report of audit result to applicant and the company concerned at the latest 14 (fourteen) days counted since the date of the report of audit result received.

Article 141

- (1) In case the application for audit is allowed, the Chairman of the District Court to determine the maximum amount of the audit cost.
- (2) The audit cost as meant in sub-article (1) is paid by the company.
- (3) The Chairman of the District Court on the basis an application of company able to impose the compensation for the audit cost as meant in sub-article (2) wholly or partly to the applicant, members of the Board of Executive Directors and/or Board of Commissioners.

CHAPTER X
DISSOLUTION, LIQUIDATION AND TERMINATION THE STATUS
OF CORPORATE BODY OF COMPANY

Article 142

- (1) Dissolution of the company is transpiring that:
 - a. based on a decision of RUPS;
 - b. because of the period of its establishment the company that stipulated in the Articles of Association expire;
 - c. based on judgment of the court;
 - d. revocation of bankruptcy based on the legally fixed decision of the Court of Commerce, the bankrupt asset of the company inadequate to pay bankruptcy cost;
 - e. because of the bankrupt assets of the company already declared insolvency as regulated in the Law regarding Bankruptcy and Postponement of the Payment Obligation of Debt; or
 - f. because the revoked of business licenses of the company, so compulsory the company to liquidate in accordance with the provisions of legislation.
- (2) In case of transpire the dissolution of company as meant in sub-article (1), thus
 - a. obligate to be followed with liquidation that performed by liquidator or curator; and
 - b. the company unable to be taken legal action except required to settle all business of the company in the framework of liquidation.
- (3) In case the dissolution is transpiring based on decision of RUPS, period of its establishment the company that stipulated in the Articles of Association already expires, or revocation of bankruptcy based on the legally fixed decision of the Court of Commerce, and RUPS not appoint to the liquidator, the Board of Executive Directors to take step in the capacity of liquidator.
- (4) In case the dissolution of company is transpiring with revoked of the bankruptcy as meant in sub-article (1) letter d, the court of commerce at the same time to decide the discharge of curator by observing the provision in the Law regarding Bankruptcy and Postponement of the Payment Obligation of Debt.
- (5) In case of the provision as meant in sub-article (2) letter b, being violated, members of the Board of Executive Directors, members of

the Board of Commissioners and the company are responsible collectively.

- (6) The provision on appointment, suspension, discharge, authority, obligation, responsibility and supervision against to the Board of Executive Directors is prevailing mutatis mutandis to liquidator.

Article 143

- (1) The dissolution of the company does not engender the company lose of the status of its corporate body up to and including the liquidation finished and accountability of liquidator is accepted by RUPS or the court.
- (2) Since at the moment of dissolution, in every outgoing mail of the company must be mentioned the word "in liquidation" behind the name of the company.

Article 144

- (1) The Board of Executive Directors, Board of Commissioners or one shareholder or more who represent at the least 1/10 (one tenth) of the voting shares able to submit the dissolution proposal of the company to RUPS.
- (2) The decision of RUPS on dissolution of company is legitimate if the decision taken in accordance with the provision as meant in Article 87 sub-article (1) and Article 89.
- (3) Dissolution of the company is started since at the moment of stipulated in decision of RUPS.

Article 145

- (1) Dissolution of the company is happen terminated by law if the period of its establishment the company which stipulated in the Articles of Association expires.
- (2) In a period at the longest 30 (thirty) days after period of its establishment the company expires, RUPS stipulates the appointment of liquidator.
- (3) The Board of Executive Directors may not allow perform a new legal action on behalf of the company after the period of its establishment the company that stipulated in the Articles of Association expires.

Article 146

- (1) The District Court able to disperse the company on the basis of:
 - a. an application of prosecutor based on the reason that the company violates the public interest or commit an action violating legislation;
 - b. an application of the interesting party based on the reason that legally is defect in the deed of establishment;
 - c. an application of shareholder, Board of Executive Directors or Board of Commissioners based on the reason that the company is impossible to continue.
- (2) In the decision of District Court is also appointment of liquidator.

Article 147

- (1) In period at the latest 30 (thirty) days counted since the date of dispersion of the company, the liquidator obligate to notify:
 - a. the dispersion of the company to all creditors by means of announcing the dispersion of the company in newspaper and State Gazette of the Republic of Indonesia; and
 - b. the dispersion of the company to the Minister to be recorded in the list of the companies that the company is in liquidation.
- (2) Notification to the creditors in newspaper and State Gazette of the Republic of Indonesia as meant in sub-article (1) letter a contains:
 - a. dispersion of the company and its legal basis;
 - b. names and address of liquidator;
 - c. procedures for submitting claim; and
 - d. period of submitting claim.
- (3) The period of submitting claim as meant in sub-article (2) letter d, is 60 (sixty) days counted since the date of announcement as meant in sub-article (1).
- (4) Notification to the Minister as meant in sub-article (1) letter b, must be completed by evidences:
 - a. legal basis for dissolution of the company; and
 - b. notification to the creditors in newspaper as meant in sub-article (1) letter a.

Article 148

- (1) In case the notification to creditors and the Minister as meant in Article 147 is not yet performed, the dissolution of company does not prevail to the third party.

- (2) In case the liquidators negligent to perform the notification as meant in sub-article (1), the liquidator and the company are collectively responsible for the losses suffered by the third party.

Article 149

- (1) The obligation of liquidators in settle assets of the company in the process of liquidation to covers implementation of:
 - a. recording and collection of assets and liabilities of the company;
 - b. the announcement in newspaper and State Gazette of the Republic of Indonesia with regards to the plan for assets sharing resulting from the liquidation;
 - c. payment to the creditors;
 - d. payment to shareholders of leftover assets resulting from the liquidation; and
 - e. other necessary action in implementation of settlement the assets.
- (2) In case the liquidator foresees that the corporate liabilities are bigger than corporate assets, the liquidator obligate to submit an application for bankruptcy of the company, except in legislation stipulated the other, and all creditors whose identity and address is known, approve that the settlement performed outside the bankruptcy.
- (3) Creditors able to submit the objection with regards the plan for sharing assets resulting from liquidation in period at the latest 60 (sixty) days counted since the date of the announcement as meant in sub-article (1) letter b.
- (4) In case of the submitting objection as meant in sub-article (3) is refused by liquidator, the creditors able to submit lawsuit to the District Court in period at the latest 60 (sixty) days counted since the date of the refusal.

Article 150

- (1) Creditors who submitting the claim in accordance with the period as meant in Article 147 sub-article (3) and then refused by liquidator able to file lawsuit to the District Court in period at the latest 60 (sixty) days counted since the date of refusal.
- (2) The creditors not yet submitting their claim able to submit the claim through the District Court in period 2 (two) years counted since the date dissolution of the company announced of as meant in Article 147 sub-article (1).

- (3) The claims submitted by the creditors as meant in sub-article (2) able to be implemented if the leftover of assets resulting from liquidation, which is destined for the shareholder remains available.
- (4) In case of the leftover of assets resulting from the liquidation that already allotted to shareholders and being found the claims of creditors as meant in sub-article (2), the District Court orders to the liquidators to withdraw again the leftover of assets resulting from liquidation, which has been allotted to shareholders.
- (5) The shareholders obligate to return the leftover of assets resulting from the liquidation as meant in sub-article (4) in a proportional amount that their received against the amount of claims.

Article 151

- (1) In case the liquidator being unable to fulfill the obligation as meant in Article 149, based on an application of the interesting party or prosecutor, the Chairman of District Court able to appoint new liquidator and dismiss to the old liquidator.
- (2) Discharge of the liquidator as meant in sub-article (1) implemented after the liquidator concerned is summoned for testified.

Article 152

- (1) The liquidator responsible to RUPS or the appointing court for liquidation of the company, which is implemented.
- (2) Curator responsible to the supervisory judge for liquidation of the company, which is implemented.
- (3) Liquidator obligate to notify to the Minister and announce the final result of liquidation in newspaper after RUPS gives paying off and acquittal to liquidator or after the court receive the accountability of the appointed liquidator.
- (4) Provision as meant in sub-article (3) is also applying to curators whose accountability has been received by the supervisory judge.
- (5) The Minister to records of its expire the status of corporate body of company and to abolish the name of company concerned from the list of companies after the provisions as meant in sub-article (3) and sub-article (4) are fulfilled.

- (6) The provision as meant in sub-article (5) is also applying to expiration the status of corporate body of the company concerned because of Merger, Statutory merger or Separation.
- (7) The notification and announcement as meant in sub-article (3) and sub-article (4) is implemented in period at the latest 30 (thirty) days counted since the date when the accountability of liquidator or curator received by RUPS, the court or supervisory judge.
- (8) The Minister announces its expire of the status of corporate body of the company concerned in the State Gazette of the Republic of Indonesia.

CHAPTER XI

COST

Article 153

The provision concerning cost require to:

- a. obtain an approval of utilization the name of company;
- b. obtain a decision on legalization of corporate body to the company;
- c. obtain a decision of approval the amendment of Articles of Association;
- d. obtain information with regard to the corporate data in the list of company;
- e. announcement obliged in this law into the State Gazette of the Republic of Indonesia and Supplement to State Gazette of the Republic of Indonesia; and
- f. obtain duplicate of a decree the Minister on legalization of corporate body to the company or an approval of amendment the Articles of Association of the company, is regulated by a government regulation.

CHAPTER XII

THE OTHER PROVISIONS

Article 154

- (1) For the listed companies is prevailing provisions in this law unless otherwise stipulated in legislation in the field of capital market.
- (2) The legislation in the field of capital market that exempt from the provisions in this law might not contradictory with the legal principles of the company in this law.

Article 155

The provisions concerning responsibility of the Board of Executive Directors and/or Board of Commissioners for their mistake and negligence that ruled in this law do not lessen the provision which is ruled in the law regarding penal code.

Article 156

- (1) In the framework of enforcement and developing of this law, with that established the team of expert for monitoring the corporate law.
- (2) Members of the team as meant in sub-article (1) consist of element from:
 - a. the government;
 - b. expert/academicians;
 - c. profession; and
 - d. business communities.
- (3) The expert team is have authority to examine the deeds of establishment and amendments of Articles of Association, which are obtained on the initiative of the self-team or on request from the interesting parties along with conveys the opinion based on the result of examine mentioned to the Minister.
- (4) Further provisions concerning authority, organizational structure and working-system of the expert team regulated by a regulation of the Minister.

CHAPTER XIII

TRANSITIONAL PROVISION

Article 157

- (1) The Articles of Association of the company that already obtain the status of corporate body and amendment of the Articles of Association that already approved or reported to the Minister and registered in the list of the companies before this law comes into force remains effective if do not contradictory to this law.
- (2) The Articles of Association of the company that not yet obtain the status of corporate body or amendment of the Articles of Association has not been approved or reported to the Minister at the moment this law comes into force obligate to be adapted to this law.

- (3) The company that already obtains the status of corporate body based on the legislation in period of 1 (one) year after enforcement of this law obligate adapt their Articles of Association to the provisions in this law.
- (4) Companies not adapting their Articles of Association in the period as meant in sub-article (3) able to be dissolved by a decision of the District Court based on the application from the prosecutor or the interesting party.

Article 158

At the moment this law is prevailing, the companies which unfulfilled to the provision as meant in Article 36, in period of 1 (one) year must adapt to the provisions in this law.

CHAPTER XIV

CONCLUSION

Article 159

The regulations in the framework of enforcement of Law Number 1 Year 1995 regarding Limited Liability Company are declared to remain effective all along do not contradictory or have not been replaced by the new ones based on this law.

Article 160

At the moment this law come into effective, the Law Number 1 Year 1995 regarding Limited Liability Company (State Gazette of the Republic of Indonesia Year 1995 Number 13, Supplement to State Gazette Number 3587) is revoked and declared null and void.

Article 161

The law comes into effective since the date of promulgated.

In order to the public cognizance, to command promulgation this Law by placing it in the State Gazette of the Republic of Indonesia.

Legalized in Jakarta

On August 16, 2007

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

DR.H.SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta

On August 16, 2007

THE MINISTER OF LAW AND HUMAN RIGHTS

Signed

ANDI MATTALATTA

STATUTE BOOK OF THE REPUBLIC OF INDONESIA
YEAR 2007 NUMBER 106

**ELUCIDATION ON
LAW NUMBER 40 YEAR 2007
REGARDING
LIMITED LIABILITY COMPANY**

I. GENERAL

The national economic development that enforced base on the economic democracy with the principles of togetherness, justice-based efficiency, sustainability, have a conception of environment, self-reliance along with to preserve the balance of progress and national economy unity by the purpose to realize of the people's prosperity.

Enhancement of the national economic development needs to encouragement by a law that ruling on limited liability company which able to assurance a conducive business climate. So far, that the limited liability company has been regulated by the Law Number 1 Year 1995 regarding limited liability company, that replace with the legislation of derivation from the colonial epoch.

Nevertheless, in its subsequent developments the provisions in the law mentioned are considered no longer appropriate to developments of the law and public need, because economy conditions along with progress of science, technology and information that already grow so far specially in the globalization era. In addition to the enhancement of public demand for fast service, legal certainty as well as necessitate for developments of business world conform to the principles of good corporate governance require the perfection of Law Number 1 Year 1995 regarding limited liability company.

In this law have been accommodated of various provisions concerning incorporate firm; whether in the form of adding of new provisions, betterment for perfection or maintain of other provisions deemed remain relevant. In order to further clarify the nature of limited liability company, in this law is affirmed that Company is corporate body that constitutes capital alliance, established on the basis of agreement, undertakes of business activities by basic capital wholly divided into shares and fulfills the requirements that stipulated in this law along with its implementation of regulation.

In the framework of fulfilling the public demand to obtain the fast service, this law is organizing of procedures for:

1. submitting an application and legalization status of corporate body;

2. submitting an application and approving amendment to the Articles of Association;
3. transmittal of notification and receiving notification about amendment to the Articles of Association and/or notifying and receiving notification of change in other data, that implemented through electronic information technology service of corporate body administration system, besides remain enable to use manual system in certain conditions.

With regard to the application for legalization of corporate body of the company, the affirmation that the application mentioned constitutes authority of the founders collectively, who able to be implemented directly or authorized to notary.

Articles of statutory merger of the company that already legalized and deed of amendment to the Articles of Association that already approved and/or notified to the Minister are recorded in the list of companies and announced in Supplement to State Gazette performed by the Minister. In case of the bestowing status of corporate body, approval and/or acceptance of notification on amendment to the Articles of Association and change in other data, the law is not linked to the law regarding Obligatory of Company Registration.

In order to further clarify and affirm of provisions relating to the corporate organs, in this law is amended on provisions with regard to the implementation of Shareholders General Meeting (RUPS) by utilizing technology developments. Therefore, enforcement of RUPS able to be implemented through electronic media, such as teleconference, video conference or other electronic media infrastructures.

In this law also clarifies and affirms tasks and responsibility of the Board of Executive Directors and Board of Commissioners. This law ruling provisions on independent and delegated commissioner.

In compliance with the developments of business activities the syariah-based principle, the law oblige the company that undertaking business activities based on the Syariah principles to have the Syariah Supervisory Council besides the board of commissioners. The tasks of the Syariah Supervisory Council are to provide advice and recommendations to the Board of Executive Directors therewith supervise activities of the company so as to be in accordance with the Syariah principle.

In this law, the provision concerning capital structure of the company is remains the same, namely consisting of basic capital, subscribed capital and paid in capital. Nevertheless, the amount of basic capital of a company amended at the least Rp. 50,000,000.00 (fifty million rupiahs), whereas the obligation of paid in capital must be fully. Concerning

the re-purchase of shares that already issued by the company, in principle remain able to be executed with the requirement that the deadline of company to control shares already re-purchase is at the longest 3 (three) years. Special concerning utilization of profit, this law affirms that the company able to dispense profit and set aside legal reserve in case the company has positive balance.

In this law is regulated concerning social and environmental responsibility in the purpose of actualizing sustainable economic development to enhance the quality of life and environment beneficial to the self-company, local communities and the public in general. With the provision is intended to support the establishment of corporate relationship which harmonious, a balanced and suitability to the environment, value, norm and culture of local communities, then stipulated that the companies whose business activities are in and/or related to natural resources are obliged to perform social and environmental responsibility. In order to implement the corporate obligation mentioned, activities related to social and environmental responsibility must be budgeted and counted as the corporate cost, which is implemented by observing fitness and equitable.

The activities mention is contained in annual report of the company. In case of the company unfulfilled the social and environmental responsibility, with that the company concerned is subject to sanction in accordance with the provisions of legislation.

This law affirms of the provisions on dissolution, liquidation and termination the status of corporate body of the company with to observe provisions in the law regarding bankruptcy and postponement of the payment of liabilities.

In the framework of implementing and developing this law, is formatted expert team monitoring of corporate law in charge to give input to the Minister with regard to the company. To assure the credibility of the expert team, members of the expert team mentioned consist of representatives of government, specialists/academicians, professions and business communities.

With the comprehensive regulation that embraces multifarious aspects of the company, whit that the law is expected to fulfill the public demand for law along with provide better legal certainty, specially to the business world.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear

Article 2

Sufficiently clear

Article 3

Sub-article (1)

The provision in this sub-article affirms characteristic of the company that shareholders are only responsible in the amount of the remittance of the whole shares that they own, excluding the personal assets.

Sub-article (2)

In certain cases is not closed the possibility of erasure of the limited responsibility mentioned, if proven of the matters in this sub-article.

Responsibility of shareholders as much as the remittance of the whole shares that they own may be erasure if proven, among other things, personal assets of the shareholders are proven meddling with the corporate assets so that the established company is merely as a tool used by the shareholders for fulfilling their personal interest as meant in letter b and letter d.

Article 4

With the enforcement of this law, Articles of Association of the company and provisions of other legislation does not reduce the obligation of every company to abide by the principle of goodwill, fitness, enable and good corporate governance in operating of the company.

What is the meaning of "the provisions of other legislation" mean entire of legislation related to the existing and operating of the company, including its technical regulation, among other things, banking, insurance and financial institution regulations.

In case available contradictory between memorandums of association and in to this law, with that prevailing is this law.

Article 5

The domicile of the company concurrently constitutes head office of the company.

The company is obliged to have address in accordance with its domicile that must be mentioned, among other things in correspondence and through the address the company able to be contacted.

Article 6

In case of the company being established for a limited period, the long period must be mentioned firmly, for example 10 (ten) years, 20 (twenty) years, 35 (thirty five) years and so forth.

Likewise if the company is established for unlimited period, it also must be mentioned firmly in the Articles of Association.

Article 7

Sub-article (1)

The meaning of "person" is individual, either Indonesian or foreigner citizen or Indonesian or foreigner corporate body.

Based on this law in the provision of this sub-article affirms that the effective principle as the corporate body, is the company in principally established on the basis of agreement therefore the company has more than one shareholder.

Sub-article (2)

Sufficiently clear

Sub-article (3)

In case of statutory merger, the whole assets and liabilities of the incorporate companies come into capital of the company resulting from the statutory merger and founders do not take part of shares so that names of shareholders of the company resulting from the statutory merger are names of shareholders of the incorporating companies.

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Sub-article (6)

The pledge and losses of the company becoming personal responsibility of shareholders are engagement and losses that happening after elapse of 6 (six) months period mentioned.

The meaning of "the interesting parties" is prosecutor in case of the public interests, shareholders, Board of Executive Directors, Board of Commissioners, creditors and/or other stakeholders.

Sub-article (7)

Because of specific status and characteristics, requirements for the number of founders of the company as meant in this sub-article are regulated in differently legislation.

Letter a

The meaning of "state-limited Liability Company (persero)" is a state-owned enterprise in the form of Limited Liability Company

whose capital divided into shares, which is regulated by the law regarding State-Owned Enterprises.

Letter b
Sufficiently clear

Article 8

Sub-article (1)
Sufficiently clear

Sub-article (2)
Letter a

In establishing a company is needed clarity of the founder citizenship. Basically, Indonesia's corporate body in the form of Limited-liability Company is established by Indonesian citizen or Indonesian corporate body. Nevertheless, to foreign citizen or foreign corporate body is given opportunity to established Indonesian corporate body in the form of Limited-liability Company who in the course of the law which regulate in the field of the company business mentioned enable, or the establishment of the company is regulated by in a different law.

In case the founders is foreign corporate body, number and date of legalization of the founder of corporate body is similar of that document, among other things certificate of statutory merger.

In case the founder is state or regional corporate body, a government regulation regarding participation of the state in the company, or a region regulation regarding participation of the region in the company is needed.

Letter b
Sufficiently clear

Letter c

The meaning of "taking part of share" is amount of shares taken by shareholders at the moment of establishment the company.

In case available the remittance is exceeding the nominal value therefore to result in a difference between the actually paid value and nominal value, the difference is recorded in the financial statement at agio.

Sub-article (3)
Sufficiently clear

Article 9

Sub-article (1)

The meaning of "information technology service of the corporate body administration system" is a kind of service provided to the public in the processing of legalization of legal entity of the company.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Article 10

Sub-article (1)
Sufficiently clear

Sub-article (2)
Sufficiently clear

Sub-article (3)
The meaning of "direct" in this provision is at the same time as the moment when the submitting of an application is received.

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Sub-article (6)
The meaning of "electronically signature" is signature affixed or enclosed to electronic data by the authorized official, proving the authenticity of data in the form of electronic image of the signature of authorized official mentioned, that made through the computer media.

Sub-article (7)
Look at elucidation on sub-article (3).

Sub-article (8)
The application as meant in this sub-article is not imposed of additional cost.

Sub-article (9)
Sufficiently clear

Sub-article (10)
Sufficiently clear

Article 11

Sufficiently clear

Article 12

Sub-article (1)

In this provision "legal action" means, among other things, legal action that perform by a prospective founder with other party, which will be consideration when calculate of ownership or remittance of shares of the prospective founder in the company.

Sub-article (2)

The meaning of "affixed" is unification of documents that implemented with to affix or sew the documents mentioned as a unity with deed of establishment.

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Article 13

Sub-article (1)

This provision to regulate the procedures that must be followed in transferring to the company rights and/or obligations arise from legal action of prospective founders, which are implemented before the company is established through firmly acceptance or expropriation of rights and obligations arise from the legal action intended.

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Article 14

Sub-article (1)

The meaning of "legal action on behalf of the company" is legal action whether mentioning the company as party in the legal action or mentioning the company as interesting party in the legal action.

This provision is intended to affirm that members of the Board of Executive Directors cannot perform legal action on behalf of the company that not yet having status of corporation, without approval of all founders, other members the Board of Executive Directors and members the Board of Commissioners.

Sub-article (2)

The meaning of "responsibility of the founder concerned and not binding the company" is the responsibility of founder who performs action personally mentioned and the company is not responsible for the legal action that done by the founder mentioned.

Sub-article (3)

Sufficiently clear

Sub-article (4)

The meaning of "attended" is self-attended or represented based on the letter of authority.

Sub-article (5)

Sufficiently clear

Article 15

Sub-article (1)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

Look at elucidation on Article 6

Letter d

Sufficiently clear

Letter e

Sufficiently clear

Letter f

Sufficiently clear

Letter g

Sufficiently clear

Letter h

The meaning of "procedures of appointment" is including procedures for selection, among other things selection verbally or by closed letter and selection of individually candidate or per package.

Letter i

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Article 16

Sub-article (1)
Sufficiently clear

Sub-article (2)
Sufficiently clear

Sub-article (3)
In case not available the abbreviation writing "Tbk" mean the corporate status is closed.

Sub-article (4)
Sufficiently clear

Article 17

Sub-article (1)
The provision in sub-article (1) does not close possibility that the company has domicile in village or district in the course of the Articles of Association to mentions name of the city or regency of the village or district mentioned. For example, PT A is domiciled in Bojongsari Village, Pandaan District, Pasuruan Regency.

Sub-article (2)
Sufficiently clear

Article 18

The purpose and mean constitute the main business of the company.
Business activity constitutes activity that undertaking by the company in the framework of achieving its goal and objective, which must be itemized clearly in the Articles of Association, and the detail may not contradictory to the Articles of Association.

Article 19

Sufficiently clear

Article 20

Sub-article (1)
The approval of curator is executed before decision making on amendment to the Articles of Association. The matter mentioned to intend of avoid the possibility of refusal by the curator with that in consequence of the decision on amendment to the Articles of Association to become null.

Sub-article (2)
Sufficiently clear

Article 21

Sub-article (1)

Sufficiently clear

Sub-article (2)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

Look at elucidation on Article 6.

Letter d

Sufficiently clear

Letter e

Sufficiently clear

Letter f

The amendment to the Articles of Association from a closed company to listed company or on the contrary involve the amendment of the whole provisions of the Articles of Association so that the approval of the Minister is bestowed to the whole changes in the Articles of Association mentioned.

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

The meaning of "must be declared by notary deed" is that must be in the form of statement deed of decision meeting or deed of amendment to the Articles of Association.

Sub-article (6)

Sufficiently clear

Sub-article (7)

Sufficiently clear

Sub-article (8)

Sufficiently clear

Sub-article (9)

In case of application is remain submitted, the Minister oblige to refuse the application or notification mentioned.

Article 22

Sub-article (1)

Provision in this sub-article does not lessen the provision as meant in Article 21 sub-article (7).

Example:

The company is established for 50 (fifty) years and will terminate on November 15, 2007 in accordance with the provision as meant in Article 22 sub-article (1), if the validity period of company is extended, an application for approval of the amendment in the Articles of Association concerning extension of the validity period must have been submitted to the Minister at the latest September 15, 2007.

In case of RUPS already making decision to extend the validity period mentioned on August 1, 2007 and has been declared in a notary deed on August 7, 2007, the application must be submitted to the Minister at the latest September 7, 2007.

In case of RUPS for extension of the validity period is organized August 20, 2007 the extension of validity period mentioned must be declared in a notary deed and the application is submitted to the Minister at the latest September 15, 2007 in accordance with the provision as meant in Article 22 sub-article (1).

Sub-article (2)

Sufficiently clear

Article 23

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

The meaning of "in this law stipulate the other" is, among other things, as meant in Article 25 and Article 26 of this law that regulate the requirements which must be fulfilled before the enforcement of Decree of the Minister or the date stipulated later in a Decree of the Minister, containing delayed requirements, which must be fulfilled the precede or the date later.

Article 24

Sufficiently clear

Article 25

Sufficiently clear

Article 26

Letter a

Sufficiently clear

Letter b

The meaning of “the date stipulated later” is the date after the date of approval of the Minister.

Letter c

The meaning of “the date stipulated later in deed of Merger or Acquisition” is the date that already agreed by parties and constitutes the date after the date of acceptance of notification on the amendment to the Articles of Association by the Minister.

Article 27

Sufficiently clear

Article 28

Sufficiently clear

Article 29

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

The meaning of “the change of company data” is, among other things, data on expropriation right of shares, replacement of members of the Board of Directors and Board of Commissioners, dissolution of the company.

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Sub-article (6)

Sufficiently clear

Article 30

Sufficiently clear

Article 31

Sufficiently clear

Article 32

Sub-article (1)

Sufficiently clear

Sub-article (2)

The meaning of "certain business activities" is, among other things business of banking, insurance or freight forwarding.

Sub-article (3)

The provision in this sub-article is needed for anticipation of changes in economic condition.

Article 33

Sub-article (1)

Sufficiently clear

Sub-article (2)

The meaning of "legitimate evidence of remittance" is, among other things, remittance evidence of shareholders into bank account on behalf of the company, data from financial statement that already audited by accountant, or corporate balance signed by the Board of Executive Directors and Board of Commissioners.

Sub-article (3)

This provision affirms that remittance of share is unfeasible to pay in installment.

Article 34

Sub-article (1)

In general the remittance of shares is in the form of money. Nevertheless, is not closed that the possibility of share remittance in other forms, such as tangible or intangible goods, which can be valued by money and in actuality already received by the company.

Remittance of shares in the forms other than money must be accompanied by itemization that clarify the value or price, kind or type, status, domicile and so on deemed necessary for clarity on the remittance mentioned.

Sub-article (2)

The equitable value of share-paid in capital is determined in accordance with the market value. If the market value is not available, the equitable value is determined based on the technical

evaluation, which is most fitting to characteristics of remittance, based on the relevant and best information.

The meaning of "Not-affiliated experts" is expert who not having:

- a. familial relationship because of marriage or generations up to the second degree whether horizontally or vertically with employees, members of the Board Executive Directors, Board of Commissioners or shareholders of the company;
- b. relationship with the company because of unity with one or more member of the Board Executive Directors or Board of Commissioners;
- c. controlling relationship with the company directly or indirectly; and/or
- d. share in the company in the amount of 20% (twenty percent) or over.

Sub-article (3)

Intention the announcement of share remittance in the form of intangible goods in newspaper is in order to make it known in public and open opportunities for the interesting parties able to submit objection to the cession of the goods as share capital remittance, for example the goods mentioned are known not belonging to the purveyor.

Article 35

Sub-article (1)

Its needed an approval of RUPS as meant in this sub-article is in order to affirm that compensation only through an approval of RUPS the compensation able to be implemented because by the approval of the compensation preemptive right of other shareholders to take new shares is automatically relinquished.

Sub-article (2)

Based on the provision in this sub-article, interest and debt fine already to be due and must be paid because actually does not receive by the company, cannot be compensation as share remittance.

Letter a

Sufficiently clear

Letter b

That intended in this sub-article is the parties becoming guarantor or underwriter of the company debt already paid wholly the company debt so as to have collecting right to the company.

Letter c

That intended in this sub-article is the obligation to pay debts by the company in its position as guarantor or underwriter become nullified and the collecting right of creditor is compensated for remittance of shares that issued by the company.

Sub-article (3)

Sufficiently clear

Article 36

Sub-article (1)

In principle, the issuance of shares is an effort to collect capital with that the obligation for remittance of share should be imposed to other party. For certainty, this article stipulates that the company may not issue shares for self-owned.

Prohibition mentioned also includes prohibition of cross holding that occurs if the company has shares issued by other companies having shares of the company mentioned, whether directly or indirectly.

Understanding of direct cross holding is if the first company has shares in the second company without through ownership in one "intermediate company" or more and conversely, the second company has shares in the first company.

Understanding of indirect cross holding is ownership of the first company in shares of the second company through ownership in one "intermediate company" or more and conversely the second company has shares in the first company.

Sub-article (2)

The ownership of share resulting in share ownership by the self-company or share ownership by cross holding is not prohibited if the share ownership mentioned is obtained on the basis of the transfer by law, grant or bequest therefore is no share issuance that require the remittance of funds from other party so that it does not violate the provision on the prohibition as meant in sub-article (1).

Sub-article (3)

Sufficiently clear

Sub-article (4)

The meaning of "Securities Company" is the company as meant in the law regarding Capital Market.

Article 37

Sub-article (1)

Repurchase of the corporate shares does not reduction capital except if the shares mentioned are withdrawn again.

Letter a

The meaning of "net asset" is the entire corporate assets subtracted by the whole corporate liabilities in accordance with the latest financial statement that legalized by RUPS in the last 6 (six) months.

Letter b

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

The provision on the three-year period in this sub-article is intended so as to the company able to determine what the share mentioned will be sold or withdrew by means of capital reduction.

Article 38

Sufficiently clear

Article 39

Sub-article (1)

The meaning of "implementation" in this sub-article is determining of the moment, mechanism of buying-back of shares and quantity of shares to be bought back, but excluding the subjects becoming tasks of the Board of Executive Directors in buying-back of shares, such as realizing payments, maintenance of share certificates and recording in the list of shareholders.

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Article 40

Sufficiently clear

Article 41

Sub-article (1)

The meaning of “corporate capital” is basic capital, subscribed capital and paid in capital.

Sub-article (2)

The meaning of “implementation” in this sub-article is determining of the moment, mechanism and amount addition of capital that not exceeding the maximum limit that already stipulated by RUPS, but excluding the subjects becoming tasks of the Board of Executive Directors in addition of capital, such as receipt remittance of share, and recording in the list of shareholders.

Sub-article (3)

Sufficiently clear

Article 42

Sub-article (1)

Sufficiently clear

Sub-article (2)

The meaning of “total voting shares” is the quantity of the whole voting shares that already issued by the company.

The meaning of “except stipulates bigger in the Articles of Association” is the quorum that stipulated in the Articles of Association is higher than the quorum stipulated in this sub-article.

Sub-article (3)

Sufficiently clear

Article 43

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Letter a

The meaning of “shares directed to the employees of the company” are, among other things, shares that issued in the framework of employee stocks option program (ESOP) of the company with entire the rights and obligations affixing of the shares.

Letter b

Sufficiently clear

Letter c

The meaning of “re-organization and/or restructuring are among other things, Merger, Statutory merger, Acquisition, account receivables compensation or Separation.

Sub-article (4)

The meaning of “14 (fourteen-day) period” is includes the deadline for shareholders to take part from other shareholders not using their rights.

Article 44

Sub-article (1)

The meaning of “capital reduction” is reduction of basic capital, subscribed capital and paid in capital.

Reduction of subscribed capital and paid in capital able to happen by means of withdrawing the shares that already issued for abolition or lowering the nominal value of shares.

Sub-article (2)

Sufficiently clear

Article 45

Sufficiently clear

Article 46

Sufficiently clear

Article 47

Sub-article (1)

“Withdrawal of shares” means that the shares mentioned are taken from the circulation in the framework of subscribed capital and paid in capital.

Sub-article (2)

The meaning of “withdrawal of shares” is taking back of shares result in the abolition of the shares from the circulation.

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Article 48

Sub-article (1)

That intent of this provision is the company that only permitted to issue shares on behalf of their owners and the company may not issue shares on sight.

Sub-article (2)

The meaning of "authorized institution" is the institution based on the law are authorized of supervise to the companies that undertaking their business activities in certain field, for example Bank Indonesia is authorized to supervise companies in the field of banking, Minister of Energy and Minerals is authorized to supervise companies in the field of energy and mining.

Sub-article (3)

The meaning of "unable to exercise right as shareholders" is, for example, the right to be recorded in the list of shareholders, right to attend and right of vote in RUPS or right to receive the dividend allotted.

Article 49

Sufficiently clear

Article 50

Sub-article (1)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

The meaning of "amount of remitted" is minimally the same as the amount nominal value of the shares.

Letter d

Sufficiently clear

Letter e

Sufficiently clear

Sub-article (2)

The meaning of "special list" is one of the sources of information concerning the bigness of ownership and interests of members of the Board of Executive Directors and Board of Commissioners in the company concerned or other company so as to possible the conflict of interest able to be minimized.

The meaning of "their families" is wives or husbands and their children.

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Sub-article (5)
The meaning of "not regulating the other" is does not mean that the obligation to compile the list of shareholders and special list for the Listed Company is abolished, but legislation in the field of capital market able to determine criteria for data, which must be included into the list of shareholders and special list.

Article 51
Regulatory of the evidence form of share ownership is stipulated in the Articles of Association in accordance with the need.

Article 52

Sub-article (1)
Sufficiently clear

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
Based on this provision, shareholders are not allowed to divide right to one share pursuant to their-self will.

Sub-article (5)
Sufficiently clear

Article 53

Sub-article (1)
The meaning of "classification of shares" is the classification of shares on the basis of the same characteristic.

Sub-article (2)
Sufficiently clear

Sub-article (3)
The meaning of "common shares" is shares having voting right to make decision in RUPS with regards to entire issues related to management of the company, having right to receive the dividend allotted and receive the remainder of assets resulting from liquidation.

The voting right owned by holders of common shares also can be owned by holders of shares belonging to other classification.

Sub-article (4)

Multifarious classifications of shares do not always show that the classification mentioned are respective independent, separate one each other but can be combination of 2 (two) classification or more.

Article 54

Sub-article (1)

Fraction of share only possible if the issue is regulated in the Articles of Association.

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Article 55

Sufficiently clear

Article 56

Sub-article (1)

The meaning of "deed" is deed whether made ahead of the notary or under-hand deed.

Sub-article (2)

Sufficiently clear

Sub-article (3)

The meaning of "notify change in structure of shareholders to the Minister" is also includes the change in composition of shareholders, attributable to inheritance, Acquisition or Separation.

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Article 57

Sub-article (1)

Sufficiently clear

Sub-article (2)

The meaning of "transfer of right by law" is among other things, the transfer of right because of matters pertaining to inheritance or the

transfer of right attributable to Merger, Statutory merger, or Separation.

Article 58

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

The meaning of "only effective once" is the Articles of Association the company may not determine to offer its share more than once before offering the share to the third party.

Article 59

Sufficiently clear

Article 60

Sub-article (1)

Ownership of shares as movable goods gives a right of goods to their owner. The right mentioned can be defended against everybody.

Sub-article (2)

Sufficiently clear

Sub-article (3)

The provision is intended so as to the company or other interesting parties to ascertain concerning the status of the share mentioned.

Sub-article (4)

This provision reaffirms the legal principle that unfeasible the transference of voting right is detached from the ownership of shares. Whereas, other rights outside the voting right can be treated in accordance with agreement between shareholder and collateral holders.

Article 61

Sub-article (1)

Fundamentally the lawsuit submitted contains application so that the company terminates the inflict of loss action mentioned and takes certain measures whether overcome consequences that already arising or prevent the similar action in coming days.

Sub-article (2)

Sufficiently clear

Article 62

Sub-article (1)

Letter a

Sufficiently clear

Letter b

The meaning of "net asset" is the net asset according to the latest balance, which is legalized in the last 6 (six) months.

Letter c

Sufficiently clear

Sub-article (2)

Sufficiently clear

Article 63

Sufficiently clear

Article 64

Sub-article (1)

Sufficiently clear

Sub-article (2)

The meaning of "unless otherwise stipulated in the legislation" is legislation stipulates the other that the approval of work program is given by RUPS, with that the Articles of Association unable to determine the work program to be approved by the Board of Commissioners or on the contrary.

Likewise, in case of legislation stipulating that the work program must obtain approval from the Board of Commissioners or RUPS, the Articles of Association cannot determine that the work program is sufficiently conveyed by the Board of Executive Directors to the Board of Commissioners or RUPS.

Sub-article (3)

Sufficiently clear

Article 65

Sufficiently clear

Article 66

Sub-article (1)

Sufficiently clear

Sub-article (2)

Letter a

Sufficiently clear

Letter b

The meaning of "report on the company activity" is includes report with regard to result or performance of the company.

Letter c

Sufficiently clear

Letter d

The meaning of "problems detail" is includes disputes or case implicating the company.

Letter e

Sufficiently clear

Letter f

Sufficiently clear

Letter g

Sufficiently clear

Sub-article (3)

The meaning of "financial accountancy standard" is the standard that stipulated by the Indonesian Accountant Profession Organization recognized by the Government of the Republic of Indonesia.

Sub-article (4)

Sufficiently clear

Article 67

Sub-article (1)

The meaning of "signing of annual report" is the form of accountability of members of the Board of Executive Directors and members of the Board of Commissioners in implementation of their tasks.

In case the corporate financial statement must be audited by public accountant, the annual report is annual report containing the financial statement that already audited.

Sub-article (2)

The meaning of "reason in writing" is intended so that RUPS able to use as one of the substance for consideration in evaluation against the report mentioned.

If members of the Board of Executive Directors or members the Board of Commissioners not assign the reason because, among other things, the members concerned already pass away, the reason mentioned is declared by the Board of Executive Directors in a distinctive letter affixed to the annual report.

Sub-article (3)
Sufficiently clear

Article 68

Sub-article (1)
The obligation to convey financial statement to public accountant for auditing arises from the characteristic of the company concerned.

The obligation to convey financial statement to external supervision is justified with the assumption that the public confidence may not be disappointed.

Likewise the company for financing is expecting the funds from the capital market.

Letter a

The meaning of "business activity of the company to accumulate and/or manage the public funds" is, among others, bank, insurance and mutual fund.

Letter b

The meaning of "debenture" is, among other things, bond.

Letter c

Sufficiently clear

Letter d

Look at elucidation on Article 7 sub-article (7) letter a.

Letter e

Sufficiently clear

Letter f

Sufficiently clear

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
Intended of the announcement mentioned is in the framework of accountability and transparency to the public.

Sub-article (5)
Sufficiently clear

Sub-article (6)
Sufficiently clear

Article 69

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

The financial statement which is resulted must reflect the actual condition of assets, liabilities, capital and business proceeds of the company. The Board of Executive Directors and Board of Commissioners are responsible fully for the truth of the content of the corporate financial statement.

Sub-article (4)

Sufficiently clear

Article 70

Sub-article (1)

The meaning of "net profit" is the current year profit after subtracted by tax.

Sub-article (2)

The meaning of "positive balance of profit" is a net profit of the company in the current year that already offsetting the accumulated losses of the company in the previously accounting years.

Sub-article (3)

The company sets up legal reserve and other reserves. The reserve as meant in sub-article (1) is legal reserve. The legal reserve is certain amount obligate to set aside by the company every accounting year, which is used for offsetting the possibility losses of the company in the future.

The legal reserve must not be always in the form of cash money, but can also in the form of other assets which able to liquidate easily and cannot be allotted as dividend.

Whereas that intended of "other reserves" are reserves outside the legal reserve, which can be used for various corporate purposes, for example expanding business, allotment of dividends, social purposes and others.

The provision requiring at the least 20% (twenty percent) of the subscribed and paid in capital is deemed as proper amount for legal reserve.

Sub-article (4)

Sufficiently clear

Article 71

Sub-article (1)

The decision of RUPS in this sub-article must observe interests of the company and fittingness.

Based on the decision of RUPS mentioned, able to be stipulated the net profit partly or wholly for dividends to shareholders, reserves and/or other allocation, such as gratuity to members of the Board of Executive Directors and Board of Commissioners along with bonus to employees.

The bestowing of gratuity and bonus linked to the corporate performance has been budgeted and calculated into cost.

Sub-article (2)

The meaning of "whole net asset" is the whole amount of net assets in the accounting year after subtracted by the accumulated losses of the company in the previously accounting years.

Sub-article (3)

In case the net profit of the company in the current accounting year has not yet offset wholly the accumulated losses of the company in the previously accounting years, the company cannot distribute dividends because the company remain have negative of net profit balance.

Article 72

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

Example, interim dividend, which must be returned, is as follows:

Interim dividend that already allotted is amounting to Rp 1,000.00 (one thousand rupiah) per share. The company suffers from loss and has not positive profit balance therefor no dividend able to be distributed. Thereafter the amount of dividend that must be returned is Rp 1,000.00 (one thousand rupiah) per share.

Suppose that the company suffers the loss, but the company has retained earning and positive profit balance, for example RUPS

stipulates dividend amounting to Rp 200.00 (two hundred rupiahs) per share. In relations thereto, the share which must be returned is Rp 1,000.00 (one thousand rupiah) subtracted by Rp 200.00 (two hundred rupiahs), this mean Rp 800.00 (eight hundred rupiahs).

Sub-article (6)
Sufficiently clear

Article 73

Sub-article (1)
Sufficiently clear

Sub-article (2)
Taking of dividend this mean is the nominal value of dividend, excluding of interest.

Sub-article (3)
The quantity of dividends which are not taken and become the right of company is recorded in point of miscellaneous income of the company.

Article 74

Sub-article (1)
This provision is intended to maintain the corporate relations, which are harmonious, balanced and suitable to the environment, values, norms and culture of local communities.

The meaning of "companies undertaking their business activities in the field of natural resource" is companies whose business activities manages and exploit natural resources.

The meaning of "companies undertaking business activities related to the natural resource" is a company not managing and exploiting natural resources, but its business activity affects to the function of natural resource potential.

Sub-article (2)
Sufficiently clear

Sub-article (3)
The meaning of "imposed the sanction in pursuance of the provisions of legislation" is subject to entire form of sanctions regulated in the related legislation.

Sub-article (4)
Sufficiently clear

Article 75

Sub-article (1)
Sufficiently clear

Sub-article (2)

The provision in this sub-article is intended with regard to the right of shareholders to obtain information related to agenda of the meeting, without reducing the right of the shareholders to obtain other information related to rights of shareholders ruled in this law, among other things, the rights of shareholders to see the list of shareholders and special list as meant Article 50 Sub-article (4), along with the right of shareholders to obtain matters of the meeting immediately after the summons of RUPS as meant in Article 82 Sub-article (3) and Sub-article (4).

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Article 76

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

The meaning of "provision as meant in sub-article (3)" is that RUPS must be held in the territory of the Republic of Indonesia.

Sub-article (5)

Sufficiently clear

Article 77

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

The meaning of "approved and signed" is approved and signed physically or electronically.

Article 78

Sub-article (1)

The meaning of “other RUPS” is in the practice frequently known as extraordinary RUPS.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Article 79

Sub-article (1)
Sufficiently clear

Sub-article (2)
Sufficiently clear

Sub-article (3)
The meaning of “the reason becoming the basis for request to organize RUPS” is among other things that the Board of Executive Directors does not organize annual RUPS in accordance with the deadline that already stipulated or the tenure of members of the Board of Executive Directors and/or members of the Board of Commissioners will expire.

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Sub-article (6)
Sufficiently clear

Sub-article (7)
Sufficiently clear

Sub-article (8)
Sufficiently clear

Sub-article (9)
Sufficiently clear

Sub-article (10)
Sufficiently clear

Article 80

Sub-article (1)
Sufficiently clear

Sub-article (2)
Sufficiently clear

Sub-article (3)
The meaning of "the court stipulation concerning the quorum of attendance and provision on requirements for making decision of RUPS" is specifically apply to the third RUPS, whereas the provision on quorum of attendance and requirement for making decision of the first and second RUPS prevailing to the provision as meant in Article 86, Article 87, Article 88 and Article 89 or the Articles of Association of the company.

The meaning of "the shape of RUPS" is annual or other RUPS.

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Sub-article (6)
The meaning of "in final decision and legally fixed" is that appeal, appeal to the Supreme Court or judicial revise cannot be filed against the stipulation. This provision is intended that implementation of RUPS is not postponement.

Sub-article (7)
The possible legal action in case of the court stipulation refuse the application is only appeal to the Supreme Court and judicial review is not feasible.

Sub-article (8)
Sufficiently clear

Article 81

Sub-article (1)
Sufficiently clear

Sub-article (2)
The summoning RUPS is an obligation of the Board of Executive Directors. Summoning RUPS able to be implemented by the Board of Executive Directors, among other things in case of the Board of Executive Directors not provide the RUPS as stipulated in Article 79 Sub-article (6), in case the Board of Executive Directors is hindered or involved in conflict of interest between the Board of Executive Directors and the company.

Article 82

Sub-article (1)

“The period of 14 (fourteen) day” is the minimum period to summon meeting. Therefore, in the Articles of Association cannot determine period shorter than 14 (fourteen) days, except for the second or third meeting in accordance with the provisions in this law.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Article 83

Sub-article (1)
The announcement is intended to open chance for shareholders to propose to the Board of Executive Directors for addition agenda of RUPS.

Sub-article (2)
Sufficiently clear

Article 84

Sub-article (1)
The meaning of “except otherwise stipulated in the Articles of Association” is in case the Articles of Association issuing one share without voting right. In case the Articles of Association not stipulating the matter mentioned, is able to be deemed that every issued of share having one vote right.

Sub-article (2)
In pursuance of this provision, shares of companies that controlled by the company mentioned, whether directly or indirectly have no voting right and are not counted in the stipulation of quorum.

Letter a
The meaning of “self-controlled” is that it’s controlled because relations of ownership, re-purchase or pawning.

Letter b
Sufficiently clear

Letter c
Sufficiently clear

Article 85

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

The provision in this sub-article constitutes manifestation of the principle of deliberation to achieve consensus, which are recognized in this law. Therefore, split voting is not allowed.

For the listed companies, different votes issued by custodian bank or securities companies representing shareholders in mutual funds are not the split voting as meant in this sub-article.

Sub-article (4)

In to stipulate the quorum of RUPS, shares of shareholders represented by members of the Board of Executive Directors, members of the Board of Executive Commissioners and employees of the company as proxies are counted but in the voting, they as the proxy of shareholders are not entitled to vote.

Sub-article (5)

Sufficiently clear

Sub-article (6)

Sufficiently clear

Sub-article (7)

Sufficiently clear

Article 86

Sub-article (1)

Deviation from the provision in this sub-article is only enabled in case the issue stipulated in this law. The substitutes may not determine quorum smaller than the quorum that stipulated by this law.

Sub-article (2)

In case the quorum for the first RUPS is not achieved, the meeting must continue to be opened and then closed by making minutes of meeting, which declare that the first RUPS cannot be continued because the quorum is not achieved and furthermore can be implemented the summons of second RUPS.

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

In case the quorum for the second RUPS is not achieved, with that the meeting must continue to be opened and then closed by making minutes of meeting, which declare that the second RUPS cannot be continued because the quorum is not achieved and furthermore can be submitted an application to the chairman of the District Court to stipulate the quorum of the third RUPS.

Sub-article (6)

In case of the chairman of the District Court being hindered, the stipulation can be done by other official representing the chairman.

Sub-article (7)

The meaning of "in final decision and legally fixed" is that appeal, appeal to the Supreme Court or judicial revise cannot be filed against the stipulation.

Sub-article (8)

Sufficiently clear

Sub-article (9)

Sufficiently clear

Article 87

Sub-article (1)

The meaning of "deliberate to achieve consensus" is the result of agreement that approved by the shareholders in attendance or represented in RUPS.

Sub-article (2)

The meaning of "approved more than ½ (one second) part" is that proposal in agenda of the meeting must be approved by over ½ (one second) of the total votes. If available three proposals or candidates and none of them obtain vote more than ½ (one second), the voting of two proposals or candidates obtaining the largest votes must be repeated so that any of the proposals or candidates obtain more than ½ (one second) part.

Article 88

Sufficiently clear

Article 89

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

The meaning of "quorum of presence and/or provision on requirement for taking decision of RUPS is larger" is bigger than those stipulated in this sub-article, but not bigger than the provision that stipulated in sub-article (1).

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Article 90

Sub-article (1)
The signing by the chairman of meeting and at the least 1 (one) person of shareholder who appointed from and by participant of RUPS is intended to guarantee certainty and truth of content the minute of RUPS mentioned.

Sub-article (2)
Sufficiently clear

Article 91

The meaning of "decision making outside of RUPS" is in the practice known by circular resolution.

The decision making such this is executed without organizing RUPS physically, but the decision is made by sending in writing proposal, which will be decided, to all of the shareholders and proposal mentioned is approved in writing by the whole shareholders.

The meaning of "bind decision" is decision having the same legal power as decision of RUPS.

Article 92

Sub-article (1)
This provision assigns to the Board of Executive Directors to manage the company, among other things involve day after day management of the company.

Sub-article (2)
The meaning of "policy deemed appropriate" is policy that among other things based on expertise, the accessible opportunity and commonly in business world of the same kind.

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Sub-article (5)

Sufficiently clear

Sub-article (6)

The Board of Executive Directors as a corporate organ who performs managing the company understands clearly the managerial need of the company. Therefore, in case of RUPS of the company not stipulate allocation of the tasks and authority of members the Board of Executive Directors, is equitable that the stipulation mentioned implemented by the Board of Executive Directors in person.

Article 93

Sub-article (1)

The period of five-year started since the date when the relevant is declared guilty based on the legally fixed of court decision that already engender the company declared bankrupt or if the relevant being punished, counted since the date when the relevant finished undergo the punishment.

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

The meaning of "financial sector" is among other things, bank and non-bank financial institutions, capital market and other sectors related to the accumulation and management of the public fund.

Sub-article (2)

Sufficiently clear

Sub-article (3)

The meaning of "letter" is statement letter made by prospective members of the Board of Executive Directors concerned with regards to the requirement as meant in sub-article (1), and letter from the authorized institution with regards to the requirement as meant in sub-article (2).

Article 94

Sub-article (1)

The authority of RUPS is unable delegated to other corporate organs or other parties.

Sub-article (2)

Sufficiently clear

Sub-article (3)

Requirement of the appointment of members the Board of Executive Directors for "certain period" is intended so that members of the Board of Executive Directors having tenure already expiring do not automatically continue assuming their previous position unless otherwise re-appointed on the basis of decision of RUPS. For example, in 3 (three) or 5 (five) years since the date of appointment, then the former members of the Board of Executive Directors concerned are no longer entitled to perform for and on behalf of the company since the date expiration of the period mentioned, except after re-appointed by RUPS.

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Sub-article (6)

Sufficiently clear

Sub-article (7)

The meaning of "change of member the Board of Executive Directors" is includes the change because of re-appointment of members of the Board of Executive Directors.

Sub-article (8)

The meaning of "application" is an application for approval of the amendment to the Articles of Association as meant in Article 21 Sub-article (2).

The meaning of "notification" is notification of amendment to the Articles of Association as meant in Article 21 Sub-article (3) and notification on other corporate data that must be notified to the Minister conform to the provisions of this law.

Sub-article (9)

Sufficiently clear

Article 95

Sub-article (1)

The appointment of members of the Board of Executive Directors null and void by law since the date when violation against the provision as meant in Article 93 is ascertained by other members of the Board of Executive Directors, or Board of Commissioners based on the legitimate evidence and to the members of the Board of Executive Directors concerned is notified in writing at the moment ascertained of case mentioned.

Sub-article (2)

The meaning of "other members of the Board of Executive Directors" is members of the Board of Executive Directors outside the members having their appointment null and authorized to represent the Board of Executive Directors in accordance with the Articles of Association. In case unavailable the members of the Board of Executive Directors of that sort, who perform the announcement is the Board of Commissioners.

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Article 96

Sub-article (1)

The meaning of "amount of salary and allowance of members of the Board of Executive Directors" is the amount of salary and allowance for every members of the Board of Executive Directors.

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Article 97

Sub-article (1)

Sufficiently clear

Sub-article (2)

The meaning of "full responsibility" is observing the company thoroughly and diligent.

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

Sufficiently clear

Letter d

The meaning of "taking measures to prevent arise and sustained of detriment" is also includes measures to obtain information on the settlement action which can inflict loss, among other things, through forum of meeting of the Executive Directors.

Sub-article (6)

In case of the measure of the Board of Executive Directors inflicting loss on the company, the shareholders who complete the requirements as stipulated in this sub-article able to represent the company to litigate or lawsuit against the Board of Executive Directors through the court.

Sub-article (7)

The lawsuit being filed by the Board of Commissioners is in the framework of task the Board of Commissioners to perform the function of supervision over the corporate management implemented by the Board of Executive Directors, to file the lawsuit mentioned the Board of Commissioners is not necessary to act collectively with the other members the Board of Executive Directors and the authority of the Board of Commissioners mentioned is not limited only if the whole members of the Board of Executive Directors have impact of interests.

Article 98

Sub-article (1)

Sufficiently clear

Sub-article (2)

In this law basically follow the system of collegial representative, which meaning every members of the Board of Executive Directors is authorized to represent the company. However, in order to the interest of company, the Articles of Association can to stipulate that the company is represented by certain members of the Board of Executive Directors.

Sub-article (3)

Sufficiently clear

Sub-article (4)

The meaning of "not allow contradictory to the law" is for example, RUPS is not authorized to decide that the Board of Executive Directors in to put collateral or transfer most of the corporate assets is adequate to obtain approval of the Board of

Commissioners or approval of RUPS with quorum less than $\frac{3}{4}$ (three fourth).

The meaning of "not allow contradictory to the Articles of Association" is for example the Articles of Association stipulate that to get loan amounting over Rp.1,000,000,000.00 (one billion rupiahs) the Board of Executive Directors must obtain an approval from the Board of Commissioners.

RUPS is not authorized to make decision that in order to get loan above Rp.500,000,000.00 (five hundred million rupiahs), the Board of Executive Directors must obtain an approval from the Board of Commissioners without amend previously the provision of the Articles of Association mentioned.

Article 99

Sufficiently clear

Article 100

Sub-article (1)

Letter a

The list of shareholders and special list are conforming to the provision as meant in Article 50.

The minutes of RUPS and minutes of meeting the Board of Executive Directors contain everything that discussed and decided at every meeting.

Letter b

Sufficiently clear

Letter c

The meaning of "other corporate documents" is, among other things, minutes of meeting of Board of Commissioners, corporate licensing.

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Article 101

In every gain and change in the share ownership mentioned must be reported. Reported of the Board of Executive Directors on this subject is recorded in the special list as meant in Article 50 Sub-article (2).

The meaning of "their families", look at elucidation on Article 50 Sub-article (2).

Article 102

Sub-article (1)

The meaning of "corporate assets" is all of goods, whether movable or immovable, tangible or intangible, belonging to the company.

The meaning of "one transaction or more, whether related each other or not" is one transaction or more cumulatively resulting in exceeded the limit of 50% (fifty percent).

Assessment more than 50% (fifty percent) of the net assets is based on the book value according to the latest balance legalized by RUPS.

Sub-article (2)

Different from transaction of the asset-transfer, the transaction of pledging for liability assets of the company as meant in sub-article (4) letter b is not subject to limitation of time, but to be observed is the total asset of the company that remain in pledging for a certain period.

Sub-article (3)

The meaning of "transfer or pledging of the corporate assets" is, for example, sales of house by real estate company, sales of securities between banks, and sales of inventories by distribution companies or trading companies.

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Article 103

The meaning of "proxy" is a particular authority to take the certain actions as mentioned in the letter of authority.

Article 104

In order to prove guiltiness or negligence of the Board of Executive Directors, lawsuit is filed to the court of commerce in accordance with the provision of the law regarding Bankruptcy and Deferment of Obligation for Debt Payment.

Article 105

Sub-article (1)

Decision of RUPS to discharge member of the Board of Executive Directors able to be implemented with the reason that the relevant no longer fulfill the requirement as member of the Board of Executive Directors that stipulated in this law, such as taking action inflicting loss on the company or other reason deemed appropriate by RUPS.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Self pleading as meant in this provision is done in writing.

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Article 106

Sub-article (1)
In consideration of the discharge members of the Board of Executive Directors by RUPS needs time to implement, whereas the corporate interest cannot be delayed, the Board of Commissioners as supervisory organ is equitable delegated the authority to execute interim suspension.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
RUPS is predated by summons of RUPS that implemented by the corporate organ who interim suspending mentioned.

Sub-article (5)
Sufficiently clear

Sub-article (6)
Sufficiently clear

Sub-article (7)
Sufficiently clear

Sub-article (8)
Sufficiently clear

Sub-article (9)
Sufficiently clear

Article 107

Letter a

The procedures for resignation of member of the Board of Executive Directors that regulated in the Articles of Association with the submission an application to resign must be submitted in the certain period. By elapsing of the period mentioned, the member of the Board of Executive Directors concerned desists from his position without needing approval of RUPS.

Letter b

Sufficiently clear

Letter c

Sufficiently clear

Article 108

Sub-article (1)

Sufficiently clear

Sub-article (2)

The meaning of "for interest and appropriate for the purpose and mean of the company" is that supervision and advising by the Board of Commissioners are not designated to interests of certain parties or groups but for interests of the company thoroughly and accord to the purpose and mean of the company.

Sub-article (3)

Sufficiently clear

Sub-article (4)

Different thing that the Board of Executive Directors enabling every member of the Board of Executive Directors to act individually in perform tasks of the Board of Executive Directors, every member of the Board of Commissioners cannot act individually in perform tasks of the Board of Commissioners, unless otherwise on the basis of decision of the Board of Commissioners.

Sub-article (5)

The companies whose business activity accumulates and/or manage public funds, issuing debentures to the public or listed companies need supervision in a larger number of members of the Board of Commissioners because there are related to public interests.

Article 109

Sufficiently clear

Article 110

Sub-article (1)

Letter a
Sufficiently clear

Letter b
Sufficiently clear

Letter c
Look at elucidation Article 93 sub-article (1) letter c.

Sub-article (2)
Sufficiently clear

Sub-article (3)
The meaning of "letter" is statement letter made by prospective members of the Board of Commissioners concerned with regard to the requirements as meant in sub-article (1) and letter from the authorized institution with regards to the requirement in sub-article (2).

Article 111
Sufficiently clear

Article 112
Sub-article (1)
The meaning of "other members of the Board of Commissioners" is members of the Board of Commissioners outside members of the Board of Commissioners whose appointment is null.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Article 113
Sufficiently clear

Article 114
Sub-article (1)
Sufficiently clear

Sub-article (2)
Sufficiently clear

Sub-article (3)
The provision in this sub-article affirm that in case of the Board of Commissioners being guilty or negligent in perform their tasks thus

result in loss on the company because of management carried out by the Board of Executive Directors, the member of the Board of Commissioners mentioned partake of responsibility to a point his/her guilty and/or responsibility.

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Sub-article (6)
Sufficiently clear

Article 115
Sufficiently clear

Article 116

Letter a

Minutes of meeting of the Board of Commissioners contain everything that discussed and decided at the meeting.

The meaning of "its copy" is copy the minutes of meeting of the Board of Commissioners because the original minutes mentioned are maintained by the Board of Executive Directors as meant in Article 100.

Letter b

Every change in share ownership mentioned also obligate to be reported.

The meaning of "their families", look at elucidation on Article 50 sub-article (2).

Letter c

The report of the Board of Commissioners with regard to this matter is recorded in the special list as meant in Article 50 sub-article (2).

Article 117

Sub-article (1)

The meaning of "bestow approval" is giving approval in writing from the Board of Commissioners.

The meaning of "assistance" is action of the Board of Commissioners espousing to the Board of Executive Directors in perform the certain legal action.

The bestowing of approval or assistance by the Board of Commissioners to the Board of Executive Directors in perform the

certain legal action as meant in this sub-article does not constitute managerial action.

Sub-article (2)

The meaning of “legal action remain binding the company” is legal action taken without approval of the Board of Commissioners in accordance with the provisions of the Articles of Association remain binds the company except that the other party can be proven having not goodwill. The provision as meant in this sub-article can result in personal responsibility of members of the Board of Executive Directors in accordance with the provisions of this law.

Article 118

Sub-article (1)

This provision is intended to authorize the Board of Commissioners to manage the company in case of the Board of Executive Directors being absent.

The meaning of “certain condition” is, among other things, the conditions as meant in Article 99 sub-article (2) and Article 107 letter c.

Sub-article (2)

Sufficiently clear

Article 119

Sufficiently clear

Article 120

Sub-article (1)

Sufficiently clear

Sub-article (2)

Independent Commissioner contained in the code of good corporate governance is “commissioner from external party”.

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Article 121

Sub-article (1)

The meaning of “committee” is, among other things, audit committee, remuneration committee and nomination committee.

Sub-article (2)

Sufficiently clear

Article 122

Sufficiently clear

Article 123

Sub-article (1)

Sufficiently clear

Sub-article (2)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

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

Letter d

Draft amendment to the Articles of Association in this case is only required as part of recommendation if the merger mentioned causing changed to the Articles of Association.

Letter e

The meaning of "3 (three) last accounting book of the company" is as a whole covering 36 (thirty six) months.

Letter f

Sufficiently clear

Letter g

Sufficiently clear

Letter h

Sufficiently clear

Letter i

Sufficiently clear

Letter j

Sufficiently clear

Letter k

Sufficiently clear

Letter l

Sufficiently clear

Letter m

Sufficiently clear

Letter n

Sufficiently clear

Letter o

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

The meaning of "certain company" is companies having special business lines, among other things, bank and non-bank financial institution.

The meaning of "related institutions" is Bank Indonesia in the case of the merger of banking limited-liability company.

Sub-article (5)

Sufficiently clear

Article 124

Sufficiently clear

Article 125

Sub-article (1)

The acquisition as meant in this Article is not lessening the provision as meant in Article 7.

Sub-article (2)

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

The meaning of "parties that will be taking over" is company, other corporate body being not the company or individuals.

Sub-article (6)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

Sufficiently clear

Letter d

In the share conversion mechanism, the equitable price of shares from the taken over companies along with equitable price of the exchanger shares are stipulated to determine share exchange ration in the framework of share conversion.

Letter e

Sufficiently clear

Letter f

Sufficiently clear

Letter g

Sufficiently clear

Letter h

Sufficiently clear

Letter i

Sufficiently clear

Letter j

Sufficiently clear

Letter k

Sufficiently clear

Sub-article (7)

Takeover of shares of other companies directly from shareholders needs not be preceded by blocking in acquisition, but the process is performed directly through negotiation or agreement between the party that will be taking over and shareholders by observing the Articles of Association of the taken over company.

Sub-article (8)

Sufficiently clear

Article 126

Sub-article (1)

The provision affirms that Merger, Statutory merger, Acquisition or Separation unable implemented if to inflict a financial loss to the certain parties.

Furthermore, in Merger, Statutory merger, Acquisition or Separation also must be prevented of monopoly and monopsony in multifarious forms affecting a financial loss to the public.

Sub-article (2)

The shareholders who disagree with Merger, Statutory merger, Acquisition or Separation are entitled to request the company in order that purchase their shares in accordance with the equitable

price of shares of the company as meant in elucidation on Article 123 sub-article (2) letter c and Article 125 sub-article (6) letter d.

Sub-article (3)
Sufficiently clear

Article 127

Sub-article (1)
Sufficiently clear

Sub-article (2)
The announcement is intended to open opportunities for the parties concerned to ascertain the plan mentioned and submit objection if their interests are suffered from detriment.

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Sub-article (6)
Sufficiently clear

Sub-article (7)
Sufficiently clear

Sub-article (8)
Sufficiently clear

Article 128

Sufficiently clear

Article 129

Sufficiently clear

Article 130

Sufficiently clear

Article 131

Sufficiently clear

Article 132

Sufficiently clear

Article 133

The announcement is intended in order to inform the interesting third parties know that already executed of Merger, Statutory merger, or Acquisition.

In this case, the announcement obligates to be realized at the latest 30 (thirty) days counted since the date of:

- a. approval of the Minister with regards to the Articles of Association, in case of merger;
- b. notification is received by the Minister whether in case happen of amendment articles of association as meant in Article 21 sub-article (3) or not accompanied the amendment of articles of association; and
- c. legalization of the Minister on establishment deed of the company in case of Statutory merger.

Article 134

Sufficiently clear

Article 135

Sub-article (1)

Letter a

Sufficiently clear

Letter b

The meaning of "impure separation" is customary called spin off.

Sub-article (2)

The meaning of "transfer by law" is transfer on the basis of general title so that do not needed of transfer deed.

Sub-article (3)

Sufficiently clear

Article 136

Sufficiently clear

Article 137

Sufficiently clear

Article 138

Sub-article (1)

Before submitting application for audit of the company, the applicant has requested directly to the company concerning data or information their needed. In case of the company refuse or not fulfilling the request mentioned, this provision provides measures which can be used by the applicant.

Sub-article (3)

Sufficiently clear

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Sub-article (6)
Sufficiently clear

Article 139

Sub-article (1)
Sufficiently clear

Sub-article (2)
Sufficiently clear

Sub-article (3)
The meaning of "expert" is someone having expertise in the field which will be audited.

Sub-article (4)
Sufficiently clear

Sub-article (5)
The meaning of "all documents" is all books, records and letters related to activity of company.

Sub-article (6)
Sufficiently clear

Sub-article (7)
Sufficiently clear

Article 140

Sub-article (1)
Sufficiently clear

Sub-article (2)
Based on the result of audit in this sub-article, the applicant can to posture further against the company.

Article 141

Sub-article (1)
In stipulating the audit cost of auditor, the Chairman of District Court emphasizes it on the basis of expertise level of the auditor and capability limit of the company along with scope of the company.

Sub-article (2)

Sufficiently clear

Sub-article (3)

The imposition of compensation for the cost intended is stipulated by the court by observing audit result.

Article 142

Sub-article (1)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

Sufficiently clear

Letter d

Sufficiently clear

Letter e

Sufficiently clear

Letter f

The meaning of "it revoked of business licenses of the company, so compulsory to the company perform liquidation" is provision not enabling the company to effort business in other field after the business license is revoked, for example banking business license, insurance business license.

Sub-article (2)

Different from dissolution of the company as result the merger or statutory merger, which is do not needs followed by liquidation, dissolution of the company on the basis of the provision in this sub-article (1) must be always followed by liquidation.

Letter a

The meaning of "liquidation that performed by curator" is liquidation which executed specially in case of the company disperse based on the provision of sub-article (1) letter e.

Letter b

Sufficiently clear

Sub-article (3)

Sufficiently clear

Sub-article (4)

Sufficiently clear

Sub-article (5)

Sufficiently clear

Sub-article (6)

With appointment of liquidator, it does not mean that members of the Board of Executive Directors and Board of Commissioners are discharged unless otherwise RUPS discharge them.

The party authorized to perform of suspend and supervise the liquidator is the Board of Commissioners in accordance with the provisions in the Articles of Association.

Article 143

Sub-article (1)

Because of the company dispersed is remain recognized as corporate body, the company can be declared bankrupt and liquidator is furthermore replaced by curator.

The statement of bankruptcy is not altering the status of the company that already dispersed and therefore the company must be liquidated.

Sub-article (2)

Sufficiently clear

Article 144

Sufficiently clear

Article 145

Sufficiently clear

Article 146

Sub-article (1)

Letter a

Sufficiently clear

Letter b

Sufficiently clear

Letter c

The meaning of "reason that the company is impossible to continue" is, among other things:

- a. the company does not undertake business activity (non-active) for three years or more, proven by notification conveyed to the taxation institution;
- b. in case of a considerable part the shareholders having their addresses already unknowledgeable although they have been summoned through advertisement in newspaper thus RUPS cannot be implemented;

- c. in case of the counter balance of share ownership in the company being in such a manner, so the RUPS unable to make legitimate decision, for example two sides of shareholders respectively have 50% (fifty percent) of the shares; or
- d. the corporate assets have reduced in such a manner so the company is impossible with the existing corporate assets to continue its business activity.

Sub-article (2)
Sufficiently clear

Article 147

Sub-article (1)
Extrapolation the period of 30 (thirty) days are started since the date of:

- a. the dispersion by RUPS because the company is dispersed by RUPS; or
- b. the legally fixed court decision in case the company is dispersed based on the court stipulation.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Extrapolation the period of 60 (sixty) days are started since the date at the latest announcement of notification to creditors, for example, if the announcement in newspaper is on July 1, 2006, announcement in State Gazette of the Republic of Indonesia is on July 3, 2007, then the date at the latest of announcement is July 3, 2007.

Sub-article (4)
Sufficiently clear

Article 148
Sufficiently clear

Article 149

Sub-article (1)
Letter a
Sufficiently clear

Letter b
The meaning of "the plan for assets sharing resulting from the liquidation" is included the detail of amount of debt and plan it payment.

Letter c
Sufficiently clear

Letter d
Sufficiently clear

Letter e
The meaning of "other necessary action in implementation of settlement the assets" is among other things, to submit an application for bankruptcy because the corporate liabilities bigger than the corporate assets.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Article 150
Sufficiently clear

Article 151
Sufficiently clear

Article 152
Sub-article (1)
The meaning of "liquidator responsible" is that the liquidator must spare for the accountability report on implementation of liquidation.

Sub-article (2)
Sufficiently clear

Sub-article (3)
Sufficiently clear

Sub-article (4)
Sufficiently clear

Sub-article (5)
Sufficiently clear

Sub-article (6)
Sufficiently clear

Sub-article (7)
Sufficiently clear

Sub-article (8)
Sufficiently clear

Article 153

Sufficiently clear

Article 154

Sub-article (1)

In principle, the provisions in this law prevailing to companies that undertaking certain activities in the field of capital market, for example Listed Companies or stock exchange. However, considering that the activities of the company mentioned have different characteristic from the companies in general, it's necessary to open opportunity for special regulatory to the company mentioned.

The special regulatory intended, among other things in regard of capital remittance system, the matter related to repurchase of corporate share and voting right along with the implementation of RUPS.

Sub-article (2)

The meaning of "corporate law principles" is legal principles related to the nature of company and corporate organ.

Article 155

Sufficiently clear

Article 156

Sufficiently clear

Article 157

Sub-article (1)

Sufficiently clear

Sub-article (2)

Sufficiently clear

Sub-article (3)

The meaning of "company that already obtains the status of corporate body based on the legislation" is the company having status of corporate body established on the basis of Code of Commerce and Law Number 1 Year 1995 is regarding Limited Liability Company.

Sub-article (4)

Sufficiently clear

Article 158

Based on this provision, share ownership by other company mentioned must have been transferred to other parties not subject to the prohibition as meant in Article 36 in period of 1 (one) year since the enforcement of this law.

Article 159
Sufficiently clear

Article 160
Sufficiently clear

Article 161
Sufficiently clear

SUPPLEMENT TO STATUTE BOOK OF
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